

# The University of Texas System

## Presentation to the Board of Regents

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III. Language for the off  
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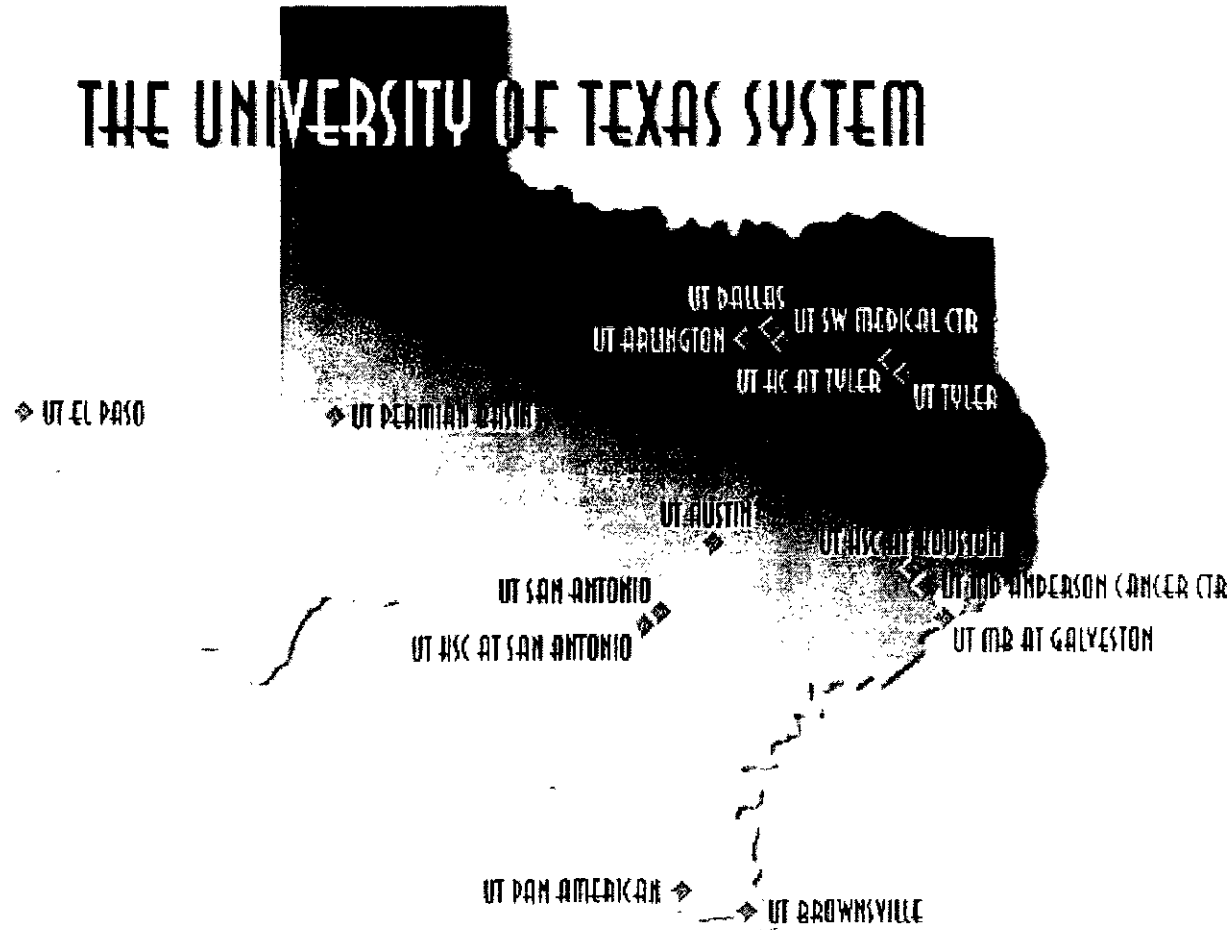
# **The University of Texas System**

## **Selected Issues for the 77th Session of the Texas Legislature**

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November 16, 2000**

# U. T. System Overview

## THE UNIVERSITY OF TEXAS SYSTEM



# Preparations for the 77<sup>th</sup> Legislature

- Discussions with U. T. Component Administrators
- Interaction with Coalition of University System Chancellors
- Interaction with Community Colleges, Private Colleges and Universities
- Interaction with Texas Higher Education Coordinating Board and Interim Legislative Committees
- Discussions with Key State Officials and Business and Community Leaders

# Major Themes for Legislative Consideration

- Students: Greater participation and success in higher education
- Research: Greater levels of research activity by public higher education
- Excellence: Commitment to strengthen academic and research programs and to create centers of excellence, through enhanced resources and greater freedom from unnecessary regulatory burdens

# Summary of Issues

- Maintaining the Current Services Foundation
  - Formula Funding
  - Special Items
  - Faculty and Staff Salaries/Health Insurance Benefits
  - Utilities
- Tuition Revenue Bonds
- Biomedical/Biotechnical Research
- Health Formula Funding (modifications)
- Mission Enhancement
  - Centers of Excellence Funding
  - Indirect Cost Reimbursement
  - Institutional Enhancement Item Funding

## Summary of Issues (continued)

- Stair-Step Tuition Increase
- Flexible Tuition
- K-16 Programs to Increase Numbers of University Graduates
- Deregulation
- Start-Up Funding for the Regional Academic Health Center (RAHC)
- Start-Up Funding for the Laredo Campus Extension

# Summary of Issues (continued)

- Indigent Health Care Funding
- Tobacco Settlement Proceeds
- Health Insurance for Health Component Students
- Nursing Education Initiative
- Graduate Medical Education
- Shortages of High-Tech Professionals

# Maintaining the Current Services Foundation

Funding to maintain current service levels:

- Formula Support
- Special Items
- Faculty and Staff Salaries/Health Insurance Benefits
- Utilities

# Tuition Revenue Bonds

- Proposals Include:
  - Fire and Life Safety = \$121.1 Million
  - Other Priority 1 Projects = \$572.7 Million
  - Total Priority 1 Projects = \$693.8 Million

## **Biomedical/Biotechnical Research**

- U. T. Health Science Centers are positioned to support and participate in biomedical and biotech research opportunities which may develop.
- U. T. endorses the THECB's recommended increase in research funding for the health institutions.

# Health Formula Funding (modifications)

The THECB recommended modifications for funding increases that include:

- Space Model Adjustments
- Biomedical Sciences Courses
- Public Health Satellite Programs
- Incentives to Recruit from Historically African-American and Hispanic Serving Institutions

# Mission Enhancement

- Recommendations to strengthen academic and research programs and to create Centers of Excellence include:
  - Centers of Excellence Supplemental Funding
  - Institutional Enhancement Item Funding
  - Retention of 100% of Indirect Cost Reimbursements

## Stair-Step Tuition Increases

- Annual “stair-step” increases have now reached the maximum \$40 per SCH.
- U. T. recommends continuation of a “stair-step” annual increase in tuition.

# Flexible Tuition

Recommend examination of flexible tuition authority:

- To address individual campus needs
- To establish incentives to improve time-to-graduation rates
- To protect financially-needy students

# **K-16 Programs to Increase Numbers of University Graduates**

- The Need
  - Texas does not produce enough baccalaureate-degreed individuals per year.
  - The gap between Texas' degree production and the U. S. average approximates 20,000 per year.

# **K-16 Programs To Increase Numbers of University Graduates (continued)**

- The Goals
  - To increase number of university graduates to a level competitive with other leading states and that meets statewide work force needs.
  - To achieve equal participation and success in higher education for all Texans.

## **K-16 Programs To Increase Numbers of University Graduates (continued)**

How the K-16 program will help meet these goals:

- Institutional K-16 management, capacity building, and coordination
- Programs for K-16 educators
- Programs for K-12 students
- Programs for entering university students

# Deregulation

- Numerous opportunities to gain greater operating efficiencies, avoid unnecessary costs, or enhance revenue.
- Deregulation recommendations in the following areas:
  - Procurement of goods and services
  - Human resources management
  - Financial management reporting
  - Other administrative functions
- U. T. System could save or generate \$58 million per year in All Funds.

# Start-Up Funding for Regional Academic Health Center (RAHC)

- U. T. HSC at San Antonio requests:
  - \$24.4 million for the 2002-2003 biennium for continued operation of the RAHC in Harlingen, Edinburg, and McAllen,
  - Tuition revenue bond authorization to construct a RAHC Teaching/Learning Lab in Harlingen, and
  - Tuition revenue bond authorization to construct a RAHC Biotech Building in Edinburg.

# Start-Up Funding for Regional Academic Health Center (continued)

- U. T. HSC at Houston requests:
  - \$1.4 million in GR for the 2002-2003 biennium for development of Outreach Programs of the School of Public Health Satellite in Brownsville, and
  - \$5 million in tuition revenue bonds for completion of unfinished space in the School of Public Health Building in Brownsville.

# Start-Up Funding - Laredo Campus Extension

- U. T. HSC at San Antonio requests:
  - \$4.8 million in GR for operation and expansion of the Laredo Campus extension, and
  - Tuition revenue bond authorization for a Teaching/Learning Laboratory and Continuing Education Facility Building in Laredo.

## Indigent Health Care Funding

- The 76<sup>th</sup> Legislature appropriated an additional \$40 million for the biennium to pay for the provision of indigent care at UTMB.
- UTMB requests that this amount be increased to \$61 million and appropriated in the 2002-2003 biennium from the general revenue fund.

## Tobacco Settlement Proceeds

- Tobacco Settlement Recommendations Include:
  - That endowing the settlement proceeds is sound public policy
  - That U. T. academic and health institutions are prepared to undertake additional research

# Health Insurance for Health Component Students

- Most students aged 23 and over no longer have availability of parental health plans.
- Health Services Fees only cover certain minimal outpatient services.
- Seek legislation to authorize the U. T. System Board of Regents to make health insurance a requirement for students at all U. T. System health components.

# Nursing Education Initiative

- Texas is facing a nursing shortage.
- The U. T. System recommends a one time appropriation to expand nursing faculty and operating expenses to increase student class size.

# Graduate Medical Education

- Graduate Medical Education (GME) is not currently recognized by the funding formulas.
- U. T. is recommending establishment of a higher education work group to focus on formula funding of GME.

# Shortages of High-Tech Professionals

- Government and high-tech industry leaders recognize need for colleges and universities to help address Texas' work force needs.
- To support this effort, a thorough analysis of available data on engineering graduates and related disciplines must be conducted.
- Identify ways and means to increase the supply of electrical engineers, software engineers and computer scientists.
- Solution may require major changes to Texas' educational system.

# Component-Specific Issues

- In addition to the issues having a System-wide impact, there are several issues that are component-specific.
- Governmental Relations will work closely with Academic Affairs, Health Affairs and the components to address their concerns and needs.

