Macrothink Institute™

Journal of Studies in Education
ISSN 2162-6952
2025, Vol. 15, No. 1

University of Texas and Texas A&M University: A Comparison of Systems

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Received: Dec. 10, 2024 Accepted: Jan. 10, 2025 Published: February 1, 2025

doi:10.5296/jse.v15i1.22526 URL: https://doi.org/10.5296/jse.v15i1.22526

Abstract

In the United States, many states coordinate groups of their respective universities via a system level of governance that attends to the curricular needs of the citizenry by establishing and supporting institutions dispersed throughout the state. Such support is not only related to administrative functions (e.g., approval of academic programming, chief executives, faculty appointments, and construction) but also financial in terms of institutional funding. As the latter is dependent upon the availability of system level funds, system endowments greatly influence institutional appropriations and, thus, the operation of member institutions. The purpose of this article was to compare average, macrolevel performance measures—some of which were related to expenditures—between the institutions that represent the two most highly endowed systems in the United States and are, interestingly, located in the same state: the University of Texas and Texas A&M University systems. As they attend to the needs of ostensibly similar citizens, differences in spending and performance provide macrolevel topics for future discussion.

Keywords: U.S. state systems of higher education, public U.S. university support, finance of higher education

1. Introduction

Over the recent several decades, the topic of public value has increased in interest from both administrative and managerial perspectives (cf. Van der Wal et al., 2013). More recently, Salemans and Budding (2023) have focused the public value discussion on the higher education landscape and how such value can be created via accounting and control processes. Salemans and Budding discussed public value consistent with Benington (2013) as "what the public values and what adds value to the public sphere" (as cited in Salemans & Budding, 2023, Section 2.1, para. 1).

Historically, the U.S. public has valued higher education. In fact, the first college (Harvard founded in 1636; Rudolph, 1990) was created in the United States before the first preparatory school (Brubacher & Rudy, 1997). Although negative sentiments have recently emerged in the United States regarding higher education (Brenan, 2023), nevertheless there is a great deal of instrumental benefit to all U.S. citizens regardless of their education level thereby supporting higher education's widespread value (Ponton, 2024).

For fiscal year 2023, the two most highly endowed university systems in the United States were the University of Texas (UT) system (~$45B U.S dollars) and the Texas A&M University (TAMU) system (~$19B U.S. dollars; National Association of College and University Business Officers, 2023). The UT system (2024) coordinates the following nine academic institutions:

- The University of Texas-Arlington
- The University of Texas-Austin (flagship campus)
- The University of Texas-Dallas
- The University of Texas-El Paso
- The University of Texas-Permian Basin
- The University of Texas-Rio Grande Valley
- The University of Texas-San Antonio
- The University of Texas-Tyler
- Stephen F. Austin University

The TAMU system (2024) coordinates the following 11 academic institutions:

- East Texas A&M University (formerly Texas A&M University-Commerce; renamed in November 2024)
- Prairie View A&M University
- Tarleton State University
- Texas A&M International University
- Texas A&M University-Central Texas
- Texas A&M University-College Station (flagship campus)
- Texas A&M University-Corpus Christi
- Texas A&M University-Kingsville
- Texas A&M University-San Antonio
- Texas A&M University-Texarkana

- West Texas A&M University

Note that the flagship campuses for each system are highly reputed internationally with 2025 world rankings of 50 for the University of Texas-Austin and 143 for Texas A&M University-College Station (Times Higher Education, n.d.).

Manes-Rossi et al. (2022) wrote the following:

> Micro-level, governance bodies have to consider how to pursue institutional goals, to be made accountable through a suite of indicators, without creating conflicts with individual goals both at managerial and academic levels, safeguarding the interest of students as the ultimate recipients of universities' services. … [P]erformance measures should not be adopted to support ranking activities and determine who (or what) is the best and who (or what) is the worst, but rather should support improvements by those organizations and actors that strive for better performance. (Section 4, para. 2)

Thus, the intent of this study was not to argue which system is better or worse but rather merely characterize the two systems' differences using macrolevel performance measures (e.g., administrative, instructional, and student services costs per student; tuition; graduation rate). Any revealed differences are of interest because both systems serve similar missions and citizens. Such differences may be of interest to both prospective students as well as policy makers; thus, the macrolevel comparison presented contributes to the body of knowledge regarding not only system level comparisons particularly within individual U.S. states but also how such comparisons are facilitated via the American Council of Trustees and Alumni (ACTA) platform.

Note that spending which supports cost categories is not solely attributed to what the system provides respective institutions but rather represents how the collections of institutions represented by the two systems spend on average. The cost burden is shared by both institutional and system revenues with no assumption that such sharing is equally or similarly proportioned across cost categories or system institutions.

2. Method

The ACTA (n.d.-a) prepared a website titled "How Colleges Spend Money" that allows not only comparisons between individual U.S. institutions but also groups of institutions created by the user. The data used for these comparisons are from the U.S. Department of Education's Integrated Postsecondary Education Data System (ACTA, n.d.-h). Although the dominant portion of the comparisons presented represents averages for all institutions represented by the UT and TAMU systems, some institutions may not have provided data for isolated measures and years; however, in general, most if not all institutions are represented in the findings. In addition, due to changes in the U.S. reporting requirements (cf. ACTA, n.d.-e), data for years 2016 and beyond should not be compared to data for previous years; thus, the focus for this study will be identifying differences between the UT and TAMU systems from 2016 to 2023.

Seven comparison categories are offered by ACTA:

- administrative cost per student (i.e., "day-to-day operational support of the institution," ACTA, n.d.-e, para. 1),
- instructional cost per student (i.e., "'instruction' or 'academic support' expenses," ACTA, n.d.-f, para. 1),
- student services cost per student (i.e., services that "contribute to students emotional and physical well-being … outside the context of the formal instructional program," ACTA, n.d.-g, para. 1),
- administrative/instructional cost ratio,
- inflation adjusted tuition (i.e., "in-state tuition … for public institutions," ACTA, n.d.-d, para. 1),
- tuition as a percentage of state median household income (note that "percentages are based on inflation-adjusted tuition and fees" as the median income data are reported by the U.S. Census Bureau in this manner, ACTA, n.d.-c, para. 1), and
- graduation rate (i.e., "institutions report graduation rates by incoming fall cohort [i.e., the first-time, full-time freshmen who enroll in a given year]," ACTA, n.d.-b, para. 1).

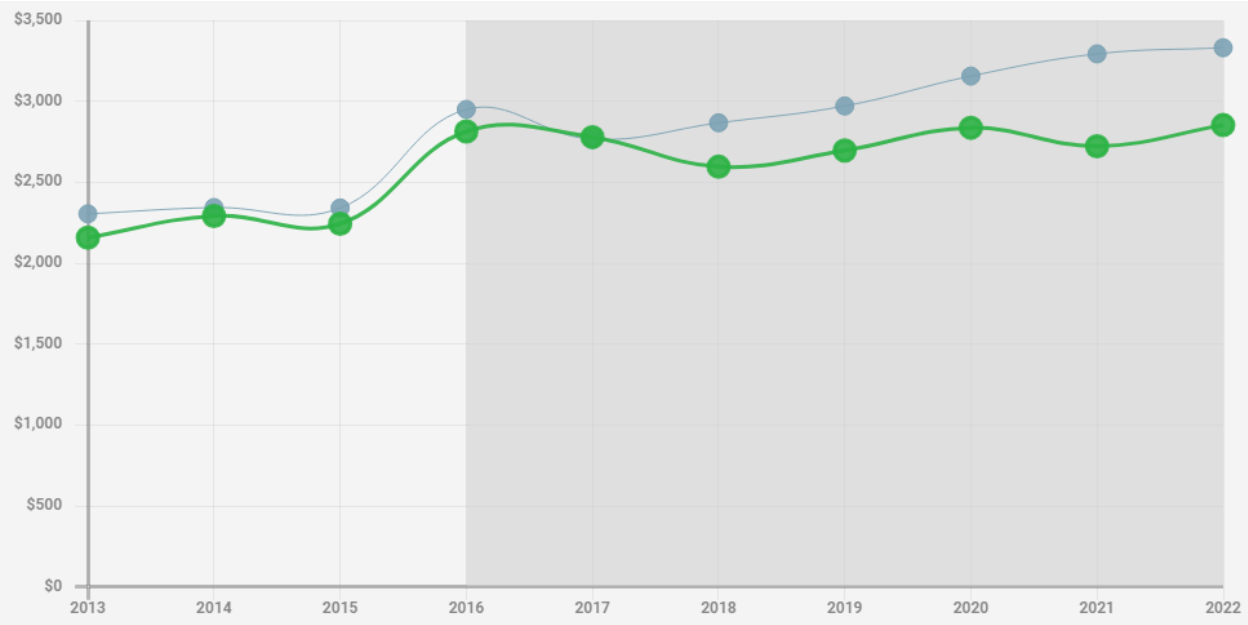
Note that all figures presented were created using the ACTA (n.d.-d) comparison builder platform.

3. Findings

The findings support the following general conclusions:

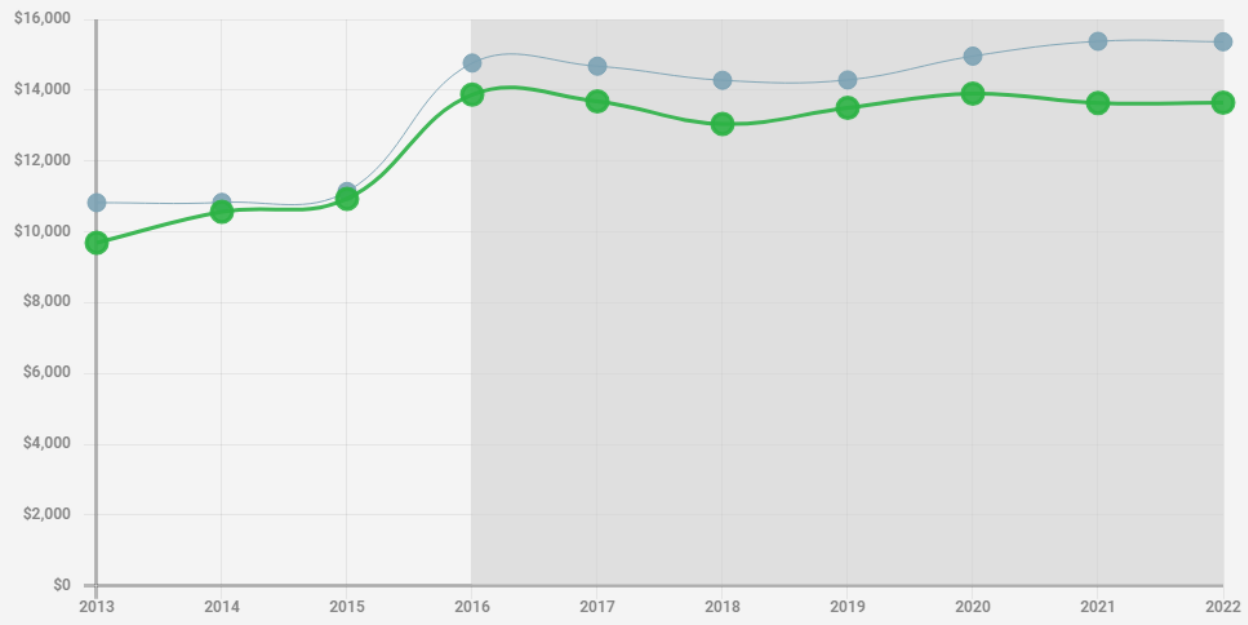
- The UT system has higher administrative cost per student than the TAMU system (see Figure 1).
- The UT system has higher instructional cost per student than the TAMU system (see Figure 2).
- The TAMU system has higher student services cost per student than the UT system (see Figure 3).
- The UT system has a higher administrative/instructional cost ratio than the TAMU system (see Figure 4).
- The UT system has a higher inflated adjusted tuition than the TAMU system (see Figure 5).
- The UT system has higher tuition as a percentage of state median household income than the TAMU system (see Figure 6).
- The UT system has a higher 4-year graduation rate for students pursuing bachelor's degrees than the TAMU system (see Figure 7).

Figure 1. Administrative Cost Per Student: UT System (Light Blue) Versus TAMU System (Green)



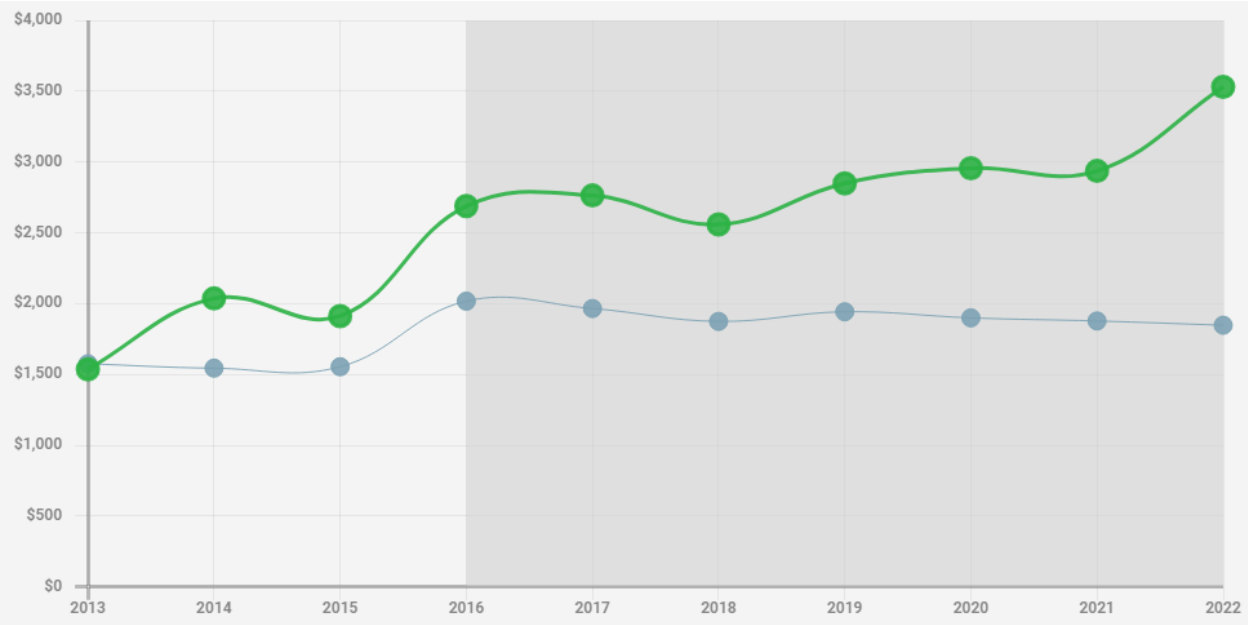
Note. 2022 U.S. dollars. For 2016, UT System $2,950 and TAMU System $2,814; for 2022, UT System $3,331 and TAMU System $2,853.

Figure 2. Instructional Cost Per Student: UT System (Light Blue) Versus TAMU System (Green)



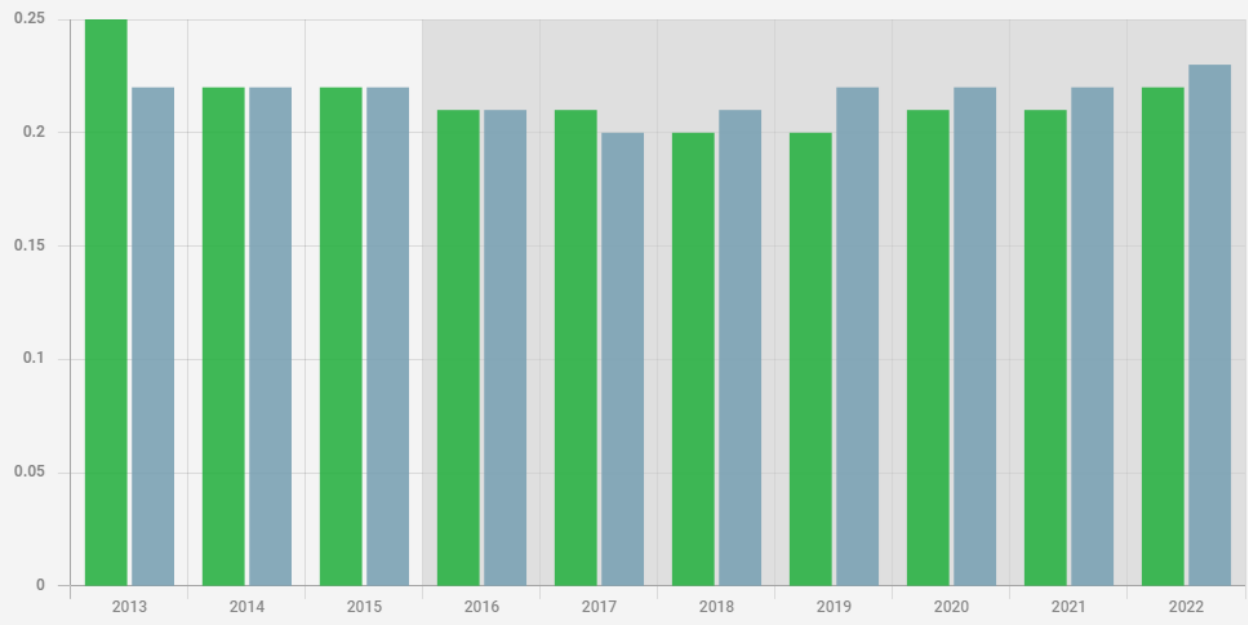
Note. 2022 U.S. dollars. For 2016, UT System $14,766 and TAMU System $13,875; for 2022, UT System $15,367 and TAMU System $13,646.

Figure 3. Student Services Cost Per Student: UT System (Light Blue) Versus TAMU System (Green)



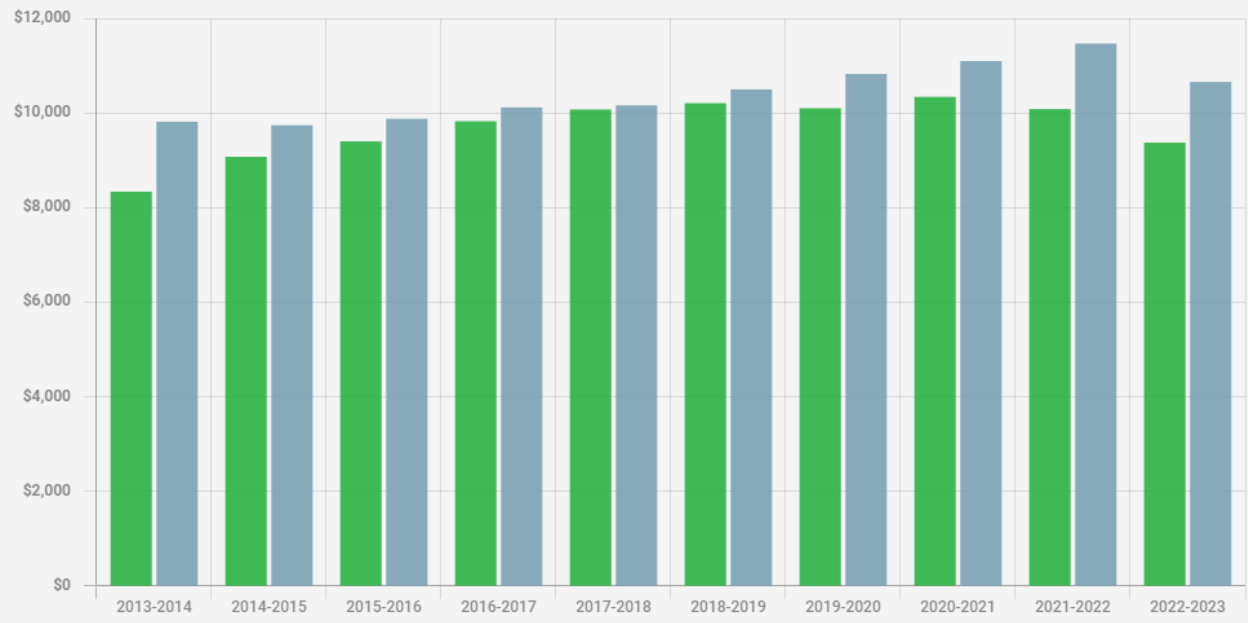
Note. 2022 U.S. dollars. For 2016, UT System $2,018 and TAMU System $2,689; for 2022, UT System $1,848 and TAMU System $3,530.

Figure 4. Administrative/Instructional Cost Ratio: UT System (Light Blue) Versus TAMU System (Green)



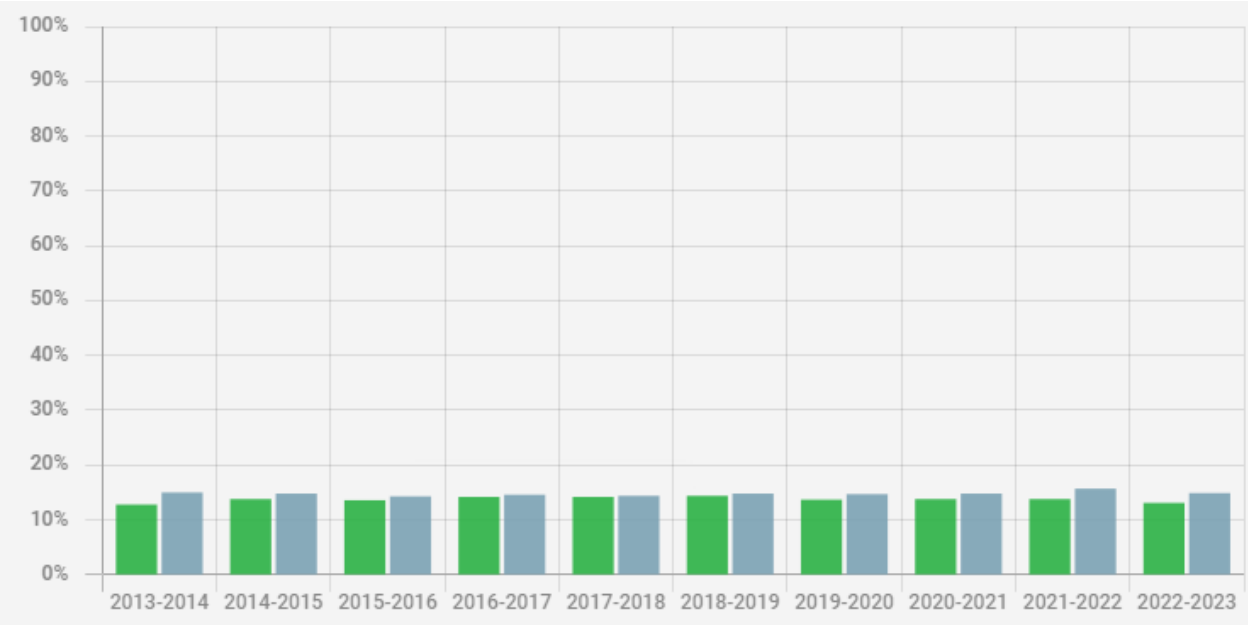
Note. For 2016, UT System 0.21 and TAMU System 0.21; for 2022, UT System 0.23 and TAMU System 0.22.

Figure 5. Inflation Adjusted Tuition: UT System (Light Blue) Versus TAMU System (Green)



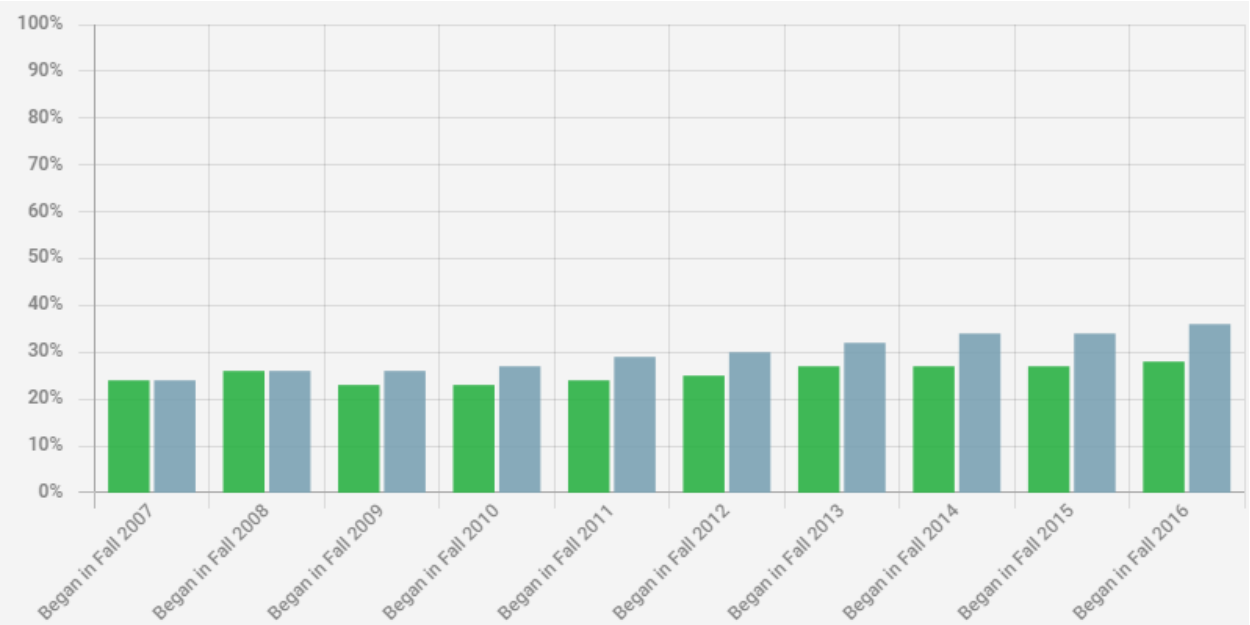
Note. For 2016-2017, UT System $10,118 and TAMU System $9,825; for 2022-2023, UT System $10,656 and TAMU System $9,373.

Figure 6. Tuition as a Percentage of State Median Household Income: UT System (Light Blue) Versus TAMU System (Green)



Note. For 2016-2017, UT System 14.6% and TAMU System 14.2%; for 2022-2023, UT System 14.9% and TAMU System 13.1%.

Figure 7. 4-Year Graduation Rate for Students Pursuing Bachelor's Degrees: UT System (Light Blue) Versus TAMU System (Green)



Note. Began in Fall 2010, UT System 27% and TAMU System 23%; began in Fall 2016, UT System 36% and TAMU System 28%.

Table 1 presents a comparison between the UT and TAMU systems versus national public 4-year institutions. Compared to national public institutions, the UT system is higher with respect to instructional cost per student, inflation adjusted tuition, tuition as a percentage of state median household income, and 4-year graduation rate (highlighted in green) and is lower with respect to administrative cost per student, student services cost per student, and administrative/instructional ratio. Compared to national public institutions, the TAMU system is higher with respect to student services cost per student (highlighted in green) and is lower on the remaining six measures. Both systems are lower than national public institutions with respect to administrative cost per student and administrative/instructional cost ratio.

Table 1. Comparison Between UT System, TAMU System, and National Public 4-Year Institutions

	UT System	TAMU System	National Public
Administrative Cost Per Student[1]	$3,331	$2,853	$4,100
Instructional Cost Per Student[1]	$15,367	$13,646	$14,603
Student Services Cost Per Student[1]	$1,848	$3,530	$2,865
Administrative/Instructional Cost Ratio[1]	0.23	0.22	0.30
Inflation Adjusted Tuition[2]	$10,656	$9,373	$10,095
Tuition as a Percentage of State Median Household Income[2]	14.9%	13.1%	14.1%
4-Year Graduation Rate for Students Pursuing Bachelor's Degrees[3]	36%	28%	35%

Note. [1]2022; [2]2022-2023; [3]Began in Fall 2016. System amounts that exceed national amounts are highlighted in green. Source: https://www.howcollegesspendmoney.com

4. Discussion

Compared to the TAMU system, the UT system has higher administrative cost per student in both absolute terms (dollars) and as a ratio to instructional cost, higher instructional cost per student, higher tuition, and a higher graduation rate. Compared to the UT system, the TAMU system has a higher student services cost per student. Compared to national public universities, the UT system has a higher instructional cost per student, higher tuition, and a higher graduation rate whereas the TAMU system has a higher student services cost per student.

A picture emerges from the two-system comparisons: the UT system places greater priority on funding administrative and instructional services while charging higher tuition fees whereas the TAMU system places a greater priority on funding student services while

charging lower tuition fees. In addition, the UT system 4-year graduation rate (36%) is quite a bit greater than the TAMU system (28%). Note that there may be many reasons why these financial differences exist (e.g., the metropolitan areas of UT vs. TAMU campuses that can cause disparities in the cost of living and, thus, university wages); however, the limited findings do not support causal inferences.

5. Limitations

Reported differences were determined using descriptive statistics; thus, no analyses were performed to determine statistical significance. In addition, the findings do not suggest reasons for why system differences exist.

6. Conclusion

Though both the UT and TAMU systems are highly endowed and support the higher education mission of the same U.S. state's citizenry, their profiles on the seven key measures provided by ACTA (n.d.-a) indicate differences. Such differences are useful to prospective students who may decide to target a given system due to its comparative priority (e.g., the TAMU system and its greater priority on student services or the UT system and its greater priority on instructional cost that arguably may attract more highly reputed academics) and policy makers who are interested in understanding system level differences and further investigating cause and effect relationships. Of course a prospective student is encouraged to use the ACTA website to make intrainstitution comparisons as there can be differences between institutions in a given system. Fortunately for the prospective student, comparisons such as those facilitated by the ACTA and the U.S. Department of Education (n.d.) are readily available to make informed choices.

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