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# **AVAILABLE UNIVERSITY FUND ADDITIONAL REPORTING REQUIREMENTS – QUARTERLY**

**February 2018**



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**Prepared by  
The University of Texas System  
Office of the Controller**

**Report to the Legislative Budget Board and Governor  
Pursuant to Rider No. 7 (b) to Available University Fund Appropriations  
SB 1, 85th Legislature, Regular Session, Page III-65**

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For questions concerning this report, contact:  
U. T. System Office of the Controller  
512.499.4527  
[controller@utsystem.edu](mailto:controller@utsystem.edu)



## **RIDER NO. 7 (B) TO AVAILABLE UNIVERSITY FUND APPROPRIATION**

The text of Rider No. 7(b) to the Available University Fund Appropriation (Page III-65) in Senate Bill 1, 85<sup>th</sup> Legislature, Regular Session (GAA), is as follows:

### **“7. Reporting Requirements for System Office Operations and System Initiatives.**

- b. Additionally, The University of Texas System and Texas A&M University System shall report to the Legislative Budget Board no later than February 28, May 31, and August 31 of each fiscal year an update of any changes to the information reported in subsection (a), including:
  - (1) Expenditure amounts to date for the current fiscal year for each activity, including object of expense detail;
  - (2) Updated Available University Fund allocations to system office operations and system initiatives for the current and two future fiscal years (projected), including any new activities and changes to existing activities, and an explanation for those changes;
  - (3) A summary of any actions taken by the Board of Regents since the most recent report that relate to system office operations or system initiatives; and
  - (4) Any additional information requested by the Legislative Budget Board. ”

## **QUARTERLY REPORTING - SYSTEM OFFICE AND SYSTEM INITIATIVES**

### **EXPENDITURE AMOUNTS TO DATE**

Expenditure amounts to date for The University of Texas System Administration (U. T. System Administration) reflects information from September 1, 2017, to January 31, 2018.

Information reported in both System Office Operations and System Initiatives includes Available University Fund (AUF) support and maintenance allocations along with other sources of funds labeled as “institutional funds”. Amounts reported as institutional funds reflect expenditures from sources other than the AUF and include revolving funds expended related to operations, with the exception of claims and related costs for insurance funds managed by U. T. System Administration. The revolving funds presented would normally be eliminated as part of the annual financial report (AFR) preparation process and represent a difference in presentation between this analysis and amounts in the AFR. There may be additional differences between the AFR and this report for activities (e.g. the Lone Star Stroke network) which are not related to System Office Operations or System Initiatives and are not funded with AUF appropriations.

For a detailed description of the purpose and authority for each reported activity, please refer to the AUF report or the annual AUF additional reporting requirements.

### **UPDATED AUF ALLOCATIONS TO SYSTEM OFFICE OPERATIONS AND SYSTEM INITIATIVES**

Updated AUF allocations to date reflect information from September 1, 2017, to January 31, 2018. Any updates to AUF allocations to System Office Operations and System Initiatives that result from the regularly scheduled U. T. System Board of Regents meeting on February 26-27, 2018, will be reflected in the next quarterly AUF report.

#### *U. T. System Initiatives*

On November 27, 2017, the U. T. System Board of Regents approved an allocation of \$4.5 million from the Available University Fund to prepare a bid for management, operation, and staffing of the Los Alamos National Laboratory. In approving this initiative, the Board made a finding that the expenditure of the Available University Fund for this purpose is appropriate in furtherance of U. T. System’s responsibility to provide oversight and coordination of the activities of the U. T. System and that the expenditure benefits a broad number of U. T. System institutions.

Pursuant to Rider 8 of the GAA, U. T. System Administration provided appropriate notice to the Legislative Budget Board (LBB) on August 15, 2017. Information to satisfy the requirement of AUF Rider 7 (b)(2) is contained in the notification to the LBB, a copy of which is provided as Appendix A.

**RIDER 7(B)(1) - EXPENDITURE AMOUNTS TO DATE FOR THE CURRENT FISCAL  
YEAR (FY 2018) FOR EACH ACTIVITY, INCLUDING OBJECT OF EXPENSE DETAIL**

The University of Texas Administration - System Office Operations  
Report of Expenditure Activity - September 1, 2017 to January 31, 2018

|                               |                                    | Board of Regents |              | System Administration |                 |
|-------------------------------|------------------------------------|------------------|--------------|-----------------------|-----------------|
| Method of Finance:            |                                    |                  |              |                       |                 |
| 011                           | Available University Fund          | \$               | 773,425.88   | \$                    | 47,366,185.10   |
|                               | Institutional Funds                |                  | 109,690.66   |                       | 63,291,826.47   |
|                               | Total Method of Finance            | \$               | 883,116.54   | \$                    | 110,658,011.57  |
|                               |                                    |                  |              |                       |                 |
| Objects of Expense:           |                                    |                  |              |                       |                 |
| Account # / Name              |                                    |                  |              |                       |                 |
| 1001                          | Salaries & Wages                   | \$               | 611,100.43   | \$                    | 34,973,385.92   |
| 1002                          | Other Personnel Costs              |                  | 95,802.36    |                       | 6,969,992.31    |
| 1005                          | Faculty Salaries (Higher Ed only)  |                  | -            |                       | -               |
| 1010                          | Prof Salaries - Faculty Equivalent |                  | -            |                       | -               |
| 2001                          | Professional Fees & Svcs           |                  | 32,248.77    |                       | 6,357,550.43    |
| 2002                          | Fuel & Lubricants                  |                  | -            |                       | 74,135.06       |
| 2003                          | Consumable Supplies                |                  | 6,135.56     |                       | 51,940.67       |
| 2004                          | Utilities                          |                  | -            |                       | 701,522.04      |
| 2005                          | Travel                             |                  | (3,210.45)   |                       | 689,036.21      |
| 2006                          | Rent - Building                    |                  | 1,319.00     |                       | 1,571,997.82    |
| 2007                          | Rent - Machine & Other             |                  | 7,813.00     |                       | 71,869.35       |
| 2008                          | Debt Service                       |                  | -            |                       | -               |
| 2009                          | Other Operating Expense            |                  | 131,907.87   |                       | 57,719,459.00   |
| 3001                          | Client Services                    |                  | -            |                       | 404,250.00      |
| 5000                          | Capital Expenditures               |                  | -            |                       | 1,072,872.76    |
|                               | Total, Objects of Expense          | \$               | 883,116.54   | \$                    | 110,658,011.57  |
|                               |                                    |                  |              |                       |                 |
| AUF Net Position per Activity |                                    |                  |              |                       |                 |
|                               | Beginning Balance (AUF)            |                  | -            |                       | 30,912,839.20   |
|                               | Allocations (AUF)                  |                  | 773,425.88   |                       | 47,366,185.10   |
|                               | Less Lapse (AUF)                   |                  | -            |                       | -               |
|                               | Less Expenses (AUF)                |                  | (773,425.88) |                       | (47,366,185.10) |
|                               | AUF Net Position - End of Period   | \$               | -            | \$                    | 30,912,839.20   |



The University of Texas Administration - System Initiatives  
Report of Expenditure Activity - September 1, 2017 to January 31, 2018

|                                      |   | AUF Online and On-<br>campus Enrollment |                       | Clinical Trials |                 | Diabetes and    |  | Entrepreneurship |  |
|--------------------------------------|---|---|-----------------------|-----------------|-----------------|-----------------|--|------------------|--|
|                                      |   | Growth                                  | Clinical Data Network | Network         | CONACYT         | Obesity Control |  | Academy          |  |
| <b>Method of Finance:</b>            |   |   |                       |                 |                 |                 |  |                  |  |
| 011                                  | Available University Fund               | \$ 6,222,681.15                         | \$ 416,212.68         | \$ 13,386.18    | \$ 984,981.95   | \$ 29,997.45    |  | \$ 16,998.54     |  |
|                                      | Institutional Funds                     | 7,795.69                                | \$ -                  | -               | \$ -            | 135,064.48      |  | 954.29           |  |
|                                      | Total Method of Finance                 | \$ 6,230,476.84                         | \$ 416,212.68         | \$ 13,386.18    | \$ 984,981.95   | \$ 165,061.93   |  | \$ 17,952.83     |  |
| <b>Objects of Expense:</b>           |   |   |                       |                 |                 |                 |  |                  |  |
| <b>Account # / Name</b>              |   |   |                       |                 |                 |                 |  |                  |  |
| 1001                                 | Salaries & Wages                        | \$ 1,375,784.80                         | \$ -                  | \$ -            | \$ -            | \$ 68,000.00    |  | \$ -             |  |
| 1002                                 | Other Personnel Costs                   | 203,372.55                              | \$ -                  | -               | -               | 1,788.13        |  | -                |  |
| 1005                                 | Faculty Salaries (Higher Ed only)       | -                                       | \$ -                  | -               | -               | -               |  | -                |  |
| 1010                                 | Prof Salaries - Faculty Equivalent      | -                                       | \$ -                  | -               | -               | -               |  | -                |  |
| 2001                                 | Professional Fees & Svcs                | 546,970.50                              | \$ -                  | 13,386.18       | -               | 3,169.84        |  | 10,495.38        |  |
| 2002                                 | Fuel & Lubricants                       | -                                       | \$ -                  | -               | -               | -               |  | -                |  |
| 2003                                 | Consumable Supplies                     | 100.90                                  | \$ -                  | -               | -               | -               |  | -                |  |
| 2004                                 | Utilities                               | 291.28                                  | \$ -                  | -               | -               | -               |  | -                |  |
| 2005                                 | Travel                                  | 25,084.03                               | \$ 4,056.02           | -               | -               | 2,037.42        |  | 216.80           |  |
| 2006                                 | Rent - Building                         | -                                       | \$ -                  | -               | -               | 26,344.09       |  | -                |  |
| 2007                                 | Rent - Machine & Other                  | 31,791.34                               | \$ -                  | -               | -               | -               |  | -                |  |
| 2008                                 | Debt Service                            | -                                       | \$ -                  | -               | -               | -               |  | -                |  |
| 2009                                 | Other Operating Expense                 | 4,047,081.44                            | \$ 412,156.66         | -               | 984,982         | 63,722.45       |  | 7,240.65         |  |
| 3001                                 | Client Services                         | -                                       | \$ -                  | -               | -               | -               |  | -                |  |
| 5000                                 | Capital Expenditures                    | -                                       | \$ -                  | -               | -               | -               |  | -                |  |
|                                      | Total, Objects of Expense               | \$ 6,230,476.84                         | \$ 416,212.68         | \$ 13,386.18    | \$ 984,981.95   | \$ 165,061.93   |  | \$ 17,952.83     |  |
| <b>AUF Net Position per Activity</b> |   |   |                       |                 |                 |                 |  |                  |  |
|                                      | Beginning Balance (AUF)                 | \$ 12,712,113.37                        | \$ 12,000,571.60      | \$ 67,747.49    | 4,732,769.57    | \$ 190,490.66   |  | \$ 349,712.00    |  |
|                                      | Allocations (AUF)                       | -                                       | \$ -                  | -               | -               | -               |  | -                |  |
|                                      | Less Lapse (AUF)                        | -                                       | \$ -                  | -               | -               | -               |  | -                |  |
|                                      | Less Expenses (AUF)                     | (6,222,681.15)                          | \$ (416,212.68)       | (13,386.18)     | (984,981.95)    | (29,997.45)     |  | (16,998.54)      |  |
|                                      | <b>AUF Net Position - End of Period</b> | \$ 6,489,432.22                         | \$ 11,584,358.92      | \$ 54,361.31    | \$ 3,747,787.62 | \$ 160,493.21   |  | \$ 332,713.46    |  |

The University of Texas Administration - System Initiatives  
Report of Expenditure Activity - September 1, 2017 to January 31, 2018

|                                      |   | Horizon Fund            | Information Security   | Institute for Transformational Learning | Los Alamos             | PeopleSoft Remediation | Productivity and Excellence Framework |
|--------------------------------------|---|-------------------------|------------------------|---|------------------------|------------------------|---------------------------------------|
| <b>Method of Finance:</b>            |   |                         |                        |   |                        |                        |                                       |
| 011                                  | Available University Fund               | \$ 1,236,212.62         | \$ 395,636.78          | \$ 81,389.35                            | \$ 1,819,930.24        | \$ 14,850.00           | \$ 80,587.78                          |
|                                      | Institutional Funds                     | 3,677.29                | 1,234.70               | 10,582.45                               | \$ 10,074.48           | 47,067.36              | -                                     |
|                                      | Total Method of Finance                 | <u>\$ 1,239,889.91</u>  | <u>\$ 396,871.48</u>   | <u>\$ 91,971.80</u>                     | <u>\$ 1,830,004.72</u> | <u>\$ 61,917.36</u>    | <u>\$ 80,587.78</u>                   |
| <b>Objects of Expense:</b>           |   |                         |                        |   |                        |                        |                                       |
| <b>Account # / Name</b>              |   |                         |                        |   |                        |                        |                                       |
| 1001                                 | Salaries & Wages                        | \$ -                    | \$ -                   | \$ 54,824.99                            | \$ 39,272.73           | \$ 0.00                | \$ 24,430.89                          |
| 1002                                 | Other Personnel Costs                   | -                       | -                      | 8,059.01                                | \$ 5,149.64            | 0.00                   | 1,865.91                              |
| 1005                                 | Faculty Salaries (Higher Ed only)       | -                       | -                      | -                                       | \$ -                   | -                      | -                                     |
| 1010                                 | Prof Salaries - Faculty Equivalent      | -                       | -                      | -                                       | \$ -                   | -                      | -                                     |
| 2001                                 | Professional Fees & Svcs                | 742.03                  | -                      | -                                       | \$ 6,126.18            | -                      | 42,900.00                             |
| 2002                                 | Fuel & Lubricants                       | -                       | -                      | -                                       | \$ -                   | -                      | -                                     |
| 2003                                 | Consumable Supplies                     | -                       | -                      | -                                       | \$ -                   | -                      | 164.70                                |
| 2004                                 | Utilities                               | -                       | -                      | -                                       | \$ -                   | -                      | -                                     |
| 2005                                 | Travel                                  | 1,454.83                | 225.45                 | 6,252.49                                | \$ 5,340.60            | -                      | 2,513.30                              |
| 2006                                 | Rent - Building                         | -                       | -                      | 480.00                                  | \$ 396.43              | -                      | -                                     |
| 2007                                 | Rent - Machine & Other                  | -                       | -                      | -                                       | \$ 198.21              | -                      | -                                     |
| 2008                                 | Debt Service                            | -                       | -                      | -                                       | \$ -                   | -                      | -                                     |
| 2009                                 | Other Operating Expense                 | 1,237,693.05            | 396,646.03             | 22,355.31                               | \$ 1,773,520.93        | 61,917.36              | 8,712.98                              |
| 3001                                 | Client Services                         | -                       | -                      | -                                       | \$ -                   | -                      | -                                     |
| 5000                                 | Capital Expenditures                    | -                       | -                      | -                                       | \$ -                   | -                      | -                                     |
|                                      | Total, Objects of Expense               | <u>\$ 1,239,889.91</u>  | <u>\$ 396,871.48</u>   | <u>\$ 91,971.80</u>                     | <u>\$ 1,830,004.72</u> | <u>\$ 61,917.36</u>    | <u>\$ 80,587.78</u>                   |
| <b>AUF Net Position per Activity</b> |   |                         |                        |   |                        |                        |                                       |
|                                      | Beginning Balance (AUF)                 | 12,924,233.91           | 7,404,528.90           | 16,661,842.71                           | -                      | 1,444,264.88           | 674,813.46                            |
|                                      | Allocations (AUF)                       | -                       | -                      | -                                       | 4,500,000.00           | -                      | -                                     |
|                                      | Less Lapse (AUF)                        | -                       | -                      | -                                       | -                      | -                      | -                                     |
|                                      | Less Expenses (AUF)                     | (1,236,212.62)          | (395,636.78)           | (81,389.35)                             | (1,819,930.24)         | (14,850.00)            | (80,587.78)                           |
|                                      | <b>AUF Net Position - End of Period</b> | <u>\$ 11,688,021.29</u> | <u>\$ 7,008,892.12</u> | <u>\$ 16,580,453.36</u>                 | <u>2,680,069.76</u>    | <u>\$ 1,429,414.88</u> | <u>\$ 594,225.68</u>                  |

The University of Texas Administration - System Initiatives  
Report of Expenditure Activity - September 1, 2017 to January 31, 2018

|                                      |   | Proteomics<br>Research Core<br>Infrastructure | Public Health<br>Initiative | Regents Outstanding<br>Teaching Award (UT<br>Austin) | Research Experts<br>Data Warehouse | Spend Analytics | Transformation in<br>Medical Education<br>Initiative (TIME) |
|--------------------------------------|---|---|-----------------------------|--|------------------------------------|-----------------|---|
| <b>Method of Finance:</b>            |   |   |                             |  |                                    |                 |   |
| 011                                  | Available University Fund               | \$ 47,937.43                                  | \$ 632,246.74               | \$ -   | \$ 19,417.87                       | \$ 98,293.00    | \$ 60,550.26  |
|                                      | Institutional Funds                     | -   | 10,415.89                   | -  | -                                  | -               | -   |
|                                      | Total Method of Finance                 | \$ 47,937.43                                  | \$ 642,662.63               | \$ -   | \$ 19,417.87                       | \$ 98,293.00    | \$ 60,550.26  |
| <b>Objects of Expense:</b>           |   |   |                             |  |                                    |                 |   |
| <b>Account # / Name</b>              |   |   |                             |  |                                    |                 |   |
| 1001                                 | Salaries & Wages                        | \$ -  | \$ 89,774.84                | \$ -   | \$ -                               | \$ -            | \$ -  |
| 1002                                 | Other Personnel Costs                   | -   | 12,240.46                   | -  | -                                  | -               | -   |
| 1005                                 | Faculty Salaries (Higher Ed only)       | -   | -                           | -  | -                                  | -               | -   |
| 1010                                 | Prof Salaries - Faculty Equivalent      | -   | -                           | -  | -                                  | -               | -   |
| 2001                                 | Professional Fees & Svcs                | -   | 1,680.21                    | -  | 7,670.40                           | -               | -   |
| 2002                                 | Fuel & Lubricants                       | -   | -                           | -  | -                                  | -               | -   |
| 2003                                 | Consumable Supplies                     | -   | 327.36                      | -  | -                                  | -               | -   |
| 2004                                 | Utilities                               | -   | -                           | -  | -                                  | -               | -   |
| 2005                                 | Travel                                  | -   | -                           | -  | -                                  | -               | -   |
| 2006                                 | Rent - Building                         | -   | 240.00                      | -  | -                                  | -               | -   |
| 2007                                 | Rent - Machine & Other                  | -   | -                           | -  | -                                  | -               | -   |
| 2008                                 | Debt Service                            | -   | -                           | -  | -                                  | -               | -   |
| 2009                                 | Other Operating Expense                 | 47,937.43                                     | 538,399.76                  | -  | 11,747.47                          | 98,293.00       | 60,550.26   |
| 3001                                 | Client Services                         | -   | -                           | -  | -                                  | -               | -   |
| 5000                                 | Capital Expenditures                    | -   | -                           | -  | -                                  | -               | -   |
|                                      | Total, Objects of Expense               | \$ 47,937.43                                  | \$ 642,662.63               | \$ -   | \$ 19,417.87                       | \$ 98,293.00    | \$ 60,550.26  |
| <b>AUF Net Position per Activity</b> |   |   |                             |  |                                    |                 |   |
|                                      | Beginning Balance (AUF)                 | \$ 395,102.73                                 | 2,278,173.90                | 88,687.55  | \$ 445,035.04                      | \$ 6,273,401.79 | \$ 1,727,041.57   |
|                                      | Allocations (AUF)                       | -   | -                           | -  | -                                  | -               | -   |
|                                      | Less Lapse (AUF)                        | -   | -                           | -  | -                                  | -               | -   |
|                                      | Less Expenses (AUF)                     | (47,937.43)                                   | (632,246.74)                | -  | (19,417.87)                        | (98,293.00)     | (60,550.26)   |
|                                      | <b>AUF Net Position - End of Period</b> | \$ 347,165.30                                 | \$ 1,645,927.16             | \$ 88,687.55   | \$ 425,617.17                      | \$ 6,175,108.79 | \$ 1,666,491.31   |

The University of Texas Administration - System Initiatives  
Report of Expenditure Activity - September 1, 2017 to January 31, 2018

|                                      |   | UTRGV                          |                                |
|--------------------------------------|---|--------------------------------|--------------------------------|
|                                      |   | Communication<br>and Marketing | Virtual Health Care<br>Network |
| <b>Method of Finance:</b>            |   |                                |                                |
| 011                                  | Available University Fund               | \$ 896.47                      | \$ -                           |
|                                      | Institutional Funds                     | -                              | -                              |
|                                      | Total Method of Finance                 | <u>\$ 896.47</u>               | <u>\$ -</u>                    |
| <b>Objects of Expense:</b>           |   |                                |                                |
| <b>Account # / Name</b>              |   |                                |                                |
| 1001                                 | Salaries & Wages                        | \$ -                           | \$ -                           |
| 1002                                 | Other Personnel Costs                   | -                              | -                              |
| 1005                                 | Faculty Salaries (Higher Ed only)       | -                              | -                              |
| 1010                                 | Prof Salaries - Faculty Equivalent      | -                              | -                              |
| 2001                                 | Professional Fees & Svcs                | -                              | -                              |
| 2002                                 | Fuel & Lubricants                       | -                              | -                              |
| 2003                                 | Consumable Supplies                     | -                              | -                              |
| 2004                                 | Utilities                               | -                              | -                              |
| 2005                                 | Travel                                  | -                              | -                              |
| 2006                                 | Rent - Building                         | -                              | -                              |
| 2007                                 | Rent - Machine & Other                  | -                              | -                              |
| 2008                                 | Debt Service                            | -                              | -                              |
| 2009                                 | Other Operating Expense                 | 896.47                         | -                              |
| 3001                                 | Client Services                         | -                              | -                              |
| 5000                                 | Capital Expenditures                    | -                              | -                              |
|                                      | Total, Objects of Expense               | <u>\$ 896.47</u>               | <u>\$ -</u>                    |
| <b>AUF Net Position per Activity</b> |   |                                |                                |
|                                      | Beginning Balance (AUF)                 | \$ 46,858.03                   | \$ 9,121,034.58                |
|                                      | Allocations (AUF)                       | -                              | -                              |
|                                      | Less Lapse (AUF)                        | -                              | -                              |
|                                      | Less Expenses (AUF)                     | (896.47)                       | -                              |
|                                      | <b>AUF Net Position - End of Period</b> | <u>\$ 45,961.56</u>            | <u>\$ 9,121,034.58</u>         |

## Appendix A – Required Notification to the Legislative Budget Board for the U. T. System Initiative – Los Alamos



THE UNIVERSITY of TEXAS SYSTEM  
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Office of Governmental Relations  
210 West 7<sup>th</sup> Street  
Austin, Texas 78701  
WWW.UTSYSTEM.EDU

August 15, 2017

Ms. Ursula Parks  
Director, Legislative Budget Board  
Robert E. Johnson Building  
1501 North Congress, Fifth Floor  
Austin, Texas 78701  
INTERAGENCY MAIL

Dear Ms. Parks:

Pursuant to Rider 8 of the current General Appropriations Act (Senate Bill 1 from the 85<sup>th</sup> Regular Legislative Session at Page III-64), The University of Texas System is providing the required 30 days advanced notice for the following proposed System initiative funded with Available University Fund (AUF) appropriations:

U. T. System: \$4,500,000 from the Available University Fund to pursue a funding opportunity with the Department of Energy for the management, operation and staffing of Los Alamos National Lab.

The Board of Regents may grant approval in their August 23<sup>rd</sup>-24<sup>th</sup> 2017 meeting to pursue this funding opportunity. If approval to pursue the bid is granted, it is expected that System Leadership will come back to the Board in a subsequent meeting after the 30-day notification period to seek formal approval for the expenditure of the System Initiative.

In approving the expenditure of the AUF to pursue the bid, the Board will be asked to make a finding that the expenditure of AUF for this purpose is appropriate in furtherance of U. T. System's responsibility to provide oversight and coordination of the activities of the U. T. System and that the expenditure benefits a broad number of U.T. System institutions. Additional details regarding this item are attached, as required by Rider 8.

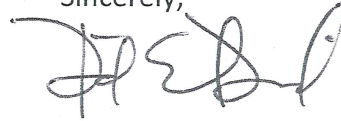
Ms. Ursula Parks

August 15, 2017

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If you have any questions about this notification or would like to discuss if further, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'DE Daniel', written over a horizontal line.

David E. Daniel  
Deputy Chancellor

C: Chancellor William H. McRaven  
Executive Vice Chancellor Scott C. Kelley  
Executive Vice Chancellor Steven W. Leslie  
Executive Vice Chancellor Raymond S. Greenberg  
Vice Chancellor and General Counsel Daniel H. Sharphorn  
Vice Chancellor Barry R. McBee  
Associate Vice Chancellor – Controller and Chief Budget Officer Randy Wallace  
General Counsel to the Board Francie A. Frederick



|                        |                          |
|------------------------|--------------------------|
| <b>Program:</b>        | <b>System Initiative</b> |
| <b>Activity Name:</b>  | <b>Los Alamos</b>        |
| <b>AUF Allocation:</b> | <b>\$ 4,500,000</b>      |

**Description:** The UT System Board of Regents may grant approval in its August 23rd-24th meeting to pursue an opportunity with the U.S. Department of Energy. The proposal is for the management, operation and staffing of the Los Alamos National Laboratory (LANL) to accomplish the missions assigned to LANL by the National Nuclear Security Administration (NNSA); to achieve Presidential and Congressional directives; to fully support the Nuclear Posture Review; to enhance and promote communication, cooperation, integration, and interdependency that will result in improvements in the performance of the National Security Enterprise (NSE) as a whole; to perform the Laboratory's role as a lead element for nuclear weapons; to provide cross-site coordination with NNSA's other NSE elements for program and project management; and to integrate excellence in Laboratory operations, business operations, and Laboratory management with the performance of world-class science and technology. If approval to pursue the bid is granted, System leadership is expected to come back to the Board in a subsequent meeting after the 30 day notification period to seek formal approval for the expenditure of funds from the Available University Fund for the system initiative. The requested AUF funds of up to \$4.5 million represent the estimated cost of developing and submitting the proposal to the Department of Energy.

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|------------------------|--|
| <b>State Authority</b> | <b>Texas Constitution - Article 7, Section 10 &amp; 18</b> |
| <b>State Authority</b> | <b>Education Code Section 65 &amp; Section 51.353</b>      |

| Method of Finance:                       |                           | FY 2018      | FY 2019   | FY 2020   | FY 2021   | FY 2022   |
|--|---------------------------|--------------|-----------|-----------|-----------|-----------|
|  |                           | Budget       | Estimated | Estimated | Estimated | Estimated |
| 011                                      | Available University Fund | \$ 4,500,000 | \$ -      | \$ -      | \$ -      | \$ -      |
| <b>Objects of Expense</b>                |                           |              |           |           |           |           |
| Account # / Name                         | FY 2018                   | FY 2019      | FY 2020   | FY 2021   | FY 2022   |           |
|  | Budget                    | Estimated    | Estimated | Estimated | Estimated |           |
| 1001 Salaries & Wages                    | \$ -                      | \$ -         | \$ -      | \$ -      | \$ -      |           |
| 1002 Other Personnel Costs               |                           |              |           |           |           |           |
| 1005 Faculty Salaries (Higher Ed only)   |                           |              |           |           |           |           |
| 1010 Prof Salaries - Faculty Equivalent  |                           |              |           |           |           |           |
| 2001 Professional Fees & Svcs            | \$ 4,500,000              |              |           |           |           |           |
| 2002 Fuel & Lubricants                   |                           |              |           |           |           |           |
| 2003 Consumable Supplies                 |                           |              |           |           |           |           |
| 2004 Utilities                           |                           |              |           |           |           |           |
| 2005 Travel                              |                           |              |           |           |           |           |
| 2006 Rent - Building                     |                           |              |           |           |           |           |
| 2007 Rent - Machine & Other              |                           |              |           |           |           |           |
| 2008 Debt Service                        |                           |              |           |           |           |           |
| 2009 Other Operating Expense             |                           |              |           |           |           |           |
| 3001 Client Services                     |                           |              |           |           |           |           |
| 5000 Capital Expenditures                |                           |              |           |           |           |           |
| Total, Objects of Expense                | \$ 4,500,000              | \$ -         | \$ -      | \$ -      | \$ -      |           |
| <b>AUF Net Position per Activity</b>     |                           |              |           |           |           |           |
|  | FY 2018                   | FY 2019      | FY 2020   | FY 2021   | FY 2022   |           |
|  | Budget                    | Estimated    | Estimated | Estimated | Estimated |           |
| Beginning Balance (AUF)                  | \$ -                      | \$ -         | \$ -      | \$ -      | \$ -      |           |
| Allocations (AUF)                        | \$ 4,500,000              | \$ -         | \$ -      | \$ -      | \$ -      |           |
| Less Expenses (AUF)                      | \$ (4,500,000)            | \$ -         | \$ -      | \$ -      | \$ -      |           |
| <b>13 AUF Net Position - End of Year</b> | \$ -                      | \$ -         | \$ -      | \$ -      | \$ -      |           |
| <b>Full-Time-Equivalents (FTEs)</b>      |                           |              |           |           |           |           |
|  |                           |              |           |           |           |           |