



MEMORANDUM

August 23, 2017

TO: Administration, Faculty and Staff

FROM: Lawrence Schovanec, President
Michael Galyean, Provost
Noel Sloan, CFO

RE: FY 2018 Budget

As we begin the new academic year, we want to share information regarding our budget, addressing the reductions that were made and noting the investments that we will continue to support in this coming year.

The 85th Legislative Session passed a budget for the FY 2018-2019 biennium that included cuts for higher education. For Texas Tech University, the reduction in state appropriations was 3.8%. In addition, the Higher Education Group Insurance funding provided by the state decreased from 89.2% to 74.7%. As a result, Texas Tech will incur an increased cost of approximately \$2.5 million to provide these benefits to our employees. To address this decrease in state appropriations, colleges and other units were asked to reduce their expenditures by 1%, with the balance of the reductions achieved through cuts in central administration.

As a result of the hiring freeze imposed last spring, Texas Tech will be returning approximately \$1.5 million to the state. It is important to note however, that faculty searches underway last spring were allowed to be filled for this fiscal year, and no existing faculty lines should have been cut as a result of the 1% budget reduction. The 50 Presidential Teaching and Research Excellence Professorships announced last spring, will be divided equally between teaching and research/creative activity categories. These professorships in the amount of \$5,000 will be awarded this fall based on nominations submitted to the Office of the Provost.

There was no decrease in Higher Education Assistance Funds (HEAF) or National Research University Funds (NRUF). HEAF funding will allow continued investment in Texas Tech University's infrastructure. Last spring we asked all departments to submit their priority facility needs. As a result of that input we will be allocating an additional \$4 million per year for the next five years to improve classrooms and teaching laboratories. This investment should have a significant impact on the student learning experience, while also providing a better teaching environment for faculty.

NRUF will allow investment for sustaining growth in research. This will provide for some new faculty lines as well as support for the Program for Inquiry and Investigative Thinking. This program is intended to increase opportunities for undergraduate student research activities along with faculty mentorship. The first cohort of more than 100 students will enroll this fall, and we will proceed with recruiting a second group. We increased funding for both need and merit scholarships last year, and we will continue to increase scholarship support in the coming year.

We will enroll one of our largest freshman classes ever but we expect a modest increase in our total Fall 2017 enrollment. As a result of this anticipated increase in fall semester credit hour generation, we hope to generate sufficient funding to allow us to provide mid-year merit increases for faculty and staff. Please know that this is an important priority.

Thank you for all that you do on behalf of Texas Tech University and our students.