



LEGISLATIVE BUDGET BOARD

Texas Public Higher Education

Overview of State Appropriations Related to System or Campus Expansion

**PRESENTED TO SENATE HIGHER EDUCATION COMMITTEE
LEGISLATIVE BUDGET BOARD STAFF**

MARCH 2018

Interim Charge

Related to Senate Committee on Higher Education Interim Charge:

System/Campus Expansion: Consider what role the state should have in overseeing the approval and development of new higher education locations into geographical areas already served by existing institutions. Develop a long-term statewide strategy for authorizing new locations and programs which includes a plan to ensure adequate support for expansion. Explore where there are underserved areas of the state and what type of programs would best serve the population to fill regional workforce needs.

Overview of Presentation

- Overview of Types of Higher Education Funding Available for Expansion
- Overview of Different Types of Non-Formula Support Items Used for Expansion
- Examples of Recent State Appropriations Related to Expansion

Funding to Support Expansion

- Formula Funding
 - Provides ongoing support to institutions after the establishment of the program or campus due to the timing of formula funding.
 - Instruction and Operations Formula funding is calculated using data from a base period. The 2018-19 allocation was based on data from Summer and Fall of 2016 and Spring of 2017.

Funding Methods Available for Expansion

Appropriated

- Non-Formula Support Item Funding (Formerly Special Item Funding)
- Available University Fund (AUF) Funding
- Higher Education Fund (HEF) Funding

Non-appropriated

- Philanthropic Gifts
- Other Revenue and Institutional Funds

Types of Non-Formula Support Item Funding

- **Transition Funding** – Appropriations that provide operational support as an institution becomes a stand-alone, self-sustaining institution
- **Downward Expansion Funding** – Appropriations that provide support to an institution as it adds lower division classes to its already existing upper division/graduate classes.
- **Startup Funding for New Programs or Campuses** – Appropriations that provide support to an institution as it adds a new program or remote campus.

Transition Funding

Institution	2012-13	2014-15	2016-17	2018-19	Total
Texas A&M University – Central Texas	\$11.4	\$11.4	\$11.4	\$7.7	\$42.0
Texas A&M University – San Antonio	\$11.6	\$11.6	\$11.6	\$8.1	\$42.8
University of North Texas at Dallas	\$11.8	\$11.8	\$11.8	\$7.9	\$43.3

Notes:

- Amounts are General Revenue and are in millions.
- Prior to the 2012-13 biennium, Texas A&M University-Central Texas was a special item named Central Texas Center funded at Tarleton State University.
- Prior to the 2012-13 biennium, Texas A&M University-San Antonio was a special item named System Center San Antonio funded at Texas A&M University-Kingsville.
- Prior to the 2012-13 biennium, the UNT System Center at Dallas was a special item funded at UNT and UNT System.

Downward Expansion Funding

Institution	2010-11	2012-13	2014-15	2016-17	2018-19	Total
Texas A&M University – San Antonio	NA	NA	NA	\$11.0	\$6.6	\$17.6
Texas A&M University – Texarkana	\$0.2	\$4.2	\$4.3	\$4.3	\$2.5	\$15.6
University of Houston – Clear Lake	NA	NA	NA	\$6.5	\$4.3	\$10.8
University of Houston – Victoria	NA	\$4.2	\$4.2	\$4.2	\$2.7	\$15.3

Notes:

- Amounts are General Revenue and are in millions.
- Texas A&M University – Texarkana’s funding was named Lower-Division Transition Funding in 2010-11.

Funding for New Programs

Institution/Program	2010-11	2012-13	2014-15	2016-17	2018-19	Total
The University of Texas at El Paso Pharmacy Extension	NA	NA	NA	\$7.0	\$4.7	\$11.7
University of Houston College of Pharmacy	NA	NA	\$4.0	-	\$10.0	\$14.0
Texas Tech University Veterinary Medicine	NA	NA	NA	NA	\$4.2	\$4.2

Note: Amounts are General Revenue and are in millions.

Funding for New Campuses

Institution	2000-01	2002-03	2004-05	2006-07	2008-09
The University of Texas at Tyler Palestine Campus	\$1.2	\$2.7	\$2.3	\$2.2	\$2.2
TSTC – Ft. Bend	NA	NA	NA	NA	NA
TSTC – North Texas	NA	NA	NA	NA	NA

Institution	2010-11	2012-13	2014-15	2016-17	2018-19	Total
The University of Texas at Tyler Palestine Campus	\$2.2	\$1.0	\$1.0	\$1.0	\$0.4	\$16.2
TSTC – Ft. Bend	NA	NA	NA	\$9.0	\$6.6	\$15.6
TSTC – North Texas	NA	NA	\$4.5	\$6.0	\$4.2	\$14.7

Notes:

- Amounts are General Revenue and are in millions.
- The Palestine Campus item was named 4-Year Start Up from 2000-01 to 2012-13.
- TSTC-Ft. Bend and TSTC-North Texas were special items funded at TSTC System in 2014-15 and 2016-17.

Establishment of Medical Schools

- The University of Texas Rio Grande Valley (UTRGV)
 - School of Medicine
 - Established by Senate Bill 24, Eighty-third Legislature, 2013, as part of the new General Academic Institution.
 - UT Board of Regents approved \$100 million to fund start-up costs. UT Board of Regents has thus far approved \$50 million of Permanent University Fund bond proceeds.
 - Received \$61.4 million in Special Item Funding in 2016-17.
 - Received \$11.6 million in Formula Funding in 2018-19.
 - Received \$42.0 million in Non-Formula Support Item Funding in 2018-19.

Establishment of Medical Schools

- The University of Texas (UT) at Austin
 - Dell Medical School (DMS)
 - UT Board of Regents committed \$25 million per year or 3 percent of the Available University Fund (AUF) distribution, whichever is greater, to support DMS. The Board also recently allocated an additional \$50.0 million in AUF for support of a neurosciences program at DMS, \$40.0 million of which was previously allocated to UT Austin's Extended Campus Program.
 - Received a \$50.0 million gift from the Dell Foundation in January 2013.
 - Central Health has guaranteed a \$35.0 million annual payment to the DMS from local tax revenue.
 - Received \$12.0 million in Formula Funding in 2018-19.

Establishment of Medical Schools

- Texas Tech University Health Sciences Center (TTUHSC) at El Paso
 - Paul L. Foster School of Medicine
 - Was previously a special item funded at Texas Tech University Health Sciences Center named El Paso-Medical from 2002-03 to 2008-09. From 2010-11 to 2014-15, this special item was named Paul L. Foster School of Medicine.
 - TTUHSC at El Paso was established by Senate Bill 120, Eighty-third Legislature, Regular Session, 2013. It started receiving appropriations in its own bill pattern in 2016-17, with the Paul L. Foster School of Medicine receiving \$56.1 million in special item funding.
 - Received \$50 million in Non-Formula Support funding in 2018-19.

Community Colleges' New Campus Funding

- Funding appropriated to Texas Higher Education Coordinating Board (THECB) for new campus funding for community colleges.
 - Seventy-ninth Legislative Session
 - THECB appropriated \$3.6 million in 2006-07 for new community college campuses allocated through three riders.
 - Eighty-first Legislative Session
 - THECB appropriated \$3.5 million in 2010-11 for new campus funding for community colleges.



LEGISLATIVE BUDGET BOARD

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