



TEXAS A&M  
UNIVERSITY



# **FY 2012-2013 Legislative Appropriations Request Hearing**

August 30, 2010

Austin, Texas

## Overview

- Commitment to Texas
- Texas A&M is efficient
- Texas A&M is effective
- Texas A&M is a great value
- Texas A&M is addressing economic realities
- It's Time for Texas A&M
- 2012 – 2013 Legislative Appropriations Request



## Commitment to Texas

## Commitment to Texas

- Provide excellent education at a reasonable cost
- Prepare State's next generation of leaders
- Lead the State in graduation rates
- Enhance diversity and enroll and graduate first generation students
- Engage in research discoveries that enrich the lives of Texans and enhance the State's economy

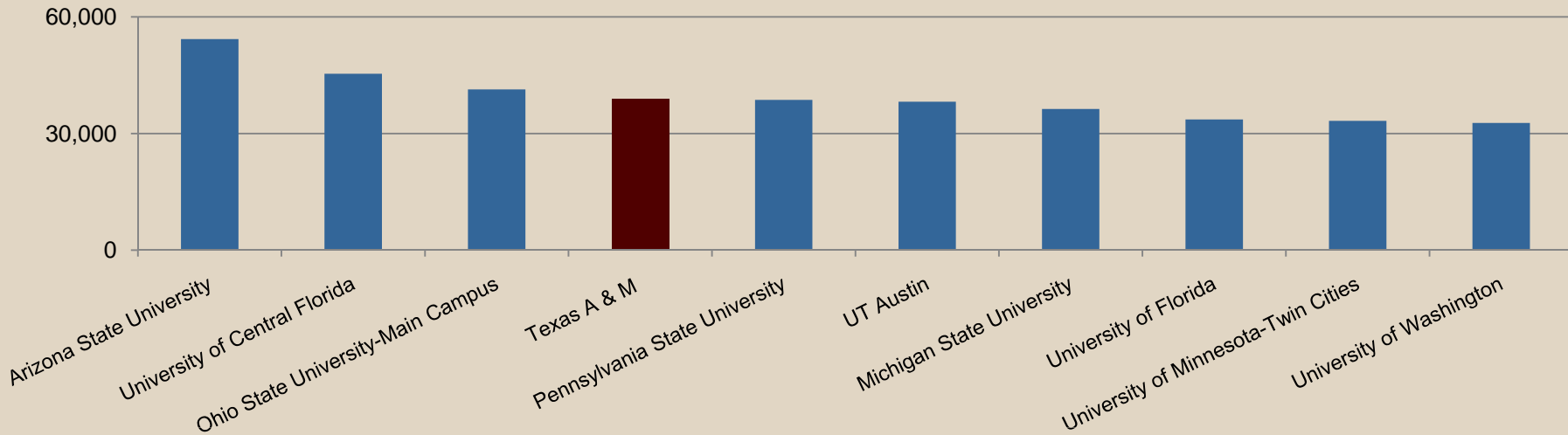
## Tier 1 Status Commitment

- Integration of teaching **AND** research in a knowledge-based economy benefiting the State's prosperity and well being
- Texas A&M and the University of Texas jointly request enhanced support of respective missions
- 2012-2013 Legislative Appropriations Request represents a commitment to Tier 1 responsibilities
- Texas A&M's top priority is funding an increase to the competitive knowledge fund

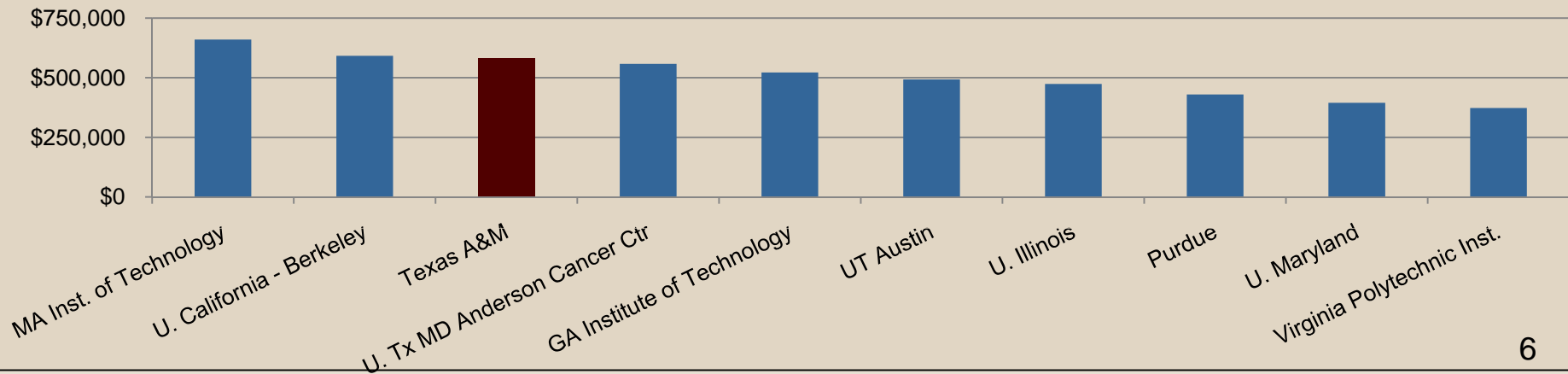
# Integrating Teaching Excellence and Research



Fall 2009 Undergraduate Enrollment



National Science Foundation Statistics by Top 10 Institutions Without Medical Schools FY08 R&D Expenditures





## Texas A&M is Efficient

# Return on State's Investment

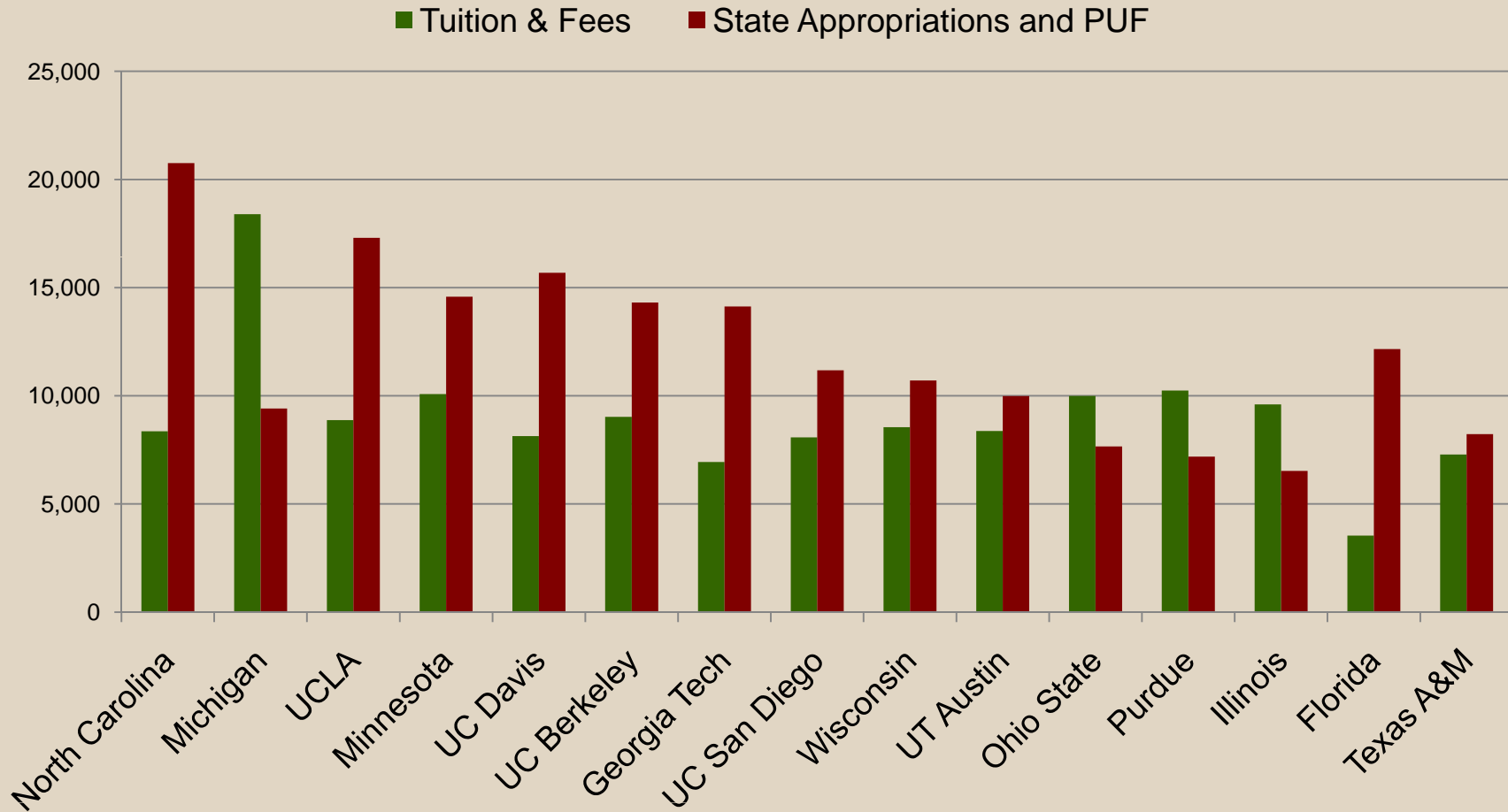
- Efficiency
  - Texas A&M leads the State with a 6 year graduation rate of 84%
  - SCH/Faculty ratio is 15% above the State average
  - Lowest administrative cost ratio in the State and one of the lowest among national peers
  - Shared services initiatives





# Funding Per Student

## Ranked by Total Funding per Student



Source: FY 2008 IPEDS Finance Survey; AUF data are from UT and Texas A&M System Budget Summary Reports.



## Texas A&M is Effective

# Return on State's Investment



## Effectiveness

- Texas A&M produces more teachers than any other university in the State in the high-need STEM, ESL and special education areas
- Texas A&M produces more engineering bachelor's degrees than any institution in the state and ranks 8<sup>th</sup> nationally
- Multiple community college partnerships exist at Texas A&M that are highly successful, resulting in a four year transfer graduation rate of over 80%
- Texas A&M's co-enrollment program with Blinn College is widely recognized as a model community college/university program

# Return on State's Investment



## ***U.S. News & World Report Best Colleges 2011 Rankings:***

### Undergraduate

1st in Biological/Agricultural Engr  
1st in Petroleum Engineering  
2nd in Nuclear Engineering  
7th in Civil Engineering  
8th in Aerospace Engineering  
9th in Engineering  
16th in Business

### Graduate

2nd in Petroleum Engineering  
3rd in Biological/Agricultural Sciences  
3rd in Nuclear Engineering  
3rd in Chemistry Inorganic  
3rd in Veterinary Medicine  
5th in Statistics  
6th in Aerospace Sciences  
6th in Industrial/Manufacturing Engr  
8th in Chemistry  
8th in Civil Engineering



## Texas A&M is a Great Value

# Commitment to “Best Value”



- *U.S. News & World Report's* ‘Great Schools, Great Prices’ – Texas A&M ranks 2<sup>nd</sup> nationally (behind UNC Chapel Hill) among public institutions and is the only public university in Texas to be included in the list
- Among the top 10 public “best value” colleges for 2010 by *The Princeton Review*—the only public institution in Texas to be included in the top-tier ratings
- Top university in the nation for “payback ratio” by *Smart Money* magazine
- Among the top 10 public institutions in a *Forbes* magazine survey that ranked earnings of alumni from around the country with 10-20 years of experience
- The Mays Business School MBA ranks 1<sup>st</sup> in the US for Best Value for Money, *Financial Times* (2010)
- The Executive MBA ranks 1<sup>st</sup> in Return on Investment, *The Wall Street Journal* (2008)



# Texas A&M is Addressing Economic Realities

## FY 2010 & FY 2011 Funding Reduction

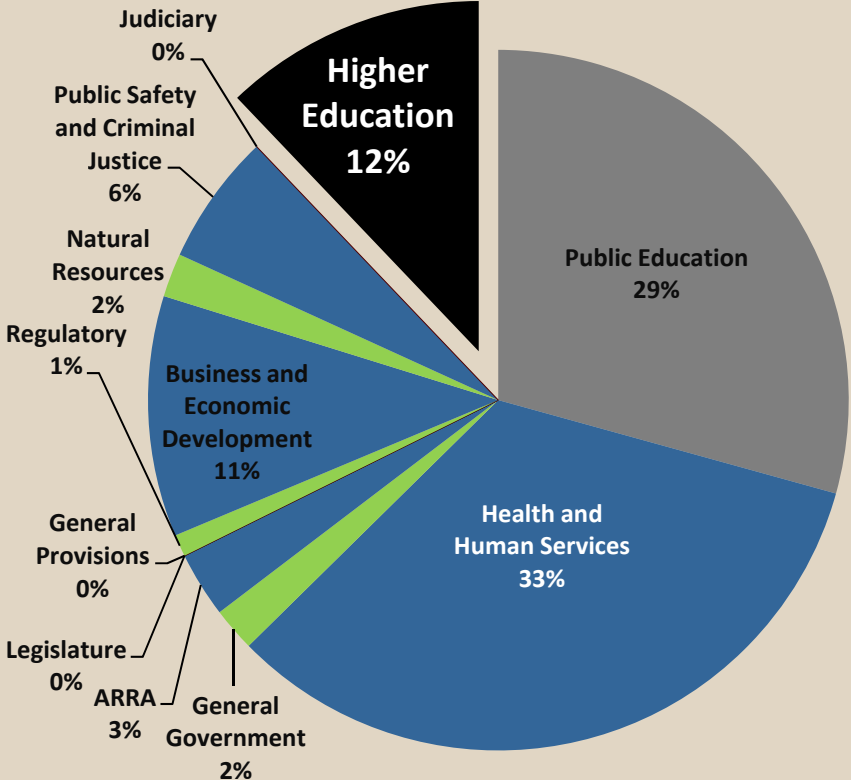
- Texas A&M University has implemented the State required 5% budget reduction for FY 2010 and FY 2011:
  - \$13M returned to State in FY 2010
  - \$13M base budget reduction for FY 2011
- Budget flexibility is reduced
- Consequences
  - Eliminated vacant positions and instituted a limited hiring freeze
  - Delayed capital purchases
  - Reduced travel
  - Eliminated merit program
  - Reduced general operating expenditures



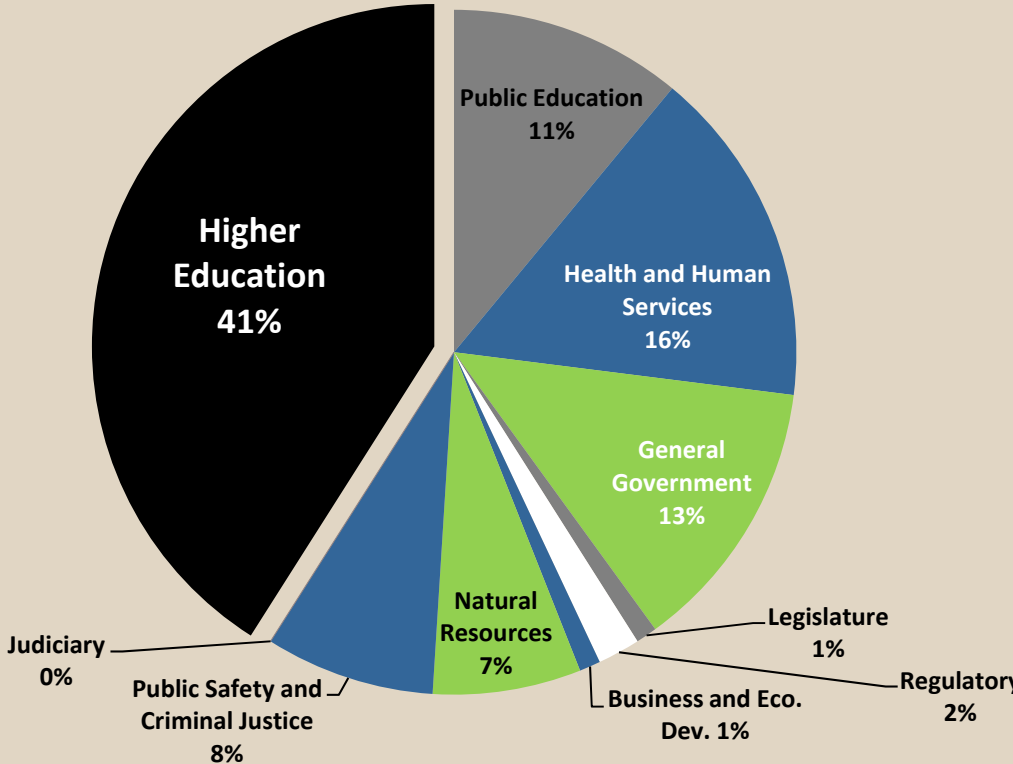
# Comparison of Higher Education's Share of 5% Reduction to All Funds Budget, 2010-11



### All Funds Budget



### 5% Reduction



# FY 2012 & FY 2013 Funding Reduction/Realignment



- Texas A&M University has initiated a strategic realignment, including a \$39M potential State of Texas reduction for FY 2012 and FY 2013
- Core mission is impacted
- Consequences:
  - Student Support
    - Scholarships and assistantships, summer school offerings, study abroad, honors courses, recruiting programs, timelines to graduation
  - Personnel
    - 92 Tenure/tenure track faculty
    - 95 Non-tenure track faculty
    - 215 Staff
  - Knowledge resources
    - Library books and subscriptions cut
    - Information technology and computing resources curtailed



# It's Time for Texas A&M

## It's Time for Texas A&M

- Texas A&M is making major strategic realignments, including reductions in programs, faculty and staff and utilizing these cost savings to enhance priority areas:
  - Enhancing the Undergraduate Experience
  - Enriching Graduate Programs
  - Leveraging Faculty More Effectively
  - Improving Facilities
- Realignment of other strategic priorities to *Action Plan 2015*, a five year university strategic plan



# 2012 – 2013 Legislative Appropriations Request

# 2012 – 2013 Legislative Appropriations Request



1. Base Funding
  - Preserve base funding for the basic, ongoing operations of the University through:
    - Replacement of ARRA funding
    - New funds in formulas to fund additional students enrolled since the last base period and to fund facilities costs
2. Exceptional Item: Increase Competitive Knowledge Fund by \$20M
3. Tuition Revenue Bond: Veterinary Medicine & Biomedical Sciences Facility \$115M authorization (debt service of \$10M/year)
4. Special Items: Preserve and build upon success

## Exceptional Item

- Increase Competitive Knowledge Fund – an increase of \$20M over the biennium to this fund would help Texas A&M continue to hire and retain outstanding faculty who both teach and conduct research in accordance with identified priority areas
  - Fund created originally with the \$40M from faculty reinvestment
  - Continued need for both recruiting and retaining outstanding faculty and facilities to conduct teaching and research in priority areas

## Tuition Revenue Bond Request

- THECB reported in 2009:
  - National and state critical shortage of veterinarians
  - Recommended expanded enrollment at Texas A&M's College of Veterinary Medicine
- Texas A&M's College of Veterinary Medicine
  - At capacity
  - Faces accreditation issues without additional facilities for expanded enrollment
- Funding for a new Veterinary Medicine & Biomedical Sciences Education building with Small Animal Hospital Expansion is requested
- Veterinary Medicine:
  - Exerts greater than \$1.7 billion economic impact to Texas
  - Contributes greater than \$32 million directly to Texas in business taxes



# Special Items

- **Cyclotron Institute:** state support leverages a 9-to-1 return in institute funding
- **Sea Grant Program:** grant funding that matches \$2 federal dollars for every \$1 dollar in state funds
- **Energy Resources Program:** has allowed Texas A&M to leverage state money, producing a 12.8 to 1 return
- **Public Policy Resource Laboratory:** serving the needs of Texas policymakers, state support leveraged a 50-to-1 return in 2007. \$15M in federal funds brought in.
- **Real Estate Research Center:** no General Revenue ever received, funded through fees collected from Texas Real Estate licensees
- **School of Architecture (Colonias):** state funding leverages additional funding, the amount secured since inception through grant, contracts and contributions from the public and private sector has been ~\$34.7 million



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