Higher Education Funding

Overview of Higher Education Institutions’ Non-Formula Support Item Funding

PRESENTED TO JOINT INTERIM COMMITTEE ON HIGHER EDUCATION FORMULA FUNDING

LEGISLATIVE BUDGET BOARD STAFF

February 2018
Overview of Presentation

Related to General Appropriations Act, Article III Special Provisions
Sec. 62. Non-Formula Support Items and Formula Study.

• Overview of Non-Formula Support Items
• Overview of the Different Types of Non-Formula Support Items
• Overview of Non-Formula Support Item Appropriations by Institution Type
Overview of Non-Formula Support Items

- State support for institutions of higher education includes funding for non-formula support items, formerly called special items, which are direct appropriations to institutions for programs or projects that are specifically identified by the Legislature for support.

- Most non-formula support items are funded through General Revenue Funds, but there are non-formula support items that receive appropriations from General Revenue-Dedicated or Other Funds.
Institutional Enhancement

- Non-formula support item funding also includes Institutional Enhancement, which was established by the 76th Legislature, 1999, for the 2000-01 biennium.

- The initial Institutional Enhancement appropriation was based on a consolidation of certain special item appropriations in 1999, and an additional $1.0 million per year was appropriated for each institution.
Other Non-Formula Support Items

- The 2018-19 General Appropriations Act shows the type of each non-formula support item by printing each item’s Objective in the institution’s budget structure.

- The types of non-formula support items include:
  - Instructional support;
  - Research;
  - Public service;
  - Institutional support;
  - Health care; and
  - Residency Training.
2018-19 Non-Formula Support Item Funding

- GAI non-formula support item reductions in 2018-19 included the following:
  - The 4 percent reductions submitted by institutions;
  - Items generating formula funding and start up items first funded prior to 2010;
  - Downward expansion items;
  - Previously revenue neutral items; and
  - Across the board reductions, with the exception of Institutional Enhancement and Behavioral Health Items.
2018-19 Non-Formula Support Item Funding

- The Eighty-fifth Legislature, 2017, appropriated funding for 350 non-formula support items at all types of institutions of higher education.

- Biennial funding amounts for non-formula support items range from:
  - $22,477 for Nutrition Research Program at Texas Woman’s University, to
  - $50,000,000 for the Paul L. Foster School of Medicine at Texas Tech University Health Sciences Center at El Paso.
## Non-Formula Support Appropriations by Type of Higher Education Institution

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>2016-17 Appropriations</th>
<th>2018-19 Appropriations</th>
<th>Biennial Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Academic Institutions and System Offices</td>
<td>$568.6</td>
<td>$410.2</td>
<td>($158.4)</td>
<td>(27.9%)</td>
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<tr>
<td>Health Related Institutions</td>
<td>465.5</td>
<td>395.9</td>
<td>(69.5)</td>
<td>(14.9%)</td>
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<tr>
<td>Lamar State Colleges</td>
<td>14.5</td>
<td>9.2</td>
<td>(5.3)</td>
<td>(36.5%)</td>
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<tr>
<td>Texas State Technical Colleges and System Administration</td>
<td>24.6</td>
<td>17.4</td>
<td>(7.2)</td>
<td>(29.4%)</td>
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<tr>
<td>Public Community and Junior Colleges</td>
<td>31.6</td>
<td>27.1</td>
<td>(4.4)</td>
<td>(14.1%)</td>
</tr>
<tr>
<td>Total</td>
<td>$1,104.7</td>
<td>$859.8</td>
<td>($244.9)</td>
<td>(22.2%)</td>
</tr>
</tbody>
</table>
Contact the LBB

Legislative Budget Board

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