

85th Session Legislative Priorities

OVERVIEW

The 85th Legislative Session begins January 10, 2017. Texas A&M University (TAMU), Texas A&M University Health Science Center (HSC) and Texas A&M University at Galveston (TAMUG) are required by law to submit an official appropriations request before each legislative session.

TAMU, HSC, and TAMUG appropriations requests were submitted August 2016 to the Office of the Governor, through the Texas Statewide Budget Division, and to the Texas Legislative Budget Board (LBB).

The State of Texas is facing significant financial challenges. Revenue projections are anticipated to be less than in the previous biennium with a population increase and greater demand for state services. In recognition of this, the state has requested a 4% reduction in budget requests from the previous biennium.

Texas A&M Legislative Priorities

- | | |
|---|---|
| 1. Restoration of Any Proposed Cuts to Budget | 2 |
| 2. Maintain Current Formula Funding Rates (Base Funding) to Cover Statewide Enrollment Growth | 2 |
| 3. Maintain Current Rates for Texas Research University Fund (TRUF) | 3 |
| 4. Veterinary Medicine Partnerships | 3 |

HSC Legislative Priorities

- | | |
|--|---|
| 1. Restoration of Any Proposed Cuts to Budget | 4 |
| 2. Fund Growth in the Health-Related Institution Formulas | 4 |
| 3. Healthy Texas | 5 |
| 4. Maintain Current Funding for Texas A&M College of Medicine Special Item | 5 |

TAMUG Legislative Priorities

- | | |
|---|---|
| 1. Restoration of Any Proposed Cuts to Budget | 6 |
| 2. Maintain Current Formula Funding Rates (Base Funding) to Cover Statewide Enrollment Growth | 6 |
| 3. Coastal Surge Protection Initiative | 6 |

Texas A&M Legislative Priorities

RESTORATION OF ANY PROPOSED CUTS TO BUDGET

A four percent budget reduction would have significant negative consequences at Texas A&M University. While Texas A&M's initial actions have been and will continue to be to protect its core academic missions of teaching, research, and outreach, those functions that provide support for these activities are already operating at highly-efficient levels, as evidenced by the state's lowest administrative cost ratio of 3.6% of all public four-year institutions. In addition, recent responses to an external report on administrative and staffing efficiencies have resulted in Texas A&M's decision to reinvest the savings by eliminating a number of staff positions and reinvesting those recovered funds into its core academic missions. Finally, initiatives taken in response to the 2012-2013 statewide reductions remain in place as universities have not fully recovered from these previous budget cuts. Essentially, further cuts to these areas, while potentially viewed as further enhancing efficiency, will begin to have a significant negative impact on effectiveness.

MAINTAIN CURRENT FORMULA FUNDING RATES (BASE FUNDING) TO COVER STATEWIDE ENROLL- MENT GROWTH

Formula funding is the foundation that public four-year institutions in Texas depend upon to provide high quality teaching and support services for growing student populations, and to prepare them to meet the workforce needs of this state. The teaching function of these institutions is supported by two key sources of funding: state appropriations primarily through the formulas and students' tuition and fees.

A top Texas A&M priority is maintaining the current formula funding rates to cover statewide enrollment growth.

Texas A&M Legislative Priorities (continued)

MAINTAIN CURRENT RATES FOR TEXAS RESEARCH UNIVERSITY FUND (TRUF)

The purpose of the Texas Research University Fund (TRUF)* is to strengthen the competitiveness and performance of Texas' two statutorily classified Research Institutions - Texas A&M and UT-Austin, to be in healthy competition with one another, but more importantly in successful competition with other nationally ranked universities. The proven way to compete successfully at a higher level is to be able to successfully recruit and retain the highest-performing faculty and students. The Constitution charges these two institutions with the responsibility to serve their students and state's citizens with the highest level of teaching and research. The TRUF helps Texas A&M and UT-Austin to fulfill this charge. Texas A&M and UT-Austin jointly and respectfully request that the Texas Research University Fund be funded at the current formula ratio.

TRUF provides funds to Texas' research universities with total research expenditures above \$450M, and goes to support faculty to ensure excellence in instruction and research. The distribution of funds is based on a three-year average of total research expenditures.
- Texas Education Code Chapter 62, Subchapter C.

VETERINARY MEDICINE PARTNERSHIPS

Texas A&M recognizes that state revenues are tight and the state faces many worthy requests. However, there is a statewide need regarding veterinary medicine. Texas A&M, as one of the best veterinary schools anywhere, has a well-coordinated plan - the Texas A&M Veterinary Medical Center Partnerships - to address this state need. The THECB has recommended the state produce more veterinarians, especially in rural/large animal and in underrepresented minority populations. This partnership between the College of Veterinary Medicine and Biomedical Sciences (CVM) and four A&M System universities is an innovative, cost-effective way to meet these goals without creating a new veterinary school, which the THECB also cautions against. Working with West Texas A&M, Prairie View A&M, Texas A&M-Kingsville and Tarleton State universities, this partnership will work to "grow" well-formed undergraduates for veterinary school. By placing CVM faculty members on-site at A&M System schools, the likelihood of developing rural/large animal or minority veterinary students will be significantly enhanced. These on-site faculty can also support and teach DVM students at these A&M System university locations based on regional livestock or wildlife industry interest and faculty expertise. By directly linking CVM faculty and A&M System schools, this statewide reach will be the most innovative and cost-effective veterinary outreach and student development program in the nation. This initiative is possible because of the veterinary school class size expansion, in response to THECB recommendations, made possible through a new \$120 million teaching facility financed through the Permanent University Fund (PUF). Texas A&M respectfully asks the legislature to continue and build upon this investment.

HSC Legislative Priorities

RESTORATION OF ANY PROPOSED CUTS TO BUDGET

Texas A&M University Health Science Center respectfully requests restoration of the four percent reduction in 2018-19 as its top funding priority. A four percent reduction to the base funding for the Health Science Center directly impacts students and faculty as the majority of state funding provided to the institutions is to support creation and expansion of health professions degree programs. These programs were created by the Legislature to meet the needs of the state in terms of overall clinical workforce as in the expansion of the College of Medicine and to address geographic disparities in access to certain healthcare providers, with the Lufkin nursing expansion for east Texas, the Rangel College of Pharmacy in Kingsville, which provides pharmacists for South Texas, or the South Texas Center which provides the lower Rio Grande Valley with access to nursing and public health programs in McAllen. This funding is especially critical for the College of Medicine, which was asked to double its enrollment to produce more physicians for Texas. Similarly, the College of Nursing depends on formula and special item support to continue development of new programs in Forensic Nursing and advanced licensure programs in Lufkin.

FUND GROWTH IN THE HEALTH-RELATED INSTITUTION FORMULAS

The state's Health Related Institutions are under intense pressure to produce more clinicians to meet the state's health care workforce needs, yet formula funding rates have declined precipitously. Since 2010, the decrease in funding rates represents a reduction in formula funding of \$25.4 million compared to what TAMUSHC would be receiving if those 2010 rates had been maintained. Existing medical schools, including Texas A&M, have increased enrollment dramatically to produce additional physicians while working with the Legislature to add medical residency positions (Graduate Medical Education). Existing formula funding has not kept pace with that growth, yet multiple new medical schools are being opened, with UT-Austin and UT Rio Grande Valley medical schools enrolling their inaugural classes in 2016. Without increased funding in the base budget bill to the enrollment of the new schools and overall growth across the state, the rates will continue to decline. The THECB HRI Formula Advisory Committee recommended an additional \$28 million in funding to cover the costs of the new medical school programs in the Instruction & Operations, Infrastructure Support, Research Enhancement and Graduate Medical Education Formulas.

HSC Legislative Priorities (continued)

HEALTHY TEXAS

Funding (\$10,000,000 increase for FY2018-19; plus the \$9,600,000 in FY2016-17 base) would support expansion of the Healthy South Texas platform, a novel approach to addressing pressing healthcare challenges including diabetes, asthma, and infectious disease, accomplished by connecting Texas A&M University Health Science Center's clinical and population health disease prevention and management programs with Texas A&M AgriLife Extension Service's education and outreach to improve healthy behaviors and environments in Texans. From September 2015 - June 2016, more than 250,000 South Texans have actively participated with programs in health awareness, nutrition education, physical activity engagement, medication assistance, diabetes and asthma control, and infectious disease prevention. If the Healthy Texas Exceptional Item is funded in the second biennium, Healthy South Texas will be expanded and intensified across the 27-county region, and Healthy Texas will initiate a statewide program.

MAINTAIN CURRENT FUNDING FOR TEXAS A&M COLLEGE OF MEDICINE SPECIAL ITEM

Swift expansion of the Texas A&M College of Medicine was undertaken in response to legislative direction to address the shortage of physicians by doubling the class size of the medical school and developing additional clinical campuses in Round Rock, Dallas, and Houston. As a result of this rapid growth in combination with reversions and the state's own budget constraints, the necessary build-out of the basic science and clinician scientist faculty was delayed at a time when additional campuses have been added to support the increased class size. While medical student enrollment increased 265%, faculty expansion has not kept pace due to funding challenges. This special item enables medical faculty to be recruited and trained so that seamless continuation of a quality educational program is guaranteed. The requested funding will be used to attain these urgently needed faculty and educational staff, to support the curriculum change to add clinical education and the second year of the curriculum across all five medical education campuses, and to further develop the campuses. The national accrediting body has approved the new Texas A&M medical education model pending continuation of legislative financial support.

TAMUG Legislative Priorities

RESTORATION OF ANY PROPOSED CUTS TO BUDGET

A four percent budget reduction would have significant negative consequences at Texas A&M University at Galveston. While the university's initial actions have been and will continue to be to protect its core academic missions of teaching, research, and outreach, those functions that provide support for these activities are already operating at highly efficient levels, as evidenced by the the university's engagement in efficiency and cost-reduction measures since 2011. In addition, recent responses to an external report on administrative and staffing efficiencies have resulted in Texas A&M's decision to reinvest the savings by eliminating a number of staff positions and reinvesting those recovered funds into its core academic missions. Finally, initiatives taken in response to the 2012-2013 statewide reductions remain in place as universities have not fully recovered from these previous budget cuts. Essentially, further cuts to these areas, while potentially viewed as further enhancing efficiency, will begin to have a significant negative impact on effectiveness.

MAINTAIN CURRENT FORMULA FUNDING RATES (BASE FUNDING) TO COVER STATEWIDE ENROLLMENT GROWTH

Formula funding is the foundation that public four-year institutions in Texas depend upon to provide high quality teaching and support services for growing student populations, and to prepare them to meet the workforce needs of this state. The teaching function of these institutions is supported by two key sources of funding: state appropriations primarily through the formulas and students' tuition and fees. Texas A&M's number one priority is maintaining the current formula funding rates to cover statewide enrollment growth.

COASTAL SURGE PROTECTION INITIATIVE

The state of Texas needs a Coastal Surge Protection program and plan. The Center for Texas Beaches and Shores (CTBS) at Texas A&M University at Galveston was established in 1993 by the Texas Legislature without funding. The CTBS is dedicated to the conservation and protection of the Texas shorelines, bays and waterways through innovative research in cooperation with government and private sector agencies. With multiple externally-funded research projects totaling more than \$4,000,000 the Center has also launched two initiatives: the Texas Coastal Communities Planning Atlas and the Coastal Protection Program. Requested funds (\$2,000,000/yr beginning in FY2018-19) will allow the CTBS team to concentrate its efforts on development of a coastal spine strategy that is cost-effective, environmentally-sensitive, and locally viable with long-term impact. This work will result in an actionable plan for federal and state agencies for design and implementation of an effective coastal spine initiative.