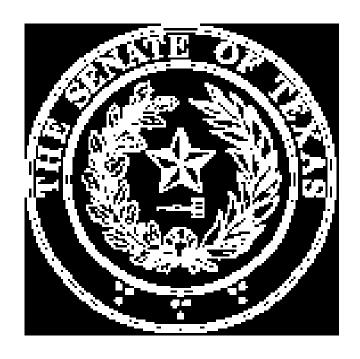
SENATE INTERIM COMMITTEE ON FUNDING ISSUES IN EDUCATION



Report to the 76th Legislature

October 1998

TABLE OF CONTENTS

EXECUTIVE SUMMARY	. iii
CHARGE #1 Student Financial Aid	1
The Present System	
Discussion of Issues	
Goals and Recommendations	
CHARGE #2 Public Education Finance	5
The Present System	5
Tier I: The Basic Program	
Tier II: Guaranteed Yield	8
Discussion of Issues	9
Goals and Recommendations	. 11
CHARGE #3 Dedicated Education Funds	. 12
The Present System	. 12
Permanent University Fund	. 12
Higher Education Fund	
Tuition Revenue Bonds	
Discussion of Issues	. 15
Goal and Recommendation	
CHARGE #4 College and University Enrollment and Graduation	. 17
Improving Preparation of Public School Students for Post-secondary	
Education	. 17
Goals and Recommendations	
Improving the Graduation Rate of Texas Public Colleges and Universitie	
Goals and Recommendations	
Linking the Public and Higher Education Systems to Improve Student	
Achievement	. 23
Goals and Recommendations	

CHARGE #5 Funding in Higher Education	. 26
Higher Education Budget Special Items	. 26
Goals and Recommendations	. 28
Health-Related Institutions	. 29
Goal and Recommendation	. 30
Texas A&M University System Agencies	. 30
Current and Past Funding of the TAMUS Agencies	. 31
Discussion of Issues	. 31
Higher Education Coordinating Board Infrastructure Study	. 32
Comparison of Indirect Costs at General Academic Institutions and	
Texas A&M University System Services	. 32
Program Funding for the Texas A&M University System Services	
Comparison of Funding Structure	. 33
Goals and Recommendations	. 33
SUPPLEMENTAL CHARGE Textbooks and Laptops	. 35
The Present System	. 35
Discussion of Issues	. 36
Goals and Recommendations	. 39
APPENDIX A Higher Education Capital and Excellence Funding Table	. 40
APPENDIX B Description of Texas A&M University System Service Agencies .	. 44