

## Memorandum

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To: The Honorable Greg Abbott, Governor  
The Honorable Glenn Hegar, Comptroller of Public Accounts  
Jerry McGinty, Director, Legislative Budget Board  
Lisa Collier, State Auditor's Office

From: Harrison Keller, Ph.D. 

Date: October 10, 2023

Subject: 2024-25 General Academic Institutions Operations Support  
Formula Funding Variance

During each legislative session, the Texas Higher Education Coordinating Board (Coordinating Board) provides semester credit hour data to the Legislative Budget Board and Governor's office for use in the appropriations process. On March 7, 2023, the Coordinating Board provided data to these offices that included certified semester credit hour data for the summer and fall of 2022 and error free data for the spring of 2023.

The data Tarleton State University submitted in the spring of 2023 to the Coordinating Board included a 7.4 percent error in the spring semester credit hours. This data is used by the legislature to calculate the Instruction and Operations (I&O) Support Formula for the general academic institutions.

The university has corrected the reporting of its semester credit hours for the spring 2023 semester. The table below displays the corrected, certified data compared to the initial data submitted by the institution in March 2023 and used in the General Appropriations Act. The table also includes the subsequent Impact of the error in the I&O formula calculation.

	Total Base SCH	Spring SCH	I&O Weighted SCH	2024-25 I&O Appropriations
Certified Totals	349,065	149,192	674,054	\$79,650,481
Error Free Totals	360,954	161,081	705,096	\$83,318,610
Certified less Error free	-11,889	-11,889	-31,042	\$(3,668,129)
% Difference	-3.3%	-7.4%	-4.4%	-4.4%

Per the provisions of Section 16, Formula Variable and Educational and General Income Audits, General Appropriations Act, HB1, Eighty-eighth Texas Legislature, Regular Session, Article III, Special Provisions, Section

16 (page III-277), Institutions are allowed an error rate of up to 2 percent of the biennial appropriations related to the formula variables. Given that this data reporting error exceeds the allowable error rate, the Coordinating Board is notifying you of the differences from the data submitted by the institutions and the calculation of the new appropriations amount for Tarleton State University with the updated data.

Please let me know if you have further questions.

c: Michael Hull, Office of the Texas Governor

Jordan Smith, Higher Education Manager, Legislative Budget Board

Dr. James Hurley, President, Tarleton State University

Sarah Keyton, Associate Commissioner for Administration, THECB

Nichole Bunker-Henderson, General Counsel, THECB

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Melissa Humphries, Assistant Commissioner for Data Management and Research,  
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Torca Bunton, Director of Educational Data Center, THECB