LEGISLATIVE BUDGET BOARD

Texas Public Higher Education

Overview of Funding for Nursing and Pharmacy Programs at General Academic Institutions and Health Related Institutions

PRESENTED TO SENATE HIGHER EDUCATION COMMITTEE

LEGISLATIVE BUDGET BOARD STAFF **MAY 2016**

Overview of Presentation

Related to Senate Higher Education Committee Interim Charge #5, General Academic Institution(GAI)/Health Related Institution(HRI) Funding: Conduct a comprehensive review of funding for GAIs and HRIs, examining whether the methodology for funding the same courses is equitable and productive. Make recommendations on how to update and streamline the current funding methods, to provide a consistent methodology that focuses on student success and innovative strategies. Include in the review a focus on tuition-revenue generating special items and formula and research funding for new medical schools.

1. Overview of GAI Funding of Nursing and Pharmacy Programs
2. Overview of HRI Funding of Nursing and Pharmacy Programs
3. Overview of Other Programs Funded at GAIs and HRIs
4. Overview of Research Funding for New Medical Schools

I&O Funding by Weights and Discipline

General Academic Institutions

The Instruction and Operations formula multiplies the semester credit hours generated at an institution by the weight assigned to the discipline (e.g., pharmacy and nursing) and the level. In the General Appropriations Act, the weights by level for each of these disciplines are shown in the table below.

Discipline	Lower Division	Upper Division	Masters	Doctoral	Professional
Nursing	1.72	2.11	3.34	8.99	
Pharmacy	1.86	5.02	28.29	35.14	4.32

General Academic Institutions I&O Nursing Example

- For example, a student at a general academic institution generates 24 semester credit hours in the nursing masters program.
- The I&O formula first weights the semester credit hours generated by the general academic institution:

24 x 3.34 = 80.16 wsch

- After calculating the weighted semester credit hours generated, these hours will be multiplied by the I&O rate to determine the annual funding an institution will receive for those hours.

80.16 wsch X $55.39 = $4,440.06

General Academic Institutions I&O Pharmacy Example

- For example, a student at a general academic institution generates 24 semester credit hours in the professional pharmacy program.
- The I&O formula first weights the semester credit hours generated by the general academic institution:

$$24 \times 4.32 = 103.68 \text{ wsch}$$

- After calculating the weighted semester credit hours generated, these hours will be multiplied by the I&O rate to determine the annual funding an institution will receive for those hours.

$$103.68 \text{ wsch } X \$55.39 = \$5,741.17$$

I&O Funding by Weights and Discipline

Health Related Institutions

The Instruction and Operations formula multiplies the number of full time student equivalents (FTSEs) generated at an institution by a weight assigned to the program, regardless of level. In the General Appropriations Act, the weights for each of these disciplines are shown in the table below. These weights are not based on a cost study and have not changed since the inception of the formulas in 2000-01.

Program	Weight
Nursing	1.138
Pharmacy	1.670

Health Related Institutions I&O Nursing Example

- For example, a student at a health related institution is 1 FTSE in the nursing program.
- The I&O formula first weights the FTSEs generated by the health related institution:

1 x 1.138 = 1.138 weighted FTSE

- After calculating the weighted FTSEs, these FTSEs will be multiplied by the I&O rate to determine the annual funding an institution will receive for those FTSEs.

1.138 weighted FTSE X $9,829 = $11,185.40

Health Related Institutions I&O Pharmacy Example

- For example, a student at a health related institution is 1 FTSE in the pharmacy program.
- The I&O formula first weights the FTSEs generated by the health related institution:

1 x 1.670 = 1.670 weighted FTSE

- After calculating the weighted FTSEs, these FTSEs will be multiplied by the I&O rate to determine the annual funding an institution will receive for those FTSEs.

1.670 weighted FTSE X $9,829 = $16,414.43

Comparison – Nursing and Pharmacy Funding at GAIs and HRIs

- The following tables provide a comparison of the average level of funding for nursing and pharmacy programs at GAIs and HRIs for the 2016-17 biennium.

General Academic Institutions

	Total SCH	Total Biennial Formula Funding (All Funds)	Average Annual Funding per SCH
Nursing	358,668	$96.8 million	$135
Pharmacy	53,701	$37.0 million	$344

Health Related Institutions

	Total FTSE	Total Biennial Formula Funding (All Funds)	Average Annual Funding per FTSE
Nursing	5,306	$123.3 million	$11,622
Pharmacy	1,891	$62.1 million	$16,414

Other Programs Funded at Both GAIs and HRIs

- Many other programs are taught at GAIs and HRIs. The following is a sampling of the different programs that are found at both institution types:
  - Clinical Psychology
  - Biomedical Science
  - Biochemistry
  - Pathology
  - Bioengineering and Biomedical Engineering
  - Audiology
  - Clinical Laboratory Science/Medical Technology/Technologist
  - Respiratory Care Therapy/Therapist

Research Funding for New Medical Schools

- The type of state support for research at The University of Texas Rio Grande Valley School of Medicine and The University of Texas Dell Medical School is a decision for the Eighty-fifth Legislature.
- For the 2016-17 biennium, state support for research is provided to The University of Texas at Austin through the Texas Research University Fund, while The University of Texas Rio Grande Valley receives research support funding through the Comprehensive Research Fund.
- State support for medical and clinical research at the HRIs occurs in the HRI Research Enhancement Formula, which allocates funding to HRIs using a base amount plus a percentage of research expenditures from the most recent fiscal year.

Base ($1,412,500) + 1.23% of Research Expenditures

Contact the LBB

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