College for all Texans

Texas Higher Education
Coordinating Board

Texas Public University Cost Study

FY 2004 - 2006

April 2008

Planning and Accountability

Texas Higher Education Coordinating Board

Texas Higher Education Coordinating Board

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Mission of the Coordinating Board

The Texas Higher Education Coordinating Board's mission is to work with the Legislature, Governor, governing boards, higher education institutions and other entities to help Texas meet the goals of the state's higher education plan, Closing the Gaps by 2015, and thereby provide the people of Texas the widest access to higher education of the highest quality in the most efficient manner.

Philosophy of the Coordinating Board

The Texas Higher Education Coordinating Board will promote access to quality higher education across the state with the conviction that access without quality is mediocrity and that quality without access is unacceptable. The Board will be open, ethical, responsive, and committed to public service. The Board will approach its work with a sense of purpose and responsibility to the people of Texas and is committed to the best use of public monies. The Coordinating Board will engage in actions that add value to Texas and to higher education. The agency will avoid efforts that do not add value or that are duplicated by other entities.

The Texas Higher Education Coordinating Board does not discriminate on the basis of race, color, national origin, gender, religion, age or disability in employment or the provision of services.

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Executive Summary

For many years, the Texas Higher Education Coordinating Board tried to determine how much public universities spend to provide instruction by discipline and by level of instruction. Previous attempts at developing such a cost study were unsuccessful. In the latter part of the 1990s, then State Senator Bill Ratliff developed and implemented an Instruction and Operations matrix that was intended to represent the statewide average cost of instruction for the various disciplines and levels offered at Texas public universities. However, no documentation has been available to validate the matrix elements.

In 2002, the Coordinating Board directed its University Formula Advisory Committee to renew efforts to conduct a cost study to validate the relative weights contained in the matrix. This report provides a summary of the results of the study. The methodology was developed and presented to the Coordinating Board at its April 2004 quarterly meeting, where it was unanimously adopted. The methodology was then presented to the Governor's Office, the Legislative Budget Board, and various legislative committees in June 2004. Since then, the Coordinating Board staff has collected and analyzed data to provide an "all funds" analysis of Texas public university costs. All costs are based on data in each institution's Annual Financial Report. Naturally, this analysis revalues the relative weights, which in turn reallocates the Instruction and Operations formula funding among the universities.

A majority of the University Formula Advisory Committee and the Coordinating Board members believe that it is imperative that the relative weights contained in the Instruction and Operations matrix reflect an objective analysis of universities' actual costs. This is not intended to mean that the cost-based methodology should be the final word on how funds are distributed. For example, workforce shortage issues in nursing and other fields may require special funding decisions. However, to maintain the objective nature of the cost-based analysis, any special treatment should be separate and apart from this determination. This approach will significantly improve accountability and transparency related to expenditures at universities.

This publication updates the original report, published in May 2005, which was based on data from Fiscal Years 2002, 2003, and 2004. The current report is based on data from Fiscal Years 2004, 2005, and 2006, the most recent available data for use in calculating the three-year average used to produce the final relative weights for the matrix.

The following report is divided into two sections. The first section provides an overview of the cost study process, formula funding for Instruction and Operations (I&O), the calculation methodology used to determine the relative weights, the results of those calculations, and the phase-in methodology. The second section explains how this methodology is used to develop a comparative analysis, by institution, of the various disciplines.

Texas Public Universities
Formula Funding Cost Study
FY 2004 through FY 2006

Background

In the summer of 2002, a workgroup[1] was appointed by the University Formula Advisory Committee to develop a methodology to verify the relative weights in the university Instruction and Operations (I&O) matrix. This workgroup operated under the auspices of the University Formula Advisory Committee (UFAC), which was responding to requests by the Coordinating Board and the Legislature to develop a cost-based methodology for determining the relative weights. The cost-based methodology would not only provide an objective starting point for distributing I&O formula funds, but it also would be a mechanism capable of informing the Legislature about how the universities spend their funding, not only from the Legislature but from all sources of funds,
except for Auxiliary Funds. Auxiliary Funds record generally self-sufficient enterprises which provide services to students, faculty, or staff and charge a related fee. Examples include intercollegiate athletics, food services, housing, and book stores. It is illegal to spend state funds on Auxiliary Enterprises, which is why they are excluded from this study.

Instruction and Operations Formula Funding

The relative weights are used to distribute approximately 55 percent of total state funding to the universities through the I&O formula, and all institutions receive the same amount of funding per semester credit hour for any given level and discipline. (Total state funding represented 37 percent of total universities' revenues in FY2006.) The initial weights, used through FY2005, were developed in 1997 by then State Senator Bill Ratliff, Chairman of the Senate Finance Committee, as a means to simplify the complex system of 12 formulas that had been used to distribute funding to the institutions for Instruction, Operations, and Physical Plant Operations and Maintenance.[2] Unfortunately, neither the relative weights developed by Senator Ratliff, nor the previous 12 formulas, were based on actual costs. One goal of this study was to develop relative weights that truly reflect the universities' relative costs of operation.

Mathematically, the weights in the matrix are intended to represent the ratio of total educational costs to total semester credit hours, by level (lower-division and upper-division undergraduate, master's, doctoral, and special professional) and discipline (liberal arts, science, etc.). In addition to the five levels, the I&O matrix contains relative weights for 20 disciplines (excluding Developmental Education). The I&O formula distributes funding by multiplying a rate ($55.72 for the 2006-2007 biennium) by the number of semester credit hours for a given level and discipline (e.g. lower-division liberal arts) by the relative weight assigned to that level and

[1] The workgroup consisted of Mr. Phillip C. Diebel, Vice Chancellor for Finance, University of North Texas; Mr. Mike Ferguson, Vice President for Finance & Operation, Lamar University; Ms. Marsha Kelman, Assistant Vice President & Director, Institutional Studies, The University of Texas at Austin; Mr. James Langabeer, Vice President Business Affairs, The University of Texas-Pan American; Mr. Bill Nance, Vice President for Finance & Support Services, Texas State University-San Marcos; Mr. Thomas H. Taylor, Assistant Vice President of Finance, Texas A&M University; Dr. Sandra Harper, Chief Academic Officer, Texas A&M University-Corpus Christi; and Mr. Jeff Phelps, Finance Director, Division of Finance, Campus Planning, and Research, Texas Higher Education Coordinating Board.

[2] Physical Plant O&M is now funded through a separate Infrastructure formula.

discipline. Usually, the relative weight for science or engineering at a given level should be greater than the relative weight for liberal arts because faculty salaries and research expenses are higher in science and engineering than in liberal arts. The remaining elements of cost are distributed to the various levels and disciplines on a relatively even basis.

The workgroup agreed that the most appropriate methodology for calculating the weights is an "all funds" approach in which the costs used to calculate the weights must equal those provided in each institution's Annual Financial Report (AFR). An earlier workgroup had taken on a similar task to calculate the weights, but limited its analysis only to faculty costs. That study proved to be methodologically flawed as a result of this limitation.

In addition to faculty costs, the workgroup agreed that five additional elements of operating cost should be included because the I&O formula funds these activities as well:

- Academic Support
- Institutional Support
- Student Services
- Other Instruction (Department Operating Expense), and
- Research

Academic Support, Institutional Support, and Student Services are specific entries in each institution's AFR. The sum of Faculty Salaries, Other Instruction (i.e. teaching assistants who actually teach a class) and Departmental Operating Costs is equal to the sum of Instruction and Research. Instruction and Research are functional elements of costs that are specific entries in the AFRs. Together, these five cost centers, plus associated capital outlay from current funds, comprise all of the funding sources dedicated to higher education for I&O, as it is defined in the General Appropriations Act.

The workgroup then determined the most appropriate way to allocate these cost centers to the various levels and disciplines. The group agreed on the following allocation methodologies:

- The salaries of faculty who were teaching courses during the years under investigation would be provided to each institution, and each institution would provide a faculty-specific teaching load credit (TLC). The data provided to the institution would already be linked to a level of instruction and academic discipline, and the TLC would allow for the portion of faculty salary dedicated to teaching to be distributed. Because teaching loads vary among the institutions, this value varies among institutions. This calculation also recognized that faculty do not spend all of their time teaching, but often devote part of their time to other activities such as research. Added to faculty salaries are teaching assistant salaries, which each institution also allocates to specific levels and disciplines.
- Academic Support is allocated by level and discipline according to the faculty salary distribution because academic support costs are closely aligned with faculty salary expenditures.
- Institutional Support and Student Services are initially allocated to one of the five levels using the distribution of institution-specific student headcounts, and then to the disciplines according to the distribution of semester credit hours.
- Department Operating Expense (DOE) was deliberated far more than the other issues. Several DOE calculations were examined to determine the most appropriate allocation methodology. The group finally decided that each institution would charge DOE to the appropriate academic discipline, based on the institution's internal budget designations. For example, the DOE for the English department was charged to "Liberal Arts." After an

institution allocated its costs to the appropriate academic discipline, the institution's DOE was then allocated by the level of instruction (undergraduate, master's, etc.) using semester credit hours, the faculty salary distribution, or some combination of the two, whichever the institution believed best represented the proper distribution of costs to the level of instruction.

Data on the five elements of cost have been collected and allocated for FY 2004, FY 2005, and FY 2006. The recommendation by the Coordinating Board also included a phase-in over three biennia, with full implementation occurring in the 2010-2011 biennium. To satisfy the phase-in requirement, only 75 percent of the change from the original weights would be applied for use in the 2008-2009 biennium. The Coordinating Board further recommended that no institution suffer more than a 3 percent loss in I&O formula funding in the 2008-2009 biennium. This constraint was accomplished by adjustments to two relative weights, which is discussed in greater detail below.

The current and cost-based Instruction & Operations matrices are given below:

Table 1: Instruction & Operations Matrix (2006-07 Biennium Appropriation Bill)

	Lower-Division	Upper-Division	Master's	Doctoral	Special Professional
LIBERAL ARTS*	1.00	1.86	4.31	10.89	0.00
SCIENCE	1.66	3.00	7.63	19.72	0.00
FINE ARTS	1.63	2.74	5.91	12.31	0.00
TEACHER ED	1.34	1.91	2.89	8.41	0.00
AGRICULTURE	2.06	2.62	7.14	13.43	0.00
ENGINEERING	2.43	3.28	7.21	18.35	0.00
HOME ECONOMICS	1.32	1.97	3.70	8.47	0.00
LAW	0.00	0.00	0.00	0.00	3.39
SOCIAL SERVICE	2.01	2.30	4.59	12.10	0.00
LIBRARY SCIENCE	1.28	1.33	3.59	8.85	0.00
VOCATIONAL TRAIN	2.14	2.52	0.00	0.00	0.00
PHYSICAL TRAINING	1.35	1.30	0.00	0.00	0.00
HEALTH SERVICES	2.10	2.80	6.10	12.75	0.00
PHARMACY	2.45	3.98	13.75	22.72	6.37
BUSINESS ADMIN	1.24	1.61	3.95	16.59	0.00
OPTOMETRY	0.00	0.00	5.46	19.12	7.00
TEACHER ED-PRACT	1.75	2.19	0.00	0.00	0.00
TECHNOLOGY	1.93	2.46	5.59	0.00	0.00
NURSING	3.58	4.96	5.89	13.49	0.00
VET MED	0.00	0.00	0.00	0.00	15.44

*Lower division undergraduate Liberal Arts is the rate applied to Developmental Education semester credit hour.

Table 2: Cost-Based Instruction & Operations Matrix, No Phase-In

	Lower-Division	Upper-Division	Master's	Doctoral	Special Professional
LIBERAL ARTS	1.00	1.71	4.10	9.25	0.00
SCIENCE	1.72	2.98	7.85	21.26	0.00
FINE ARTS	1.38	2.30	5.51	7.55	0.00
TEACHER ED	1.43	1.76	2.61	7.40	0.00
AGRICULTURE	2.00	2.75	7.24	10.62	0.00
ENGINEERING	2.46	3.80	7.83	16.59	0.00
HOME ECONOMICS	1.08	1.70	2.94	6.26	0.00
LAW	0.00	0.00	0.00	0.00	3.85
SOCIAL SERVICE	1.89	2.06	2.92	13.74	0.00
LIBRARY SCIENCE	0.86	1.14	2.70	6.68	0.00
VOCATIONAL TRAIN	2.26	2.41	0.00	0.00	0.00
PHYSICAL TRAINING	1.22	1.39	0.00	0.00	0.00
HEALTH SERVICES	1.29	2.06	3.15	7.38	0.00
PHARMACY	1.28	4.16	16.75	28.84	3.92
BUSINESS ADMIN	1.14	1.76	3.61	22.54	0.00
OPTOMETRY	0.00	0.00	5.46	19.12	7.00
TEACHER ED-PRACT	1.08	1.77	0.00	0.00	0.00
TECHNOLOGY	1.84	2.40	4.62	0.00	0.00
NURSING	1.98	2.50	4.88	10.55	0.00
VET MED	0.00	0.00	0.00	0.00	13.63

Table 3: Cost-Based Instruction & Operations Matrix, with 75 Percent Phase-In and Losses Limited to 3 Percent

	Lower-Division	Upper-Division	Master's	Doctoral	Special Professional
LIBERAL ARTS	1.00	1.77	4.01	9.94	0.00
SCIENCE	1.67	2.93	7.29	20.05	0.00
FINE ARTS	1.50	2.51	5.65	9.78	0.00
TEACHER ED	1.33	1.79	2.68	7.70	0.00
AGRICULTURE	2.02	2.66	7.13	11.97	0.00
ENGINEERING	2.46	3.51	7.39	17.05	0.00
HOME ECONOMICS	1.17	1.83	3.21	7.10	0.00
LAW	0.00	0.00	0.00	0.00	3.55
SOCIAL SERVICE	1.89	2.09	3.76	12.21	0.00
LIBRARY SCIENCE	1.14	1.21	3.03	7.68	0.00
VOCATIONAL TRAIN	1.90	2.37	0.00	0.00	0.00
PHYSICAL TRAINING	1.29	1.49	0.00	0.00	0.00
HEALTH SERVICES	1.70	2.44	5.85	9.92	0.00
PHARMACY	1.76	3.85	14.90	25.27	5.13
BUSINESS ADMIN	1.18	1.68	3.70	19.08	0.00
OPTOMETRY	0.00	0.00	5.46	19.12	7.00
TEACHER ED-PRACT	1.31	1.99	0.00	0.00	0.00
TECHNOLOGY	1.85	2.42	5.08	0.00	0.00
NURSING	2.73	4.77	5.36	11.79	0.00
VET MED	0.00	0.00	0.00	0.00	14.24

Results of the Cost-Based Methodology

Not surprisingly, the cost study indicated that all of the relative weights in the 2006-07 biennium matrix needed to be adjusted to reflect the costs of each level and discipline. In the No Phase-In calculation (Table 2), the cost differential between undergraduate and graduate education is significantly less in many academic disciplines than reflected in the current "estimated" matrix. Total costs and total semester credit hours for the cost-based matrix are provided in Appendix A.

Following is a description of the changes between the current matrix and the cost-based, No Phase-In matrix. Because of the phase-in, the changes described below will be moderated, partially due to the limited change in the relative weights, but also because the rate will increase to satisfy the budget neutrality constraint.

- The Liberal Arts relative weights declined for upper-division, master's, and doctoral-levels. The relative weight for lower-division remained at a value of 1.00 and is the weight against which all others are measured.
- The Science relative weights increased for lower-division, master's, and doctoral levels.
- The decrease for the upper-division level was very small (.02).
- The Fine Arts relative weights declined for all levels, especially at the doctoral level (12.31 to 7.55).
- The Teacher Education relative weights increased for the lower-division level, declined at the upper-division and master's levels, and declined more substantially for the doctoral level.
- The Agriculture relative weight for the lower-division level declined, increased at the upper-division and master's levels, and declined substantially at the doctoral level.
- The Engineering relative weights increased for all levels except the doctoral level, which declined 10 percent.
- The Home Economic relative weights declined substantially for all levels.
- The Law relative weight increased about 12 percent for the special professional level.
- The Social Services relative weights declined for the lower- and upper-division levels, declined substantially for master's level, and increased substantially for doctoral level.
- The Library Science relative weights declined substantially at all levels, especially at the doctoral level (8.85 to 6.68).
- The Vocational Training relative weights increased at the lower-division level and declined by approximately the same amount at the upper-division level.
- The Physical Training relative weight declined at the lower-division level and increased at the upper-division level.
- The Health Services relative weights declined roughly 50 percent for all levels.
- The Pharmacy relative weights declined substantially at the lower-division level, increased at the upper-division level, and increased substantially at the master's and doctoral level. The decline in Special Professional, where the majority of the semester credit hours are generated, was significant (6.37 to 3.92).
- The Business Administration relative weights declined for two of the four levels, but the slight increase at the upper-division undergraduate level is where most of the semester credit hours (SCHs) are generated. A 9 percent decline was seen at the Master's level while an increase of 36 percent was recorded at the doctoral level.
- The Optometry relative weights remained unchanged pending further study.
- The Teacher Education Practice relative weights declined 38 percent and 19 percent for lower- and upper-division levels, respectively.
- The Technology relative weights declined at all levels.

- The Nursing relative weights declined at all levels. Declines ranged from 17 percent to 50 percent.
- The Veterinary Medicine relative weight declined 12 percent for the Special Professional level.

Because the analysis is budget neutral, an overall decline in the relative weights means that the rate in the formula must be increased. Using FY 2004 through FY 2006 data to calculate the relative weights, the rate increased from $55.72 to $60.19, an 8 percent increase. Therefore, any reduction in a relative weight of 8 percent or less will be largely offset by the increase in the rate, so that formula funding for that particular level and discipline will remain about the same. The percentage changes are shown in Appendix B and the method for producing the relative weights is provided in Appendix C.

Applying a higher relative weight for each successively higher level of instruction is intuitively appealing because higher-cost faculty could be expected at higher levels of instruction, and the original FY2004-05 matrix is based on this premise. The Phase I cost-based matrix showed a similar relationship. However, the actual weights in the Phase II cost-based matrix are significantly different in many cases from the Phase I cost-based matrix used for FY 2006-07. In the no phase-in, cost-based matrix, pharmacy is the only discipline where the weights for a given level of instruction are higher than the next higher level of instruction.

For Pharmacy, the relative weight for the doctoral level ($27.33) exceeds the weight for the Special Professional level ($3.84). About 30 times as many SCH were taught at the Special Professional level compared to the Doctoral level (140,017 vs. 4,706), while total costs for the Special Professional SCH were only about 4 times those for the Doctoral SCH ($97,274,020 vs. $23,246,334). When the absolute and relative weights are calculated, the Doctoral level weight is higher than Special Professional.[3]

Phase-In Methodology

The phase-in entailed adopting 75 percent of the rate of change between the original FY2004-05 matrix weights and the most recent no phase-in, cost-based weights. After this calculation was made, three institutions lost more than 3 percent in I&O formula funding annually.

- Texas Woman's University (16.5%) $7,734,921
- The University of Texas at Tyler (9.1%) $1,525,755
- Midwestern State University (6.2%) $1,015,213

To satisfy the 3 percent loss funding constraint, two relative weights were adjusted, both of which affected the nursing discipline:

- Master's-level Health Services
- Upper-division undergraduate Nursing

Because the adjustments were made to the relative weights, formula funding increased for all institutions with semester credit hours at those levels and disciplines. The current matrix distribution is shown in Appendix D and the phase-in distribution is shown in Appendix E. Assuming that no additional I&O formula funding is available, alternative relative weights will

[3] $23,246,334 / 4,706 / 180.77 = $27.33; $97,274,020 / 140,017 / 180.77 = $3.84

further redistribute I&O formula funding among the institutions. With the calculated redistribution, of the approximate $1.56 billion in total I&O formula funding, the annual cost of hold harmless (i.e. ensuring that no institution loses funding) is $4.1 million, or .26 percent of total I&O formula funding.

Analysis by Discipline

In addition to developing a methodology to calculate the relative weights from (3-year average) costs that are based on the institutions' Annual Financial Reports, this approach also provides a way to compare the institutions on a discipline and level basis. The Legislature continues to be interested in knowing how much it costs institutions to produce nurses or engineers, for example, and this methodology provides considerable insight. Because the sum of all of an institution's costs and semester credit hours has been allocated to the various levels and disciplines to calculate the relative weights, it is a fairly simple matter to recast these costs to show how the institutions compare to each other. This can be done on a total, per full-time student equivalent basis; on a discipline basis; on a level basis; or a combination of the three.

Total, Full-Time Student Equivalent Comparison

As expected, the research-oriented institutions tend to be relatively costly institutions on a total, full-time student equivalent (FTSE) basis. However, institutions with fairly small student populations also tend to be relatively costly on a total FTSE basis because of the minimum requirements needed to provide higher education services. A fairly substantial investment must be made prior to serving a single student, and cost per FTSE decline as the student body population increases.

Table 4 provides a comparison of Total FTSEs, Total Costs, and the Average Cost per FTSE, as summarized below:

The University of Texas at Austin is the costliest public university in the state, largely due to the amount of research conducted there. It has the largest student body in the state (45,674 FTSEs), the highest total cost ($1,121,327,277), the highest average cost per FTSE ($24,551, which is 102 percent higher than the state average of $12,095).

The second costliest university is Texas A&M University with 41,438 FTSE and $632,990,595 in total costs for an average cost per FTSE of $15,276. (Costs of the Texas A&M Research Foundation and Service Agencies, approximately $153 million and $163 million in FY2005 research costs, respectively, are not included in this study.)

Third is The University of Texas at Dallas, with 11,839 FTSE and total costs of $175,969,385 for an average cost per FTSE of $14,864.

Fourth, however, is The University of Texas at Brownsville, which has 6 percent of The University of Texas at Austin's FTSEs (2,760), 3.6 percent of its total cost ($40,166,859), but has an average cost per FTSE of $14,553.

Table 4: FY 2006 Average Total Cost Per Full-Time Student Equivalent (FTSE)

Institution	Total FTSE	Total Expense	Expense per FTSE
The University of Texas at Austin	45,674	$ 1,121,327,277	$ 24,551
Texas A&M University*	41,438	$ 632,990,595	$ 15,276
The University of Texas at Dallas	11,839	$ 175,969,385	$ 14,864
The University of Texas at Brownsville	2,760	$ 40,166,859	$ 14,553
University of Houston	29,203	$ 400,370,984	$ 13,710
Texas A&M University at Galveston	1,575	$ 21,140,534	$ 13,423
Texas A&M University-Texarkana	1,073	$ 14,065,684	$ 13,109
Sul Ross State University**	2,361	$ 30,716,912	$ 13,010
Texas Tech University	26,478	$ 322,161,882	$ 12,167
University of Houston-Victoria	1,710	$ 20,752,983	$ 12,136
Texas A&M University-Kingsville	5,503	$ 64,867,774	$ 11,788
Prairie View A&M University	7,126	$ 83,908,842	$ 11,775
Texas A&M International University	3,605	$ 40,848,756	$ 11,331
Texas Southern University	10,178	$ 110,971,003	$ 10,903
The University of Texas at El Paso	14,891	$ 159,174,366	$ 10,689
Texas A&M University-Corpus Christi	7,353	$ 75,627,030	$ 10,285
University of Houton-Clear Lake	5,486	$ 55,613,162	$ 10,137
The University of Texas at Arlington	20,627	$ 204,764,646	$ 9,927
The University of Texas at Tyler	4,558	$ 42,894,238	$ 9,411
The University of Texas at San Antonio	21,622	$ 201,332,171	$ 9,311
University of North Texas	27,431	$ 252,367,981	$ 9,200
Texas Woman's University	9,353	$ 85,393,018	$ 9,130
The University of Texas of the Permian Basin	2,679	$ 24,092,615	$ 8,993
Angelo State University	5,476	$ 48,076,808	$ 8,780
Lamar University	8,678	$ 71,722,906	$ 8,265
The University of Texas- Pan American	14,664	$ 120,709,793	$ 8,232
Stephen F. Austin State University	10,414	$ 85,147,305	$ 8,176
West Texas A&M University	6,074	$ 48,875,816	$ 8,047
Tarleton State University	7,916	$ 63,084,732	$ 7,969
Midwestern State University	5,202	$ 39,274,889	$ 7,550
Texas A&M University-Commerce	7,216	$ 53,811,090	$ 7,457
Texas State University-San Marcos	23,487	$ 165,632,408	$ 7,052
University of Houston-Downtown	8,314	$ 57,568,007	$ 6,924
Sam Houston State University	14,037	$ 96,270,357	$ 6,858
	0		
Totals	**416,001**	**$ 5,031,692,808**	
Average Statewide Cost			**$ 12,095**

*Texas A&M University includes 514 headcount as FTSE and $31,450,322 for Texas A&M College of Veterinary Medicine. It does not include the Research Foundation or Service Agencies.
**Includes both Sul Ross and Sul Ross-Rio Grande College

Discipline Analysis, on an Average Cost per Semester Credit Hour Basis, by Institution

Both the Coordinating Board and the Legislature continue to be interested in how universities compare in costs per academic discipline. Table 5 on the following page provides this comparison. The numbers in the table show the results of dividing total costs by total semester credit hours (SCHs), on a per discipline basis. SCHs for all levels are included. The result is an average cost per SCH per discipline.

This comparison allows policy makers to see how the institutions spend all their revenues, which include formula funds. While the Instruction and Operations formula provides funds on a level and discipline basis, the formula was never intended to be a budgeting mechanism. Institutions have long had the latitude to spend these formula funds in a manner that satisfies their individual missions. Funds received because of engineering or nursing enrollment may be shifted to teacher education if a university desires. Unfortunately, this exacerbates attempts to address workforce shortage issues through the I&O formula because there is no guarantee that the institutions will spend funding in the way the Legislature prefers.

It is important to keep in mind when looking at the results in this table that particularly high average cost per SCH (in Table 5 following) does not necessarily imply that a university has a particularly expensive program. A university may have very few students in a particular discipline, which would spread costs among very few SCH, resulting in a high average cost per SCH. This is the case for Sul Ross in vocational training at $3,215 per SCH, which has 5 FTSEs in this discipline and total costs of $459,730. Similarly, University of Houston-Downtown's social services discipline has an average cost of $2,692 per SCH; on closer inspection, this is a result of $516,839 being spread over 6 FTSEs.

Additionally, the fundamental assumption of this study is that all universities are providing an adequate education to their students, and the cost of that education is roughly the same across all institutions for any given discipline. Variations in the average cost per SCH may be affected not only by the number of students in a particular discipline but also by the extent to which the quality and quantity of enrichments of the general academic environment (that exceed adequacy) vary among the different institutions.

Table 5: FY 2006 Average Total Cost per Semester Credit Hour per Discipline

Institution	Liberal Arts	Science	Fine Arts	Teacher Ed	Ag	Eng	Home Econ	Law	Social Srvcs	Library Science	Vocatn'l Trng	Physical Trng	Health Srvcs	Pharm	Bus Admin	Optometry	Tchr Ed Pract	Tech	Nursng
UT Arlngtn	198	367	283	222	1,710	901	96	0	350	0	0	473	294	0	241		1,382	1,868	446
UT Austin	450	1,449	621	1,389	0	1,831	422	989	1,008	653	0	0	726	1,255	705		782	275	1,021
UT Dallas	365	493	239	199	0	928	0	0	0	0	0	121	903	0	657		320	0	0
UT El Paso	270	452	291	329	0	885	0	0	346	0	0	190	845	0	334		186	337	404
UT Pan Am	221	261	265	362	0	602	294	0	535	0	0	189	362	0	373		281	622	459
UT Brwnsvll	448	591	663	463	0	1,032	741	0	845	0	0	2,090	618	0	460		426	1,196	1,219
UT PB	270	326	326	322	0	565	270	0	399	272	0	224	143	0	391		436	959	0
UT SA	174	513	305	605	0	539	373	0	790	0	0	117	260	0	374		247	229	0
UT Tyler	222	392	361	391	0	622	174	0	155	0	0	0	433	0	268		322	797	419
TAMU	347	729	212	629	482	883	176	0	0	0	0	185	296	0	415		186	331	0
TAMU G	275	583	0	0	1,682	805	0	0	0	416	544	452	250	0	363		0	621	0
PVAMU	342	365	346	433	603	645	351	0	454	901	0	337	369	0	503		557	526	644
Tarleton	189	320	269	315	603	339	195	0	247	0	221	175	431	0	220		336	302	422
TAMU C	236	236	357	273	323	415	298	0	297	219	141	145	172	0	262		180	344	0
TAMU CC	275	343	425	497	660	607	212	0	349	0	520	292	398	0	399		332	573	610
TAMU K	291	431	372	404	1,355	536	541	0	378	0	1,307	264	369	0	367		440	443	0
TAMU I	343	371	508	405	0	543	298	0	549	0	0	253	347	0	462		313	0	641
TAMU T	430	709	380	482	0	584	527	0	0	0	0	0	449	0	408		459	0	701
WTAMU	178	249	448	293	517	356	281	0	206	0	0	278	382	0	266		298	291	657
U of H	302	674	432	506	0	1,197	266	569	637	0	274	365	395	800	360	1,426	538	464	0
UH CL	329	371	338	310	0	650	348	0	436	370	0	0	471	0	394		143	879	0
UH D	189	378	168	274	0	341	186	0	2,692	0	0	0	0	0	226		263	628	0
UH V	374	417	0	405	0	574	0	0	0	0	0	0	0	0	575		355	577	0
Midwstrn	191	223	366	328	0	418	400	0	305	0	2,291	369	356	0	262		523	882	271
UNT	260	346	409	412	569	703	206	0	197	410	230	320	309	0	341		381	593	0
SFAU	196	269	338	354	910	636	174	0	416	0	166	177	275	0	289		443	318	564
TSU	263	338	277	753	0	747	270	542	461	0	820	319	480	728	448		720	798	0
Tech	294	475	388	465	961	700	384	595	493	753	0	206	484	0	449		444	430	0
TWU	226	286	384	353	375	384	288	0	304	387	0	844	437	0	248		315	405	522
Angelo	287	291	356	251	257	388	255	0	0	0	0	393	329	0	281		205	284	465
Lamar	198	287	273	413	0	665	291	0	290	50	343	247	301	0	293		266	498	389
Sam Houstn	217	207	267	291	257	503	204	0	0	313	264	151	235	0	253		256	218	0
TSU-SM	171	239	269	350	558	361	248	0	378	0	0	90	371	0	381		316	332	0
Sul Ross	311	620	470	456	1,022	398	0	0	417	0	3,215	746	298	0	584		453	342	799
Averages for All Institutions	275	558	365	454	609	977	295	721	505	471	432	230	414	953	389	1,426	328	432	539

Conclusion

Weights from the original cost study, which incorporated three years of data with a 3 percent hold harmless provision, were adopted by the 79th Legislature in FY2005 and used in formula appropriations for the FY2006-07 biennium. Study data was taken from FY2002, 2003, and 2004.

The Coordinating Board recommends basing the relative weight matrix on costs and tying those costs to Annual Financial Reports. Special item funding or another type of incentive funding – such as a separate payment for each nursing degree awarded – should be used to provide funding for state needs, such as workforce shortage areas. By taking this approach, the Legislature may then require that non-formula funding be spent on the discipline for which it was intended.

Weights in this update (based on data for FY2004, 2005, and 2006) were incorporated in the Coordinating Board formula funding requests submitted to the LBB for formula funding for the FY2008-09 biennium. However, the LBB (possibly at the direct request of one or more institutions) chose to have the 3 percent hold harmless provision between biennia removed from this study, substituting instead specific hold harmless amounts for specific institutions as determined by the Legislature.

The resulting weights were adopted by the Legislature for use in providing formula appropriations for the FY2008-09 biennium. Those weights are attached to this publication as Appendix F. Appendix G shows the budget neutral analysis (not actual appropriations) using those weights. Appendix H shows the hold harmless amounts actually appropriated for universities by the Legislature for FY2008 and FY2009.

Appendix A

FY 2004-FY 2005-FY 2006
Sum of All Costs at Public Universities*

	Lower-Division	Upper-Division	Master's	Doctoral	Special Professional	Totals
LIBERAL ARTS	$1,788,510,198	$1,118,654,673	$528,592,687	$368,396,377	$0	$3,804,153,935
SCIENCE	1,039,037,831	793,047,187	337,150,639	563,057,993	1,514	2,732,295,165
FINE ARTS	341,008,004	256,129,747	94,873,405	44,956,758	-	736,967,914
TEACHER ED	64,045,848	307,520,403	421,448,498	185,105,829	-	978,120,579
AGRICULTURE	63,622,267	105,431,657	60,443,829	35,565,064	-	265,062,817
ENGINEERING	308,457,769	620,457,886	615,717,388	542,941,406	-	2,087,574,448
HOME ECONOMICS	59,776,621	75,434,192	23,415,686	13,173,460	-	171,799,959
LAW	-	-	545	-	221,326,116	221,326,662
SOCIAL SERVICE	12,464,493	36,427,739	59,390,898	14,756,040	-	123,039,169
LIBRARY SCIENCE	1,598,309	2,872,808	36,821,374	5,075,003	-	46,367,494
VOCATIONAL TRAIN	3,857,091	2,881,034	-	-	-	6,738,124
PHYSICAL TRAINING	59,710,783	3,286,985	24,585	-	8	63,022,361
HEALTH SERVICES	58,708,212	118,406,897	116,834,607	20,738,218	-	314,687,934
PHARMACY	443,264	4,533,115	16,919,960	23,246,334	97,274,020	142,416,693
BUSINESS ADMIN	205,211,953	861,374,753	454,413,379	133,695,209	-	1,654,695,294
OPTOMETRY	25,671	329,992	7,850,554	15,644,452	38,769,710	62,620,380
TEACHER ED-PRACT	1,963,205	111,806,980	199,044	2	-	113,969,231
TECHNOLOGY	50,338,959	87,451,308	17,362,129	-	-	155,152,396
NURSING	26,056,887	148,575,278	64,461,866	13,742,635	-	252,836,666
TOTALS	$4,084,837,364	$4,654,622,634	$2,855,921,075	$1,980,094,781	$357,371,369	$13,932,847,224

Note: Optometry Matrix Values for FY2008-09 are not updated through the Cost Study.

FY 2004-FY 2005-FY 2006
Sum of All SCHs at Public Universities*

	Lower-Division	Upper-Division	Master's	Doctoral	Special Professional	Totals
LIBERAL ARTS	9,893,835	3,619,612	724,610	220,685	-	14,458,742
SCIENCE	3,360,822	1,507,461	254,311	153,399	-	5,275,993
FINE ARTS	1,369,688	611,796	97,920	34,457	-	2,113,861
TEACHER ED	262,726	980,839	931,512	147,308	-	2,322,385
AGRICULTURE	175,351	215,990	45,835	18,723	-	455,899
ENGINEERING	750,617	972,538	478,634	192,610	-	2,394,399
HOME ECONOMICS	319,378	241,203	45,763	12,410	-	618,754
LAW	-	-	-	-	334,393	334,393
SOCIAL SERVICE	34,861	92,612	106,757	6,636	-	240,866
LIBRARY SCIENCE	8,577	14,337	77,416	4,564	-	104,894
VOCATIONAL TRAIN	10,407	6,952	-	-	-	17,359
PHYSICAL TRAINING	260,837	11,823	-	-	-	272,660
HEALTH SERVICES	247,170	311,142	191,183	14,523	-	764,018
PHARMACY	2,428	6,999	5,549	4,706	140,017	159,699
BUSINESS ADMIN	1,034,869	2,796,604	738,253	35,544	-	4,605,270
OPTOMETRY	-	1	739	1,110	45,009	46,859
TEACHER ED-PRACT	11,516	344,364	114	-	-	355,994
TECHNOLOGY	153,893	203,812	21,039	-	-	378,744
NURSING	72,084	322,022	71,475	7,392	-	472,973
TOTALS	17,969,059	12,260,107	3,791,110	854,067	519,419	35,393,762

*Excludes costs and SCH for Texas A&M University College of Veterinary Medicine-weights calculated separately.

Appendix B

Percentage Change between the Current Matrix and the Phase-In Matirx

Current Percentage Change in Weights Between the Current Biennium (FY2006-07) and FY2008-09 using the "75 Percent from Original Matrix" for FY2008-09 w/Loss Limit @ 3 Percent from the Current Biennium

	Lower-Division	Upper-Division	Master's	Doctoral	Special Professional
LIBERAL ARTS	0.0%	(4.7%)	(1.4%)	(8.8%)	0.0%
SCIENCE	0.3%	(2.2%)	(4.4%)	1.7%	0.0%
FINE ARTS	(8.3%)	(8.2%)	(4.4%)	(20.5%)	0.0%
TEACHER ED	(0.6%)	(6.2%)	(7.1%)	(8.4%)	0.0%
AGRICULTURE	(2.0%)	1.5%	(0.1%)	(10.8%)	0.0%
ENGINEERING	1.1%	7.1%	2.5%	(7.1%)	0.0%
HOME ECONOMICS	(11.2%)	(7.2%)	(13.3%)	(16.2%)	0.0%
LAW	0.0%	0.0%	0.0%	0.0%	4.8%
SOCIAL SERVICE	(5.8%)	(9.0%)	(18.1%)	0.9%	0.0%
LIBRARY SCIENCE	(11.3%)	(8.9%)	(15.6%)	(13.2%)	0.0%
VOCATIONAL TRAIN	(11.2%)	(6.1%)	0.0%	0.0%	0.0%
PHYSICAL TRAINING	(4.5%)	14.9%	0.0%	0.0%	0.0%
HEALTH SERVICES	(18.9%)	(12.7%)	(4.1%)	(22.2%)	0.0%
PHARMACY	(28.3%)	(3.3%)	8.4%	11.2%	(19.4%)
BUSINESS ADMIN	(5.2%)	4.1%	(6.3%)	15.0%	0.0%
OPTOMETRY	0.0%	0.0%	0.0%	0.0%	0.0%
TEACHER ED-PRACT	(24.9%)	(9.2%)	0.0%	0.0%	0.0%
TECHNOLOGY	(3.9%)	(1.6%)	(9.2%)	0.0%	0.0%
NURSING	(23.8%)	(3.9%)	(8.9%)	(12.6%)	0.0%
VET MED	0.0%	0.0%	0.0%	0.0%	(7.8%)
DEVELOPMENTAL ED	0.0%	0.0%	0.0%	0.0%	0.0%

Appendix C

Calculated Weights and Calculated Relative Weights

To calculate the relative weight, divide the sum of total costs by the sum of semester credit hours, per level and discipline. This is shown below. The relative weight of Veterinary Medicine was calculated separately because all data collected on this discipline are based on headcounts and not semester credit hours.

Calculated Weights

	Lower-Division	Upper-Division	Master's	Doctoral	Special Professional
LIBERAL ARTS	181	309	729	1,669	
SCIENCE	309	526	1,326	3,671	
FINE ARTS	249	419	969	1,305	
TEACHER ED	244	314	452	1,257	
AGRICULTURE	363	488	1,319	1,900	
ENGINEERING	411	638	1,286	2,819	
HOME ECONOMICS	187	313	512	1,062	
LAW					662
SOCIAL SERVICE	358	393	556	2,224	
LIBRARY SCIENCE	186	200	476	1,112	
VOCATIONAL TRAIN	371	414			
PHYSICAL TRAINING	229	278			
HEALTH SERVICES	238	381	611	1,428	
PHARMACY	183	648	3,049	4,940	695
BUSINESS ADMIN	198	308	616	3,761	
OPTOMETRY*			10,623	14,094	861
TEACHER ED-PRACT	170	325			
TECHNOLOGY	327	429	825		
NURSING	361	461	902	1,859	

To create relative weights, divide each weight by the value of lower-division undergraduate liberal arts, so that the weights are portrayed in a “relative” fashion.

Calculated Relative Weights

	Lower-Division	Upper-Division	Master's	Doctoral	Special Professional
LIBERAL ARTS	1.00	1.71	4.04	9.23	0.00
SCIENCE	1.71	2.91	7.33	20.31	0.00
FINE ARTS	1.38	2.32	5.36	7.22	0.00
TEACHER ED	1.35	1.73	2.50	6.95	0.00
AGRICULTURE	2.01	2.70	7.30	10.51	0.00
ENGINEERING	2.27	3.53	7.12	15.59	0.00
HOME ECONOMICS	1.04	1.73	2.83	5.87	0.00
LAW	0.00	0.00	0.00	0.00	3.66
SOCIAL SERVICE	1.98	2.18	3.08	12.30	0.00
LIBRARY SCIENCE	1.03	1.11	2.63	6.15	0.00
VOCATIONAL TRAIN	2.05	2.29	0.00	0.00	0.00
PHYSICAL TRAINING	1.27	1.54	0.00	0.00	0.00
HEALTH SERVICES	1.31	2.11	3.38	7.90	0.00
PHARMACY	1.01	3.58	16.87	27.33	3.84
BUSINESS ADMIN	1.10	1.70	3.41	20.81	0.00
OPTOMETRY*	0.00	0.00	5.46	19.12	7.00
TEACHER ED-PRACT	0.94	1.80	0.00	0.00	0.00
TECHNOLOGY	1.81	2.37	4.57	0.00	0.00
NURSING	2.00	2.55	4.99	10.28	0.00

Optometry weights are not calculated. Current Optometry matrix weights are used.
Texas A&M University College of Veterinary Medicine weights are calculated separately.

Appendix D

FY 2004-FY 2005-FY 2006[1]
No Phase-In Distribution of Formula Funding

Institution	FY2006-07 Annual I&O Matrix Rate @ $55.72	Annual $60.19 Budget Neutral Rate	Annual Difference	Average Annual %age Chng		
UT Arlington	85,586,478	85,409,689	(176,789)	(0.2%)	(26,339)	UT System Impact
UT Austin	215,351,264	215,201,605	(149,659)	(0.1%)		
UT Dallas	58,688,154	58,690,432	2,278	0.0%		
UT El Paso	51,457,535	51,112,491	(345,044)	(0.7%)		
UT Pan American	44,326,478	44,152,894	(173,583)	(0.4%)		
UT Brownsville	9,524,938	9,547,186	22,248	0.2%		
UT Permian Basin	8,373,453	8,547,692	174,238	2.1%		
UT San Antonio	69,422,915	71,568,643	2,145,728	3.1%		
UT Tyler	16,835,664	15,309,909	(1,525,755)	(9.1%)		
Texas A&M U (Does Not Include CVM, Research Foundation, or Service Agencies)	182,553,747	187,928,758	5,375,012	2.9%	4,092,334	TAMU System Impact
TAMU Galveston	4,553,687	4,855,158	301,471	6.6%		
Prairie View A&M U	25,177,897	24,655,188	(522,708)	(2.1%)		
Tarleton State U	25,562,668	25,852,196	289,527	1.1%		
TAMU Commerce	27,547,284	27,130,168	(417,116)	(1.5%)		
TAMU Corpus Christi	24,767,178	24,210,833	(556,346)	(2.2%)		
TAMU Kingsville	21,039,570	21,370,553	330,984	1.6%		
Texas A&M International	11,817,512	11,688,254	(129,259)	(1.1%)		
TAMU Texarkana	4,070,927	4,036,961	(33,966)	(0.8%)		
WTAMU	20,455,557	19,910,293	(545,264)	(2.7%)		
U of Houston	116,409,858	118,317,644	1,907,786	1.6%	3,101,843	U of Houston System Impact
UH Clear Lake	24,482,302	24,554,295	71,993	0.3%		
UH Downtown	21,728,404	22,908,646	1,180,242	5.4%		
UH Victoria	6,990,924	6,932,747	(58,177)	(0.8%)		
Midwestern State U	16,343,502	15,328,289	(1,015,213)	(6.2%)		
U of North Texas	95,480,522	94,476,604	(1,003,919)	(1.1%)	(1,003,919)	North Texas System Impact
Stephen F Austin State U	31,514,149	31,097,125	(417,024)	(1.3%)		
Texas Southern U	32,544,256	32,299,853	(244,403)	(0.8%)		
Texas Tech U	101,017,852	104,041,782	3,023,930	3.0%	3,023,930	Texas Tech System Impact
Texas Woman's U	46,903,126	39,168,205	(7,734,921)	(16.5%)		
Angelo State U	15,949,523	15,749,170	(200,353)	(1.3%)	223,711	Texas State System Impact
Lamar U	27,732,096	27,253,533	(478,564)	(1.7%)		
Sam Houston State U	41,300,248	42,047,316	747,068	1.8%		
Texas State U - San Marcos	71,589,186	71,679,738	90,553	0.1%		
Sul Ross State U (lincludes RGC)	7,554,146	7,619,153	65,007	0.9%		
Totals	1,564,653,002	1,564,653,002	0	0.0%	(15,728,064)	Sum of All Reductions
					(31,456,128)	Biennial Cost of Hold Harmless

Notes:

[1] Semester Credit Hours and All Funds are averaged for FY 2004, FY 2005, and FY 2006 to calculate the relative weights. The formula funding estimates above are calculated by multiplying the relative weights by the FY 2006 Semester Credit Hours, which are the latest data currently available.

Appendix E

FY 2004-FY 2005-FY 2006[1]
(2nd) Phase-In Distribution of Formula Funding – Losses Limited to 3 Percent

75 Percent of the Difference from FY2004-05 with Losses Limited to 3 Percent from FY2006-07

Institution	Annual I&O Matrix Rate @ $55.72	Annual $57.44 Budget Neutral Rate	Annual Difference	Average Annual Percent Change		
UT Arlington	85,586,478	86,096,333	509,855	0.6%	1,072,466	UT System Impact
UT Austin	215,351,264	214,624,430	(726,834)	(0.3%)		
UT Dallas	58,688,154	58,910,521	222,367	0.4%		
UT El Paso	51,457,535	51,700,965	243,430	0.5%		
UT Pan American	44,326,478	44,314,283	(12,195)	(0.0%)		
UT Brownsville	9,524,938	9,439,359	(85,579)	(0.9%)		
UT Permian Basin	8,373,453	8,339,638	(33,816)	(0.4%)		
UT San Antonio	69,422,915	70,425,990	1,003,075	1.4%		
UT Tyler	16,835,664	16,787,826	(47,838)	(0.3%)		
Texas A&M U (Does Not Include CVM, Research Foundation, or Service Agencies)	182,553,747	184,399,401	1,845,655	1.0%	1,354,694	TAMU System Impact
TAMU Galveston	4,553,687	4,659,249	105,562	2.3%		
Prairie View A&M U	25,177,897	25,186,957	9,061	0.0%		
Tarleton State U	25,562,668	25,627,568	64,900	0.3%		
TAMU Commerce	27,547,284	27,064,286	(482,998)	(1.8%)		
TAMU Corpus Christi	24,767,178	24,674,489	(92,690)	(0.4%)		
TAMU Kingsville	21,039,570	21,171,626	132,057	0.6%		
Texas A&M International	11,817,512	11,774,857	(42,655)	(0.4%)		
TAMU Texarkana	4,070,927	4,026,854	(44,074)	(1.1%)		
WTAMU	20,455,557	20,315,433	(140,124)	(0.7%)		
U of Houston	116,409,858	116,859,603	449,745	0.4%	691,682	U of Houston System Impact
UH Clear Lake	24,482,302	24,420,023	(62,279)	(0.3%)		
UH Downtown	21,728,404	22,126,570	398,166	1.8%		
UH Victoria	6,990,924	6,896,974	(93,950)	(1.3%)		
Midwestern State U	16,343,502	16,237,651	(105,852)	(0.6%)		
U of North Texas	95,480,522	94,214,419	(1,266,103)	(1.3%)	(1,266,103)	North Texas System Impact
Stephen F Austin State U	31,514,149	31,288,380	(225,768)	(0.7%)		
Texas Southern U	32,544,256	32,158,008	(386,248)	(1.2%)		
Texas Tech U	101,017,852	101,930,696	912,844	0.9%	912,844	Texas Tech System Impact
Texas Woman's U	46,903,126	45,498,913	(1,404,214)	(3.0%)		
Angelo State U	15,949,523	15,848,189	(101,335)	(0.6%)	(717,819)	Texas State System Impact
Lamar U	27,732,096	27,623,072	(109,024)	(0.4%)		
Sam Houston State U	41,300,248	41,200,122	(100,126)	(0.2%)		
Texas State U - San Marcos	71,589,186	71,252,298	(336,888)	(0.5%)		
Sul Ross State U (includes RGC)	7,554,146	7,483,699	(70,446)	(0.9%)		
Totals	$1,564,653,002	$1,564,578,683	($74,319)	(0.0%)	(4,128,254)	Sum of All Reductions
					(8,256,508)	Biennial Cost of Hold Harmless

Notes:
[1] Semester Credit Hours and All Funds are averaged for FY 2004, FY 2005, and FY 2006 to calculate the relative weights. The formula funding estimates above are calculated by multiplying the relative weights by the FY 2006 Semester Credit Hours, which are the latest data currently available.

Appendix F

Phase-In – Weights used in FY2008-09 Appropriation – No Loss Limit

"75 Percent" Draft Matrix for FY2008-09
75 Percent of Difference with No Loss Limit

	UG L	UG U	Mast	Doct	Sp Pro
LIBERAL ARTS	1.00	1.77	4.01	9.94	0.00
SCIENCE	1.67	2.93	7.29	20.05	0.00
FINE ARTS	1.50	2.51	5.65	9.78	0.00
TEACHER ED	1.33	1.79	2.68	7.70	0.00
AGRICULTURE	2.02	2.66	7.13	11.97	0.00
ENGINEERING	2.46	3.51	7.39	17.05	0.00
HOME ECONOMICS	1.17	1.83	3.21	7.10	0.00
LAW	0.00	0.00	0.00	0.00	3.55
SOCIAL SERVICE	1.89	2.09	3.76	12.21	0.00
LIBRARY SCIENCE	1.14	1.21	3.03	7.68	0.00
VOCATIONAL TRAIN	1.90	2.37	0.00	0.00	0.00
PHYSICAL TRAINING	1.29	1.49	0.00	0.00	0.00
HEALTH SERVICES	1.70	2.44	4.15	9.92	0.00
PHARMACY	1.76	3.85	14.90	25.27	5.13
BUSINESS ADMIN	1.18	1.68	3.70	19.08	0.00
OPTOMETRY	0.00	0.00	5.46	19.12	7.00
TEACHER ED-PRACT	1.31	1.99	0.00	0.00	0.00
TECHNOLOGY	1.85	2.42	5.08	0.00	0.00
NURSING	2.73	3.24	5.36	11.79	0.00
VET MED					14.24
DEVELOPMENTAL ED	1.00				

Appendix G

FY 2004, FY 2005, and FY 2006[1]
All Funds Analysis – Instruction and Operations Formula Only

Does not Include Teaching Supplement
75 Percent Adjustment without 3 Percent Hold Harmless Procedure
See Appendix H for Hold Harmless Appropriated
Excludes Costs for which no SCH are reported in Discipline Analysis

Institution	FY2006-07 Annual I&O Matrix Rate @ $55.72 (Using FY05 SCH)	Estimated Annual with 75% Chg. $58.09 Budget Neutral Rate (Using FY05 SCH)	Annual Difference	Average Annual %age Chng		
UT Arlington	85,586,478	85,683,750	97,272	0.1%	653,025	UT System Impact
UT Austin	215,351,264	216,202,577	851,313	0.4%		
UT Dallas	58,688,154	58,879,031	190,877	0.3%		
UT El Paso	51,457,535	51,059,209	(398,326)	(0.8%)		
UT Pan American	44,326,478	44,073,032	(253,445)	(0.6%)		
UT Brownsville	9,524,938	9,499,027	(25,911)	(0.3%)		
UT Permian Basin	8,373,453	8,433,055	59,601	0.7%		
UT San Antonio	69,422,915	70,672,624	1,249,709	1.8%		
UT Tyler	16,835,664	15,717,600	(1,118,064)	(6.6%)		
Texas A&M U (Does Not Include CVM, Research Foundation, or Service Agencies)	182,553,747	186,424,298	3,870,551	2.1%	2,686,301	TAMU System Impact
TAMU Galveston	4,553,687	4,711,440	157,753	3.5%		
Prairie View A&M U	25,177,897	24,778,236	(399,661)	(1.6%)		
Tarleton State U	25,562,668	25,658,068	95,400	0.4%		
TAMU Commerce	27,547,284	27,366,856	(180,428)	(0.7%)		
TAMU Corpus Christi	24,767,178	24,263,532	(503,646)	(2.0%)		
TAMU Kingsville	21,039,570	21,305,149	265,579	1.3%		
Texas A&M International	11,817,512	11,675,711	(141,801)	(1.2%)		
TAMU Texarkana	4,070,927	4,040,421	(30,506)	(0.7%)		
WTAMU	20,455,557	20,008,617	(446,941)	(2.2%)		
U of Houston	116,409,858	117,876,170	1,466,312	1.3%	2,096,673	U of Houston System Impact
UH Clear Lake	24,482,302	24,483,338	1,036	0.0%		
UH Downtown	21,728,404	22,374,422	646,018	3.0%		
UH Victoria	6,990,924	6,974,231	(16,693)	(0.2%)		
Midwestern State U	16,343,502	15,570,043	(773,459)	(4.7%)		
U of North Texas	95,480,522	94,877,739	(602,784)	(0.6%)	(602,784)	North Texas System Impact
Stephen F Austin State U	31,514,149	31,103,516	(410,633)	(1.3%)		
Texas Southern U	32,544,256	32,504,904	(39,353)	(0.1%)		
Texas Tech U	101,017,852	103,012,667	1,994,815	2.0%	1,994,815	Texas Tech System Impact
Texas Woman's U	46,903,126	41,559,519	(5,343,607)	(11.4%)		
Angelo State U	15,949,523	15,738,605	(210,918)	(1.3%)	(260,979)	Texas State System Impact
Lamar U	27,732,096	27,487,461	(244,635)	(0.9%)		
Sam Houston State U	41,300,248	41,641,789	341,541	0.8%		
Texas State U - San Marcos	71,589,186	71,435,644	(153,541)	(0.2%)		
Sul Ross State U (includes RGC)	7,554,146	7,560,720	6,574	0.1%		
Totals	1,564,653,002	1,564,653,002	0	0.0%	(8,055,632)	Sum of All Reductions
					(16,111,264)	Biennial Cost of Hold Harmless

Notes:

1. Semester Credit Hours and All Funds (excluding Auxiliary) are averaged for FY 2004, FY2005, and FY2006 to calculate the relative weights. The formula funding estimates above are calculated by multiplying the relative weights by the FY 2006 Semester Credit Hours, which is the latest data currently available.

Appendix H

Formula Hold Harmless Amounts Appropriated by the 80th Legislature for Universities

Institution	FY2008-09 Biennium
UT Arlington	$12,474,202
UT Tyler	264,524
Prairie View A&M U	3,089,868
Texas A&M Texarkana	88,020
Lamar University	554,432
Midwestern State University	785,600
Texas Southern University	3,162,844
Texas Woman's University	10,538,126
Angelo State University	741,712
Sul Ross State University	1,566,251
Total	$33,265,579

*Provided regarding appropriations based on base period SCH collected for Summer 2006, Fall 2006, and Spring 2007

This document is available on the Texas Higher Education Coordinating Board Website: **http://www.thecb.state.tx.us**

For more information contact:

Jeff D. Treichel, Director, Finance and Resource Planning
Planning and Accountability
Texas Higher Education Coordinating Board
P. O. Box 12788
Austin, Texas 78711
(512) 427-6130 FAX (512) 427-6147
jeff.treichel@thecb.state.tx.us