Texas State’s operating budget is funded primarily by tuition and registration fees (49%), State appropriations (30%), and sales & services (19%). Gifts and grants are not defined as operating funds in the Texas State University System because of their uncertain and restricted nature.

The University’s core financing consists of tuition and appropriations for salaries, operations, and benefits. State appropriations have not kept up with growth or inflation since 2002, increasing the pressure on tuition.

State Funding Per Semester Credit Hour

Students pay two types of tuition – Statutory and Designated. The State Legislature fixed Statutory tuition at $50 per semester credit hour at the same time they deregulated Designated tuition when they were cutting appropriations in 2003. When the Legislature deregulated Designated tuition, they also required 20% of all increases for undergraduate students and 15% for graduate students to go towards financial aid – not university operations.
Fees paid during registration such as the Student Center Fee, Medical Service Fee, Campus Recreation Fee and Transportation Fee pay all of their own expenses including salaries, benefits, operations, utilities, insurance, capital improvements, and where applicable, debt service on buildings dedicated to their department.

Operations generating their own income through sales or services are accounted for separately, in different funds. Examples include Residential Housing, University Dining, University Bookstore, and Parking Services. Each of the funds is self-supporting, paying its own expenses including salaries and benefits. Income-generating operations that have their own dedicated buildings or space (Residential Housing, University Dining, University Bookstore, and Parking Services) pay for their own utilities and debt service. Over 50% of the overall University’s operating expenditures are for salaries and the related staff benefits, 34% for operating expenses, utilities, and financial aid. The other 12% are for capital improvements.