Fall 2011 Faculty Meeting

Dr. Guy Bailey
President

September 21, 2011
Topics for Discussion

• Budget Update
• NRUF Update
• Athletic Conference Issues
Budget Update: Background Information

- In the 2009 legislative session, TTU had an increase of only $3,739,211 (1.92%) in **new** funding through the formula.
- Further, in the 2009 session, TTU had a $1,222,154 decline in its RDF appropriation and a $3,510,568 per year decline in its HEAF allocation.
- TTU’s poor showing in formula funding and in RDF and HEAF allocations was the result of a decline in weighted student credit hour production and in funded research over the prior biennium.
- Two reductions during the second year of the biennium compounded our poor legislative showing:
  - *In February 2010, the State of Texas asked agencies to take a 5% reduction in FY 2010-2011 appropriations – this resulted in a reduction of $12,824,211 for TTU*.
  - *In December 2010, the State of Texas asked agencies to take an additional 2.5% reduction in FY 2010-2011 appropriations – this resulted in a reduction of $3,270,117*.
• This past legislative session (2011) higher education received additional reductions in state appropriations
  • 5% reduction in formula funding
  • 25% reduction in special item funding
• Our reductions in state appropriations totaled $29 million dollars – a 5.2% reduction in state funding
• While these reductions are quite significant, they are actually less severe than those received by most of our competitors
  • Because of our strong enrollment growth, especially at the graduate and upper division level, we did quite well in our formula funding
  • Because of our strong growth in research funding, we actually saw an increase in our payout from the Competitive Knowledge Fund
• Those universities that received less severe reductions than we did typically had fewer special items
Biennial Change in State Appropriations at Seven Emerging Research Universities, Texas A&M, and the University of Texas
Budget Update Continued

- We were able to handle budget reductions without massive layoffs
  - We significantly reduced administrative costs
  - We outsourced some non-core activities
  - We used attrition rather than layoffs to help meet reductions
  - We carefully scrutinized all new position requests and approved only those that were mission-critical
  - We focused our budget cuts on things outside of our core mission of instruction and research

- Although we believe we have already done most of what is needed to handle our budget reductions, we will continue to exercise prudence in light of the current economic situation in the United States
NRUF Update

• HB 51 offered two remarkable opportunities designed to help Emerging Research Universities (ERUs) move to national research university status

1. Texas Research Incentive Fund (TRIP) -- provided state matching dollars for private gifts that supported research. Thanks to the efforts of our Chancellor and University Advancement, we led all ERUs in TRIP funding

2. National Research University Fund (NRUF) -- a permanent, dedicated endowment (currently $500 million) designed to help “enable emerging research universities… achieve prominence as major research universities”

• Like TRIP, NRUF is competitive. ERUs compete against one another to reach certain benchmarks. Once an ERU meets the benchmark, it has access to a portion of the payout on the NRUF endowment

• Participation in NRUF is not Texas Tech University’s final goal, however. It is just one step on the way to achieving Association of American Universities status
NRUF Update: Some Caveats

• Institutions must meet NRUF criteria for two consecutive fiscal years. For Texas Tech, this means FY10 (which ended August 31, 2010) and FY11 (which ended August 31, 2111).

• The data presented below is for FY10 and is what we have reported to THECB and has not yet been certified.

• Data for FY11 will not be available until mid October, but we believe we will see improvement on most of the criteria.
NRUF Update: FY10

Progress on NRUF in FY10

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Progress</th>
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<tr>
<td>1) Must be designated an emerging research university by the THECB</td>
<td>✔ THECB has designated us as an emerging research university</td>
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<td>2) Must have $45 million in restricted research</td>
<td>✔ We reported $50,762,150</td>
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<td>3) Must meet 4 of 6 additional criteria:</td>
<td>✔ Endowment stood at $434 million</td>
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<tr>
<td>A. Endowment of $400 million</td>
<td>✔ We are members of all three</td>
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<td>B. Membership in Phi Beta Kappa, Phi Kappa Phi, or ARL.</td>
<td>✔ We granted 215</td>
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<tr>
<td>C. Grant 200 Ph.D.’s</td>
<td>--- We currently have 1 National Academy Member, 1 Nobel Prize winner and 6 Faculty Awards</td>
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<tr>
<td>D. High quality faculty*</td>
<td>--- Awaiting final criteria</td>
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<tr>
<td>• 5 National Academy Members or 7 Faculty awards</td>
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<td>• Comprehensive review of 5 doctoral programs</td>
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*To be finalized by the Texas Coordinating Board

Continued…
NRUF Update: FY10

Progress on NRUF in FY10

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<td>E. High quality of freshman class*</td>
<td>☑ We were at 26 for ACT (1190 for SAT)</td>
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<td>• 75th percentile of SAT at 1210 or 75th percentile of ACT at 26</td>
<td>☑ We were at 52.2%</td>
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<td>• 50% of entering freshmen in top 25%</td>
<td>--- We have Upward Bound</td>
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<td>• Freshman class must show progress towards closing the gaps (e.g.,</td>
<td></td>
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<td>Federal TRiO Program)</td>
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<td>F. High quality of graduate programs* – Number of graduate programs</td>
<td>☑ We have 160 graduate programs</td>
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<td>greater than 50 and three of the following:</td>
<td></td>
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<tr>
<td>• Comprehensive review of graduate financial support</td>
<td>☑ We have this</td>
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<td>• GRE scores for 5 Ph.D. programs &gt;/= national mean</td>
<td></td>
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<tr>
<td>• Masters graduation rate &gt;/= 56%; doctoral rate &gt;/= 58%</td>
<td>☑ We were at 67.60% &amp; 67.50%</td>
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<tr>
<td>• Median time to doctorate is 8 years or less</td>
<td>☑ Our median time was 7.7 years</td>
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Figure 1. Change in Restricted Research Expenditures at Texas Tech University, FY06-FY10
(Source: Texas Higher Education Coordinating Board)
Figure 2. Restricted Research Expenditures at Emerging Research Universities, FY10
(Source: Texas Higher Education Coordinating Board, 11/18/2010)
NRUF Update: FY10

Figure 3. Three-Year Comparison of Restricted Research Expenditures at Seven Emerging Research Universities (Source: Texas Higher Education Coordinating Board)
Figure 4. Change in Total Research Expenditures at Texas Tech University, FY06-FY10
(Source: THECB and TTU Office of Sponsored Research)
NRUF Update: FY10

Figure 5. Three-Year Comparison of Total Research Expenditures at Emerging Research Universities in Texas (Source: Texas Higher Education Coordinating Board)