

Section 1

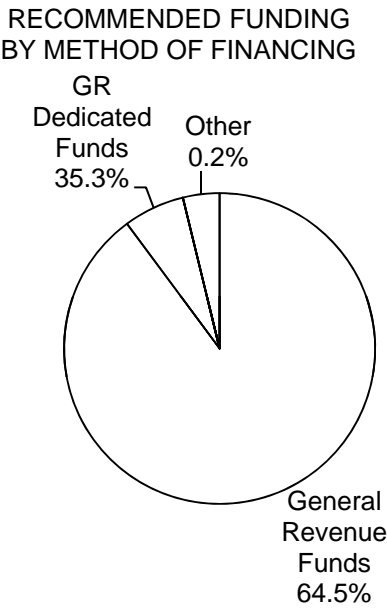
Health Related Institutions
Summary of Recommendations - Senate

Page III-158

Emily Hoffman, LBB Analyst

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$2,532,710,980	\$2,590,195,265	\$57,484,285	2.3%
GR Dedicated Funds	\$188,384,224	\$183,485,942	(\$4,898,282)	(2.6%)
Total GR-Related Funds	\$2,721,095,204	\$2,773,681,207	\$52,586,003	1.9%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$136,837,455	\$109,444,735	(\$27,392,720)	(20.0%)
All Funds	\$2,857,932,659	\$2,883,125,942	\$25,193,283	0.9%

	FY 2015 Budgeted	FY 2017 Recommended	Biennial Change	% Change
FTEs	12,868.9	12,484.1	(384.8)	(3.0%)



Section 2

Health Related Institutions
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

	2014-15 Base	2016-17 Recommended	Difference	% Change
General Revenue Funds	\$2,532,710,980	\$2,590,195,265	\$57,484,285	2.3%

Strategy/Goal	2016-17 Recommended	Comments
Formula General Revenue	\$1,737,675,921	The recommended formula General Revenue total is an increase of \$57.7 million from the 2014-15 base. Formula fiscal and policy issues are detailed in Section 3.
Instruction and Operations	\$1,059,406,581	Recommendations include an increase of \$39.9 million in General Revenue to maintain the Instruction and Operations rate from the 2014-15 biennium.
Infrastructure Support	\$235,372,671	Recommendations include a decrease of \$0.6 million to maintain the Infrastructure Support rate from the 2014-15 biennium.
Research	\$71,700,110	Recommendations include an increase of \$3.0 million to maintain the Research Enhancement rate from the 2014-15 biennium.
Graduate Medical Education	\$57,447,000	Recommendations include an increase of \$3.7 million to maintain the Graduate Medical Education rate from the 2014-15 biennium.

Section 2

Health Related Institutions
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2016-17 Recommended	Comments
<i>Cancer Center Operations</i>	\$257,089,043	Recommendations include an increase of \$9.6 million to fund the Cancer Center Operations formula at the average growth in General Revenue funding for the Instruction and Operations formula in the 2016-17 biennium.
<i>Chest Disease Center Operations</i>	\$56,660,516	Recommendations include an increase of \$2.1 million to fund the Chest Disease Center Operations formula at the average growth in General Revenue funding for the Instruction and Operations formula in the 2016-17 biennium.
Non-Formula General Revenue	\$852,519,344	<p>The recommended non-formula General Revenue total is a decrease of \$0.2 million from the 2014-15 base amounts.</p> <p>Non-formula fiscal and policy issues are detailed in Section 3.</p>
<i>Special Items</i>	\$372,934,896	Recommendations provide funding at the 2014-15 appropriated amounts, including General Revenue Fund Appropriations of \$10.0 million that were reallocated from The University of Texas Health Science Center at San Antonio to The University of Texas Rio Grande Valley to support the establishment of a School of Medicine at the institution. Funding appropriated to The University of Texas Rio Grande Valley for the School of Medicine is included for the totals for the health related institutions, while the remainder of funding for the institution is included with the general academic institutions.
<i>Tuition Revenue Bond Debt Service</i>	\$168,432,346	Recommendations fund tuition revenue bond debt service at requested amounts for existing projects. Tuition revenue bond debt service is a decrease of \$0.2 million from the 2014-15 base amount. See Section 3H for expended/budgeted 2014-15 amounts and requested 2016-17 amounts by each institution.

Section 2

Health Related Institutions
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2016-17 Recommended	Comments
<i>Hospital/Dental Clinic Operations</i>	\$299,609,990	Recommendations provide funding at the 2014-15 appropriated amounts.
<i>Unemployment Insurance and Workers' Compensation Insurance</i>	\$3,597,736	Recommendations provide funding at the 2014-15 appropriated amounts.
<i>Facilities Operations</i>	\$7,944,376	Recommendations include funding for debt service at the Texas A&M University Health Science Center Round Rock facility and a facility lease for the University of North Texas Health Science Center at 2014-15 base amounts.

Section 2

Health Related Institutions
Summary of Recommendations - Senate, By Method of Finance -- GR DEDICATED

	2014-15 Base	2016-17 Recommended	Difference	% Change	General Comments on General Revenue-Dedicated Funding. During the 2014-15 biennium, General Revenue-Dedicated appropriations, composed primarily of statutory tuition, totaled \$157.3 million. Appropriated tuition amounts are estimated. The 2014-15 base General Revenue-Dedicated amounts reflect actual tuition collections by the institutions. Institutions collected \$188.4 million in statutory tuition for the 2014-15 biennium, an increase of \$31.1 million over the 2014-15 appropriated levels. Recommended General Revenue-Dedicated Funds for the 2016-17 biennium total \$183.5 million, an increase of \$26.2 million over 2014-15 appropriated levels. Listed below are the General Revenue-Dedicated funding changes for recommended 2016-17 amounts from 2014-15 appropriated levels.
General Revenue Dedicated Funds	\$188,384,224	\$183,485,942	(\$4,898,282)	(2.6%)	

Strategy/Goal	2016-17 Recommended	Comments
Formula General Revenue Dedicated	\$139,311,106	The recommended formula General Revenue Dedicated total is an increase of \$19.3 million from the 2014-15 appropriated amounts.
Instruction and Operations	\$77,939,229	
Infrastructure Support	\$18,262,291	
Board Authorized Tuition	\$43,109,586	In addition to the formula allocated General Revenue Dedicated funds, the formula strategy recommendations include Board Authorized Tuition increases, which are not used to offset General Revenue in the formula. This is an increase of \$6.2 million over 2014-15 appropriated amounts.

Section 2

Health Related Institutions
Summary of Recommendations - Senate, By Method of Finance -- GR DEDICATED

Strategy/Goal	2016-17 Recommended	Comments
Non-Formula General Revenue Dedicated	\$44,174,836	The recommendations include an increase of \$0.7 million over 2014-15 appropriated amounts in statutory tuition. Non-formula General Revenue Dedicated recommendations are found in the strategies listed below. Non-formula fiscal and policy issues are detailed in Section 3.
Staff Group Insurance	\$23,396,254	
Texas Public Education Grants (TPEG)	\$19,079,086	Funding for TPEG comes from the portion of statutory tuition set aside to fund scholarships, and as the total tuition estimate changes, so does the portion set aside for TPEG.
Medical Loans	\$1,592,620	Funding reflects the portion of statutory tuition set aside for repayment of student loans of physicians serving in designated state agencies or economically distressed or rural medically underserved areas.
GR-D Advisory Commission on Emergency Communications Account No. 5007	\$106,876	Recommendations include requested amounts related to the University of Texas Medical Branch's East Texas Area Health Education Centers.

Section 2

Health Related Institutions
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS

	2014-15 Base	2016-17 Recommended	Difference	% Change
Other Funds	\$136,837,455	\$109,444,735	(\$27,392,720)	(20.0%)
	Strategy/Goal	2016-17 Recommended	Comments	
	<i>Tobacco Funds</i>	\$97,984,970	Recommendations include Tobacco Funds at requested levels, a \$27.4 million decrease from 2014-15 base amounts.	
	<i>Interagency Contracts</i>	\$11,459,765	Recommendations include interagency contracts at requested amounts at The University of Texas Medical Branch at Galveston and University of North Texas Health Science Center. This results in level funding from the 2014-15 biennium.	

**Health Related Institutions
Selected Fiscal and Policy Issues - Senate**

1. **Funding Overview for Health Related Institutions (HRIs).** Appropriations for HRIs are composed mainly of General Revenue, General Revenue-Dedicated (GR-D) funds, which are primarily statutory tuition and fee revenue, and Other funds for tobacco endowment earnings. Appropriations are provided to HRIs as lump sum amounts. Unlike other state agencies, higher education institutions are not bound to spend the appropriation within the specified strategy. HRIs also collect non-appropriated funds including designated funds (e.g., designated tuition, interest on local funds, restricted funds, earnings on endowments, contracts, grants and gifts), auxiliary income, and patient income. These funds are not included in the General Appropriations Act (GAA).

While the General Revenue appropriated to an HRI is sum certain, the appropriation of GR-D funds for statutory tuition is estimated. If tuition revenue collected by an institution is different than the amount appropriated in a biennium, the institution adjusts spending to the revenue collected. Recommended GR-D levels are set based on a tuition estimate performed by the LBB based on the most recent year of tuition collections at an institution. Since GR-D varies for institutions each biennium from appropriated levels based on tuition collections, comparisons are performed against the 2014-15 appropriated level to provide an accurate view of the funding change between biennia.

HRIs are appropriated funding primarily through the following: formula funding, tuition revenue bond debt service, certain hospital and dental clinic operations, special items and tobacco endowment funds. The funding formulas for health-related institutions include Instruction and Operations Support, Infrastructure Support, Research Enhancement, Graduate Medical Education, and mission specific funding for The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler. Each formula is based on different drivers, such as student enrollment or space needs, and for specific purposes. See Section 3D Total Formula Recommendations Compared to Formula Drivers for the data used in each formula. This data is provided by the HRIs to the Texas Higher Education Coordinating Board (THECB). THECB compiles the data and provides the information to the LBB.

In addition, each HRI submits a Legislative Appropriations Request (LAR) for non formula General Revenue funding. Since formula funding varies each biennium due to changes in the institution's enrollment and other formula drivers, the institutions do not request this funding.

2. **Major Method of Finance Adjustments.**
- a. General Revenue increase of \$57.5 million over 2014-15 base level: formula funding increase of \$57.7 million offset by a \$0.2 million decrease in tuition revenue bond debt service.
 - b. General Revenue-Dedicated increase of \$26.2 million over 2014-15 appropriated level: Statutory tuition increase of \$20.0 million and Board Authorized Tuition increase of \$6.2 million.
 - c. Other Funds decrease of \$27.4 million in requested amounts.

Section 3

Formula Funding Methodology. Section 3B details the growth calculations used to determine the cost to maintain rates for each of the formulas.

3. **Instructions and Operations (I&O) Formula.**

- Recommendations maintain the 2014-15 I&O rate of \$9,527 annually per weighted full time student equivalent (FTSE). Recommendations total \$1,059.4 million in General Revenue and \$77.9 million in statutory tuition. Recommendations fund the cost of enrollment growth with an increase of \$39.9 million in General Revenue over 2014-15 funding level and \$13.4 million in statutory tuition.
- Small Class Supplement: Instructional programs at an institution with enrollments of less than 200 students receive a small class supplement of \$30,000 per FTSE for dental or medical programs and \$20,000 per FTSE for all other programs. The amount received per student decreases with each additional student added to the program up to 200 students.
 - Recommendations include \$39.2 million for the Small Class Supplement, a decrease of \$6.4 million from the 2014-15 biennium. Section 3G provides information on institutions receiving this supplement. For the purpose of calculating the Small Class Supplement, the recommendations include funding based on the total number of students for all disciplines in an individual program at a campus. Recommendations for the small class supplement also include funding for individual programs only at remote campuses and the main campus at The University of Texas Health Science Center at Tyler. In the 2014-15 biennium, the Small Class Supplement was provided to programs with less than 200 students at both remote campuses and in the same city as the main campus.
- Baylor College of Medicine is authorized to receive funding for undergraduate medical education based on funding provided for The University of Texas Medical Branch at Galveston and The University of Texas Southwestern Medical Center in accordance with Texas Education Code, Section 61.091. Using the 2014-15 calculation methodology, the undergraduate medical education for 2016-17 totals \$77.0 million, an increase of \$3.4 million from the 2014-15 appropriated level. Funding for undergraduate medical education at Baylor College of Medicine is appropriated through THECB's bill pattern and is presented with the THECB's funding recommendations.

4. **Infrastructure Support Formula.**

- Recommendations maintain the 2014-15 Infrastructure rate for all institutions, except The University of Texas M.D. Anderson Cancer Center (MD Anderson) and The University of Texas Health Science Center (UTHSC) at Tyler, at \$6.63 annually per predicted square foot.
- Recommendations maintain the 2014-15 Infrastructure rate for MD Anderson and UTHSC Tyler at \$6.09 annually per predicted square foot.
 - MD Anderson Cancer Center and UTHSC Tyler have historically been funded at a lower All Funds Infrastructure rate as the two institutions did not contribute statutory tuition to the Infrastructure formula when it was established. Both institutions contribute statutory tuition to the Infrastructure formula for the 2016-17 biennium.
- Recommendations total \$235.4 million in General Revenue and \$18.3 million in statutory tuition. Recommendations fund the change in predicted square feet with a decrease of \$0.6 million in General Revenue under the 2014-15 funding level offset by an increase of \$5.9 million in statutory tuition.

Section 3

5. **Research Enhancement Formula.** Recommendations maintain the 2014-15 rate of 1.22 percent for the research enhancement formula. This formula provides base funding of \$1,412,500 per year to each institution plus 1.22 percent of the institution's fiscal year 2013 research expenditures as reported to THECB. Recommendations for the Research Enhancement formula total \$71.7 million in General Revenue, an increase of \$3.0 million in General Revenue over 2014-15 funding level. Of this amount, \$2.8 million is for base funding at Texas Tech Health Sciences Center at El Paso as a stand-alone institution.
6. **Graduate Medical Education (GME) Formula.** Recommendations maintain the 2014-15 rate of \$5,122 per medical resident in an accredited program. Recommendations for the GME formula at the HRIs total \$57.4 million in General Revenue, an increase of \$3.7 million in General Revenue over 2014-15 funding level.

Baylor College of Medicine receives funding through the GME formula for medical residents in accordance with Texas Education Code, Section 61.097. Using the 2014-15 calculation methodology, the graduate medical education for 2016-17 totals \$12.8 million, an increase of \$0.8 million from the 2014-15 appropriated level. Funding for graduate medical education at Baylor College of Medicine is appropriated through THECB's bill pattern and will be presented with the THECB's funding recommendations.

7. **Mission Specific Formulas.** Recommendations increase the Cancer Center Operations Formula (Mission specific formula for MD Anderson) and Chest Disease Center Operations Formula (Mission specific formula for UTHSC Tyler) by the average growth in General Revenue funding recommended for the I&O formula.

Non-Formula Funding

8. **Non-Formula General Revenue Strategies.** Recommendations include funding for special items, hospital and dental clinic operations, unemployment and workers' compensation insurance, and lease of facilities at the 2014-15 appropriated amounts.
9. **Tuition Revenue Bonds.** Recommendations for tuition revenue bond debt service for existing projects are provided at 2016-17 requested amounts. The recommended amount of \$168.4 million is a \$0.2 million decrease compared to 2014-15 base amounts. See Section 3H for 2014-15 budgeted/expended and 2016-17 requested amounts for each institution.
10. **Full-Time Equivalent (FTE) Methodology.** Recommendations set the FTE cap at the lower number between fiscal year 2014 actual FTE levels (the most recent data available) or the institutions' requested amounts.
11. **Texas Tech University Health Sciences Center.** Recommendations include a new bill pattern for Texas Tech University Health Sciences Center (TTUHSC) at El Paso. Appropriations for TTUHSC at El Paso were included with TTUHSC at Lubbock during the 2014-15 biennium. TTUHSC at El Paso became a stand-alone institution in May 2013 with the passage of SB120, Eighty-third Legislature, Regular Session.

Section 3

12. **The University of Texas Rio Grande Valley (UTRGV) School of Medicine.** Recommendations include the reallocation of \$10.0 million in General Revenue funding from The University of Texas Health Science Center at San Antonio (UTHSC-SA) to UTRGV to support the establishment of a School of Medicine at the institution. Funding appropriated to UTRGV for the School of Medicine is included for the totals for the health related institutions, while the remainder of funding for the institution is included with the general academic institutions.

This funding for the school of medicine was previously appropriated through the Regional Academic Health Center (RAHC) special item at UTHSC-SA. UTHSC-SA is recommended to receive \$20.6 million for the RAHC for the 2016-17 biennium. Recommendations continue baseline 2014-15 biennium appropriation levels for the RAHC between UTRGV School of Medicine and UTHSC-SA for the 2016-17 biennium.

Recommendations also provide the following riders for UTRGV regarding the School of Medicine:

- Authority to transfer School of Medicine appropriations to UTHSC-SA for services relating to the establishment, operation, and administration of the RAHC or the School of Medicine.
- A reporting requirement to provide information to the Legislative Budget Board and Governor on research expenditures at UTRGV School of Medicine independent of research at UTRGV.
- A reporting requirement to provide information to the Legislative Budget Board and Governor on benefit expenditures at UTRGV School of Medicine independent of benefit expenditures at UTRGV.

See Section 3A Selected Policy Overview - Integration of Health Related Institutions (HRI) and General Academic Institutions (GAI) for additional information.

Section 3A

Integration of Health Related Institutions (HRI) and General Academic Institutions (GAI) Selected Policy Overview - Senate

Background. Prior to the Eighty-third Legislative Session, all public medical schools in Texas were located at health related institutions (HRI) and were not directly associated with a general academic institution (GAI). During the current biennium, several institutions have realized an integration of medical schools within a GAI:

- **Texas A&M University Health Sciences Center (TAMUHSC) and Texas A&M University (TAMU):** On July 15, 2013, TAMUHSC completed its realignment under TAMU as an academic unit within the university after previously operating as separate entities since TAMUHSC's creation in 1976. Below is a brief summary of how the two institutions have aligned individual functions:
 - Budget Structure: TAMU and TAMUHSC each maintain a separate bill pattern, agency code, and participate in formula funding and legislative discussions as a GAI and HRI, respectively.
 - Formula Funding: TAMU and TAMUHSC each receive formula funding through the GAI and HRI formulas, respectively. When beginning a new program, the institution chooses whether it will be done through TAMU and TAMUHSC and thus, receive the corresponding formula funding.
 - Research Considerations: TAMU and TAMUHSC each maintain separate accounting of research expenditures based on the principal investigator. The research expenditures are reported to the state under the separate entities. TAMU does not receive any allocation of funds from research funds designated for GAIs for research generated through TAMUHSC and vice versa.
- **The University of Texas Rio Grande Valley (UTRGV) School of Medicine:** Senate Bill (SB) 24, Eighty-third Legislative Session, established UTRGV as a GAI comprised of components including a medical school and the Lower Rio Grande Valley Academic Health Center authorized by Texas Education Code Section 74, Subchapter N and Subchapter L, respectively. The Lower Rio Grande Valley Academic Health Center is currently managed by The University of Texas Health Science Center at San Antonio (UTHSC-SA). The center is referred to as the Regional Academic Health Center (RAHC) and UTHSC-SA received \$30.6 million for this special item during the 2014-15 biennium. Of this funding, \$10.0 million over the biennium was contingency funding provided to UTHSC-SA to implement the provisions of SB24, Eighty-third Legislature, UTRGV's enabling statute. The RAHC is intended to provide the basis of UTRGV School of Medicine. The UTRGV School of Medicine is scheduled to open in fall 2016. UTHSC-SA will continue to matriculate students through the RAHC until 2020.
- **The University of Texas (UT) at Austin Dell Medical School:** UT Austin notified the Higher Education Coordinating Board (THECB) of the establishment of a new medical program in February 2013. UT Austin did not receive direct appropriations for the Dell Medical School during the 2014-15 biennium and the school is scheduled to open in fall 2016.

Items for Consideration and Items Included in Recommendations for the 2016-17 Biennium

Issue #1. Budget Structure. The introduced bill includes both funding for a medical school integrated into one bill pattern with the associated GAI (UTRGV), as well as funding for a medical school in a separate bill pattern from its affiliated GAI (TAMU and TAMUHSC).

Included in Recommendations: Appropriations for the UTRGV School of Medicine are provided directly to UTRGV and include \$5.0 million each year of the 2016-17 biennium reallocated from contingency funding provided to UTHSC-SA during the 2014-15 biennium. Authority is also provided to allow UTRGV and UTHSC-SA to transfer funding between the institutions relating to the establishment, operation, and administration of the RAHC and School of Medicine. Currently, there are no recommendations for appropriations related to UT Austin Dell Medical School for the 2016-17 biennium.

Section 3A

Issue #2: Formula Funding. HRIs and GAls both receive formula funding through separate allocations for instruction and operations and infrastructure.

Included in Recommendations: None. UTRGV and UT Austin will not have any medical students during the base period of formula funding for the 2016-17 biennium and will not receive an allocation for these formulas. There would not be a fiscal implication until the 2018-19 biennium.

Issue #3. Higher Education Employees Group Insurance (HEGI). UT Austin and UTRGV receive appropriations through the HEGI bill pattern based on employees at the institution as of Dec. 1, 2014. Employees associated with the Dell Medical School are included in the UT Austin HEGI appropriation. Employees of the RAHC are currently funded within the UTHSC-SA appropriation for HEGI.

Included in Recommendations: Recommendations include a rider allowing the transfer of funding between UTHSC-SA and UTRGV to fund group insurance costs for employees of the UTRGV School of Medicine at the discretion of the chief administrative officer of The UT System.

Issue #4. Research Considerations. There are four research funds that provide funding to support research at GAls.

- 2014-15 Research Funds: The Available National Research University Fund (NRUF), Texas Research Incentive Program (TRIP), and Texas Competitive Knowledge Fund (TCKF) are research funds established for institutions designated as emerging research universities by the THECB Accountability System and meeting certain criteria specified in statute and/or the Constitution. The Research Development Fund (RDF) provides appropriations to general academic institutions, except UT Austin and TAMU, based on restricted research expenditures. Currently, TAMU and UT Austin do not participate in NRUF, TRIP, or RDF as they are considered research universities. UTRGV is not expected to be classified as an emerging research university during the upcoming 2016-17 biennium.
 - LBB Considerations for TCKF and RDF: The legislature appropriates TCKF and RDF directly to institutions based on research expenditures at each institution. In future biennia, the Legislature can choose whether to include research funds generated by the medical school in the distribution calculation for either fund.
 - LBB Considerations for NRUF and TRIP: A change in statute would be required to prohibit UTRGV from using research funding generated by the associated medical school to reach emerging research university status and/or to receive appropriations from NRUF or TRIP once that status and other criteria is attained. UT Austin is not eligible for either of these funds and would not be impacted by Dell Medical School.
- Research Enhancement Formula: The HRIs receive funding through the research enhancement formula based on research expenditures in the most recent fiscal year. There is no research generated by the UTRGV School of Medicine or Dell Medical School in the base period for the 2016-17 biennium.

Included in Recommendations: In preparation for the 2018-19 biennium, recommendations include a reporting requirement for UT Austin and UTRGV to provide the LBB and the Governor's Office with information on research expenditures at the medical school during the 2016-17 biennium.

Issue #5. Benefits. Both UT Austin and UTRGV receive benefit appropriations through the Teachers Retirement System (TRS), Optional Retirement Program (ORP), and social security. TRS, ORP, and social security are estimated appropriations and are based on actual benefit expenditures.

Included in Recommendations: In preparation for the 2018-19 biennium, recommendations include a reporting requirement for UT Austin and UTRGV to provide the LBB and the Governor's Office with information on benefit expenditures at the medical school during the 2016-17 biennium.

Health Related Institutions: General Revenue and General Revenue Dedicated Formulas Cost
Methodology To Maintain Rates - Senate
Recommendations maintain 2014-15 rates for Instruction and Operations and Infrastructure formulas.

Instruction and Operations Formula Cost Methodology

<u>Cost of Weighted Full Time Student Equivalent Growth</u>	
2014-15 Base Period (Summer 2012, Fall 2012, Spring 2013) Weighted Full Time Student Equivalent	54,500
Estimated 2016-17 Weighted Full Time Student Equivalent	57,634
Estimated Weighted Full Time Student Equivalent Change	3,134
Estimated Weighted Full Time Student Equivalent Growth, Percent	5.8%
Weighted Full Time Student Equivalent Rate	\$9,526.86
Estimated Growth Cost (rate times WFTSE change)	\$59,718,156
Increase in statutory tuition (GR-D 770) for Instructions and Operations from 2014-15 to 2016-17	\$13,419,943
<u>Estimated Growth Cost of Weighted FTSEs</u>	
<u>\$46,298,213</u>	
<u>Cost of Small Class Supplement</u>	
2014-15 Small Class Supplement	45,555,182
2016-17 Small Class Supplement	39,199,446
<u>Small Class Supplement Cost</u>	
<u>\$ (6,355,736)</u>	
<u>Grand Total</u>	
<u>\$39,942,477</u>	

Infrastructure Formula Cost Methodology

<u>Cost of Predicted Square Feet Growth - All HRIs except MD Anderson and UTHSC Tyler</u>	
2014-15 Base Period (Summer 2012, Fall 2012, Spring 2013) Predicted Square Feet	14,669,259
Estimated 2016-17 Predicted Square Feet	14,834,211
Estimated Predicted Square Feet Change	164,952
Estimated Predicted Square Feet Growth, Percent	1.1%
Predicted Square Foot Rate	\$6.63
Estimated Growth Cost (rate times Pred. Sq. Ft. change)	\$2,187,013
Increase in statutory tuition (GR-D 770) for Infrastructure from 2014-15 to 2016-17	\$5,451,883
<u>Estimated Growth Cost of Predicted Square Feet, All HRIs except MD Anderson and UTHSC Tyler</u>	
<u>\$ (3,264,870)</u>	
<u>Cost of Predicted Square Feet Growth for MD Anderson and UTHSC Tyler</u>	
2014-15 Base Period (Summer 2012, Fall 2012, Spring 2013) Predicted Square Feet	4,422,796
Estimated 2016-17 Predicted Square Feet	4,676,454
Estimated Predicted Square Feet Change	253,658
Estimated Predicted Square Feet Growth, Percent	5.7%
Predicted Square Foot Rate	\$6.09
Estimated Growth Cost (rate times Pred. Sq. Ft. change)	\$3,089,365
Increase in statutory tuition (GR-D 770) for Infrastructure from 2014-15 to 2016-17	\$430,775
<u>Estimated Growth Cost of Predicted Square Feet for MD Anderson and UTHSC Tyler</u>	
<u>\$2,658,590</u>	
<u>Grand Total</u>	
<u>\$ (606,280)</u>	

Health Related Institutions: General Revenue Formulas Cost Methodology to Maintain Rates - Senate Recommendations maintain 2014-15 rate for Research Enhancement and Graduate Medical Education and increase mission specific formulas up to average growth in I&O Formula General Revenue Funding.

Research Enhancement Formula Cost Methodology

<u>Cost of Research Expenditures Growth</u>	
2014-15 Base Period: Fiscal Year 2012 Research Expenditures	1,776,880,251
2016-17 Research Expenditures	1,784,757,305
Increase in Research Expenditures	7,877,054
Annual Research Formula Rate	1.22%

Estimated Growth Cost of Research Expenditures**	\$191,768
---	------------------

**Excludes cost of \$1.4 million each year for base support funding at Texas Tech HSC El Paso

Graduate Medical Education Cost Methodology

<u>Cost of Medical Residents Growth</u>	
2014-15 Base Period (as of September 1, 2012) Residents	6,412
2016-17 Residents	6,855
Increase in Residents	443
Annual Rate Per Resident	\$5,122
Estimated Growth Cost of Medical Residents	\$4,537,985

Cancer Center Operations (MD Anderson Cancer Center Mission Specific) Cost Methodology

<u>Cost of Texas Cancer Patients Growth</u>	
2014-15 Formula Funding	\$247,535,944
2014-15 Base Period: Fiscal Year 2012 Texas Cancer Patients	63,666
2016-17 Texas Cancer Patients	71,441
Increase in Texas Cancer Patients	7,775
Annual Rate Per Texas Cancer Patient	\$1,944
Estimated Growth Cost of Texas Cancer Patients	\$30,229,510
Percentage Increase in Formula Funding	12.2%
<u>Percentage Funding Increase Limited to I&O Funding Growth</u>	
I&O General Revenue Funding Percentage Growth	3.9%
General Revenue Cost	\$9,553,099

Chest Disease Center Operations (UTHSC-Tyler Mission Specific) Cost Methodology

<u>Cost of Chest Disease Cases Growth</u>	
2014-15 Formula Funding	\$54,555,084
2014-15 Base Period: Fiscal Year 2012 Chest Disease Cases	72,138
2016-17 Chest Disease Cases	135,644
Increase in Chest Disease Cases	63,506
Annual Rate Per Chest Disease Cases	\$378
Estimated Growth Cost of Texas Cancer Patients	\$48,027,048
Percentage Increase in Formula Funding	88.0%
<u>Percentage Funding Increase Limited to I&O Funding Growth</u>	
I&O General Revenue Funding Percentage Growth	3.9%
Funding Growth in Chest Disease Formula	\$2,105,432

Senate: Total Formula Recommendations Compared to 2014-15 Base

Health Related Institutions

Instruction and Operations	Formula General Revenue 2014-15	Formula General Revenue 2016-17	Formula GR Difference	% GR Variance Biennium	Formula GR-D 770 2014-15	Formula GR-D 770 2016-17	Formula GR-D 770 Difference	% GR-D 770 Variance Biennium	Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Total Formula All Funds Difference	% All Funds Variance Biennium
UT Southwestern Medical Center	\$ 104,814,783	\$ 102,488,345	\$ (2,326,438)	-2.2%	\$ 5,540,799	\$ 7,719,103	\$ 2,178,304	39.3%	\$ 110,355,582	\$ 110,207,448	\$ (148,134)	-0.1%
UT Medical Branch at Galveston	\$ 118,546,721	\$ 125,543,283	\$ 6,996,562	5.9%	\$ 10,153,777	\$ 13,657,215	\$ 3,503,438	34.5%	\$ 128,700,498	\$ 139,200,498	\$ 10,500,000	8.2%
UT Health Science Center at Houston	\$ 197,580,677	\$ 194,425,072	\$ (3,155,605)	-1.6%	\$ 9,606,093	\$ 13,576,004	\$ 3,969,911	41.3%	\$ 207,186,770	\$ 208,001,076	\$ 814,306	0.4%
UT Health Science Center at San Antonio	\$ 161,220,352	\$ 162,390,197	\$ 1,169,845	0.7%	\$ 8,776,588	\$ 8,203,503	\$ (573,085)	-6.5%	\$ 169,996,940	\$ 170,593,700	\$ 596,760	0.4%
UT M.D. Anderson Cancer Center	\$ 6,938,914	\$ 6,642,064	\$ (296,850)	-4.3%	\$ 162,406	\$ 247,378	\$ 84,972	52.3%	\$ 7,101,320	\$ 6,889,442	\$ (211,878)	-3.0%
UT Health Science Center at Tyler	\$ 227,450	\$ 815,173	\$ 587,723	258.4%	\$ -	\$ 99,327	\$ 99,327	NA	\$ 227,450	\$ 914,500	\$ 687,050	302.1%
Texas A&M University Health Science Center	\$ 150,320,043	\$ 157,513,307	\$ 7,193,264	4.8%	\$ 8,920,053	\$ 10,995,997	\$ 2,075,944	23.3%	\$ 159,240,096	\$ 168,509,304	\$ 9,269,208	5.8%
UNT Health Science Center	\$ 99,594,586	\$ 113,316,886	\$ 13,722,300	13.8%	\$ 9,627,770	\$ 10,696,894	\$ 1,069,124	11.1%	\$ 109,222,356	\$ 124,013,780	\$ 14,791,424	13.5%
Texas Tech University Health Sciences Center*	\$ 180,220,581	\$ 163,330,427	\$ (16,890,154)	8.9%	\$ 11,731,799	\$ 10,247,055	\$ (1,484,744)	8.6%	\$ 191,952,380	\$ 173,577,482	\$ (18,374,898)	8.9%
Texas Tech University Health Sciences Center at El Paso*		\$ 32,941,830	\$ 32,941,830	NA		\$ 2,496,752	\$ 2,496,752	NA	\$ -	\$ 35,438,582	\$ 35,438,582	NA
INSTRUCTION AND OPERATIONS SUBTOTAL	\$ 1,019,464,107	\$ 1,059,406,584	\$ 39,942,477	3.9%	\$ 64,519,285	\$ 77,939,228	\$ 13,419,943	20.8%	\$ 1,083,983,392	\$ 1,137,345,812	\$ 53,362,420	4.9%
Baylor College of Medicine Undergraduate Medical Education**	\$ 73,683,904	\$ 77,049,050	\$ 3,365,146	4.6%	\$ -	\$ -	\$ -	NA	\$ 73,683,904	\$ 77,049,050	\$ 3,365,146	4.6%
INSTRUCTION AND OPERATIONS w/ BCOM SUBTOTAL	\$ 1,093,148,011	\$ 1,136,455,634	\$ 43,307,623	4.0%	\$ 64,519,285	\$ 77,939,228	\$ 13,419,943	20.8%	\$ 1,157,667,296	\$ 1,214,394,862	\$ 56,727,566	4.9%
Infrastructure	Formula General Revenue 2014-15	Formula General Revenue 2016-17	Formula GR Difference	% GR Variance Biennium	Formula GR-D 770 2014-15	Formula GR-D 770 2016-17	Formula GR-D 770 Difference	% GR-D 770 Variance Biennium	Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Total Formula All Funds Difference	% All Funds Variance Biennium
UT Southwestern Medical Center	\$ 47,010,305	\$ 48,391,279	\$ 1,380,974	2.9%	\$ 2,485,095	\$ 1,656,007	\$ (829,088)	-33.4%	\$ 49,495,400	\$ 50,047,286	\$ 551,886	1.1%
UT Medical Branch at Galveston	\$ 25,626,968	\$ 24,171,244	\$ (1,455,724)	-5.7%	\$ 2,195,004	\$ 2,929,932	\$ 734,928	33.5%	\$ 27,821,972	\$ 27,101,176	\$ (720,796)	-2.6%
UT Health Science Center at Houston	\$ 36,113,648	\$ 37,763,903	\$ 1,650,255	4.6%	\$ 1,755,794	\$ 2,912,509	\$ 1,156,715	65.9%	\$ 37,869,442	\$ 40,676,412	\$ 2,806,970	7.4%
UT Health Science Center at San Antonio	\$ 28,157,571	\$ 27,204,809	\$ (952,762)	-3.4%	\$ 1,532,855	\$ 1,759,927	\$ 227,072	14.8%	\$ 29,690,426	\$ 28,964,736	\$ (725,690)	-2.4%
UT M.D. Anderson Cancer Center	\$ 50,643,296	\$ 53,659,808	\$ 3,016,512	6.0%	\$ 1,185,310	\$ 1,153,094	\$ (32,216)	-2.7%	\$ 51,828,606	\$ 54,812,902	\$ 2,984,296	5.8%
UT Health Science Center at Tyler	\$ 2,037,760	\$ 1,679,839	\$ (357,921)	-17.6%	\$ -	\$ 462,991	\$ 462,991	NA	\$ 2,037,760	\$ 2,142,830	\$ 105,070	5.2%
Texas A&M University Health Science Center	\$ 15,350,336	\$ 13,890,844	\$ (1,459,492)	-9.5%	\$ 910,896	\$ 2,359,012	\$ 1,448,116	159.0%	\$ 16,261,232	\$ 16,249,856	\$ (11,376)	-0.1%
UNT Health Science Center	\$ 9,316,055	\$ 7,769,940	\$ (1,546,115)	-16.6%	\$ 900,579	\$ 2,294,844	\$ 1,394,265	154.8%	\$ 10,216,634	\$ 10,064,784	\$ (151,850)	-1.5%
Texas Tech University Health Sciences Center*	\$ 21,723,012	\$ 15,256,260	\$ (6,466,752)	-4.1%	\$ 1,414,100	\$ 2,198,338	\$ 784,238	93.3%	\$ 23,137,112	\$ 17,454,598	\$ (5,682,514)	1.9%
Texas Tech University Health Sciences Center at El Paso*		\$ 5,584,745	\$ 5,584,745	NA		\$ 535,637	\$ 535,637	NA	\$ -	\$ 6,120,382	\$ 6,120,382	NA
INFRASTRUCTURE SUBTOTAL	\$ 235,978,951	\$ 235,372,671	\$ (606,280)	-0.3%	\$ 12,379,633	\$ 18,262,291	\$ 5,882,658	47.5%	\$ 248,358,584	\$ 253,634,962	\$ 5,276,378	2.1%

Section 3C

Research
UT Southwestern Medical Center
UT Medical Branch at Galveston
UT Health Science Center at Houston
UT Health Science Center at San Antonio
UT M.D. Anderson Cancer Center
UT Health Science Center at Tyler
Texas A&M University Health Science Center
UNT Health Science Center
Texas Tech University Health Sciences Center*
Texas Tech University Health Sciences Center at El Paso*
RESEARCH SUBTOTAL

Three Main Formulas
UT Southwestern Medical Center
UT Medical Branch at Galveston
UT Health Science Center at Houston
UT Health Science Center at San Antonio
UT M.D. Anderson Cancer Center
UT Health Science Center at Tyler
Texas A&M University Health Science Center
UNT Health Science Center
Texas Tech University Health Sciences Center*
Texas Tech University Health Sciences Center at El Paso*
THREE MAIN FORMULAS TOTAL

Formula General Revenue 2014-15	Formula General Revenue 2016-17	Formula GR Difference	% GR Variance Biennium
\$ 12,503,722	\$ 12,668,246	\$ 164,524	1.3%
\$ 6,423,458	\$ 6,348,422	\$ (75,036)	-1.2%
\$ 8,344,236	\$ 8,184,424	\$ (159,812)	-1.9%
\$ 6,813,214	\$ 6,633,160	\$ (180,054)	-2.6%
\$ 18,589,454	\$ 19,150,090	\$ 560,636	3.0%
\$ 3,117,926	\$ 3,106,380	\$ (11,546)	-0.4%
\$ 4,744,578	\$ 4,660,822	\$ (83,756)	-1.8%
\$ 3,846,388	\$ 3,813,110	\$ (33,278)	-0.9%
\$ 4,300,366	\$ 3,780,466	\$ (519,900)	65.9%
	\$ 3,354,990	\$ 3,354,990	NA
\$ 68,683,342	\$ 71,700,110	\$ 3,016,768	4.4%

Formula General Revenue 2014-15	Formula General Revenue 2016-17	Formula GR Difference	% GR Variance Biennium
\$ 164,328,810	\$ 163,547,870	\$ (780,940)	-0.5%
\$ 150,597,147	\$ 156,062,949	\$ 5,465,802	3.6%
\$ 242,038,561	\$ 240,373,399	\$ (1,665,162)	-0.7%
\$ 196,191,137	\$ 196,228,166	\$ 37,029	0.0%
\$ 76,171,664	\$ 79,451,962	\$ 3,280,298	4.3%
\$ 5,383,136	\$ 5,601,392	\$ 218,256	4.1%
\$ 170,414,957	\$ 176,064,973	\$ 5,650,016	3.3%
\$ 112,757,029	\$ 124,899,936	\$ 12,142,907	10.8%
\$ 206,243,959	\$ 182,367,153	\$ (23,876,806)	8.7%
\$ -	\$ 41,881,565	\$ 41,881,565	NA
\$ 1,324,126,400	\$ 1,366,479,365	\$ 42,352,965	3.2%

Formula GR-D 770 2014-15	Formula GR-D 770 2016-17	Formula GR-D 770 Difference	% GR-D 770 Variance Biennium
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA

Formula GR-D 770 2014-15	Formula GR-D 770 2016-17	Formula GR-D 770 Difference	% GR-D 770 Variance Biennium
\$ 8,025,894	\$ 9,375,110	\$ 1,349,216	16.8%
\$ 12,348,781	\$ 16,587,147	\$ 4,238,366	34.3%
\$ 11,361,887	\$ 16,488,513	\$ 5,126,626	45.1%
\$ 10,309,443	\$ 9,963,430	\$ (346,013)	-3.4%
\$ 1,347,716	\$ 1,400,472	\$ 52,756	3.9%
\$ -	\$ 562,318	\$ 562,318	NA
\$ 9,830,949	\$ 13,355,009	\$ 3,524,060	35.8%
\$ 10,528,349	\$ 12,991,738	\$ 2,463,389	23.4%
\$ 13,145,899	\$ 12,445,393	\$ (700,506)	17.7%
\$ -	\$ 3,032,389	\$ 3,032,389	NA
\$ 76,898,918	\$ 96,201,519	\$ 19,302,601	25.1%

Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Total Formula All Funds Difference	% All Funds Variance Biennium
\$ 12,503,722	\$ 12,668,246	\$ 164,524	1.3%
\$ 6,423,458	\$ 6,348,422	\$ (75,036)	-1.2%
\$ 8,344,236	\$ 8,184,424	\$ (159,812)	-1.9%
\$ 6,813,214	\$ 6,633,160	\$ (180,054)	-2.6%
\$ 18,589,454	\$ 19,150,090	\$ 560,636	3.0%
\$ 3,117,926	\$ 3,106,380	\$ (11,546)	-0.4%
\$ 4,744,578	\$ 4,660,822	\$ (83,756)	-1.8%
\$ 3,846,388	\$ 3,813,110	\$ (33,278)	-0.9%
\$ 4,300,366	\$ 3,780,466	\$ (519,900)	65.9%
\$ -	\$ 3,354,990	\$ 3,354,990	NA
\$ 68,683,342	\$ 71,700,110	\$ 3,016,768	4.4%

Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Total Formula All Funds Difference	% All Funds Variance Biennium
\$ 172,354,704	\$ 172,922,980	\$ 568,276	0.3%
\$ 162,945,928	\$ 172,650,096	\$ 9,704,168	6.0%
\$ 253,400,448	\$ 256,861,912	\$ 3,461,464	1.4%
\$ 206,500,580	\$ 206,191,596	\$ (308,984)	-0.1%
\$ 77,519,380	\$ 80,852,434	\$ 3,333,054	4.3%
\$ 5,383,136	\$ 6,163,710	\$ 780,574	14.5%
\$ 180,245,906	\$ 189,419,982	\$ 9,174,076	5.1%
\$ 123,285,378	\$ 137,891,674	\$ 14,606,296	11.8%
\$ 219,389,858	\$ 194,812,546	\$ (24,577,312)	9.3%
\$ -	\$ 44,913,954	\$ 44,913,954	NA
\$ 1,401,025,318	\$ 1,462,680,884	\$ 61,655,566	4.4%

Graduate Medical Education
UT Southwestern Medical Center
UT Medical Branch at Galveston
UT Health Science Center at Houston
UT Health Science Center at San Antonio
UT M.D. Anderson Cancer Center
UT Health Science Center at Tyler
Texas A&M University Health Science Center
UNT Health Science Center
Texas Tech University Health Sciences Center*
Texas Tech University Health Sciences Center at El Paso*

HEALTH RELATED GME SUBTOTAL

Baylor College of Medicine Graduate Medical Education**

HEALTH RELATED + BCOM GME SUBTOTAL

Cancer Center Operations
UT M.D. Anderson Cancer Center

CANCER CENTER OPERATIONS SUBTOTAL

Chest Disease Center Operations
UT Health Science Center at Tyler

CHEST DISEASE CENTER OPERATIONS SUBTOTAL
--

Formula General Revenue 2014-15	Formula General Revenue 2016-17	Formula GR Difference	% GR Variance Biennium
\$ 15,990,508	\$ 16,984,152	\$ 993,644	6.2%
\$ 5,377,974	\$ 5,613,580	\$ 235,606	4.4%
\$ 8,850,608	\$ 9,373,039	\$ 522,431	5.9%
\$ 7,365,262	\$ 7,754,525	\$ 389,263	5.3%
\$ 1,331,688	\$ 1,382,907	\$ 51,219	3.8%
\$ 460,970	\$ 850,232	\$ 389,262	84.4%
\$ 5,941,380	\$ 6,381,862	\$ 440,482	7.4%
\$ 2,263,870	\$ 2,499,477	\$ 235,607	10.4%
\$ 6,156,500	\$ 4,220,429	\$ (1,936,071)	7.3%
	\$ 2,386,796	\$ 2,386,796	NA

\$ 53,738,760	\$ 57,447,000	\$ 3,708,240	6.9%
---------------	---------------	--------------	------

\$ 11,944,223	\$ 12,773,967	\$ 829,745	6.9%
---------------	---------------	------------	------

\$ 65,682,983	\$ 70,220,967	\$ 4,537,984	6.9%
---------------	---------------	--------------	------

Formula General Revenue 2014-15	Formula General Revenue 2016-17	Formula GR Difference	% GR Variance Biennium
\$ 247,535,944	\$ 257,089,043	\$ 9,553,099	3.9%

\$ 247,535,944	\$ 257,089,043	\$ 9,553,099	3.9%
----------------	----------------	--------------	------

Formula General Revenue 2014-15	Formula General Revenue 2016-17	Formula GR Difference	% GR Variance Biennium
\$ 54,555,084	\$ 56,660,516	\$ 2,105,432	3.9%

\$ 54,555,084	\$ 56,660,516	\$ 2,105,432	3.9%
---------------	---------------	--------------	------

Formula GR-D 770 2014-15	Formula GR-D 770 2016-17	Formula GR-D 770 Difference	% GR-D 770 Variance Biennium
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA
\$ -	\$ -	\$ -	NA

\$ -	\$ -	\$ -	NA
------	------	------	----

\$ -	\$ -	\$ -	NA
------	------	------	----

\$ -	\$ -	\$ -	NA
------	------	------	----

Formula GR-D 770 2014-15	Formula GR-D 770 2016-17	Formula GR-D 770 Difference	% GR-D 770 Variance Biennium
\$ -	\$ -	\$ -	NA

\$ -	\$ -	\$ -	NA
------	------	------	----

Formula GR-D 770 2014-15	Formula GR-D 770 2016-17	Formula GR-D 770 Difference	% GR-D 770 Variance Biennium
\$ -	\$ -	\$ -	NA

\$ -	\$ -	\$ -	NA
------	------	------	----

Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Total Formula All Funds Difference	% All Funds Variance Biennium
\$ 15,990,508	\$ 16,984,152	\$ 993,644	6.2%
\$ 5,377,974	\$ 5,613,580	\$ 235,606	4.4%
\$ 8,850,608	\$ 9,373,039	\$ 522,431	5.9%
\$ 7,365,262	\$ 7,754,525	\$ 389,263	5.3%
\$ 1,331,688	\$ 1,382,907	\$ 51,219	3.8%
\$ 460,970	\$ 850,232	\$ 389,262	84.4%
\$ 5,941,380	\$ 6,381,862	\$ 440,482	7.4%
\$ 2,263,870	\$ 2,499,477	\$ 235,607	10.4%
\$ 6,156,500	\$ 4,220,429	\$ (1,936,071)	7.3%
\$ -	\$ 2,386,796	\$ 2,386,796	NA

\$ 53,738,760	\$ 57,447,000	\$ 3,708,240	6.9%
---------------	---------------	--------------	------

\$ 11,944,223	\$ 12,773,967	\$ 829,745	6.9%
---------------	---------------	------------	------

\$ 65,682,983	\$ 70,220,967	\$ 4,537,984	6.9%
---------------	---------------	--------------	------

Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Total Formula All Funds Difference	% All Funds Variance Biennium
\$ 247,535,944	\$ 257,089,043	\$ 9,553,099	3.9%

\$ 247,535,944	\$ 257,089,043	\$ 9,553,099	3.9%
----------------	----------------	--------------	------

Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Total Formula All Funds Difference	% All Funds Variance Biennium
\$ 54,555,084	\$ 56,660,516	\$ 2,105,432	3.9%

\$ 54,555,084	\$ 56,660,516	\$ 2,105,432	3.9%
---------------	---------------	--------------	------

Section 3C

All Formulas	Formula General Revenue 2014-15	Formula General Revenue 2016-17	Formula GR Difference	% GR Variance Biennium	Formula GR-D 770 2014-15	Formula GR-D 770 2016-17	Formula GR-D 770 Difference	% GR-D 770 Variance Biennium	Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Total Formula All Funds Difference	% All Funds Variance Biennium
UT Southwestern Medical Center	\$ 180,319,318	\$ 180,532,022	\$ 212,704	0.1%	\$ 8,025,894	\$ 9,375,110	\$ 1,349,216	16.8%	\$ 188,345,212	\$ 189,907,132	\$ 1,561,920	0.8%
UT Medical Branch at Galveston	\$ 155,975,121	\$ 161,676,529	\$ 5,701,408	3.7%	\$ 12,348,781	\$ 16,587,147	\$ 4,238,366	34.3%	\$ 168,323,902	\$ 178,263,676	\$ 9,939,774	5.9%
UT Health Science Center at Houston	\$ 250,889,169	\$ 249,746,438	\$ (1,142,731)	-0.5%	\$ 11,361,887	\$ 16,488,513	\$ 5,126,626	45.1%	\$ 262,251,056	\$ 266,234,951	\$ 3,983,895	1.5%
UT Health Science Center at San Antonio	\$ 203,556,399	\$ 203,982,691	\$ 426,292	0.2%	\$ 10,309,443	\$ 9,963,430	\$ (346,013)	-3.4%	\$ 213,865,842	\$ 213,946,121	\$ 80,279	0.0%
UT M.D. Anderson Cancer Center	\$ 325,039,296	\$ 337,923,913	\$ 12,884,617	4.0%	\$ 1,347,716	\$ 1,400,472	\$ 52,756	3.9%	\$ 326,387,012	\$ 339,324,384	\$ 12,937,372	4.0%
UT Health Science Center at Tyler	\$ 60,399,190	\$ 63,112,140	\$ 2,712,950	4.5%	\$ -	\$ 562,318	\$ 562,318	NA	\$ 60,399,190	\$ 63,674,458	\$ 3,275,268	5.4%
Texas A&M University Health Science Center	\$ 176,356,337	\$ 182,446,835	\$ 6,090,498	3.5%	\$ 9,830,949	\$ 13,355,009	\$ 3,524,060	35.8%	\$ 186,187,286	\$ 195,801,844	\$ 9,614,558	5.2%
UNT Health Science Center	\$ 115,020,899	\$ 127,399,413	\$ 12,378,514	10.8%	\$ 10,528,349	\$ 12,991,738	\$ 2,463,389	23.4%	\$ 125,549,248	\$ 140,391,151	\$ 14,841,903	11.8%
Texas Tech University Health Sciences Center*	\$ 212,400,459	\$ 186,587,582	\$ (25,812,877)	8.7%	\$ 13,145,899	\$ 12,445,393	\$ (700,506)	17.7%	\$ 225,546,358	\$ 199,032,975	\$ (26,513,383)	9.2%
Texas Tech University Health Sciences Center at El Paso*	\$ -	\$ 44,268,361	\$ 44,268,361	NA	\$ -	\$ 3,032,389	\$ 3,032,389	NA	\$ -	\$ 47,300,750	\$ 47,300,750	NA
HEALTH RELATED TOTAL	\$ 1,679,956,188	\$ 1,737,675,924	\$ 57,719,736	3.4%	\$ 76,898,918	\$ 96,201,519	\$ 19,302,601	25.1%	\$ 1,756,855,106	\$ 1,833,877,443	\$ 77,022,337	4.4%
Baylor College of Medicine**	\$ 85,628,127	\$ 89,823,017	\$ 4,194,891	4.9%	\$ -	\$ -	\$ -	NA	\$ 85,628,127	\$ 89,823,017	\$ 4,194,891	4.9%
HEALTH RELATED + BCOM TOTAL	\$ 1,765,584,315	\$ 1,827,498,941	\$ 61,914,627	3.5%	\$ 76,898,918	\$ 96,201,519	\$ 19,302,601	25.1%	\$ 1,842,483,233	\$ 1,923,700,460	\$ 81,217,227	4.4%

*Appropriations for Texas Tech Health Sciences Center at Lubbock and Texas Tech Health Sciences Center at El Paso were combined under Texas Tech Health Sciences Center at Lubbock during the 2014-15 biennium. Texas Tech Health Sciences Center at El Paso became a stand-alone institution in May 2013 with the passage of SB120, Eighty-third Legislature, Regular Session. The percentage variance for Texas Tech Health Sciences Center and Texas Tech Health Sciences Center at El Paso is calculated on the combined funding change for both institutions from 2014-15 appropriations to Texas Tech Health Sciences Center.

**Appropriations for Baylor College of Medicine are provided through the Texas Higher Education Coordinating Board bill pattern and are based on the 2014-15 calculation methodology.

Senate: Total Formula Recommendations Compared to Formula Drivers

Health Related Institutions

Instruction and Operations	Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Formula All Funds Difference	% All Funds Variance Biennium
UT Southwestern Medical Center	\$ 110,355,582	\$ 110,207,448	\$ (148,134)	-0.1%
UT Medical Branch at Galveston	\$ 128,700,498	\$ 139,200,498	\$ 10,500,000	8.2%
UT Health Science Center at Houston	\$ 207,186,770	\$ 208,001,076	\$ 814,306	0.4%
UT Health Science Center at San Antonio	\$ 169,996,940	\$ 170,593,700	\$ 596,760	0.4%
UT M.D. Anderson Cancer Center	\$ 7,101,320	\$ 6,889,442	\$ (211,878)	-3.0%
UT Health Science Center at Tyler	\$ 227,450	\$ 914,500	\$ 687,050	302.1%
Texas A&M University Health Science Center	\$ 159,240,096	\$ 168,509,304	\$ 9,269,208	5.8%
UNT Health Science Center	\$ 109,222,356	\$ 124,013,780	\$ 14,791,424	13.5%
Texas Tech University Health Sciences Center*	\$ 164,318,102	\$ 173,577,482	\$ 9,259,380	5.6%
Texas Tech University Health Sciences Center at El Paso*	\$ 27,634,278	\$ 35,438,582	\$ 7,804,304	28.2%
INSTRUCTION AND OPERATIONS SUBTOTAL	\$ 1,083,983,392	\$ 1,137,345,812	\$ 53,362,420	4.9%

Baylor College of Medicine Undergraduate Medical Education**	\$ 73,683,904	\$ 77,049,050	\$ 3,365,146	4.6%
INSTRUCTION AND OPERATIONS w/ BCOM SUBTOTAL	\$ 1,157,667,296	\$ 1,214,394,862	\$ 56,727,566	4.9%

Infrastructure	Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Formula All Funds Difference	% All Funds Variance Biennium
UT Southwestern Medical Center	\$ 49,495,400	\$ 50,047,286	\$ 551,886	1.1%
UT Medical Branch at Galveston	\$ 27,821,972	\$ 27,101,176	\$ (720,796)	-2.6%
UT Health Science Center at Houston	\$ 37,869,442	\$ 40,676,412	\$ 2,806,970	7.4%
UT Health Science Center at San Antonio	\$ 29,690,426	\$ 28,964,736	\$ (725,690)	-2.4%
UT M.D. Anderson Cancer Center	\$ 51,828,606	\$ 54,812,902	\$ 2,984,296	5.8%
UT Health Science Center at Tyler	\$ 2,037,760	\$ 2,142,830	\$ 105,070	5.2%
Texas A&M University Health Science Center	\$ 16,261,232	\$ 16,249,856	\$ (11,376)	-0.1%
UNT Health Science Center	\$ 10,216,634	\$ 10,064,784	\$ (151,850)	-1.5%
Texas Tech University Health Sciences Center*	\$ 17,130,406	\$ 17,454,598	\$ 324,192	1.9%
Texas Tech University Health Sciences Center at El Paso*	\$ 6,006,706	\$ 6,120,382	\$ 113,676	1.9%
INFRASTRUCTURE SUBTOTAL	\$ 248,358,584	\$ 253,634,962	\$ 5,276,378	2.1%

Weighted FTSEs 2014-15	Weighted FTSEs 2016-17	Weighted FTSEs Difference	% WTFSEs Variance Biennium
5,791.8	5,784.0	(8)	-0.1%
6,697.9	7,249.0	551	8.2%
10,476.5	10,551.3	75	0.7%
8,802.8	8,785.5	(17)	-0.2%
372.7	361.6	(11)	-3.0%
3.9	16.6	13	319.8%
7,529.1	8,114.9	586	7.8%
5,732.3	6,508.6	776	13.5%
7,729.7	8,402.7	673	8.7%
1,363.2	1,859.9	497	36.4%
54,500.0	57,634.2	3,134	5.8%

644.0	650.0	6	0.9%
55,144	58,284	3,140	5.7%

Predicted Square Feet 2014-15	Predicted Square Feet 2016-17	Predicted Square Feet Difference	% Pred. Sq. Ft. Variance Biennium
3,733,110	3,774,735	41,625	1.1%
2,098,427	2,044,062	(54,365)	-2.6%
2,856,241	3,067,952	211,711	7.4%
2,239,352	2,184,618	(54,734)	-2.4%
4,255,482	4,500,513	245,031	5.8%
167,314	175,941	8,627	5.2%
1,226,477	1,225,619	(858)	-0.1%
770,573	759,120	(11,453)	-1.5%
1,292,085	1,316,485	24,400	1.9%
452,994	461,620	8,625	1.9%
19,092,055	19,510,665	418,609	2.2%

Section 3D

Research	Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Formula All Funds Difference	% All Funds Variance Biennium
UT Southwestern Medical Center	\$ 12,503,722	\$ 12,668,246	\$ 164,524	1.3%
UT Medical Branch at Galveston	\$ 6,423,458	\$ 6,348,422	\$ (75,036)	-1.2%
UT Health Science Center at Houston	\$ 8,344,236	\$ 8,184,424	\$ (159,812)	-1.9%
UT Health Science Center at San Antonio	\$ 6,813,214	\$ 6,633,160	\$ (180,054)	-2.6%
UT M.D. Anderson Cancer Center	\$ 18,589,454	\$ 19,150,090	\$ 560,636	3.0%
UT Health Science Center at Tyler	\$ 3,117,926	\$ 3,106,380	\$ (11,546)	-0.4%
Texas A&M University Health Science Center	\$ 4,744,578	\$ 4,660,822	\$ (83,756)	-1.8%
UNT Health Science Center	\$ 3,846,388	\$ 3,813,110	\$ (33,278)	-0.9%
Texas Tech University Health Sciences Center*	\$ 3,739,727	\$ 3,780,466	\$ 40,739	1.1%
Texas Tech University Health Sciences Center at El Paso*	\$ 560,639	\$ 3,354,990	\$ 2,794,351	498.4%
RESEARCH SUBTOTAL	\$ 68,683,341	\$ 71,700,110	\$ 3,016,769	4.4%

Graduate Medical Education	Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Formula All Funds Difference	% All Funds Variance Biennium
UT Southwestern Medical Center	\$ 15,990,508	\$ 16,984,152	\$ 993,644	6.2%
UT Medical Branch at Galveston	\$ 5,377,974	\$ 5,613,580	\$ 235,606	4.4%
UT Health Science Center at Houston	\$ 8,850,608	\$ 9,373,039	\$ 522,431	5.9%
UT Health Science Center at San Antonio	\$ 7,365,262	\$ 7,754,525	\$ 389,263	5.3%
UT M.D. Anderson Cancer Center	\$ 1,331,688	\$ 1,382,907	\$ 51,219	3.8%
UT Health Science Center at Tyler	\$ 460,970	\$ 850,232	\$ 389,262	84.4%
Texas A&M University Health Science Center	\$ 5,941,380	\$ 6,381,862	\$ 440,482	7.4%
UNT Health Science Center	\$ 2,263,870	\$ 2,499,477	\$ 235,607	10.4%
Texas Tech University Health Sciences Center*	\$ 3,892,628	\$ 4,220,429	\$ 327,801	8.4%
Texas Tech University Health Sciences Center at El Paso*	\$ 2,263,872	\$ 2,386,796	\$ 122,924	5.4%
HEALTH RELATED GME SUBTOTAL	\$ 53,738,760	\$ 57,447,000	\$ 3,708,240	6.9%
Baylor College of Medicine Graduate Medical Education**	\$ 11,944,223	\$ 12,773,967	\$ 829,745	6.9%
HEALTH RELATED + BCOM GME SUBTOTAL	\$ 65,682,983	\$ 70,220,967	\$ 4,537,984	6.9%

Research Expenditures 2014-15	Research Expenditures 2016-17	Research Expenditures Difference	% Research Exp. Variance Biennium
\$ 397,563,341	\$ 404,321,279	\$ 6,757,938	1.7%
\$ 147,810,319	\$ 144,728,120	\$ (3,082,199)	-2.1%
\$ 226,708,175	\$ 220,143,776	\$ (6,564,399)	-2.9%
\$ 163,819,965	\$ 156,424,014	\$ (7,395,951)	-4.5%
\$ 647,540,896	\$ 670,569,609	\$ 23,028,713	3.6%
\$ 12,032,236	\$ 11,557,950	\$ (474,286)	-3.9%
\$ 78,848,602	\$ 75,408,237	\$ (3,440,365)	-4.4%
\$ 41,954,584	\$ 40,587,649	\$ (1,366,935)	-3.3%
\$ 37,573,322	\$ 39,246,757	\$ 1,673,435	4.5%
\$ 23,028,811	\$ 21,769,914	\$ (1,258,897)	-5.5%
\$ 1,776,880,251	\$ 1,784,757,305	\$ 7,877,054	0.4%

Medical Residents 2014-15	Medical Residents 2016-17	Medical Residents Difference	% Residents Variance Biennium
1,561	1,658	97	6.2%
525	548	23	4.4%
864	915	51	5.9%
719	757	38	5.3%
130	135	5	3.8%
45	83	38	84.4%
580	623	43	7.4%
221	244	23	10.4%
380	412	32	8.4%
221	233	12	5.4%
5,246	5,608	362	6.9%
1,166	1,247	81	6.9%
6,412	6,855	443	6.9%

Section 3D

Cancer Center Operations	Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Formula All Funds Difference	% All Funds Variance Biennium
UT M.D. Anderson Cancer Center	\$ 247,535,944	\$ 257,089,043	\$ 9,553,099	3.9%
CANCER CENTER OPERATIONS SUBTOTAL	\$ 247,535,944	\$ 257,089,043	\$ 9,553,099	3.9%

Chest Disease Center Operations	Total Formula All Funds 2014-15	Total Formula All Funds 2016-17	Formula All Funds Difference	% All Funds Variance Biennium
UT Health Science Center at Tyler	\$ 54,555,084	\$ 56,660,516	\$ 2,105,432	3.9%
CHEST DISEASE CENTER OPERATIONS SUBTOTAL	\$ 54,555,084	\$ 56,660,516	\$ 2,105,432	3.9%

TX Cancer Patients 2014-15	TX Cancer Patients 2016-17	TX Cancer Patients Difference	% TX Patients Variance Biennium
63,666	71,441	7,775	12.2%
63,666	71,441	7,775	12.2%

Chest Disease Cases 2014-15	Chest Disease Cases 2016-17	Chest Disease Cases Difference	% Cases Variance Biennium
72,138	135,644	63,506	88.0%
72,138	135,644	63,506	88.0%

*Appropriations for Texas Tech Health Sciences Center at Lubbock and Texas Tech Health Sciences Center at El Paso were combined under Texas Tech Health Sciences Center at Lubbock during the 2014-15 biennium. Texas Tech Health Sciences Center at El Paso became a stand-alone institution in May 2013 with the passage of SB120, Eighty-third Legislature, Regular Session. Formula amounts and drivers in 2014-15 are allocated between Texas Tech University Health Sciences Center and Texas Tech University Health Sciences Center at El Paso based on information provided by the institutions and Texas Higher Education Coordinating Board.

**Appropriations for Baylor College of Medicine are provided through the Texas Higher Education Coordinating Board bill pattern and are based on the 2014-15 calculation methodology.

Senate General Revenue Compared to 2014-15 Base
Health Related Institutions

Institution	Total General Revenue 2014-15	Formula General Revenue Inc/(Dec)	Debt Service Inc/(Dec)**	Workers' Compensation Inc/(Dec)	Special Items Inc/(Dec)	Total General Revenue 2016-17	GR Variance	% GR Variance Biennium***
UT Southwestern Medical Center	\$ 278,768,910	\$ 212,704	\$ 6,888	\$ -	\$ -	\$ 278,988,502	\$ 219,592	0.1%
UT Medical Branch at Galveston	\$ 506,740,244	\$ 5,701,408	\$ 101,632	\$ -	\$ -	\$ 512,543,284	\$ 5,803,040	1.1%
UT Health Science Center at Houston	\$ 326,708,589	\$ (1,142,731)	\$ (1,555)	\$ -	\$ -	\$ 325,564,303	\$ (1,144,286)	-0.4%
UT Health Science Center at San Antonio	\$ 284,789,980	\$ 426,292	\$ (4,425)	\$ -	\$ (10,000,000)	\$ 275,211,847	\$ (9,578,133)	0.1%
UT Rio Grande Valley****	\$ -	\$ -	\$ -		\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	NA
UT M.D. Anderson Cancer Center	\$ 343,367,681	\$ 12,884,617	\$ (3,325)	\$ -	\$ -	\$ 356,248,973	\$ 12,881,292	3.8%
UT Health Science Center at Tyler	\$ 73,967,295	\$ 2,712,950	\$ 1,325	\$ -	\$ -	\$ 76,681,570	\$ 2,714,275	3.7%
Texas A&M University Health Science Center	\$ 238,639,006	\$ 6,090,498	\$ (249,999)	\$ -	\$ -	\$ 244,479,505	\$ 5,840,499	2.4%
UNT Health Science Center	\$ 140,736,629	\$ 12,378,514	\$ 62,275	\$ -	\$ -	\$ 153,177,418	\$ 12,440,789	8.8%
Texas Tech University Health Sciences Center*	\$ 338,992,646	\$ (25,812,877)	\$ (13,483,650)	\$ (231,182)	\$ (66,523,562)	\$ 232,941,375	\$ (106,051,271)	5.4%
Texas Tech University Health Sciences Center at El Paso*	\$ -	\$ 44,268,361	\$ 13,335,386	\$ 231,182	\$ 66,523,562	\$ 124,358,491	\$ 124,358,491	NA
TOTAL	\$ 2,532,710,980	\$ 57,719,736	\$ (235,448)	\$ -	\$ -	\$ 2,590,195,268	\$ 57,484,288	2.3%

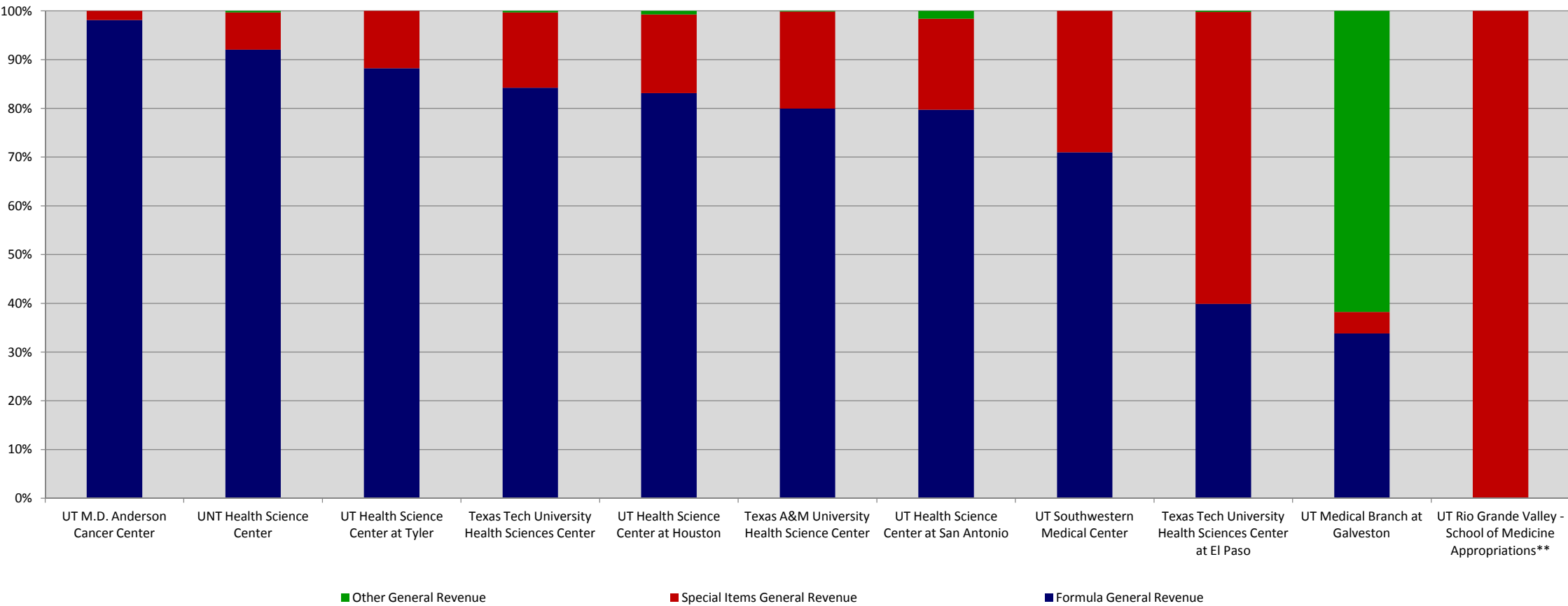
*Appropriations for Texas Tech Health Sciences Center at Lubbock and Texas Tech Health Sciences Center at El Paso were combined under Texas Tech Health Sciences Center at Lubbock during the 2014-15 biennium. Texas Tech Health Sciences Center at El Paso became a stand-alone institution in May 2013 with the passage of SB120, Eighty-third Legislature, Regular Session.

** Debt service amounts include tuition revenue bond debt service and debt service for Texas A&M Health Science Center's Round Rock campus.

*** The percentage variance for UT Health Science Center at San Antonio is calculated on the combined funding change for both UT Health Science Center at San Antonio and UT Rio Grande Valley School of Medicine related funding from 2014-15 total General Revenue appropriations to UT Health Science Center at San Antonio. The percentage variance for Texas Tech Health Sciences Center is calculated on the combined funding change for both Texas Tech Health Sciences Center and Texas Tech Health Sciences Center at El Paso from 2014-15 total General Revenue appropriations to Texas Tech Health Sciences Center.

****General Revenue Fund Appropriations of \$10.0 million were reallocated from The University of Texas Health Science Center at San Antonio to The University of Texas Rio Grande Valley to support the establishment of a School of Medicine at the institution. Funding appropriated to The University of Texas Rio Grande Valley for the School of Medicine is included for the totals for the health related institutions, while the remainder of funding for the institution is included with the general academic institutions.

2016-17 General Revenue (GR) per Institution by Formula GR, Special Item GR, and Other GR* - Senate



* Other General Revenue includes Hospital and Dental Clinic Operations, Workers' Compensation Insurance, and Unemployment Compensation Insurance. It does not include Lease of Facilities, Tuition Revenue Bond Debt Service, or debt service at Texas A&M University Health Science Center for the Round Rock facility.

** General Revenue Fund Appropriations of \$10.0 million were reallocated from The University of Texas Health Science Center at San Antonio to The University of Texas Rio Grande Valley to support the establishment of a School of Medicine at the institution. Funding appropriated to The University of Texas Rio Grande Valley for the School of Medicine is included for the totals for the health related institutions, while the remainder of funding for the institution is included with the general academic institutions.

Instruction and Operations Formula Small Class Supplement - Senate
2016-17 Recommended Allocation

Institutions	Preliminary Full Time Student Equivalents Fall 2014	2014-15 Appropriations*	2016-17 Appropriations*
UT Southwestern Medical Center	2,193	\$ -	\$ -
UT Medical Branch at Galveston	3,529	1,080,000	1,080,000
UT Health Science Center at Houston	4,367	7,570,360	6,959,462
UT Health Science Center at San Antonio	3,487	2,271,562	3,196,862
UT M.D. Anderson Cancer Center	362	-	-
UT Health Science Center at Tyler	16	152,190	598,528
Texas A&M University Health Science Center	2,626	15,782,348	13,890,578
UNT Health Science Center	2,625	-	-
Texas Tech University Health Sciences Center**	5,076	17,037,716	13,474,016
Texas Tech University Health Sciences Center at El Paso**	481	1,661,006	-
TOTAL:		\$ 45,555,182	\$ 39,199,446

* The small class supplement in 2014-15 was provided for all instructional programs with enrollment of less than 200 students. The small class supplement in 2016-17 is based on instructional programs with enrollment of less than 200 students at remote locations only and at UT Health Science at Tyler's main campus.

**Appropriations for Texas Tech Health Sciences Center at Lubbock and Texas Tech Health Sciences Center at El Paso were combined under Texas Tech Health Sciences Center at Lubbock during the 2014-15 biennium. Texas Tech Health Sciences Center at El Paso became a stand-alone institution in May 2013 with the passage of SB120, Eighty-third Legislature, Regular Session. Small Class Supplement in 2014-15 was allocated between Texas Tech University Health Sciences Center and Texas Tech University Health Sciences Center at El Paso based on information provided by the institutions and Texas Higher Education Coordinating Board.

Tuition Revenue Bond Debt Service - Senate
Health Related Institutions

Tuition Revenue Bonds (TRB)	Base 2014	Base 2015	Requested 2016	Requested 2017	Difference 2016-17 compared to 2014-15
UT Southwestern Medical Center	\$ 12,328,747	\$ 12,330,403	\$ 12,333,563	\$ 12,332,475	\$ 6,888
UT Medical Branch at Galveston	\$ 17,086,741	\$ 17,178,208	\$ 17,182,178	\$ 17,184,403	\$ 101,632
UT Health Science Center at Houston	\$ 12,562,560	\$ 12,558,568	\$ 12,557,418	\$ 12,562,155	\$ (1,555)
UT Health Science Center at San Antonio	\$ 9,710,410	\$ 9,707,055	\$ 9,704,120	\$ 9,708,920	\$ (4,425)
UT M.D. Anderson Cancer Center	\$ 5,914,275	\$ 5,912,800	\$ 5,910,000	\$ 5,913,750	\$ (3,325)
UT Health Science Center at Tyler	\$ 2,575,975	\$ 2,580,550	\$ 2,580,800	\$ 2,577,050	\$ 1,325
Texas A&M Health Science Center	\$ 4,396,628	\$ 4,394,255	\$ 4,408,035	\$ 4,134,401	\$ (248,447)
North Texas Health Science Center at Fort Worth	\$ 7,249,513	\$ 7,297,013	\$ 7,301,613	\$ 7,307,188	\$ 62,275
Texas Tech University Health Sciences Center*	\$ 5,703,742	\$ 5,701,993	\$ 5,694,730	\$ 5,704,161	\$ (6,844)
Texas Tech University Health Sciences Center at El Paso*	\$ 6,808,645	\$ 6,668,161	\$ 6,666,924	\$ 6,668,462	\$ (141,420)
Total TRB Debt Service	\$ 84,337,236	\$ 84,329,006	\$ 84,339,381	\$ 84,092,965	\$ (233,896)

*Appropriations for Texas Tech Health Sciences Center at Lubbock and Texas Tech Health Sciences Center at El Paso were combined under Texas Tech Health Sciences Center at Lubbock during the 2014-15 biennium. Texas Tech Health Sciences Center at El Paso became a stand-alone institution in May 2013 with the passage of SB120, Eighty-third Legislature, Regular Session. TRB debt service in 2014-15 was allocated between Texas Tech University Health Sciences Center and Texas Tech University Health Sciences Center at El Paso based on information provided by the institutions.

Section 3I

Percentage of Funds Inside the Bill Pattern - Senate
Health Related Institutions

Institutions	Appropriated Sources (Inside the Bill Pattern)	Funding Outside the Institution's Bill Pattern	Total	Percent of Total Inside the Bill Pattern
UT Southwestern Medical Center	\$ 305,201,110	\$ 4,446,380,891	\$ 4,751,582,001	6.4%
UT Medical Branch at Galveston	\$ 555,230,067	\$ 3,186,376,650	\$ 3,741,606,717	14.8%
UT Health Science Center at Houston	\$ 376,452,867	\$ 2,175,982,766	\$ 2,552,435,633	14.7%
UT Health Science Center at San Antonio	\$ 320,943,499	\$ 1,277,249,471	\$ 1,598,192,970	20.1%
UT Rio Grande Valley*	\$ 10,000,000	N/A	N/A	N/A
UT M.D. Anderson Cancer Center	\$ 374,865,632	\$ 9,124,417,914	\$ 9,499,283,546	3.9%
UT Health Science Center at Tyler	\$ 83,247,822	\$ 275,809,047	\$ 359,056,869	23.2%
Texas A&M University Health Science Center	\$ 279,040,218	\$ 267,618,882	\$ 546,659,100	51.0%
UNT Health Science Center	\$ 178,374,187	\$ 362,098,367	\$ 540,472,554	33.0%
Texas Tech University Health Sciences Center	\$ 265,565,290	\$ 970,927,429	\$ 1,236,492,719	21.5%
Texas Tech University Health Sciences Center at El Paso	\$ 134,205,255	\$ 348,104,556	\$ 482,309,811	27.8%
Total, All Health Related Institutions:	\$ 2,883,125,947	\$ 22,434,965,973	\$ 25,308,091,920	11.4%

*Funds shown for The University of Texas Rio Grande Valley include allocations for the School of Medicine. Funds outside the institution's bill pattern for The University of Texas Rio Grande Valley are provided with the general academic institutions.

Section 4

Health Related Institutions
Performance Review and Policy Report Highlights - Senate

Reports & Recommendations	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in the Introduced Bill	Action Required During Session
---------------------------	--------------------	-----------------	--------------	------------------------------------	--------------------------------

NO RELATED RECOMMENDATIONS

Section 5

Health Related Institutions
Rider Highlights - Senate

- 1. The University of Texas Medical Branch at Galveston

Rider 5. Transfers of Appropriations – State Owned Hospitals. Rider amended to update the amount of intergovernmental transfer of funds provided to the Health and Human Services Commission in 2016-17.

Rider 11. Informational Listing – The University of Texas Medical Branch at Galveston Patient Income. Rider amended to update estimated patient income collections and remove the requirement that Full-Time Equivalent (FTEs) positions associated with patient income and included in the informational rider are counted towards the FTE limitations established in Article IX, Section 6.10, Limitation on State Employment Levels. This is in alignment with the policy decision to not appropriate patient income to the institutions.

(former) Rider 13. UTMB Hospital Operations. Recommendations delete this rider. Appropriations of \$5.0 million each year of the biennium were provided to the institution during the 2014-2015 biennium. These amounts were included in the 2014-2015 base and the 2016-2017 recommendations.

- 2. The University of Texas Health Science Center at Houston

Rider 6. Informational Listing – The University of Texas Health Science Center at Houston Patient Income. Rider amended to update estimated patient income collections and remove the requirement that Full-Time Equivalent (FTEs) positions associated with patient income and included in the informational rider are counted towards the FTE limitations established in Article IX, Section 6.10, Limitation on State Employment Levels. This is in alignment with the policy decision to not appropriate patient income to the institutions.

(new) Rider 8. Contingency for Behavioral Health Funds. Rider added per Article IX provisions on a Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

- 3. The University of Texas Health Science Center at San Antonio

(new) Rider 2. Appropriations in Support of the Regional Academic Health Center (RAHC). Rider added to specify that appropriations are to support the RAHC and the establishment, operation, or administration of a medical school. Rider also provides authority for The University of Texas Health Science Center at San Antonio to transfer appropriations to The University of Texas Rio Grande Valley in support of the RAHC and establishment, operation, or administration of The University of Texas Rio Grande Valley School of Medicine. See Section 3 Selected Fiscal and Policy Issues, Item 12 and Section 3A Selected Policy Overview - Integration of Health Related Institutions (HRI) and General Academic Institutions (GAI) for more information.

Section 5

Rider 6. Informational Listing – The University of Texas Health Science Center at San Antonio Patient Income. Rider amended to update estimated patient income collections and remove the requirement that Full-Time Equivalent (FTEs) positions associated with patient income and included in the informational rider are counted towards the FTE limitations established in Article IX, Section 6.10, Limitation on State Employment Levels. This is in alignment with the policy decision to not appropriate patient income to the institutions.

Rider 7. Barshop Institute for Longevity and Aging Studies. Rider amended to clarify that the item supports translational science along with the Barshop Institute for Longevity and Aging Studies and Alzheimer’s Disease research. This is in alignment with the purpose of the special item.

(former) Rider 8. Contingency for HB 1000 or SB 24. Recommendations delete this rider. Senate Bill 24, 83rd Legislature, Regular Session, was enacted and \$5.0 million in each year of the biennium was provided to the institution. The amounts were included in the 2014-2015 base and are provided to The University of Texas Rio Grande Valley for the School of Medicine in the 2016-2017 recommendations.

4. The University of Texas Rio Grande Valley (UTRGV) - School of Medicine Related Riders

(new) Rider 5. Appropriations in Support of the School of Medicine and the Regional Academic Health Center (RAHC). Rider added to specify that appropriations support the establishment, operation, or administration of a medical school or the RAHC and provide authority for UTRGV to transfer funding to UTHSC San Antonio for services related to the RAHC or the medical school.

(new) Rider 6. Unexpended Balance Between Fiscal Years: School of Medicine. Rider added to provide unexpended balance authority between fiscal years for the School of Medicine.

(new) Rider 7. Reporting Requirement on Research Expenditures. Recommendations add a rider requiring UTRGV to submit a report, in a form prescribed by the Legislative Budget Board (LBB), to the LBB and Governor by December 1 of each year. The report must provide information on research expenditures at UTRGV School of Medicine separately from UTRGV and include restricted research expenditures and total research expenditures.

(new) Rider 8. Reporting Requirement on Benefit Expenditures. Recommendations add a rider requiring UTRGV to submit a report, in a form prescribed by the LBB, to the LBB and Governor by December 1 of each year. The report must provide information on benefit expenditures at UTRGV School of Medicine separately from UTRGV and include expenditures for the Teachers Retirement System, Optional Retirement Program, group insurance, and social security.

5. The University of Texas M.D. Anderson Cancer Center

Rider 3. Transfers of Appropriations – State Owned Hospitals. Rider amended to update the amount of intergovernmental transfer of funds provided to the Health and Human Services Commission in 2016-17.

Rider 8. Informational Listing – The University of Texas M.D. Anderson Cancer Center Patient Income. Rider amended to update estimated patient income collections and

Section 5

remove the requirement that Full-Time Equivalent (FTEs) positions associated with patient income and included in the informational rider are counted towards the FTE limitations established in Article IX, Section 6.10, Limitation on State Employment Levels. This is in alignment with the policy decision to not appropriate patient income to the institutions.

6. The University of Texas Health Science Center at Tyler

Rider 3. Transfers of Appropriations – State Owned Hospitals. Rider amended to update the amount of intergovernmental transfer of funds provided to the Health and Human Services Commission in 2016-17.

Rider 5. Informational Listing – The University of Texas Health Science Center at Tyler Patient Income. Rider amended to update estimated patient income collections and remove the requirement that Full-Time Equivalent (FTEs) positions associated with patient income and included in the informational rider are counted towards the FTE limitations established in Article IX, Section 6.10, Limitation on State Employment Levels. This is in alignment with the policy decision to not appropriate patient income to the institutions.

7. Texas A&M University Health Science Center

Rider 8. Informational Listing – Texas A&M University Health Science Center Patient Income. Rider amended to update estimated patient income collections and remove the requirement that Full-Time Equivalent (FTEs) positions associated with patient income and included in the informational rider are counted towards the FTE limitations established in Article IX, Section 6.10, Limitation on State Employment Levels. This is in alignment with the policy decision to not appropriate patient income to the institutions.

Rider 9. Multiple Locations. Rider amended to align with the recommendation that the small class supplement is only provided for individual programs at remote sites.

8. Texas Tech University Health Sciences Center (TTUHSC)

Rider 3. Estimated Appropriation and Unexpended Balance. Rider amended to eliminate estimated appropriation and unexpended balance authority for the Permanent Endowment Fund for the Texas Tech University Health Sciences Center at El Paso No. 820. This funding is appropriated directly to TTUHSC at El Paso.

Rider 4. Campus Academic Programs. Rider amended to align with the recommendation that the small class supplement is only provided for individual programs at remote sites.

(former) Rider 4. El Paso Center for Border Health Research. Rider deleted due to moving the funding for this special item from TTUHSC to TTUHSC at El Paso.

9. Texas Tech University Health Sciences Center at El Paso

Section 5

(new) Rider 2. El Paso Center for Border Health Research. Rider added due to moving the special item funding for this item from TTUHSC to TTUHSC at El Paso. The rider specifies that funds are provided for collaboration with the University of Texas at El Paso and the El Paso Center for Border Health Research.

(new) Rider 3. Estimated Appropriation and Unexpended Balance. Rider added to provide an estimated appropriation and unexpended balance authority for the Permanent Endowment Fund for the Texas Tech University Health Sciences Center at El Paso No. 820 and Permanent Health Fund for Higher Education No. 810. This funding was moved from TTUHSC to TTUHSC at El Paso.

(new) Rider 4. Campus Academic Programs. Rider added to TTUHSC at El Paso to specify that academic programs at sites recognized as small campuses by the Legislature or the Texas Higher Education Coordinating Board will be eligible for the small class supplement if the program is at a remote site and the multi-campus adjustment in the space projection model. This rider has historically been included at TTUHSC and is included at TTUHSC at El Paso as a stand-alone institution.

Section 6

Health Related Institutions

Items not Included in Recommendations - Senate

Agency Exceptional Items - In Agency Priority Order

2016-17 Biennial Total	
GR & GR-Dedicated	FTEs

1. University of Texas Southwestern Medical Center

a.	Funding for the newly established Center for Regenerative Science and Medicine.	\$	16,000,000	58.3
b.	Funding to expand the Texas Health and Aging Study by 5,000 recipients, complete imaging and genetic sequencing, and provide data to other researchers in Texas.	\$	8,000,000	20.2
c.	Tuition Revenue Bond Debt Service: New Construction for Vivarium and Aging Research Infrastructure (\$109.8 million TRB request).	\$	19,145,730	0.0

2. University of Texas Medical Branch at Galveston

a.	Tuition Revenue Bond Debt Service: New Construction for UTMB Health Education Center (\$67.8 million TRB request).	\$	11,820,000	0.0
b.	Funding for UTMB's Biosafety Level IV Facility to expand research, recruit and train of scientists, and develop treatments and vaccines relevant to public health.	\$	8,550,000	0.0
c.	Creation of the Trans-Texas Vaccine Institute to expand development and production of new and existing vaccines.	\$	8,000,000	0.0
d.	Funding for a Regenerative Medicine partnership with Moody Foundation's Texas Transitional Learning Research Center. The funding would provide a match to a three year, \$3.0 million per year philanthropic grant provided to the institution for research on restoring functionality to individuals with brain and spinal cord injuries.	\$	6,000,000	0.0

3. University of Texas Health Science Center at Houston

a.	Tuition Revenue Bond Debt Service for Recapitalization, Renovation, and Modernization of Educational and Research Facilities (\$123.9 million TRB request).	\$	21,600,000	0.0
b.	Biomedical Informatics Research and Education Expansion to establish the UT System Biomedical Informatics Collaborative. The collaborative would expand Biomedical Informatics degree and certificate granting programs to the rest of the UT campuses, develop UT System-wide informatics research infrastructure (The University of Texas Center for Big Health Data), recruit informatics faculty, and develop informatics tools for patient care, clinical research, biomedical discoveries, and technology transfer. Staff will include 13 FTEs to coordinate educational programs across campuses, 6 FTE teaching faculty, 6 scientists, 5 data analysts/developers, and 4 postdoctoral fellows.	\$	12,000,000	34.0

c.	Funding to establish a new regional UTHealth Campus and provide the following: complete the planning for the new campus, hire new faculty and staff, supply and equip the campus, pay facility rent and other necessary expenses.	\$	31,600,000	65.0
d.	Expand the current Center for Healthcare Quality and Safety to develop additional model education and patient care programs, distribute findings in national publications and conferences, recruit faculty, and educate caregivers to improve patient outcomes.	\$	9,800,000	25.6
e.	Tuition Revenue Bond Debt Service: New Construction for an Academic and Research Building (\$91.0 million TRB request).	\$	7,935,000	0.0

4. University of Texas Health Science Center at San Antonio

a.	Funding for the Regional Campus in Laredo to establish graduate level health professions programs, develop community based research programs for diabetes and obesity, grow student enrichment programs, develop professional health degree programs for nontraditional students and/or post graduate students, provide targeted activities to increase diversity in the dental and allied dental professions, expand Pediatric Dentistry residency training program and reestablish the Physician's Assistant clinical training program.	\$	2,800,000	10.0
----	---	----	-----------	------

Section 6

Health Related Institutions

Items not Included in Recommendations - Senate

Agency Exceptional Items - In Agency Priority Order	2016-17 Biennial Total	
	GR & GR-Dedicated	FTEs
b. Funding for the San Antonio Life Sciences Institute (SALSI) which provides for a partnership with The University of Texas at San Antonio for research projects, infrastructure, and education.	\$ 4,000,000	20.0
c. Tuition Revenue Bond Debt Service for Facilities Renewal and Renovation (\$114.0 million TRB request).	\$ 19,880,000	0.0
d. Increased funding for the Regional Academic Health Center/UT Rio Grande Valley School of Medicine to expand undergraduate/graduate medical education and research, develop basic sciences and clinical curriculum for 200 students and 150 residents, provide interdisciplinary approach to education, research, and health services, and provide programmatic and infrastructure support. The funding will provide for the necessary infrastructure of a medical school, including new faculty in a variety of disciplines, related support functions, maintaining accreditation requirements, and continuing the regionalization/expansion of programs.	\$ 40,046,486	125.0
5. University of Texas M.D. Anderson Cancer Center		
a. Funding for the Childhood Cancer Genome Project to research the role of genomic alterations in therapy resistant cancers. This project will be leveraged into the Adaptive Patient Oriented Longitudinal Learning and Optimization Sarcoma Initiative to standardize collection of clinic data and provide analytical tools to examine the information.	\$ 2,000,000	5.0
b. Funding for Umbilical Cord Blood Bank Research through the M.D. Anderson Cord Blood Bank. The funding would support development of clinical research protocols for cord blood transplantation and support the collection, freezing, banking, and release of cord blood for laboratory research.	\$ 2,000,000	5.0
c. Increase in funding for an existing special item for Rare and Aggressive Breast Cancer Research Program to perform a genome analysis of the cancer tissue to identify genes driving the cancer, investigate viral and auto-immune causes, and analyze patient tissue samples.	\$ 2,800,000	0.0
d. Tuition Revenue Bond Debt Service: New Construction for the Sheikh Zayed Bin Sultan Al Nahyan Building for Personalized Cancer Care (\$70.0 million TRB request).	\$ 12,210,000	0.0
6. University of Texas Health Science Center at Tyler		
a. Support for continued development and expansion of degree granting academic programs at the School of Biological Sciences and future programs in health professions and community health. This would specifically provide for infrastructure costs to develop programs focused on population health, cover expenses for accreditation activities, faculty recruitment, curriculum development, and classroom/equipment upgrades.	\$ 6,000,000	0.0
b. Tuition Revenue Bond Debt Service for Existing Space Renovation (\$15.0 million TRB request).	\$ 2,620,000	0.0
c. Additional funding for the existing special item, Northeast Texas Consortium (NETNet) program, which works with 18 higher education institutions, East Texas K-12 students, and 5 healthcare centers to provide for IT infrastructure such as high-speed broadband network, Internet, video support, distance learning courses, and regional connectivity. Additional funding would provide for deferred investment in technology infrastructure.	\$ 5,000,000	0.0
7. Texas A&M University Health Science Center		
a. Funding for the Healthy South Texas 2025: Texas A&M Institute for Public Health Improvement initiative to reduce preventable disease in South Texas in partnership with Texas A&M Agrilife Extension Service by 25% by 2025. Funding will expand outreach programs in a 26 county region, recruit leadership in public health and chronic diseases, develop academic health programs to impact patient populations, train health care professionals, support 6 nutrition and health specialists, 4 Master Wellness Volunteer Coordinators, and 8 nutrition and health educators.	\$ 15,000,000	25.0

Section 6

Health Related Institutions

Items not Included in Recommendations - Senate

Agency Exceptional Items - In Agency Priority Order	2016-17 Biennial Total		
	GR & GR-Dedicated		FTEs
b. Funding for Regeneration and Rejuvenation Therapies Program relating to research using adult stem cells. This funding will bring adult stem cell therapies into clinical trials to support the first human application of the stem cell therapy, develop custom therapeutic products for arthritis, heart disease, and brain disease, recruit and establish a research group with a new laboratory, perform safety and preliminary effectiveness studies, and provide matching funds to support FDA compliant manufacturing of stem cells.	\$	8,500,000	10.0
c. Funding to establish the first Department of Forensic Nursing in Texas, create a certificate program for Registered Nurses and graduate degree with the forensic program at Texas A&M Engineering Extension Service, create a continuing education program for all Emergency Department nurses, develop community partner programs, fund executive staff, expand outreach to remote locations, create web-based training modules, and provide for equipment.	\$	2,000,000	7.0
d. Funding to develop, test, and approve new vaccines for emerging infectious disease in Texas. The funding would provide for the transfer of technology for vaccines, development of processes for FDA compliant manufacture of the vaccine, performing large animal, pre-clinical testing, and performing safety and effectiveness studies.	\$	6,000,000	4.0
e. Funding to design and evaluate mobile technology to improve health with the Texas Engineering Experiment Station - Center for Remote Healthcare Technology.	\$	4,750,000	2.5
f. Tuition Revenue Bond Debt Service: New Construction for the A&M Baylor College of Dentistry Clinical Education Facility in Dallas (\$98.5 million TRB request).	\$	17,175,358	0.0
g. Tuition Revenue Bond Debt Service: New Construction for a Multi-disciplinary Research and Education Facility on the Bryan Campus (\$80.0 million TRB request).	\$	13,949,530	0.0
8. University of North Texas Health Science Center			
a. Tuition Revenue Bond Debt Service: New Construction for an Interdisciplinary Research Building on the UNTHSC campus (\$96.8 million TRB request).	\$	16,878,930	0.0
b. Funding to develop a Center for Genome Guided Personalized Medicine.	\$	8,000,000	22.0
c. Funding to establish the Institute for Patient Safety and Preventable Harm.	\$	4,000,000	19.0
9. Texas Tech University Health Sciences Center			
a. Funding for the Interprofessional Healthcare Education Initiative to develop educational programming for students, provide professional development for faculty, offer small grants for research projects, hire personnel, and provide for technological needs for simulation based education across healthcare professionals.	\$	3,600,000	17.6
b. Increased funding for the existing special item, West Texas Area Health Education Center. The funding would establish the Concho Valley Area Health Education Center in San Angelo, TX to support the 17 county region. The center would support healthcare needs in the area, gathering information on healthcare education needs of the community, and expand outreach through community based education.	\$	500,000	0.0
c. Funding for the Family Medicine Accelerated Track (FMAT) program to compensate for loss of formula dollars in the 4th year from these students. The FMAT curriculum is compressed to 3 years instead of 4 years, resulting in a loss of formula funding for these students for the standard last year of medical school.	\$	1,450,000	5.0
d. Tuition Revenue Bond Debt Service: New Construction for the following three projects: -Lubbock Education, Research, and Technology Expansion (\$75.3 million TRB request); - Permian Basin Academic Facility (\$17.8 million TRB request); - Amarillo Panhandle Clinical/Hospital Simulation Center (\$6.4 million TRB request).	\$	17,349,728	0.0
Section 6			

Section 6

Health Related Institutions
Items not Included in Recommendations - Senate

2016-17 Biennial Total		
	GR & GR-Dedicated	FTEs
Agency Exceptional Items - In Agency Priority Order		
10. Texas Tech University Health Sciences Center at El Paso		
a. Funding for the support of an Interdisciplinary Educational and Training Simulation Institute. The funding would support the administrative and educational staff and the simulation equipment.	\$ 3,700,000	16.5
b. Tuition Revenue Bond Debt Service: New Construction for the following two projects: - El Paso Medical Science Building II (\$85.0 million TRB request); - El Paso Clinical Sciences Building (\$31.0 million TRB request).	\$ 20,212,868	0.0
Total Health Related Institutions' Exceptional Items	\$ 402,873,630	496.70

Cross Institution Policy Requests Not Included in the Recommendations

11. The University of Texas Health Science Center (UTHSC) at Houston, The University of Texas Health Science Center at San Antonio, and Texas A&M University Health Science Center (TAMUHSC)
- a) **Dental Clinic Operations Formula.** The three institutions with dental schools each receive varying amount of General Revenue funding through the Dental Clinic Operations strategy, ranging from \$78,096 at TAMUHSC for the biennium to \$1.3 million at UTHSC Houston and \$3.5 million at UTHSC San Antonio. The three institutions request for this funding to be converted into a formula based on a two year average number of patient visits to undergraduate dental students at the School of Dentistry clinic. The proposed rate would be \$45 per visit to cover current operating losses per visit. Based on patient visit information submitted by the institutions, this rate and methodology would require an increase in General Revenue Funds of \$8.9 million over the biennium.

12. The University of Texas (UT) System Administration and The University of Texas Health Science Center at Houston
- The UT System Administration and UTHSC Houston request to transfer \$5 million in General Revenue funding over the biennium from UTHSC Houston to The UT System Administration for the administration of funding provided for the Texas Heart Institute in Strategy E.3.4 Heart Institute – Adult Stem Cell Program. The UT System is working with the Texas Heart Institute to arrange training and research opportunities with the new medical schools and request the funding to be located at UT System since it could involve multiple institutions.
- Rider 3, Texas Heart Institute at UTHSC Houston. UT System and UTHSC Houston request to delete this rider if the funding for this special item is moved to The UT System. The rider requires the institution to allocate up to \$894,133 and \$399,086 each year of the biennium to the Texas Heart Institute for gene therapy and cardiovascular research, respectively.

13. The University of Texas System Administration, The University of Texas Health Science Center at San Antonio, and The University of Texas Rio Grande Valley (UTRGV)
- The UT System Administration, UTHSC San Antonio and UTRGV each request the transfer of approximately \$21.4 million in existing General Revenue special items from UTHSC San Antonio to UTRGV. This includes \$20.6 million in appropriations for the Regional Academic Health Center and \$0.8 million in appropriations for the Family Practice Residency Training Program.

Rider Changes and Institution Policy Requests Not Included in the Recommendations

14. The University of Texas Health Science Center at Houston
- a) **Biomedical Informatics Weight.** The institution requests a new weight to be added to the Instruction and Operations formula for Biomedical Informatics students. The institution requests the weight to be set between 1.7 and 1.8 (similar to the weight for Public Health). Incorporating this weight would require an increase in General Revenue Funds of approximately \$1.5 million over the biennium based on students reported in this discipline during the base period.
15. The University of Texas Health Science Center at San Antonio
- a) **Family Practice Residency Training Program.** The institution requests the consolidation of \$0.8 million for the Family Practice Residency Training Program special item into the Regional Academic Health Center special item.