

# HIGHER EDUCATION FUND (HEF)

HIGHER EDUCATION COORDINATING BOARD

HEF STUDY GROUP

AUGUST 18, 2014 MEETING

# OPTION 2. CLASSROOM COST INCREASED FROM \$200 TO \$406 PER GROSS SQUARE FOOT.

Institutions	2011-2015 Appropriation	Option 1 - Allocated as Appropriated, updated inputs	Change from Prior Allocation	Percent Change from Prior Allocation	Option 2 - Option 1 with Classroom Cost at \$406	Change from Prior Allocation	Percent Change from Prior Allocation
UT-Pan American	\$ 12,311,123		\$ (12,311,123)	-100%		\$ (12,311,123)	-100%
UT-Brownsville	5,057,420		(5,057,420)	-100%		(5,057,420)	-100%
TAMU-CC	7,139,067	7,495,013	355,946	5%	7,519,724	380,657	5%
TAMU-Kingsville	5,046,885	4,889,671	(157,214)	-3%	4,328,796	(718,089)	-14%
TAMI	3,796,436	4,073,496	277,060	7%	4,072,123	275,687	7%
WTAMU	4,652,995	4,449,161	(203,834)	-4%	3,785,787	(867,208)	-19%
TAMU-Commerce	5,193,232	7,469,499	2,276,267	44%	7,513,763	2,320,531	45%
TAMU-Tearkana	1,307,907	1,242,562	(65,345)	-5%	1,213,143	(94,764)	-7%
UH	35,885,768	35,184,301	(701,467)	-2%	35,345,809	(539,959)	-2%
UH-Clear Lake	5,214,167	4,869,513	(344,654)	-7%	4,607,173	(606,994)	-12%
UH-Downtown	7,435,238	8,324,279	889,041	12%	9,069,251	1,634,013	22%
UH-Victoria	2,393,921	3,043,790	649,869	27%	3,375,083	981,162	41%
Midwestern	3,559,433	3,249,030	(310,403)	-9%	2,977,830	(581,603)	-16%
UNT	27,846,476	26,475,176	(1,371,300)	-1%	27,119,844	(726,632)	2%
UNT-Dallas	-	1,197,626	1,197,626	-1%	1,206,619	1,206,619	2%
UNTHSC	8,771,265	10,697,289	1,926,024	22%	10,776,298	2,005,033	23%
SFA	8,425,937	7,495,342	(930,595)	-11%	6,847,171	(1,578,766)	-19%
TSU	8,894,700	8,470,384	(424,316)	-5%	8,600,878	(293,822)	-3%
TTU	23,936,088	31,808,150	7,872,062	33%	32,297,649	8,361,561	35%
Angebo	3,743,027	3,745,156	2,129	0%	3,312,974	(430,053)	-11%
TTUHSC	16,973,569	15,233,817	(1,739,752)	13%	14,236,354	(2,737,215)	7%
TTUHSC-El Paso	-	3,968,838	3,968,838	13%	3,933,107	3,933,107	7%
TWU	10,169,695	10,166,159	(3,536)	0%	10,179,304	9,609	0%
Lamar	8,330,933	9,159,403	828,470	10%	9,281,768	950,835	11%
Lamar-IOT	2,332,463	1,837,316	(495,147)	-21%	1,945,460	(387,003)	-17%
Lamar-Orange	1,235,752	1,322,694	86,942	7%	1,301,724	65,972	5%
Lamar-Port Arthur	1,244,694	2,052,468	807,774	65%	2,151,000	906,306	73%
Sam Houston	11,893,110	11,494,296	(398,814)	-3%	11,307,499	(585,611)	-5%
TXST	21,863,258	25,587,602	3,724,344	17%	26,928,728	5,065,470	23%
Sul Ross	1,625,061	1,391,479	(233,582)	-14%	1,152,381	(472,680)	-29%
Sul Ross-Rio Grande	445,380	331,490	(113,890)	-26%	337,759	(107,621)	-24%
Allocated Total	\$ 256,725,000	\$ 256,725,000	\$ -	0%	\$ 256,725,000	\$ -	0%
TSTC	5,775,000	5,775,000	-	0%	5,775,000	-	0%
Total	\$ 262,500,000	\$ 262,500,000	\$ -	0%	\$ 262,500,000	\$ -	0%

# OPTION 3. FORMULA APPROPRIATIONS UPDATED WITH BASE YEAR 2014 ACTIVITY.

Institutions	2011-2015 Appropriation	Option 1 - Allocated as Appropriated, updated inputs	Change from Prior Allocation	Percent Change from Prior Allocation	Option 3 - Option 1 with Base Year 2014 Appropriation Estimate	Change from Prior Allocation	Percent Change from Prior Allocation
UT-Pan American	\$ 12,311,123		\$ (12,311,123)	-100%		\$ (12,311,123)	-100%
UT-Brownsville	5,057,420		(5,057,420)	-100%		(5,057,420)	-100%
TAMU-CC	7,139,067	7,495,013	355,946	5%	7,502,640	363,573	5%
TAMU-Kingsville	5,046,885	4,889,671	(157,214)	-3%	5,267,747	220,862	4%
TAMI	3,796,436	4,073,496	277,060	7%	4,000,534	204,098	5%
WTAMU	4,652,995	4,449,161	(203,834)	-4%	4,550,405	(102,590)	-2%
TAMU-Commerce	5,193,232	7,469,499	2,276,267	44%	7,123,318	1,930,086	37%
TAMU-Tearkana	1,307,907	1,242,562	(65,345)	-5%	1,190,088	(117,819)	-9%
UH	35,885,768	35,184,301	(701,467)	-2%	34,815,938	(1,069,830)	-3%
UH-Clear Lake	5,214,167	4,869,513	(344,654)	-7%	5,025,895	(188,272)	-4%
UH-Downtown	7,435,238	8,324,279	889,041	12%	8,228,776	793,538	11%
UH-Victoria	2,393,921	3,043,790	649,869	27%	3,050,985	657,064	27%
Midwestern	3,559,433	3,249,030	(310,403)	-9%	3,226,440	(332,993)	-9%
UNT	27,846,476	26,475,176	(1,371,300)	-1%	26,448,641	(1,397,835)	-1%
UNT-Dallas	-	1,197,626	1,197,626	-1%	1,168,433	1,168,433	-1%
UNTHSC	8,771,265	10,697,289	1,926,024	22%	11,084,519	2,313,254	26%
SFA	8,425,937	7,495,342	(930,595)	-11%	7,328,253	(1,097,684)	-13%
TSU	8,894,700	8,470,384	(424,316)	-5%	8,127,822	(766,878)	-9%
TTU	23,936,088	31,808,150	7,872,062	33%	31,705,050	7,768,962	32%
Angelo	3,743,027	3,745,156	2,129	0%	3,648,523	(94,504)	-3%
TTUHSC	16,973,569	15,233,817	(1,739,752)	13%	15,385,062	(1,588,507)	16%
TTUHSC-El Paso	-	3,968,838	3,968,838	13%	4,263,829	4,263,829	16%
TWU	10,169,695	10,166,159	(3,536)	0%	10,166,184	(3,511)	0%
Lamar	8,330,933	9,159,403	828,470	10%	9,237,177	906,244	11%
Lamar-IOT	2,332,463	1,837,316	(495,147)	-21%	1,835,468	(496,995)	-21%
Lamar-Orange	1,235,752	1,322,694	86,942	7%	1,333,036	97,284	8%
Lamar-Port Arthur	1,244,694	2,052,468	807,774	65%	2,009,032	764,338	61%
Sam Houston	11,893,110	11,494,296	(398,814)	-3%	11,585,234	(307,876)	-3%
TXST	21,863,258	25,587,602	3,724,344	17%	25,720,808	3,857,550	18%
Sul Ross	1,625,061	1,391,479	(233,582)	-14%	1,376,401	(248,660)	-15%
Sul Ross-Rio Grande	445,380	331,490	(113,890)	-26%	318,764	(126,616)	-28%
Allocated Total	\$ 256,725,000	\$ 256,725,000	\$ -	0%	\$ 256,725,000	\$ -	0%
TSTC	5,775,000	5,775,000	-	0%	5,775,000	-	0%
Total	\$ 262,500,000	\$ 262,500,000	\$ -	0%	\$ 262,500,000	\$ -	0%

# OPTION 4. CLASSROOM COST INCREASED FROM \$200 TO \$406 PER GROSS SQUARE FOOT AND FORMULA APPROPRIATIONS UPDATED WITH BASE YEAR 2014 ACTIVITY.

Institutions	2011-2015 Appropriation	Option 1 - Allocated as Appropriated, updated inputs	Change from Prior Allocation	Percent Change from Prior Allocation	Option 4 - Option 1 with Classroom cost at \$406 and Base Year 2014 Appropriation Estimate	Change from Prior Allocation	Percent Change from Prior Allocation
UT-Pan American	\$ 12,311,123		\$ (12,311,123)	-100%		\$ (12,311,123)	-100%
UT-Brownsville	5,057,420		(5,057,420)	-100%		(5,057,420)	-100%
TAMU-CC	7,139,067	7,495,013	355,946	5%	7,527,351	388,284	5%
TAMU-Kingsville	5,046,885	4,889,671	(157,214)	-3%	4,706,873	(340,012)	-7%
TAMI	3,796,436	4,073,496	277,060	7%	3,999,160	202,724	5%
WTAMU	4,652,995	4,449,161	(203,834)	-4%	3,887,031	(765,964)	-16%
TAMU-Commerce	5,193,232	7,469,499	2,276,267	44%	7,167,582	1,974,350	38%
TAMU-TeXarkana	1,307,907	1,242,562	(65,345)	-5%	1,160,669	(147,238)	-11%
UH	35,885,768	35,184,301	(701,467)	-2%	34,977,445	(908,323)	-3%
UH-Clear Lake	5,214,167	4,869,513	(344,654)	-7%	4,763,554	(450,613)	-9%
UH-Downtown	7,435,238	8,324,279	889,041	12%	8,973,748	1,538,510	21%
UH-Victoria	2,393,921	3,043,790	649,869	27%	3,382,278	988,357	41%
Midwestern	3,559,433	3,249,030	(310,403)	-9%	2,955,240	(604,193)	-17%
UNT	27,846,476	26,475,176	(1,371,300)	-1%	27,093,310	(753,166)	2%
UNT-Dallas	-	1,197,626	1,197,626	-1%	1,177,426	1,177,426	2%
UNTHSC	8,771,265	10,697,289	1,926,024	22%	11,163,529	2,392,264	27%
SFA	8,425,937	7,495,342	(930,595)	-11%	6,680,082	(1,745,855)	-21%
TSU	8,894,700	8,470,384	(424,316)	-5%	8,258,317	(636,383)	-7%
TTU	23,936,088	31,808,150	7,872,062	33%	32,194,549	8,258,461	35%
Angelo	3,743,027	3,745,156	2,129	0%	3,216,341	(526,686)	-14%
TTUHSC	16,973,569	15,233,817	(1,739,752)	13%	14,387,598	(2,585,971)	10%
TTUHSC-El Paso	-	3,968,838	3,968,838	13%	4,228,098	4,228,098	10%
TWU	10,169,695	10,166,159	(3,536)	0%	10,179,329	9,634	0%
Lamar	8,330,933	9,159,403	828,470	10%	9,359,543	1,028,610	12%
Lamar-IOT	2,332,463	1,837,316	(495,147)	-21%	1,943,612	(388,851)	-17%
Lamar-Orange	1,235,752	1,322,694	86,942	7%	1,312,067	76,315	6%
Lamar-Port Arthur	1,244,694	2,052,468	807,774	65%	2,107,564	862,870	69%
Sam Houston	11,893,110	11,494,296	(398,814)	-3%	11,398,437	(494,673)	-4%
TXST	21,863,258	25,587,602	3,724,344	17%	27,061,934	5,198,676	24%
Sul Ross	1,625,061	1,391,479	(233,582)	-14%	1,137,303	(487,758)	-30%
Sul Ross-Rio Grande	445,380	331,490	(113,890)	-26%	325,033	(120,347)	-27%
Allocated Total	\$ 256,725,000	\$ 256,725,000	\$ -	0%	\$ 256,725,000	\$ -	0%
TSTC	5,775,000	5,775,000	-	0%	5,775,000	-	0%
Total	\$ 262,500,000	\$ 262,500,000	\$ -	0%	\$ 262,500,000	\$ -	0%

# OPTION 5. SET ELEMENT DISTRIBUTION TO 25% FOR BOTH SPACE NEED AND FACILITIES CONDITION.

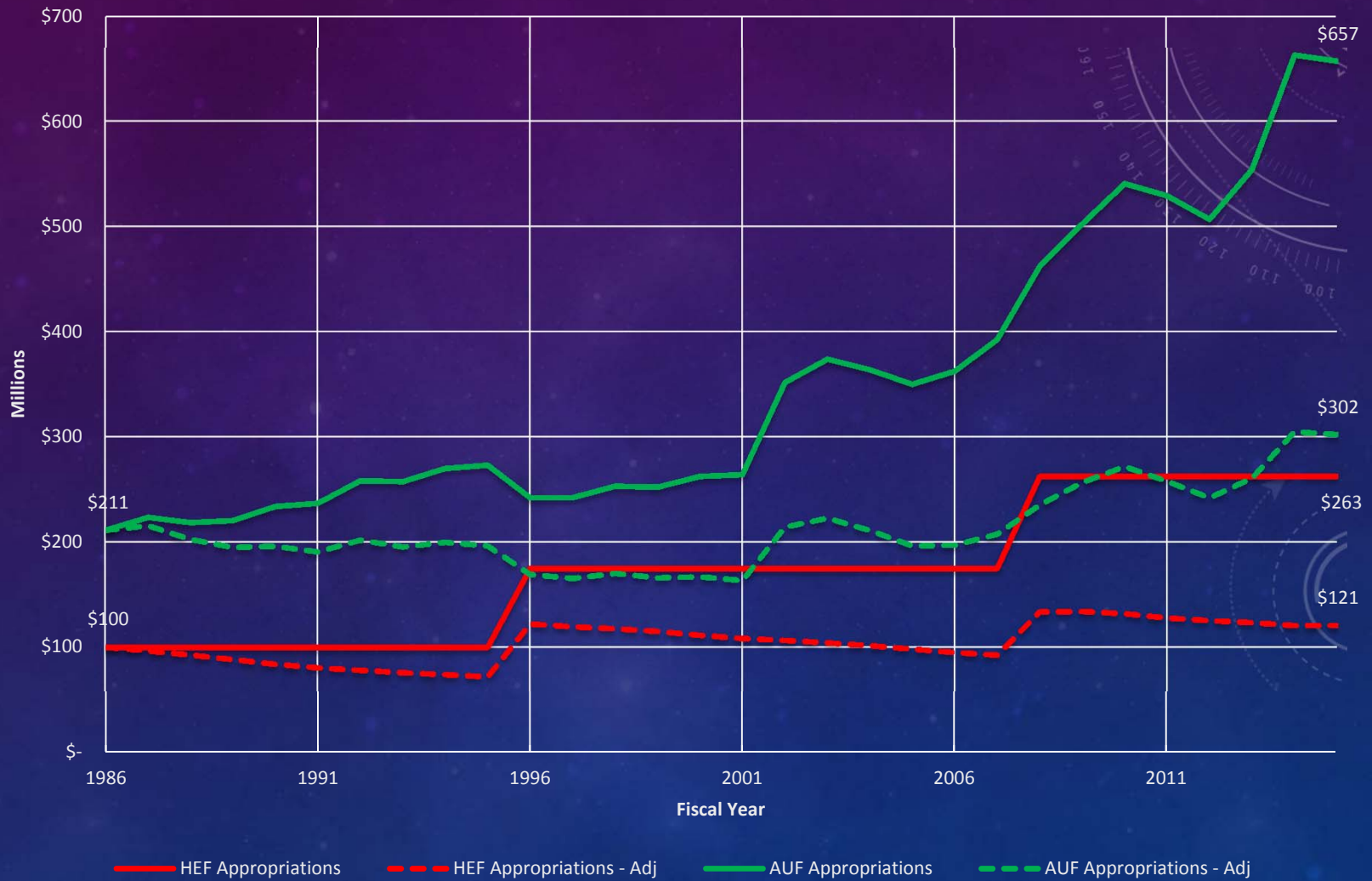
Institutions	2011-2015 Appropriation	Option 1 - Allocated as Appropriated, updated inputs	Change from Prior Allocation	Percent Change from Prior Allocation	Option 5 - Option 1 with split set to 25/25/50	Change from Prior Allocation	Percent Change from Prior Allocation
UT-Pan American	\$ 12,311,123		\$ (12,311,123)	-100%		\$ (12,311,123)	-100%
UT-Brownsville	5,057,420		(5,057,420)	-100%		(5,057,420)	-100%
TAMU-CC	7,139,067	7,495,013	355,946	5%	7,487,602	348,535	5%
TAMU-Kingsville	5,046,885	4,889,671	(157,214)	-3%	5,057,861	10,976	0%
TAMI	3,796,436	4,073,496	277,060	7%	4,073,908	277,472	7%
WTAMU	4,652,995	4,449,161	(203,834)	-4%	4,648,088	(4,907)	0%
TAMU-Commerce	5,193,232	7,469,499	2,276,267	44%	7,456,225	2,262,993	44%
TAMU-Texarkana	1,307,907	1,242,562	(65,345)	-5%	1,251,384	(56,523)	-4%
UH	35,885,768	35,184,301	(701,467)	-2%	35,135,870	(749,898)	-2%
UH-Clear Lake	5,214,167	4,869,513	(344,654)	-7%	4,948,182	(265,985)	-5%
UH-Downtown	7,435,238	8,324,279	889,041	12%	8,100,883	665,645	9%
UH-Victoria	2,393,921	3,043,790	649,869	27%	2,944,444	550,523	23%
Midwestern	3,559,433	3,249,030	(310,403)	-9%	3,330,356	(229,077)	-6%
UNT	27,846,476	26,475,176	(1,371,300)	-1%	26,281,858	(1,564,618)	-1%
UNT-Dallas	-	1,197,626	1,197,626	-1%	1,194,930	1,194,930	-1%
UNTHSC	8,771,265	10,697,289	1,926,024	22%	10,673,596	1,902,331	22%
SFA	8,425,937	7,495,342	(930,595)	-11%	7,689,711	(736,226)	-9%
TSU	8,894,700	8,470,384	(424,316)	-5%	8,431,252	(463,448)	-5%
TTU	23,936,088	31,808,150	7,872,062	33%	31,661,363	7,725,275	32%
Angelo	3,743,027	3,745,156	2,129	0%	3,874,755	131,728	4%
TTUHSC	16,973,569	15,233,817	(1,739,752)	13%	15,532,929	(1,440,640)	15%
TTUHSC-El Paso	-	3,968,838	3,968,838	13%	3,979,553	3,979,553	15%
TWU	10,169,695	10,166,159	(3,536)	0%	10,162,217	(7,478)	0%
Lamar	8,330,933	9,159,403	828,470	10%	9,122,708	791,775	10%
Lamar-IOT	2,332,463	1,837,316	(495,147)	-21%	1,804,887	(527,576)	-23%
Lamar-Orange	1,235,752	1,322,694	86,942	7%	1,328,982	93,230	8%
Lamar-Port Arthur	1,244,694	2,052,468	807,774	65%	2,022,922	778,228	63%
Sam Houston	11,893,110	11,494,296	(398,814)	-3%	11,550,312	(342,798)	-3%
TXST	21,863,258	25,587,602	3,724,344	17%	25,185,435	3,322,177	15%
Sul Ross	1,625,061	1,391,479	(233,582)	-14%	1,463,177	(161,884)	-10%
Sul Ross-Rio Grande	445,380	331,490	(113,890)	-26%	329,610	(115,770)	-26%
Allocated Total	\$ 256,725,000	\$ 256,725,000	\$ -	0%	\$ 256,725,000	\$ -	0%
TSTC	5,775,000	5,775,000	-	0%	5,775,000	-	0%
Total	\$ 262,500,000	\$ 262,500,000	\$ -	0%	\$ 262,500,000	\$ -	0%



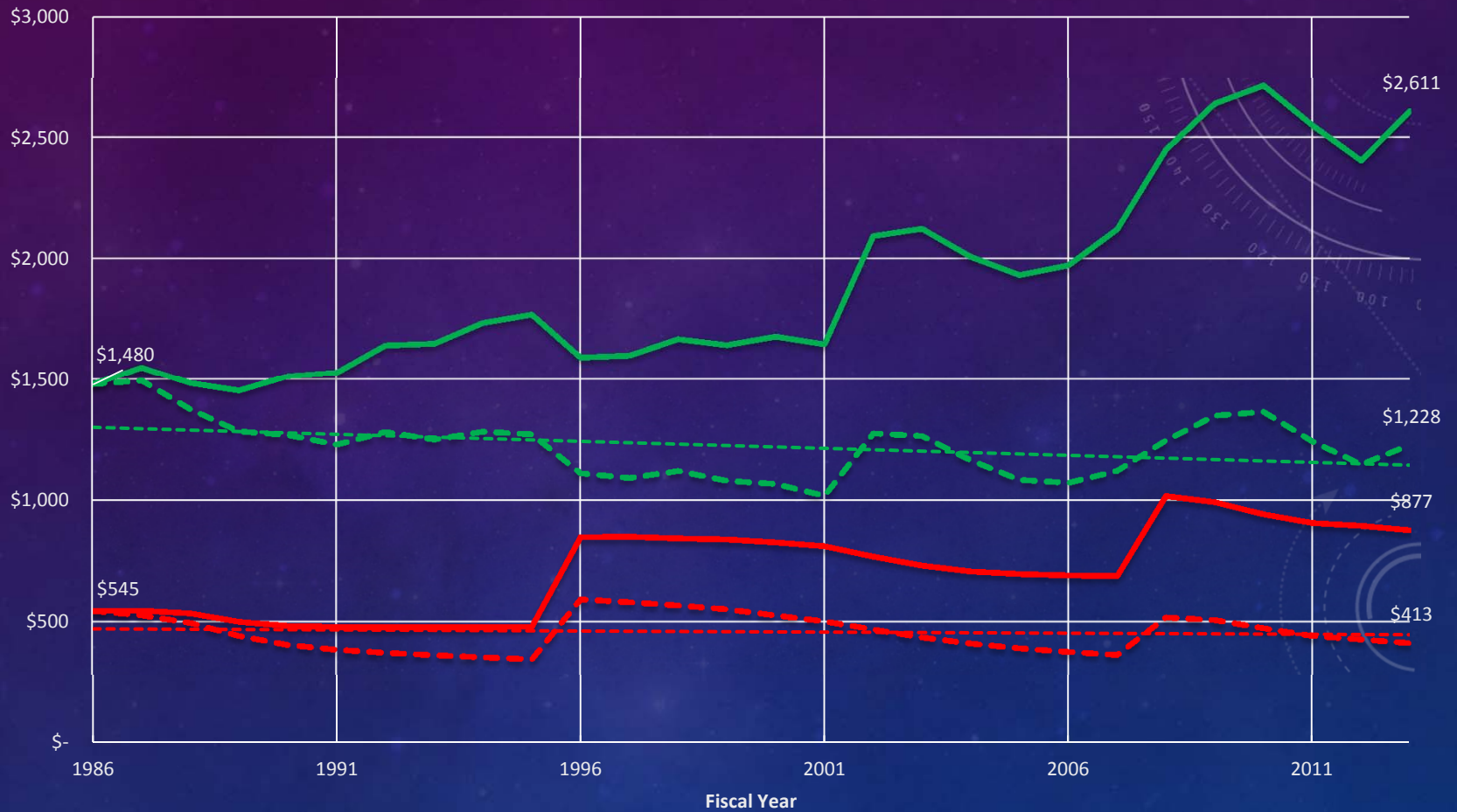
# OPTION . 6 SPACE NEED MONETIZED AT \$270.67 (GAI) AND \$405.40 (HRI).

Institutions	2011-2015 Appropriation	Option 1 - Allocated as Appropriated, updated inputs	Change from Prior Allocation	Percent Change from Prior Allocation	Option 6 - Option 1 with Space Need Monetized at \$270.67 (GAI) and \$405.40 (HRI)	Change from Prior Allocation	Percent Change from Prior Allocation
UT-Pan American	\$ 12,311,123		\$ (12,311,123)	-100%		\$ (12,311,123)	-100%
UT-Brownsville	5,057,420		(5,057,420)	-100%		(5,057,420)	-100%
TAMU-CC	7,139,067	7,495,013	355,946	5%	7,418,551	279,484	4%
TAMU-Kingsville	5,046,885	4,889,671	(157,214)	-3%	5,049,452	2,567	0%
TAMI	3,796,436	4,073,496	277,060	7%	4,035,731	239,295	6%
WTAMU	4,652,995	4,449,161	(203,834)	-4%	4,648,088	(4,907)	0%
TAMU-Commerce	5,193,232	7,469,499	2,276,267	44%	7,395,475	2,202,243	42%
TAMU-Texarkana	1,307,907	1,242,562	(65,345)	-5%	1,242,203	(65,704)	-5%
UH	35,885,768	35,184,301	(701,467)	-2%	34,806,133	(1,079,635)	-3%
UH-Clear Lake	5,214,167	4,869,513	(344,654)	-7%	4,928,633	(285,534)	-5%
UH-Downtown	7,435,238	8,324,279	889,041	12%	7,976,662	541,424	7%
UH-Victoria	2,393,921	3,043,790	649,869	27%	2,899,343	505,422	21%
Midwestern	3,559,433	3,249,030	(310,403)	-9%	3,316,785	(242,648)	-7%
UNT	27,846,476	26,475,176	(1,371,300)	-1%	26,004,160	(1,842,316)	-2%
UNT-Dallas	-	1,197,626	1,197,626	-1%	1,183,694	1,183,694	-2%
UNTHSC	8,771,265	10,697,289	1,926,024	22%	11,672,414	2,901,149	33%
SFA	8,425,937	7,495,342	(930,595)	-11%	7,660,238	(765,699)	-9%
TSU	8,894,700	8,470,384	(424,316)	-5%	8,344,599	(550,101)	-6%
TTU	23,936,088	31,808,150	7,872,062	33%	31,343,466	7,407,378	31%
Angeb	3,743,027	3,745,156	2,129	0%	3,869,374	126,347	3%
TTUHSC	16,973,569	15,233,817	(1,739,752)	13%	16,176,682	(796,887)	21%
TTUHSC-El Paso	-	3,968,838	3,968,838	13%	4,426,905	4,426,905	21%
TWU	10,169,695	10,166,159	(3,536)	0%	10,074,928	(94,767)	-1%
Lamar	8,330,933	9,159,403	828,470	10%	9,038,863	707,930	8%
Lamar-IOT	2,332,463	1,837,316	(495,147)	-21%	1,782,525	(549,938)	-24%
Lamar-Orange	1,235,752	1,322,694	86,942	7%	1,319,077	83,325	7%
Lamar-Port Arthur	1,244,694	2,052,468	807,774	65%	2,000,696	756,002	61%
Sam Houston	11,893,110	11,494,296	(398,814)	-3%	11,458,202	(434,908)	-4%
TXST	21,863,258	25,587,602	3,724,344	17%	24,860,010	2,996,752	14%
Sul Ross	1,625,061	1,391,479	(233,582)	-14%	1,463,177	(161,884)	-10%
Sul Ross-Rio Grande	445,380	331,490	(113,890)	-26%	328,934	(116,446)	-26%
Allocated Total	\$ 256,725,000	\$ 256,725,000	\$ -	0%	\$ 256,725,000	\$ -	0%
TSTC	5,775,000	5,775,000	-	0%	5,775,000	-	0%
Total	\$ 262,500,000	\$ 262,500,000	\$ -	0%	\$ 262,500,000	\$ -	0%

## Higher Education Fund (HEF) and Available University Fund (AUF) Appropriations (in Millions)



## Higher Education Fund (HEF) and Available University Fund (AUF) Appropriations per Full-Time Student Equivalent (FTSE)



- HEF Appropriations - Adj per FTSE
- AUF Appropriations - Adj per FTSE
- HEF Appropriations per FTSE
- AUF Appropriations per FTSE
- Linear (HEF Appropriations - Adj per FTSE)
- Linear (AUF Appropriations - Adj per FTSE)



Higher Education Fund (HEF) to Available University Fund (AUF) Comparison						
	HEF as a percent of AUF	Real Dollars		CPI-U Inflation Adjusted		
		HEF	AUF	HEF	AUF	
<b>Appropriations per FTSE</b>						
1986-1995	32%	\$ 499	\$ 1,582	\$ 420	\$ 1,320	
1996-2005	44%	788	1,811	498	1,131	
2006-2013	36%	879	2,442	440	1,223	
<b>Total</b>	<b>37%</b>	<b>\$ 729</b>	<b>\$ 1,948</b>	<b>\$ 454</b>	<b>\$ 1,222</b>	
<b>Appropriations per Headcount</b>						
1986-1995	32%	\$ 436	\$ 1,381	\$ 367	\$ 1,151	
1996-2005	43%	662	1,552	418	969	
2006-2013	35%	720	2,073	360	1,038	
<b>Total</b>	<b>37%</b>	<b>\$ 614</b>	<b>\$ 1,674</b>	<b>\$ 383</b>	<b>\$ 1,050</b>	
<b>Appropriations (in Millions)</b>						
1986-1995	42%	\$ 1,000	\$ 2,404	\$ 842	\$ 2,005	
1996-2005	59%	1,750	2,957	1,105	1,846	
2006-2013	50%	1,925	3,852	964	1,929	
<b>Total</b>	<b>51%</b>	<b>\$ 4,675</b>	<b>\$ 9,213</b>	<b>\$ 2,911</b>	<b>\$ 5,781</b>	
<b>Annual FTSE (in Millions)</b>						
1986-1995	132%	2.00	1.52			
1996-2005	136%	2.22	1.63			
2006-2013	139%	2.19	1.58			
<b>Total</b>	<b>136%</b>	<b>6.41</b>	<b>4.73</b>			

# HIGHER EDUCATION FUND ELIGIBLE INSTITUTION DEFERRED MAINTENANCE SUMMARY

- Institutions addressed 12 percent of the reported Deferred Maintenance with Higher Education Funds between 2004 and 2012.

Fiscal Year	Appropriation (In millions)	Deferred Maintenance (in Millions)					Percent of Allocation used to Address Deferred Maintenance
		Total	Addressed	Percent Addressed	Addressed with HEF	Percent Addressed with HEF	
2004	175.0	\$ 275	\$ 69	25%	\$ 27	39%	15%
2005	175.0	258	56	22%	15	27%	9%
2006	175.0	207	34	17%	20	58%	11%
2007	175.0	218	42	19%	25	60%	14%
2008	262.5	192	39	20%	26	66%	10%
2009	262.5	192	61	32%	42	69%	16%
2010	262.5	253	97	38%	35	36%	13%
2011	262.5	318	82	26%	57	69%	22%
2012	262.5	317	41	13%	33	81%	13%
<b>Total</b>	\$ 2,013	\$2,230	\$ 523	23%	\$ 280	54%	14%

# HIGHER EDUCATION FUND ELIGIBLE INSTITUTION DEBT SUMMARY

- Institutions dedicated 2 to 5 percent of their allocations, on average, to debt service.
- 6 Institutions currently have HEF pledged bonds, while many more use a portion of their allocation to cover debt service on non-HEF pledged bonds.
- Recommendations cannot result in an allocation to an institution that is less than its projected debt service.

Fiscal Years	Balance of Bonds Pledged with HEF	Debt Service	HEF Appropriations	Percent of HEF Appropriation to Cover Debt Service
2006-2010	\$ 4,168,441	\$ 28,522,484	\$ 1,137,499,996	2.5%
2011-2015	\$ 17,887,403	\$ 68,521,132	\$ 1,312,500,000	5.2%
2016-2020	\$ 7,587,245	\$ 36,050,480	\$ 1,312,500,000	2.7%
2021-2025	\$ 5,857,155	\$ 29,065,475	\$ 1,312,500,000	2.2%