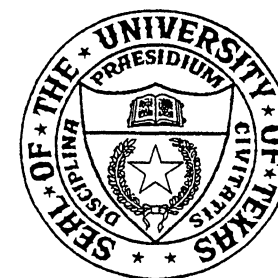

LEGISLATIVE APPROPRIATIONS REQUEST
FISCAL YEARS 2012 AND 2013



Submitted to the Governor's Office of Budget, Planning
and Policy and the Legislative Budget Board

THE UNIVERSITY OF TEXAS
SYSTEM ADMINISTRATION

August 2010

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Agency Code: 720	Agency Name: The University of Texas System Admin.	Prepared By: Randy Wallace	Date: August 2010	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 2012-13 biennium.</p>				
Number	Name			
2.D.	Summary of Base Request Objective Outcomes			
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Schedule 1A	Other Educational and General Income			
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Schedule 7	Current and Local Fund (General) Balances			
Schedule 10A	Tuition Revenue Bond Projects-Schedule			
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Agency name: The University of Texas System Administration

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION ADMINISTRATOR'S STATEMENT

In accordance with the instructions, The University of Texas System Administration submits the following Legislative Appropriations Request (LAR) for fiscal years 2012 and 2013 to the Governor's Office of Budget, Policy and Planning and the Legislative Budget Board.

SYSTEM BACKGROUND

The University of Texas System is governed by a board of nine regents appointed by the Governor and confirmed by the Senate. Regents serve six year, staggered terms, with the terms of three members expiring on February 1 of odd-numbered years. In addition, the Governor appoints a Student Regent for a one-year term that expires on May 31. The members of the board, hometowns and ending dates of terms are as follows:

Colleen McHugh, Corpus Christi, (Chair) 2-1-11; Janiece Longoria, Houston, 2-1-11; Brenda Pejovich, Dallas, 2-1-11; Paul L. Foster, El Paso, 2-1-13; James D. Dannenbaum, Houston, 2-1-13; Printice L. Gary, Dallas, 2-1-13; R. Steven "Steve" Hicks, Austin, 2-1-15; William Eugene "Gene" Powell, San Antonio, 2-1-15; Robert L. Stillwell, Houston, 2-1-15; and Student Regent Kyle J. Kalkwarf, San Antonio, 5-31-11

The chancellor of the UT System is Francisco G. Cigarroa, M.D.

Description of UT System and Operations

Founded in 1883, the UT System is composed of nine general academic institutions and six health-related institutions. The UT System employs more than 85,200 people (fall 2009), including approximately 18,600 faculty. Total enrollment at UT System institutions for fall 2009 was over 202,000 students, an increase of 3.7 percent from the prior year. In 2008-2009, UT System institutions awarded almost 42,000 degrees and certificates. UT System institutions produced one-third of the degrees and certificates awarded by public universities and almost two-thirds of the health care degrees and certificates awarded by health-related institutions in Texas.

The number of degrees from UT System academic institutions has outpaced the growth in enrollment, demonstrating the effectiveness and efficiency of the educational enterprise; for example, since 2004-05 enrollment has increased by 6.8%, while the number of degrees awarded in the same period has increased by 13.6%. Student graduation and persistence rates have also improved for most UT System institutions.

The UT System operating budget for FY 2011 is \$12.8 billion. The revenue for those expenditures comes from the following sources: \$2.0 billion (15.1%) in state general revenue; \$3.0 billion (22.9%) in federal/state/private research; \$4.9 billion (37.3%) in hospital, clinic, and professional fees; \$1.3 billion (9.7%) in tuition and fees; \$773 million (5.9%) in investment income; \$414 million (3.2%) from auxiliary enterprises; \$424 million (3.3%) in gifts and other receipts; and \$342 million (2.6%) from educational activities.

Within the UT System, the Board of Regents has the critical responsibility of providing overall direction, oversight, governance and support, while the UT System Administration contributes leadership and resources in support of the regents' directions. Specifically, System Administration has responsibility for managing the Permanent University Fund (PUF) and other endowments, managing university lands, carrying out the Board of Regents' policies, collaborating with the Board of Regents on strategic planning, and serving as consultants to UT System institutions on issues ranging from academic programs to development. In addition, System Administration provides a wide range of centralized, cost-effective, and value-added services on behalf of the UT institutions and the public, such as accounting and

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performance benchmarking, employee group insurance, academic and medical program approval, group purchasing, debt management, and institutional compliance programs.

Context for Appropriations Request

The UT System is acutely aware of the challenges the current economic environment creates for the state budget and earnestly seeks to reduce costs and be disciplined in its appropriations requests. In short, the UT System seeks to be part of the solution.

When adjusted for inflation, state appropriations have increased from \$4,800 to \$5,060 per full-time equivalent (FTE) student between FY 2005 and FY 2009, but remain well below the benchmark of \$5,850 per FTE student in FY 2002. One means the UT System has used to make up the difference is an aggressive focus on efficiency in operations and costs savings. From FY 2006 through FY 2009, UT System has proactively produced \$38.55 million in one-time savings and \$43.65 million in annual savings, resulting in \$531.25 million in cumulative (gross) savings. In addition, through effective debt management UT System has generated \$181 million in debt savings since FY 2001, and through successful energy management strategies the System has saved \$142 million since FY 2001.

Appropriations for education are not merely another expense item in the state budget. Rather, appropriations for education are a critical investment in the state's economic future, one that produces substantial returns. An educated, taxpaying workforce is first among the critical elements of a solid economic future. And the research conducted at institutions of higher education drives the innovation and technological advances that make Texas an attractive place to start or relocate businesses.

In this context, the UT System has identified several funding issues as priorities for legislative consideration. The description of these priorities is not intended as a rank order but rather merely identifies each as a priority for the UT System.

SYSTEM-WIDE ISSUES

Stable Base Funding. Stable, predictable base funding is critical to both academic and health institutions of the UT System. The 81st Legislature used a total of \$132 million in federal stimulus dollars from the American Recovery and Reinvestment Act (ARRA) to underwrite formula funding and another \$80 million for incentive funding for academic institutions. Those funds represent the core of higher education finance by the state, and for the UT System the ARRA dollars amounted to \$61.5 million in the formulas and \$26.4 million in incentive funds. These incentive funds further the state's goal of producing more graduates, particularly those in the economically important fields of math, science, engineering and education and those who are classified as at higher risk of not succeeding in higher education.

It is not just necessary, but imperative, that general revenue or other state funds replace the ARRA funds to provide stable base funding for institutions of higher education.

Formula Funding for Growth. The budget reductions made in FY 2011 occur in the context of record enrollment, noted above to be 3.7% higher for the UT System over the previous year while, as noted in the context statement above, funding per FTE student adjusted for inflation remains well below the amount appropriated a decade ago. This growth may well continue into the 2012-2013 biennium, as students return to higher education to improve their skills and retrain for the economy of the future. And Texas still has work to do in "Closing the Gaps" to produce more graduates from historically underrepresented populations.

It is essential that the amounts appropriated for formula funding accommodate this continued enrollment growth.

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No Additional Across-the-Board Reductions. The UT System accepted its responsibility to reduce expenditures by 5% for FY 2011 as part of the statewide across-the-board reductions. These reductions, though absorbed, were not without consequences, as UT institutions were required in some instances to reduce faculty and staff through attrition or programs to encourage retirements and to cut travel and other expenditures that support teaching and research. Were funding to become available, restoration of these reductions could reverse these consequences, but the UT System recognizes the realities of the state budget.

The UT System also notes that the discretionary nature of higher education appropriations, coupled with certain exclusions from and exceptions to the 5% reductions, resulted in higher education across the board bearing a significantly disproportionate share of the total across-the-board reductions (41% of the \$1.2 billion total, while higher education accounts for only 18.4% of the state's general revenue expenditures and 12.5% of the expenditure of all state funds). The consistent and continuing successful efforts of UT System to identify cost efficiencies, noted in the context statement above, limits its ability to absorb additional reductions through simply identifying and eliminating inefficiencies.

The consequences of any additional reductions in general revenue will impair the ability of the UT System and higher education to continue to provide the return on investment in the state's economic future. The Legislative Appropriations Requests from UT institutions recount the serious consequences of any further reductions. Among the potential results at many UT institutions would be the elimination of academic programs, reduced class offerings, reductions in faculty and student advisory and support staff, the inability to compete to attract nationally recognized faculty to our institutions, and limits on enrollment. These changes could impede the ability of UT institutions to produce the number of graduates needed by the state to attain the goals of the "Closing the Gaps" report and to continue the economic growth that has made Texas a leader in our nation. They could also undercut the efforts underway at UT institutions to speed student's time to complete their degrees. Specific programs of great value to particular regions of the state might also have to be eliminated.

If additional reductions in state spending are ultimately necessary, the UT System urges that those reductions be made proportionately throughout all of the functions, activities and agencies of state government, as well as proportionately among the different levels and components of higher education.

Formula Funding for Health Institutions. Current funding levels remain insufficient to address the health care demands of a growing state, especially facing the increase of the tens of thousands of Texans who, under federal health care reform, will have health coverage beginning in the next fiscal biennium, as well as facing the possibility, if not likelihood, of declining reimbursements for the care delivered. In particular, the level of state support for residency programs continues to give other states an advantage in attracting Texas-trained medical students seeking residency programs. An insufficient number of residency positions, in turn, limits the number of physicians available to serve the health care needs of Texans.

Additional funds in the infrastructure and research formula for health-related institutions, as well as additional funds for Graduate Medical Education (GME), would be a worthy investment in the near and long-term future of the health of Texans.

Maintaining Support for Existing National Research Universities. The 81st Legislature and the voters of Texas made an historic commitment to increasing the number of national research universities in Texas. However, the two existing national research universities, UT Austin and Texas A&M, are mature institutions that are at or near enrollment capacity and therefore do not benefit from formula funding that is tied to enrollment growth.

To maintain their current status, much less improve their national standing and competitiveness, it is a priority need for the State of Texas to maintain and increase funding for these institutions through such existing mechanisms as the Research Development Fund, or to develop for these institutions a distinct funding formula or methodology that recognizes their unique circumstances.

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Other Select Issues. Other priorities for wise investments by the Legislature include:

- Supporting the continued rebuilding of The University of Texas Medical Branch at Galveston (UTMB), through funding the tuition revenue bond authorized by the 81st Legislature and extending the added operating funds, as well as dealing with the issues associated with correctional managed care.
- Expanding the bond capacity of the Cancer Prevention and Research Institute of Texas, which has become an important source of funds to attract new talent to the state's institutions of higher education and spur groundbreaking research.
- Supporting the creation of additional national research universities in Texas through continued funding of the Texas Research Incentive Program that matches private philanthropy with state dollars.

INSTITUTION-SPECIFIC ISSUES

Each UT System institution will submit for review and consideration the specific priority needs of that institution, such as exceptional item funding or specific tuition revenue bond (TRB) requests. In presenting these requests the System and institutions are cognizant of the condition of the state budget and the use of ARRA monies to fund certain exceptional item requests in the 81st Legislative Session. We do so in order to fulfill our responsibility to outline the strategic direction of the institutions for the next several years.

The strategic importance of TRB requests should be emphasized. A commitment by the Legislature for needed research, health and academic facilities will demonstrate the state's continuing commitment to a vision for and the importance of higher education in Texas, important to those faculty members and researchers who look to our state as an attractive place for their individual futures. Investment in these facilities is also important to the future of the state's economy, as these facilities are a key component in the production of more graduates and research that fuels economic growth and vitality. Finally, the current low cost of construction and debt financing are also factors the Legislature should consider in evaluating TRB requests from higher education.

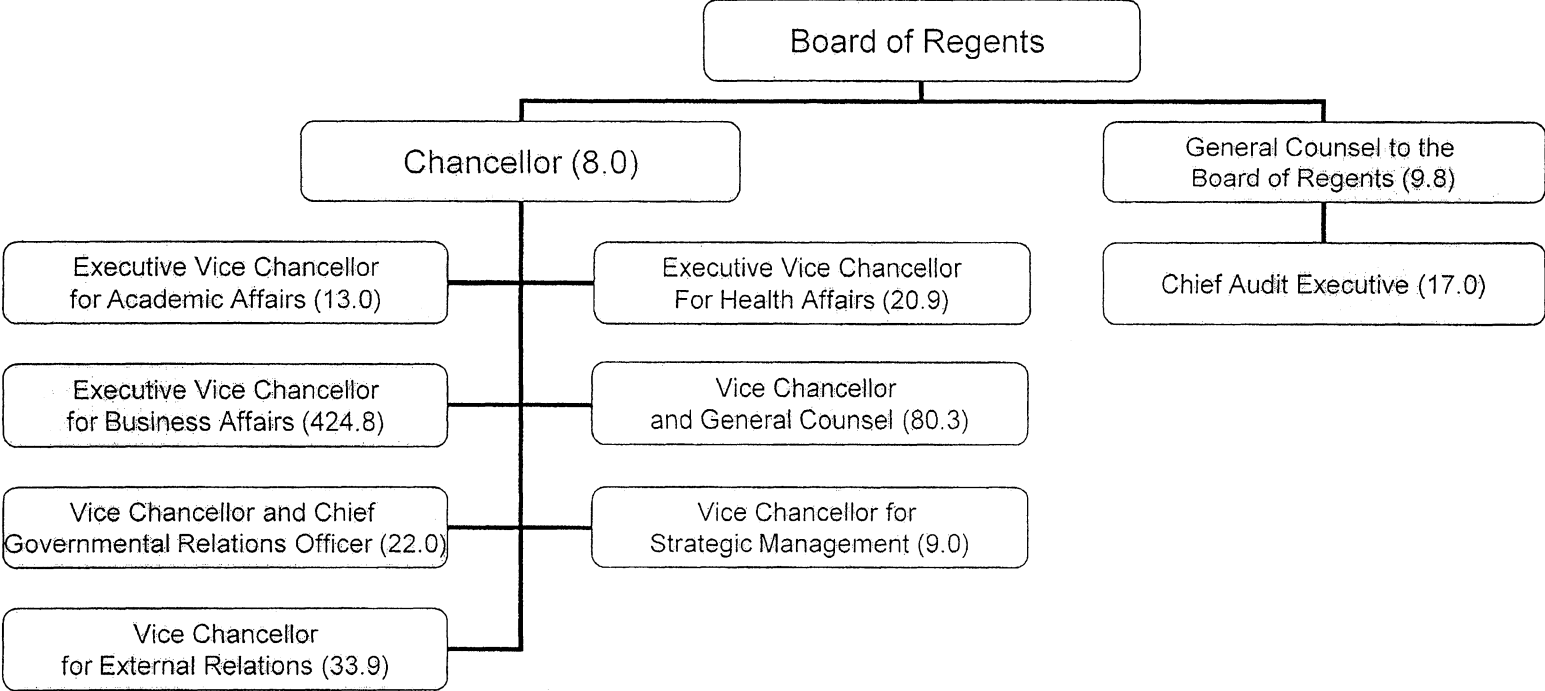
EXCEPTIONAL ITEM REQUEST

The UT System is requesting exceptional item support for the budgetary impact of federal health care changes. The request totals \$2,088,356 in FY 2012 and \$2,248,111 in FY 2013. Additional information can be found on Schedule 4.A.

POLICY ON CRIMINAL HISTORY RECORDS

The UT System Administration's policy is to obtain criminal history record information on all finalists considered for appointment to a security sensitive position, as allowed by Government Code Section 411.094 and Education Code Section 51.215. The Chancellor has designated all positions at System Administration to be security sensitive.

The University of Texas System Administration



2.A. SUMMARY OF BASE REQUEST BY STRATEGY
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 1:22:09PM

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

Goal / Objective / STRATEGY	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
<u>1</u> Provide Instructional and Operations Support					
<u>1</u> <i>Provide Instructional and Operations Support</i>					
11 SYSTEM OFFICE OPERATIONS	781,394	2,000,000	1,800,000	1,900,000	1,900,000
TOTAL, GOAL 1	<u>\$781,394</u>	<u>\$2,000,000</u>	<u>\$1,800,000</u>	<u>\$1,900,000</u>	<u>\$1,900,000</u>
<u>2</u> Provide Infrastructure Support					
<u>1</u> <i>Provide Operation and Maintenance of E&G Space</i>					
1 DEBT SERVICE - NSERB	6,540,600	6,536,650	6,540,600	6,540,600	6,540,600
TOTAL, GOAL 2	<u>\$6,540,600</u>	<u>\$6,536,650</u>	<u>\$6,540,600</u>	<u>\$6,540,600</u>	<u>\$6,540,600</u>
<u>3</u> Special Item Support					
<u>5</u> <i>Exceptional Item Request</i>					
1 EXCEPTIONAL ITEM REQUEST	0	0	0	0	0
TOTAL, GOAL 3	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>6</u> Tobacco Funds					
<u>1</u> <i>Tobacco Earnings for Research</i>					
1 TOBACCO EARNINGS - RAHC	1,132,470	1,126,000	1,152,000	1,108,000	1,108,000
TOTAL, GOAL 6	<u>\$1,132,470</u>	<u>\$1,126,000</u>	<u>\$1,152,000</u>	<u>\$1,108,000</u>	<u>\$1,108,000</u>
TOTAL, AGENCY STRATEGY REQUEST	<u>\$8,454,464</u>	<u>\$9,662,650</u>	<u>\$9,492,600</u>	<u>\$9,548,600</u>	<u>\$9,548,600</u>

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 1:22:09PM

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

Goal / Objective / STRATEGY	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$8,454,464	\$9,662,650	\$9,492,600	\$9,548,600	\$9,548,600
METHOD OF FINANCING:					
General Revenue Funds:					
1 General Revenue Fund	7,321,994	8,536,650	8,340,600	8,440,600	8,440,600
SUBTOTAL	\$7,321,994	\$8,536,650	\$8,340,600	\$8,440,600	\$8,440,600
Other Funds:					
822 Permanent Endowment FD UTRAC	1,132,470	1,126,000	1,152,000	1,108,000	1,108,000
SUBTOTAL	\$1,132,470	\$1,126,000	\$1,152,000	\$1,108,000	\$1,108,000
TOTAL, METHOD OF FINANCING	\$8,454,464	\$9,662,650	\$9,492,600	\$9,548,600	\$9,548,600

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
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Agency code: 720 Agency name: The University of Texas System Administration

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
<u>GENERAL REVENUE</u>					
<u>1</u> General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2008-09 GAA)	\$7,321,994	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2010-11 GAA)	\$0	\$8,536,650	\$8,540,600	\$8,440,600	\$8,440,600
<i>LAPSED APPROPRIATIONS</i>					
Five Percent Reduction (2010-11 Biennium)	\$0	\$0	\$(200,000)	\$0	\$0
TOTAL, General Revenue Fund	\$7,321,994	\$8,536,650	\$8,340,600	\$8,440,600	\$8,440,600
TOTAL, ALL GENERAL REVENUE	\$7,321,994	\$8,536,650	\$8,340,600	\$8,440,600	\$8,440,600

OTHER FUNDS

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

REGULAR APPROPRIATIONS

Estimated Appropriations from MOF Table (2008-09 GAA)

\$1,102,000 \$0 \$0 \$0 \$0

Estimated Appropriations from MOF Table (2010-11 GAA)

\$0 \$1,102,000 \$1,102,000 \$1,108,000 \$1,108,000

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
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METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
OTHER FUNDS					
Revised Receipts	\$(46,000)	\$(20,000)	\$6,000	\$0	\$0
Revised Receipts - Interest Earnings on Endowment Distribution	\$76,470	\$44,000	\$44,000	\$0	\$0
TOTAL, Permanent Endowment Fund Account No. 822, UT Regional Academic Health Center	\$1,132,470	\$1,126,000	\$1,152,000	\$1,108,000	\$1,108,000
TOTAL, ALL OTHER FUNDS	\$1,132,470	\$1,126,000	\$1,152,000	\$1,108,000	\$1,108,000
GRAND TOTAL	\$8,454,464	\$9,662,650	\$9,492,600	\$9,548,600	\$9,548,600

FULL-TIME-EQUIVALENT POSITIONS

REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2008-09 GAA)	249.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2010-11 GAA)	0.0	247.0	229.0	229.0	229.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Number Over (Below) Cap	(1.3)	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	247.7	247.0	229.0	229.0	229.0

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
82nd Regular Session, Agency Submission, Version I
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
TIME: 3:18:44PM

Agency code: 720

Agency name: The University of Texas System Administration

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
NUMBER OF 100% FEDERALLY FUNDED FTEs	0.0	0.0	0.0	0.0	0.0

2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 1:22:41PM

Agency code: 720

Agency name: The University of Texas System Administration

OBJECT OF EXPENSE	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
1001 SALARIES AND WAGES	\$767,001	\$1,961,296	\$1,800,000	\$1,900,000	\$1,900,000
1002 OTHER PERSONNEL COSTS	\$14,393	\$38,704	\$0	\$0	\$0
2008 DEBT SERVICE	\$6,540,600	\$6,536,650	\$6,540,600	\$6,540,600	\$6,540,600
2009 OTHER OPERATING EXPENSE	\$1,132,470	\$1,126,000	\$1,152,000	\$1,108,000	\$1,108,000
OOE Total (Excluding Riders)	\$8,454,464	\$9,662,650	\$9,492,600	\$9,548,600	\$9,548,600
OOE Total (Riders)					
Grand Total	\$8,454,464	\$9,662,650	\$9,492,600	\$9,548,600	\$9,548,600

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 1:23:00PM

Agency code: 720

Agency name: The University of Texas System Administration

Priority	Item	2012			2013			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Federal Health Care Changes	\$2,088,356	\$2,088,356		\$2,248,111	\$2,248,111		\$4,336,467	\$4,336,467
Total, Exceptional Items Request		\$2,088,356	\$2,088,356		\$2,248,111	\$2,248,111		\$4,336,467	\$4,336,467
Method of Financing									
	General Revenue	\$2,088,356	\$2,088,356		\$2,248,111	\$2,248,111		\$4,336,467	\$4,336,467
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$2,088,356	\$2,088,356		\$2,248,111	\$2,248,111		\$4,336,467	\$4,336,467
Full Time Equivalent Positions									
	Number of 100% Federally Funded FTEs			0.0			0.0		

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/16/2010
 TIME : 3:19:09PM

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

Goal/Objective/STRATEGY	Base 2012	Base 2013	Exceptional 2012	Exceptional 2013	Total Request 2012	Total Request 2013
1 Provide Instructional and Operations Support						
1 Provide Instructional and Operations Support						
11 SYSTEM OFFICE OPERATIONS	\$1,900,000	\$1,900,000	\$0	\$0	\$1,900,000	\$1,900,000
TOTAL, GOAL 1	\$1,900,000	\$1,900,000	\$0	\$0	\$1,900,000	\$1,900,000
2 Provide Infrastructure Support						
1 Provide Operation and Maintenance of E&G Space						
1 DEBT SERVICE - NSERB	6,540,600	6,540,600	0	0	6,540,600	6,540,600
TOTAL, GOAL 2	\$6,540,600	\$6,540,600	\$0	\$0	\$6,540,600	\$6,540,600
3 Special Item Support						
5 Exceptional Item Request						
1 EXCEPTIONAL ITEM REQUEST	0	0	2,088,356	2,248,111	2,088,356	2,248,111
TOTAL, GOAL 3	\$0	\$0	\$2,088,356	\$2,248,111	\$2,088,356	\$2,248,111

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/16/2010
 TIME : 3:19:09PM

Agency code: 720		Agency name: The University of Texas System Administration				
Goal/Objective/STRATEGY	Base 2012	Base 2013	Exceptional 2012	Exceptional 2013	Total Request 2012	Total Request 2013
6 Tobacco Funds						
1 Tobacco Earnings for Research						
1 TOBACCO EARNINGS - RAHC	\$1,108,000	\$1,108,000	\$0	\$0	\$1,108,000	\$1,108,000
TOTAL, GOAL 6	\$1,108,000	\$1,108,000	\$0	\$0	\$1,108,000	\$1,108,000
TOTAL, AGENCY STRATEGY REQUEST	\$9,548,600	\$9,548,600	\$2,088,356	\$2,248,111	\$11,636,956	\$11,796,711
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$9,548,600	\$9,548,600	\$2,088,356	\$2,248,111	\$11,636,956	\$11,796,711

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/16/2010
 TIME : 3:19:06PM

Agency code: 720		Agency name: The University of Texas System Administration				
Goal/Objective/STRATEGY	Base 2012	Base 2013	Exceptional 2012	Exceptional 2013	Total Request 2012	Total Request 2013
General Revenue Funds:						
1 General Revenue Fund	\$8,440,600	\$8,440,600	\$2,088,356	\$2,248,111	\$10,528,956	\$10,688,711
	\$8,440,600	\$8,440,600	\$2,088,356	\$2,248,111	\$10,528,956	\$10,688,711
Other Funds:						
822 Permanent Endowment FD UTRAC	1,108,000	1,108,000	0	0	1,108,000	1,108,000
	\$1,108,000	\$1,108,000	\$0	\$0	\$1,108,000	\$1,108,000
TOTAL, METHOD OF FINANCING	\$9,548,600	\$9,548,600	\$2,088,356	\$2,248,111	\$11,636,956	\$11,796,711
FULL TIME EQUIVALENT POSITIONS	229.0	229.0	0.0	0.0	229.0	229.0

3.A. STRATEGY REQUEST
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 3:19:39PM

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

GOAL: 1 Provide Instructional and Operations Support Statewide Goal/Benchmark: 2 0
 OBJECTIVE: 1 Provide Instructional and Operations Support Service Categories:
 STRATEGY: 11 System Office Operations Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
Objects of Expense:						
1001	SALARIES AND WAGES	\$767,001	\$1,961,296	\$1,800,000	\$1,900,000	\$1,900,000
1002	OTHER PERSONNEL COSTS	\$14,393	\$38,704	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$781,394	\$2,000,000	\$1,800,000	\$1,900,000	\$1,900,000
Method of Financing:						
1	General Revenue Fund	\$781,394	\$2,000,000	\$1,800,000	\$1,900,000	\$1,900,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$781,394	\$2,000,000	\$1,800,000	\$1,900,000	\$1,900,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,900,000	\$1,900,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$781,394	\$2,000,000	\$1,800,000	\$1,900,000	\$1,900,000
FULL TIME EQUIVALENT POSITIONS:		247.7	247.0	229.0	229.0	229.0

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.

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.

3.A. STRATEGY REQUEST
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
TIME: 3:19:43PM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$8,454,464	\$9,662,650	\$9,492,600	\$9,548,600	\$9,548,600
METHODS OF FINANCE (INCLUDING RIDERS):				\$9,548,600	\$9,548,600
METHODS OF FINANCE (EXCLUDING RIDERS):	\$8,454,464	\$9,662,650	\$9,492,600	\$9,548,600	\$9,548,600
FULL TIME EQUIVALENT POSITIONS:	247.7	247.0	229.0	229.0	229.0

3.B. Rider Revisions and Additions Request

Agency Code: 720	Agency Name: The University of Texas System Admin.	Prepared By: Randy Wallace	Date: August 2010	Request Level: Baseline
Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language		
4	III-66 (UT System Administration)	<p>4(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.</p> <p>4(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, the Act may not be construed as appropriating funds to make up the difference.</p> <p>4(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, 2009 2011, and the income to said fund during the fiscal years beginning September 1, 2009 2011, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2010 2012, are hereby appropriated for the same purposes for fiscal year 2011 2013.</p> <p><i>Update rider appropriating balances and income of the permanent endowment fund for the Lower Rio Grande Regional Academic Health Center for fiscal years 2012 and 2013.</i></p>		

3.B. Rider Revisions and Additions Request

Agency Code: 720	Agency Name: The University of Texas System Admin.	Prepared By: Randy Wallace	Date: August 2010	Request Level: Baseline
Current Rider Number	Page Number in 2010-11 GAA	Proposed Rider Language		
5	III-66 (UT System Administration)	<p>5. General Revenue funds appropriated above in Strategy A.1.1, system Office Operations in the amount of \$1,218,606 per year are contingent upon The University of Texas System Administration decreasing the amount of Available University Funds being used for system operations by the same amount in fiscal years 2010 and 2011.</p> <p><i>Remove language from riders for fiscal years 2012 and 2013.</i></p>		

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 1:24:37PM

Agency code: 720

Agency name:
 The University of Texas System Administration

CODE	DESCRIPTION	Excp 2012	Excp 2013
	Item Name: Budgetary Impact of Federal Health Care Changes		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request		
OBJECTS OF EXPENSE:			
1002	OTHER PERSONNEL COSTS	2,088,356	2,248,111
	TOTAL, OBJECT OF EXPENSE	<u><u>\$2,088,356</u></u>	<u><u>\$2,248,111</u></u>
METHOD OF FINANCING:			
1	General Revenue Fund	2,088,356	2,248,111
	TOTAL, METHOD OF FINANCING	<u><u>\$2,088,356</u></u>	<u><u>\$2,248,111</u></u>

DESCRIPTION / JUSTIFICATION:

Changes to Federal law approved during 2010 will result in additional costs to the UT System in regard to providing health insurance and the "cafeteria plan" authorized by Internal Revenue Code Section 125 (known as UT FLEX).

Various changes will have an impact although some costs will extend beyond general revenue funding and are not requested here. The changes for which funding is requested include expansion of coverage to dependents up to age 26, a requirement to cover preventive care at 100%, and payment of an annual fee required to fund the Patient Centered Outcomes Research Trust Fund.

EXTERNAL/INTERNAL FACTORS:

Institutions will bear significant fiscal impact in non-general revenue appropriated funds and also in non-appropriated institutional funds. Consult the Schedule 6.J in this appropriations request for additional information.

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010

TIME: 1:24:47PM

Agency code: 720

Agency name: The University of Texas System Administration

Code Description	Excp 2012	Excp 2013
Item Name: Budgetary Impact of Federal Health Care Changes		
Allocation to Strategy: 3-5-1 Exceptional Item Request		
OBJECTS OF EXPENSE:		
1002 OTHER PERSONNEL COSTS	2,088,356	2,248,111
TOTAL, OBJECT OF EXPENSE	\$2,088,356	\$2,248,111
METHOD OF FINANCING:		
1 General Revenue Fund	2,088,356	2,248,111
TOTAL, METHOD OF FINANCING	\$2,088,356	\$2,248,111

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
TIME: 1:24:58PM

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

GOAL: 3 Special Item Support Statewide Goal/Benchmark: 2 - 0
 OBJECTIVE: 5 Exceptional Item Request Service Categories:
 STRATEGY: 1 Exceptional Item Request Service: 19 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2012	Excp 2013
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OBJECTS OF EXPENSE:

1002 OTHER PERSONNEL COSTS	2,088,356	2,248,111
Total, Objects of Expense	<u>\$2,088,356</u>	<u>\$2,248,111</u>

METHOD OF FINANCING:

1 General Revenue Fund	2,088,356	2,248,111
Total, Method of Finance	<u>\$2,088,356</u>	<u>\$2,248,111</u>

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Budgetary Impact of Federal Health Care Changes

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/16/2010

Time: 1:24:00PM

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2008 - 2009 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	HUB Expenditures FY 2008				Total Expenditures FY 2008	HUB Expenditures FY 2009				Total Expenditures FY 2009
		% Goal	% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$		
26.1%	Building Construction	17.0 %	20.7%	3.7%	\$92,770,327	\$448,360,985	18.0 %	20.3%	2.3%	\$92,007,150	\$454,164,736
57.2%	Special Trade Construction	5.2 %	65.9%	60.7%	\$1,271,515	\$1,929,055	5.7 %	17.3%	11.6%	\$147,587	\$853,613
20.0%	Professional Services	20.0 %	20.2%	0.2%	\$10,232,313	\$50,661,337	20.5 %	23.0%	2.5%	\$13,406,139	\$58,294,546
33.0%	Other Services	22.7 %	6.2%	-16.5%	\$1,669,464	\$26,971,007	23.2 %	3.7%	-19.5%	\$1,427,213	\$38,860,038
12.6%	Commodities	11.8 %	15.9%	4.1%	\$4,086,456	\$25,744,287	12.1 %	32.1%	20.0%	\$5,902,868	\$18,389,714
	Total Expenditures		19.9%		\$110,030,075	\$553,666,671		19.8%		\$112,890,957	\$570,562,647

B. Assessment of Fiscal Year 2008 - 2009 Efforts to Meet HUB Procurement Goals

Attainment:

U. T. System Administration met or exceeded Statewide HUB Procurement Goals in four (4) of five (5) procurement categories in Fiscal Year 2008. The U. T. System realized a spend of \$110,030,075 or 19.8% across all HUB categories which exceeded the statewide average of 13.5%.

U. T. System Administration exceeded statewide HUB procurement goals four (4) of five (5) procurement categories in Fiscal Year 2009. The U. T. System spend total of \$112,890,957 or 19.7% with HUB firms, exceeded the statewide HUB participation average of 14.1%.

Applicability:

The "Heavy Construction" category was not applicable to U. T. System Administration operations in either fiscal year 2008 or fiscal year 2009 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 measures. Measurement of these market place variables and their impact upon performance measures would adjust the total adjusted HUB expenditure/total expenditure ratio for FY 2008 from 19.8 to 24.65 and for FY 2009 from 19.7 to 27.77.

Other factors affect expenditures for legal and financial services: (1) The nature and types of medical malpractice claims are extremely varied. Some claims have minimal exposure to the insured physician if properly handled; other claims involve multi-million dollar exposure, exceeding policy limits, with substantial risk to the estate of the individual defendant. It is deemed preferable to match each case with the defense attorney's skill, experience and knowledge of local judge and jury situations. Approximately 50% of U. T. System Self-Insurance Plans cases involve HUB non-capacity, and (2) the limited number of HUB firms that provide bond counsel, financial, printing, and underwriting services.

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/16/2010

Time: 1:24:03PM

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

"Good-Faith" Efforts:

U. T. System Administration made the following additional good faith efforts to comply with statewide HUB procurement goals:

- Technical Assistance Program (TAP). The Technical Assistance Program is designed to deliver technical support services to increase business capacity; and provide workshops and training in lending, construction accounting, estimating and proposal response, law and bonding. From September 1, 2008 through August 31, 2009, participants in the HUB Technical Assistance Program have obtained \$10 million in bonding.
- 1st Tier HUB Subcontracting Plan Requirement. The Office of HUB Development works with general contractors to require 1st Tier HUB Subcontracting Plans on large construction projects to ensure a good faith effort is met at the 2nd and 3rd tier level.
- Economic Opportunity Outreach Forums.

FY 2008

Participated in 90 HUB forum events
Sponsored 31 HUB forum events
Hosted 21 Bonding and Technical Assistance Workshops

FY 2009

Participated in 103 HUB forum events
Sponsored 33 HUB forum events
Hosted 15 Bonding and Technical Assistance Workshops

The University of Texas System Administration
6.H - Estimated Funds Outside the GAA
2010-11 and 2012-13 Biennia

	2010-2011 Biennium				2012-2013 Biennium			
	FY 2010 <u>Revenue</u>	FY 2011 <u>Revenue</u>	Biennium <u>Total</u>	Percent <u>of Total</u>	FY 2012 <u>Revenue</u>	FY 2013 <u>Revenue</u>	Biennium <u>Total</u>	Percent <u>of Total</u>
APPROPRIATED SOURCES (INSIDE THE GAA)								
State Appropriations	\$ 2,150,000	\$ 1,950,000	\$ 4,100,000		\$ 1,950,000	\$ 2,050,000	\$ 2,050,000	
State Grants and Contracts	10,643,390	-	10,643,390		10,643,390	-	10,643,390	
Research Excellence Funds (URF/TEF)	-	-	-		-	-	-	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	357,083,604	350,368,541	707,452,145		338,569,075	369,382,127	707,951,202	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	-	-	-		-	-	-	
Endowment and Interest Income	1,126,000	1,152,000	2,278,000		1,108,000	1,108,000	2,216,000	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	-	-	-		-	-	-	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	371,002,994	353,470,541	724,473,535	94.7%	352,270,465	372,540,127	722,860,592	96.5%
NON-APPROPRIATED SOURCES (OUTSIDE THE GAA)								
State Grants and Contracts	935,000	-	935,000		-	-	-	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	19,648,791	6,320,000	25,968,791		6,300,000	6,300,000	12,600,000	
Endowment and Interest Income	4,093,399	4,332,949	8,426,348		4,332,949	4,332,949	8,665,898	
Local Government Grants and Contracts	80,042	-	80,042		-	-	-	
Private Gifts and Grants	665,845	668,000	1,333,845		668,000	668,000	1,336,000	
Sales and Services of Educational Activities (net)	1,715,000	1,912,615	3,627,615		1,912,615	1,912,615	3,825,230	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	30,000	10,000	40,000		10,000	10,000	20,000	
Total	27,168,077	13,243,564	40,411,641	5.3%	13,223,564	13,223,564	26,447,128	3.5%
TOTAL SOURCES	\$ 398,171,071	\$ 366,714,105	\$ 764,885,176	100.0%	\$ 365,494,029	\$ 385,763,691	\$ 749,307,720	100.0%

6.1 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/16/2010
 Time: 1:25:42PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
1 5% Reduction to System Office Operations							
Category: Administrative - Operating Expenses							
Item Comment: Initial 5% Reduction for System Office Operations							
Strategy: 1-1-11 System Office Operations							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000	
General Revenue Funds Total	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000	
Item Total	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000	
FTE Reductions (From FY 2012 and FY 2013 Base Request)							
2 Additional 5% Reduction to System Office Operations							
Category: Administrative - Operating Expenses							
Item Comment: Additional 5% reduction to general revenue support for System Office Operations							
Strategy: 1-1-11 System Office Operations							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000	
General Revenue Funds Total	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000	
Item Total	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000	
FTE Reductions (From FY 2012 and FY 2013 Base Request)							
AGENCY TOTALS							
General Revenue Total				\$190,000	\$190,000	\$380,000	\$380,000
Agency Grand Total	\$0	\$0	\$0	\$190,000	\$190,000	\$380,000	
Difference, Options Total Less Target							

6.1 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/16/2010
Time: 1:25:47PM

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

Item Priority and Name/ <u>Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
Agency FTE Reductions (From FY 2012 and FY 2013 Base Request)							

6.J PART A BUDGETARY IMPACTS RELATED TO FEDERAL HEALTH CARE REFORM SCHEDULE
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 12:53:20PM

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

CODE	DESCRIPTION	Est 2010	Bud 2011	BL 2012	BL 2013	Excp 2012	Excp 2013
Item Number: 1 Item Name: Expand Dependent Coverage to Age 26							
Includes Funding for the following Strategy or Strategies:							
0001-0001-0011 System Office Operations							
OBJECTS OF EXPENSE							
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$725,809	\$828,722	\$0	\$0
	TOTAL, OBJECT OF EXPENSE	\$0	\$0	\$725,809	\$828,722	\$0	\$0

METHOD OF FINANCING

1	General Revenue Fund	\$0	\$0	\$725,809	\$828,722	\$0	\$0
	SUBTOTAL, GENERAL REVENUE FUNDS	\$0	\$0	\$725,809	\$828,722	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

H.R. 3590, Sec. 1001 (adds Sec. 2714 of Public Health Services Act); H.R. 4872, Sec. 2301

DESCRIPTION/KEY ASSUMPTIONS:

Expand Coverage to dependents up to age 26

1. This provision of the law becomes applicable to the UT System on September 1, 2011
2. Enrollment will grow 1% per year due to increase in the number of retirees
3. Expense amounts shown are the total projected increase in employer cost for all System institutions
4. General Revenue is assumed to be the same percentage of employer contributions as it is in FY10. The remainder of the cost from non-GR sources is \$1,686,191 for FY12 and \$1,925,278 for FY13.

CONCERNS:

It is difficult to estimate true cost due to unknown information. Many assumptions must be made regarding the number of 26 year old dependents that will enroll in the plan and if they are a good risk, i.e. "healthy".

The costs reflected above represent only the portion of the total impact related to General Revenue. Additional costs of \$1,686,191 for FY12 and \$1,925,278 for FY13 are anticipated and would be borne by other (non-GR) appropriated and non-appropriated funding sources (i.e. Other E&G income, Patient Income, Available University Fund, Institutional Funds).

6.J PART A BUDGETARY IMPACTS RELATED TO FEDERAL HEALTH CARE REFORM SCHEDULE
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 12:53:28PM

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

CODE	DESCRIPTION	Est 2010	Bud 2011	BL 2012	BL 2013	Excp 2012	Excp 2013
Item Number: 2 Item Name: Cover Preventive Care at 100%							
Includes Funding for the following Strategy or Strategies:							
0001-0001-0011 System Office Operations							
OBJECTS OF EXPENSE							
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$1,362,547	\$1,376,389	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$1,362,547	\$1,376,389	\$0	\$0
METHOD OF FINANCING							
1	General Revenue Fund	\$0	\$0	\$1,362,547	\$1,376,389	\$0	\$0
SUBTOTAL, GENERAL REVENUE FUNDS		\$0	\$0	\$1,362,547	\$1,376,389	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:
 H.R. 3590, Sec. 1001 (adds Sec. 2713 of Public Health Services Act)

DESCRIPTION/KEY ASSUMPTIONS:
 Cover Preventive Care at 100%

1. This provision of the law is assumed to become applicable to the System September 1, 2011 as a result of the potential loss of "Grandfathered" status due to plan changes required to balance expenditures with available revenue. If such changes do not occur or are delayed, implementation of this provision will either be delayed until FY13 or beyond with a commensurate delay in cost impact.
2. Enrollment will grow 1% per year due to increases in the number of retirees.
3. Expense amounts shown are the total projected increase in employer cost for all System institutions
4. General Revenue assumed to be the same percentage of employer contributions as it is in FY10. The remainder of the cost from non-GR sources is \$3,165,453 for FY12 and \$3,197,611 for FY13.

CONCERNS:

6.J PART A BUDGETARY IMPACTS RELATED TO FEDERAL HEALTH CARE REFORM SCHEDULE

82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 12:53:28PM

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

CODE	DESCRIPTION	Est 2010	Bud 2011	BL 2012	BL 2013	Excp 2012	Excp 2013
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Concerns regarding the broad definition Health and Human Services is placing on "Preventive Care". Any enriched benefit will have a cost that must be offset by either a premium increase or offsetting another benefit.

The costs reflected above represent only the portion of the total impact related to General Revenue. Additional costs of \$3,165,453 for FY12 and \$3,197,611 for FY13 are anticipated and would be borne by other (non-GR) appropriated and non-appropriated funding sources (i.e. Other E&G income, Patient Income, Available University Fund, Institutional Funds).

6.J PART A BUDGETARY IMPACTS RELATED TO FEDERAL HEALTH CARE REFORM SCHEDULE
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 12:53:28PM

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

CODE	DESCRIPTION	Est 2010	Bud 2011	BL 2012	BL 2013	Excp 2012	Excp 2013
Item Number: 3 Item Name: Changing Allowable OTC Medications							
Includes Funding for the following Strategy or Strategies:							
0001-0001-0011 System Office Operations							
OBJECTS OF EXPENSE							
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL, OBJECT OF EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0
METHOD OF FINANCING							
1	General Revenue Fund	\$0	\$0	\$0	\$0	\$0	\$0
	SUBTOTAL, GENERAL REVENUE FUNDS	\$0	\$0	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:
 H.R. 3590, Sec. 9003 (adds Subsec. 106(f) of the Internal Revenue Code of 1986)

DESCRIPTION/KEY ASSUMPTIONS:
 Changing allowable Over-the-Counter medications under UT FLEX plan and potentiall creating reduced annual UT FLEX elections and therefore reduced employer tax savings.

1. Employees will reduce their UT FLEX (IRS Section 125 cafeteria plan) medical account elections due to the complexity involved in receiving reimbursement for certain over-the-counter (OTC) medications. The reduction in elections will generate a loss of FICA savings, i.e., a FICA cost. Enrollment and potential decreases in elections assumed to change cost by 6% annually.
2. Cost reflected is estimated FICA savings lost and is for the entire UT System.
3. Total cost is to Other Funding Sources (non-GR) and is \$6,391 for FY12 and \$6,774 for FY13.

CONCERNS:
 Removing the ability for members to receive OTC medications through a flex paln will cost employees, institutions and the state funding. Employees set aside a certain portion of their salary to purchase OTC medications. By requiring a prescription from an MD to obtain the OTC on a pre-tax basis, providers may require an unnecessary office visit or service charge, thus increasing the cost to the medical plan. This provision will cost the plan dollars and could potentially drive patients to obtain prescriptions through their MD rather than utilizing cost efficient and effective medications by purchasing OTC.

6.J PART A BUDGETARY IMPACTS RELATED TO FEDERAL HEALTH CARE REFORM SCHEDULE
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 12:53:28PM

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

CODE	DESCRIPTION	Est 2010	Bud 2011	BL 2012	BL 2013	Excp 2012	Excp 2013
Item Number: 4 Item Name: Reduction of Flex Spending Election							
Includes Funding for the following Strategy or Strategies:							
0001-0001-0011 System Office Operations							
OBJECTS OF EXPENSE							
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL, OBJECT OF EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0
METHOD OF FINANCING							
1	General Revenue Fund	\$0	\$0	\$0	\$0	\$0	\$0
	SUBTOTAL, GENERAL REVENUE FUNDS	\$0	\$0	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

H.R. 3590, Secs. 0995 & 10902 (adds Subsec. 125(i) of the IRS Code of 1986); H.R. 4872, Sec 1403(a)

DESCRIPTION/KEY ASSUMPTIONS:

Reduction of maximum annual flexible spending account election from \$5,000 to \$2,500.

1. This law becomes effective January 1, 2012, but elections for the plan year will begin Septemeber 1, 2011. Due to mandatory reduction in annual election, System will lose FICA savings, i.e., gain in FICA cost. Enrollment and potential decreases in elections assumed to change cost by 6% annually.
2. Cost reflected will be the cost to fund lost FICA savings and is for the entire UT System.
2. All costs are reflected as Other Funding Sources (non-GR) and are \$282,841 for FY12 and \$299,811 for FY13.

CONCERNS:

The reduction in the annual flex election to \$2,500 will impede employees' ability to redirect tax-free dollars to fund healthcare needs through the UT System's IRS Section 125 cafeteria plan known as UT FLEX. Additionally, for every dollar that is not redirected, the University loses tax savings associated with employer taxes. This method of financing is simply a tax on employers and individuals by eliminating a tax break.

6.J PART A BUDGETARY IMPACTS RELATED TO FEDERAL HEALTH CARE REFORM SCHEDULE
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 12:53:28PM

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

CODE	DESCRIPTION	Est 2010	Bud 2011	BL 2012	BL 2013	Excp 2012	Excp 2013
Item Number: 5 Item Name: Patient Centered Outcomes Fee							
Includes Funding for the following Strategy or Strategies:							
0001-0001-0011 System Office Operations							
OBJECTS OF EXPENSE							
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$43,000	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0	\$43,000	\$0	\$0
METHOD OF FINANCING							
1	General Revenue Fund	\$0	\$0	\$0	\$43,000	\$0	\$0
SUBTOTAL, GENERAL REVENUE FUNDS		\$0	\$0	\$0	\$43,000	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:
 H.R. 3590, Sec. 6301 (adds Secs. 9511 and 4376 of the Internal Revenue Code of 1986)

DESCRIPTION/KEY ASSUMPTIONS:
 Payment of annual fees required to fund Patient Centered Outcomes Research Trust Fund

- \$1.00 per participant per year funding for the Patient-Centered Outcomes Research Provisions to study the quality and relevance of treatment received by patients. Enrollment has been assumed to be 182,000 participants for FY13
- Expense amount shown is the total projected increase in employer cost for all System institutions.
- Additional expenses are funded from Other Funding Sources (non-GR) and are \$109,000 for FY13.

CONCERNS:
 Guidance has not been issued regarding how the Patient-Centered Outcomes Research study will benefit the University or employers. The concern is that UT institutions will fund an initiative with no direct known benefit to the University's plan.

The costs reflected above represent only the portion of the total impact related to General Revenue. Additional costs of \$109,000 for FY13 are anticipated and would be borne by other (non-GR) appropriated and non-appropriated funding sources (i.e. Other E&G income, Patient Income, Available University Fund, Institutional Funds).

6.J PART A BUDGETARY IMPACTS RELATED TO FEDERAL HEALTH CARE REFORM SCHEDULE
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 12:53:28PM

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

CODE	DESCRIPTION	Est 2010	Bud 2011	BL 2012	BL 2013	Excp 2012	Excp 2013
Item Number: 6 Item Name: Change Waiting Period for Coverage							
Includes Funding for the following Strategy or Strategies:							
0001-0001-0011 System Office Operations							
OBJECTS OF EXPENSE							
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL, OBJECT OF EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0
METHOD OF FINANCING							
1	General Revenue Fund	\$0	\$0	\$0	\$0	\$0	\$0
	SUBTOTAL, GENERAL REVENUE FUNDS	\$0	\$0	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:
 H. R. 3590, Sec. 1201 (adds Sec. 2708 of Public Health Services Act)

DESCRIPTION/KEY ASSUMPTIONS:
 Change waiting period from first of month following completion of 90 days of employment to first of the month following completion of 60 days of employment.

1) This provision of the law becomes applicable to the U. T. System on January 1, 2014, and, therefore does not impact the FY 12-13 biennium.

CONCERNS:
 Current Texas law allows for a waiting period up to 120 days and the option for institutions to fund the premiums from institutional funds. This provision will provide coverage sooner, but will cost the State additional funding when effective.

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

ITEM	ITEM NAME	Est 2010	Bud 2011	BL 2012	BL 2013	Excp 2012	Excp 2013	Total Request 2012	Total Request 2013
1	Expand Dependent Coverage to Age 26	\$0	\$0	\$725,809	\$828,722	\$0	\$0	\$725,809	\$828,722
2	Cover Preventive Care at 100%	\$0	\$0	\$1,362,547	\$1,376,389	\$0	\$0	\$1,362,547	\$1,376,389
3	Changing Allowable OTC Medications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Reduction of Flex Spending Election	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Patient Centered Outcomes Fee	\$0	\$0	\$0	\$43,000	\$0	\$0	\$0	\$43,000
6	Change Waiting Period for Coverage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total, Cost Related to Health Care Reform		\$0	\$0	\$2,088,356	\$2,248,111	\$0	\$0	\$2,088,356	\$2,248,111
METHOD OF FINANCING									
GENERAL REVENUE FUNDS		\$0	\$0	\$2,088,356	\$2,248,111	\$0	\$0	\$2,088,356	\$2,248,111
TOTAL		\$0	\$0	\$2,088,356	\$2,248,111	\$0	\$0	\$2,088,356	\$2,248,111

Schedule 2: Grand Total Educational, General and Other Funds

82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010

TIME: 3:00:04PM

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

	Act 2009	Act 2010	Bud 2011	Est 2012	Est 2013
Balances as of Beginning of Fiscal Year					
Encumbered and Obligated	235,692	361,325	361,325	0	0
Unencumbered and Unobligated	10,069,171	15,386,523	15,386,523	0	0
Capital Projects - Legislative Appropriations	0	0	0	0	0
Capital Projects - Other Educational and General Funds	0	0	0	0	0
General Revenue Appropriations					
Direct Appropriations	781,394	8,536,650	8,540,600	8,440,600	8,440,600
Transfer from Office of the Governor Deficiency and Emergency Grants	0	0	0	0	0
Less: General Revenue Appropriations Lapsed	0	0	(200,000)	0	0
Plus: Additional General Revenue through Budget Execution	0	0	0	0	0
Less: ARRA Formula Swap	0	0	0	0	0
Other (Itemize)					
Subtotal, General Revenue Appropriations	781,394	8,536,650	8,340,600	8,440,600	8,440,600
Other Educational and General Income	0	0	0	0	0
Other Appropriated Funds Income					
Health-related Institutions Patient Income (medical, dental, other)	0	0	0	0	0
Interagency contracts	0	0	0	0	0
Tobacco - Related Funds	1,132,470	1,126,000	1,152,000	1,108,000	1,108,000
ARRA Formula Swap	0	0	0	0	0
Other (Itemize)					
TOTAL, EDUCATIONAL AND GENERAL APPROPRIATIONS	1,913,864	9,662,650	9,492,600	9,548,600	9,548,600
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 (2009, 2010, 2011)	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)	45,668	45,874	44,250	0	0
Less: Transfer to Other Institutions	0	0	0	0	0
Less: Transfer to Department of Health, Disproportionate Share - State-Owned Hospitals (2009, 2010, 2011)	0	0	0	0	0
Other (Itemize)					

Schedule 2: Grand Total Educational, General and Other Funds

82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010

TIME: 3:00:09PM

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

	Act 2009	Act 2010	Bud 2011	Est 2012	Est 2013
Other: Fifth Year Accounting Scholarship	0	0	0	0	0
Texas Grants	0	0	0	0	0
Less: Transfer to System Administration	0	0	0	0	0
B-on-Time Program	0	0	0	0	0
Subtotal, General Revenue Transfers	45,668	45,874	44,250	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)	34,837,402	33,033,876	31,400,629	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 (2009, 2010, 2011)	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
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
ARRA Article XII Section 25 Special Item Appropriations	0	0	0	0	0
Other (Itemize)					
Other Deductions (Itemize)					
Decrease Capital Projects - Educational and General Funds	0	0	0	0	0
Other (Itemize)					
Total Funds	47,101,797	58,490,248	56,685,327	9,548,600	9,548,600
Less: Balances as of End of Fiscal Year					
Encumbered and Obligated	(361,325)	(361,325)	(361,325)	0	0
Unencumbered and Unobligated	(15,386,523)	(15,386,523)	(15,386,523)	0	0
Capital Projects - Legislative Appropriations	0	0	0	0	0
Capital Projects - Other Educational and General Funds	0	0	0	0	0
Grand Total, Educational, General and Other Funds	31,353,949	42,742,400	40,937,479	9,548,600	9,548,600
Designated Tuition (Sec. 54.0513)	0	0	0	0	0
Indirect Cost Recovery (Sec. 145.001(d))	869,612	1,039,145	20,000	0	0

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/16/2010
 Time: 1:32:36PM
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Agency Code: 720 Agency Code: The University of Texas System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
GR & GR-D Percentages					
GR %		2.20%			
GR-D %		97.80%			
Total Percentage		100.00%			
FULL TIME ACTIVES					
1a Employee Only	122	3	119	122	247
2a Employee and Children	37	1	36	37	74
3a Employee and Spouse	31	1	30	31	63
4a Employee and Family	43	1	42	43	88
5a Eligible, Opt Out	6	0	6	6	13
6a Eligible, Not Enrolled	1	0	1	1	3
Total for This Section	240	6	234	240	488
PART TIME ACTIVES					
1b Employee Only	1	0	1	1	1
2b Employee and Children	0	0	0	0	1
3b Employee and Spouse	0	0	0	0	1
4b Employee and Family	0	0	0	0	1
5b Eligible, Opt Out	1	0	1	1	1
6b Eligible, Not Enrolled	0	0	0	0	1
Total for This Section	2	0	2	2	6
Total Active Enrollment	242	6	236	242	494

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/16/2010
 Time: 1:32:39PM
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Agency Code: 720 Agency Code: The University of Texas System Administration

	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	45	1	44	45	90
2c Employee and Children	2	0	2	2	3
3c Employee and Spouse	26	1	25	26	53
4c Employee and Family	1	0	1	1	2
5c Eligible, Opt Out	5	0	5	5	9
6c Eligible, Not Enrolled	1	0	1	1	1
Total for This Section	80	2	78	80	158
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	80	2	78	80	158
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	167	4	163	167	337
2e Employee and Children	39	1	38	39	77
3e Employee and Spouse	57	2	55	57	116
4e Employee and Family	44	1	43	44	90
5e Eligible, Opt Out	11	0	11	11	22
6e Eligible, Not Enrolled	2	0	2	2	4
Total for This Section	320	8	312	320	646

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/16/2010
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Agency Code: 720 Agency Code: The University of Texas System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	168	4	164	168	338
2f Employee and Children	39	1	38	39	78
3f Employee and Spouse	57	2	55	57	117
4f Employee and Family	44	1	43	44	91
5f Eligible, Opt Out	12	0	12	12	23
6f Eligible, Not Enrolled	2	0	2	2	5
Total for This Section	322	8	314	322	652

Schedule 6: Capital Funding
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/16/2010
Time: 1:32:45PM
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Agency Code: 720	Agency Name: The University of Texas System Administration				
Activity	Act 2009	Act 2010	Bud 2011	Est 2012	Est 2013
I. Balances as of Beginning of Fiscal Year					
A. PUF Bond Proceeds	7,718,800	4,130,748	4,427,186	3,811,990	3,811,990
B. HEF Bond Proceeds	0	0	0	0	0
C. HEF Annual Allocations	0	0	0	0	0
D. TR Bond Proceeds	0	0	0	0	0
II. Additions					
A. PUF Bond Proceeds Allocation	3,712,453	2,000,000	2,700,000	2,700,000	2,700,000
B. HEF General Revenue Appropriation	0	0	0	0	0
C. HEF Bond Proceeds	0	0	0	0	0
D. TR Bond Proceeds	0	0	0	0	0
E. Investment Income on PUF Bond Proceeds	0	0	0	0	0
F. Investment Income on HEF Bond Proceeds	0	0	0	0	0
G. Investment Income on TR Bond Proceeds	0	0	0	0	0
H. Other (Itemize)					
III. Total Funds Available - PUF, HEF, and TRB	\$11,431,253	\$6,130,748	\$7,127,186	\$6,511,990	\$6,511,990
IV. Less: Deductions					
A. Expenditures (Itemize)					
Library and Equipment	2,664,429	439,808	2,763,671	2,700,000	2,700,000
Repair and Rehabilitation	102,045	26,948	99,187	0	0
Shared Services Initiative	3,832,835	1,159,208	452,339	0	0
PUF Series 2008 A	610,613	0	0	0	0
PUF Bond Flexible Rate	90,525	0	0	0	0
Heating Boilers Replacement	57	77,598	0	0	0
B. Annual Debt Service on PUF Bonds	0	0	0	0	0
C.1. Annual Debt Service on HEF Bonds - RFS Commercial Paper	0	0	0	0	0
C.2. Annual Debt Service on HEF Bonds - RFS Bonds, Series 2001	0	0	0	0	0
D. Annual Debt Service on TR Bonds	0	0	0	0	0
E. Other (Itemize)					
Total, Deductions	\$7,300,504	\$1,703,562	\$3,315,197	\$2,700,000	\$2,700,000
V. Balances as of End of Fiscal Year					
A. PUF Bond Proceeds	4,130,749	4,427,186	3,811,989	3,811,990	3,811,990
B. HEF Bond Proceeds	0	0	0	0	0
C. HEF Annual Allocations	0	0	0	0	0
D. TR Bond Proceeds	0	0	0	0	0
	\$4,130,749	\$4,427,186	\$3,811,989	\$3,811,990	\$3,811,990

Schedule 8: PERSONNEL
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
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Agency code: 720 Agency name: UT SYS ADMIN

	Actual 2009	Actual 2010	Budgeted 2011	Estimated 2012	Estimated 2013
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	247.7	247.0	229.0	229.0	229.0
Subtotal, Directly Appropriated Funds	247.7	247.0	229.0	229.0	229.0
Other Appropriated Funds					
Other (Itemize)	0.0	0.0	0.0	0.0	0.0
Subtotal, Other Appropriated Funds	0.0	0.0	0.0	0.0	0.0
Subtotal, All Appropriated	247.7	247.0	229.0	229.0	229.0
Non Appropriated Funds Employees	522.5	497.0	444.0	444.0	444.0
Subtotal, Non-Appropriated	522.5	497.0	444.0	444.0	444.0
GRAND TOTAL	770.2	744.0	673.0	673.0	673.0

Schedule 8: PERSONNEL
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 3:18:41PM
 PAGE: 2 of 3

Agency code: 720 Agency name: UT SYS ADMIN

	Actual 2009	Actual 2010	Budgeted 2011	Estimated 2012	Estimated 2013
Part B.					
Personnel Headcount					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	268.0	262.0	229.0	229.0	229.0
Subtotal, Directly Appropriated Funds	268.0	262.0	229.0	229.0	229.0
Other Appropriated Funds					
Other (Itemize)	0.0	0.0	0.0	0.0	0.0
Subtotal, Other Appropriated Funds	0.0	0.0	0.0	0.0	0.0
Subtotal, All Appropriated	268.0	262.0	229.0	229.0	229.0
Non Appropriated Funds Employees	528.0	530.0	444.0	444.0	444.0
Subtotal, Non-Appropriated	528.0	530.0	444.0	444.0	444.0
GRAND TOTAL	796.0	792.0	673.0	673.0	673.0

Schedule 8: PERSONNEL
 82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 3:18:41PM
 PAGE: 3 of 3

Agency code: 720 Agency name: UT SYS ADMIN

	Actual 2009	Actual 2010	Budgeted 2011	Estimated 2012	Estimated 2013
PART C.					
Salaries					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	\$21,517,455	\$21,936,333	\$20,039,534	\$20,039,534	\$20,039,534
Subtotal, Directly Appropriated Funds	\$21,517,455	\$21,936,333	\$20,039,534	\$20,039,534	\$20,039,534
Other Appropriated Funds					
Other (Itemize)	\$0	\$0	\$0	\$0	\$0
Subtotal, Other Appropriated Funds	\$0	\$0	\$0	\$0	\$0
Subtotal, All Appropriated	\$21,517,455	\$21,936,333	\$20,039,534	\$20,039,534	\$20,039,534
Non Appropriated Funds Employees	\$37,222,459	\$36,911,784	\$32,602,524	\$32,602,524	\$32,602,524
Subtotal, Non-Appropriated	\$37,222,459	\$36,911,784	\$32,602,524	\$32,602,524	\$32,602,524
GRAND TOTAL	\$58,739,914	\$58,848,117	\$52,642,058	\$52,642,058	\$52,642,058

Schedule 10C: Revenue Capacity for Tuition Revenue Bond Projects

82nd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2010
 TIME: 2:43:58PM
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Agency Code: 720

Agency Name: The University of Texas System Administration

	Act 2009	Act 2010	Bud 2011	Est 2012	Est 2013
Gross Tuition	\$411,020,187	\$431,041,545	\$450,982,436	\$453,425,074	\$457,566,404
Less: Remissions and Exemptions	(77,853,228)	(80,962,189)	(88,098,115)	(89,354,796)	(90,683,342)
Less: Refunds	(654,734)	(650,687)	(650,687)	(650,687)	(650,687)
Less: Installment Payment Forfeits	(88,714)	(76,715)	(106,188)	(108,312)	(110,478)
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	\$332,423,511	\$349,351,954	\$362,127,446	\$363,311,279	\$366,121,897
Less: Transfer of Tuition to Retirement of Indebtedness: 1) Skiles Act	0	0	0	0	0
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)	(39,440,403)	(39,536,069)	(41,038,916)	(41,483,110)	(41,794,881)
Less: Transfer of Funds (2%) for Emergency Loans (Medical School)	(651,231)	(567,963)	(636,775)	(659,926)	(660,077)
Less: Transfer of Funds for Repayment of Student Loans of Physicians (TX. Educ. Code Ann. Sec. 61.539)	0	0	0	0	0
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)	(254,154)	(269,717)	(274,486)	(277,172)	(280,057)
Less: Other Authorized Deductions	(1,136,961)	(993,755)	(1,132,165)	(1,139,823)	(1,147,814)
Total Net Tuition Available to Pledge for Tuition Revenue Bonds	\$290,940,762	\$307,984,450	\$319,045,104	\$319,751,248	\$322,239,068
Debt Service on Existing Tuition Revenue Bonds	(132,949,521)	(112,178,280)	(107,357,603)	(132,076,851)	(132,064,376)
Estimated Debt Service for Authorized but Unissued Tuition Revenue Bonds	0	0	0	(16,547,280)	(16,547,280)
Subtotal, Debt Service on Existing Authorizations	\$(132,949,521)	\$(112,178,280)	\$(107,357,603)	\$(148,624,131)	\$(148,611,656)
TOTAL TUITION AVAILABLE FOR NEW AUTHORIZATIONS	\$157,991,241	\$195,806,170	\$211,687,501	\$171,127,117	\$173,627,412
Debt Capacity Available for New Authorizations	\$1,673,761,458	\$2,074,373,354	\$2,242,620,401	\$1,812,923,115	\$1,839,411,276

SCHEDULE 11: SPECIAL ITEM INFORMATION
82ND REGULAR SESSION
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/16/2010
Time: 1:33:23PM
Page: 1 of 1

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

Special Item: 1 Budgetary Impact of Federal Health Care Changes

(1) Year Special Item: 2012

(2) Mission of Special Item:

Changes to Federal law approved during 2010 will result in additional costs to the UT System in regard to providing health insurance and the "cafeteria plan" authorized by Internal Revenue Code Section 125 (known as UT FLEX).

Various changes will have an impact although some costs will extend beyond general revenue funding and are not requested here. The changes for which funding is requested include expansion of coverage to dependents up to age 26, a requirement to cover preventive care at 100%, and payment of an annual fee required to fund the Patient Centered Outcomes Research Trust Fund.

(3) (a) Major Accomplishments to Date:

None.

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

The funding will assist UT institutions in absorbing the costs related to recent federal health care legislation.

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

not applicable

(5) Non-general Revenue Sources of Funding:

Additional costs beyond this exceptional item request will be borne by non-general revenue sources such as Other E&G income, Patient Income, Sponsored programs and other institutional funds.

(6) Consequences of Not Funding:

Additional burden will be placed on UT System institutions.
