

U.T. System Operating Budget Fiscal Year 2001

Presentation to the U. T. Board of Regents

Mr. R. D. Burck

August 9, 2000

Fiscal Year 2001

Operating Budget Overview

- Presentation today to cover:
 - Budget preparation process & timeline
 - Review of 2001 budget
 - Overview of salary policy
 - “Where The Money Comes From”
 - “Where The Money Goes”
 - Library & Equipment, Repairs & Rehabilitation (LERR) appropriation
 - Summary and Challenges for the Future

Introduction to Budget Process

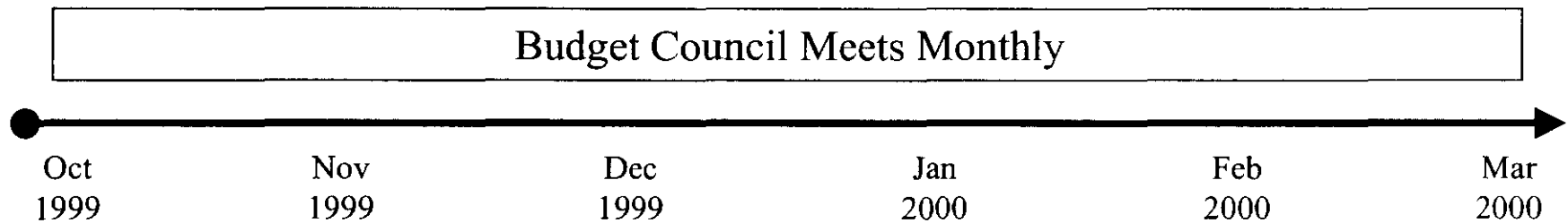
Timeline

- Budget process almost a year long activity
 - Each institution has a process which varies according to size and complexity of the institution.
 - Each has a committee (Budget Council, President's Cabinet) set up to review and formulate budget policy.
 - Decisions on the fiscal 2001 budget began last October.

Institutional Budget Council or President's Cabinet

- President
- Provost
- Vice Presidents
- Chief Planning Officer
- Budget Director
- Advisors
 - Deans
 - Faculty Advisory Committee

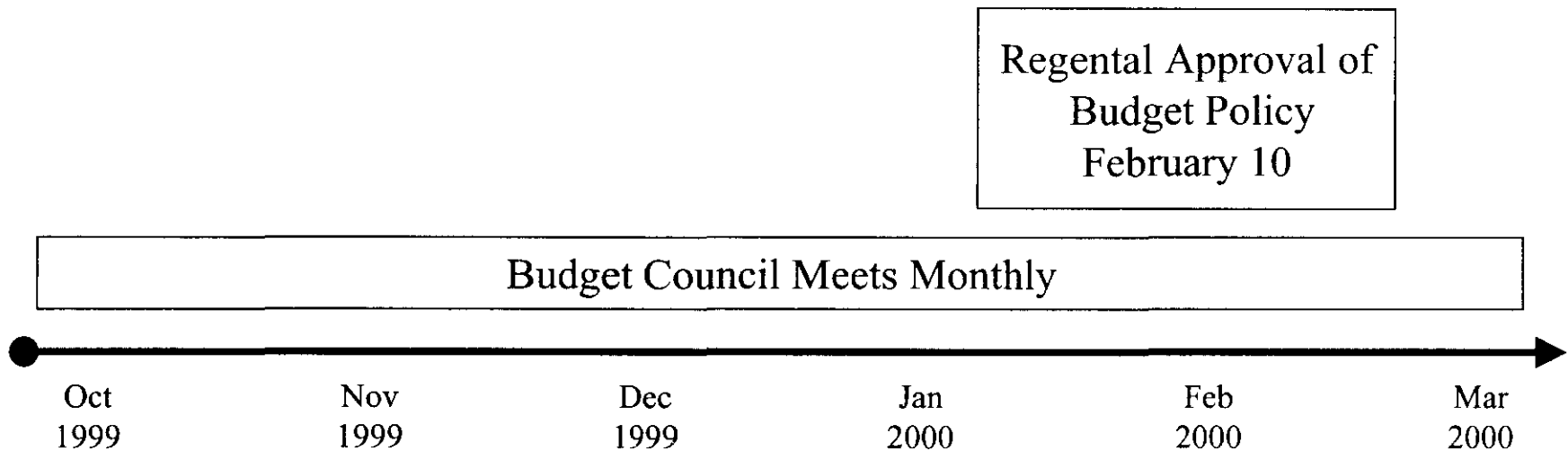
Budget Process Timeline for Fiscal Year 2001



Timeline Detail

- Monthly Budget Council Meetings
 - Began in late October or early November 1999 through completion.
 - Reviewed strategic plan & formulated a “Business Plan for New Budget”
 - Reviewed any new cost savings initiatives
 - Reviewed proposed new fees
 - Reviewed other potential income sources or increases
 - Projected current income stream
 - Reviewed request for additional funding

Budget Process Timeline



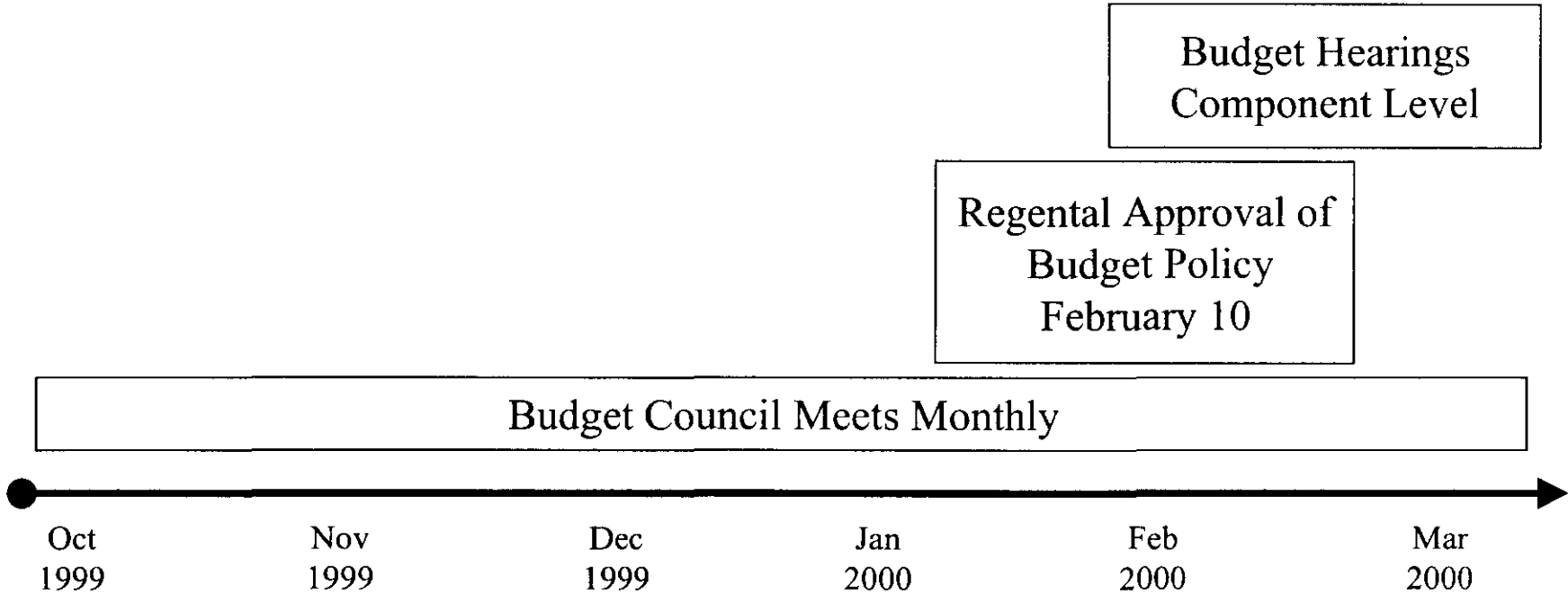
Timeline Detail

- U. T. Board of Regents approved general budget policies & guidelines, February 10, 2000.
 - Directed that the budget must be limited to funds available from:
 - Estimates of tuition & fees
 - Limited use of institutional balances
 - General revenue
 - Established goal for merit salary policy.
 - Provided revenue estimates for capital equity funding and tobacco endowment funds.
 - Provided staff benefit guidelines for staff group insurance, WCI and UCI.

Timeline Detail

- Institution Budget Councils met in mid-February to:
 - Establish salary policy
 - Firm up income projections
 - Send budget instructions to departments
 - Establish timeline for departments to follow

Budget Process Timeline



Timeline Detail

- End of February to mid-March
 - Most of the institutions conducted departmental budget hearings held with the Budget Council.
 - Discussed specific strategic goals and objectives, progress toward attainment and budget needs.

Budget Process Timeline

May 5 draft copy of FY 2001
budget due to System

Video conferences with
System Administration
April 5-17

Apr
2000

May
2000

Jun
2000

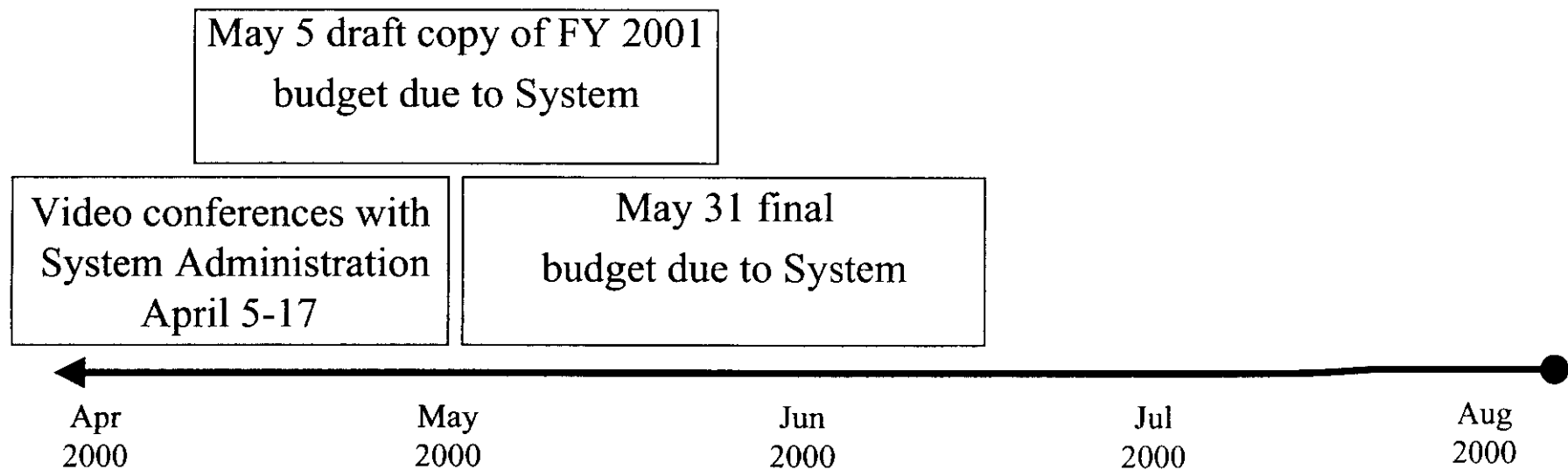
Jul
2000

Aug
2000

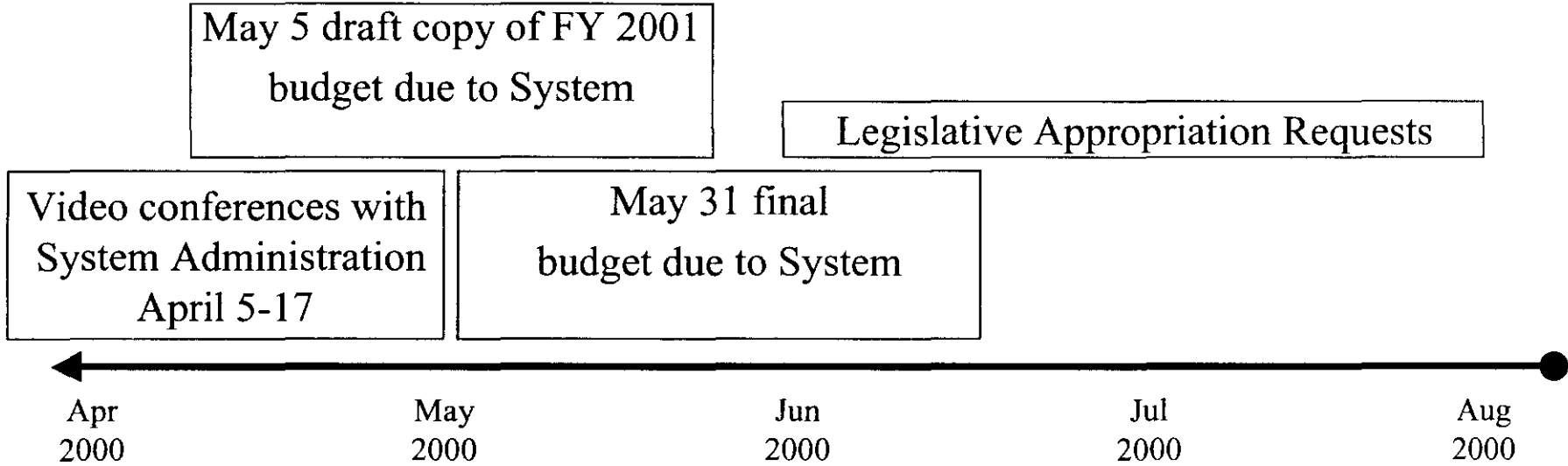
Timeline Detail

- System Budget Office reviewed May 5 draft and conducted technical hearings with component budget officers, May 6 – 19, 2000
- Each Budget reviewed for compliance with current policy

Budget Process Timeline



Budget Process Timeline



Timeline Detail

- Why were the budgets finalized in May?
 - FY 2002 & 2003 legislative appropriation requests prepared June 1 through August 21, 2000.
 - FY 2001 budget included as part of legislative appropriation requests.
 - Legislative appropriation requests due August 21st.

Review of 2001 Budget

U. T. System Budget Overview

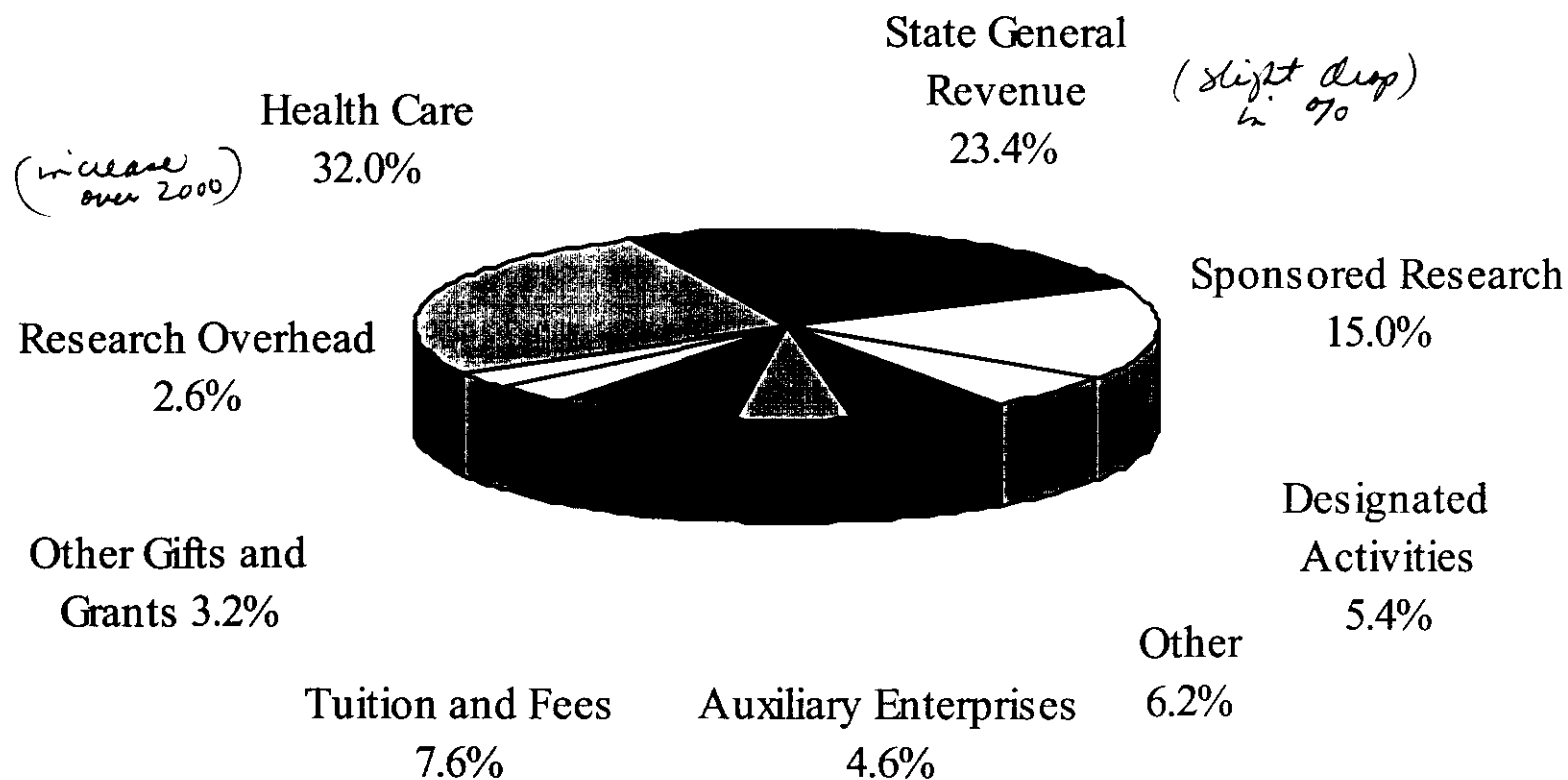
FY 2001

- Method of Financing
 - \$5.89 billion
 - \$358.9 million more than FY 00
 - 6.49% more than FY 00
- Expenditures
 - \$5.81 billion
 - \$333.3 million more than FY 00
 - 6.08% more than FY 00

Faculty and Staff Pay Raises

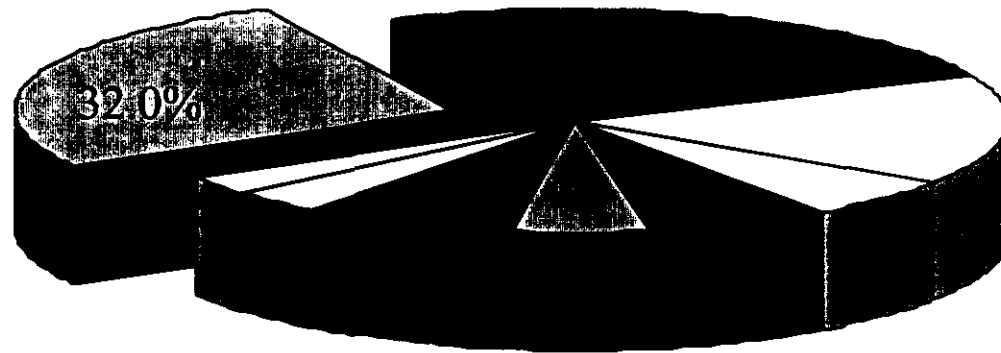
- Goal for faculty and staff salary increases for the 2000-2001 biennium was 8%
- Fiscal Year 2001 budgets reflect progress toward that goal

Where the Money Comes From



Where the Money Comes From

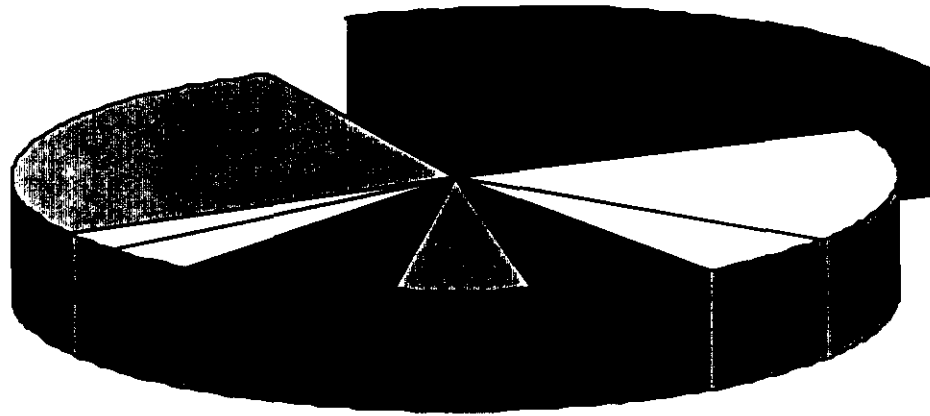
Health Care
\$1.88 billion



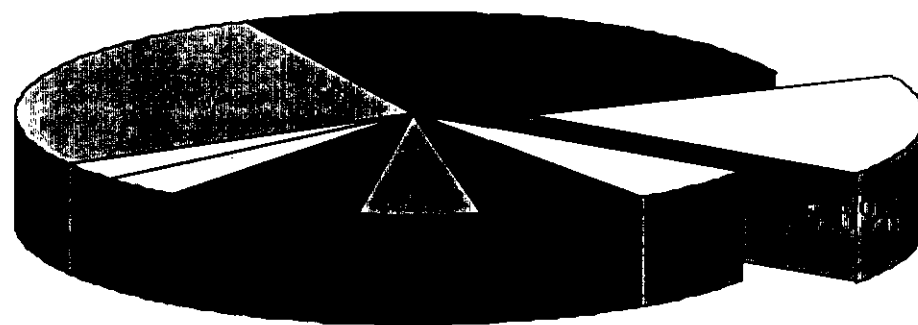
- Hospital and Clinic - \$936.5 million
- Professional Health Care Fees (MSRDP) - \$695.2 million
- UTMB Correctional Care - \$251.8 million

Where the Money Comes From

**State General
Revenue
\$1.38 billion**



Where the Money Comes From

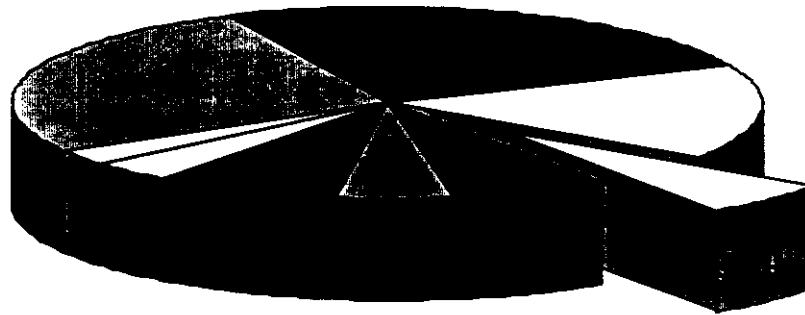


**Sponsored
Research
\$884.2 million**

- Federal - \$620.4 million
- State - \$51.3 million
- Other - \$212.5 million

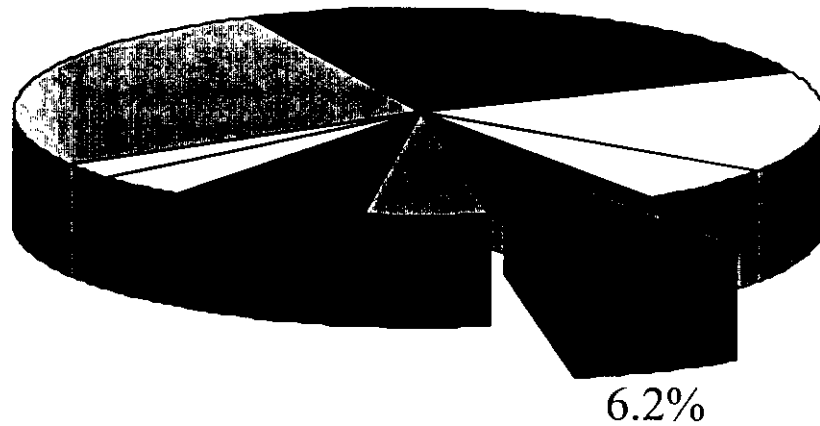
Where the Money Comes From

**Designated Activities
(Excluding Tuition,
Fees, Correctional
Care and Prof.
Healthcare Fees)
\$315.9 million**



- Tobacco Endowment
- Performing / Fine Arts Centers
- Continuing Education
- Callier Center
- Unrestricted Gift Income
- Interest and Investment Income

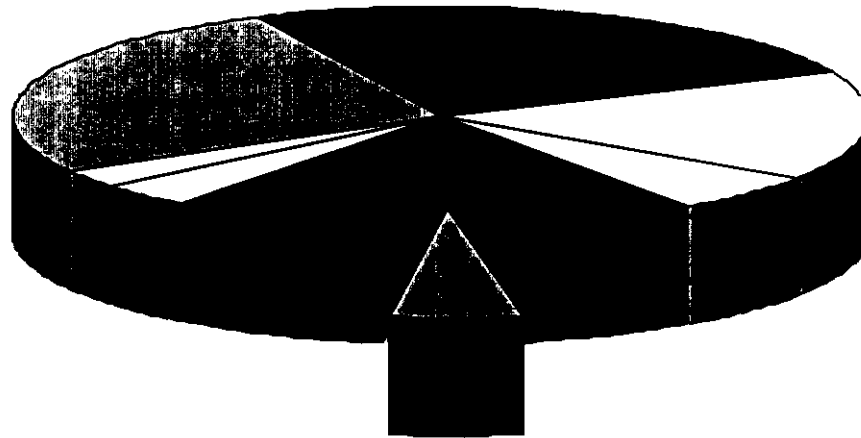
Where the Money Comes From



Other
\$369.7 million

- AUF – UT Austin - \$103.6 million
- Prior Year Fund Balance - \$69.0 million
- State Grants & Contracts - \$46.3 million
- Transfers from Other Funds - \$31.6 million
- Interest on Time Deposits - \$30.6 million

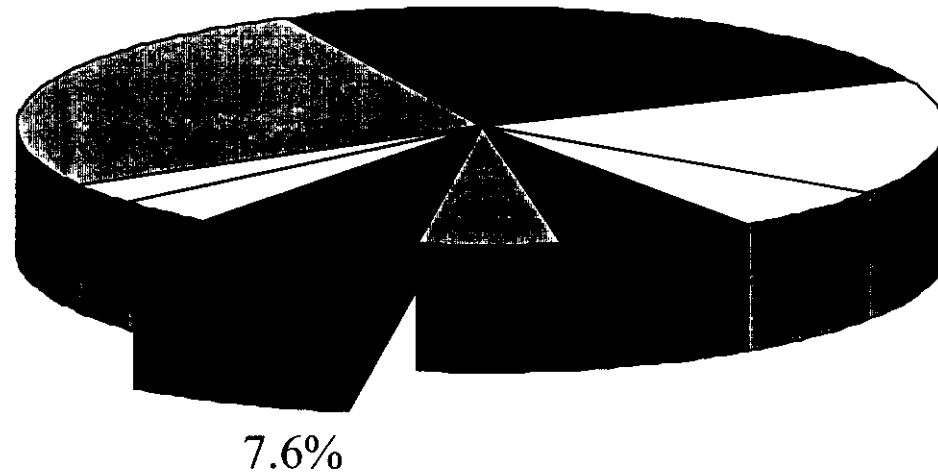
Where the Money Comes From



- Bookstores
- Student Housing
- Intercollegiate Athletics

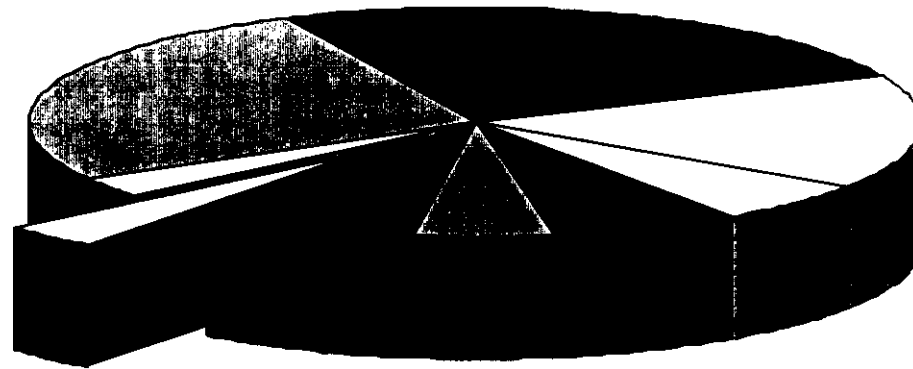
**Auxiliary
Enterprises
\$268.7 million**

Where the Money Comes From



Tuition and Fees
\$448.9 million

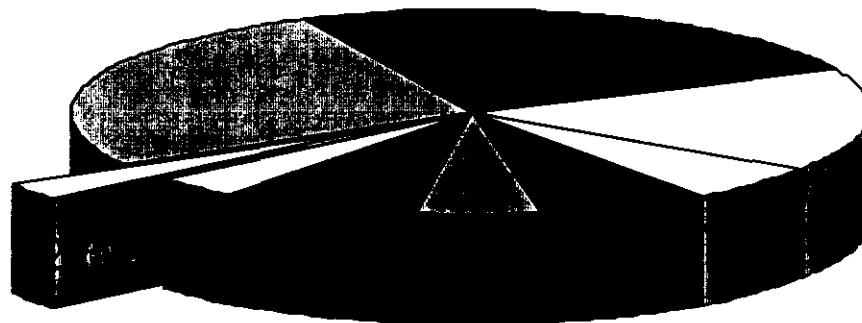
Where the Money Comes From



**Other Gifts and
Grants
\$189.8 million**

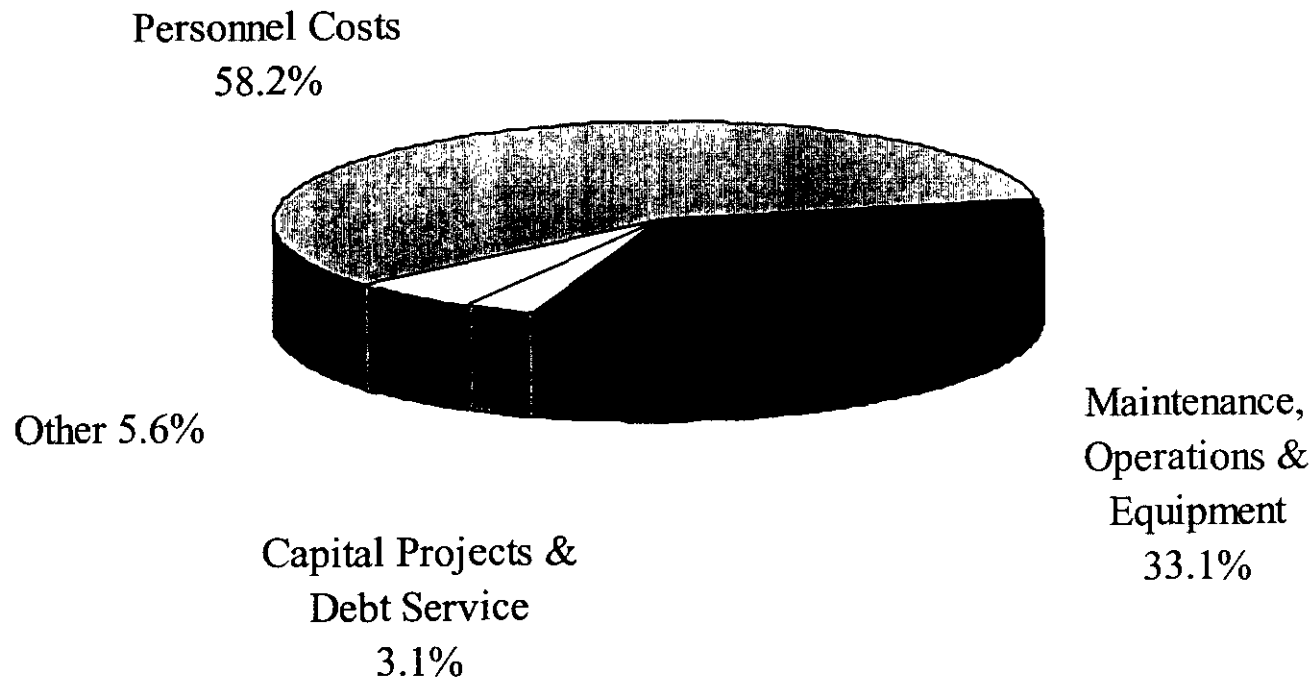
- Endowed Positions - \$42.8 million
- Other - \$146.2 million

Where the Money Comes From



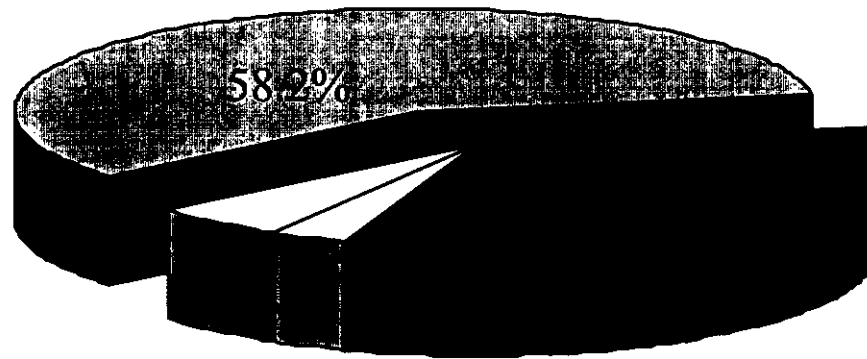
**Research
Overhead
\$151.8 million**

Where the Money Goes

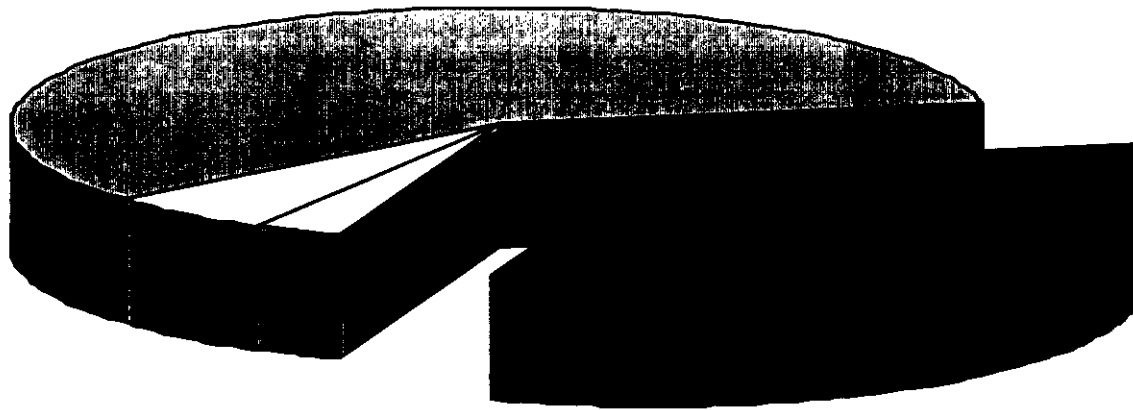


Where the Money Goes

Personnel Costs
\$3.38 billion

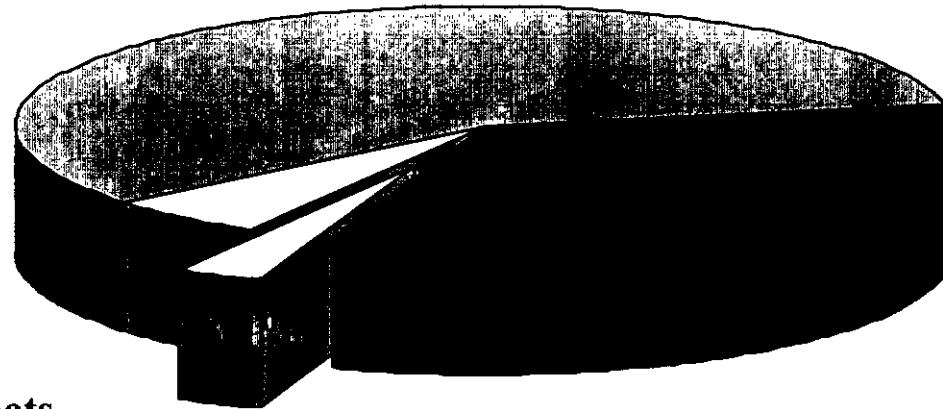


Where the Money Goes



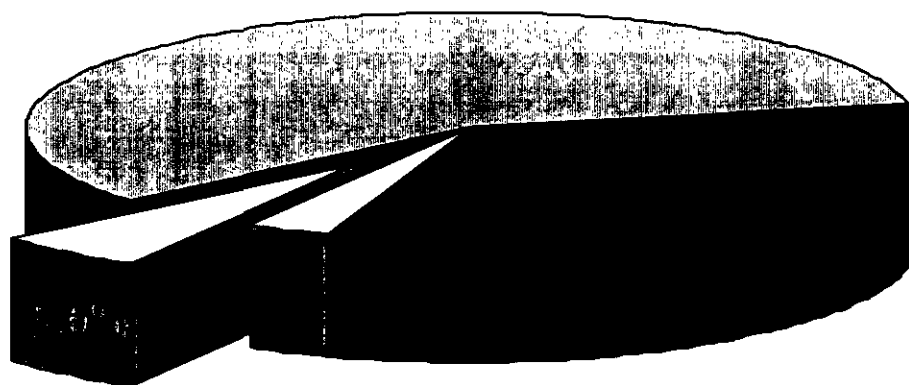
**Maintenance,
Operations &
Equipment
\$1.92 billion**

Where the Money Goes



**Capital Projects
& Debt Service
\$178.2 million**

Where the Money Goes



Other
\$329 million

- Utilities
- Program Development
- Reserves
- Special Equipment

Method of Financing

All Funds (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
GENERAL REVENUE	\$ 1,358.2	\$ 1,376.8	\$ 18.6	1.37%
EDUCATION & GENERAL INCOME	1,198.4	1,319.1	120.7	10.07%
OTHER SOURCES OF EDUCATION AND GENERAL OPERATING FUNDS	224.8	237.5	12.7	5.65%
FUNDING FROM PRIOR YEAR BALANCES	17.8	18.4	0.6	3.37%
E&G CAPITAL PROJECTS	55.3	50.6	(4.7)	-8.50%
SYSTEM OFFICES	23.2	24.1	0.9	3.95%
AUXILIARY ENTERPRISES	247.1	268.7	21.6	8.74%
DESIGNATED FUNDS				
MSRDP/DSRDP/PRS	639.8	695.2	55.4	8.66%
Other Designated Activities	730.1	826.6	96.5	13.22%
CURRENT RESTRICTED				
Sponsored Research & Services	754.0	763.9	9.9	1.31%
Privately Sponsored Research	113.7	120.2	6.5	5.72%
Gifts and Grants	169.6	189.8	20.2	11.91%
TOTAL BUDGET	\$ 5,532.0	\$ 5,890.9	\$ 358.9	6.49%

Method of Financing

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SYSTEM OFFICES				
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- General Revenue increased \$18.6 million.
- General Revenue decreased as a percent of the Total Expenditure Budget from 24.8% in Adjusted Fiscal Year 2000 to 23.7% in Fiscal Year 2001.

Method of Financing

All Funds (in millions)

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DESIGNATED FUNDS				
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- Educational and General Income increased \$120.7 million.
- Tuition rate increase from \$38 to \$40 per semester credit hour.
- Patient Income increase of \$96.1 million largely due to increases at U. T. M.D. Anderson.
- Research Overhead Recovery increased by \$9.6 million or 6.8%.

Method of Financing

All Funds (in millions)

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AUXILIARY ENTERPRISES				
DESIGNATED FUNDS				
MSRDP/DSRDP/PRS				
Other Designated Activities				
CURRENT RESTRICTED				
Sponsored Research & Services				
Privately Sponsored Research				
Gifts and Grants				
TOTAL BUDGET	\$ 5,532.0	\$ 5,890.9	\$ 358.9	6.49%

- Other Sources of Educational and General Operating Funds increased \$12.7 million.
- Increase resulted from growth in the Available University Fund transfer to U. T. Austin of \$13.8 million.
- Offset by decreases in expected Medicare Cost Settlement Reimbursements of \$19.3 million.

Method of Financing

All Funds (in millions)

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TOTAL BUDGET	\$ 5,532.0	\$ 5,890.9	\$ 358.9	6.49%

• Increase in Funding From Prior Year Balances is \$0.6 million.

Method of Financing

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SYSTEM OFFICES				
AUXILIARY ENTERPRISES				
DESIGNATED FUNDS				
MSRDP/DSRDP/PRS				
Other Designated Activities				
CURRENT RESTRICTED				
Sponsored Research & Services	115.7	120.2	4.5	3.72%
Privately Sponsored Research	169.6	189.8	20.2	11.91%
Gifts and Grants				
TOTAL BUDGET	\$ 5,532.0	\$ 5,890.9	\$ 358.9	6.49%

• Educational and General Capital Projects decreased 8.6% (\$4.7 million) primarily resulting from decreases at U. T. M.D. Anderson.

Method of Financing

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TOTAL BUDGET	\$ 5,532.0	\$ 5,890.9	\$ 358.9	6.49%

- System office funding increased \$0.9 million or 3.9%.
- To be discussed separately.

Method of Financing

All Funds (in millions)

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SYSTEM OFFICES	23.2	24.1	0.9	3.95%
AUXILIARY ENTERPRISES	247.1	268.7	21.6	8.74%
DESIGNATED FUNDS MSRDP/DSRDP/PRS Other Designated Activities				
CURRENT RESTRICTED Sponsored Research & Services Privately Sponsored Research Gifts and Grants				
TOTAL BUDGET				

• Increase of \$21.6 million in Auxiliary Enterprises is due to increased fees and charges necessary to cover anticipated operating costs.

Method of Financing

All Funds (in millions)

GENERAL REVENUE

EDUCATION & GENERAL INCOME

OTHER SOURCES OF EDUCATION AND
GENERAL OPERATING FUNDS

FUNDING FROM PRIOR YEAR BALANCES

E&G CAPITAL PROJECTS

SYSTEM OFFICES

AUXILIARY ENTERPRISES

DESIGNATED FUNDS

MSRDP/DSRDP/PRS

Other Designated Activities

CURRENT RESTRICTED

Sponsored Research & Services

Privately Sponsored Research

Gifts and Grants

TOTAL BUDGET

- Designated Funds increased 11.1%.
- Estimates of Practice Plan revenues increased by \$55.4 million or 8.7%.
- Other Designated Funds increased 13.2% or \$86.5 million due largely to increases in Designated Tuition and fees at academic institutions, new private prison contracts and an increase in capitation rates at U. T. MB Galveston and miscellaneous Other Designated Income.

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Method of Financing

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SYSTEM OFFICES	23.2	24.1	0.9	3.95%
AUXILIARY ENTERPRISES	215.1	216.7	1.6	0.74%
DESIGNATED FUNDS				
MSRDP/DSRDP/PRS				
Other Designated Activities				
CURRENT RESTRICTED				
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Gifts and Grants	169.6	189.8	20.2	11.91%
TOTAL BUDGET	\$ 5,532.0	\$ 5,890.9	\$ 358.9	6.49%

• Sponsored Research has increased 1.3% or \$9.9 million as a result of increased research activity.

Method of Financing

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Gifts and Grants				
TOTAL BUDGET	\$ 5,532.0	\$ 5,890.9	\$ 358.9	6.49%

- Privately Sponsored Research shows a net increase of \$6.5 million (5.7%).
- Increases were shown at U. T. Southwestern (\$4.3 million) and U. T. HSC Houston (\$2.5 million).

Method of Financing

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TOTAL BUDGET	\$ 5,532.0	\$ 5,890.9	\$ 358.9	6.49%

- Gifts and Grants has increased \$20.2 million or 11.9%.
- Increases at U. T. Austin (\$15.0 million), and U. T. M.D. Anderson (\$3.6 million).

Method of Financing

All Funds (in millions)

	Fiscal Year 2000	Fiscal Year 2001	Increases From 2000 to 2001	
U. T. Arlington	\$ 192.5	\$ 208.0	\$ 15.5	8.04%
U. T. Austin	1,090.1	1,160.6	70.5	6.47%
U. T. Brownsville	66.6	69.4	2.7	4.09%
U. T. Dallas	124.1	133.2	9.1	7.36%
U. T. El Paso	164.1	173.4	9.3	5.65%
U. T. Pan American	109.5	122.5	13.1	11.94%
U. T. Permian Basin	23.3	24.3	1.0	4.21%
U. T. San Antonio	165.2	179.1	13.9	8.42%
U. T. Tyler	<u>34.9</u>	<u>35.8</u>	<u>0.9</u>	<u>2.56%</u>
Total Academic	\$1,970.3	\$2,106.3	\$136.0	6.90%

Method of Financing

All Funds (in millions)

	Fiscal Year 2000	Fiscal Year 2001	Increases From 2000 to 2001	
U. T. Southwestern Dallas	\$ 555.6	\$ 593.9	\$ 38.3	6.89%
U. T. MB Galveston	993.5	1,021.2	27.7	2.78%
U. T. HSC Houston	439.4	454.9	15.5	3.53%
U. T. HSC San Antonio	340.8	357.4	16.6	4.87%
U. T. MD Anderson	1,109.9	1,230.2	120.3	10.84%
U. T. Health Tyler	<u>95.0</u>	<u>97.9</u>	<u>2.9</u>	<u>3.02%</u>
Total Health	\$3,534.2	\$3,755.5	\$221.3	6.26%

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH	106.6	118.3	11.7	10.98%
PUBLIC SERVICE	12.3	16.3	4.0	32.52%
HEALTH CARE	742.4	782.5	40.1	5.40%
INSTITUTIONAL SUPPORT	238.0	250.4	12.4	5.21%
STUDENT SERVICES	30.5	32.6	2.1	6.89%
STAFF BENEFITS	271.2	288.6	17.4	6.42%
OPERATIONS & MAINTENANCE	310.3	317.6	7.3	2.35%
SCHOLARSHIPS & FELLOWSHIPS	18.3	29.9	11.6	63.39%
CAPITAL PROJECTS	145.5	146.6	1.1	0.76%

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
SYSTEM OFFICES	23.2	24.1	0.9	3.95%
AUXILIARY ENTERPRISES	232.0	246.6	14.6	6.29%
DEBT SERVICE	14.2	23.4	9.2	64.79%
DESIGNATED				
MSRDP/DSRDP/PRS	642.4	695.1	52.7	8.20%
OTHER DESIGNATED ACTIVITIES	650.3	720.3	70.0	10.76%
DEBT SERVICE	26.3	27.7	1.4	5.32%
CURRENT RESTRICTED FUNDS				
SPONSORED RESEARCH AND SERVICES	754.0	763.9	9.9	1.31%
PRIVATELY SPONSORED RESEARCH	113.7	120.2	6.5	5.72%
OTHER GIFTS AND GRANTS	169.6	189.8	20.2	11.91%
TOTAL BUDGET	\$ 5,480.2	\$ 5,813.5	\$ 333.3	6.08%

Summary of Expenditures

by Category

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH				
PUBLIC SERVICE				
HEALTH CARE				
INSTITUTIONAL SUPPORT				
STUDENT SERVICES				
STAFF BENEFITS	211.2	288.0	77.4	36.65%
OPERATIONS & MAINTENANCE	310.3	317.6	7.3	2.35%
SCHOLARSHIPS & FELLOWSHIPS	18.3	29.9	11.6	63.39%
CAPITAL PROJECTS	145.5	146.6	1.1	0.76%

• Instruction & Academic Support increased \$40.2 million or 4.1%.
 • Primarily due to merit salary increases awarded to faculty and staff.

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH	106.6	118.3	11.7	10.98%
PUBLIC SERVICE				
HEALTH CARE				
INSTITUTIONAL SUPPORT				
STUDENT SERVICES				
STAFF BENEFITS				
OPERATIONS & MAINTENANCE				
SCHOLARSHIPS & FELLOWSHIPS	18.3	29.9	11.6	63.39%
CAPITAL PROJECTS	145.5	146.6	1.1	0.76%

- Research increased \$11.7 million or 11.0%.
- Due primarily to expansion of existing programs and new genetics and genomics programs at U. T. M.D. Anderson.

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH	106.6	118.3	11.7	10.98%
PUBLIC SERVICE	12.3	16.3	4.0	32.52%
HEALTH CARE				
INSTITUTIONAL SUPPORT				
STUDENT SERVICES				
STAFF BENEFITS				
OPERATIONS & MAINTENANCE				
SCHOLARSHIPS & FELLOWSHIPS				
CAPITAL PROJECTS	145.5	146.6	1.1	0.76%

- Public Service increased by \$4.0 million or 32.5%.
- Due in large part to a realignment of community related programs at U. T. MB Galveston from other areas of the budget.

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH	106.6	118.3	11.7	10.98%
PUBLIC SERVICE	12.3	16.3	4.0	32.52%
HEALTH CARE	742.4	782.5	40.1	5.40%
INSTITUTIONAL SUPPORT				
STUDENT SERVICES				
STAFF BENEFITS				
OPERATIONS & MAINTENANCE				
SCHOLARSHIPS & FELLOWSHIPS				
CAPITAL PROJECTS	145.5	146.6	1.1	0.76%

- Health Care increased \$40.1 million or 5.4%
- Due to an increase in patient care expenditures at U. T. M.D. Anderson.

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH	106.6	118.3	11.7	10.98%
PUBLIC SERVICE	12.3	16.3	4.0	32.52%
HEALTH CARE	742.4	782.5	40.1	5.40%
INSTITUTIONAL SUPPORT	238.0	250.4	12.4	5.21%
STUDENT SERVICES				
STAFF BENEFITS				
OPERATIONS & MAINTENANCE				
SCHOLARSHIPS & FELLOWSHIPS				
CAPITAL PROJECTS				

- Institutional Support increased \$12.4 million or 5.2%.
- Increases due to merit salary increases.

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH	106.6	118.3	11.7	10.98%
PUBLIC SERVICE	12.3	16.3	4.0	32.52%
HEALTH CARE	742.4	782.5	40.1	5.40%
INSTITUTIONAL SUPPORT	238.0	250.4	12.4	5.21%
STUDENT SERVICES	30.5	32.6	2.1	6.89%
STAFF BENEFITS				
OPERATIONS & MAINTENANCE				
SCHOLARSHIPS & FELLOWSHIPS				
CAPITAL PROJECTS				

- Student Services increased \$2.1 million or 6.9%.
- Increase due merit salary increases, new initiatives, and new staff.

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH	106.6	118.3	11.7	10.98%
PUBLIC SERVICE	12.3	16.3	4.0	32.52%
HEALTH CARE	742.4	782.5	40.1	5.40%
INSTITUTIONAL SUPPORT	238.0	250.4	12.4	5.21%
STUDENT SERVICES	30.5	32.6	2.1	6.89%
STAFF BENEFITS	271.2	288.6	17.4	6.42%
OPERATIONS & MAINTENANCE				
SCHOLARSHIPS & FELLOWSHIPS				
CAPITAL PROJECTS				

- Staff Benefits increased \$17.4 million or 6.4%.
- Due to increased premium sharing and retirement contributions.

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH	106.6	118.3	11.7	10.98%
PUBLIC SERVICE				
HEALTH CARE				
INSTITUTIONAL SUPPORT				
STUDENT SERVICES				
STAFF BENEFITS				
OPERATIONS & MAINTENANCE	310.3	317.6	7.3	2.35%
SCHOLARSHIPS & FELLOWSHIPS	18.3	29.9	11.6	63.39%
CAPITAL PROJECTS	145.5	146.6	1.1	0.76%

- Operations and Maintenance of Plant increased \$7.3 million or 2.4%.
- Primarily due to merit salary increases offset, in part, by shifting of some Utility expenditures to Designated Funds.

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH	106.6	118.3	11.7	10.98%
PUBLIC SERVICE	12.3	16.3	4.0	32.52%
HEALTH CARE				
INSTITUTIONAL SUPPORT				
STUDENT SERVICES				
STAFF BENEFITS				
OPERATIONS & MAINTENANCE				
SCHOLARSHIPS & FELLOWSHIPS	18.3	29.9	11.6	63.39%
CAPITAL PROJECTS	145.5	146.6	1.1	0.76%

- Scholarships and Fellowships increased \$11.6 million or 63.4%.
- Largely due to budgeting of the TEXAS Grant Program funding received from the Texas Higher Education Coordinating Board.

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
INSTRUCTION	\$ 974.4	\$ 1,019.6	\$ 40.2	4.10%
RESEARCH	106.6	118.3	11.7	10.98%
PUBLIC SERVICE	12.3	16.3	4.0	32.52%
HEALTH CARE	742.4	782.5	40.1	5.40%
INSTITUTIONAL SUPPORT	238.0	250.4	12.4	5.21%
STUDENT SERVICES	30.5	32.6	2.1	6.89%
STAFF BENEFITS				
OPERATIONS & MAINTENANCE				
SCHOLARSHIPS & FELLOWSHIPS				
CAPITAL PROJECTS	145.5	146.6	1.1	0.76%

- Educational and General Capital Projects have increased \$1.1 million or 0.8%.

chart continued on next slide

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
SYSTEM OFFICES	23.2	24.1	0.9	3.95%
AUXILIARY ENTERPRISES DEBT SERVICE				
DESIGNATED MSRDP/DSRDP/PRS OTHER DESIGNATED ACTIVITIES DEBT SERVICE				
CURRENT RESTRICTED FUNDS				
SPONSORED RESEARCH AND SERVICES	754.0	763.9	9.9	1.31%
PRIVATELY SPONSORED RESEARCH	113.7	120.2	6.5	5.72%
OTHER GIFTS AND GRANTS	169.6	189.8	20.2	11.91%
TOTAL BUDGET	\$ 5,480.2	\$ 5,813.5	\$ 333.3	6.08%

- System Offices – expenditures increased \$0.9 million or 3.9%.
- Due to merit salary increases and staff benefits.

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
SYSTEM OFFICES	23.2	24.1	0.9	3.95%
AUXILIARY ENTERPRISES	232.0	246.6	14.6	6.29%
DEBT SERVICE	14.2	23.4	9.2	64.79%
DESIGNATED MSRDP/DSRDP/PRS OTHER DESIGNATED ACTIVITIES DEBT SERVICE				
CURRENT RESTRICTED FUNDS				
SPONSORED RESEARCH AND SERVICES	154.0	165.2	11.2	7.27%
PRIVATELY SPONSORED RESEARCH	113.7	120.2	6.5	5.72%
OTHER GIFTS AND GRANTS	169.6	189.8	20.2	11.91%
TOTAL BUDGET	\$ 5,480.2	\$ 5,813.5	\$ 333.3	6.08%

- Auxiliary Enterprises increased by \$23.8 million.
- Due to increases in operating costs and debt service.

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
SYSTEM OFFICES	23.2	24.1	0.9	3.95%
AUXILIARY ENTERPRISES	232.0	246.6	14.6	6.29%
DEBT SERVICE	14.2	23.4	9.2	64.79%
DESIGNATED MSRDP/DSRDP/PRS OTHER DESIGNATED ACTIVITIES DEBT SERVICE	642.4	695.1	52.7	8.20%
CURRENT RESTRICTED FUNDS SPONSORED RESEARCH AND SERVICES PRIVATELY SPONSORED RESEARCH OTHER GIFTS AND GRANTS				
TOTAL BUDGET				

- Designated Fund increases of \$124.1 million or 9.4%.
- Due to Practice Plan increases of \$52.7 million.
- Increased expenses associated with fees collected such as the Library Fee at U. T. Austin (\$8.7 million)
- New managed care contracts for private prisons at U. T. MB Galveston

Summary of Expenditures

by Category (in millions)

	FY 2000	FY 2001	Dollar & Percent Increase/Decrease	
SYSTEM OFFICES	23.2	24.1	0.9	3.95%
AUXILIARY ENTERPRISES	232.0	246.6	14.6	6.29%
DEBT SERVICE	14.2	23.4	9.2	64.79%
DESIGNATED MSRDP/DSRDP/PRS OTHER DESIGNATED ACTIVITIES DEBT SERVICE				
CURRENT RESTRICTED FUNDS				
SPONSORED RESEARCH AND SERVICES	754.0	763.9	9.9	1.31%
PRIVATELY SPONSORED RESEARCH	113.7	120.2	6.5	5.72%
OTHER GIFTS AND GRANTS	169.6	189.8	20.2	11.91%
TOTAL BUDGET	\$ 5,480.2	\$ 5,813.5	\$ 333.3	6.08%

• Current Restricted Funds expenditures track the increased revenue for these funds.

Summary of Expenditures

All Funds (in millions)

	Fiscal Year 2000	Fiscal Year 2001	Increases From 2000 to 2001	
U. T. Arlington	\$ 188.4	\$ 201.8	\$ 13.4	7.13%
U. T. Austin	1,064.6	1,136.2	71.6	6.73%
U. T. Brownsville	66.6	69.4	2.8	4.09%
U. T. Dallas	119.7	130.1	10.4	8.71%
U. T. El Paso	159.0	167.8	8.8	5.52%
U. T. Pan American	104.1	117.0	12.9	12.42%
U. T. Permian Basin	23.0	24.0	1.0	4.29%
U. T. San Antonio	153.7	163.8	10.1	6.55%
U. T. Tyler	<u>33.1</u>	<u>33.6</u>	<u>0.5</u>	<u>1.57%</u>
Total Academic	\$1,912.2	\$2,043.7	\$131.5	6.88%

Summary of Expenditures

All Funds (in millions)

	Fiscal Year 2000	Fiscal Year 2001	Increases From 2000 to 2001	
U. T. Southwestern Dallas	\$ 553.8	\$ 594.8	\$ 41.0	7.41%
U. T. MB Galveston	1,006.2	1,029.5	23.3	2.32%
U. T. HSC Houston	445.2	451.3	6.1	1.36%
U. T. HSC San Antonio	332.9	350.7	17.8	5.35%
U. T. MD Anderson	1,107.0	1,216.3	109.3	9.87%
U. T. Health Tyler	<u>95.0</u>	<u>97.8</u>	<u>2.8</u>	<u>2.98%</u>
Total Health	\$3,540.1	\$3,740.4	\$200.3	5.66%

U.T. System Administration

U.T. System Administration

	<u>General Administration</u>
Fiscal Year 2000 Budget	<u>\$23,184,921</u>
Interim Adjustments	129,600
Merit Salary Pool	629,117
Information Resources	180,608
Non-recurring TeleCampus Programs	(2,137,318)
Staff Benefits	670,389
Other	<u>191,099</u>
Fiscal Year 2001 Base Budget	\$22,848,416
Percent Decrease under FY 2000	(1.45%)

U.T. System Administration - New or One Time Expenses

	<u>General Administration</u>
Fiscal Year 2001 Base Budget	<u>\$22,848,416</u>
UT TeleCampus	754,530
Special Administrative Assignment	<u>497,795</u>
Fiscal Year 2001 Total Budget	\$24,100,741
Percent Increase over FY 2000	<u>3.95%</u>

*Does not include \$4,091,529 Capital Expenditure Items such as repair and renovation, network and telecommunication upgrades.

Reserve Allocations for
Library & Equipment,
Repairs & Rehabilitation
(LERR)

Library & Equipment, Repair & Rehabilitation

	Library & Equipment	Repair & Rehabilitation	Total
U. T. Arlington	\$ 2,836,146	\$ 410,500	\$ 3,273,646
U. T. Austin	-	3,850,000	3,850,000
U. T. Dallas	1,100,000	700,000	1,800,000
U. T. El Paso	1,270,000	1,200,000	2,470,000
U. T. Permian Basin	200,000	444,200	644,200
U. T. San Antonio	1,032,154	1,200,000	2,232,154
U. T. Tyler	<u>150,000</u>	<u>580,000</u>	<u>730,000</u>
Total Academic	\$ 6,615,300	\$ 8,384,700	\$15,000,000

Library & Equipment, Repair & Rehabilitation

	Library & Equipment	Repair & Rehabilitation	Total
U. T. Southwestern Dallas	\$ 2,100,000	\$ -	\$ 2,100,000
U. T. MB Galveston	1,400,000	700,000	2,100,000
U. T. HSC Houston	2,100,000	-	2,100,000
U. T. HSC San Antonio	2,100,000	-	2,100,000
U. T. MD Anderson	2,100,000	-	2,100,000
U. T. Health Tyler	1,251,005	1,248,995	2,500,000
Total Health	\$ 11,051,005	\$ 1,948,995	\$ 13,000,000
U. T. System Admin.	\$ 2,000,000	-	\$ 2,000,000
Total LERR	\$ 19,666,305	\$ 10,333,695	\$ 30,000,000

Challenges for the Future

Topics of Discussion for the 77th Legislature

- Need to provide greater opportunities for participation and success in higher education, for all segments of Texas population.
- Pending the work of the Board of Regents' Ad Hoc Long Range Planning Committee, the need for additional resources to support additional centers of excellence.
- Need to increase the level of research conducted by Texas public higher education.

Specific Initiatives

- K-16 Initiative encouraging more young Texans to prepare for and enter college.
- Deregulation in laws or regulations governing procurement, human resources management, financial management, and reporting to increase efficiency.
- Formula Funding increases to sustain the foundation for the operating programs of our institutions.
- Retention of 100% of indirect cost reimbursement.

Specific Initiatives

- Increases for institutional enhancement and other exceptional items to maintain current purchasing power.
- Tuition revenue bonds for projects to accommodate future growth.
- Tuition increases and limited flexibility in establishing tuition rates at selected campuses.
- Graduate medical education funding.
- Indigent health care funding.

Specific Initiatives

- Tobacco settlement proceeds to endow additional research activities.
- Start-up funding for the RAHC in South Texas and the Laredo campus extension.
- Nursing education initiative.
- Biotech/biomedical research/tech transfer funding to support basic research infrastructure at U. T. health institutions.

Questions?