January 28, 2011

To the Aggie Family:

You have likely heard about the recent appropriations bills filed in the Texas House of Representatives and the Texas Senate for the upcoming 2012-13 biennium, which begins September 1, 2011. As we anticipated, the first drafts of both appropriations bills include significant funding reductions to Texas A&M University and all of higher education, as well as other areas of state government.

I wanted to take this opportunity to give you a brief summary of how each of these appropriations bills could potentially impact Texas A&M. In the House bill (HB1), Texas A&M’s appropriations are reduced by $61.2 million for the biennium in comparison to our current FY 2011 budget (which already includes a 5% base reduction). This reduction includes a 10% reduction to formula-generated funding. On the Senate side, SB1 includes a $42.9 million reduction from our base FY 2011 budget, which amounts to a 5% reduction to formula-generated funding. Both bills also incorporate a 25% reduction to special item funding, including a $13.3 million reduction to the Competitive Knowledge Fund, which provides significant funding for both Texas A&M and the University of Texas at Austin based on the amount of total research dollars each university expends. Further, the baseline appropriation does not include any increases for student growth due to the budgetary constraints facing the State of Texas.

Another major area of concern in the proposed reductions involves state funding for student financial aid. Our preliminary examination of HB 1, for example, suggests that available financial aid in the next biennium could be 18.5% less than the current biennium. Such a large reduction will have the greatest effect on lower- and middle-income families. Texas A&M is proud of our record of enrolling many first-generation college students and providing access to all regardless of their financial means as part of our land-grant mission. We will continue to assess the impact of this proposal on our current and prospective students.

As you well know, we have prepared for a challenging state budget environment and have positioned the university to take advantage of strategic opportunities if the state is able to provide needed resources. We have already made some very tough choices in terms of reducing our expenditures for the current fiscal year and the next biennium. In addition, we have significantly reduced our administrative costs (already the lowest among all public universities in Texas) and will continue to seek additional efficiencies.

We must remember that Aggies are “can do!” people, and that our great university has emerged from past adversity stronger than before. We will continue to share our message that Texas A&M is efficient, effective and a great value—the best investment for the State of Texas—as we continue to affirm the profound significance of our academic mission. The 82nd Texas Legislature has just begun, and much work is ahead of us before the final appropriations bill is approved. I pledge that I will continue to keep you informed and seek your input in the months ahead.

(signed)
R. Bowen Loftin ’71
President