



THE UNIVERSITY OF TEXAS SYSTEM

Funding for Higher Education

July 2005



2006-07 Appropriations

General Revenue Appropriations (in Millions)

	2006-07	Percent of Total
Public Education	\$25,877	39.5%
Health & Human	17,862	27.2
Higher Education	10,982	16.7
Public Safety/Crim. Justice	7,333	11.2
General Government	1,674	2.6
All Other	1,848	2.8
Grand Total	\$65,576	100%



Higher Education Appropriations

General Revenue for Higher Education

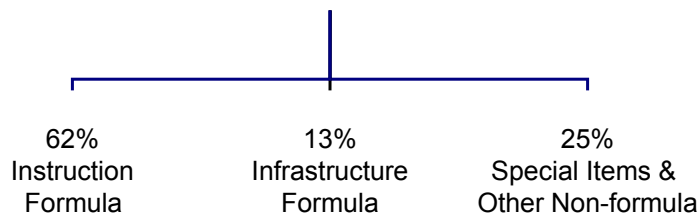
	2006-07 GR (In Millions)	Percent of Total
35 General Academic Institutions	\$3,889	35.4%
9 Health-Related Institutions	2,022	18.4
50 Community/Junior College Districts	1,627	14.8
7 Technical & Two-year State Colleges	168	1.5
Higher Educ. Coordinating Board	739	6.7
Higher Education Assistance Fund	350	3.2
6 Service Agencies	271	2.5
6 System Offices	26	0.2
Retirement & Benefits	1,890	17.2
Grand Total	\$10,982	100%

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GR for General Academics

\$3.9 Billion GR for
35 General Academics



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General Academics Formulas

- **Instruction & Operations**
 - Provides support for faculty salaries, student services, research, administration
 - Teaching Experience Supplement
- **Infrastructure**
 - Provides support for Utilities, Maintenance & Operations
 - Small Institution Supplement

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Instruction & Operations Formula

- Institutions generate funds based on weighted semester credit hours
- Funds are allocated using the following formula:
Base Period Semester Credit Hours x Matrix Weight x Rate
- Weights are allocated by 5 levels and 19 disciplines
 - *Lower Division, Upper Division, Masters, Doctoral, Special Professional*
 - *Liberal Arts (1.00), Engineering, Law*
- Formula Rate is determined by the Legislature
 - Based on available funding
 - Factors in cost of enrollment growth

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Infrastructure Formula

- **Institutions generate funds based on Predicted Square Feet**
 - Amount of space an institution should need, not actual space
- **Funds allocated based on the following formula:**
(Adjusted Utilities Rate + M&O Rate) x Predicted Square Feet
- **Adjusted Utilities** – statewide utilities rate adjusted for each institution to reflect local utility costs
- **Maintenance & Operations** - accounts for physical plant, maintenance, custodial services, etc.

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Formula Supplements

- **Teaching Experience Supplement**
 - Provides a 10% bonus for undergraduate hours taught by tenure / tenure-track faculty
 - Intended to encourage institutions to use faculty instead of teaching assistants to teach undergraduate courses
- **Small Institution Supplement**
 - \$750,000 annual supplement
 - Allocated to universities with fewer than 5,000 students
 - Recognizes that institutions have a minimum cost of operations

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Non-Formula Funding

- **Institutional Enhancement**
 - Allocated to all institutions in various amounts
 - Benefits institutions with small enrollments that do not generate a large amount of formula funding
- **Special Items**
 - Funds projects specifically identified by legislature
- **Tuition Revenue Bond Debt Service**
 - Historically, 100% reimbursement for debt service
 - Legislature is considering other options such as interest-only, 80/20

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GR Funding for UT Institutions

UT ACADEMIC INSTITUTIONS GENERAL REVENUE

	2006-07 GR (\$ millions)	Enrollment by FTSE	Funding per FTSE
UT Arlington	\$ 169.0	20,693	\$3,897
UT Austin	502.8	46,512	5,277
UT Dallas	121.9	11,508	5,023
UT El Paso	126.5	14,497	4,183
UT Pan American	109.8	14,873	3,401
UT Brownsville	41.2	2,459	6,754
UT Permian Basin	28.8	2,540	4,961
UT San Antonio	162.7	21,063	3,537
UT Tyler	50.4	4,256	5,437
Total	\$1,313.0	138,401	\$4,494

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Tuition Deregulation

- **Tuition Deregulation enacted in 2003 by the Legislature**
- **Allows governing boards to set tuition at amount deemed necessary to effectively operate an institution**
- **Funds are not appropriated and cannot be used to reduce General Revenue appropriations**
- **Requires set-aside for financial aid**

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Thank You