

FINANCE COUNCIL
REACTIONS TO VISION 2020 COUNCIL REPORT ON FINANCES

- As noted in the document, the current formula funding system does not consider the costs of research excellence, but instead semester credit hour growth. If indeed “very different funding requirements for excellence between Tier I Research universities and those of the institutions whose mission is driven primarily by undergraduate education” exist, it is important that Texas A&M University define those needs that differentiate us from non-Tier 1 Research institutions. It appears that state officials see Texas A&M University and the University of Texas as larger versions of undergraduate institutions.
- Similar to the above, it is of great note that the states of California (UCLA and California-Berkeley) and Michigan (University of Michigan and Michigan State University) have established markedly different funding models for Tier I institutions and other institutions. An examination of the *U.S. News & World Report* rankings indicates that this distinction and differentiation are indeed “paying off” (in terms of higher rankings).
- Two southern states (Kentucky and Oklahoma) have state programs where donor funds for faculty and/or research initiatives are matched by state funds. (Louisiana had a similar program at one time, but has discontinued it). The incentive provided to donors under these programs has anecdotally resulted in new and/or enhanced gifts being received because of the state matching funds.
- Other topics to consider:
 - Differential tuition
 - More strategic focus and flexibility in the use of gift funds
 - Need to revise statutory procurement codes
 - Responsibility centered management, particularly in the wake of a potential Undergraduate Studies Program and providing appropriate incentives for increased enrollments across Texas A&M University.