
LEGISLATIVE APPROPRIATIONS REQUEST
FISCAL YEARS 2018 AND 2019



Submitted to the Governor's Office
and the Legislative Budget Board

THE UNIVERSITY OF TEXAS
SYSTEM ADMINISTRATION

October 2016

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Agency Code: 720	Agency Name: The University of Texas System Admin.	Prepared By: Randy Wallace	Date: October 2016	Request Level: Baseline
<p>For the schedules identified below, the U. T. System Administration either has no information to report or the schedule is not applicable. Accordingly, these schedules have been excluded from the U. T. System Administration Legislative Appropriations Request for the 2018-19 biennium.</p>				
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In accordance with instructions from the Governor's Office and the Legislative Budget Board, The University of Texas System Administration (System Administration) submits this Legislative Appropriations Request (LAR) for fiscal years 2018 and 2019.

Introduction

Founded in 1883, the University of Texas System (UT or System) is governed by nine regents appointed by the governor and confirmed by the Texas Senate (Board or Regents). Regents serve staggered six-year terms, with the terms of three Regents expiring on February 1 of each odd-numbered year. The governor also appoints a non-voting student regent for a one-year term ending each May 31. (The composition of the Board is part of the organizational chart in this LAR.)

The chancellor of the System, William H. McRaven, is its chief executive officer, chosen by the Board.

The Board provides strategy and policy direction, oversight, and governance, while System Administration manages the System and its eight academic and six health institutions (listed as part of the organization chart) consistent with the Regents' rules and System policies.

Contributions to Texas

Among all the great institutions of Texas, UT has a unique opportunity and responsibility to prepare the state to lead nationally. Texas is an economic powerhouse, but its national economic leadership is not preordained. The education and health of the people of Texas will determine whether the state will continue to lead or fall back.

While not well understood, the System's contributions to Texas are immense and are unlike any other Texas university system:

- UT is the largest university system in Texas, with an annual budget of nearly \$18 billion
- UT's total research funding of \$2.6 billion is the largest in Texas and second largest in the country
- UT institutions educate more than 221,000 students – more than 1/3 of all students in Texas public institutions – hailing from nearly every county in Texas, all 50 states, and 168 countries
- UT produces more than 54,000 graduates annually
- UT employs more than 100,000 faculty, health care professionals and staff, making the System one of the largest employers in Texas
- UT health institutions host more than 7.3 million patient visits annually
- UT received the 4th largest number of U.S. patents of any higher education institution in the world in 2015
- 40% of degrees awarded by UT are in science, technology, engineering or mathematics (the STEM fields) and health related fields, higher than both state (32%) and national (31%) proportions
- 42.6% of degrees awarded in key fields (defined by the Texas Higher Education Coordinating Board [THECB] as computer science, engineering, mathematics and physical science) in Texas were earned at a UT institution

Economic Impact

UT institutions not only put students on a path to prosperity, they also drive tremendous amounts of economic activity for the state.

UT students leaving a System institution in 2013 earned \$2.14 billion working in Texas in 2014 alone. In comparison, UT institutions received \$2.06 billion in state

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appropriations.

Former UT students now employed in the Texas workforce add to the state economy as productive citizens. This results in increased tax revenue, lower unemployment rates, reduced dependency on government services, and a potential increase in spending on housing and consumer items.

UT graduates work in a wide variety of industries within the vast Texas economy – health care, energy, technology, finance, and beyond. Two areas where graduates are most often found working are critical for Texas' future – education and health care. As part of the return on public investment in UT institutions, UT graduates are doing their part to help educate the next generation and ensure the health of Texans.

Financing Sources

System Administration is financed through the Available University Fund (AUF), made up of annual distributions from the return on the Permanent University Fund (PUF). The PUF was created through the constitutional dedication of 1 million acres of West Texas lands in 1876. Supplemented by other lands and fueled by the oil and gas underneath the lands, along with historical returns on investments, the PUF now has a market value of \$17.5 billion.

The PUF and AUF, constitutionally shared 2/3 by the System and 1/3 by the Texas A&M University System (A&M), are invaluable resources that have allowed the University of Texas at Austin (UT Austin) and Texas A&M University in College Station to become Texas' only nationally ranked public research institutions as members of the Association of American Universities. But even at its current size, the PUF is a limited resource, without the capacity to support all the needs of the two systems for construction and operations.

The AUF is used first to pay the debt service on bonds issued by the UT and A&M systems. The remainder of the UT share is divided between System Administration and UT Austin for support and maintenance. The AUF cannot be used to support or maintain any of the other 13 UT institutions.

System Administration

The employees of System Administration add value to the state and every UT institution, stewarding resources; ensuring proper governance and oversight; and providing prudent management of the 14 institutions. System Administration employees facilitate opportunities for institutional collaboration and enhanced communication through a level of skill, knowledge and experience that either does not exist at many of the institutions or that can be more cost-effectively offered at a System-wide level.

Some functions of System Administration are necessary to ensure compliance with state and federal laws and regulations, as well as to establish and maintain consistent policies across all institutions. For example, the Offices of Academic Affairs and Health Affairs (OHA) provide direction to the eight academic and six health institution presidents and ensure compliance with laws and requirements of the THECB and other state and federal agencies. OHA also operates the consolidated application program that serves all of the public and private medical and dental schools in Texas.

The Office of General Counsel is the central law firm for all institutions and coordinates with legal staffs on the campuses on legal issues ranging from contracting and procurement to real estate, and provides a centralized claims and financial litigation capacity. The Office of External Relations leads in the development of philanthropic capacity to prompt more than \$1 billion in private gifts each year, from more than 250,000 donors, a critical revenue stream for all UT institutions. External Relations also ensures that the more than 14,000 endowments at UT institutions are administered in accordance with the donors' intent.

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System Administration operates a system-wide Compliance Office, which ensures adherence to state and federal laws and regulations involving privacy, environmental health and safety, and research. Many information technology functions are centralized as well, such as business enterprise software, information security, fiber-optic data services, and three data centers that provide business continuity.

The System Audit Office provides an internal audit function to each institution and to the Board and System Administration. Centralizing the audit function increases the independence of internal auditors and relieves institutions of these costs, costs that would otherwise be funded by tuition.

The Office of the Director of Police oversees the protection of life and property on all UT campuses by more than 1,400 commissioned peace officers. ODOP also operates a police academy that trains police from System and other university systems.

In order to save money and take advantage of the System's scale, System Administration centralizes numerous functions that other Texas university systems carry out on individual campuses. For example, while on-line learning is an increasingly important component of today's higher education model - facilitated at System by the Institute for Transformational Learning - most learning is still carried out on the distinct physical presence of each of the 14 UT campuses. Every year, System Administration's Office of Facilities Planning & Construction (OFPC) manages the construction and renovation of modern facilities at a pace that can approach \$1 billion a year, across 40 to 50 major projects. OFPC receives no direct state appropriations, but works on a per-project fee basis, meaning its work and size ebb and flow with campus needs.

Leveraging the scale of UT's health institutions, the Offices of Business Affairs and Health Affairs save money in a number of ways.

- An electronic payment program reduces use of paper checks and earns \$1 million in rebates annually
- Common software platforms generate significant savings and increase business efficiency through standardization of business practices
- Self-insurance of medical liability produces premiums considerably below market

System Administration Shared Services (Shared Services) facilitates cross-campus collaborative projects to save money and improve quality. Shared Services allows System to scale its strength, generating cost savings that can be redirected to institutions' core missions. For example, the Supply Chain Alliance secures better purchase terms than any individual institution could achieve on its own, resulting in savings of \$152 million to date, plus an additional \$14 million in incentives and administrative fees.

System Administration's Office of Risk Management oversees UT's self-insurance of workers' and unemployment compensation and property and liability protection. Estimated savings in 2015 from this self-insurance were more than \$25 million.

System Administration's Office of Employee Benefits (OEB) leverages the size and scope of the System to ensure that employees and retirees receive the best pricing possible. OEB contracts with 19 separate vendors to provide insurance, retirement and wellness benefits for over 200,000 subscribers and dependents, with operating expenses of less than 1% of the \$1.1 billion in premiums.

System Administration's Office of Strategic Initiatives (OSI) provides institutions with cost-saving access to important data for research and decision support. For example:

- UT System Dashboard provides access to data on affordability, student success, post-graduation earnings, research, health care, and state economic impact
- seekUT combines salary information with average student debt by major, providing students and parents with a realistic debt-to-income ratio one, five, and ten years

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after graduation, allowing families to make informed decisions and plan for their financial future

System Administration's Office of Finance assists the 14 institutions in financing capital projects and equipment. Because the System's credit ratings are far stronger than what any institution could achieve separately, projects are financed at the lowest possible cost of capital. In the last eight years, this has generated \$148 million of present value debt service savings through bond refunding transactions, \$21 million through interest rate swap activity, \$15-\$17 million annually by utilizing internal liquidity, and \$3 million by avoiding the use of external financial advisors.

Some System Administration initiatives that have drawn criticism actually add value and save money, such as the new building that will be occupied in summer 2017. System Administration currently occupies five aging buildings (one, O Henry Hall, has been sold to the Texas State University System and will become its offices when System Administration moves into its new building). The current costs of maintenance and repairs for these buildings is approximately \$4.8 million annually, compared to \$2.1 million for the new building. These savings, combined with the revenues produced from the redevelopment of the current buildings, will produce \$125 million over the next 30 years. No tuition or General Revenue is being used to finance the building.

Some System Administration offices add value through the generation of revenues. University Lands manages the PUF's 2.1 million acres in West Texas. In 2016, University Lands' administrative costs were \$1.50 per equivalent barrel of oil, while private sector costs are typically around \$4.00 a barrel. System Administration will explore with the Legislature how these lands can be better managed in a global 21st century business environment and how leasing and development of the lands can be modernized to keep pace with industry to maximize the value of the resources that go to the UT and A&M systems.

System Administration has recently completed an assessment to identify even more efficiencies and benefits for the institutions. As a result, System Administration will be smaller by the end of the 2017 fiscal year through a combination of the elimination of vacant positions, an announced voluntary separation program and potential reductions in force in fall 2016 and spring 2017. By continuing to assess our state's needs and evaluating and improving our performance, System Administration plans to achieve its goal for a leaner, more focused, and more highly specialized operation that will add even more value to UT institutions and the state.

Quantum Leaps

Building upon his predecessor's Framework for Advancing Excellence, Chancellor McRaven in November 2015 announced eight Quantum Leaps designed to help UT fulfill and accelerate its mission "to improve the human condition in Texas, our nation and our world" and fulfill its role as "a state university system with global impact." Legislative action to advance several Quantum Leaps will be discussed in the 85th Session.

The capacity of UT's health institutions and medical schools can be tapped to propel Texas forward in Leading the Brain Health Revolution, specifically by using our clinical, research and training resources, in collaboration with agencies like the Department of State Health Services (DSHS), to enhance the provision of mental and behavioral health care in Texas. Under the leadership of DSHS, UT can provide physicians, residents, administrators and staff to operate rebuilt and new state mental health hospitals in East, Central and North Texas. UT institutions can also collaborate for expanded training programs and research designed to meet the mental and behavioral health needs of Texans.

Leading the Brain Health Revolution in other areas such as traumatic brain injury and Alzheimer's can be achieved by UT's health institutions through exceptional item funding for the Texas Institute for Brain Injury and Repair at UT Southwestern Medical Center and the Barshop Institute for Aging Studies at UT Health Science Center – San Antonio.

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The System can use its statewide Health Care Enterprise to improve health care throughout Texas by working with other systems and providers on the expansion of the telemedicine infrastructure. The Board in February 2016 used the AUF to establish the UT Virtual Health Network (VHN). UT Medical Branch, with its experience and expertise in using telemedicine for correctional care, leads the VHN. UT intends to develop with other university systems a proposal to build on the VHN to improve mental and behavioral care through initiatives like tele-psychiatry and in more efficient and productive delivery of health care in rural Texas.

The UT Network for National Security currently has more than 40 centers, institutes and laboratories focusing on issues related to our nation's security, including world-class expertise in cyber-security, one of the greatest threats to our economy and communities. UT wants to grow this expertise and make it more available within Texas, for example through the Cyber and Cloud Computing initiative at UT San Antonio (UTSA), for which UTSA is seeking exceptional item funding.

The System believes there are opportunities through the UT System Expansion in Houston to work with others to help make the nation's fourth largest city, and by extension the State of Texas, an even greater international intellectual and innovation hub. The System has acquired more than 300 acres near the Texas Medical Center through the PUF, at a cost of \$14 million per year over 30 years, as a "blank canvas" for this effort. A diverse task force of Houstonians will help design the blueprint for this effort, and System will bring the recommendations of the task force to the Legislature and the THECB for consideration before implementation of a plan that will span generations.

UT knows that advancing its institutions and Texas can only be accomplished if we as a state Win the Talent War. System Administration is strategically using the AUF through the Science and Technology Acquisition and Retention [STARs] program to recruit outstanding faculty and researchers to Texas. These efforts are enhanced by the state's commitment to other initiatives such as the Cancer Prevention and Research Institute of Texas (CPRIT) and its \$3 billion in voter-approved bonds; the Governor's University Research Initiative (GURI), which recently announced its first awards to attract National Academy members to Texas, including two to UT Austin; and the very successful Texas Research Incentive Program (TRIP).

UT acknowledges its responsibility not only to the students on its campuses today but to those who will come in the future. The Texas Prospect Initiative seeks to address this duty by enhancing the educational pipeline and increasing access to higher education through dual credit programs, early college high schools and math and science academies; improved literacy; and better high school counseling and teacher preparation. The Prospect Initiative, which will span several years, is in its early stages of development, and System looks forward to collaborating with the Texas Education Agency and Commissioner Mike Morath in these areas and to the success of programs such as the Institute for P16 progress at UT Arlington.

Some of the Quantum Leaps are focused on internal issues and will not require legislative action, such as the American Leadership Program, designed to equip every UT student with the character and skills to be a leader in their field, and our effort toward Enhancing Fairness and Opportunity, designed to enhance the diversity of System and institutions' leadership through an "Opportunity Rule" that guarantees underrepresented minority and women candidates are finalists for senior positions and a commitment to gender equity in compensation.

A ninth Quantum Leap, sustained from the Framework for Advancing Excellence, is Student Success - an integral thread through all UT's efforts. Graduation rates at UT institutions, even at UT Austin where they are the best in Texas, are not acceptable. The System will commit resources and effort to dramatically improve these rates in the next few years. Exceptional item requests from institutions will also further Student Success, such as the Student Success Initiatives at UT El Paso, the 1st Generation Access, Attendance and Graduation program at UT Permian Basin, and the College Completion initiative at UTSA.

Legislative Issues

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Other issues that will come before the Legislature are critically important to UT.

The System knows the challenges to the Texas economy since the end of the 84th Session and respects the leadership of Governor Abbott, Lt. Governor Patrick and Speaker Straus in prudently asking on state agencies to respond to these changed economic conditions by requesting only 96% of current General Revenue appropriations. The System is doing so. At the same time, however, we must note the results of these reduced appropriations. In the case of System Administration, \$200,000 would be cut (\$480,000 with the additional 10% reduction) from the resources we provide to the Texas Heart Institute (THI) for our valuable collaboration through which THI provides training opportunities for medical students, particularly those at the new Dell Medical School at UT Austin and the new UT Rio Grande Valley (UTRGV) Medical School. Each UT institution has noted in its LAR similar consequences from these reductions, and some System institutions have made an exceptional item request for the legislature to restore the reduction and have determined the priority of that request in comparison to other exceptional items. In each instance, restoration of the funding to current levels will allow the continuation of valuable services and programs. Likewise, System Administration request that restoration for THI, but is requesting no increases in state funding.

Of greater concern is the continuation of stable formula funding through the Instruction and Operations, Infrastructure, Research and Graduate Medical Education formulas administered by the THECB. In light of the reduced state appropriations per student for operations over the last several years, even with the Legislature's significant additional investment in higher education in 2015 -- for which UT is most grateful -- a sustained state commitment to formula funding, taking into account growth in enrollment, space, and research expenditures and the pace of inflation, is critical to maintaining the positive trajectory of our institutions. This formula funding is essential to the successful start-up of the new medical schools at UT Austin and UTRGV, both of which seek funding at rates equal to those allocated to the other health-related institutions. This is even more critical if Texas is to meet the vision of the THECB's groundbreaking 60X30TX strategic plan and produce the workforce Texas needs for a vibrant and prosperous future.

Adequate formula funding is the foundation for success for all UT institutions, but the research expenditure-based formulas are especially key to the future of UT Austin as one of the state's two public academic flagships, as well as to the continued development of the four emerging UT research institutions in Arlington, Dallas, El Paso and San Antonio. Additional investment in the Research Formula for the health institutions can spur research commercialization and economic development in this vital part of the state's intellectual infrastructure.

In addition, the special item funding that has been provided to all institutions in previous sessions goes to support critical special initiatives and programs, often ones very important to local economies and communities.

Recognizing the extraordinary investment in capital construction made by the 84th Legislature, UT institutions request no additional bonding authority. We do request both the first and second years of debt service on the tuition revenue bonds authorized in 2015, all of which will be issued by December, consistent with these funds being an exception to the requested reduction in baseline appropriations.

Always looking ahead to the future, UT institutions are proposing a range of new exceptional items, all of which have been reviewed and approved by the Board.

Other sources of funds are important for the state's and UT's research efforts, such as the grants for cancer research and prevention through CPRIT, the recruitment of distinguished researchers to Texas from other states through GURI, and the continuing partnership with generous Texas philanthropists through TRIP. UT System believes the continuation and expansion of all of these by the Legislature is justified, whether it is the extension of CPRIT to 2025, more funding for GURI and its extension to recruit rising star researchers, or funds to relieve the backlog in TRIP-eligible gifts and match the generosity of Texas philanthropists.

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Another significant source of revenue for institutions' operations is tuition. Tuition rates have increased throughout higher education since 2003, when boards of regents were allowed to establish designated tuition rates. But overall the increases are attributable almost directly to offset reductions in state appropriations, when assessed on a per student basis and taking inflation into account.

Within the System, after significant increases immediately after 2003, the rates of increase declined just as significantly. In fact, UT institutions were among the lowest in the state in terms of increases from 2011 to 2015, with no increases whatsoever at UT Austin or UT Arlington during this period. The Regents in April 2016 made modest adjustments in tuition rates for the 2016 and 2017 academic years, at a level necessary to keep pace with growth and inflation and to provide adequate operating revenues in the ever-increasing competitive national environment for faculty and researchers. Even with these increases, UT institutions still are among the most affordable in the state compared with other institutions, and in the nation among their peers, with UT Austin next to lowest among its competing national public research universities. The affordability of a UT System education is also seen in that students from families making less than \$60,000, on average, pay no tuition, and those with incomes less than \$80,000 pay only very low amounts of tuition. Affordability is also seen in that the debt of UT students is less than state and national averages.

Overall UT System believes the state's system for setting tuition and fees works and does not need to be modified.

A discussion of tuition must also include the set-asides from tuition the Legislature has previously authorized. These state mandates are used by institutions as another source of financial aid to supplement federal Pell Grants and TEXAS Grants, which still do not reach all eligible students. In some cases, they are the only source of financial assistance an institution can provide to students from middle-class backgrounds, and as such are an important tool for college affordability.

Any discussion of tuition must also include the burdens to institutions in the form of the foregone tuition resulting from numerous statutory exemptions and waivers.

One exemption imposing a much higher than originally expected cost is the Legacy exemption under the Hazlewood Act. No one in higher education wishes to alter the tuition exemption that has been rightly earned by Texas veterans who have sacrificed for their nation. But the Legacy exemption, only in place since 2009, has proven far costlier than projected and should be addressed by the Legislature, whether through policy changes or funding for the benefit. The Legacy exemption resulted in lost tuition revenues of more than \$177 million across all Texas institutions in the 2015 academic year, with UT institutions' share being \$45.9 million. The cost of the Legacy exemption (approximately \$278 per student) is ultimately borne by other students.

At the same time, other exemptions and waivers are important for the future of Texas and should be maintained. In-state tuition for deserving high school graduates who came to the United States with their parents is one example of a beneficial exemption. Other exemptions and waivers whose costs from foregone tuition add great value relate to graduate students, whose services in classrooms and laboratories increase the efficiency and productivity of faculty and researchers, and for out-of-state scholarship students, as Texas competes with neighboring states to bring the best young scholars to our state.

Other costs to higher education come through regulation. During the Sunset process in 2013, the relationship of the THECB and higher education was properly rebalanced, as the Legislature took note of the sophistication of boards of regents, which provide outstanding leadership and proper oversight. This balance, having been recalibrated only four years ago, should be maintained. Recent regulatory statutes have also presented unanticipated consequences, such as new regulation of contracting and procurement practices from the 84th Session, the conflicts of interest requirements of which pose special challenges for governing boards that could be reconsidered.

Some actions of the 84th Legislature, such as campus carry, prompted fears that costly disruptions on campuses might occur. Thankfully none have taken place. The prescribed statutory process for a careful campus-by-campus analysis of the appropriate implementation of the law, including designation of limited exclusion zones, has worked, such that the Legislature should find no need to revisit the law.

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Finally, in addition to all the many other funding and policy factors that affect higher education, the composition of the student bodies at our institutions is critically important for the future of Texas.

With guidance from the U.S. Supreme Court in the Fisher case in June, UT Austin and the System will again ask the Legislature to reconsider the state's Top 10% Law, with the goal of ensuring the success of the students who come to UT Austin as a top-ranked national research university.

Criminal Background Checks

System Administration's policy is to obtain criminal history information on all finalists considered for appointment to all positions, as they are all deemed security sensitive, as allowed by Government Code Section 411.094 and Education Code Section 51.125.

THE UNIVERSITY OF TEXAS SYSTEM

UT System Board of Regents

FTE: 3.0

Paul L. Foster, Chairman, El Paso, term expires February 2019
 R. Steven Hicks, Vice Chairman, Austin, term expires February 2021
 Jeffrey D. Hildebrand, Vice Chairman, Houston, term expires February 2019
 Alex M. Cranberg, Regent, Houston, term expires February 2017
 Wallace L. Hall, Jr. Regent, Dallas, term expires February 2017
 Brenda Pejovich, Regent, Dallas, term expires February 2017
 Ernest Aliseda, Regent, McAllen, term expires February 2019
 David J. Beck, Regent, Houston, term expires February 2021
 Sara Martinez Tucker, Dallas, term expires February 2021
 Varun P. Joseph, Student Regent, San Antonio, term expires May 2017

General Counsel to the Board of Regents
Francie A. Frederick
 FTE: 8.9

Chief Audit Executive
Michael Peppers
 FTE: 61.3

Chancellor
William H. McRaven
 FTE: 16.5

Deputy Chancellor and Chief Operating Officer
David E. Daniel
 FTE: 311.6

Academic Campus Presidents
 UT Arlington - **Vistasp M. Karbhari**
 UT Austin - **Gregory L. Fenves**
 UT Dallas - **Richard C. Benson**
 UT El Paso - **Diana S. Natalicio**
 UT Permian Basin - **W. David Watts**
 UT Rio Grande Valley - **Guy Bailey**
 UT San Antonio - **Ricardo Romo**
 UT Tyler - **Rodney H. Mabry**

Health Institution Presidents
 UT Southwestern - **Daniel K. Podolsky**
 UTMB Galveston - **David L. Callender**
 UTHSC Houston - **Giuseppe N. Colasurdo**
 UTHSC San Antonio - **William L. Henrich**
 MD Anderson - **Ronald DePinho**
 UTHSC Tyler - **Kirk A. Calhoun**

Vice Chancellor and Chief Governmental Relations Officer
Barry R. McBee
 FTE: 24.0

Vice Chancellor for External Relations
Randa S. Safady
 FTE: 31.0

Vice Chancellor and General Counsel
Daniel H. Sharporn
 FTE: 59.2

Vice Chancellor for Strategic Initiatives
Stephanie A. Huie
 FTE: 24.1

Executive Vice Chancellor for Business Affairs
Scott C. Kelley
 FTE: 158.6

Executive Vice Chancellor for Academic Affairs
Steven Leslie
 FTE: 71.3

Executive Vice Chancellor for Health Affairs
Raymond S. Greenberg
 FTE: 27.5

Budget Overview - Biennial Amounts
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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 Appropriation Years: 2018-19

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS	
	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2018-19	
Goal: 2. Provide Infrastructure Support												
2.1.1. Debt Service - Nserb	13,071,326	11,765,573								13,071,326	11,765,573	
Total, Goal	13,071,326	11,765,573								13,071,326	11,765,573	
Goal: 7. Tobacco Funds												
7.1.1. Tobacco Earnings - Rahc							2,503,070	2,448,000		2,503,070	2,448,000	
Total, Goal							2,503,070	2,448,000		2,503,070	2,448,000	
Goal: 8. Trusteed Funds for Health Programs												
8.1.2. Heart Inst - Adult Stem Cell Pgm	5,000,000	4,800,000								5,000,000	4,800,000	200,000
Total, Goal	5,000,000	4,800,000								5,000,000	4,800,000	200,000
Total, Agency	18,071,326	16,565,573					2,503,070	2,448,000		20,574,396	19,013,573	200,000
Total FTEs										408.2	408.2	0.0

2.A. Summary of Base Request by Strategy

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85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

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Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>1</u> Provide Instructional and Operations Support					
<u>1</u> Provide Instructional and Operations Support					
11 SYSTEM OFFICE OPERATIONS	1,325,000	0	0	0	0
TOTAL, GOAL 1	<u>\$1,325,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2</u> Provide Infrastructure Support					
<u>1</u> Provide Operation and Maintenance of E&G Space					
1 DEBT SERVICE - NSERB	6,537,246	6,534,563	6,536,763	6,206,063	5,559,510
TOTAL, GOAL 2	<u>\$6,537,246</u>	<u>\$6,534,563</u>	<u>\$6,536,763</u>	<u>\$6,206,063</u>	<u>\$5,559,510</u>
<u>7</u> Tobacco Funds					
<u>1</u> Tobacco Earnings for Research					
1 TOBACCO EARNINGS - RAHC	1,213,827	1,245,535	1,257,535	1,224,000	1,224,000
TOTAL, GOAL 7	<u>\$1,213,827</u>	<u>\$1,245,535</u>	<u>\$1,257,535</u>	<u>\$1,224,000</u>	<u>\$1,224,000</u>

2.A. Summary of Base Request by Strategy

10/14/2016 3:16:13PM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

720 The University of Texas System Administration

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
8 Trusteed Funds for Health Programs					
1 Trusteed Funds for Health Programs					
2 HEART INST - ADULT STEM CELL PGM	0	2,500,000	2,500,000	2,400,000	2,400,000
TOTAL, GOAL 8	\$0	\$2,500,000	\$2,500,000	\$2,400,000	\$2,400,000
TOTAL, AGENCY STRATEGY REQUEST	\$9,076,073	\$10,280,098	\$10,294,298	\$9,830,063	\$9,183,510
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$9,076,073	\$10,280,098	\$10,294,298	\$9,830,063	\$9,183,510
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	7,862,246	9,034,563	9,036,763	8,606,063	7,959,510
SUBTOTAL	\$7,862,246	\$9,034,563	\$9,036,763	\$8,606,063	\$7,959,510
Other Funds:					
822 Permanent Endowment FD UTRAC	1,213,827	1,245,535	1,257,535	1,224,000	1,224,000
SUBTOTAL	\$1,213,827	\$1,245,535	\$1,257,535	\$1,224,000	\$1,224,000
TOTAL, METHOD OF FINANCING	\$9,076,073	\$10,280,098	\$10,294,298	\$9,830,063	\$9,183,510

2.A. Summary of Base Request by Strategy

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Automated Budget and Evaluation System of Texas (ABEST)

720 The University of Texas System Administration

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:14PM

Agency code: 720

Agency name: The University of Texas System Administration

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>					
<u>1</u> General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2014-15 GAA)	\$7,865,600	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2016-17 GAA)	\$0	\$9,038,063	\$9,037,463	\$0	\$0
Regular Appropriations from MOF Table	\$0	\$0	\$0	\$8,606,063	\$7,959,510
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriation - Debt Service NSERB	\$(3,354)	\$(3,500)	\$(700)	\$0	\$0
TOTAL, General Revenue Fund	\$7,862,246	\$9,034,563	\$9,036,763	\$8,606,063	\$7,959,510
TOTAL, ALL GENERAL REVENUE	\$7,862,246	\$9,034,563	\$9,036,763	\$8,606,063	\$7,959,510

OTHER FUNDS

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:14PM

Agency code: 720 Agency name: The University of Texas System Administration

METHOD OF FINANCING Exp 2015 Est 2016 Bud 2017 Req 2018 Req 2019

OTHER FUNDS

822 Permanent Endowment Fund Account No. 822, UT Regional Academic Health Center

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)

\$1,175,000 \$0 \$0 \$0 \$0

Regular Appropriations from MOF Table (2016-17 GAA)

\$0 \$1,194,000 \$1,194,000 \$0 \$0

Regular Appropriations from MOF Table

\$0 \$0 \$0 \$1,224,000 \$1,224,000

BASE ADJUSTMENT

Revised Receipts - Distribution

\$19,000 \$18,000 \$30,000 \$0 \$0

Comments: Represents the difference between the estimated endowment distribution appropriated in the GAA and the actual distribution from the UT RAHC endowment

Revised Receipts - Interest

\$19,827 \$33,535 \$33,535 \$0 \$0

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:14PM

Agency code: 720

Agency name: The University of Texas System Administration

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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OTHER FUNDS

Comments: Represents interest earnings on distributions from the UT RAHC endowment

TOTAL,	Permanent Endowment Fund Account No. 822, UT Regional Academic Health Center	\$1,213,827	\$1,245,535	\$1,257,535	\$1,224,000	\$1,224,000
TOTAL, ALL	OTHER FUNDS	\$1,213,827	\$1,245,535	\$1,257,535	\$1,224,000	\$1,224,000
GRAND TOTAL		\$9,076,073	\$10,280,098	\$10,294,298	\$9,830,063	\$9,183,510

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:14PM

Agency code:	720	Agency name:	The University of Texas System Administration			
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019	
FULL-TIME-EQUIVALENT POSITIONS						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2014-15 GAA)	224.8	0.0	0.0	0.0	0.0	
Regular Appropriations from MOF Table (2016-17 GAA)	0.0	252.9	252.9	0.0	0.0	
Regular Appropriations from MOF table	0.0	0.0	0.0	408.2	408.2	
RIDER APPROPRIATION						
Art IX, Sec 6.10(a)(2), Board or Administrator FTE Adjustment (2014-15 GAA)	22.4	0.0	0.0	0.0	0.0	
Art IX, Sec 6.10(a)(2), Board or Administrator FTE Adjustment (2016-17 GAA)	0.0	25.3	25.3	0.0	0.0	
UNAUTHORIZED NUMBER OVER (BELOW) CAP						
Unauthorized Number - Number Over (Below) Cap	102.0	115.4	130.0	0.0	0.0	
TOTAL, ADJUSTED FTES	349.2	393.6	408.2	408.2	408.2	

NUMBER OF 100% FEDERALLY FUNDED FTES

2.C. Summary of Base Request by Object of Expense
 85th Regular Session, Agency Submission, Version 1.
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:15PM

720 The University of Texas System Administration

OBJECT OF EXPENSE	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1001 SALARIES AND WAGES	\$1,298,256	\$0	\$0	\$0	\$0
1002 OTHER PERSONNEL COSTS	\$26,744	\$0	\$0	\$0	\$0
2008 DEBT SERVICE	\$6,537,246	\$6,534,563	\$6,536,763	\$6,206,063	\$5,559,510
2009 OTHER OPERATING EXPENSE	\$1,213,827	\$3,745,535	\$3,757,535	\$3,624,000	\$3,624,000
OOE Total (Excluding Riders)	\$9,076,073	\$10,280,098	\$10,294,298	\$9,830,063	\$9,183,510
OOE Total (Riders)					
Grand Total	\$9,076,073	\$10,280,098	\$10,294,298	\$9,830,063	\$9,183,510

2.E. Summary of Exceptional Items Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/14/2016
 TIME : 3:16:15PM

Agency code: 720

Agency name: The University of Texas System Administration

Priority	Item	2018			2019			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Restoration of 4% reduction	\$100,000	\$100,000		\$100,000	\$100,000		\$200,000	\$200,000
Total, Exceptional Items Request		\$100,000	\$100,000		\$100,000	\$100,000		\$200,000	\$200,000

Method of Financing

General Revenue	\$100,000	\$100,000		\$100,000	\$100,000		\$200,000	\$200,000
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$100,000	\$100,000		\$100,000	\$100,000		\$200,000	\$200,000

Full Time Equivalent Positions

Number of 100% Federally Funded FTEs

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/14/2016
 TIME : 3:16:16PM

Agency code: 720 Agency name: The University of Texas System Administration

<i>Goal/Objective/STRATEGY</i>	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
1 Provide Instructional and Operations Support						
1 <i>Provide Instructional and Operations Support</i>						
11 SYSTEM OFFICE OPERATIONS	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, GOAL 1	\$0	\$0	\$0	\$0	\$0	\$0
2 Provide Infrastructure Support						
1 <i>Provide Operation and Maintenance of E&G Space</i>						
1 DEBT SERVICE - NSERB	6,206,063	5,559,510	0	0	6,206,063	5,559,510
TOTAL, GOAL 2	\$6,206,063	\$5,559,510	\$0	\$0	\$6,206,063	\$5,559,510
7 Tobacco Funds						
1 <i>Tobacco Earnings for Research</i>						
1 TOBACCO EARNINGS - RAHC	1,224,000	1,224,000	0	0	1,224,000	1,224,000
TOTAL, GOAL 7	\$1,224,000	\$1,224,000	\$0	\$0	\$1,224,000	\$1,224,000

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/14/2016
 TIME : 3:16:16PM

Agency code: 720 Agency name: The University of Texas System Administration

<i>Goal/Objective/STRATEGY</i>	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
8 Trusteed Funds for Health Programs						
1 <i>Trusteed Funds for Health Programs</i>						
2 HEART INST - ADULT STEM CELL PGM	\$2,400,000	\$2,400,000	\$100,000	\$100,000	\$2,500,000	\$2,500,000
TOTAL, GOAL 8	\$2,400,000	\$2,400,000	\$100,000	\$100,000	\$2,500,000	\$2,500,000
TOTAL, AGENCY STRATEGY REQUEST	\$9,830,063	\$9,183,510	\$100,000	\$100,000	\$9,930,063	\$9,283,510
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$9,830,063	\$9,183,510	\$100,000	\$100,000	\$9,930,063	\$9,283,510

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/14/2016
 TIME : 3:16:16PM

Agency code: 720		Agency name: The University of Texas System Administration				
<i>Goal/Objective/STRATEGY</i>	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
General Revenue Funds:						
1 General Revenue Fund	\$8,606,063	\$7,959,510	\$100,000	\$100,000	\$8,706,063	\$8,059,510
	\$8,606,063	\$7,959,510	\$100,000	\$100,000	\$8,706,063	\$8,059,510
Other Funds:						
822 Permanent Endowment FD UTRAC	1,224,000	1,224,000	0	0	1,224,000	1,224,000
	\$1,224,000	\$1,224,000	\$0	\$0	\$1,224,000	\$1,224,000
TOTAL, METHOD OF FINANCING	\$9,830,063	\$9,183,510	\$100,000	\$100,000	\$9,930,063	\$9,283,510
FULL TIME EQUIVALENT POSITIONS	408.2	408.2	0.0	0.0	408.2	408.2

3.A. Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:16PM

720 The University of Texas System Administration

GOAL: 1 Provide Instructional and Operations Support
 OBJECTIVE: 1 Provide Instructional and Operations Support
 STRATEGY: 11 System Office Operations

Service Categories:

Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,298,256	\$0	\$0	\$0	\$0
1002	OTHER PERSONNEL COSTS	\$26,744	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$1,325,000	\$0	\$0	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$1,325,000	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,325,000	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,325,000	\$0	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:		349.2	393.6	408.2	408.2	408.2

STRATEGY DESCRIPTION AND JUSTIFICATION:

The purpose of this strategy is to provide effective management of the component institutions and funds of The University of Texas System. The administration provides central services and coordination within U. T. System in the operations of the component institutions and in reporting to U. T. Board of Regents and external entities.

3.A. Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:16PM

720 The University of Texas System Administration

GOAL: 1 Provide Instructional and Operations Support
 OBJECTIVE: 1 Provide Instructional and Operations Support Service Categories:
 STRATEGY: 11 System Office Operations Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Various state laws and court decisions affecting higher education will have an impact on component institutions and System Administration. Program decisions made by component institutions require System Administration approval. Reporting requirements by the Board of Regents and other governing agencies impact the services provided by System Administration.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$0	\$0	\$0	\$0	N/A
			\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:16PM

720 The University of Texas System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space
 STRATEGY: 1 Debt Service for the Natural Science and Engr. Building at UT - Dallas

Service Categories:
 Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2008	DEBT SERVICE	\$6,537,246	\$6,534,563	\$6,536,763	\$6,206,063	\$5,559,510
TOTAL, OBJECT OF EXPENSE		\$6,537,246	\$6,534,563	\$6,536,763	\$6,206,063	\$5,559,510
Method of Financing:						
1	General Revenue Fund	\$6,537,246	\$6,534,563	\$6,536,763	\$6,206,063	\$5,559,510
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$6,537,246	\$6,534,563	\$6,536,763	\$6,206,063	\$5,559,510
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$6,206,063	\$5,559,510
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$6,537,246	\$6,534,563	\$6,536,763	\$6,206,063	\$5,559,510

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy includes funding pursuant to Education Code Section 55.17521 intended to reimburse The University of Texas System for debt service on long-term obligations related to the construction of a natural science and engineering research building at The University of Texas at Dallas in accordance with the economic development agreement entered into between this state and the Board of Regents of the U. T. System.

3.A. Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:16PM

720 The University of Texas System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space
 STRATEGY: 1 Debt Service for the Natural Science and Engr. Building at UT - Dallas

Service Categories:
 Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$13,071,326	\$11,765,573	\$(1,305,753)	\$(1,305,753)	Change in debt service based on actual requirements for the construction of a natural science and engineering research building at U.T. Dallas not exceeding funding levels specified in TEC 55.17521.
			<u>\$(1,305,753)</u>	Total of Explanation of Biennial Change

3.A. Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:16PM

720 The University of Texas System Administration

GOAL: 7 Tobacco Funds
 OBJECTIVE: 1 Tobacco Earnings for Research Service Categories:
 STRATEGY: 1 Tobacco Earnings for the Lower Rio Grande Valley RAHC Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$1,213,827	\$1,245,535	\$1,257,535	\$1,224,000	\$1,224,000
TOTAL, OBJECT OF EXPENSE		\$1,213,827	\$1,245,535	\$1,257,535	\$1,224,000	\$1,224,000
Method of Financing:						
822	Permanent Endowment FD UTRAC	\$1,213,827	\$1,245,535	\$1,257,535	\$1,224,000	\$1,224,000
SUBTOTAL, MOF (OTHER FUNDS)		\$1,213,827	\$1,245,535	\$1,257,535	\$1,224,000	\$1,224,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,224,000	\$1,224,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,213,827	\$1,245,535	\$1,257,535	\$1,224,000	\$1,224,000

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Funding for this strategy is derived from annual distributions of Permanent Health Funds established Section 63.101 of the Texas Education Code. These are appropriated for research and other programs that are conducted by the institution and that benefit the public health.

The proceeds are used by The University of Texas Health Science Center at Houston and The University of Texas Rio Grande Valley for activities related to the Regional Academic Health Centers and UTRGV School of Medicine located in the Lower Rio Grande Valley.

3.A. Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:16PM

720 The University of Texas System Administration

GOAL: 7 Tobacco Funds
 OBJECTIVE: 1 Tobacco Earnings for Research Service Categories:
 STRATEGY: 1 Tobacco Earnings for the Lower Rio Grande Valley RAHC Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,503,070	\$2,448,000	\$(55,070)	\$(55,070)	change based on projected annual distributions of the Permanent Health Funds.
			<u>\$(55,070)</u>	Total of Explanation of Biennial Change

3.A. Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:16PM

720 The University of Texas System Administration

GOAL:	8	Trusteed Funds for Health Programs	
OBJECTIVE:	1	Trusteed Funds for Health Programs	Service Categories:
STRATEGY:	2	Heart Institute - Adult Stem Cell Program	Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$0	\$2,500,000	\$2,500,000	\$2,400,000	\$2,400,000
TOTAL, OBJECT OF EXPENSE		\$0	\$2,500,000	\$2,500,000	\$2,400,000	\$2,400,000
Method of Financing:						
1	General Revenue Fund	\$0	\$2,500,000	\$2,500,000	\$2,400,000	\$2,400,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$2,500,000	\$2,500,000	\$2,400,000	\$2,400,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,400,000	\$2,400,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$2,500,000	\$2,500,000	\$2,400,000	\$2,400,000

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Created in the 81st Legislature to provide pass-through funding to the Texas Heart Institute to conduct stem cell research. Beginning in 2016, funds were trusteed to UT System Administration.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Additional information for this strategy is available in Schedule 9, Special Item Information.

3.A. Strategy Request
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720 The University of Texas System Administration

GOAL: 8 Trusteed Funds for Health Programs
 OBJECTIVE: 1 Trusteed Funds for Health Programs
 STRATEGY: 2 Heart Institute - Adult Stem Cell Program

Service Categories:
 Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$5,000,000	\$4,800,000	\$(200,000)	\$(200,000)	change results from the required reductions to the 2018-19 baseline
			\$(200,000)	Total of Explanation of Biennial Change

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$9,076,073	\$10,280,098	\$10,294,298	\$9,830,063	\$9,183,510
METHODS OF FINANCE (INCLUDING RIDERS):				\$9,830,063	\$9,183,510
METHODS OF FINANCE (EXCLUDING RIDERS):	\$9,076,073	\$10,280,098	\$10,294,298	\$9,830,063	\$9,183,510
FULL TIME EQUIVALENT POSITIONS:	349.2	393.6	408.2	408.2	408.2

3.A.1. PROGRAM-LEVEL REQUEST SCHEDULE
 85th Regular Session, Agency Submission, Version 1

Agency Code: 720		Agency: The University of Texas System Administration				Prepared By: Randy Wallace					
Date: August 2016						16-17	Requested	Requested	Biennial Total	Biennial Difference	
Goal	Goal Name	Strategy	Strategy Name	Program	Program Name	Base	2018	2019	18-19	\$	%
A	Infrastructure Support	A.1.1	Debt Service - NSERB	A.1.1	Debt Service - NSERB	\$13,071,326	\$6,206,063	\$5,559,510	\$11,765,573	(\$1,305,753)	-10.0%
B	Tobacco Funds	B.1.1	Tobacco Earnings - RAHC	B.1.1	Tobacco Earnings - RAHC	\$2,503,070	\$1,224,000	\$1,224,000	\$2,448,000	(\$55,070)	-2.2%
C	Health Programs	C.1.1	Heart Inst - Adult Stem Cell Pgm	C.1.1	Heart Inst - Adult Stem Cell Pgm	\$5,000,000	\$2,500,000	\$2,500,000	\$5,000,000	\$0	0.0%
Total Strategies						\$20,574,396	\$9,930,063	\$9,283,510	\$19,213,573	(\$1,360,823)	-6.6%

3.B. Rider Revisions and Additions Request

Agency Code: 720	Agency Name: The University of Texas System Administration	Prepared By: Randy Wallace	Date: October 17, 2016	Request Level: Base
Current Rider Number	Page Number in 2016-17 GAA	Proposed Rider Language		
Higher Education Employees Group Insurance Contributions Rider 6 (h)	III-40	<p>6. Appropriations Transfers.</p> <p>h. Notwithstanding subsection (a), funds appropriated above to The University of Texas Health Science Center at San Antonio may be transferred to The University of Texas Rio Grande Valley for the purpose of funding group insurance for employees of The University of Texas Rio Grande Valley School of Medicine at the discretion of the chief administrative officer of The University of Texas System.</p> <p><i>This provision is no longer necessary. All U. T. Rio Grande Valley School of Medicine employees should be included in U. T. Rio Grande Valley higher education group insurance counts to be reported on December 1, 2016.</i></p>		

**3.B. Rider Revisions and Additions Request
(continued)**

<p>U. T. System Administration Rider 4</p>	<p align="center">III-60</p>	<p>4. Estimated Appropriation and Unexpended Balance.</p> <ul style="list-style-type: none"> a. Included in the amounts appropriated above are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Lower Rio Grande Valley Regional Academic Health Center. b. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference. c. All balances of estimated appropriations from the Permanent Endowment Fund for the Lower Rio Grande Valley Regional Academic Health Center, except for any General Revenue, at the close of the fiscal year ending August 31, 20175, and the income to said fund during the fiscal years beginning September 1, 20175, are hereby appropriated. Any unexpended appropriations made above as of August 31, 20186, are hereby appropriated for the same purposes for fiscal year 20197. <p><i>U. T. System requests that the dates in the rider be updated.</i></p>
<p>U. T. System Administration Rider 5</p>	<p align="center">III-61</p>	<p>5. Reporting Requirement for Capital Projects for The University of Texas System Administration. By December 1 of each year, The University of Texas System shall submit a report to the Legislative Budget Board for the prior fiscal year that includes information on all capital construction projects paid for with funds appropriated by this Act, having a cost in excess of \$1,000,000 and having the purpose of directly supporting the administration and operation of The University of Texas System Administration or the Board of Regents of The University of Texas System. The report must include at a minimum for each capital project: (1) the purpose of the project; (2) the total cost of the project; (3) the source of funding for the project; (4) the savings achieved by the project; and (5) any other information requested by the Legislative Budget Board.</p> <p><i>Request elimination of the rider. U. T. System Administration Replacement Office Building is expected to be completed in calendar year 2017 and no further projects are expected to be reported upon its completion.</i></p>

**3.B. Rider Revisions and Additions Request
(continued)**

<p>Available National Research University Fund Rider 1 and Rider 2 (New)</p>	<p align="center">III-64</p>	<p>1. Distribution to Eligible Institutions. There is hereby appropriated to each eligible institution for the biennium ending August 31, 2019, that portion of the earnings from the National Research University Fund distributed to it by Article VII, §20 of the Texas Constitution. Pursuant to Article VII, §20 of the Texas Constitution, <u>together with any interest on balances attributable to the eligible institutions.</u> Each eligible institution must use its National Research University Fund appropriation only for the support and maintenance of educational and general activities that promote increased research capacity at the institution.</p> <p>2. Unexpended Balances. <u>All balances of appropriations from the National Research University Fund to each eligible institution at the close of the fiscal year ending August 31, 2019, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2018, are hereby appropriated to the institution for the same purposes for fiscal year 2019.</u></p> <p><i>U. T. System anticipates at least one of its institutions will be eligible for participation in this fund in the 2018-19 biennium and requests Unexpended Balance authority between fiscal years in a manner similar to that granted for the various tobacco endowments as well as authority to earn and retain interest like other constitutional funds.</i></p>
<p>Permanent Fund Supporting Military and Veterans Exemptions Rider 2 (New)</p>	<p align="center">III-65</p>	<p>2. Unexpended Balances.</p> <p><u>All balances of appropriations from the Permanent Fund Supporting Military and Veterans Exemptions to each eligible institution at the close of the fiscal year ending August 31, 2017, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2018, are hereby appropriated to the institution for the same purposes for fiscal year 2019.</u></p> <p><i>U. T. System requests Unexpended Balance authority between fiscal years in a manner similar to that granted for the various tobacco endowments.</i></p>

**3.B. Rider Revisions and Additions Request
(continued)**

<p>The University of Texas Rio Grande Valley</p>	<p>III-77</p>	<p>6. Appropriations in Support of the School of Medicine and the Regional Academic Health Center (RAHC). Included in appropriations above to The University of Texas Rio Grande Valley in Strategy C.4.1, School of Medicine, is \$30,698,950 in fiscal year 20186 and \$30,698,950 in fiscal year 20197 to support the establishment, operation, or administration of a medical school and the Regional Academic Health Center. Notwithstanding Article III, Special Provisions Relating Only to State Agencies of Higher Education, Sec. 4 Transfer Provisions of this Act, The University of Texas Rio Grande Valley may transfer appropriations to The University of Texas Health Science Center at San Antonio from Strategy C.4.1, School of Medicine in an amount not to exceed \$15,698,950 in fiscal year 20186 and \$15,698,950 in fiscal year 20197, to be used for services related to the Regional Academic Health Center or the medical school.</p> <p>For purposes of the requirements of Article IX, Sec. 6.08 Benefits Proportional by Fund of this Act, appropriations made to The University of Texas Rio Grande Valley and transferred to The University of Texas Health Science Center at San Antonio to be used for services related to the Regional Academic Health Center or the medical school shall be counted as if the transferred funds were directly appropriated to The University of Texas Health Science Center at San Antonio.</p> <p><i>UT System requests the update and continuation of this rider to ensure the efficient operation of the UT Rio Grande Valley School of Medicine and to facilitate the transition of all related functions from UT HSC San Antonio. Total appropriation amounts and Strategy numbers will potentially need to be updated beyond this request when they are known. UT System anticipates this rider will not be needed beyond the upcoming biennium.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>The University of Texas Health Science Center at San Antonio</p>	<p>III-180</p>	<p>3. Services Provided in Support of the Regional Academic Health Center (RAHC) and The University of Texas Rio Grande Valley School of Medicine. Notwithstanding limitations on appropriations transfers elsewhere in this Act, The University of Texas Health Science Center at San Antonio is authorized to use the funds appropriated by this Act to The University of Texas Rio Grande Valley for the purpose of providing services to The University of Texas Rio Grande Valley School of Medicine in an amount not to exceed \$15,698,950 in fiscal year 20186 and \$15,698,950 in fiscal year 20197, for the support of the Regional Academic Health Center or the establishment, operation, or administration of The University of Texas Rio Grande Valley School of Medicine.</p> <p>For purposes of the requirements of Article IX, Sec. 6.08 Benefits Proportional by Fund of this Act, appropriations made to The University of Texas Rio Grande Valley and transferred to The University of Texas Health Science Center at San Antonio for the support of the Regional Academic Health Center or the establishment, operation, or administration of The University of Texas Rio Grande Valley School of Medicine shall be counted as if the transferred funds were directly appropriated to The University of Texas Health Science Center at San Antonio.</p> <p><i>UT System requests the update and continuation of this rider to ensure the efficient operation of the UT Rio Grande Valley School of Medicine and to facilitate the full transition of all related functions from UT HSC San Antonio. UT System anticipates this rider will not be needed beyond the upcoming biennium.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 4</p>	<p>III-246</p>	<p>Sec. 4. Transfer Provisions.</p> <p>1. Intercomponent Transfers. With the approval of the respective governing board, appropriation transfers may be made among medically-related components and their associated system administration, among academic component institutions and their associated system administration, and among component technical colleges controlled by the board, and within each institution, transfers may be made between informational items of appropriation for the general academic institutions, health centers, health science centers, medical education programs, and technical colleges regardless of whether the informational items are general revenue or local funds in character. Transfers may not be made from medically-related components to academic components or from academic components to medically-related components except that transfers may be made from schools of <u>medicine</u>, nursing, pharmacy, and allied health in academic components to medically-related components and from medically-related components into the health-related programs listed above in academic components. Transfers may not be made into the informational items setting the salary rate for the president, chancellor, or for any other line-item salary shown. Nothing in this section shall authorize the transfer of appropriations from Texas A&M University System Agencies to Texas A&M University.</p> <p><i>With the addition of the medical schools at U. T. Austin and U. T. Rio Grande Valley, U. T. System requests the transfer authority at academic institutions relating to nursing, pharmacy and allied health be expanded to include schools of medicine.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 5</p>	<p>III-248</p>	<p>Sec. 5. Salary and Benefit Provisions.</p> <p>7. Administrative Accountability</p> <p>a. In each state fiscal year of the biennium, an institution of higher education, including a system office, may not spend funds appropriated to the institution by this Act unless, not later than December 1, the institution submits to the Legislative Budget Board, the chair of the House Appropriations Committee, and the chair of the Senate Finance Committee a report that includes the total number of persons holding high-ranking administrative positions at the institution.</p> <p>b. For purposes of subsection (a), "high-ranking administrative position" includes the following positions:</p> <ol style="list-style-type: none"> (1) chancellor; (2) vice chancellor; (3) associate chancellor; (4) assistant chancellor; (5) president; (6) vice president; (7) associate vice president; (8) assistant vice president; (9) dean; (10) associate dean; (11) assistant dean; and (12) any other administrative position having similar responsibilities to the other positions listed in this subsection. <p>c. A report submitted under subsection (a) must:</p> <ol style="list-style-type: none"> (1) be in a form prescribed by the Legislative Budget Board; (2) include the name, salary, and total value of non salary benefits for each person holding a high administrative position at the institution; and (3) include the percentage salary increase for each person holding a high-ranking administrative position at the institution who occupies the same position during the current fiscal year as during the preceding fiscal year. <p>d. Not later than the seventh day after the date an institution of higher education submits the report required by subsection (a), the institution shall make a copy of the report available for public inspection in the library of the institution.</p> <p><i>U. T. System requests this rider change relating to the administrative accountability report. This report is published by the Legislative Budget Board in their website and available for public inspection.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 16</p>	<p align="center">III-252</p>	<p>Sec. 16. Compliance with Uniform Recruitment and Retention Strategy. Institutions of higher education shall use the appropriations in this Act to give top priority and consideration to compliance with the spirit and mandates of the Uniform Recruitment and Retention Strategy.</p> <p><i>Senate Bill 5 passed by the 82nd Legislature, repealed Section 61.086 (Uniform Recruitment and Retention Strategy) of the Texas Education Code.</i></p>
<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 40</p>	<p align="center">III-259</p>	<p>Sec. 40. Appropriation of Funds from the Permanent Health Fund for Higher Education. Included in the amounts appropriated to health related institutions of higher education is an estimated appropriation based on the institution's allocation of the estimated earnings out of the Permanent Health Fund for Higher Education for each fiscal year of the biennium. Amounts available for distribution from this fund are estimated to be \$21,420,000 20,895,000 each fiscal year of the biennium. The funds appropriated out of the Permanent Health Fund for Higher Education shall be distributed to the institutions of higher education in accordance with Education Code §63.003 for the purpose of medical research, health education, or treatment programs.</p> <p><i>U. T. System requests the change to update the amount with the 2017 distribution approved by the U. T. System Board of Regents.</i></p>

**3.B. Rider Revisions and Additions Request
(continued)**

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 43</p>	<p>III-260</p>	<p>Sec. 43. Limitation on Use of Funds.</p> <p>1.—State agencies and institutions of higher education that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release in this Article shall submit a budget by November 1 of each year of the biennium to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency or institution of higher education. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget.</p> <p>2.—Authorized managers of permanent funds and endowments whose earnings are appropriated in this article shall provide a copy of year end financial reports to the Legislative Budget Board and the Governor by November 1 of each year of the biennium. These reports should include, at a minimum, an income statement and balance sheet for each fund, and a summary of the investment return of the fund during the preceding fiscal year.</p> <p><i>U. T. System requests the deletion of Provision 2 within this rider. In 2011, Senate Bill 5, Sections 9.01(b)(10) and (11) eliminated reporting requirements for actual tobacco expenses and elimination of provision 2 conforms with that change.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 49</p>	<p>III-261</p>	<p>Sec. 49. Report Concerning Designated Tuition.</p> <p>(a) Not later than January 1, 2018 2016, the governing board of each public institution of higher education that charges students designated tuition under §54.0513, Education Code, shall use the appropriations in the Act to report to the legislature, for the 2016-2017 2013-2014 and 2017-2018 2015-2016 academic years:</p> <ul style="list-style-type: none"> (1) the amount the institution has collected in designated tuition; (2) the purposes for which the institution spent the money derived from designated tuition and the amount of that money spent for each of those purposes; and (3) the amount set aside from designated tuition for resident undergraduate and graduate student assistance under §§56.011 and 56.012, Education Code and how these amounts are allocated under the following categories. <ul style="list-style-type: none"> (a) grants (b) scholarships, (c) work-study programs, (d) students loans, (e) and student loan repayment assistance. <p>(b) Reports required by this section shall be delivered to the Lieutenant Governor, the Speaker of the House, the chair of the Senate Finance Committee, <u>and</u> the chair of the House Appropriations Committee, and the members of the Legislative Oversight Committee on Higher Education.</p> <p><i>U. T. System requests that the dates in the rider be updated and in a manner to reflect the years that have been historically reported. U. T. System also requests deletion of the reference to the Legislative Oversight Committee on Higher Education as that committee does not currently exist.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 59</p>	<p align="center">III-265</p>	<p>Sec. 60. Texas Collegiate License Plate Scholarships. The funds provided to the Texas Collegiate License Plate Scholarships program are appropriated in accordance with Transportation Code §504.615 to provide scholarships for students who demonstrate a need for financial assistance. <u>All balances of appropriations from the Texas Collegiate License Plate Scholarships program to each eligible institution at the close of the fiscal year ending August 31, 2017, are hereby appropriated.</u> Any balances on hand at the end of fiscal year 20186 may be carried over to fiscal year 20197 and such funds are appropriated for fiscal year 20197 for the same purpose.</p> <p>In addition to educational and general funds amounts appropriated by this Act, all unexpended balances that may exist and all receipts deposited in the state treasury during the biennium beginning September 1, 20175, to the credit of the institutions of higher education as provided by VTCA, Transportation Code §504.615, estimated to be \$434,611 in fiscal year 20186 and \$434,611 in fiscal year 20197, are appropriated for that period to the institution of higher education for which the receipts are credited for the purpose of providing scholarships for students who demonstrate a need for financial assistance.</p> <p>The following is a list of estimated collegiate license plate revenue amounts¹ for fiscal years 20186 and 20197.</p> <p><i>(The remainder of the rider will be updated for appropriation amounts)</i></p> <p><i>U. T. System requests modification of the unexpended balance language in the rider to allow carryforward from the 2016-17 biennium to the 2018-19 biennium in a manner similar to how tobacco endowment funds are treated. Some estimated appropriation amounts are very small (e.g. \$44/year for U. T. San Antonio) and the ability to carry amounts forward would allow greater flexibility particularly with the small amounts.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 63</p>	<p>III-267</p>	<p>Sec. 63. Emerging Research Universities Research Funding.</p> <p>2. Core Research Support: Provides <u>The core research support fund is established to promote increased research capacity at the Emerging Research Universities. Funding to eligible institutions shall be allocated as follows: 50 percent based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by section 62.095(b); and 50 percent based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.053 (b). The amounts listed below for each institution are for informational purposes are appropriated out of the General Revenue fund elsewhere in the Act in each affected institution “Core Research Support” strategy and shall be expended for the support and maintenance of educational and general activities, including research and student services that promote increased research capacity at the institution. only: Any unexpended balances as of August 31, 2018, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2018.</u></p> <p><i>(no other changes to the remainder of the rider)</i></p> <p><i>U. T. System requests the section in the rider relating to Core Research Support be expanded similar to the Texas Research University Fund and Comprehensive Research Fund Riders based on language from the Education Code Section 62. This change will provide Emerging Research Institutions Unexpended Balance authority similar to what was previously authorized in the Research Development Fund (RDF).</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 65</p>	<p align="center">III-267</p>	<p>Sec. 65. Research Funding Reporting Requirement. Each general academic institution and health related institution shall report, by December 1 of each year of the biennium, to the Legislative Budget Board and Governor, the following information:</p> <p>(a) The amount of research funds awarded to the institution in the prior fiscal year, from appropriations made elsewhere in this Act, from the following, listed individually by source of funding:</p> <ol style="list-style-type: none"> 1. Core Research Support; 2. Texas Research University Fund; 3. Comprehensive Research Fund; 4. Available National Research University Fund; 5. Texas Research Incentive Program; 6. Governor's University Research Initiative; and the 7. Cancer Prevention and Research Institute of Texas. <p>(b) For each individual award granted to an institution under programs listed in Subsection (a), the amount of funding, if any, provided to an institution from an external source as a matching award amount.</p> <p><i>U. T. System requests the deletion of this rider and reporting requirement. The report is redundant as all information included in the report is found in the General Appropriations Act or online at the Texas Higher Education Coordinating Board (TRIP) and CPRIT websites.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Article IX, Section 6.08</p>	<p>IX-30</p>	<p>Sec. 6.08. Benefits Paid Proportional by Fund.</p> <p>(a) Unless otherwise provided, in order to maximize balances in the General Revenue Fund, payment for benefits paid from appropriated funds, including "local funds" and "education and general funds" as defined in §51.009 (a) and (c), Education Code, shall be proportional to the source of funds except for public and community junior colleges. <u>In determining the proportional allocation for institutions of higher education between the General Revenue Fund and other appropriated funds, an adjustment for local funds benefits shall be made to equitably distribute costs between the General Revenue Fund and other appropriated funds.</u> Any funds subject to restrictions that prevent their expenditure on salaries and wages shall not be subject to this proportional requirement.</p> <p><i>(no change in intervening provisions)</i></p> <p>(d) The Comptroller, after consulting with the Legislative Budget Board and the State Auditor's Office, shall develop and maintain rules to provide for the administration of this section <u>including the inclusion of an adjustment for local funds benefits for institutions of higher education.</u></p> <p><i>(no other changes to the remainder of the rider)</i></p> <p><i>U. T. System requests this rider change relating to benefits proportionality calculations. The proposed changes codify the historic practice of allowing a reduction in local funds revenue when making the proportionality calculation between General Revenue (GR) Funds and other sources. This local benefits exclusion calculation has been historically made because GR benefits are similarly excluded from the calculations as they are not directly appropriated to institutions. If local benefits are not similarly excluded, the percentage calculated is inequitably skewed toward local funds resulting in an understatement of GR proportion and an excess burden on local funds sources.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Article IX, Section 7.10</p>	<p>IX-39</p>	<p>Sec. 7.10. Reporting Requirement for Deepwater Horizon Oil Spill Funds.</p> <p>(a) Any state agency or institution of higher education that receives, expends, or administers funds, appropriations, or donations related to the Deepwater Horizon oil spill shall submit reports at the end of each fiscal quarter to the Legislative Budget Board. These include, but are not limited to, funds, appropriations, or donations from:</p> <ol style="list-style-type: none"> (1) the State Treasury; (2) the federal government; (3) the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act; (4) legal settlements and agreements; (5) private companies; and (6) non-profit organizations. <p>(b) The reports shall be in the format prescribed by the Legislative Budget Board and include the following information:</p> <ol style="list-style-type: none"> (1) activity since April 20, 2010; (2) amounts received by funding source; (3) projects and project descriptions; (4) expenditures, obligations, and projected costs; (5) timelines; and (6) direct and indirect costs. <p><u>(c) A state agency or institution of higher education that has previously reported under the provision of this section and has subsequently completed all activities related to the Deepwater Horizon oil spill may notify the Legislative Budget Board of this fact and cease further reporting in the fiscal quarter following the last fiscal quarter with activity. In the event that the agency or institution of higher education has additional activity, the agency or institution shall notify the Legislative Budget Board and begin reporting at the next fiscal quarter.</u></p> <p><i>U. T. System requests the additional rider provision to allow institutions that have completed Deepwater Horizon activities to cease reporting. The current report requires continued, indefinite reporting of historic activities that have occurred since April 20, 2010 even if those activities are complete.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Article IX, Section 10.03</p>	<p>IX-51 to IX-54</p>	<p>Sec. 10.03. Informational Listing on Use of Tobacco Settlement Receipts</p> <p>Subsection (a)</p> <p>(6) University of Texas Southwestern Medical Center at Dallas</p> <table border="0"> <tr> <td>E.1.1. Tobacco Earnings - UT SWMC Dallas, estimated</td> <td align="right">2,985</td> <td align="right">2,985</td> </tr> <tr> <td>E.1.2. Tobacco - Permanent Health Fund, estimated</td> <td align="right">2,676</td> <td align="right">2,676</td> </tr> </table> <p><i>(no change to other provisions)</i></p> <p>Subsection (b)</p> <p>(9) The University of Texas Southwestern Medical Center at Dallas Endowment, Fund No. 813</p> <table border="0"> <tr> <td></td> <td></td> <td align="right">50,000,000</td> </tr> </table> <p><i>(no change in intervening provisions or other provisions)</i></p> <p>(13) The University of Texas Health <u>Science</u> Center at Tyler Endowment, Fund No. 816</p> <table border="0"> <tr> <td></td> <td></td> <td align="right">25,000,000</td> </tr> </table> <p><i>U. T. System requests corrections to the rider to reflect the institution names consistent with Article III, Section 2 of the Act (Page III-246).</i></p>	E.1.1. Tobacco Earnings - UT SWMC Dallas , estimated	2,985	2,985	E.1.2. Tobacco - Permanent Health Fund, estimated	2,676	2,676			50,000,000			25,000,000
E.1.1. Tobacco Earnings - UT SWMC Dallas , estimated	2,985	2,985												
E.1.2. Tobacco - Permanent Health Fund, estimated	2,676	2,676												
		50,000,000												
		25,000,000												

4.A. Exceptional Item Request Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/14/2016
 TIME: 3:16:20PM

Agency code: 720

Agency name:

The University of Texas System Administration

CODE	DESCRIPTION	Excp 2018	Excp 2019
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Item Name:	Restoration of the 4% non-formula reduction
Item Priority:	1
IT Component:	No
Anticipated Out-year Costs:	Yes
Involve Contracts > \$50,000:	No
Includes Funding for the Following Strategy or Strategies:	08-01-02 Heart Institute - Adult Stem Cell Program

OBJECTS OF EXPENSE:

2009	OTHER OPERATING EXPENSE	100,000	100,000
	TOTAL, OBJECT OF EXPENSE	\$100,000	\$100,000

METHOD OF FINANCING:

1	General Revenue Fund	100,000	100,000
	TOTAL, METHOD OF FINANCING	\$100,000	\$100,000

DESCRIPTION / JUSTIFICATION:

Request to restore the 4% non-formula reduction to the Heart Institute - Adult Stem Cell Program

EXTERNAL/INTERNAL FACTORS:

N/A

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Restoration of 4% non-formula reduction

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2020	2021	2022
\$100,000	\$100,000	\$100,000

4.B. Exceptional Items Strategy Allocation Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/14/2016
 TIME: 3:16:20PM

Agency code: 720 Agency name: The University of Texas System Administration

Code	Description	Excp 2018	Excp 2019
Item Name: Restoration of the 4% non-formula reduction			
Allocation to Strategy: 8-1-2 Heart Institute - Adult Stem Cell Program			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	100,000	100,000
TOTAL, OBJECT OF EXPENSE		\$100,000	\$100,000
METHOD OF FINANCING:			
1	General Revenue Fund	100,000	100,000
TOTAL, METHOD OF FINANCING		\$100,000	\$100,000

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/14/2016
 TIME: 3:16:21PM

Agency Code: 720 Agency name: The University of Texas System Administration

GOAL: 8 Trusteed Funds for Health Programs

OBJECTIVE: 1 Trusteed Funds for Health Programs

STRATEGY: 2 Heart Institute - Adult Stem Cell Program

Service Categories:

Service: 19 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2018	Excp 2019
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OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	100,000	100,000
Total, Objects of Expense	\$100,000	\$100,000

METHOD OF FINANCING:

1 General Revenue Fund	100,000	100,000
Total, Method of Finance	\$100,000	\$100,000

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restoration of the 4% non-formula reduction

6.A. Historically Underutilized Business Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/14/2016
 Time: 3:16:21PM

Agency Code: 720 Agency: The University of Texas System Administration

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2014 - 2015 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2014			Total Expenditures FY 2014		HUB Expenditures FY 2015			Total Expenditures FY 2015
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$		
21.1%	Building Construction	23.4 %	25.3%	1.9%	\$135,295,640	\$535,379,785	24.0 %	20.0%	-4.0%	\$115,854,518	\$578,999,051
32.9%	Special Trade	22.7 %	15.2%	-7.5%	\$36,172	\$237,365	20.2 %	3.9%	-16.3%	\$41,376	\$1,074,438
23.7%	Professional Services	23.6 %	26.3%	2.7%	\$13,115,963	\$49,777,542	20.0 %	23.3%	3.3%	\$10,193,678	\$43,809,965
26.0%	Other Services	10.6 %	4.4%	-6.2%	\$1,893,857	\$42,744,057	4.8 %	2.3%	-2.5%	\$2,008,176	\$86,571,447
21.1%	Commodities	48.3 %	34.8%	-13.5%	\$3,787,154	\$10,894,636	31.0 %	35.0%	4.0%	\$5,065,910	\$14,464,249
	Total Expenditures		24.1%		\$154,128,786	\$639,033,385		18.4%		\$133,163,658	\$724,919,150

B. Assessment of Fiscal Year 2014 - 2015 Efforts to Meet HUB Procurement Goals

Attainment:

U. T. System Administration met or exceeded Statewide HUB Procurement Goals in three (3) of five (5) procurement categories in Fiscal Year 2014 and in two (2) of the five (5) categories for internal goals. The U. T. System expenditures of \$154,128,786 or 24.12% across all HUB categories exceeded the statewide HUB percentage of 12.58%.

U. T. System Administration exceeded statewide HUB procurement goals in one (1) of five (5) procurement categories in Fiscal Year 2015. The U. T. System spend total of \$133,163,658 or 18.37% with HUB firms, exceeded the statewide HUB percentage of 11.97%.

Applicability:

The "Heavy Construction" category was not applicable to U. T. System Administration operations in either fiscal year 2010 or fiscal year 2011 since U. T. System Administration does not have any strategies or programs related to heavy construction.

Factors Affecting Attainment:

Payments to non-certified and graduated HUB firms, and demand for goods and services for which no HUB suppliers are available, impact performance. In addition the significant upsurge in public and private sector construction projects and labor shortage is making it more difficult to achieve the HUB goal in Building Construction. As to Other Services, a large portion of expenditures come through Office of Risk management with very HUB firms with ability to bid as prime on ORM contracts because of size of contracts..

"Good-Faith" Efforts:

The U. T. System Board of Regents continues its "Policy on Utilization of Historically Underutilized Businesses" through the Rules and Regulations of the Board of Regents and U. T. System Policy updated March, 2008, and by which Ch 1, Texas Administrative Code (TAC) Sections 20.11-20.28 were adopted for all

6.A. Historically Underutilized Business Supporting Schedule
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U. T. System institutions. U. T. System Admin HUB Coordinator = Director level. Good faith efforts: UT System has a healthy HUB outreach effort. In FY 2014 and FY 2015 UT System participated in approximately 190 HUB forums and HUB one-on-ones and sponsored 7 active mentor-protégé relationships.

The University of Texas System Administration
 Estimated Funds Outside the Institution's Bill Pattern
 2016-17 and 2018-19 Biennia

	2016-17 Biennium				2018-19 Biennium			
	FY 2016 Revenue	FY 2017 Revenue	Biennium Total	Percent of Total	FY 2018 Revenue	FY 2019 Revenue	Biennium Total	Percent of Total
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 9,038,063	\$ 9,037,463	\$ 18,075,526		\$ 8,606,063	\$ 7,959,510	\$ 16,565,573	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Endowment and Interest Income	1,194,000	1,245,535	2,439,535		1,224,000	1,224,000	2,448,000	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	10,232,063	10,282,998	20,515,061	1.7%	9,830,063	9,183,510	19,013,573	1.5%
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	551,284,460	603,456,667	1,154,741,127		590,486,302	603,621,013	1,194,107,315	
State Grants and Contracts	12,456,794	2,250,000	14,706,794		12,456,794	2,250,000	14,706,794	
Total	563,741,254	605,706,667	1,169,447,921	95.4%	602,943,096	605,871,013	1,208,814,109	96.6%
NON-APPROPRIATED SOURCES								
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	9,260,000	5,000,000	14,260,000		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	1,155,100	1,474,457	2,629,557		1,474,457	1,474,457	2,948,914	
Endowment and Interest Income	6,964,551	7,719,524	14,684,075		7,719,524	7,719,524	15,439,048	
Sales and Services of Educational Activities (net)	2,315,637	2,444,403	4,760,040		2,444,403	2,444,403	4,888,806	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	19,695,288	16,638,384	36,333,672	3.0%	11,638,384	11,638,384	23,276,768	1.9%
TOTAL SOURCES	\$ 593,668,605	\$ 632,628,049	\$ 1,226,296,654	100.0%	\$ 624,411,543	\$ 626,692,907	\$ 1,251,104,450	100.0%

6.I. Percent Biennial Base Reduction Options
10 % REDUCTION
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Agency code: 720 Agency name: The University of Texas System Administration

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
1 5% Reduction to Texas Heart Institute							
Category: Programs - Service Reductions (Contracted)							
Item Comment: Initial 5% Reduction to General Revenue to the Texas Heart Institute							
Strategy: 8-1-2 Heart Institute - Adult Stem Cell Program							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$120,000	\$120,000	\$240,000	
General Revenue Funds Total	\$0	\$0	\$0	\$120,000	\$120,000	\$240,000	
Item Total	\$0	\$0	\$0	\$120,000	\$120,000	\$240,000	
FTE Reductions (From FY 2018 and FY 2019 Base Request)							
2 5% Reduction to Texas Heart Institute							
Category: Programs - Service Reductions (Contracted)							
Item Comment: Additional 5% Reduction to General Revenue to the Texas Heart Institute							
Strategy: 8-1-2 Heart Institute - Adult Stem Cell Program							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$120,000	\$120,000	\$240,000	
General Revenue Funds Total	\$0	\$0	\$0	\$120,000	\$120,000	\$240,000	
Item Total	\$0	\$0	\$0	\$120,000	\$120,000	\$240,000	
FTE Reductions (From FY 2018 and FY 2019 Base Request)							
AGENCY TOTALS							
General Revenue Total				\$240,000	\$240,000	\$480,000	\$480,000
Agency Grand Total	\$0	\$0	\$0	\$240,000	\$240,000	\$480,000	\$480,000

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 10/14/2016

Time: 3:16:22PM

Agency code: 720 Agency name: The University of Texas System Administration

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2018 and FY 2019 Base Request)							

Schedule 2: Selected Educational, General and Other Funds

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	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
General Revenue Transfers					
Transfer from Coordinating Board for Advanced Research Program	0	0	0	0	0
Transfer from Coordinating Board for Texas College Work Study Program (2015, 2016, 2017)	0	0	0	0	0
Transfer from Coordinating Board for Professional Nursing Shortage Reduction Program	0	0	0	0	0
Transfer of GR Group Insurance Premium from Comptroller (UT and TAMU Components only)	103,491	0	0	0	0
Less: Transfer to Other Institutions	0	0	0	0	0
Less: Transfer to Department of Health, Disproportionate Share - State-Owned Hospitals (2015, 2016, 2017)	0	0	0	0	0
Other (Itemize)					
Other: Fifth Year Accounting Scholarship	0	0	0	0	0
Texas Grants	0	0	0	0	0
B-on-Time Program	0	0	0	0	0
Less: Transfer to System Administration	0	0	0	0	0
Subtotal, General Revenue Transfers	103,491	0	0	0	0
General Revenue HEF for Operating Expenses	0	0	0	0	0
Transfer from Available University Funds (UT, A&M and Prairie View A&M Only)	49,590,841	101,359,269	111,397,461	0	0
Other Additions (Itemize)					
Increase Capital Projects - Educational and General Funds	0	0	0	0	0
Transfer from Department of Health, Disproportionate Share - State-owned Hospitals (2015, 2016, 2017)	0	0	0	0	0
Transfers from Other Funds, e.g., Designated funds transferred for educational and general activities (Itemize)	0	0	0	0	0
Transfer from Coordinating Board for Incentive Funding	0	0	0	0	0
Other (Itemize)					
Gross Designated Tuition (Sec. 54.0513)	0	0	0	0	0
Indirect Cost Recovery (Sec. 145.001(d))	0	0	0	0	0
Correctional Managed Care Contracts	0	0	0	0	0

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
GR & GR-D Percentages					
GR %	0.00%				
GR-D/Other %	100.00%				
Total Percentage	100.00%				
FULL TIME ACTIVES					
1a Employee Only	196	0	196	196	159
2a Employee and Children	61	0	61	61	56
3a Employee and Spouse	43	0	43	43	58
4a Employee and Family	70	0	70	70	67
5a Eligible, Opt Out	3	0	3	3	0
6a Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	373	0	373	373	340
PART TIME ACTIVES					
1b Employee Only	2	0	2	2	1
2b Employee and Children	0	0	0	0	0
3b Employee and Spouse	1	0	1	1	1
4b Employee and Family	0	0	0	0	0
5b Eligible, Opt Out	1	0	1	1	0
6b Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	4	0	4	4	2
Total Active Enrollment	377	0	377	377	342

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)
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 Automated Budget and Evaluation System of Texas (ABEST)

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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
FULL TIME RETIREES by ERS					
1c Employee Only	91	0	91	91	82
2c Employee and Children	1	0	1	1	1
3c Employee and Spouse	49	0	49	49	45
4c Employee and Family	3	0	3	3	3
5c Eligible, Opt Out	4	0	4	4	3
6c Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	148	0	148	148	134
PART TIME RETIREES by ERS					
1d Employee Only	0	0	0	0	0
2d Employee and Children	0	0	0	0	0
3d Employee and Spouse	0	0	0	0	0
4d Employee and Family	0	0	0	0	0
5d Eligible, Opt Out	0	0	0	0	0
6d Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
Total Retirees Enrollment	148	0	148	148	134
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	287	0	287	287	241
2e Employee and Children	62	0	62	62	57
3e Employee and Spouse	92	0	92	92	103
4e Employee and Family	73	0	73	73	70
5e Eligible, Opt Out	7	0	7	7	3
6e Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	521	0	521	521	474

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)
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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	289	0	289	289	242
2f Employee and Children	62	0	62	62	57
3f Employee and Spouse	93	0	93	93	104
4f Employee and Family	73	0	73	73	70
5f Eligible, Opt Out	8	0	8	8	3
6f Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	525	0	525	525	476

Schedule 6: Constitutional Capital Funding
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720 The University of Texas System Administration					
Activity	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
A. PUF Bond Proceeds Allocation	2,700,000	4,000,000	7,114,246	4,000,000	4,000,000
Project Allocation					
Library Acquisitions	2,700,000	4,000,000	4,000,000	4,000,000	4,000,000
Construction, Repairs and Renovations	0	0	0	0	0
Furnishings & Equipment	0	0	0	0	0
Computer Equipment & Infrastructure	0	0	3,114,246	0	0
Reserve for Future Consideration	0	0	0	0	0
Other (Itemize)					
B. HEF General Revenue Allocation	0	0	0	0	0
Project Allocation					
Library Acquisitions	0	0	0	0	0
Construction, Repairs and Renovations	0	0	0	0	0
Furnishings & Equipment	0	0	0	0	0
Computer Equipment & Infrastructure	0	0	0	0	0
Reserve for Future Consideration	0	0	0	0	0
HEF for Debt Service	0	0	0	0	0
Other (Itemize)					

Schedule 7: Personnel
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/14/2016
 Time: 3:16:29PM

Agency code: 720 Agency name: UT Sys Admin

	Actual 2015	Actual 2016	Budgeted 2017	Estimated 2018	Estimated 2019
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	349.2	393.6	408.2	408.2	408.2
Subtotal, Directly Appropriated Funds	349.2	393.6	408.2	408.2	408.2
Non Appropriated Funds Employees	372.7	392.9	385.8	385.8	385.8
Subtotal, Other Funds & Non-Appropriated	372.7	392.9	385.8	385.8	385.8
GRAND TOTAL	721.9	786.5	794.0	794.0	794.0

Part B.
Personnel Headcount

Directly Appropriated Funds (Bill Pattern)

Educational and General Funds Non-Faculty Employees	373.0	416.0	434.0	434.0	434.0
Subtotal, Directly Appropriated Funds	373.0	416.0	434.0	434.0	434.0
Non Appropriated Funds Employees	374.0	395.0	398.0	398.0	398.0
Subtotal, Non-Appropriated	374.0	395.0	398.0	398.0	398.0
GRAND TOTAL	747.0	811.0	832.0	832.0	832.0

Schedule 7: Personnel
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 Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/14/2016
 Time: 3:16:29PM

Agency code: 720 Agency name: UT Sys Admin

	Actual 2015	Actual 2016	Budgeted 2017	Estimated 2018	Estimated 2019
PART C.					
Salaries					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	\$40,021,052	\$46,895,174	\$58,147,306	\$58,147,306	\$58,147,306
Subtotal, Directly Appropriated Funds	\$40,021,052	\$46,895,174	\$58,147,306	\$58,147,306	\$58,147,306
Non Appropriated Funds Employees	\$50,826,787	\$47,959,071	\$36,882,906	\$36,882,906	\$36,882,906
Subtotal, Non-Appropriated	\$50,826,787	\$47,959,071	\$36,882,906	\$36,882,906	\$36,882,906
GRAND TOTAL	\$90,847,839	\$94,854,245	\$95,030,212	\$95,030,212	\$95,030,212

Schedule 8C: Revenue Capacity for Tuition Revenue Bond Projects

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)DATE: 10/14/2016
TIME: 3:16:29PM

Agency Code: 720

Agency Name: The University of Texas System Administration

	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
Gross Tuition	\$584,867,912	\$619,313,991	\$641,020,855	\$659,968,092	\$676,528,517
Less: Remissions and Exemptions	(147,620,087)	(159,993,091)	(166,414,850)	(169,874,032)	(173,649,730)
Less: Refunds	0	0	0	0	0
Less: Installment Payment Forfeits	0	0	0	0	0
Less: Tuition rebates for certain undergraduates (TX. Educ. Code Ann. Sec. 54.0065)	(1,007,000)	(1,020,000)	(1,199,000)	(1,204,000)	(1,210,000)
Plus: Tuition waived for students 55 years or older (TX. Educ. Code Ann. Sec. 54.013)	0	0	0	0	0
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	\$436,240,825	\$458,300,900	\$473,407,005	\$488,890,060	\$501,668,787
Less: Transfer of Funds for Texas Public Education Grants Program (TX. Educ. Code Ann. Sec. 56c) and for Emergency Loans (TX. Educ. Code Ann. Sec. 56d)	(44,200,891)	(46,312,134)	(47,914,930)	(49,269,782)	(50,370,846)
Less: Transfer of Funds (2%) for Physician/Dental Loans (Medical School)	(489,198)	(92,439)	(96,241)	(96,703)	(97,170)
Less: Statutory Tuition (TX. Educ. Code Ann. Sec. 54.051) Set aside for Doctoral Incentive Loan Repayment Program (TX. Educ. Code Ann. Sec. 56.095)	(300,354)	(78,260)	(79,558)	(80,894)	(82,271)
Less: Other Authorized Deductions	(50,197)	0	0	0	0
Total Net Tuition Available to Pledge for Tuition Revenue Bonds	\$391,200,185	\$411,818,067	\$425,316,276	\$439,442,681	\$451,118,500
Debt Service on Existing Tuition Revenue Bonds	(129,961,676)	(129,962,713)	(201,334,594)	(201,334,594)	(200,788,594)
Estimated Debt Service for Authorized but Unissued Tuition Revenue Bonds	0	0	0	0	0
Subtotal, Debt Service on Existing Authorizations	\$(129,961,676)	\$(129,962,713)	\$(201,334,594)	\$(201,334,594)	\$(200,788,594)
TOTAL TUITION AVAILABLE FOR NEW AUTHORIZATIONS	\$261,238,509	\$281,855,354	\$223,981,682	\$238,108,087	\$250,329,906
Debt Capacity Available for New Authorizations	\$2,767,564,486	\$2,985,979,635	\$2,372,865,130	\$2,522,520,466	\$2,651,998,590

Schedule 9: Special Item Information
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 3:16:30PM

720 The University of Texas System Administration

Special Item: 1 **Texas Heart Institute - Adult Stem Cell Program**

(1) Year Special Item: 2010
Original Appropriations: \$2,500,000

(2) Mission of Special Item:

Created in the 81st Legislature to provide pass-through funding to the Texas Heart Institute to conduct stem cell research. Beginning in 2016, funds were trusteeed to UT System Administration.

(3) (a) Major Accomplishments to Date:

This item funds programs at the Texas Heart Institute

(3) (b) Major Accomplishments Expected During the Next 2 Years:

This item funds programs at the Texas Heart Institute

(4) Funding Source Prior to Receiving Special Item Funding:

N/A

(5) Formula Funding:

N

(6) Startup Funding:

N

(7) Transition Funding:

N

(8) Non-general Revenue Sources of Funding:

N/A

(9) Consequences of Not Funding:

This item funds programs at the Texas Heart Institute
