

Higher Education Funds Summary of Recommendations - Senate

The higher education funds listed below are constitutionally and statutorily authorized funds supporting institutions of higher education in the state of Texas. These funds consist of General Revenue and Other Funds and have their own respective bill patterns in the General Appropriations Act.

- Available University Fund (AUF)
 - AUF provides funding for The University of Texas (UT) System, UT Austin, the Texas A&M University (TAMU) System, TAMU College Station, TAMU at Galveston, TAMU Health Science Center, and Prairie View A&M University. AUF appropriations are used for acquiring land, constructing and equipping buildings, major repair of buildings, acquisition of capital equipment, refunding bonds or issued notes, and other permanent improvements.
- Higher Education Fund (HEF)
 - HEF provides funding for institutions of higher education that are ineligible for AUF support. HEF appropriations are generally used for the same purposes as the AUF.
- Available National Research University Fund (ANRUF)
 - ANRUF provides funding to eligible emerging research universities for the support and maintenance of educational and general activities that promote increased research capacity.
- Support for Military and Veterans Exemptions
 - This appropriation, which includes the Permanent Fund Supporting Military and Veterans Exemptions (MVE), provides assistance to public institutions of higher education to partially offset the waived tuition and fee revenue from the Hazlewood Legacy Program.

Total Summary of Recommendations

	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue	\$817,500,000	\$817,500,000	\$0	0.0%
GR Dedicated	\$0	\$0	\$0	0.0%
Federal Funds	\$0	\$0	\$0	0.0%
Other Funds	\$2,088,509,805	\$2,392,042,608	\$303,532,803	14.5%
All Funds	\$2,906,009,805	\$3,209,542,608	\$303,532,803	10.4%

Recommendations for the AUF include estimated appropriation increases of \$299.1 million based on anticipated growth of the Permanent University Fund projected by The University of Texas Investment Management Company. Recommended rider changes include:

- The addition of “endowments” to the list of AUF uses expressly authorized in Rider 3 to provide clarification consistent with allowed practice.
- The addition of “gifts, donations, and other funds outside the treasury” to the subsection of Rider 7 detailing the reporting requirement for a listing of funds outside the AUF used for system office operations and system initiatives.

Recommendations for the ANRUF and MVE include estimated appropriation increases of \$4.0 million and \$0.5 million, respectively, based on anticipated growth in these funds projected by the Texas Treasury Safekeeping and Trust Company.

- UT Dallas qualified as an eligible emerging research university consistent with the Texas Higher Education Coordinating Board (THECB) eligibility requirements and received their first distribution from the ANRUF in fiscal year 2018.

Recommendations for the HEF maintain current \$393.8 million in General Revenue per fiscal year.

- A preliminary report from the THECB required by Texas Education Code Sec. 62.022 has been completed and recommends that total HEF appropriation be maintained, however allocations to each eligible institution be adjusted for fiscal years 2021-2025 to account for Fall 2017 data.