The Texas A&M University
Legislative Appropriations Request
Hearing

PRESENTED BY
DR. R. BOWEN LOFTIN
PRESIDENT

SEPTEMBER 5, 2012
Outline for Presentation

- A&M’s Commitment
- A&M’s Culture of Effectiveness and Efficiency
- A&M’s Impact on the State
- Challenges
- Request
Committed to Texas and Nation

• 150th Anniversary Morrill Act

• As a land grant university, Texas A&M has a three-fold mission:
  o Teaching
  o Research
  o Service

• We are proud to serve the state of Texas and the nation
Two Years Ago…

- Promised to offer a great educational value at a reasonable cost
- Managed through impending cuts
- Be effective and efficient
- Add value to Texas
Culture of Effectiveness and Efficiency
Culture of Effectiveness and Efficiency

• 6th largest university in the nation

• Largest undergraduate enrollment in the state

• Tuition well below national peers

• Lowest administrative cost ratio in the state and one of the lowest among national peers

• Nearly 900 student-run organizations

• Among the top 20 universities in research expenditures

• 2nd in *Washington Monthly*’s 2012 national universities ranking for *contribution to the public good*—Social Mobility, Research and Service.
Total TAMU Degrees Awarded 2001-2011
Texas’ Lowest Administrative Cost Ratio

Administrative Costs as a Percent of Expenditures*

*Current Fund Expenditures
Source: The Higher Education Accountability System
Tuition and Fees
State Comparison (per Semester)

Based On 2012-2013 Academic Year, 15 Hours, Tuition + Required Fees Reported On University Websites.
* UT Dallas has a Guaranteed Tuition Plan
Texas A&M has been aggressive in efforts to offset funding reductions:

- Strategic reallocation
- Focused reduction of energy consumption
- Outsourcing initiative
- Accountability.tamu.edu
Texas A&M’s Role in the State’s Economy and Quality of Life
Texas A&M’s Role in the State’s Economy and Quality of Life

- Every dollar invested in Texas A&M returns more than $18 to the Texas economy
- Statewide impact of Texas’ only College of Veterinary Medicine & Biomedical Sciences: $1.7 billion
- Texas A&M’s regional economic impact: $3.7 billion
- 23,000+ estimated jobs generated in 2010 by Texas A&M research projects alone
- Texas A&M helped generate $8 million+ in licensing revenue in both FY10 and FY11
Texas A&M’s Role in the State’s Economic and Social Vitality

**Jobs, Jobs, Jobs**

- 11% increase in on-campus student interviews since 2010
- In 2011, 2,900 companies posted more than 7,600 jobs representing 34,000 unique positions
- Graduates ranked 2nd nationally in the 2010 *Wall Street Journal* survey of employers for being best prepared
- A&M graduates have the highest salaries at mid-career than any other Texas public university
Challenges
State Appropriations per Student vs. Enrollment Growth

State Appropriations per Student

Enrollment (College Station)

Fall 2012 5th class day preliminary headcount

2010 & 2011 State Appropriations are adjusted for mid-year reductions
Challenges

• Foundational Strategic Objective
  Address compliance, health, safety, and stewardship of facilities at TAMU

• Overarching Strategic Objectives
  1. Improve undergraduate and graduate student learning and faculty engagement through high-impact educational practices
  2. Focus on reducing the time to degree; increase the annual number of graduating students while continuing to increase the quality and diversity of the student body
  3. Maintain our facilities to address deferred maintenance
Challenges

- New allocation budgeting philosophy
- Council on Strategic Budgeting
- Bottom-line: Every dollar spent must have a positive impact on Texas A&M students and faculty
Challenges

- Lower faculty numbers - 113 positions reduced
- Net faculty loss with more students
- Capacity and demand - effect on quality and student interaction
Student Enrollment with Faculty/Staff as a Percent of Enrollment

- **Total Faculty and Staff (as Percent of Students)**
- **Student Headcount**
Request
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Request

Base Funding:

- **Highest Priority** – maintain base funding and place any additional funds into the formulas to support the state’s enrollment growth since the last biennium

- Formula dollars are a foundation for students’ instruction and academic support

- Formula rate per WSCH was reduced by 13% last session
Funding rate decreased by 13.6% in FY 2012-FY 2013.
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Competitive Knowledge Fund

• Key *performance-based* formula

• Currently $700 thousand for every $10 million in total research expenditures for each qualified institution

• Request: $1 million for every $10 million in total research expenditures

• Allows research universities like Texas A&M and UT Austin to compete nationally and enhances the learning environment for students
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Cost Shifting

• Create a partnership with the state by appropriating funds to pay the usual and reasonable costs that are exempted from collection through the Hazlewood exemption and the Texas Guaranteed Tuition Plan

• At Texas A&M, students pay an additional $1,080-$1,200 in tuition and fees to cover total student exemptions

• Texas A&M wholeheartedly supports the exemptions and the students who qualify
Projected Impact at Texas A&M of Hazlewood and Texas Guaranteed Tuition Plan

- **Hazlewood**
- **Texas Guaranteed Tuition Plan**

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<td>Impact</td>
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- **Projected Impact at Texas A&M of Hazlewood and Texas Guaranteed Tuition Plan**
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### Special Items

- Continue to enable the university to make positive contributions to the state through increased appropriations:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
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<tr>
<td>Cyclotron Institute</td>
<td>$781,120 + $98,880</td>
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<tr>
<td>Sea Grant Program</td>
<td>$512,540 + $200,000</td>
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<td>Energy Resources Program</td>
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<td>Real Estate Research Center</td>
<td><em>Other Funds</em></td>
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<tr>
<td>Colonias Program</td>
<td>$1,069,140 + $160,000</td>
<td>$1,229,140</td>
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New Exceptional Items

Office of the State Climatologist (OSC) - $284,000

- The OSC is designated by the Governor and serves Texas and its economy by providing accurate climate information and critical expertise in the field of climatology

- Activities of this office serve many state priorities:
  - Economic Development - assist the state in planning for reliable, long term water supplies
  - Higher Education - teaching, research, collaboration
  - General Government – serve as an expert, non-political resource for state-of-the-art weather and climate information for all state agencies
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New Exceptional Items

One Health Plus - $15 million

- Through combining plant, animal and human breakthroughs, One Health Plus provides speed-to-market connections between research, commercialization and business success

- Supports medical device and drug development

- Includes physicians, veterinarians, related specialists and faculty in a coordinated effort
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New Capital Needs

Biosafety Level 3 (BSL-3) Facility:

- One of the highest levels of containment for biomedical research
- $80 million facility cost with annual debt service of $7 million
- 100,000 gross square feet built to BSL3-Ag standards
- Would be the first in Texas and 1 of only 4 nationwide
- Unique for large animal research
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A Robust Texas A&M and UT Austin = A Robust Texas
Questions?