

SAN ANTONIO LEGISLATIVE DELEGATION LEGISLATIVE APPROPRIATIONS REQUEST BRIEFING

Dr. Taylor Eighmy | President, UTSA

January 5, 2023

UTSA AND THE 88TH LEGISLATURE

LEGISLATIVE PRIORITIES





PUBLIC UNIVERSITY SYSTEM LEGISLATIVE PRIORITIES FOR BIENNIUM

- General Academic Formula Funding (\$352M)
- Comprehensive Regional University Funding (\$80M)
- Hazelwood Legacy Program (\$276M)
- Higher Education Insurance (HEGI) Funding (\$290M)
- No tuition and fee increases













ecember 14, 2022

The Honorable Dan Patrick, Lt. Governor

The Honorable Dade Phelan, Speaker – Texas House of Representatives The Honorable Joan Huffman, Chair – Senate Finance Committee

The Honorable Greg Bonnen, Chair - House Appropriations Committee

Dear Legislative Leaders:

As chancellors of the six major higher education systems, we understand the value of world-class, affordable higher education opportunities within the state and at the same time remain fully committed to controlling costs for students wherever possible. However, the cost of providing education across institutions continues to increase. Our education mission is funded almost entirely by two sources of funding: state support and student tuition and fees. Without increased state support. Texas institution smatle look to additional efficiencies and then tuition and fees to be able to continue to maintain high quality education. In order to hold tuition flat for our students and their families. Texas universities seek increased state investment.

Higher education requires more personal, hands-on student support and technology services to meet the needs of today's students. At every step in the process, from admission to retention and graduation, students require more advising, tutoring and supplemental instruction, mental health services, and financial planning in addition to high quality teaching in order to succeed and overcome challenges in the journey to academic success. These critical services require ongoing, additional resources to provide students with this needed support.

Like all other entities, institutions of higher education are facing steep cost increases as a result of inflation, supply-chain delays, and skilled labor shortages. Other unique cost drivers, such as the Hazlewood Legacy program, mean that even when formulas are funded at prior biennial levels, institutions start off each biennium with a funding deficit.

In order to ensure affordability for our students, we propose the following compact between the state and higher education institutions.

State Investment

- General Academic Formula Funding (est. \$352 million) As institutions face record inflation, we need to return to investing in formula funding beyond simply covering enrollment growth. We support a 6.8% increase to the general academic Instruction and Operations, Infrastructure, and Research formula rates recommended by the Texas Higher Education Coordinating Board.
- Comprehensive Regional University (CRU) Funding (\$80 million) Last session, the legislature made a targeted investment in student success at the state's comprehensive regional universities by providing one year of federal funding. As the state looks to invest in

tion, an investment of \$80 million would provide two years of students graduate and enter the workforce.

in (est. 3276 million) — We fully support the Hazlewood ut we seek the state's help with the costs. In FY 2021, higher \$176.4 million for legacy exemptions and received state of this cost, resulting in a shift of the cost of the Legacy defents. We propose 100% reimbursement for legacy costs to main leaders nationally among veteran-friendly institutions aftion-naving rudents.

asurance (HEGI) Funding (est. \$290 million) – Higher surance alone is only partially funded compared to most state rently below 80% of the rate for state employees under ERS. As ditional funding to raise this rate to 100% of the funding rate for keep costs lower and thus help ensure higher education remains

we basic needs, our general academic institutions will ensure that emic costs, including unition, mandatory academic fees, all ollege course fees will remain a currently approved levels for aordinary circumstances, even these increases might leave some atte funding levels. In the spirit of this compact to address consideration of certain individual institutions if necessary.

with the proposal only addresses increases to the formula within the general academic institutions the undersigned systems with health-related institutions also request consideration for similar increases in the health formulas. With this commitment and partnership, together we can ensure higher education remains affordable for our Texas students and their families.

Sincerely,

James B. Milliken

Chancellor University of Texas System

Renu Khalor
Renu Khalor
Chancellor
University of Houston System

Tedd Mitchell

Texas Tech University System

John Sharp Chancellor

Texas A&M University System

Michael R. Williams
Chancellor

University of North Texas System

Brian McCall
Chancellor

Texas State University System



OVERVIEW | LEGISLATIVE PRIORITIES

UNIVERSAL HIGHER EDUCATION PRIORITIES

- Increase Formula Funding
- State Research Funding Commitment
- Hazelwood
- Historically Underutilized Business (HUB) Program
- Core Research Support Fund (CRSF)
- Texas Research Incentive Program (TRIP)

NON-FORMULA FUNDING & SPECIAL REQUESTS

- San Antonio Life Sciences Institute (SALSI)
- Bold Research Initiative
- The Institute of Texan Cultures
- Texas Demographic Center
- Cybersecure Advanced Manufacturing for Texas
- Small Business Development Center (SBDC)
 & South-West Texas Border SBDC
- Institutional Enhancement
- Bexar County Fostering Educational Success Program
- Prefreshman Engineering Program (PREP)

CAPITAL CONSTRUCTION ASSISTANCE PROJECT (CCAP)

- Building Revitalization Initiative
- Student Success Center
- Creative Arts Education & Engagement Building



UTSA AND THE 88TH LEGISLATURE

UNIVERSAL HIGHER EDUCATION PRIORITIES





INCREASE FORMULA FUNDING

Expanding Formula Funding support, acknowledging growth



ACCOUNT FOR INFLATION

Increasing current rate to address lack of funding adjustments in past sessions



RECOGNIZE GROWTH

Over the last two years, UTSA's enrollment has increased by a total of 6.5%



BUILD A TALENT STRONG TEXAS

Increase students with a goal of graduating 7,500 'Runners per year by 2030





HAZLEWOOD IMPACT

Exemption Type	Current FY2022	Projected FY2023	Projected FY2024
Veterans	\$2,050,260	\$2,113,244	\$2,178,162
Legacy, Spouse and Dependents	\$17,601,132	\$18,296,606	\$19,923,902
Total (Exemption Costs)	\$19,651,392	\$20,409,850	\$22,102,064
Veterans	341	351	362
Legacy, Spouse and Dependents	2,084	2,141	2,302
Total (Number of Students)	2,425	2,493	2,664

Projections assume same percentage change as recorded from FY2021 to FY2022



SUPPORT HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROGRAM

Helping local small businesses become part of the university's procurement process

In the last five years, UTSA has been consistently recognized as one of the state's top 25 agencies spending more than \$5 million in HUB purchases.

Since 2004, UTSA has seen significant increases:

- Black-owned businesses is 46 times higher, to roughly \$8.6M
- Hispanic-owned businesses has quadrupled, to more than \$9M
- Asian/Pacific American-owned businesses has tripled, to more than \$1M
- Women-owned businesses has tripled, to nearly \$10M



EXPAND CORE RESEARCH SUPPORT FUND (CRSF)

Supports increased research capacity at eligible public universities.

Distributes funds by a set formula allocation (based on both total research expenditures and restricted research expenditures) to support faculty including individual projects, such as laboratory and equipment upgrades and graduate student tuition.





RESTORE TEXAS RESEARCH INCENTIVE PROGRAM (TRIP)

Recruiting world-class faculty to enhance student academic experience and Texas' reputation as a research powerhouse

- State-matched funds for qualified gifts and endowments
- Intended to enhance research productivity and faculty recruitment at Texas' eight emerging research universities
- Current backlog of over \$247M in unfunded eligible TRIP state matches (THECB 9-28-2021)
- UTSA alone has ~\$39M in unfunded eligible TRIP matching gifts
- Critical for our Be Bold Capital Campaign public launch





UTSA AND THE 88TH LEGISLATURE

NON-FORMULA FUNDING & SPECIAL ITEM REQUESTS





SAN ANTONIO LIFE SCIENCES INSTITUTE (SALSI)

Increased Funding Request

\$7,000,000 per year | \$14,000,000 over biennium

Significant new investment for transdisciplinary collaborative R&D to enable competitive grant proposals to the National Institutes of Health (NIH).

To date, SALSI has graduated more than 190 masters students and more than 80 PhD students.





SAN ANTONIO LIFE SCIENCES INSTITUTE (SALSI)

Investing in human capital for Texas's workforce in the life sciences



Improve health outcomes

through strategic R&D investment in neuroscience, cancer prevention, infectious diseases and regenerative medicine while advancing discovery through bioinformatics



Build Texas's health sciences workforce

by providing salaries, stipends, fellowships and start-up packages for strategic faculty hires, post-docs, technicians, graduate students and undergraduate researchers



Provide R&D foundational support

via modern instrumentation acquisition and specialized facilities upgrades for **genomics**, **metabolomics**, **cell and tissue culture** and **tissue characterization**



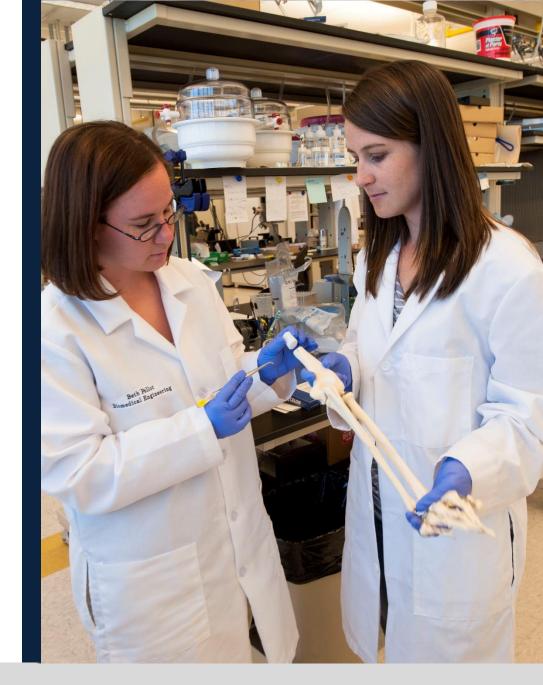
BOLD RESEARCH INITIATIVE

Funding Request

\$16,000,000 per year | \$32,000,000 over biennium

Significant new investment for transdisciplinary collaborative R&D through state-of-the-art instrumentation acquisition and specialized facilities upgrades for computation, materials handling and visualization.

Fosters competitive grant proposals with the National Science Foundation (NSF), the National Institutes of Standards and Technology (NIST), the National Institutes of Health (NIH) and the Department of Defense (DOD).





BOLD RESEARCH INITIATIVE

Building talent ecosystem for high impact research & applied technology development to solve grand challenges



Advance national security

through strategic R&D investment in quantum security, AI, cloud computing, data analytics, microelectronics, and next gen communication



Compete for national grants

through strategic R&D investment in bioengineering and related fields like materials science, tissue engineering and neuroscience



Build talent for Texas data science and human bioengineering sectors

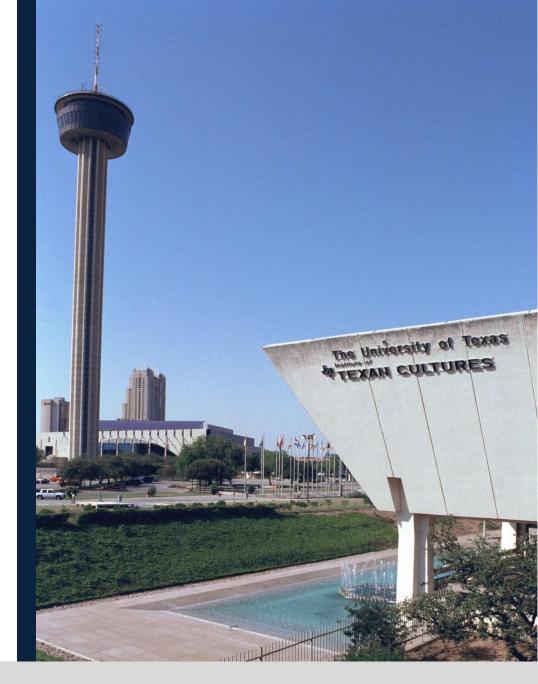
by providing salaries, stipends, fellowships and start-up packages for strategic faculty hires, post-docs, technicians, graduate students and undergraduate researchers



INSTITUTE OF TEXAN CULTURES

Increased Funding Request \$1,001,612 per year | \$2,003,224 over biennium

Through the ITC's 2068 Community Visioning Process, community leaders, local business owners, educators and resource experts are developing scenarios to guide the Institute and its programming into the next 50 years.





TEXAS DEMOGRAPHIC CENTER

Increased Funding Request

FY24 \$479,623 | FY25 \$527,585

Produces population estimates, biennial projections, and trend analysis affecting Texas. An active provider of data to Texas legislators, legislative committees, state agencies, counties, municipalities and the private sector.





CYBERSECURE ADVANCED MANUFACTURING FOR TEXAS

Increased Funding Request

\$750,000 per year | \$1,500,000 over biennium

Addressing cyber threats to advanced technology and manufacturing companies essential to Texas and San Antonio economy.

Helps Texas manufacturers:

- Earn required Cybersecurity Maturity Model Certifications (CMMC)
- Improve their cybersecurity posture
- Train their workforce
- Expand their global competitiveness







SMALL BUSINESS DEVELOPMENT CENTER (SBDC)

SOUTH-WEST TEXAS BORDER SBDC (RURAL INITIATIVE)

- Promotes small business and community economic development through extension services covering the 79-county South-West Texas Border Region, in cooperation with the U.S. Small Business Administration
- Funding will structure partnerships designed to increase small business awareness and approaches to ensure survival, resiliency, and strategic business recovery planning and implementation efforts

- Promotes small business economic activity and investment in rural areas where corporate expansions and State incentives rarely accessible
- Assists rural communities with business development projects, strategic planning and resource development, local capacity building, implementation of rural infrastructure, and individualized business assistance
- Helps communities reliant on unpredictable and highly volatile oil and natural gas revenues

Increased Funding Request: \$2,149,416 per year | \$4,298,832 over biennium



INSTITUTIONAL ENHANCEMENT

General Revenue Fund: \$1,788,839 per year

- Supports faculty hiring and recruitment
- Allows UTSA to reduce student-faculty ratios and meet the demands of a growing student population
- Funds will be used to increase the number of course selections offered



BEXAR COUNTY FOSTERING EDUCATIONAL SUCCESS PROGRAM

General Revenue Fund: \$1,750,000 per year

- Innovative, collaborative partnership UTSA, Texas A&M-SA, the Alamo Colleges District, the Bexar County Children's Court, Child Advocates of San Antonio (CASA-SATX), Family Tapestry
- Provides comprehensive support in a trauma-informed, strategic framework to improve educational outcomes for students (middle school-college graduation) with history of foster care
- Leveraged appropriation for \$1,525,000 in federal, state and local contracts, grant awards, gifts
- UTSA appreciates that this important program was exempted from reductions in 2020-2021 biennium and is exempt from the 2022-2023 baseline request level reductions



PREFRESHMAN ENGINEERING PROGRAM (PREP)

General Revenue Fund \$285,729 / year

- Rigorous summer program preparing middle and high school students for advanced studies and careers in STEM fields
- Founded in 1979, PREP has served over 40,000 participants
- 80% of PREP participants are members of minority groups, and 53% are female



UTSA AND THE 88TH LEGISLATURE

CAPITAL CONSTRUCTION ASSISTANCE PROJECT (CCAP)







BUILDING REVITALIZATION INITIATIVE DEFERRED MAINTENANCE

CCAP/PUF Fund Request: \$155 million

- Five central campus core buildings with original 1970-80s infrastructure
- Additional 20 classroom renovations needed to enhance course delivery options (61 already underway)
- Critical building systems are beyond useful life (40+ years) resulting in poor air quality and temperature control
- Increased efficiency will lead to cost and energy savings, ensure that classrooms remain open and available, and protect the public health
- \$85M needed to address the most urgent deferred maintenance needs





STUDENT SUCCESS CENTER

Estimated Project Cost: \$140 million

- New 170,000 GSF Student Success Center
 - One location for unified academic support services
 - Reduces space deficit by increasing study space
 - Reduces space deficit by increasing faculty/staff offices
- Estimated project cost would be funded with Capital Construction Assistance Projects





CREATIVE ARTS EDUCATION & ENGAGEMENT BUILDING

Estimated Project Cost: \$229.9 million

- 209,000 GSF building reduces space deficit by increasing teaching labs, classrooms and faculty/staff offices
- 800 seat performance hall to engage our communities through artistic expression and outreach programs



CREATING BOLD FUTURES