

Recommendations of the Formula Funding Advisory Committees (FACs)

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- Michael Tramonte, Health-Related Institutions

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Roles in the Process: FAC and THECB



TWO FAC COMMITTEES:
GENERAL ACADEMIC INSTITUTIONS,
TECHNICAL AND STATE COLLEGES FAC &
HEALTH RELATED INSTITUTIONS FAC



Recommendations to LBB and Governor

- Every biennium, THECB must review higher education formulas via a committee review process, which is formalized as the formula advisory committee (FAC) process
- THECB provides recommendations on formula funding levels, mechanics, and policies to Legislature



Use of the Recommendations

- Serves as an input to state policymakers for the legislative appropriations process



Funding Data Collection and Distribution

- CB staff collect student/course level data from institutions per recommendations and statute/rule
- CB staff provide funding runs to LBB and Governor's office by Nov. 1 prior to session and March 1 during session

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FAC Timeline: Process to Legislative Session

The Formula Advisory Committee process begins immediately after a legislative session. The Commissioner of Higher Education sets charges for the different committees to consider, along with those required via statute, rule, or rider.

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Coordinating Board



AUGUST 2023 - JANUARY 2024

FAC develops recommendations for Commissioner



SPRING 2024

Board adopts recommendations
Preliminary base year begins



SUMMER 2024

Recommendations sent to Legislature
Final base year begins



FALL 2024

Preliminary funding run sent to
LBB/Governor's Office

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Recommendations of the Commissioner and the General Academic Institutions (GAI), Technical, and State Colleges FAC

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GAI, Technical, & State Colleges FAC Study and Make Recommendations on:

Appropriate **FUNDING LEVELS FOR ALL FORMULAS** for GAIs, including Instruction and Operations, Infrastructure, Comprehensive Regional University Fund, Texas Research University Fund, National Research Support Fund, and Comprehensive Research Fund

Appropriate funding levels for funding formulas for **LAMAR STATE COLLEGES**

Appropriate funding levels/refinement of **TEXAS STATE TECHNICAL COLLEGE** returned value formula

All **FORMULA INPUTS** for applicable funding formulas in each sector

CO-CHARGE WITH HEALTH-RELATED INSTITUTION FAC

Treatment of **HEALTH-RELATED PROGRAMS AT GENERAL ACADEMIC INSTITUTIONS** co-located with a health-related institution. Review the differences in funding between the GAI and HRI formulas, including for nursing and pharmacy programs at all GAIs.

Final Recommendations of the FAC:



FORMULA FUNDING LEVELS

- Fund enrollment growth and inflation (using Higher Education Price Index) for all formulas, including:
 - Instruction & Operations;
 - Infrastructure;
 - Small Institution Supplement;
 - Research formula funds;
 - Comprehensive Regional University Fund
 - Lamar State Colleges Instruction & Administrative



FORMULA INPUTS

- Adjust the methodology for the expenditure study to account for inflation in lower level liberal arts
- Use the most recent actual tuition collections instead of an estimate when determining formula funding appropriations



HEALTH RELATED PROGRAMS AT GAI/HRI's

- Create a healthcare workforce program supplement outside of the GAI I&O formula
- In the supplement, fund SCHs taught in the following disciplines at GAIs at the same level as the HRI formula:
 - nursing; pharmacy; and health services taught in the terminal-degree program level (i.e. doctoral, professional practice, and Master of Physician Assistant)

Final Recommendations of the FAC and Commissioner:



TEXAS STATE TECHNICAL COLLEGES

- Fund dual credit through a contact hour formula
- Include workforce continuing education students in the TSTC returned value funding formula

Commissioner Recommendation

CURRENT METHODOLOGY

Returned Value formula compares certain former TSTC students' average wages against **minimum wage data** to determine the additional value of a TSTC education



PROPOSED METHODOLOGY

Use **more recently available data for actual wages in Texas for high school graduates** and adjust returned value percentage accordingly

Recommendations of the Health-Related Institutions FAC

Charges to Health-Related Institutions (HRI) FAC Study and Make Recommendations on:

Appropriate **FUNDING LEVELS FOR ALL FORMULAS** for HRIs, including Instruction and Operations, Infrastructure, Research Enhancement, Graduate Medical Education, and Mission Specific Formulas.

Appropriate **I&O FORMULA WEIGHTS** and consider specialty programs for inclusion.

Eligibility of **REMOTE SITES** for purposes of the small class supplement.

MISSION SPECIFIC FORMULAS and the implementation of similar research and clinical-based mission-specifics across the HRIs.

CO-CHARGE WITH GENERAL ACADEMIC INSTITUTION, TECHNICAL AND STATE COLLEGE FAC

Treatment of **HEALTH-RELATED PROGRAMS AT GENERAL ACADEMIC INSTITUTIONS** co-located with a health-related institution. Review the differences in funding between the GAI and HRI formulas, including for nursing and pharmacy programs at all GAIs.

Final Recommendations of the HRIFAC:



FORMULA FUNDING LEVELS

- Fund enrollment growth and inflation (using U.S. Medical Care Index) for all formulas, including:
 - Instruction & Operations;
 - Infrastructure;
 - Graduate Medical Education; and
 - Research Enhancement



FORMULA INPUTS

- Formula Weights:
 - Add new weights to the I&O Formula for graduate nursing and graduate allied health
- Create a process for institutions to request the Small Class Supplement (SCS)
- Align Multi-Campus Adjustment criteria to include sites funded through SCS and lease space



HEALTH RELATED PROGRAMS AT GAI/HRIs

- Create a healthcare workforce program supplement outside of the GAI I&O formula
- In the supplement, fund SCHs taught in the following disciplines at GAIs at the same level as the HRI formula:
 - nursing; pharmacy; and health services taught in the terminal-degree program level (i.e. doctoral, professional practice, and Master of Physician Assistant)

Final Recommendations of the HRIFAC and Commissioner:

MISSION SPECIFIC FORMULAS

- Continue the existing formula funding and include Senate Bill 30 (88th Legislature) appropriations in the 2026-27 base funding
- **Commissioner Recommendation:** Continue to review the mission-specific formulas to seek ways to simplify the formulas while continuing to recognize significant differences among the missions of more research-intensive versus more clinical-focused HRIs.

DOCTORAL DEGREE ALIGNMENT

Commissioner Recommendation:

- Align the agency's definitions of research and professional practice doctorates with the National Science Foundation
- Convert all doctoral semester credit hours (SCH), research and professional practice, at the same conversion factor of 18 SCHs for purposes of the HRI Instruction & Operations formula

Questions?