



# Office of Government Relations

## Update - March 2017

### **State**

The two state budget writing committees—House Appropriations (HAC) and Senate Finance (SFC)—marked up their respective versions of higher education appropriations last week. Unlike the filed versions, the effect on Texas A&M has grown considerably in the marked-up versions.

Both HAC and SFC have closed out Article III, the education article. However, it has not been printed and voted out fully in committee to then move for a floor vote. We expect this to occur sometime this week. After voting by each body, a conference committee on SB 1 will be named and the differences hammered out.

#### **So, where are we?**

For Texas A&M, the impact is the same in the House filed bill and the markup version, with an increase of approximately \$24M or 4.3% in biennial general revenue from current FY 16-17 appropriations. The increase is due to the committee choosing to keep the formula rates the same as last biennium and Texas A&M has had enough growth in SCH's to generate an increase, even despite a haircut to all universities' existing special items.

As Monty Python's John Cleese used to say, "And now for something completely different!"

The Senate eliminated special items in their filed bill and the effect was not as great on Texas A&M since we have few relative to our appropriations. In the markup, the committee sought to zero out special items but hold institutions harmless as they transition off of this funding.

The committee also wanted to distribute cuts so ALL institutions were cut a minimum of 6% and no more than 10% from the FY 16-17 appropriations. In order to fund this plan, the committee chose to move money from growing institutions that increased in the formula. This created a shift in dollars and a claw back (called an “equity adjustment”) of \$76M from Texas A&M (11 other universities who grew in the formula were also affected). This resulted in a \$29M biennial reduction for Texas A&M from FY 16-17.

Needless to say, the SFC proposal negatively impacts Texas A&M’s appropriation in order to address some of the desired equitable outcomes sought by the committee. See the March 15, 2017 Texas Tribune article that recounts the SFC actions at <https://www.texastribune.org/2017/03/15/texas-university-budget-cuts>.

However, we have miles to go before we sleep. And there are those who want to help.

Stay tuned.

#### **Questions?**

For any questions or to discuss any state matters relating to higher education, please contact us at [GR@tamu.edu](mailto:GR@tamu.edu) or at 979.458.0282.



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