

## ENVIRONMENTAL CONSIDERATIONS

**A**n assessment of the political, demographic, economic, and environmental forces shaping the University's existence and their implications for its future clearly begins with the legislative factors. As a state-supported institution, funding, accountability, and statutory mandates define the University's political landscape. The most prominent of these issues for the planning period are declining state appropriations, tuition deregulation, and new admission requirements for high school graduates beginning in 2008. Likewise, accountability -demonstrating effectiveness- is paramount in the University's ability to thrive during this planning cycle.

Since fiscal year 2000, state appropriations as a percent of the University's total operating budget have declined by 38%. In a move similar to actions in other states across the country in response to prevailing economic conditions, the Texas Legislature has continued to reduce funding for higher education institutions, a trend not likely to reverse in the near term. Although strong enrollment growth and supplemental OCR funding caused the University's total operating budget to increase during this period, for the University's long-term viability it is imperative that it be responsive to this shifting paradigm. Even more critical is the need to increase grants, contracts, and private giving to support programs and services.

As a direct consequence of reduced funding to higher education, the new trend is to shift more of these costs to the student. In the last session of the Texas Legislature, tuition deregulation was enacted for the first time. The research suggests that tuition deregulation will affect access and persistence for low-income and minority students the most inasmuch as financial aid has not kept pace with rising tuition costs. This development will be an important issue for the University to address, given the student population it traditionally serves and the fact that ability to pay is a significant factor for both access and retention. The ever-increasing calls for accountability from all stakeholders, the legislators, students, parents, alumni,



and accrediting bodies, require judicious planning, budgeting, management, and continuous assessment. Improving student outcomes is the University's highest priority. However, it is also incumbent upon the University to provide alternative measures of the "value-added" to students who enroll.

During the planning cycle, Texas Southern University's annual enrollment growth averaged 10%, which was higher than population projections and recent trends in enrollment across the state since 2002 that had showed an annual growth rate of 5.1%. The Texas Higher Education Coordinating Board forecasts over this planning cycle project an annual growth rate of 4.7% for all other universities across the state, but about 12% for TSU. The University itself built its enrollment projections at a 7% annual rate. In order to sustain the current momentum, the University must continuously monitor factors that influence enrollment trends such as unemployment, new legislation on high school graduates, and availability of sufficient financial aid. Further, it must seek to reflect more accurately the local demographics by enrolling more Hispanics, the fastest growing segment of the population.

