



State Relations Update

The conferees on SB 1, state appropriations for FY 18-19, have produced a conference committee report. SB 1 is expected to be voted by both the House and Senate today or tomorrow. And thus, caveats apply as we fully assess the bill.

Broadly speaking, the conferees decided to continue to distribute base funding appropriations using the established formula methodology and adopted slightly higher rates for general academic institutions and slightly less for health related institutions. However, in response to the session-long concern over special items, the conferees made significant cuts in special items varying by program type.

Because debt service on revenue bonds is included in the General Revenue numbers—and an important funding item that institutions request—it is not used in instruction and general operations. Therefore, changes from 2016-17 to 2018-19 below are presented with both perspectives:

Biennial Change	Texas A&M	TAMUG	HSC
GR With Debt Service	\$19.1 million (3.3%)	\$ 2.7 million (6.6%)	\$ 12.2 million (4.4%)
GR Without Debt Service	\$ 13.6/\$9.3* million (2.4%/1.7%*)	-\$ 1.9 million (-6.8%)	\$ 2.1 million (.9%)

Because Texas A&M grew in enrollment and semester credit hours from the last base period and has fewer special items relative to other institutions, the effects of cutting special items (33% for each A&M item) were not as severe as for other general academic institutions (in some cases over 60%).

** Research funds are cut by 10 percent and reallocated based on updated data. In addition the \$4.3 million that A&M received from the Emerging Technology Fund last biennium was not renewed. This results in a reduction of \$8.95 million from the Texas Research University Fund for Texas A&M. Thus the General Revenue is up, but operationally the increase for the university is \$9.3 million.*

Because TAMUG had more of its funding in special items, particularly in Institutional Enhancement, its cuts are more severe relative to total General Revenue.

The Health Science Center did experience cuts in special items, from 8% to 22%. In terms of the overall operations funding level compared to the current biennium, the cuts were countered by the HSC's enrollment growth in the formula, despite a decline in the per student (FTSE) rate, as well as funding provided in the Graduate Medical Education Formula for 550 added medical residents.

As we are able to process the appropriations bill more fully, we can provide greater detail and analyses. And please keep in mind, the governor has 20 days to veto funding items.

And as always, please let us know if you have any questions.

*Government Relations | Texas A&M University
1246 TAMU | College Station, TX 77843-1246
ph: 979.458.0282 | gr@tamu.edu
governmentrelations.tamu.edu*



Twitter.com/Aggie_GR
Instagram.com/Aggie_GR
Facebook.com/AggieGR

Government Relations | Texas A&M University
1246 TAMU | College Station, TX 77843-1246
GovernmentRelations.tamu.edu