Thank you Chairman and members of the House Appropriations Committee for this opportunity to share a few words about UTSA. I am Pedro Reyes, Acting President for The University of Texas at San Antonio (UTSA). With me today are Dr. Mauli Agrawal (UTSA Provost), Kathy Funk-Baxter (UTSA VP for Business Affairs) and Dr. Lisa Blazer (UTSA Senior Assoc. VP Student Affairs). Since the last time UTSA presented before the House Appropriations Committee in 2015 your investment in our students has provided UTSA the opportunity to reach new rankings and recognitions, some of which include:


- **UTSA Ranked #2 best Graduate cyber security program in the U.S.** – Universities.com, June 2016.

UTSA has over 1,200 students enrolled in a cybersecurity related field. Many come from all over the U.S. to study here.

We understand the difficult decisions before you with this budget cycle and certainly appreciate your hard work. Our commitment is to our students, to provide them with the best education and the best tools to graduate. I want to briefly touch on those three areas that our Chancellor commented on: Formula Funding; Research; and Special items.

1. **FORMULA FUNDING:**

   HB 2 shows a formula funding increase for UTSA by $1.1M overall. The formula funding rate is the same as last year, which is an average weight of $55.39 per semester credit hour. What we need in HB 2 is for the Legislature to fund formula funding at a higher rate and fund more of our I/O and Infrastructure costs to accommodate growth in students and programs. Between 2006 and 2016, enrollment at UTSA grew by 10%.

2. **RESEARCH:**

   HB2 cuts UTSA’s Core Research Support by $945,000 per year or $1.8M for the biennium. What we need in HB 2 is full investment in our Core Research. **Cuts in Core Research Support would:**

   - Limit support for UTSA students and faculty in key research areas
   - Reduce support for faculty securing federal research grants
   - Slow UTSA’s progress in meeting criteria for NRUF, as outlined in Tier One Legislation of 2009:
     1. Recruit, educate, and graduate at least 200 PhD’s per year
     2. Freshman class of high academic achievement, at least 50% need to be in top 25%
     3. Institutional recognition of Research Capabilities & Scholarly attainment
     4. Grow or recruit high quality faculty, at least 5 as members in the National Academies
     5. Grow the number of high quality graduate-level programs, at least 50
• Impede UTSA’s trend in growing research expenditures, 78% over the last 10 years
• Texas needs more engineers and scientists, particularly in fields of cyber, cloud, and data analytics.

HB 2 also **cuts the TRIP funding** overall which would indirectly impact our UTSA’s faculty recruitment and graduate research initiatives. What we need is for the Legislature to continue supporting TRIP at a higher level to ensure the potential of a future match. There is an ongoing backlog of unfunded eligible gifts. UTSA has $10M in eligible gifts waiting to be matched by TRIP.

**Cuts in TRIP Funding:**
- Would slow progress with potential donors, some of whom may not otherwise give unless there is a match
- An example of TRIP success at UTSA. TRIP helped make a $5M gift grow into a $13.75M gift. H-E-B set up the initial $5M for faculty endowments, provided that UTSA raise $5M. TRIP provided a match at $3.75M.

### 3. SPECIAL ITEMS (existing & new):

**Institutional Enhancement (EXISTING) $4.9M for the biennium:**
- Was cut 29% by the Legislature in 2011, and cut 39% in 2013. We have remained at the lower level for the last four years. Continued loss of State support would equate to a budget reduction of critical E&G funds in the form of faculty FTE. This would increase student/faculty ratio and reduce course sections offered.
- Reductions would significantly impact student retention, time of graduation, and number of degrees awarded.

**Small Business Development Center (SBDC) (EXISTING) $8.3M for the biennium:**
- **Revenue Neutral item** - Voted National Small Business Development Center of the Year - by the U.S. Small Business Administration, 2014.
- Serves the needs of some 30,000 small business clients consistently every year through a network of 10 SBDC field centers covering 72 South-Texas counties. Last year the SBDC Network helped these clients contribute an incremental tax revenue of $41M, create 6,000 new jobs, and helped access $323M in business growth financing/investments.
- A reduction would impact federal funds and reduce client services.

**San Antonio Life Sciences Institute (SALSI) (EXISTING) $4M for the biennium:**
- Institute was cut 63% by the Legislature in 2011. It was restored to the previous level five years later in 2016. This allowed us to better leverage the strengths of students and researchers at both UTSA & UTHSC-SA to work on similar Life Sciences challenges and increase our research-funding base.
Enables joint doctoral degree programs and research projects, providing students with the best of both worlds from both campuses, becoming a model for other institutions to follow. Reductions would impact the Institute and our progress towards Tier One.

Cyber and Cloud Computing (NEW)  $5M for the biennium:
- UTSA ranked #2 best GRADUATE cyber security program in U.S. - by Universities.com, June 2016 & #1 best UNDERGRADUATE program in the U.S. - by Hewlett Packard/Ponemon in 2014.
- Support for this special item would position UTSA to be a resource to the State of Texas and would provide an opportunity to partner in ensuring security of online data and networks at Texas Agencies.
- UTSA proposes to: 1) help implement a “culture of security” awareness; 2) evaluate commercial and/or government security products; 3) assist small businesses to meet State standards as cyber readiness vendors; and 4) help train and develop our State’s workforce through certification preparation and degree programs in cyber and in cloud computing.

Institute of Texan Cultures (EXISTING)  $2.9M for the biennium:
- Museum was cut 25% by the Legislature in 2011. Additional cuts limit the museum's ability to provide services to 265,000 individuals across Texas.
- Cuts would reduce: number of exhibits; number of students served statewide; teacher development and continuing education courses; hours of operation; and city and tourism revenue.
- Production of educational resources for Texas teachers would be curtailed as would the distribution of existing resources to public school students, researchers, and the general public. UTSA has no other resources to continue operating this museum.

College Completion UTSA, student success initiative (NEW)  $990,000 for the biennium:
- To improve retention, implement additional advising services, implement a freshman bridge program, and implement a math success initiative. As an HSI, 71% of UTSA’s students receive some form of grant or scholarship.
- Academic readiness and socioeconomic issues are roadblocks to college completion.

SW Tx. Border Network (EXISTING)  $2.6M for the biennium:
- Revenue Neutral item – a reduction of State support would impact rural communities and businesses that do not have the same access to small business development services as the larger Texas cities.
- A reduction would impact rural communities that receive extensive capacity building training, research, municipal planning, and project resource development.

Texas State Data Center (EXISTING)  $1M for the biennium:
- Revenue Neutral item - The Center was cut 18% by Legislature in 2011. The State Demographer, a distinguished faculty member at UTSA, (Dr. Lloyd Potter) serves as Chair of the Federal and State Cooperative for Population Projections. The Center is housed at UTSA.
- A reduction of State support would impact the production of demographic, economic and related data requests for Legislators, Legislative Committees, and State agencies needed for population estimates, biennial projections, and trend analysis impacting Texas.
Research Hold Harmless (EXISTING) $710,000 for the biennium:
- Provide the same level of support for faculty instructional excellence and research that was provided in previous biennium.
- Reduction of State support would impact faculty recruitment and UTSA’s ability to sustain research facilities and optimize resources.

Texas Pre-Engineering program (TexPREP) (EXISTING) $835,784 for the biennium:
- Program was cut 25% by Legislature in 2011. 8-week summer program prepares middle and high school students for college, leading to careers in STEM fields. Over 80% go to college, 66% become STEM majors, and 81% are minority.
- A reduction of State support would impact the effectiveness of the program at 35 colleges and universities in 15 Texas cities. This would negatively impact progress in closing the gaps and reduce STEM degree production. TexPREP anticipates serving 9,000 students over the next two-years, and 40% are first generation students.

4. OTHER PRIORITIES:
Increase investment in Texas Grants
- Critical for our first-generation students at UTSA
- Helps UTSA provide access to all students in the pipeline, average Texas Grant award was $5K
- Fully fund the Texas Grant program at the $5K award amount and increase the investment above the baseline

Support for Hazlewood Exemptions:
- The number of students utilizing Hazlewood exemptions has grown, with UTSA being located in Military City, USA.
- We have close to 3,000 (veterans, active duty, and family members) enrolled at UTSA. We are proud of our continued designation as a “Military Friendly School” for the 6th consecutive year by G.I. Jobs Magazine, Sept 2016.
Legacy exemptions under Hazlewood Act

Thank you! UTSA was awarded $1.7M in support last Legislative Session