



The Senate of The State of Texas

DAN PATRICK
LIEUTENANT GOVERNOR

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October 20, 2016

Dear University President:

During the 84th Legislative Session, the Texas Legislature demonstrated its support for higher education by providing funding at historic levels. General academic formulas were increased by almost \$300 million; funding for the Texas Research Incentive Program was increased by more than \$100 million; and the TEXAS Grant program was given an additional \$62.7 million. In addition, we created a permanent endowment of more than \$250 million for Graduate Medical Education starting in fiscal year 2018 and increased the Graduate Medical Education Expansion Program by \$38.8 million. The Legislature also approved the issuance of over \$3 billion in tuition revenue bonds to aid in infrastructure and expansion projects across the state. This includes the state providing \$240 million a year for debt service for years to come.

Many continue to criticize the Legislature, saying that the funding has not "kept pace" with the needs of our universities. However, since 2002, total academic charges at our universities has increased 147% while median household incomes have only increased 32%. Between 2003 to 2015, academic administration costs rose 149%, and central management costs rose 72% - but instructional costs only rose 65%. This data dictates that we examine the growth in personnel and ensure that our taxpayer funds are being used efficiently and appropriately.

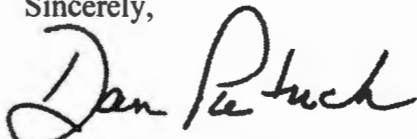
The Legislature has made significant investments in higher education and with greater investments come greater accountability. Historically, institutions of higher education have been allowed to add employees during the interim, and those increases were institutionalized in the introduced budget for the next legislative session. As a result, thousands of the employees have been added to the budget without the scrutiny and examination of the legislative body. This is not the transparent and accountable process Texas taxpayers expect or deserve.

By this letter, I am advising you that I am not approving any higher education requests to increase FTE authorizations for fiscal year 2017. Any requested increases should be presented to the budget writers of the Texas Legislature. I look forward to working with the higher education community this upcoming legislative session and developing a better way to address your needs in a transparent and accountable process.

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Sincerely,

A handwritten signature in black ink that reads "Dan Patrick". The signature is fluid and cursive, with the first name "Dan" and last name "Patrick" clearly legible.

Dan Patrick
Lieutenant Governor

cc: Governor Greg Abbott
Speaker Joe Straus
Senator Jane Nelson
Senator Kel Seliger
Representative John C. Otto