

UT Southwestern Medical Center - Performance Based Research Operations Formula

- The formula is seeded with \$100.8 million of General Revenue Funds reallocated from other strategies, including \$79.0 million reallocated from research non-formula support items and \$21.8 million reallocated from hold harmless funds.
- The formula is based on total research expenditures reported to the Higher Education Coordinating Board, excluding the category of "state appropriations."
- Funding is allocated by the formula through two mechanisms:
 - (1) The **Base Match** is based on the three-year average of research expenditures at the institution. As specified in Section 10(1) of Special Provisions, "the Base Match rate shall be adjusted based on the average annualized increase or decrease in research expenditures from the prior biennium's three-year base average." This provision grants the institution a "dynamic" Base Match rate that increases or decreases by the same factor as the increase or decrease of research expenditures since the prior biennium.
 - (2) The **Tiered Match** is based on the increase of the institution's average annual research expenditures since the prior biennium, using a two-year base period. The Tiered Match allocates funding in three tiers that increase on a sliding scale:
 - Tier 1 provides matching General Revenue funds at a rate of 25.0 percent for any increase in the institution's average annual research expenditures between \$0 and \$10.0 million.
 - Tier 2 provides matching General Revenue funds at a rate of 50.0 percent for any increase in the institution's average annual research expenditures between \$10.0 million and \$20.0 million.
 - Tier 3 provides matching General Revenue funds at a rate of 75.0 percent for any increase in the institution's average annual research expenditures in excess of \$20.0 million.
- The growth in total funding of the formula from one biennium to another is limited to no more than 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding Tuition Revenue Bond debt service.
- The formula allocated \$14.1 million of new General Revenue for the 2020-21 biennium.
- The formula is a pilot for the 2020-21 biennium.

	Performance Base Match			Performance Incentive Tiered Match						Total Formula Appropriation		Governor
	Research Expenditures: 3-yr Avg	Base Rate (Annual)	Total Base Match	Research Expenditures: 2-yr Avg	Change	Tier 1 25% Match \$0 - \$10M	Tier 2 50% Match \$10 - 20M	Tier 3 75% Match \$20M+	Total Tiered Match	Total Formula with Governor	Biennial Change	5% of GR Appropriated in Prior Biennium
2018-19 Biennium	\$ 386,427,614	NA	NA	\$ 390,335,520	NA	NA	NA	NA	NA	NA	NA	
2020-21 Biennium	\$ 415,015,171	12.1%	\$ 100,771,970	\$ 425,208,367	\$ 34,872,846	\$ 2,500,000	\$ 5,000,000	\$ 11,154,635	\$ 18,654,635	\$ 114,849,889	\$ 14,077,919	\$ 14,077,919

UT Health Science Center at Houston - Performance Based Research Operations Formula

- The formula is seeded with \$12.5 million of General Revenue Funds reallocated from research non-formula support items.
- The formula is based on total federal research expenditures reported to the Higher Education Coordinating Board.
- Funding is allocated by the formula through two mechanisms:
 - (1) The **Base Match** is based on the three-year average of federal research expenditures at the institution.
 - (2) The **Tiered Match** is based on the increase of the institution's average annual federal research expenditures since the prior biennium, using a two-year base period. The Tiered Match allocates funding in three tiers that increase on a sliding scale:
 - Tier 1 provides matching General Revenue funds at a rate of 20.0 percent for any increase in the institution's average annual research expenditures between \$0 and \$5.0 million.
 - Tier 2 provides matching General Revenue funds at a rate of 40.0 percent for any increase in the institution's average annual research expenditures between \$5.0 million and \$10.0 million.
 - Tier 3 provides matching General Revenue funds at a rate of 60.0 percent for any increase in the institution's average annual research expenditures in excess of \$10.0 million.
- The growth in total funding of the formula from one biennium to another is limited to no more than 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding Tuition Revenue Bond debt service.
- The formula allocated \$13.0 million of new General Revenue for the 2020-21 biennium.
- The formula is a pilot for the 2020-21 biennium.

	Performance Base Match			Performance Incentive Tiered Match						Total Formula Appropriation		Governor
	Research Expenditures: 3-yr Avg	Base Rate (Annual)	Total Base Match	Research Expenditures: 2-yr Avg	Change	Tier 1 20% Match \$0 - \$5M	Tier 2 40% Match \$5 - 10M	Tier 3 60% Match \$10M+	Total Tiered Match	Total Formula with Governor	Biennial Change	5% of GR Appropriated in Prior Biennium
2018-19 Biennium	\$ 127,710,764	NA	NA	\$ 123,493,796	NA	NA	NA	NA	NA	NA	NA	
2020-21 Biennium	\$ 124,597,207	10.0%	\$ 24,905,556	\$ 126,346,812	\$ 2,853,016	\$ 570,603	\$ -	\$ -	\$ 570,603	\$ 25,476,160	\$ 13,000,000	\$ 16,179,112

UT Health Science Center at San Antonio - Performance Based Research Operations Formula

- The formula is seeded with \$12.4 million of General Revenue Funds reallocated from research non-formula support items.
- The formula is based on total federal research expenditures reported to the Higher Education Coordinating Board.
- Funding is allocated by the formula through two mechanisms:
 - (1) The **Base Match** is based on the three-year average of federal research expenditures at the institution.
 - (2) The **Tiered Match** is based on the increase of the institution's average annual federal research expenditures since the prior biennium, using a two-year base period. The Tiered Match allocates funding in three tiers that increase on a sliding scale:
 - Tier 1 provides matching General Revenue funds at a rate of 20.0 percent for any increase in the institution's average annual research expenditures between \$0 and \$5.0 million.
 - Tier 2 provides matching General Revenue funds at a rate of 40.0 percent for any increase in the institution's average annual research expenditures between \$5.0 million and \$10.0 million.
 - Tier 3 provides matching General Revenue funds at a rate of 60.0 percent for any increase in the institution's average annual research expenditures in excess of \$10.0 million.
- The growth in total funding of the formula from one biennium to another is limited to no more than 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding Tuition Revenue Bond debt service.
- The formula allocated \$13.0 million of new General Revenue for the 2020-21 biennium.
- The formula is a pilot for the 2020-21 biennium.

	Performance Base Match			Performance Incentive Tiered Match						Total Formula Appropriation		Governor
	Research Expenditures: 3-yr Avg	Base Rate (Annual)	Total Base Match	Research Expenditures: 2-yr Avg	Change	Tier 1 20% Match \$0 - \$5M	Tier 2 40% Match \$5 - 10M	Tier 3 60% Match \$10M+	Total Tiered Match	Total Formula with Governor	Biennial Change	5% of GR Appropriated in Prior Biennium
2018-19 Biennium	\$ 92,290,164	NA	NA	\$ 93,783,487	NA	NA	NA	NA	NA	NA	NA	
2020-21 Biennium	\$ 97,962,282	12.7%	\$ 24,978,719	\$ 96,129,895	\$ 2,346,408	\$ 469,282	\$ -	\$ -	\$ 469,282	\$ 25,448,000	\$ 13,000,000	\$ 11,986,874

Note: Formula governor not implemented in the first session in which the formula was enacted.

UT Medical Branch at Galveston - Health System Operations Formula

- The formula is seeded with \$306.1 million in All Funds, consisting mainly of General Revenue, reallocated from other strategies at the institution. These reallocations include the following: \$294.0 million of General Revenue from Medical Branch Hospitals; \$3.0 million in General Revenue from non-formula support items associated with hospital operations; \$8.2 million in General Revenue of hold harmless funds; and \$0.9 million of Inter-Agency Contracts from Medical Branch Hospitals.
- The formula is based on the total number of Texas patient encounters in trauma, primary care, diabetes, heart, psychiatry, and telemedicine.
- The growth in total funding of the formula from one biennium to another is limited to no more than the average rate of growth in funding for Health Related Institutions in the Instruction and Operations Formula for the current biennium.

	Patient Encounters FY 2018	Rate	Total Formula 2020-21
2020-21 Biennium	849,752	\$ 180.10	\$ 306,081,806