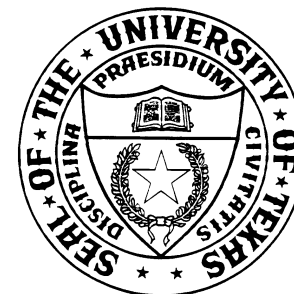


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LEGISLATIVE APPROPRIATIONS REQUEST  
FISCAL YEARS 2014 AND 2015



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

THE UNIVERSITY OF TEXAS SYSTEM  
AVAILABLE UNIVERSITY FUND

Revised - October 2012

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**THE UNIVERSITY OF TEXAS SYSTEM AVAILABLE UNIVERSITY FUND  
TABLE OF CONTENTS**

Administrator's Statement .....	1
Summary of Base Request by Strategy .....	4
Summary of Base Request by Method of Finance .....	6
Summary of Base Request by Object of Expense .....	8
Summary of Total Request by Strategy.....	9
Strategy Requests.....	11
Summary by Appropriation Bill Pattern.....	16
Estimates of Income.....	17
Proposed Utilization of Net Available Fund Income .....	18

## Schedules Not Included

<b>Agency Code:</b> 799	<b>Agency Name:</b> Available University Fund	<b>Prepared By:</b> Randy Wallace	<b>Date:</b> August 2012	<b>Request Level:</b> Baseline
<p>For the schedules identified below, the Available University Fund either has no information to report or the schedule is not applicable. Accordingly, these schedules have been excluded from the Available University Fund Legislative Appropriations Request for the 2012-13 biennium.</p>				
<b>Number</b>	<b>Name</b>			
	Organizational Chart			
2.D.	Summary of Base Request Objective Outcomes			
2.E.	Summary of Exceptional Items Request			
2.G.	Summary of Total Request Objective Outcomes			
3.B.	Rider Revisions and Additions Request			
3.C.	Rider Appropriations and Unexpended Balances Request			
4.A.	Exceptional Item Request Schedule			
4.B.	Exceptional Item Strategy Allocation Schedule			
4.C.	Exceptional Item Strategy Request			
6.A – 6.J	All Supporting Schedules			
8.	Summary of Requests for Projects Funded with GO Bond Proceeds			
Schedule 1A – 10B	All Higher Education Schedules			

**Administrator's Statement**

10/16/2012 4:25:29PM

83rd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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**799 Available University Fund**

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THE UNIVERSITY OF TEXAS SYSTEM

PERMANENT UNIVERSITY FUND / AVAILABLE UNIVERSITY FUND ADMINISTRATOR'S STATEMENT

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:

Chairman William Eugene "Gene" Powell of San Antonio (2-1-15); Vice Chairman Paul L. Foster of El Paso (2-1-13); Vice Chairman R. Steven "Steve" Hicks of Austin (2-1-15); Vice Chairman James D. Dannenbaum of Houston (2-1-13); Printice L. Gary of Dallas (2-1-13); Robert L. Stillwell of Houston (2-1-15); Alex Cranberg of Austin (2-1-17); Wallace Hall of Dallas (2-1-17); Brenda Pejovich of Dallas (2-1-17); Student Regent Ashley Purgason representing UT Medical Branch at Galveston (5-31-13)

The Chancellor of the UT System is Francisco G. Cigarroa, MD.

The Permanent University Fund (PUF) is a state endowment fund contributing to the support of twenty institutions and six agencies of The University of Texas System (UT System) and The Texas A&M University System (Texas A&M System). The Texas Constitution of 1876 established the PUF through the appropriation of land grants previously given to The University of Texas at Austin plus one million acres. The land grants to the PUF were completed in 1883 with the contribution of an additional one million acres of land. The Board of Regents of The University of Texas System (UT Board) manages the PUF.

Today, PUF Lands consist of approximately 2.1 million acres of land primarily located in 24 counties in north and west Texas. PUF lands produce two streams of income: mineral and surface. The UT Board has actively leased the surface and mineral interests of the PUF Lands since 1923.

Most of the surface acreage is leased for grazing purposes. Over the years, the economic equivalent of over one million acres has been added to the PUF Land holdings by increasing the productivity of existing lands by 50 percent through soil and water conservation programs, innovative range management and cooperative research. A commercial vineyard of approximately 1,000 acres and a multi-million dollar commercial winery are located on PUF Lands near Fort Stockton. More recently, approximately 4,000 acres have been leased for wind power projects. Currently there are approximately 100 wind turbines with a generating capacity of over 65 megawatts. As mandated by the Constitution, all surface lease income is deposited in the Available University Fund (AUF) to support current operations.

Mineral income consists primarily of revenue from the periodic sale of mineral leases, royalties on gross revenues from oil and gas production, and other bonus payments. The Constitution requires that all mineral income and income from the sale of PUF Lands be retained within the PUF and invested in PUF investments. The funds are invested in a diversified portfolio of equity, fixed income, and derivative securities pursuant to an established investment policy.

The total book value of the PUF at August 31, 2012, was \$11,791,771,259. This amount included securities and cash of \$11,781,743,875, and land carried at a nominal value of \$10,027,384. Additions to the PUF during the 2012 fiscal year were \$970,331,508 including \$519,253,032 from oil, gas and sulphur royalties, \$399,885,329 from mineral lease rentals and bonuses, and \$51,193,147 from miscellaneous sources.

The UT Board entered into an investment management contract on March 1, 1996, with The University of Texas Investment Management Company (UTIMCO), to invest the PUF assets in accordance with section 66.08 of the Texas Education Code. PUF investments are invested in a diversified portfolio of equity, fixed income and derivative securities in accordance with the prudent investor standard. In accordance with the Constitution, distributions made from the PUF to the AUF are from the

**Administrator's Statement**

10/16/2012 4:25:29PM

83rd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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**799 Available University Fund**

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total return on all investments assets of the PUF, including the net income attributable to the surface of PUF land. Total return includes income return as well as realized and unrealized capital gains. Additionally, the expenses of managing PUF land and investments are paid from PUF assets. The amount of any distributions to the AUF is determined by the U. T. Board in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The distributions to the AUF are subject to the following overriding conditions:

1. A minimum amount equal to the amount needed to pay debt service on PUF bonds;
2. No increase from the preceding year (except as necessary to pay debt service on PUF bonds) unless the purchasing power of PUF investments for any rolling 10-year period has been preserved;
3. A maximum amount equal to 7 percent of the average net fair market value of PUF investments in any fiscal year, except as necessary to pay debt service on PUF bonds.

Distributions to the AUF from the PUF are allocated two-thirds for the benefit of eligible institutions of the UT System and one-third for the benefit of eligible institutions of the Texas A&M System. PUF distributions paid to the AUF are expended by each university system to fund two major programs:

- The Constitution authorizes the UT Board and the Texas A&M System Board (A&M Board) to issue bonds (PUF bonds) payable from their respective interests in PUF distributions to finance capital expenditures. The UT Board and A&M Board are authorized to issue bonds secured by each system's interest in PUF distributions in an amount not to exceed 20% and 10%, respectively, of the book value of PUF assets at the time of issuance. At August 31, 2012, The University of Texas System had outstanding PUF bonds and notes of \$1,753.0 million. When combined with the outstanding Texas A&M University System PUF bonds and notes of \$730.3 million, the outstanding debt is approximately 21.1% of the book value of the PUF; below the constitutional limit of 30%.
- PUF distributions, after payment of debt service on PUF bonds, are used to fund academic programs at UT Austin, Texas A&M University, and Prairie View A&M University.

Distributions from the Permanent University Fund investments are projected to be as follows:

Actual 2011 \$506.4 million  
Actual 2012 \$575.5 million  
Budgeted 2013 \$644.3 million  
Projected 2014 \$644.3 million  
Projected 2015 \$638.6 million

The projected PUF distributions are currently based an assumed annual investment return of 7.36% which has been approved by the UTIMCO Board of Directors and the UT Board.

The UT Board has established a U. T. System Board of Regents' Rules and Regulations, Rule 80303 (Regents' Rule 80303) on "Uses of the Available University Fund." Regent's Rule 80303 sets UTIMCO's recommended distribution at 4.75% of the trailing twelve quarter average of the net asset value of the PUF for the quarter ending in February prior to the beginning of the new fiscal year. If the average annual rate of return on PUF investments over the trailing 12 quarters exceeds the expected return by 25 basis points or more, the recommended rate is to be 5.0%. For FY 2011, the actual distribution was 4.75%. For FY 2012, the average annual return of the PUF investments for the trailing 12 quarters ending February 28, 2011, did not exceed the expected return by 25 basis points or more. Therefore, the "default" distribution rate

**Administrator's Statement**

10/16/2012 4:25:29PM

83rd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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**799 Available University Fund**

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should have been 4.75%, or \$497.0 million. However, the UT Board has the authority to distribute any amount that it deems appropriate up to a maximum rate of 7%. Due to a record year of PUF royalty income, strong investment performance by UTIMCO, and the constrained State of Texas budget situation for the biennium, a distribution from the PUF to the AUF of 5.5% or \$575.5 million for FY 2012 was approved. Given similar circumstances for FY 2013, the UT Board approved a distribution of \$644.3 million, equating to a distribution rate of approximately 5.69%. For FY 2014, a distribution equivalent to FY 2013 has been assumed with a policy distribution rate of 4.75% assumed for FY 2015.

Overall, the investments of the PUF are broadly diversified and of consistently excellent quality. Risk and return are continuously assessed to assure sound professional results in varied economic circumstances.

2.A. Summary of Base Request by Strategy

10/16/2012 4:25:29PM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

799 Available University Fund

Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<b>1</b> Provide Management and Administrative Support for Endowment Funds					
<b>1</b> Available University Fund					
<b>2</b> TEXAS A&M UNIV SYSTEM ALLOCATION	174,271,021	199,829,438	220,050,896	220,050,896	218,160,577
<b>3</b> THE UNIV OF TEXAS SYSTEM ALLOCATION	352,252,657	402,841,318	442,851,792	443,101,792	439,194,154
TOTAL, GOAL <b>1</b>	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
TOTAL, AGENCY STRATEGY REQUEST	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
<u>METHOD OF FINANCING:</u>					
<b>Other Funds:</b>					
11 Available University Fund	526,523,678	602,670,756	662,902,688	663,152,688	657,354,731
SUBTOTAL	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
TOTAL, METHOD OF FINANCING	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>

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



**2.A. Summary of Base Request by Strategy**

10/16/2012 4:25:29PM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

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**799 Available University Fund**

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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2011</b>	<b>Est 2012</b>	<b>Bud 2013</b>	<b>Req 2014</b>	<b>Req 2015</b>
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**2.B. Summary of Base Request by Method of Finance**  
 83rd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

10/16/2012 4:25:29PM

Agency code: <b>799</b>		Agency name: <b>Available University Fund</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2011</b>	<b>Est 2012</b>	<b>Bud 2013</b>	<b>Req 2014</b>	<b>Req 2015</b>
<b><u>OTHER FUNDS</u></b>						
<b><u>11</u></b> Available University Fund No. 011						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2010-11 GAA)						
		\$529,330,302	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2012-13 GAA)						
		\$0	\$507,006,715	\$554,442,953	\$663,152,688	\$657,354,731
Revised Receipts						
		\$(2,806,624)	\$95,664,041	\$108,459,735	\$0	\$0
<b>TOTAL,</b>	<b>Available University Fund No. 011</b>	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
<b>TOTAL, ALL</b>	<b>OTHER FUNDS</b>	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
<b>GRAND TOTAL</b>		<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>

**2.B. Summary of Base Request by Method of Finance**  
 83rd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

10/16/2012 4:25:29PM

Agency code: **799**

Agency name: **Available University Fund**

<b>METHOD OF FINANCING</b>	<b>Exp 2011</b>	<b>Est 2012</b>	<b>Bud 2013</b>	<b>Req 2014</b>	<b>Req 2015</b>
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**FULL-TIME-EQUIVALENT POSITIONS**

**TOTAL, ADJUSTED FTES**

**NUMBER OF 100% FEDERALLY  
 FUNDED FTEs**

<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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2.C. Summary of Base Request by Object of Expense

10/16/2012 4:25:30PM

83rd Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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799 Available University Fund

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OBJECT OF EXPENSE	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2009 OTHER OPERATING EXPENSE	\$526,523,678	\$602,670,756	\$662,902,688	\$663,152,688	\$657,354,731
<b>OOE Total (Excluding Riders)</b>	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>

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**2.F. Summary of Total Request by Strategy**  
 83rd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/16/2012

TIME : 4:25:30PM

Agency code: 799 Agency name: Available University Fund

<b>Goal/Objective/STRATEGY</b>	<b>Base 2014</b>	<b>Base 2015</b>	<b>Exceptional 2014</b>	<b>Exceptional 2015</b>	<b>Total Request 2014</b>	<b>Total Request 2015</b>
<b>1</b> Provide Management and Administrative Support for Endowment Fun						
<b>1</b> Available University Fund						
<b>2</b> TEXAS A&M UNIV SYSTEM ALLOCATION	\$220,050,896	\$218,160,577	\$0	\$0	\$220,050,896	\$218,160,577
<b>3</b> THE UNIV OF TEXAS SYSTEM ALLOCATION	443,101,792	439,194,154	0	0	443,101,792	439,194,154
<b>TOTAL, GOAL 1</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>	<b>\$0</b>	<b>\$0</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>	<b>\$0</b>	<b>\$0</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>	<b>\$0</b>	<b>\$0</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>

**2.F. Summary of Total Request by Strategy**  
 83rd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/16/2012

TIME : 4:25:30PM

Agency code: 799 Agency name: Available University Fund

<b>Goal/Objective/STRATEGY</b>	<b>Base 2014</b>	<b>Base 2015</b>	<b>Exceptional 2014</b>	<b>Exceptional 2015</b>	<b>Total Request 2014</b>	<b>Total Request 2015</b>
<b>Other Funds:</b>						
11 Available University Fund	\$663,152,688	\$657,354,731	\$0	\$0	\$663,152,688	\$657,354,731
	<b>\$663,152,688</b>	<b>\$657,354,731</b>	<b>\$0</b>	<b>\$0</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>	<b>\$0</b>	<b>\$0</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>

**FULL TIME EQUIVALENT POSITIONS**

**799 Available University Fund**

GOAL: 1 Provide Management and Administrative Support for Endowment Funds Statewide Goal/Benchmark: 2 0  
 OBJECTIVE: 1 Available University Fund Service Categories:  
 STRATEGY: 2 Texas A&M Univ. System Available Univ. Fund Allocation. Estimated. Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
<b>Objects of Expense:</b>						
2009	OTHER OPERATING EXPENSE	\$174,271,021	\$199,829,438	\$220,050,896	\$220,050,896	\$218,160,577
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$174,271,021</b>	<b>\$199,829,438</b>	<b>\$220,050,896</b>	<b>\$220,050,896</b>	<b>\$218,160,577</b>
<b>Method of Financing:</b>						
11	Available University Fund	\$174,271,021	\$199,829,438	\$220,050,896	\$220,050,896	\$218,160,577
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$174,271,021</b>	<b>\$199,829,438</b>	<b>\$220,050,896</b>	<b>\$220,050,896</b>	<b>\$218,160,577</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$220,050,896</b>	<b>\$218,160,577</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$174,271,021</b>	<b>\$199,829,438</b>	<b>\$220,050,896</b>	<b>\$220,050,896</b>	<b>\$218,160,577</b>

**FULL TIME EQUIVALENT POSITIONS:**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Available University Fund allocable to the Board of Regents of Texas A&M University is hereby requested for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs, and physical plant operation and maintenance, minority student scholarships and student recruitment, and educational and general activities of the Texas A&M University System pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution.

**799 Available University Fund**

GOAL:	1	Provide Management and Administrative Support for Endowment Funds	Statewide Goal/Benchmark:	2	0
OBJECTIVE:	1	Available University Fund	Service Categories:		
STRATEGY:	2	Texas A&M Univ. System Available Univ. Fund Allocation. Estimated.	Service:	19	Income: A.2      Age: B.3

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2011</b>	<b>Est 2012</b>	<b>Bud 2013</b>	<b>BL 2014</b>	<b>BL 2015</b>
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**



**799 Available University Fund**

GOAL: 1 Provide Management and Administrative Support for Endowment Funds Statewide Goal/Benchmark: 2 0  
 OBJECTIVE: 1 Available University Fund Service Categories:  
 STRATEGY: 3 The Univ. of Texas System Available Univ. Fund Allocation. Estimated. Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
<b>Objects of Expense:</b>						
2009	OTHER OPERATING EXPENSE	\$352,252,657	\$402,841,318	\$442,851,792	\$443,101,792	\$439,194,154
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$352,252,657</b>	<b>\$402,841,318</b>	<b>\$442,851,792</b>	<b>\$443,101,792</b>	<b>\$439,194,154</b>
<b>Method of Financing:</b>						
11	Available University Fund	\$352,252,657	\$402,841,318	\$442,851,792	\$443,101,792	\$439,194,154
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$352,252,657</b>	<b>\$402,841,318</b>	<b>\$442,851,792</b>	<b>\$443,101,792</b>	<b>\$439,194,154</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$443,101,792</b>	<b>\$439,194,154</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$352,252,657</b>	<b>\$402,841,318</b>	<b>\$442,851,792</b>	<b>\$443,101,792</b>	<b>\$439,194,154</b>

**FULL TIME EQUIVALENT POSITIONS:**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Residue of the Available University Fund allocable to The University of Texas System is hereby requested for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution and, pursuant to the authorization of Article VII, Section 11(a) and 18 of the Constitution, for permanent improvements, new construction, equipment, repairs and rehabilitation, physical plant operation and maintenance, and education and general activities of The University of Texas System Administration, and The University of Texas at Austin.

**799 Available University Fund**

GOAL: 1 Provide Management and Administrative Support for Endowment Funds Statewide Goal/Benchmark: 2 0  
 OBJECTIVE: 1 Available University Fund Service Categories:  
 STRATEGY: 3 The Univ. of Texas System Available Univ. Fund Allocation. Estimated. Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$663,152,688</b>	<b>\$657,354,731</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$526,523,678</b>	<b>\$602,670,756</b>	<b>\$662,902,688</b>	<b>\$663,152,688</b>	<b>\$657,354,731</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>					

**SCHEDULE 1**  
**SUMMARY BY APPROPRIATION BILL PATTERN**  
**EXPENSES OF REVENUE BEARING PROPERTY**

Agency	Agency Name: The University of Texas System Administration	Prepared By:		Date:		
799	Available University Fund	Randy Wallace		October 2012		
Item No.		Expended		Budgeted	Requested	
		Actual 2011	Estimated Actual 2012		2013	2014
1	The Available University Fund allocable to the Board of Regents of Texas A&M University is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs, and physical plant operation and maintenance, minority student scholarships and student recruitment, and educational and general activities of the Texas A&M University System pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution, estimated at . . . . .	\$ 174,271,021	\$ 199,829,438	\$ 220,050,896	\$ 220,050,896	\$ 218,160,577
2.	The Residue of the Available Fund allocable to The University of Texas System is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas constitution and, pursuant to the authorization of Article VII, Section 11(a) and 18 of the constitution, for permanent improvements, new construction, equipment, repairs and rehabilitation, physical plant operation and maintenance, and educational and general activities of The University of Texas System Administration, and The University of Texas at Austin, estimated at . . . . .	<u>352,252,657</u>	<u>402,841,318</u>	<u>442,851,792</u>	<u>443,101,792</u>	<u>439,194,154</u>
3.	<b>TOTAL AVAILABLE UNIVERSITY FUND estimated at . . . . .</b>	<u>\$ 526,523,678</u>	<u>\$ 602,670,756</u>	<u>\$ 662,902,688</u>	<u>\$ 663,152,688</u>	<u>\$ 657,354,731</u>

**SCHEDULE 2  
ESTIMATES OF INCOME**

Agency Code: 799	Name of Agency: The University of Texas System Administration Available University Fund	Prepared by: Randy Wallace	Date: October 2012			
		<b>INCOME</b>				
Item No.	Description	Actual 2011	Actual 2012	Budgeted 2013	Requested 2014	Requested 2015
	Divisible with A&M University					
1.	Permanent University Fund Distributions	\$ 506,395,811	\$ 575,511,336	\$ 644,300,000	\$ 644,300,000	\$ 638,629,043
2.	Interest on AUF Daily Balances	5,796	5,909	-	-	-
3.	Grazing and Hunting Lease Rental	5,273,691	3,915,013	3,540,000	3,540,000	3,540,000
4.	Surface Easements and Leases	10,307,426	17,939,810	11,381,888	11,381,888	11,381,888
5.	Exploration Permits	9,000	22,000	8,000	8,000	8,000
6.	Other Income - West Texas Lands	452,587	1,700,496	522,800	522,800	522,800
7.	Wine Royalties	368,750	393,750	400,000	400,000	400,000
8.	Gross Divisible Income	522,813,061	599,488,314	660,152,688	660,152,688	654,481,731
9.	Less: 1/3 to A&M University (Schedule 1, Item No. 1)	174,271,021	199,829,438	220,050,896	220,050,896	218,160,577
10.	Net 2/3 Share to The University of Texas System	348,542,040	399,658,876	440,101,792	440,101,792	436,321,154
	Non-Divisible:					
11.	Interest on Daily AUF Balances	3,710,617	3,182,442	2,750,000	3,000,000	2,873,000
12.	Estimated Net Income, The University of Texas System Share (Schedule 2a, Item No. 1 and Schedule 1, Item No. 2)	<u>\$ 352,252,657</u>	<u>\$ 402,841,318</u>	<u>\$ 442,851,792</u>	<u>\$ 443,101,792</u>	<u>\$ 439,194,154</u>

**SCHEDULE 2a**  
**PROPOSED UTILIZATION OF NET AVAILABLE FUND INCOME**

Agency Code: 799	Name of Agency: The University of Texas System Administration Available University Fund	Prepared by: Randy Wallace			Date: October 2012	
Item No.	Description	EXPENSE				
		Actual 2011	Actual 2012	Budgeted 2013	Requested	
					2014	2015
1.	Estimated Net Income - The University of Texas System Share (Schedule 2, Item No. 12 and Schedule 1, Item No. 2)	\$ 352,252,657	\$ 402,841,318	\$ 442,851,792	\$ 443,101,792	\$ 439,194,154
	Less Debt Service:					
	Permanent University Fund:					
2.	Refunding Bonds, Series 2004A	9,210,125	9,211,458	9,210,167	9,267,250	9,272,000
3.	Bonds, Series 2004B	10,144,263	10,144,263	10,144,263	10,144,263	10,144,263
4.	Refunding Bonds, Series 2005A	13,980,875	13,972,208	14,008,667	14,057,000	14,053,750
5.	Bonds, Series 2005B	3,422,325	3,421,938	3,422,325	3,422,325	3,422,325
6.	Refunding Bonds, Series 2006B	14,851,563	14,834,930	14,851,563	14,851,563	14,851,563
7.	Bonds, Series 2006C	6,110,053	6,118,186	6,071,145	6,123,436	6,126,186
8.	Bonds, Series 2008A	19,391,596	19,301,516	19,384,271	19,415,307	19,408,749
9.	Bonds, Series 2009A	8,550,750	8,550,302	8,550,750	8,550,750	8,550,750
10.	Other Bonds/Notes	107,269	12,917,650	50,972,133	78,666,978	98,712,698
11.	Subtotal, Debt Service	<u>85,768,819</u>	<u>98,472,451</u>	<u>136,615,284</u>	<u>164,498,872</u>	<u>184,542,284</u>
12.	Net Available University Fund Income	<u>\$ 266,483,838</u>	<u>\$ 304,368,867</u>	<u>\$ 306,236,508</u>	<u>\$ 278,602,920</u>	<u>\$ 254,651,870</u>
	Allocations to:					
	System Administration					
13.	Operating Budget	\$ 31,055,791	\$ 32,625,748	\$ 37,022,528	\$ 38,503,429	\$ 39,851,049
14.	Regents' Outstanding Teacher Awards	4,000,000	-	-	-	-
15.	Distance Education	344,838	-	-	-	-
16.	External Audit Fees	-	1,016,650	2,056,400	2,122,610	2,196,901
17.	System-Wide Initiatives	81,930,000	104,338,700	-	-	-
	The University of Texas at Austin					
18.	For Educational Programs and Projects (over and above General Appropriation)	157,670,000	178,500,000	199,285,000	199,400,000	197,640,000
19.	U. T. Medical School	-	-	-	25,000,000	25,000,000
20.	System-wide Technology and Telecommunications	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000
21.	Net Allocations of Available University Fund Income	<u>\$ 276,060,629</u>	<u>\$ 317,541,098</u>	<u>\$ 239,423,928</u>	<u>\$ 266,086,039</u>	<u>\$ 265,747,950</u>