

August 31, 2012

Attached is a copy of the FY14-15 Legislative Appropriations Request (LAR), recently submitted to the Legislative Budget Board (LBB) for consideration by the 83rd Texas Legislature.

In an effort to reduce the amount of information required, the LBB provided instructions that placed very few requirements upon institutions of higher education. Unlike prior years' submissions, we were not required, ***nor allowed*** to file a request for formula funds. As you review the FY14-15 LAR, you will notice \$0 in formula funds requested for the upcoming biennium. The on-line tool used to complete the LAR did not allow for input requesting formula funding. I assure you, had this field been open, we would have requested the funding lawfully due our institution as spelled out in the Texas Constitution and Texas Education Code.

As you know, over the last ten years, state funding has declined 28%, while enrollment has dramatically increased 45%. Over time, the state has ceased allocating funds based on contact hour reimbursement, instead funding only 49% of formula in FY12-13. As an additional burden placed on us by the 82nd Texas Legislature, Alamo Colleges absorbed an additional \$10.4 million annually in employee benefits, to cover reductions in state-funded group health insurance and retirement benefits.

Alamo Colleges has demonstrated the ability to drive costs out of the business and was recognized nationally by winning the 2012 Bellwether Award for innovations in Planning, Governance and Finance for the process deployed to save \$131 million since 2008. At some point, however, we must draw the line. If the State continues its trend of funding decline, Alamo Colleges may need to cap enrollments, effectively "closing the door" on the open-door policy – the very foundation of our existence. Ultimately, the deeper we cut, our students and our community will be the ones that suffer the consequences.

Over the next few months, the LBB will determine the amount of formula funding to be allocated to community colleges that will be introduced in the initial appropriations bill when the 83rd Texas Legislature opens in January 2013. Once the General Appropriations Act is finalized, we will know the amount of formula funding allocated to Alamo Colleges for the FY14-15 biennium.

The only required data for the LAR was as follows: an Administrator's Statement, an Organizational Chart, Group Health Insurance, Special Items and Exceptional Items, which can be seen in several schedules within the LAR. To reiterate – we were not allowed to submit a request for formula funds.

Please direct any questions you might have with regards to the process or the content to:
Associate Vice Chancellor of Finance & Fiscal Services, Pamela Ansboury
Chief Budget Officer, Shayne West

Sincerely,

Diane E. Snyder, CPA, M.S.
Vice Chancellor for Finance and Administration