



Testimony

Interim Charge 2, Responses to Questions 4, 5, and 6 (RE: TRBs)

Texas House Higher Education Committee

by Thomas K. Lindsay, PhD

Chair Turner and Members of the Committee:

My name is Tom Lindsay, and I am a distinguished senior fellow of higher education and constitutional studies at the Texas Public Policy Foundation. I would like to thank you for the opportunity to provide information for Interim Charge #2.

Interim Charge 2 reads:

Evaluate current and future capital infrastructure needs at Texas public universities, health-related institutions, and Texas State Technical Colleges in preparation for potential legislation to be considered by the 87th Legislature. Identify and evaluate alternatives to tuition revenue bonds for the State's funding of higher education capital infrastructure needs, including options for addressing deferred maintenance needs at aging campuses. . .

. . . 4. Has the economic recession impacted borrowing costs for a potential Tuition Revenue Bond? Are there any anticipated changes to the costs of borrowing in the future, should conditions remain as they are?

5. Are there financial or other benefits to paying for TRBs with cash rather than borrowing money?

6. What kinds of longer-term impacts will we see to institutions if TRBs continue to be pushed off?

Response:

The Foundation has published [research](#) addressing this topic in detail. Our bottom-line conclusion is this: Questions #4, 5, and 6 are beside the point, because they come too late. Even before COVID-19, TRBs had become an idea whose time had passed, because the advent of online learning—which had increased rapidly in the decade before COVID-19—may have rendered unnecessary new campus construction in virtually all cases for at least the next 5 years.

Specifically, the House needs to study whether, in the years that transpire between legislative approval, contract bidding, excavation, and completion of the new classroom structure—roughly 3 to 4 years—there will be any students to occupy the envisioned halls.

A nationwide survey finds that two thirds of the higher education institutions testified that online education has become critical to their long-term education strategy. And this was before COVID-19. This was before virtually all students were compelled to become acclimated to online learning.

At the same time, Texas is growing rapidly in population. In the past, we would have expected that this would require new college construction, and thus new TRBs. But this expectation, to prove valid, needs first to face without blinking one unassailable fact: Today's students live and study more and more in their cyber-connected heads, not in bricks-and-mortar classrooms. University requests for new-building funds can no longer be treated on a business-as-usual basis.

If we ignore these trends, we will bear responsibility for shortly having to mothball buildings that prove only to be mausoleums to a model of education now deceased.

Thank you for the opportunity to offer this information. I look forward to future discussions.

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