I'm pleased to be here today to talk about the future of higher education.

It's a vital conversation to have, because higher education in Texas remains in flux, and we're definitely at a crossroads.

There are some who want to make sure things stay the same.

To an extent, I can understand the emotions behind that, since the Texas system is among the best in the world.

But today's highly-competitive, ever-evolving economy is demanding a workforce that's more extensively educated, and better prepared for the high-tech jobs of the present and future.

Technology is changing higher education the same way it's changing everything.

Think of a cell phone just over five years ago and you thought of a device you could use to call people.

Half a decade later, after Steve Jobs and the folks at Apple took a chance on an opportunity and went to work on the technology, your phone has become a powerful computer capable of reaching all parts of the world, snapping pictures and shooting video, sending Tweets and emails, and even processing credit card payments for your business.

Over the years, the technology has become more powerful, and more affordable, than ever before.

It's these types of innovations, this type of risk taking that has created some of the most thoughtful and life changing technologies of our time.

It's this type of approach I'm asking our institutions of higher learning to adopt, the type of approach that will get us where we need to go with higher education in Texas, and I'm proud to say we're on the right track.

MyEDU is an innovative tool already utilized by students at universities across our state that allows them to control multiple aspects of their academic career, from class selection, to degree planning, to locating a necessary course, even if it's only offered online or at a different, nearby institution.

Additionally, this fall, Western Governors University-Texas will graduate its first class since its creation last summer.

Launched last year, WGU-Texas enables students to advance at their own pace online, at their own time, and utilizes a competency-based approach that gives students credit for skills they've mastered, and the lessons they've already learned.
This cuts the time in school significantly while preserving both the quality and the value of the degree earned.

This is the same approach we took with our College Credit for Heroes program back in 2009, geared specifically toward veterans, that allows them to get college course credit for the experience, education and training they obtained during military service.

And it's an approach that I believe more Texans should be able to benefit from.

That is why I'm encouraging more of our higher education institutions to consider a competency-based model as they look for ways to increase their graduation rates and make tuition more affordable.

Through innovative programs and approaches like these, universities can meet their responsibility of educating the next generation of Texans without sacrificing an iota of the quality that's made our higher education system a beacon for researchers and students from around the world.

Just yesterday, I was in San Angelo as Angelo State became the latest university to announce a bachelor's degree program in Interdisciplinary Studies that will cost $10,000, one of the first to offer a full four-year degree on a single campus across a variety of disciplines.

Nearly two years ago, when I issued the challenge to universities to create such programs, there was no shortage of those who insisted it couldn't be done.

Yesterday's announcement made it 10 such programs, with more in development.

This can be done and, judging by recent indications, we'll need all the innovation and creativity we can muster to meet the growing demand for an affordable, quality education.

Recently, we got the welcome news that participation in the SATs has soared over the last five years, particularly among our state's minority populations. We saw a 65 percent increase among Hispanic students, and a 42 percent increase among African-Americans.

Those are incredible numbers, because if there's any statistic that measures hope, that's the one.

As many of the legislators here today can attest, the state has taken initiative in many ways to encourage these students to reach for their dreams.

However, beyond our efforts, there's a growing realization among today's students that they'll need more than a high school degree to compete for the jobs of the future.

So more and more young Texans of all backgrounds are thinking of college as a vital component of their personal success, and taking active steps to get themselves there.

As state officials, we have to do everything we can to remove the roadblocks and allow them to pursue that success.

That's why I'm calling for a four-year tuition freeze for incoming freshmen.

Not only will this give students and their families cost certainty heading into
their education...it also will provide a powerful incentive for them to finish their degree on time.

Currently less than 30 percent of students at Texas' four-year institutions graduate in four years, and only 58 percent have their degree in six. Clearly, the system can, and must, be improved.

That's why we also need to link a portion of each university's funding to student outcomes.

Under the existing formula, university funding is based primarily upon enrollment...but I'm calling for a portion of that funding - 10 percent -to be tied to how many of those students are actually receiving degrees.

Put simply, if you want as much funding as the next school, graduate your students. We're also going to make sure students have a clear picture of how much is at stake when it comes to graduating on time, by requiring universities to inform students how much they'll spend on their degree if they graduate in four years, and how much more it'll cost if it takes five or six.

Implementing these measures will meet the growing demand for higher education...in a way that provides encouragement for students to complete their degree in a timely fashion and with financial certainty. The average debt of Texas graduates is still lower than the national average, and these steps will help us keep it that way.