



LEGISLATIVE BUDGET BOARD

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

IN MILLIONS	2016-17 Appropriations	2018-19 Appropriations		
Institution Type	General Revenue	General Revenue	Biennial Change	Percent Change
General Academic Institutions and System Offices	\$568.6	\$410.2	(\$158.4)	(27.9%)
Health Related Institutions	465.5	395.9	(69.5)	(14.9%)
Lamar State Colleges	14.5	9.2	(5.3)	(36.5%)
Texas State Technical Colleges and System Administration	24.6	17.4	(7.2)	(29.4%)
Public Community and Junior Colleges	31.6	27.1	(4.4)	(14.1%)
Total	\$1,104.7	\$859.8	(\$244.9)	(22.2%)



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