



Formula Funding Recommendations

Presentation for
The University of Texas System
Board of Regents

August 14, 2008

Overview of Presentation

- Context for current higher education funding and student success
- Overview of Coordinating Board formula funding recommendations

Closing the Gaps by 2015

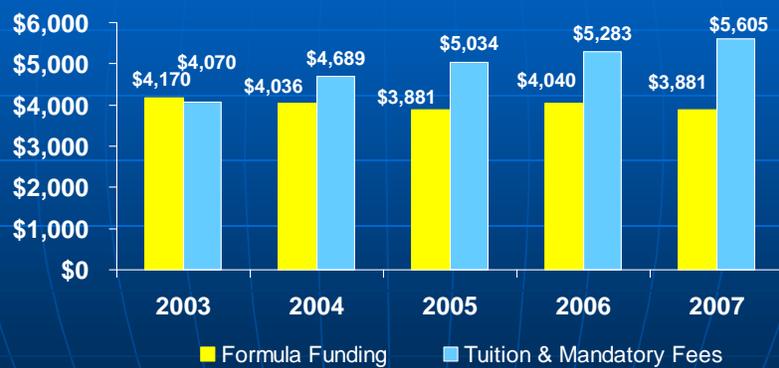
- Participation
- Success
- Excellence
- Research

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Increased costs are being funded by tuition instead of general revenue

Public Universities

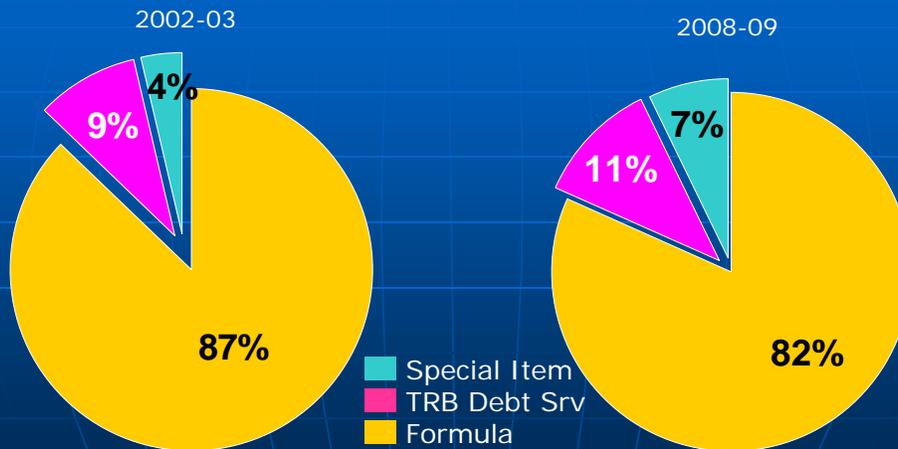


NOTE: In Constant Dollars, CPI-U

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Special Items and Debt Service are taking a larger piece of appropriations



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Excellence in undergraduate education is critical

- 81% of all public university students are undergraduates
- 91% of all public college and university students are undergraduates
- 43% of all public college and university students are freshmen

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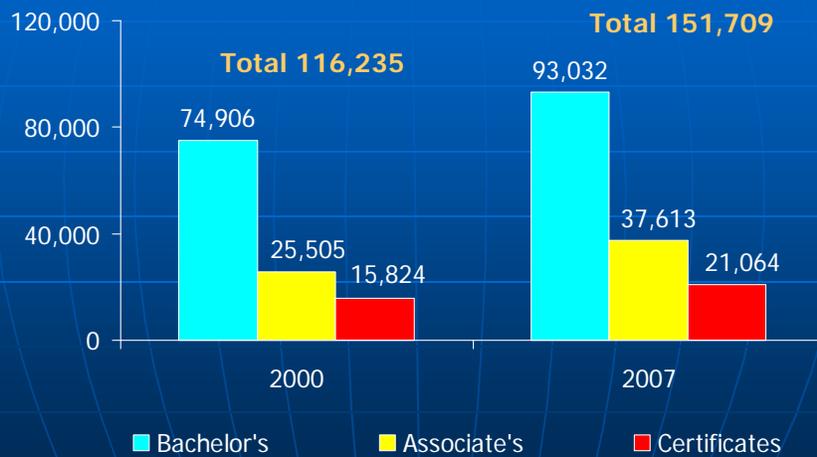
Texas has realized impressive results in improving graduation rates...

Graduation Rate	FY 1999	FY 2006
4-Year	19.9%	25.1%
5-Year	39.7%	47.4%
6-Year	49.2%	57.2%
Graduation & Persistence	63.5%	70.6%
Transfers' Grad Rate	49.3%	52.5%
Students Receiving Pell	25.7%	30.6%

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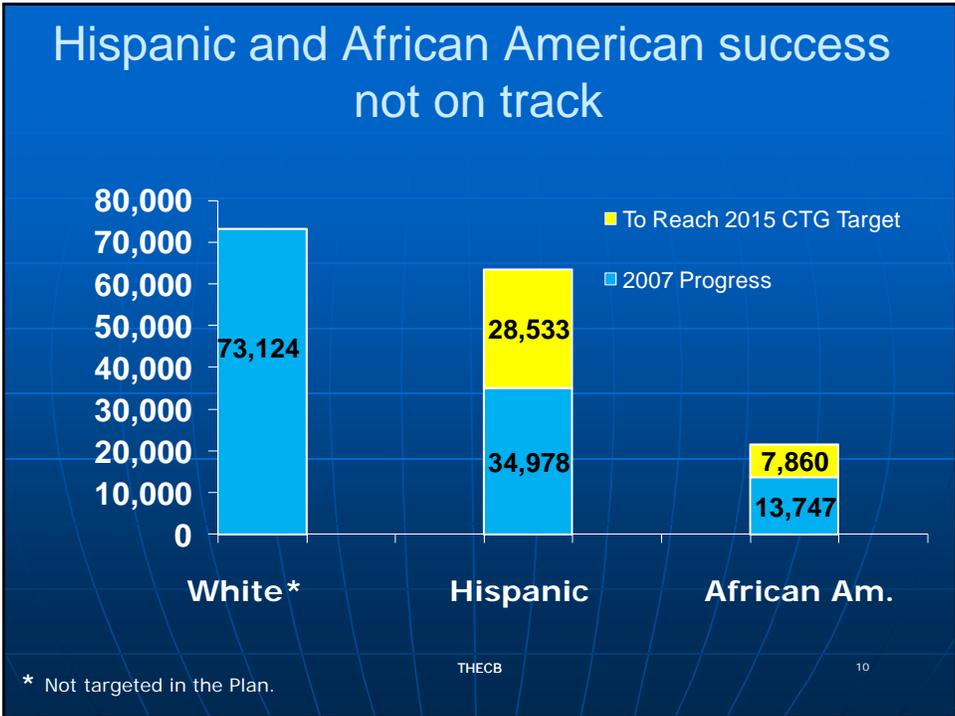
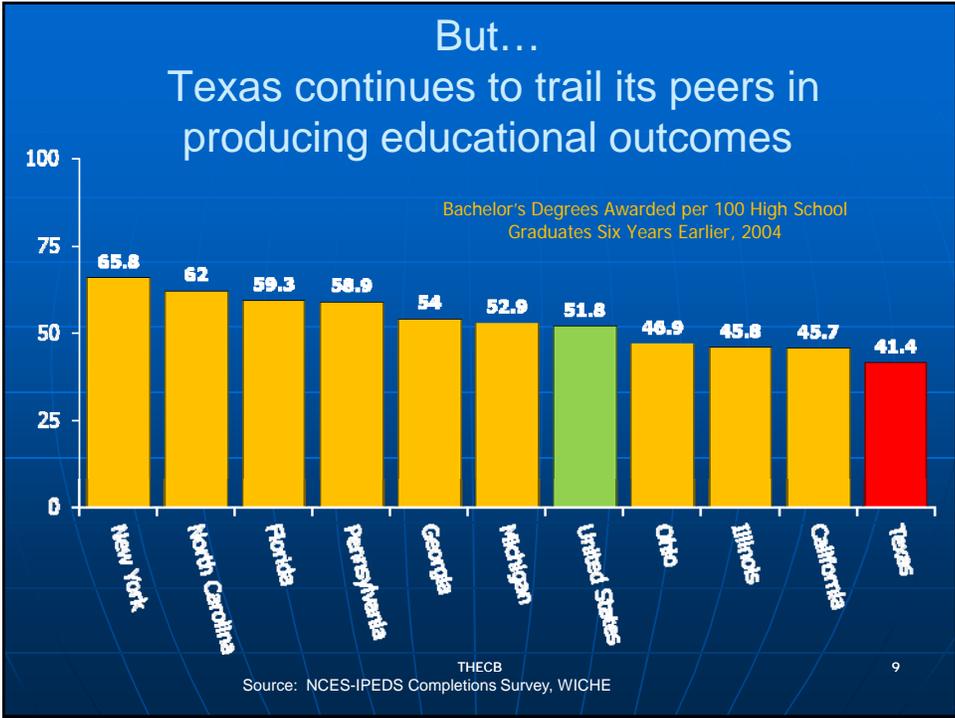
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...and other success measures such as degrees and certificates awarded.

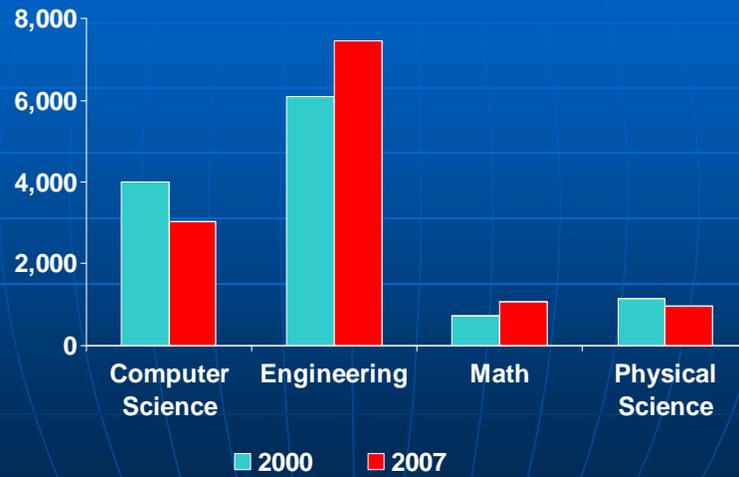


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Total Technology Degrees Decreasing



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Formula Funding Recommendations for Universities

Coordinating Board Recommendations for Universities

- Significantly increase base formula funding by **\$300 million**
- Phase-in of **completed** credit hours over 4 years contingent on a minimum funding increase of \$200 million; attempted credit hours and teaching supplement phased-out over same period
- Provide **performance** based funding
- Increase funding of **infrastructure** to cover actual costs for educational and general space
- Use a three-year average **phase-out** for the small institution supplement funding between 4,000 and 6,000

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Performance Funding

Allocated to institutions for degrees awarded based on three-year average:

- ✓ Rewards all degrees and certificates regardless of timeframe achieved or where student originated
- ✓ Encourages institutions to bolster retention and advising programs to assure educational outcomes
- ✓ Funded via formula funding appropriations

Recommended Appropriation for 2010-11:

- Universities: **\$178 million**

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Recommendations for Universities (Increase over 2008-2009 biennium)

Recommendation	Committee	Coordinating Board
Increase in Instruction & Operations Formula	\$ 478 million	\$300 million
Performance Funding	\$100 million	\$178 million
Infrastructure	\$ 244 million	\$ 244 million
Small Institution Supplement	\$ 4 million	(\$1.8 million)
Total	\$826 million	\$720.2 million

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Summary of Coordinating Board Recommendations for Universities

Recommended Biennial Total: **\$4.8 billion**

Overall change from 2008-2009 biennium:
\$ 720.2 million

Change from 2008-2009 biennium:
17.8 percent

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Focus on Successful Outcomes

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