

# Environmental Scan

## Good to Great 2024



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POLITICAL

- HB 8 -- funding model allocates formula funding based on students outcome metrics in credentials of value, transfer to four-year universities and dual credit completion
- SB 17 -- prohibit diversity, equity and inclusion offices, programs and training on public college campuses; Became law on 6/17/2023, Effective 1/1/2024
- SB 18 – allows local boards and executive leadership to confer tenure or use contracts; defined tenure; all colleges must craft a tenure policy; determined a performance evaluation process and specifies dismissal standards. Became law on 6/17/2023, Effective 9/1/2023
- SB 412 -- protections for students enrolled in public institutions of higher education who are pregnant or are the parent or legal guardian of a child under 18 years of age. Requires each institution to adopt a policy for students on pregnancy and parenting discrimination. Became law on 5/19/2023, Effective 9/1/2023
- SB 4 -- regulates immigration and manages international borders; the U.S. Justice Department has filed a lawsuit against the State of Texas calling it unconstitutional
- The new FAFSA has been difficult for students and families this year, which poses challenges for students hoping to access aid.
- Upcoming national and local elections

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ECONOMIC

- San Antonio payrolls increased an annualized 2.4 percent from October to November 2023 (2,329 jobs).
  - Construction sector(16.7 percent, or 852 jobs), followed by education and health services (11.1 percent, or 1,580 jobs).
  - Sectors that experienced the largest declines were financial activities (-4.8 percent, or -407 jobs), trade, transportation, and utilities (-3.1% percent, or -551 jobs), and leisure and hospitality.
- The three-month moving average of wages in San Antonio was \$28.52, below both the state average of \$32 and the national average of \$34.
- The rate of inflation exceeded the growth of wages for the first time in April 2021. In February 2024, inflation amounted to 3.2 percent, while wages grew by five percent.
- The San Antonio unemployment rate decrease to 3.6 percent in November. The metro's unemployment rate was lower than the U.S. rate of 3.7 percent and the state's 4.1 percent.
- Texas Politics Poll from UT-Austin (December 2023) noted that 49% of Texans surveyed said the economy is worse compared to last year, although only 36% say the Texas economy is worse off. The economy was the most important problem facing the country (16% inflation and 12% economy).
- In February 2023, rental prices increased in both San Antonio and Texas after declining in the fourth quarter of last year. Average rents rose an annualized 3.6 percent from the prior month in San Antonio and 4.7 percent in the state. Year-over-year rents in San Antonio increased 4.2 percent, down notably from the double-digit growth in 2022.
- The "big three" price index—aggregating three of the largest and least-volatile components of core services: rent, owners' equivalent rent (OER) and the price of dining out—rose at an 8.7 percent annualized rate in February, compared with an annualized 8.4 percent in January. Individually, the annualized increases were 9.5 percent for rent, 8.7 percent for OER and 8.1 percent for dining out (more formally, "other purchased meals").

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SOCIAL

- UT-Austin's Texas Politics Project poll indicated that since December 2023, 49% of Texans believe the state is on the wrong track; 34% think immigration/border security should be the Legislature's focus. 10% said inflation and rising prices, and 10% said political corruption/leadership.
- Growing numbers of "Disconnected (or Opportunity) Youth": 2.5% of 16-24-year-olds in the United States are either not in school or jobless; In San Antonio 9 zip codes had higher than 15%, 5 zip codes are on the East Side or Southeast side (2021).
- The "Enrollment Cliff" of 2026 has been revised to be the Enrollment Cliff of 2025, with college enrollment projections to drop 15% or more. However, San Antonio is expected to have an 11% GROWTH by 2029 due to immigration.
- Trend in enrollment at public two-year colleges being offset by a rise in the number of dual credit students.
- 36% of the public has confidence in higher education; Chronicle of Higher Education (2023)
- Major competitors for higher education are student poverty, family needs/expectations, the military, and the workforce.
- Mounting tensions regarding the emergence of free speech into harassment or hate speech.

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TECHNOLOGICAL

- Artificial Intelligence (AI) and products like ChatGPT have had an immediate yet divisive effect on higher education.
- Ferris State University has enrolled AI into college classes so the university can see what AI is like in online classrooms and seeing what a typical student experience is like.
- Big Data being leveraged through data analytics programs to close the gap between immediate needs and future opportunities as well as for performance tracking. The more colleges that take part in Big Data projects like the Postsecondary Data Partnership (PDP) with IPEDS data, the more accurate comparisons can happen.
- College cybersecurity challenges will require continual culture changes beyond multi-factor authentication as the Cyber Incident Reporting for Critical Infrastructure Act (CIRCA) becomes connected for compliance with Dept of Defense grants and funding.
- Colleges across the nation are transforming and redesigning student information systems, cloud-based platforms, and software to respond to shifting technological landscapes.
- 68% of higher education leaders say there is a gap between where their digital strategy is and where it should be to be competitive; Closing the Acceleration Gap survey (2022).
- Hybrid teaching has become a key part of classroom planning include HyFlex and digital platforms.

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LEGAL

- Artificial Intelligence/ChatGPT will require new review of academic misconduct policies, policies about use of facial recognition technology, and online proctoring policies for students who are neurodivergent, transgender, or have various health conditions that may conflict online proctoring systems.
- HB 8 was recently enacted – Established new performance funding model for public junior colleges; Became law on 6/9/2023, Effective 9/1/2023 or immediately.
- Supreme court struck down the Student Loan Forgiveness Plan and students have gone back into repayment.
- DACA was deemed unlawful by a federal judge in the Southern District of Texas on September 13, 2023, DACA applications have been halted and cannot be processed.
- Title IX scope and rules are under proposed rulemaking from the Dept of Ed; the notice of proposed rulemaking indicates several significant changes to Title IX to roll-back the 2020 rules: restoring the standard for when sex discrimination is triggered, clarifying Title IX coverage for conduct that occurs off-campus, and returning to a single-investigator model for Title IX reviews, and clarifying whether transgender athletes can participate in men's or women's collegiate sports.
- There are state laws changing the legal landscape in the following areas in higher education across the nation: accreditation, free speech protections and limitation, legacy admission bans, regulating AI, LGBTQ restrictions, funding models and DEI. Some of these laws have affected Texas this past year (SB 17, HB8).