



**The University of Texas System**  
Nine Universities. Six Health Institutions. Unlimited Possibilities.

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Office of the Chancellor  
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February 16, 2010

The Honorable Rick Perry  
Governor, State of Texas  
State Capitol, Room 2S.1  
Austin, Texas 78701

The Honorable David Dewhurst  
Lieutenant Governor, State of Texas  
State Capitol, Room 2E.13  
Austin, Texas 78701

The Honorable Joe Straus  
Speaker, Texas House of Representatives  
State Capitol, Room 2W.13  
Austin, Texas 78701

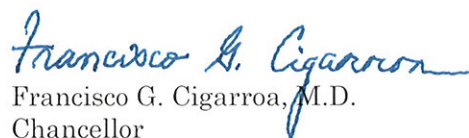
Dear Governor Perry, Governor Dewhurst, and Speaker Straus:

The University of Texas System has submitted a unified plan to reduce our 2010-11 biennial general revenue appropriation by 5 percent, or \$175.3 million, as requested by the state's leadership. Budget reductions are never easy to implement, but our plans represent the U. T. System's contribution to this effort, while permitting us to continue to honor our commitment to provide the highest quality education to students enrolled in our institutions.

These reductions build on endeavors by the U. T. System Administration and its 15 institutions, which have been actively cutting costs for several years with ongoing initiatives such as sharing business and information technology operations, refinancing bond debt, and leveraging purchasing strength for medical equipment and supplies. And, in early 2009, the U. T. System implemented a System-wide flexible hiring freeze and senior-level executive compensation freeze.

We recognize that the current economic challenge to Texas will require the collective efforts of all in state government to minimize the strain on the state budget, and the U. T. System is prepared to do its part. It is in such times that collaboration is essential for the good of the state and its critical enterprises, including higher education and health care, which I am sure you will agree are important to all Texans.

With great respect,

  
Francisco G. Cigarroa, M.D.  
Chancellor

FGC:mk

The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas at Brownsville  
The University of Texas at Dallas  
The University of Texas at El Paso  
The University of Texas - Pan American  
The University of Texas  
of the Permian Basin  
The University of Texas at San Antonio  
The University of Texas at Tyler

The University of Texas  
Southwestern Medical Center at Dallas  
The University of Texas  
Medical Branch at Galveston  
The University of Texas  
Health Science Center at Houston  
The University of Texas  
Health Science Center at San Antonio  
The University of Texas  
M. D. Anderson Cancer Center  
The University of Texas  
Health Science Center at Tyler

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The University of Texas System  
 Impact of Proposed 5% General Revenue Reduction  
 2010-11 Biennium

	Reductions Classified by Type of Reduction						Total 5% Reduction	% Reduction From Original
	2010-11 Original* Net of TRB	Cost Reduction or Cost Avoidance (Permanent)	Cost Reduction or Cost Avoidance (Temporary)	New Revenue Offsetting Reductions	Reserves or Other Non-Appropriated Funds	Deferring Capital Spending (Equipment, Const.)		
<b>Base GR Appropriation (EXCLUDING All ARRA Funding)</b>								
UT Arlington	166,590,655	2,516,000		5,813,533			8,329,533	5.00%
UT Austin	532,165,803	10,000,000			12,000,000	4,608,290	26,608,290	5.00%
UT Dallas	144,497,768	4,350,000			2,874,888		7,224,888	5.00%
UT El Paso	139,508,097	750,000	2,445,802			3,779,603	6,975,405	5.00%
UT Pan American	111,599,692	889,498				4,690,487	5,579,985	5.00%
UT Brownsville	41,290,506			2,064,525			2,064,525	5.00%
UT Permian Basin	36,919,421	793,833	1,052,138				1,845,971	5.00%
UT San Antonio	175,326,376	4,895,900	1,749,396		2,121,023		8,766,319	5.00%
UT Tyler	49,009,593	2,450,479					2,450,479	5.00%
UT SMC Dallas	270,845,623	13,542,281					13,542,281	5.00%
UTMB Galveston***	547,417,198		3,000,000	9,000,000			27,378,360	5.00%
UTHSC Houston	273,631,950	9,080,000	2,101,598			2,500,000	13,681,598	5.00%
UTHSC San Antonio	279,465,002	10,156,637		3,816,613			13,973,250	5.00%
UT MD Anderson	316,522,965					15,826,148	15,826,148	5.00%
UTHSC Tyler	69,220,024	3,210,401			92,000	158,600	3,461,001	5.00%
UT System Admin	4,000,000	200,000					200,000	5.00%
	<u>3,158,010,673</u>	<u>78,213,389</u>	<u>10,348,934</u>	<u>20,694,671</u>	<u>17,087,911</u>	<u>31,563,128</u>	<u>157,908,033</u>	<u>5.00%</u>
<b>Higher Education Group Insurance ****</b>								
UT Arlington	22,304,788	-					1,115,239	5.00%
UT Austin	53,098,973	-					2,654,949	5.00%
UT Dallas	13,134,629	-					656,731	5.00%
UT El Paso	21,153,297	-					1,057,665	5.00%
UT Pan American	13,986,912	-					699,346	5.00%
UT Brownsville	10,457,533	-					522,877	5.00%
UT Permian Basin	3,488,548	-					174,427	5.00%
UT San Antonio	20,554,871	-					1,027,744	5.00%
UT Tyler	6,327,869	-					316,393	5.00%
UT SMC Dallas	26,028,255	-					1,301,413	5.00%
UTMB Galveston	81,328,646	-					4,066,432	5.00%
UTHSC Houston	25,831,060	-					1,291,553	5.00%
UTHSC San Antonio	32,172,817	-					1,608,641	5.00%
UT MD Anderson	13,437,173	-					671,859	5.00%
UTHSC Tyler	5,271,618	-					263,581	5.00%
UT System Admin	94,867	-					4,743	5.00%
	<u>348,671,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,433,593</u>	<u>5.00%</u>
<b>Total Appropriations (EXCLUDING All ARRA Funding)</b>								
UT Arlington	188,895,443	2,516,000	-	5,813,533	-	-	9,444,772	5.00%
UT Austin	585,264,776	10,000,000	-	-	12,000,000	4,608,290	29,263,239	5.00%
UT Dallas	157,632,397	4,350,000	-	-	2,874,888	-	7,881,619	5.00%
UT El Paso	160,661,394	750,000	2,445,802	-	-	3,779,603	8,033,070	5.00%
UT Pan American	125,586,604	889,498	-	-	-	4,690,487	6,279,331	5.00%
UT Brownsville	51,748,039	-	-	2,064,525	-	-	2,587,402	5.00%
UT Permian Basin	40,407,969	793,833	1,052,138	-	-	-	2,020,398	5.00%
UT San Antonio	195,881,247	4,895,900	1,749,396	-	2,121,023	-	9,794,063	5.00%
UT Tyler	55,337,462	2,450,479	-	-	-	-	2,766,872	5.00%
UT SMC Dallas	296,873,878	13,542,281	-	-	-	-	14,843,694	5.00%
UTMB Galveston***	628,745,844	15,378,360	3,000,000	9,000,000	-	-	31,444,792	5.00%
UTHSC Houston	299,463,010	9,080,000	2,101,598	-	-	2,500,000	14,973,151	5.00%
UTHSC San Antonio	311,637,819	10,156,637	-	3,816,613	-	-	15,581,891	5.00%
UT MD Anderson	329,960,138	-	-	-	-	15,826,148	16,498,007	5.00%
UTHSC Tyler	74,491,642	3,210,401	-	-	92,000	158,600	3,724,582	5.00%
UT System Admin	4,094,867	200,000	-	-	-	-	204,743	5.00%
	<u>3,506,682,529</u>	<u>78,213,389</u>	<u>10,348,934</u>	<u>20,694,671</u>	<u>17,087,911</u>	<u>31,563,128</u>	<u>175,341,626</u>	<u>5.00%</u>

\* Amounts reported exclude all ARRA appropriations.

\*\*\* Reduction for UTMB Galveston's includes \$7,500 associated with General Revenue - Dedicated.

\*\*\*\* Group Insurance will be reduced by the Legislative Budget Board independently from the proposed reductions to base general revenue. Institutions will need to take these reductions into consideration when formulating an overall strategy for addressing the proposed reductions but should not include the impact of this in the proposals submitted to the LBB through the ABEST data collection system.