



Office of Government Relations

Update - January 31, 2017

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- [President Young's Jan.30th Response to White House Executive Order Travel Ban](#)

Contact Information

State

As noted in our last [update](#), the 85th Legislative Session began a few weeks ago. Lots of activity in the House and the Senate, mostly related to appropriations. The House ([HB1](#)) and Senate ([SB1](#)) appropriation bills are approximately \$4.2B apart (not accounting for a recent proposed cut by the Senate – see below). The Senate's two-year budget came under the budget revenue estimates of the Comptroller, whereas the House is \$4B over. Regarding higher education, the most dramatic difference is the Senate removed all funding for "special items" and the House gave them a "haircut."

The good news is the formula is funded in both bills at the current rate. Since Texas A&M has grown in semester credit hours compared to other institutions, it is the only university with an increase in appropriations in the Senate bill.

There is plenty of concern for Texas universities that rely on special item funding to fulfill their core mission of teaching, service and research. However, the Senate Finance Committee indicated the removal of funding for all special items from the budget doesn't necessarily mean funding

won't be available, they plan instead to examine each one and determine if the original intent was for either one-time or continuous funding. This approach shouldn't be surprising given the tight budget revenue estimates, and we are working to see that special items are restored, but how many and at what amount we do not know.

One recent example of fluid developments during the session is an additional across-the-board cut of 1.5% that has been added to the Senate's proposed budget, with the exception of the protected Foundation School Fund. While the original budget proposed by the Senate was approximately \$210M lower than the Comptroller's revenue estimates, with this 1.5% cut, it now is closer to \$1.1B below the Comptroller's estimates.

The House's budget reflected a 1% increase over last biennium's budget, with the expectation that tax revenues and oil prices (already on the upswing) will continue to grow and accommodate for the 1% increase. There is also some indication the House may tap the Rainy Day Fund to back fill their budget, again with the expectation that increased oil revenues would replenish the fund. The Senate and House appear to be at odds about use of the Rainy Day Fund and both are likely to debate the issue heavily in the coming weeks. It should also be noted that both the Texas House and Senate appropriation bills are subject to change as committees continue to meet and bills go back and forth between chambers.

If you didn't see the testimony of Chancellor Sharp and President Young before the Senate Finance Committee on Jan. 25th, ([click here](#) and see the 1:28 mark for Chancellor Sharp and 3:58 mark for President Young), members of the dais expressed gratitude to Texas A&M's service to the state and were pleased with our student outcomes (highest enrollment, most degrees awarded, shortest time-to-degree, highest 6-yr grad rates, & lowest student debt burden) combined with our low administrative cost ratio (3.6% at Texas A&M; 9.8% is the state average).

As you can imagine, at this stage of the session everything is very fluid with regards to filed bills and predicting changes that will be made to those 20% that will actually make it to the Governor's office to be signed into law. We'll continue to track and report out updates as appropriate, on key pieces of filed legislation and their movement throughout the session. In the interim, should you have any questions or would like to meet during the session to discuss any proposed legislation or other state matters relating to higher education, please contact us anytime.

Federal

Update:

As the new Administration begins to make policy decisions, we are closely assessing and engaging members of our Texas federal delegation as appropriate. We are also in communication with faculty and student leaders across campus to provide relevant and timely information that is responsive rather than reactive.

You have likely been following the travel ban restrictions, and the situation regarding federal international travel and travel policy is fluid. Please know in this situation we are engaging with policy makers regarding this issue on behalf of our students, faculty, staff and their families.

If you have not done so already, [click here](#) to read President Young's January 30, 2017 response to the White House Executive Order Travel Ban.

For any questions or to discuss state or federal matters relating to higher education, please contact us at GR@tamu.edu or at 979.458.0282.



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