

## **GLOSSARY OF TERMS**

### **-- METHOD OF FINANCING --**

**GENERAL REVENUE** -- Appropriations from the State General Revenue fund, which supplement the U. T. component institutional revenue in meeting operating expenditures such as Faculty Salaries, Utilities, and Institutional Support. Also includes Higher Education Assistance Fund (HEAF) appropriations that are a source of state appropriated general revenue to U. T. Brownsville and U. T. Pan American. HEAF funds are appropriated for construction, library, and equipment expenditures for Texas public universities that do not benefit from the Permanent University Fund (PUF) bond proceeds.

**EDUCATIONAL AND GENERAL INCOME** -- Revenues earned at the U. T. component institution for services provided or investments made. The categories include Tuition, net of Texas Public Education Grant (TPEG) funds and Skiles Act Fees (tuition allowed to be set aside for debt service), Student Fees, Overhead on Sponsored Projects (Indirect Cost Recoveries), Interest on Time Deposits, Organized Activities Related to Instruction (U. T. Dallas Callier Center), Other Income, and Income from Patients.

**OTHER SOURCES** -- Transfers from other fund groups or agencies, or funds from federal and state sources (other than the General Revenue Fund). The categories are as follows:

Available University Fund (U. T. Austin) -- Annual transfer of funds from the Available University Fund (AUF) to U. T. Austin for current operations.

Transfers from Other Fund Groups -- Earnings from other fund groups, such as Designated Funds, needed to maintain the operating level of expenditures in Educational and General Funds.

Texas Southmost College (TSC) Contract (U. T. Brownsville) -- A source of revenue unique to U.T. Brownsville, associated with the educational partnership between Texas Southmost College and U. T. Brownsville for TSC community college programs.

H.C.P.C. Funding -- Funding for the Harris County Psychiatric Center hospital operated by U. T. HSC Houston. The Texas Department of Mental Health & Mental Retardation (TDMHMR) and Harris County contract with U. T. HSC Houston to operate this facility.

State Grants and Contracts -- Funding received from the State of Texas or other states. Examples include TEXAS Grants and Advanced Technology and Advanced Research grants received from the Texas Higher Education Coordinating Board.

Medicare/Medicaid Cost Settlements -- Payments to hospitals, laboratories, or intermediaries resulting from Medicare/Medicaid tentative or final audit settlements due to determination of final reimbursement and/or audit adjustments.

**FUNDING FROM PRIOR YEAR BALANCES** -- Balances from prior fiscal year activity in Educational and General Funds needed to balance the current year's Operating Budget.

**TOTAL OPERATING RESOURCES** -- U. T. component institutional funding needed to meet current fiscal year operating expenditures--but not including those funds required to meet all capital project expenditures in Educational and General Funds.

**EDUCATIONAL AND GENERAL CAPITAL PROJECTS** -- Funds from prior fiscal year balances that are specifically earmarked for capital project expenditures.

**TOTAL U. T. COMPONENT INSTITUTIONS** -- Total sources of funds of U. T. component institutions for capital and operating expenditures in Educational and General Funds--not including fund sources for U. T. System Administration operations.

**SYSTEM OFFICES** -- Funds from General Revenue and the Available University Fund (AUF) to help fund U. T. System Administration offices.

## METHOD OF FINANCING (Continued) –

**TOTAL EDUCATIONAL AND GENERAL FUNDS** -- Total of resources available for all of U. T. System in Educational and General Funds.

**DESIGNATED FUNDS** -- Revenues that "administration" has designated for specific purposes (not to be confused with "Restricted" Funds which are specified for a particular use by "outside donors"). The categories are as follows:

MSRDP/PRS, DSRDP -- Medical Services Research and Development Plan/Physicians' Referral Service/Dental Services Research and Development Plan. These plans are trust funds established by the U. T. Board of Regents that operate under approved bylaws, authorizing the specific types of expenditures that can be made. The revenue in these plans is derived from the physicians' or dentists' fees for services to patients.

Allied Health Faculty Services Plan – This plan is similar to MSRDP/PRS and DSRDP plans as defined above with the exception that the revenue is derived from practitioner fees. Practitioners are defined as Physical Therapists, Prosthetists/Orthotists, Registered Dieticians, Medical Technologists and Rehabilitation Counselors.

Designated Activities -- Revenues related to various U. T. component institution programs (e.g., Texas Department of Criminal Justice (TDCJ) contract, continuing education programs, TPEG programs, etc.). Examples of revenues include TDCJ contract income at U.T.M.B. Galveston, and Designated Tuition charged to students upon registration and used for operational purposes. Distributions of income from the Tobacco settlement endowments established by the 76th Legislature are also included.

**AUXILIARY ENTERPRISES** -- Revenues derived from self-supporting U. T. component institution enterprises (e.g., bookstores, dormitories, inter-collegiate athletic programs, etc.), as well as Student Service Fees used to supplement the operations of enterprises which are not fully self-supporting.

**CURRENT RESTRICTED FUNDS** -- Federal, State, Local, and Private awards used for purposes specified by the "donors" in the agreements. The categories include Sponsored Research and Services, Privately Sponsored Research, and Other Gifts and Grants. Restricted gift income related to pledges should also be reported here.

## -- SUMMARY OF EXPENDITURES --

**INSTRUCTION & ACADEMIC SUPPORT**—Expenditures for salaries, wages, and all other costs related to those engaged in the teaching function including the operating cost of instructional departments. This would include the salaries of faculty, teaching assistants, lecturers and teaching equipment. Library materials and related salaries are also included. Special Items include those items generally appropriated by the Legislature for Instruction & Academic Support activities that are particular to an institution.

**RESEARCH** -- Expenditures for salaries and wages and other cost associated with the support of research conducted by faculty members. Special Items are those items generally appropriated by the Legislature for Research purposes that are particular to an institution.

**PUBLIC SERVICE** -- Expenditures for activities providing noninstructional services beneficial to individuals and groups external to the institution. Special Items are those items generally appropriated by the Legislature for Public Service activities that are particular to an institution.

**HEALTH CARE** -- Expenditures of U. T. health-related institutions with teaching hospital affiliations for costs associated with operating the entity (i.e., labs, pharmacies, personnel salaries, etc.) Special Items are those items generally appropriated by the Legislature for Health Care activities that are particular to an institution.

**-- SUMMARY OF EXPENDITURES (Continued) --**

**INSTITUTIONAL SUPPORT** -- Expenditures for central executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming, and legal services; fiscal operations, including the investment office; administrative data processing; space management; employee personnel and records; logistical activities that provide procurement, storerooms, safety, security, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fund raising. Special Items are those items generally appropriated by the Legislature for Institutional Support activities that are particular to an institution.

**STUDENT SERVICES** -- Expenditures for offices of admissions and of the registrar and activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. Special Items are those items generally appropriated by the Legislature for Student Service activities that are particular to an institution.

**STAFF BENEFITS** -- Expenditures for premiums or costs of staff benefits programs, including group insurance premiums, Old Age and Survivors Insurance, Workers' Compensation Insurance, and Unemployment Compensation Insurance.

**OPERATION & MAINTENANCE OF PLANT** -- Expenditures of current operating funds for the operation and maintenance of the physical plant. It includes all expenditures for operations established to provide services and maintenance related to grounds and facilities. Also included are utilities, fire protection, property insurance, and similar items. Specifically included are: salaries, wages, supplies materials and other expenses necessary to keep each building in good appearance and usable condition. Also includes expenses necessary to keep the buildings in a clean and sanitary condition, provide upkeep of all lands designated as campus proper (improved and unimproved) not occupied by actual buildings. Special Items include those items generally appropriated by the Legislature for O&M of Plant activities that are particular to an institution and tuition and revenue related debt service.

**SCHOLARSHIPS & FELLOWSHIPS** -- Expenditures for scholarships and fellowships in the form of grants to students, resulting from selection by the institution or from an entitlement program.

**EDUCATIONAL AND GENERAL CAPITAL/HEAF PROJECTS** -- Funds used for major repair, rehabilitation, and renovation of existing buildings and facilities, as well as funds to supplement major capital projects.

**TOTAL U. T. COMPONENT INSTITUTIONS** -- Total capital and operating expenditures of U. T. component institutions in Educational and General Funds--not including expenditures for U. T. System Administration operations.

**SYSTEM OFFICES** -- Expenditures for salaries, wages, supplies, equipment, travel, and other miscellaneous categories necessary to carry out the day-to-day operations at U. T. System Administration.

**TOTAL EDUCATIONAL AND GENERAL FUNDS** -- Total of expenditures for all of U. T. System in Educational and General Funds.

**DESIGNATED FUNDS** -- Expenditures that "administration" has designated for specific purposes (not to be confused with "Restricted" Funds which are specified for a particular use by outside "donors"). The categories are as follows:

MSRDP/PRS, DSRDP -- Medical Services Research and Development Plan/Physicians' Referral Service/Dental Services Research and Development Plan. These plans are trust funds established by the U. T. Board of Regents that operate under approved bylaws, authorizing the specific types of expenditures that can be made. The expenditures in these plans come from the services provided by physicians or dentists to patients and include outlays for supplies, equipment, salaries, and staff benefits.

**-- SUMMARY OF EXPENDITURES (Continued) --**

Allied Health Faculty Services Plan – This plan is similar to MSRDP/PRS and DSRDP plans as defined above with the exception that the expenditures result from practitioners' services.

Designated Activities -- Expenditures related to various U. T. component institution programs (e.g., TDCJ contract, continuing education programs, TPEG programs, etc.) and Designated Tuition used for operational purposes. Examples of expenditures include payments for TDCJ hospital and managed care expenses, food, materials, and instructors at U. T. Medical Branch Galveston. Tobacco settlement endowment earnings are used for education, research and patient care. Debt service transfers to U. T. System Administration to pay bondholders, who helped finance related capital projects are also shown in this area.

**AUXILIARY ENTERPRISES** -- Expenditures of self-supporting component institution enterprises (e.g., bookstores, dormitories, inter-collegiate athletic programs, etc.). The outlays also include debt service transfers to U. T. System Administration to pay bondholders, who helped finance related capital projects in this area.

**CURRENT RESTRICTED FUNDS** -- Expenses related to Federal, State, Local, and Private awards used for purposes specified by the "donors" in the agreements. The categories include Sponsored Research and Services, Privately Sponsored Research, and Other Gifts and Grants.

**/1 BUDGET FOOTNOTES**

1. Certain reclassifications have been made within the 2002 Budget to enhance comparability with the 2003 Budget.