

## Overview of Higher Education Funding for Institutions of Higher Education



Texas Higher Education  
Coordinating Board

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## Recap of introduced bills

Neither bill included the following:

- Full funding for enrollment growth and inflation
- Graduation Bonus
- Fund Student Success Points at a higher rate
- Revised space projection models
- Rolling TSTC's E&G Space Support formula into the Return-value formula



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## Both introduced bills reduce special item funding

- **Special items for all sectors**
  - House reduced by \$100 million
  - Senate reduced by \$800 million

## Senate overhauls special item funding

- **Eliminated all but one special item**
- **Moved \$744.7 million of the savings to formula funding and hold harmless funding**

Health related institutions receive the largest share of special item savings in CSSB 1

- **Funded \$375 million with 50% going to the Instruction and Operations Formula and 50% to the Research Enhancement formula**
- **Special item phase out limits loss to 2.6%**

General academic institutions, Lamar two-year colleges, and the Texas State Technical Colleges receive the second largest share of special item savings

- **Funded \$325 million with 75% going to the Instruction and Operations Formula and 25% to the Small Institution Supplement**
- **Special item phase out limits loss to 10%**
- **Allocation through the Small Institution Supplement protects the small universities**

## Senate uses special item savings to increase funding for Success Points

- **Community colleges**
  - **\$5.3 million for the Southwest Collegiate Institute for the Deaf at Howard College**
  - **\$44.7 million going to the Success Points formula, which increases the rate to \$211.20**

Total formula funding in CSSB 1 is close to the Board's recommended amounts, but there are substantial differences by sector

| In Millions                   | 2016-17 Appropriated | 2018-19 Board's Rec. | Board's Rec. Change from 2016-17 | 2018-19 HAC S/C Art. III | HAC S/C Art. III Change from 2016-17 | 2018-19 CSSB 1    | CSSB 1 Change from 2016-17 |
|-------------------------------|----------------------|----------------------|----------------------------------|--------------------------|--------------------------------------|-------------------|----------------------------|
| Health-Related Institutions   | \$ 1,904.1           | \$ 2,077.8           | 9.1%                             | \$ 1,975.4               | 3.7%                                 | \$ 2,186.4        | 14.8%                      |
| General Academic Institutions | \$ 4,676.3           | \$ 5,028.4           | 7.5%                             | \$ 4,772.6               | 2.1%                                 | \$ 5,050.3        | 8.0%                       |
| Technical Colleges            | \$ 140.7             | \$ 175.7             | 24.8%                            | \$ 141.7                 | 0.7%                                 | \$ 149.1          | 5.9%                       |
| State Colleges                | \$ 42.9              | \$ 45.9              | 7.1%                             | \$ 42.9                  | -0.1%                                | \$ 54.1           | 26.2%                      |
| Community Colleges            | \$ 1,743.8           | \$ 1,907.0           | 9.4%                             | \$ 1,737.6               | -0.4%                                | \$ 1,782.2        | 2.2%                       |
| <b>Total</b>                  | <b>\$ 8,507.8</b>    | <b>\$ 9,234.7</b>    | <b>8.5%</b>                      | <b>\$ 8,670.2</b>        | <b>1.9%</b>                          | <b>\$ 9,222.1</b> | <b>8.4%</b>                |



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