
**LEGISLATIVE APPROPRIATIONS REQUEST
FISCAL YEARS 2008 AND 2009**



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

**THE UNIVERSITY OF TEXAS
SYSTEM ADMINISTRATION**

August 2006

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Agency Code: 720	Agency Name: The University of Texas System Admin.	Prepared By: Randy Wallace	Date: August 11, 2006	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 2008-09 biennium.</p>				
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SYSTEM BACKGROUND

The University of Texas System Board of Regents

The University of Texas System is governed by a board of 10 regents appointed by the governor. The membership, hometowns, and terms of office are as follows: James R. Huffines (Chair), Austin, 2-1-09; H. Scott Caven, Jr., Houston, 2-1-09; John W. Barnhill, Jr., Brenham, 2-1-09; Rita C. Clements, Dallas, 2-1-07; Judith L. Craven, M.D., Houston, 2-1-07; Cyndi Taylor Krier, San Antonio, 2-1-07; Robert A. Estrada, Fort Worth, 2-1-05*; Robert B. Rowling, Dallas, 2-1-11; Colleen McHugh, Corpus Christi, 2-1-11; and Brian J. Haley, Student Regent, Denton, 2-1-07.

The chancellor of the UT System is Mark G. Yudof.

System Institutions and Operations

Founded in 1883, the UT System is composed of nine academic and six health institutions, including four medical schools, two dental schools, and nine nursing schools. With more than 76,000 faculty and staff, the System is one of Texas' largest employers.

System-wide, the faculty includes nine Nobel laureates, 20 Pulitzer Prize winners, 37 members of the National Academy of Sciences, 50 members of the National Academy of Engineering, 26 members of the Institute of Medicine, and 28 members of the American Law Institute. The UT System institutions graduate more nurses, certified teachers, pharmacists and lawyers than any other system within the state. UT health institutions provide more than 70,000 in-patient admissions a year, more than 440,000 hospital patient days, more than 5.6 million outpatient visits, and, in fiscal year (FY) 2005, more than \$1.42 billion in indigent care.

Total enrollment at UT institutions for fall 2005 was 185,816 students, an increase of 33,619, or 22.1%, from fall 2000. Enrollment at academic institutions grew from 143,038 students to 174,846 students, an increase of 22.2%, compared to the statewide average increase of 17%. In 2004-05, UT institutions awarded 36,475 degrees and certificates, more than one-third of all the degrees awarded by public universities in Texas, including seven out of 10 healthcare degrees and certificates.

From fall 2001 to fall 2005, the overall number of faculty employed by UT institutions increased by 17.8%, from 14,166 to 16,685. The increase at academic institutions was driven primarily by enrollment growth.

The System operating budget for FY 2007 is funded with revenue of \$10.1 billion from the following sources: \$1.8 billion (17.4%) in state general revenue; \$2.2 billion (21.7%) in federal/state/local/private sponsored programs; \$3.6 billion (35.8%) in hospital, clinic, and professional fees; \$938 million (9.3%) in tuition and fees; \$636 million (6.3%) in investment income; \$321 million (3.2%) from auxiliary enterprises; \$386 million (3.8%) in gifts and other revenue; and \$248 million (2.5%) from sales and services of educational activities such as performing arts. The System's six health institutions account for about 65% of the total operating budget. Instruction makes up 31% of the academic institutions' overall expenditures and 20% of the health institutions' expenditures. General revenue funding is critical to institutions' core educational missions. As a percentage of an institution's budget, GR ranges from 45.5% for UT Tyler to 6.6% for the UT M.D. Anderson Cancer Center, which generates a substantial amount of hospital revenue for its operations.

Economic Impact of the UT System

In an increasingly competitive global marketplace, UT institutions stimulate Texas' economy by producing a well-educated workforce prepared to meet the demands of the 21st century and by attracting new businesses and industry to our state through research dollars, resources and technology transfer.

System-wide sponsored research in FY 2006 is estimated to be \$1.8 billion in FY 2006. UT institutions conduct research with the potential to transform the world by discovering new treatments and cures for dreaded diseases, creating new technologies and industries, and improving the quality of life for Texans. In addition to paying

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for specialized equipment and laboratories, research expenditures support graduate students and other staff. In FY 2005, the health institutions achieved a record-breaking \$1.1 billion in research expenditures, and the academic campuses recorded \$572 million in research expenditures. The System ranked third nationally in patent awards in 2005. Six of the System's institutions, including five of the health institutions, rank in the top 100 universities in the nation in total research and development (R&D) expenditures.

The total economic impact of the System's 15 institutions was estimated at \$12.8 billion during FY 2004. The System also added \$4 billion in personal income to local economies in the form of salaries, wages, and proprietors' income in areas where institutions are located. These estimates do not include the economic impact of the 58 start-up companies formed by UT institutions between FY 2001 and FY 2004.

A recent economic impact study estimated that the aggregate incremental earnings impact from the 34,900 degrees awarded in FY 2004 by UT institutions would be \$44.6 billion. Assuming that 86% of graduates remain in Texas, the impact in Texas would be \$38.4 billion, a 24-to-1 rate of return on the state's general revenue investment in terms of earnings per dollar spent.

UT institutions have a sizable impact on employment in Texas. On average, for every on-campus job, an additional 1.5 jobs are added due to institution-related spending. The combined employment impact of all 15 institutions in 2004 was 215,500 jobs. The System's six health institutions add \$7.7 billion and 112,200 jobs to their regions and spark even more expansion, such as the \$13 billion biomedical industry in San Antonio.

Construction on UT campuses is another major factor impacting the state's economy. During the next six years, the System is projected to spend more than \$5 billion on construction projects. Additional expenditures will put the combined impact of this construction at \$7.7 billion.

In an increasingly competitive global marketplace, System institutions have special responsibility to ensure continued educational, economic and security leadership for both Texas and the nation. As illustrated in reports such as *The Gathering Storm* and *Rising Above the Gathering Storm*, the U.S. faces an escalating international challenge to its traditional superiority in several fields of study, most notably science, technology, engineering and mathematics ("STEM"). Accordingly, the System's goals include increasing graduation rates at all its institutions; recruiting world-class faculty and researchers; continuing the commitment to the state's Closing the Gaps higher education plan; increasing the number of major research universities in Texas; enrolling and graduating more students in the fields of science, technology, engineering, and math; increasing technology transfer; and providing assistance to specialized teacher training programs for public school teaching.

Management Initiatives

In 2003, the System adopted and implemented an extensive and detailed process for accountability and in February 2006 issued its third annual accountability report. The System also recently completed its first comprehensive financial audit, conducted by Deloitte & Touche LLP with the concurrence of the State Auditor's Office, resulting in a clean, unqualified opinion. This is the first such audit of any public university system in Texas and reflects the Board of Regents' voluntary commitment to comply with the overarching purposes of the federal Sarbanes-Oxley Act.

Context for Appropriations Request

In accordance with the instructions, the System's and its institutions' LARs for general revenue-related funds are limited to 90% of the FY 2006-2007 baseline budget. The System has identified for legislative consideration several priority funding issues described below, not necessarily in rank order.

SYSTEM-WIDE ISSUES

Developing a World-class Workforce for a Competitive 21st Century Texas ...

... By Preparing Students to Succeed.

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Graduation Rates Initiative. In February 2006 the Board of Regents adopted a System-wide initiative to dramatically increase graduation rates at all UT institutions, including setting specific goals for each institution to meet or exceed the national averages for four-, five- and six-year graduation rates of full-time, part-time, and transfer students. Resources are needed throughout the System to accompany this commitment to Closing the Gaps.

Supporting Public Education Initiatives. Across the state, UT institutions conduct groundbreaking educational research to train a new generation of teachers who will instruct Texas schoolchildren well into this new century. In 2004, the System established the Institute for Public School Initiatives. IPSI encourages the state's community colleges and school districts to participate in improving public education through a variety of innovative programs.

... By Providing Necessary Resources.

Restoration of the 10% Reduction to the Base Level of Funding. State appropriations are investments in the future of Texas that result in long-term economic benefits to the citizenry, local communities, and the state. Restoration of the 10% base level of funding is crucial to allow institutions to fulfill their unique missions and support operations, including instruction, infrastructure, and research.

Debt Service for Tuition Revenue Bonds. During its Third Called Session, the 79th Legislature responded to an identified need with the passage of HB 153, which authorizes over \$1.8 billion in tuition revenue bonds (TRBs). Funding to pay the debt service on these TRBs, and on those previously issued, is critical to allow the needed renovation and expansion of physical space to accommodate growing student populations and research initiatives.

Funding for Enrollment Growth and Increased Costs. Overall, UT institutions achieved 98% of their Closing the Gaps enrollment targets in fall 2005. Expenses for instruction increased 22.4% from FY 2002 to FY 2005. Adequate funding is necessary to support rising enrollment levels and achieve the participation and success goals of Closing the Gaps. The System supports the Coordinating Board's Formula Funding Recommendations for the 2008-09 Biennium to provide additional formula funding for enrollment growth and to adjust the formulas for inflation using the Higher Education Cost Adjustment inflation index.

Infrastructure Formula Funding. The UT System believes it is necessary to address the infrastructure costs of the state's universities and health institutions. The System supports the Coordinating Board's recommendation to "re-center" (recalibrate) the infrastructure formula to fund 100% of infrastructure costs using the most recent available cost data (FY 2005), representing the first time costs for infrastructure have been analyzed. The recommendation also reflects the recent rise in energy prices that have led many institutions to impose a utility fee on students.

Financial Aid. Students of modest financial means and support must have adequate financial resources to succeed in higher education. Although state appropriations for programs such as the Towards EXcellence, Access and Success (TEXAS) Grants and Texas B-On-time student loans have increased in recent years, the programs still are not funded at levels allowing all eligible students to participate. This problem is compounded because continuation awards for previous TEXAS Grant recipients are prioritized by the Coordinating Board, reducing the number of new students who may receive awards. Diminished federal aid and student loan programs have exacerbated this situation, making state funding all the more crucial.

Emerging Institutions in South Texas. The workforce of tomorrow will come from all across Texas, yet today our higher education resources are not well dispersed. The fast-growing population centers of South Texas, which include majority-minority populations that are essential to Closing the Gaps, need additional resources for their emerging institutions and to support more doctoral programs. Several UT institutions are partnering with local communities through the Borderplex Health Council to promote education and research collaboration to address the Texas-Mexico border region's health challenges, with initial focus on diabetes/obesity and the nursing workforce shortage.

Expanding the Texas Economy Through Technology...

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The UT System seeks to become the partner of choice in science and technology initiatives, drawing on the strengths of each campus. UT institutions must have the resources to sustain promising major initiatives to achieve economic impacts to the state. The System will work to turn research breakthroughs into thriving Texas-based businesses through the work of its Office of Research and Technology Transfer. The availability of new facilities funded in part through HB 153 authorized by the 79th Legislature, such as the Galveston National Laboratory at UTMB Galveston and the Natural Science and Engineering Research Building at UT Dallas, is critical to the success of such efforts.

...By Enhancing Research Capacity.

Only two Texas academic institutions, UT Austin and Texas A&M University, have achieved top-tier status in research. Texas urgently needs to support these institutions and create additional top-tier research universities. This requires adequate funding to establish concentrations of research strength, faculty excellence and student quality. In addition, support for health institutions is needed through additional formula funding for growth in research and to restore research enhancement to 2.5% of research expenditures as recommended by the Coordinating Board.

...By Emphasizing Science, Technology, Engineering and Mathematics.

Increasing the number of students in science, technology, engineering, and math majors and expanding degree options in these emerging areas are two keys to maintaining our nation's competitive edge. Funding for achievement awards, financial leveraging, and support for promising graduate students, as well as secondary curriculum improvement through the System's Institute for Public School Initiatives, would contribute to the number of graduates entering the high-tech workforce. First-class facilities also are essential, and debt service appropriations for new and previously authorized TRB projects are necessary to continue to build the state's critical infrastructure for supporting growth in science and technology.

...By Supporting the Emerging Technology Fund.

The 79th Legislature revised the Texas Enterprise Fund and created a separate Emerging Technology Fund, which supports enhanced research capacity by recruiting world-class researchers to Texas and technology development through public-private partnerships. Continued state funding for these mechanisms is critical to increase the intellectual and commercialization capacity of Texas institutions. System institutions have established solid leadership in nanomedicine through a \$2.5 million Research Superiority award for the regional Alliance for NanoHealth. Support from the Texas Enterprise Fund was essential to GE's decision to commit \$30 million to the creation of the Center for Advanced Diagnostic Imaging at the UT Research Park in Houston. A major award of \$10 million is anticipated from the ETF Research Superiority Program for the Texas Nanoelectronics Initiative, matching \$10 million from the UT System and \$10 million from Texas industries, to recruit world-class researchers in the field of nanoelectronics.

Improving the Quality and Availability of Healthcare for All Texans ...

To be competitive, Texans must not only be educated but healthy as well. Several specific issues are particularly important to the System's role in providing for a healthy citizenry.

... By Preparing a Diverse Workforce of High-quality Professionals.

High-quality education and training of diverse professionals is critical to the future of healthcare in Texas. The Coordinating Board has identified certain areas as warranting particular attention because of past inadequacies and present needs. Current formula funding for nursing master's and doctoral degrees provides insufficient funds to compensate for the higher costs associated with the low student-to-faculty ratio required for graduate-level programs. Increased formula funding for biomedical sciences, including health informatics, is essential due to the cost and complexity of this developing field. Without the Coordinating Board's recommended increase in funding, Texas will continue to have insufficient faculty in these two key fields, leading to restricted enrollments and fewer graduates. To support and encourage highly qualified, economically disadvantaged students to pursue a medical education, the Joint Admission Medical Program should be funded at \$10 million, the amount intended when the program was established in 2001.

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A continuing concern for the UT System is the need to allocate formula funding in a way that does not penalize established educational programs. Formula funding for mature programs such as the pharmacy program at UT Austin, established in 1893, has declined and will continue to do so based on the shift in the academics matrix used to allocate formula dollars.

Additional facilities are needed as sites for healthcare professionals' training. Appropriations to support the newly and previously authorized TRBs for System health institutions will be vital.

... By Supporting Graduate Medical Education.

The most cost-effective part of medical education is residency training, yet GME is not adequately funded. The current appropriation of \$12.5 million annually (about \$2,400 per resident for instruction, not salaries) is a major step forward but represents less than one sixth of the cost of a single residency position, leaving Texas behind other states in developing a sufficient number of doctors to serve the healthcare needs of Texans. GME is an effective strategy to bring additional doctors into Texas because studies show that more than 80% of doctors tend to practice where they receive graduate medical education. In addition, medical residents provide a large share of the uncompensated medical services to indigent Texans as well as to persons incarcerated in Texas prisons.

...By Serving Underserved Texans.

According to Code Red: The Critical Condition of Health in Texas, the report of the Task Force on Access to Health Care in Texas, one in every four Texans − 5.6 million − is without health insurance, the highest rate of uninsured residents in the nation. As a result, in FY 2005 UT System health institutions provided more than \$1.4 billion in uncompensated medical care, creating enormous financial pressure on the institutions. Cost increases have impacted severely UTMB at Galveston in its ability to deliver medical care to more than 80% of those incarcerated in Texas prisons. On a per-inmate basis, UTMB has absorbed revenue reductions for four consecutive years (through FY 2005), despite annual growth in expenses due to increases in the number of aging offenders, increased pharmacy costs, and increased demand for hospitalization and specialty care. Additional funding will be needed to offset losses being suffered in 2006-07 and larger projected losses for 2008-09.

Sustaining and Maximizing Efficiency and Accountability ...

...By Focusing on Learning Outcomes and Full-Time, Full-year Attendance.

The UT System is among the nation's leaders in the use of tools such as the Collegiate Learning Assessment to evaluate student learning outcomes in quantitative and critical reasoning, writing, and computer literacy. Efforts to ensure that students arrive at institutions ready to learn and with academic deficiencies remediated will continue through collaboration with community colleges and high schools. Students will be encouraged to attend full time and year round through such policies as flat-rate tuition and financial aid. Moving students more quickly to graduation is the most efficient use of institution resources.

... By Moving Toward Greater Shared Services.

The UT System will implement a shared services organizational model for consolidated data centers and enterprise resource planning software. Over time, the System will seek to expand the model to include more and more administrative and business processes.

...By Expanding Quality, Technologically Delivered Courses.

The UT TeleCampus (UTTCC) will continue as the centralized coordination and delivery point, and primary development partner, for online programs to maximize efficiency in the delivery of content to students and to aid in Closing the Gaps. Online courses and programs will conform to national quality standards and benchmarks to ensure that students continue to have access to appropriate student services and achieve academic success.

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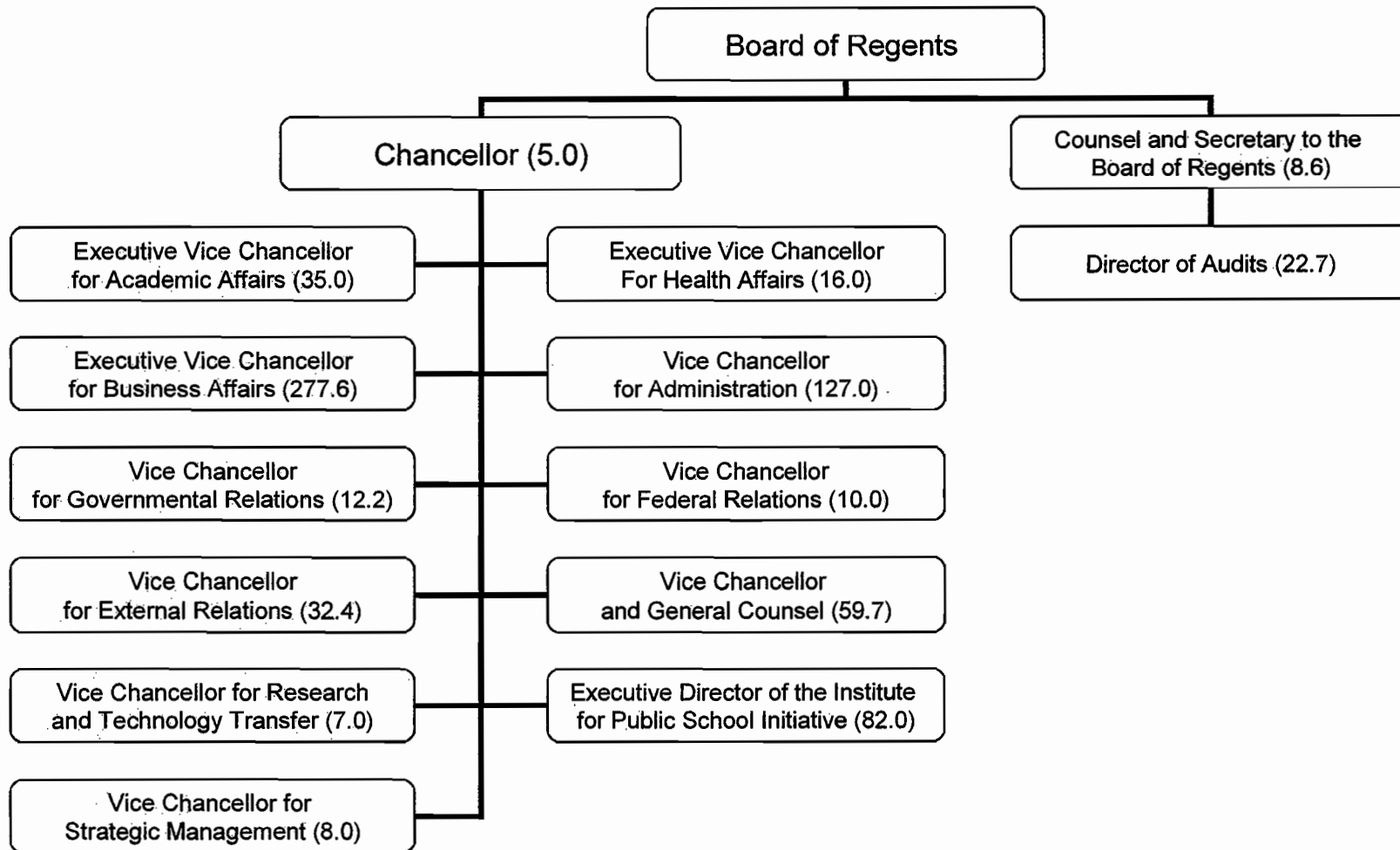
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INSTITUTION-SPECIFIC ISSUES

Most of the individual institutions within the UT System will submit issues for consideration that could result in legislation specific to the submitting institution, such as legislative authority for a student fee or for special item funding in the appropriations process.

The University of Texas System Administration



The University of Texas System Administration– Descriptions of Functional Units

- **Board of Regents** – Supporting and providing information to the Board of Regents is the Office of the Board of Regents. System Audit Office, also reporting to the Board, provides management and the independent, objective evaluations of the operations, policies, procedures, and controls at System Administration along with assistance to mid-size and small campus audit departments and to provide oversight to ensure effectiveness of all audit functions. System Audit is also responsible for the System-wide compliance program that exists to help ensure that the entire System operates in compliance with all applicable laws, policies, and regulations governing higher education institutions.
- **Chancellor** – The Chancellor is the chief executive officer and provides executive level leadership and service to the academic and health institutions.
- **Executive Vice Chancellor for Academic Affairs** - The function of Academic Affairs is to provide central administrative oversight and support to the nine general academic institutions and the U. T. TeleCampus. In conjunction with these functions, they facilitate the Faculty and Student Advisory Committees and conduct presidential searches as needed.
- **Executive Vice Chancellor for Health Affairs** - The function of Health Affairs is to provide central administrative oversight and support to the six health-related institutions, practice plans and non-profit health corporations. Health Affairs oversees the Texas Medical and Dental Schools Application Service and the Joint Admission Medical Program. In conjunction with these functions, they coordinate a number of system-wide healthcare initiatives.
- **Executive Vice Chancellor for Business Affairs** - Business Affairs has a dual role – to provide central administrative support to the business officers of the institutions and to oversee the providing of business related services to institutions. Areas of oversight include the Office of Facilities Planning and Construction, the Office of the Controller (including Risk Management), the Office of Finance, Real Estate Office, and West Texas Operations.
- **Vice Chancellor for Administration** - Administration oversees the operational aspects of System Administration -- those units that primarily provide services to System Administration employees. The office has managerial oversight of employee relations including employee benefits and services, technology and information services; and operations and support services.
- **Vice Chancellor for Governmental Relations** - Governmental Relations works to enhance public and governmental support necessary to the operations of the institutions and System Administration.
- **Vice Chancellor for Federal Relations** – Federal Relations serves as the principal liaison between U.T. System and the federal government on issues related to higher education. The office also oversees the Bill Archer Fellowship Program.
- **Vice Chancellor for External Relations** - Responsible for the System's interactions and communications with current and prospective donors, business and community leaders, community and civic organizations, foundations, and members of the national and statewide news media.
- **Vice Chancellor and General Counsel** - Provides legal services to System Administration and the institutions in five principal areas: business law, claims and bankruptcy, general law, health law, and intellectual property law.
- **Vice Chancellor for Research and Technology Transfer** – Encourages and facilitates large-scale research collaborations among institutions and with private industry partners. They are also responsible for developing special research opportunities for U. T. System institutions through collaborations with federal labs. The office oversees a contract with Sandia National Labs.
- **Executive Director of the Institute for Public School Initiative** - Work to improve public education in Texas and to address challenges facing educators today. Institute programs address issues such as student performance, high school graduation rates, reading proficiency, and college enrollment rates by soliciting grant funding and managing the resulting projects.
- **Vice Chancellor for Strategic Management** – Leads and coordinates initiatives and System-wide and campus activities to align with the U. T. System strategic plan, including implementation planning and schedules; tracking the impact of investments, accountability, progress and outcome metrics, and management development activities.

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
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Agency code: 720 Agency name: The University of Texas System Administration

Goal / Objective / STRATEGY	Exp 2005	Est 2006	Bud 2007	Req 2008	Req 2009
1 Provide Instructional and Operations Support					
1 Provide Instructional and Operations Support					
11 SYSTEM OFFICE OPERATIONS	836,716	757,535	757,536	703,250	703,250
TOTAL, GOAL 1	\$836,716	\$757,535	\$757,536	\$703,250	\$703,250
2 Provide Infrastructure Support					
1 Provide Operation and Maintenance of E&G Space					
1 DEBT SERVICE - NSERB	0	1,249,400	4,050,600	6,540,600	6,540,600
TOTAL, GOAL 2	\$0	\$1,249,400	\$4,050,600	\$6,540,600	\$6,540,600
6 Tobacco Funds					
1 Tobacco Earnings for Research					
1 TOBACCO EARNINGS - RAHC	1,010,913	1,074,000	1,102,000	1,102,000	1,102,000
TOTAL, GOAL 6	\$1,010,913	\$1,074,000	\$1,102,000	\$1,102,000	\$1,102,000
TOTAL, AGENCY STRATEGY REQUEST	\$1,847,629	\$3,080,935	\$5,910,136	\$8,345,850	\$8,345,850
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$1,847,629	\$3,080,935	\$5,910,136	\$8,345,850	\$8,345,850

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
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Goal / Objective / STRATEGY	Exp 2005	Est 2006	Bud 2007	Req 2008	Req 2009
METHOD OF FINANCING:					
General Revenue Funds:					
1 GENERAL REVENUE FUND	836,716	2,006,935	4,808,136	7,243,850	7,243,850
SUBTOTAL	\$836,716	\$2,006,935	\$4,808,136	\$7,243,850	\$7,243,850
Other Funds:					
822 PERMANENT ENDOWMENT FD UTRAC	1,010,913	1,074,000	1,102,000	1,102,000	1,102,000
SUBTOTAL	\$1,010,913	\$1,074,000	\$1,102,000	\$1,102,000	\$1,102,000
TOTAL, METHOD OF FINANCING	\$1,847,629	\$3,080,935	\$5,910,136	\$8,345,850	\$8,345,850

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

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
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METHOD OF FINANCING	Exp 2005	Est 2006	Bud 2007	Req 2008	Req 2009
<u>GENERAL REVENUE</u>					
<u>1</u> General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations	\$6,312,672	\$781,389	\$781,389	\$7,243,850	\$7,243,850
<i>TRANSFERS</i>					
Art III, Page 65, Strategy A.1.2 T/F to UT HSC Houston	\$(656,250)	\$0	\$0	\$0	\$0
Art III, Page 65, Strategy B.1.1 T/F to UT HSC Houston	\$(330,047)	\$0	\$0	\$0	\$0
Art III, Sec. 56 Reduction (2004-05 GAA)	\$(16,438)	\$0	\$0	\$0	\$0
Art III, Section 56 Reduction T/F to UT HSC Houston	\$2,568	\$0	\$0	\$0	\$0
Art IX, Sec 5.09, Reductions for Commercial Air Travel (2006-07 GAA)	\$0	\$(23,854)	\$(23,853)	\$0	\$0
Art. III, Page 65, Strategy A.1.2 T/F to UT HSC San Antonio	\$(2,625,000)	\$0	\$0	\$0	\$0
Art. III, Page 65, Strategy B.1.1 T/F to UT HSC San Antonio	\$(1,249,974)	\$0	\$0	\$0	\$0

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
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METHOD OF FINANCING	Exp 2005	Est 2006	Bud 2007	Req 2008	Req 2009
<u>GENERAL REVENUE</u>					
Art. III, Page 65, Strategy C.2.1 T/F to UT HSC San Antonio	\$(612,500)	\$0	\$0	\$0	\$0
Art. III, Section 56 Reduction T/F to UT HSC San Antonio	\$11,685	\$0	\$0	\$0	\$0
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>					
HB 153, 79th Legislature, 3rd Called Session	\$0	\$5,300,000	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>					
HB 153, 79th Legislature, 3rd Called Session	\$0	\$(4,050,600)	\$4,050,600	\$0	\$0
TOTAL, General Revenue Fund	\$836,716	\$2,006,935	\$4,808,136	\$7,243,850	\$7,243,850
TOTAL, ALL GENERAL REVENUE	\$836,716	\$2,006,935	\$4,808,136	\$7,243,850	\$7,243,850

OTHER FUNDS

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

REGULAR APPROPRIATIONS

Article III, Estimated Appropriation

\$900,000	\$940,000	\$940,000	\$1,102,000	\$1,102,000
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2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
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METHOD OF FINANCING	Exp 2005	Est 2006	Bud 2007	Req 2008	Req 2009
<u>OTHER FUNDS</u>					
Revised Receipts	\$110,913	\$134,000	\$162,000	\$0	\$0
TOTAL, Permanent Endowment Fund Account No. 822, UT Regional Academic Health Center	\$1,010,913	\$1,074,000	\$1,102,000	\$1,102,000	\$1,102,000
TOTAL, ALL OTHER FUNDS	\$1,010,913	\$1,074,000	\$1,102,000	\$1,102,000	\$1,102,000
GRAND TOTAL	\$1,847,629	\$3,080,935	\$5,910,136	\$8,345,850	\$8,345,850

FULL-TIME-EQUIVALENT POSITIONS

REGULAR APPROPRIATIONS					
Regular Appropriation	249.0	249.0	249.0	249.0	249.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Number (Below) Cap	(31.7)	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	217.3	249.0	249.0	249.0	249.0

NUMBER OF 100% FEDERALLY FUNDED FTEs

0.0	0.0	0.0	0.0	0.0
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2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/2/2006
 TIME: 5:35:47PM

Agency code: 720

Agency name: The University of Texas System Administration

OBJECT OF EXPENSE	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
1001 SALARIES AND WAGES	\$824,047	\$744,930	\$744,931	\$691,928	\$691,928
1002 OTHER PERSONNEL COSTS	\$11,819	\$12,605	\$12,605	\$11,322	\$11,322
2008 DEBT SERVICE	\$0	\$1,249,400	\$4,050,600	\$6,540,600	\$6,540,600
2009 OTHER OPERATING EXPENSE	\$1,011,763	\$1,074,000	\$1,102,000	\$1,102,000	\$1,102,000
OOE Total (Excluding Riders)	\$1,847,629	\$3,080,935	\$5,910,136	\$8,345,850	\$8,345,850
OOE Total (Riders)					
Grand Total	\$1,847,629	\$3,080,935	\$5,910,136	\$8,345,850	\$8,345,850

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/2/2006
 TIME : 5:36:00PM

Agency code: 720

Agency name: **The University of Texas System Administration**

Priority	Item	2008			2009			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Restore Baseline Funding	\$78,139	\$78,139		\$78,139	\$78,139		\$156,278	\$156,278
Total, Exceptional Items Request		\$78,139	\$78,139		\$78,139	\$78,139		\$156,278	\$156,278
Method of Financing									
	General Revenue	\$78,139	\$78,139		\$78,139	\$78,139		\$156,278	\$156,278
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$78,139	\$78,139		\$78,139	\$78,139		\$156,278	\$156,278

Full Time Equivalent Positions

Number of 100% Federally Funded FTEs

0.0

0.0

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/2/2006
 TIME : 5:36:08PM

Agency code: 720	Agency name: The University of Texas System Administration					
Goal/Objective/STRATEGY	Base 2008	Base 2009	Exceptional 2008	Exceptional 2009	Total Request 2008	Total Request 2009
1 Provide Instructional and Operations Support						
1 <i>Provide Instructional and Operations Support</i>						
11 SYSTEM OFFICE OPERATIONS	\$703,250	\$703,250	\$78,139	\$78,139	\$781,389	\$781,389
TOTAL, GOAL 1	\$703,250	\$703,250	\$78,139	\$78,139	\$781,389	\$781,389
2 Provide Infrastructure Support						
1 <i>Provide Operation and Maintenance of E&G Space</i>						
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
6 Tobacco Funds						
1 <i>Tobacco Earnings for Research</i>						
1 TOBACCO EARNINGS - RAHC	1,102,000	1,102,000	0	0	1,102,000	1,102,000
TOTAL, GOAL 6	\$1,102,000	\$1,102,000	\$0	\$0	\$1,102,000	\$1,102,000
TOTAL, AGENCY STRATEGY REQUEST	\$8,345,850	\$8,345,850	\$78,139	\$78,139	\$8,423,989	\$8,423,989
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$8,345,850	\$8,345,850	\$78,139	\$78,139	\$8,423,989	\$8,423,989

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/2/2006
 TIME : 5:36:11PM

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

Goal/Objective/STRATEGY	Base 2008	Base 2009	Exceptional 2008	Exceptional 2009	Total Request 2008	Total Request 2009
1 GENERAL REVENUE FUND	\$7,243,850	\$7,243,850	\$78,139	\$78,139	\$7,321,989	\$7,321,989
	\$7,243,850	\$7,243,850	\$78,139	\$78,139	\$7,321,989	\$7,321,989
822 PERMANENT ENDOWMENT FD UTRAC	1,102,000	1,102,000	0	0	\$1,102,000	\$1,102,000
	\$1,102,000	\$1,102,000	\$0	\$0	\$1,102,000	\$1,102,000
TOTAL, METHOD OF FINANCING	\$8,345,850	\$8,345,850	\$78,139	\$78,139	\$8,423,989	\$8,423,989
FULL TIME EQUIVALENT POSITIONS	249.0	249.0	0.0	0.0	249.0	249.0

3.A. STRATEGY REQUEST
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/3/2006
 TIME: 11:14:20AM

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 2005	Est 2006	Bud 2007	BL 2008	BL 2009
Objects of Expense:						
1001	SALARIES AND WAGES	\$824,047	\$744,930	\$744,931	\$691,928	\$691,928
1002	OTHER PERSONNEL COSTS	\$11,819	\$12,605	\$12,605	\$11,322	\$11,322
2009	OTHER OPERATING EXPENSE	\$850	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$836,716	\$757,535	\$757,536	\$703,250	\$703,250
Method of Financing:						
1	GENERAL REVENUE FUND	\$836,716	\$757,535	\$757,536	\$703,250	\$703,250
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$836,716	\$757,535	\$757,536	\$703,250	\$703,250
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$703,250	\$703,250
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$836,716	\$757,535	\$757,536	\$703,250	\$703,250
FULL TIME EQUIVALENT POSITIONS:		217.3	249.0	249.0	249.0	249.0

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
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/3/2006
 TIME: 11:14:43AM

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

GOAL: 2 Provide Infrastructure Support Statewide Goal/Benchmark: 2 18
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
 STRATEGY: 1 Debt Service for the Natural Science and Engr. Building at UT - Dallas Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
Objects of Expense:						
	2008 DEBT SERVICE	\$0	\$1,249,400	\$4,050,600	\$6,540,600	\$6,540,600
TOTAL, OBJECT OF EXPENSE		\$0	\$1,249,400	\$4,050,600	\$6,540,600	\$6,540,600
Method of Financing:						
	1 GENERAL REVENUE FUND	\$0	\$1,249,400	\$4,050,600	\$6,540,600	\$6,540,600
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$1,249,400	\$4,050,600	\$6,540,600	\$6,540,600
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$6,540,600	\$6,540,600
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$1,249,400	\$4,050,600	\$6,540,600	\$6,540,600

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy includes funding pursuant to Education Code Section 55.17521 intended to reimburse The University of Texas System for debt service on long-term obligations related to the construction of a natural science and engineering research building at The University of Texas at Dallas in accordance with the economic development agreement entered into between this state and the Board of Regents of the U. T. System.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. STRATEGY REQUEST
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/3/2006
 TIME: 11:14:43AM

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

GOAL: 6 Tobacco Funds Statewide Goal/Benchmark: 2 0
 OBJECTIVE: 1 Tobacco Earnings for Research Service Categories:
 STRATEGY: 1 Tobacco Earnings for the Lower Rio Grande Valley RAHC Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$1,010,913	\$1,074,000	\$1,102,000	\$1,102,000	\$1,102,000
TOTAL, OBJECT OF EXPENSE		\$1,010,913	\$1,074,000	\$1,102,000	\$1,102,000	\$1,102,000
Method of Financing:						
822	PERMANENT ENDOWMENT FD UTRAC	\$1,010,913	\$1,074,000	\$1,102,000	\$1,102,000	\$1,102,000
SUBTOTAL, MOF (OTHER FUNDS)		\$1,010,913	\$1,074,000	\$1,102,000	\$1,102,000	\$1,102,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,102,000	\$1,102,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,010,913	\$1,074,000	\$1,102,000	\$1,102,000	\$1,102,000
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy includes earnings from endowments created by the 76th Legislature using tobacco settlement receipts. The proceeds are used by The University of Texas Health Science Center at Houston and The University of Texas Health Science Center at San Antonio for activities related to the Regional Academic Health Centers located in the Lower Rio Grande Valley. The Centers provide public health education, clinical graduate medical education, including internship and residency training, and other levels of medical education.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. STRATEGY REQUEST
80th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/3/2006
TIME: 11:14:43AM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$1,847,629	\$3,080,935	\$5,910,136	\$8,345,850	\$8,345,850
METHODS OF FINANCE (INCLUDING RIDERS):				\$8,345,850	\$8,345,850
METHODS OF FINANCE (EXCLUDING RIDERS):	\$1,847,629	\$3,080,935	\$5,910,136	\$8,345,850	\$8,345,850
FULL TIME EQUIVALENT POSITIONS:	217.3	249.0	249.0	249.0	249.0

3.B. Rider Revisions and Additions Request

Agency Code: 720		Agency Name: The University of Texas System Admin.		Prepared By: The University of Texas System Admin.		Date: August 11, 2006		Request Level: Baseline	
Current Rider Number	Page Number in 2006-07 GAA		Proposed Rider Language						
7 (NEW)	III-42 (Higher Education Group Insurance)		<p>Proposed Language <u>7. Unexpended Balances, Higher Education Group Insurance Contributions.</u> Any unexpended balances remaining as of August 31, 2008 for individual institutions of higher education within The University of Texas System or the Texas A&M University System receiving General Revenue group insurance contributions in this appropriation are hereby appropriated for the same purposes in fiscal year 2009.</p> <p><i>Addition of this rider helps The U. T. System Administration more effectively manage the group insurance appropriation and the impact of medical inflation throughout the biennium. This rider is similar to one included in the 2004-05 GAA except that it does not include institutions of higher education participating in the Employees Retirement System insurance plans.</i></p>						
5	III-59 (UT System Administration)		<p>5. Reporting of Teacher Misconduct. From funds appropriated, the State Board of Educator Certification, the Texas Education Agency, and The University of Texas System shall coordinate to work with school districts to ensure timely and accurate reporting of teacher misconduct as required under Texas Administrative Code, Title 19, Education § 249.14.</p> <p><i>This section of the Administrative Code addresses issues in the K-12 education system and does not involve The University of Texas System.</i></p>						
6	III-59 (UT System Administration)		<p>6. Long-term Leases. From the funds appropriated above, it is the intent of the Legislature that the University of Texas System develop a policy to recommend to the 80th Legislature that ensures that the same public disclosure, controls, projections, guarantees and requirements as contained in law, regulations and policy that apply to the sale of property will apply to the longterm lease of property. The University of Texas System is required to submit this policy recommendation to the Legislative Budget Board for suggestions and cooperative development of policies. The University of Texas System shall report finding of fact and suggestions for a comprehensive policy recommendation for long term leases to each member of the Legislature before March 31, 2006.</p> <p><i>The U. T. System has complied with the requirements of this rider. The policy requirements have been incorporated into the System's business procedures.</i></p>						

**3.B. Rider Revisions and Additions Request
(continued)**

<p>Sec 59</p>	<p>III-259 (Special Provisions)</p>	<p>Sec. 59. Report Concerning Designated Tuition.</p> <p>(a) Not later than January 1, 2006, the governing board of each public institution of higher education that charges students designated tuition under § 54.0513, Education Code, shall report to the legislature, for the 2004-2005 and 2005-2006 academic years:</p> <ol style="list-style-type: none"> (1) the amount the institution has collected in designated tuition; (2) the purposes for which the institution spent the money derived from designated tuition and the amount of that money spent for each of those purposes; and (3) the amount set aside from designated tuition for resident undergraduate and graduate student assistance under § 56.011 and 56.012, Education Code. <p>(b) In addition to the information reported under Subsection (a), not later than January 1, 2006, the governing board of each institution of higher education shall report to the legislature the total academic cost for resident undergraduates enrolled for 15 semester credit hours. The information reported shall be derived from actual fee bills for the 2004 fall semester and the 2003 spring and fall semesters and must reflect the actual charges, before any adjustments or discounts are applied for waivers, exemptions, or other discounts, in the following categories:</p> <ol style="list-style-type: none"> (1) statutory tuition; (2) designated tuition; (3) mandatory fees; and (4) average college and course fees, which must include all academic-related fees and charges not reported under (1), (2), or (3), such as fees for laboratories, field trips, multimedia, equipment replacement, and instructional technology, but should not include charges for voluntary services ("optional fees"). <p>(eb) <u>The report</u> Reports required by this section shall be delivered to the Lieutenant Governor, the Speaker of the House, the chair of the Senate Finance Committee, the chair of the House Appropriations Committee, and the members of the Legislative Oversight Committee on Higher Education.</p> <p><i>The report required in subsection (b) is duplicated by a second report currently required by the Texas Higher Education Coordinating Board.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Art IX, Sec 5.08</p>	<p>IX-27 through IX-28 (Travel Regulations)</p>	<p>Sec. 5.08. Limitation on Travel Expenditures.</p> <p>(a) In this section "travel" refers only to travel outside the state of Texas, except as set forth in Subsection (k) of this section.</p> <p>(b) (1) None of the funds appropriated by this Act may be expended, without the prior approval of the Legislative Budget Board, for travel purposes if such expenditure would cause the agency's or institution's travel expenditures for that fiscal year to exceed an amount equal to 100 percent of that agency's or institution's institution's fiscal year 2000 amount of travel expenditures including any excess travel expenditure amounts approved by waiver.</p> <p>(2) The general limitations provided by this subsection apply in addition to the limits of any additional agency specific limitation.</p> <p>(3) In the event that a state agency or institution had, as determined by the Comptroller, no expenditures for travel outside the state of Texas during fiscal year 2000, the general limitations provided by Subsection (b)(1) shall not apply, but out-of-state travel spending may not exceed in either year of the biennium the amount spent for that purpose in the last state fiscal year in which out-of-state travel occurred.</p> <p>(c) The Legislative Budget Board may consider requests from agencies which demonstrate circumstances which would make such reductions in actual travel impractical or inefficient in accomplishing the goals and strategies contained in their appropriations pattern. Such circumstances may include: new or expanded programs, law enforcement, tax collection activities, statutorily mandated travel, or other pressing public purposes.</p> <p>(d) The Comptroller shall prescribe accounting procedures and reporting requirements to administer this section and to ensure that expenditures for travel by all state agencies and institutions of higher education are properly reported and monitored.</p> <p>(e) (1) Upon notification by the Comptroller that a state agency or institution of higher education has exceeded the travel cap limit as specified in Subsection (b) of this section for two consecutive fiscal years without the written approval of the Legislative Budget Board, the state agency or institution of higher education may not pay or reimburse with funds appropriated by this Act, a travel expense for travel to conventions, conferences, or seminars except as provided by this Subsection (e).</p> <p>(2) The Comptroller may allow a state agency or institution of higher education to reimburse or pay a travel expense incurred by an employee on or after the date the agency or institution receives notice of its exceeding the limits if:</p> <p>(A) the expense is incurred while the employee is returning to the employee's designated headquarters;</p> <p>(B) the reimbursement or payment is necessary to prevent unreasonable hardship to the employee; or</p> <p>(C) the expense is incurred while the employee is completing official state business that the agency or institution deems critical to fulfillment of the agency's or institution's constitutional or statutory duties.</p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Art IX, Sec 5.08</p>	<p>IX-27 through IX-28 (Travel Regulations)</p>	<p>Sec. 5.08. Limitation on Travel Expenditures (Continued)</p> <p>(3) The Comptroller shall notify the Legislative Budget Board if the Comptroller allows such a payment or reimbursement. The notification must include the reason that the payment or reimbursement is allowed. The Legislative Budget Board may then direct the Comptroller to reduce the agency's or institution's appropriation by the amount of the payment or reimbursement if in the Legislative Budget Board's opinion the payment was the result of an agency failing to comply with the notification by the Comptroller.</p> <p>(f) All documents filed by an appointed officer under this section are public information. In this section, the term "public information" has the meaning provided by Chapter 552, Government Code.</p> <p>(g) In this section "appointed officer" includes all persons included under the definition provided by Chapter 572, Government Code, except that for the purposes of the definition of "appointed officer," the term "state agency" also includes a council of governments, a local workforce development board, or a mental health mental retardation community center that uses funds appropriated by this Act to pay for the transportation, meals, lodging, or other travel expenses of its employees or officials. For the purpose of this provision, the term "council of governments" shall include a council of governments, a regional planning commission, or similar regional planning agency created under Chapter 391, Local Government Code.</p> <p>(h) An appointed officer may not receive reimbursement from funds appropriated by this Act for expenses related to travel before filing with the Texas Ethics Commission copies of all documents that will be submitted to the Comptroller and Legislative Budget Board in support of the travel expense claim.</p> <p>(i) Funds appropriated by this Act may not be used to pay expenses for a trip to foreign countries, except for Canada or Mexico, unless the board or commission of each state agency and institution of higher education has approved the travel before departure. A copy of the approval must be attached to each travel voucher submitted to the Comptroller. By October 1 of each year, each agency and institution of higher education must submit a report on all foreign travel with required approvals to the Governor and the Legislative Budget Board. In implementing this rider, state agencies shall review their travel policies in order to ensure that travel which is critical to the delivery of services consistent with the mission of the agency is not affected.</p> <p>(k) Travel expenses incurred within the Washington, D.C. area by the Office of State-Federal Relations (OSFR) and by state agencies and institutions of higher education that are represented by their employees in the Washington, D.C. office of OSFR shall be considered in-state travel for the purpose of calculating the agencies' compliance with out-of-state travel limitation provisions.</p>
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3.B. Rider Revisions and Additions Request (continued)

<p>Art IX, Sec 5.08</p>	<p>IX-27 through IX-28 (Travel Regulations)</p>	<p>Sec. 5.08. Limitation on Travel Expenditures (Continued)</p> <p><i>The limitation on travel expenditures interferes with the ability of U. T. System institutions to fulfill their missions of education, research, patient care and public service. U. T. institutions often partner in collaborative efforts with entities from other states and travel limitations such as this inhibit their ability to do so. An example of this is the U. T. System Administration's partnership with the Sandia National Laboratories in New Mexico. Additionally, the current limitations are based on expenditures from seven fiscal years ago and have not been adjusted for inflation or the rising costs of travel. Updating the cap to a more current fiscal year would not be beneficial since all subsequent fiscal years have been limited to FY 2000 expenditure levels.</i></p>
<p>Art IX, Sec 5.09</p>	<p>IX-28 (Travel Regulations)</p>	<p>Sec. 5.09. Expenditures for Commercial Air Travel.</p> <p>(a) It is the intent of the Legislature that the Texas Building and Procurement Commission establish rules to encourage state agencies and institutions of higher education to reduce travel expenses by purchasing airline tickets at least 14 days before an employee of the agency or institution travels by commercial air carrier on agency or institution business.</p> <p>(b) Effective September 1, 2005, the Comptroller shall reduce appropriations made to all state agencies appropriated funds under Articles I through VIII of this Act, excluding institutions of higher education, by a total of \$4,994,716 in General Revenue for the biennium beginning September 1, 2005. Amounts to be reduced at each affected agency shall be determined by the Texas Building and Procurement Commission based on historical information related to agency travel and all reductions in appropriations must be approved by the Legislative Budget Board and Governor.</p> <p>(c) Effective September 1, 2005, the Comptroller shall reduce appropriations made to all institutions of higher education appropriated funds under Article III of this Act by a total of \$3,000,000 in General Revenue for the biennium beginning September 1, 2005. Amounts to be reduced at each affected institution shall be determined by the Texas Building and Procurement Commission based on historical information related to agency travel and all reductions in appropriations must be approved by the Legislative Budget Board and Governor.</p> <p><i>The U. T. System already has an active travel management program. The appropriation reductions were difficult to administer and took away funds needed to support the System's missions of education, research, patient care and public service.</i></p>

**3.B. Rider Revisions and Additions Request
(continued)**

<p>Art. IX, Sec. 6.14</p>	<p>IX-32 through IX-34 (General Limitations on Expenditures</p>	<p>Sec. 6.14. Limitation on State Employment Levels.</p> <p>(a) (1) If the reduction of the number of full-time equivalent employees (FTEs) required by Subsection (a)(2) of this section would be impractical or inefficient in accomplishing the goals and strategies contained in the appropriations pattern of a state agency or institution of higher education or would impede new or expanded programs, law enforcement, tax collection activities, or other pressing public purposes, then the Legislative Budget Board and Governor may consider requests for exemptions from the requirements of this Subsection (a) from those entities which demonstrate such circumstances.</p> <p>(2) The FTE limit shown in the bill pattern of state agencies and institutions of higher education appropriated funds under this Act are reduced by two percent (2%). This reduction does not apply to:</p> <p>(A) a state agency or institution having fewer than 300 FTEs;</p> <p>(B) the Office of the Governor;</p> <p>(C) the Office of the Comptroller; or</p> <p>(D) the Office of the Attorney General.</p> <p>(b) Without the written approval of the Governor and the Legislative Budget Board, a state agency or institution of higher education may not use funds appropriated by this Act to pay all or part of the salaries or benefits of a number of employees which would cause the number of full-time equivalent employees (FTEs) paid from funds appropriated by this Act by the state agency or institution of higher education for a fiscal quarter to exceed the figure indicated by this Act for that state agency or institution.</p> <p>(e) A request by a state agency or institution of higher education to exceed or reduce the FTE limitations established by this section must be submitted by the governing board of the state agency or institution of higher education and must include at a minimum:</p> <p>(1) the date on which the board approved the request;</p> <p>(2) a statement justifying the need to exceed or reduce the limitation;</p> <p>(3) the source of funds to be used to pay any additional salaries; and</p> <p>(4) an explanation as to why the functions of any proposed additional FTEs cannot be performed within current staffing levels.</p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Art. IX, Sec. 6.14</p>	<p>IX-32 through IX-34 (General Limitations on Expenditures</p>	<p>Sec. 6.14. Limitation on State Employment Levels. (Continued)</p> <p>(dc) For the purpose of Subsection (b), the number of FTEs employed by a state agency (not including an institution of higher education or an affiliated entity, the State Preservation Board, Parks and Wildlife Department, Texas School for the Blind and Visually Impaired, Texas School for the Deaf, and Texas Commission on Environmental Quality) for a fiscal quarter:</p> <p>(1) shall be determined in accordance with the report filed pursuant to § 2052.103, Government Code;</p> <p>(2) shall only include employees paid with funds appropriated through this Act;</p> <p>(3) shall not include overtime hours; and</p> <p>(4) shall include a position filled by temporary or contract workers for more than half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific positions customarily filled by state employees. The State Auditor is authorized to provide interpretations of this provision.</p> <p>(ed) For the purpose of Subsection (b), the number of FTEs employed by the State Preservation Board, Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, or an institution of higher education or an affiliated entity, for a fiscal year:</p> <p>(1) shall be determined in accordance with the reports filed pursuant to § 2052.103, Government Code;</p> <p>(2) shall be an average of the four reports filed for that fiscal year;</p> <p>(3) shall include employees paid with funds appropriated through this Act;</p> <p>(4) shall not include overtime hours; and</p> <p>(5) shall include a position filled by temporary or contract workers for more than half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific positions customarily filled by state employees. The State Auditor is authorized to provide interpretations of this provision.</p> <p>(fe) This section shall not apply to appropriations made by this Act to the:</p> <p>(1) Office of the Governor;</p> <p>(2) <u>an institution of higher education or an affiliated entity</u>; or</p> <p>(23) Comptroller when that agency has determined by a cost/benefit analysis that an outsourcing or contracting arrangement provides savings to this State.</p> <p>(gf) The limitations on FTEs under this section do not apply to a state agency or institution in instances of employment, including employment of temporary or contract workers, directly associated with events declared disasters by the Governor. Each state agency or institution shall annually notify the State Auditor, Comptroller, Legislative Budget Board, and Governor of FTEs exempted under this section.</p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Art. IX, Sec. 6.14</p>	<p>IX-32 through IX-34 (General Limitations on Expenditures)</p>	<p>Sec. 6.14. Limitation on State Employment Levels. (Continued)</p> <p>(hg) The limitations on FTEs under this section do not apply to a state agency or institution in an instance of employment, including employment of a temporary or contract worker, associated with implementation of a project that is 100 percent federally funded. With regard to the exemption from the FTE limitations provided by this subsection, the state agency or institution is exempt from the FTE limitations only for the duration of the federal funding for the employment related to the project and all salaries, benefits, and other expenses incurred related to employment must be paid from federal funds. Each state agency or institution shall notify the State Auditor, Comptroller, Legislative Budget Board, and Governor of FTEs exempted under this subsection.</p> <p>(ih) If a program is transferred from a state agency or institution of higher education, then at any time during the biennium, the Legislative Budget Board and the Governor may agree to reduce the number of FTEs paid from funds appropriated by this Act by the state agency or institution of higher education for one or more fiscal quarters to a figure below that indicated by this Act for that agency or institution.</p> <p><i>The reduction in subsection (a) took away FTEs at many U. T. institutions that are needed to support the institutions' missions. Exemption of higher education institutions from the provisions of this section allows the caps to continue for state agencies where they are more applicable and reduces the administrative burdens on institutions of higher education, the Governor's Office and the Legislative Budget Board.</i></p>
<p>Art. IX, Sec 7.09</p>	<p>IX-49 (Reporting Requirements)</p>	<p>Sec. 7.09. Reporting Fees, Fines, and Penalties.</p> <p>(a) Before November 1 of each fiscal year, each state agency and institution of higher education shall report to the Legislative Budget Board in the manner prescribed by the Legislative Budget Board all fees, fines, and penalties assessed and all fees, fines, and penalties assessed but not collected by the agency or institution during the prior fiscal year.</p> <p>(b) Each report made under this section shall detail the effort made by the reporting state agency or institution of higher education to collect fees, fines, and penalties that are more than ninety days past due.</p> <p><u>(c) This section shall not apply to an institution of higher education or an affiliated entity.</u></p> <p><i>The majority of the fees reported by institutions of higher education under the provisions of this section are also reported to the Texas Higher Education Coordinating Board in its survey of tuition and mandatory fees. Elimination of this report reduces the administrative burden on institutions of higher education.</i></p>

**3.B. Rider Revisions and Additions Request
(continued)**

<p>Art. IX, Sec 7.10</p>	<p>IX-49 (Reporting Requirements)</p>	<p>Sec. 7.10. Reporting of Federal Homeland Security Funding. <u>In odd-numbered years, all</u> All-state agencies and institutions of higher education shall report in their Operating Budget reports to the Legislative Budget Board:</p> <p>(a) an estimated amount of federal homeland security funding received by the agency and used for the operation and administration of state homeland security programs; and</p> <p>(b) federal homeland security funding received by the agency or institution of higher education and passed through to other agencies or local units of government.</p> <p>(1) Information provided in accordance with Subsection (b) shall be used for informational purposes only and shall be reported to the members of the legislature by the Legislative Budget Board at the end of each fiscal year.</p> <p><i>The information included in reports required by this section is identical to the information provided in the Legislative Appropriations Requests (LAR) completed by agencies and institutions of higher education. The LARs are submitted to the Legislative Budget Board in August of even-numbered years and updated in October of those same years. Limiting the requirements of this section to odd-numbered years would reduce reporting efforts while still allowing interested parties to have complete information.</i></p>
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4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/2/2006
 TIME: 5:36:30PM

Agency code: 720

Agency name:

The University of Texas System Administration

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2008</u>	<u>Excp 2009</u>
	Item Name: Restore Baseline Funding for System Office Operations		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies: 01-01-11 System Office Operations		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	78,139	78,139
	TOTAL, OBJECT OF EXPENSE	\$78,139	\$78,139

METHOD OF FINANCING:

1	GENERAL REVENUE FUND	78,139	78,139
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DESCRIPTION / JUSTIFICATION:

Restore baseline request to 100% of the amount appropriated in fiscal years 2006 and 2007 to help preserve core System Administration functions.

EXTERNAL/INTERNAL FACTORS:

Not restoring this funding will result in an increased dependency on the Available University Fund and will potentially reduce the amount of funds available for excellence, debt service, etc.

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

80th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/2/2006
TIME: 5:36:38PM

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

	Excp 2008	Excp 2009
Item Name: Restore Baseline Funding for System Office Operations		
Allocation to Strategy: 1-1-11 System Office Operations		
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	78,139	78,139
TOTAL, OBJECT OF EXPENSE	\$78,139	\$78,139
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	78,139	78,139
TOTAL, METHOD OF FINANCING	\$78,139	\$78,139

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/2/2006
TIME: 5:36:45PM

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	Excp 2008	Excp 2009
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	76,881	76,881
1002 OTHER PERSONNEL COSTS	1,258	1,258
Total, Objects of Expense	\$78,139	\$78,139

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	78,139	78,139
Total, Method of Finance	\$78,139	\$78,139

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Baseline Funding for System Office Operations

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

80th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/7/2006
Time: 8:43:03AM

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2004 - 2005 HUB Expenditure Information

Procurement Category	Statewide Adjusted HUB Goals	Adjusted HUB Expenditures FY 2004		Total Expenditures FY 2004	Adjusted HUB Expenditures FY 2005		Total Expenditures FY 2005
		HUB %	HUB \$		HUB %	HUB \$	
Heavy Construction	6.6%	0.0%	\$0	\$0	0.0%	\$0	\$0
Building Construction	25.1%	20.0%	\$120,610,782	\$601,923,359	15.0%	\$65,980,930	\$438,575,792
Special Trade Construction	47.0%	21.8%	\$145,134	\$665,480	1.4%	\$12,781	\$905,729
Professional Services	18.1%	17.9%	\$6,805,038	\$38,042,742	20.0%	\$9,525,066	\$47,696,676
Other Services	33.0%	12.0%	\$3,476,925	\$28,955,086	14.7%	\$4,188,009	\$28,584,458
Commodities	11.5%	7.4%	\$1,153,630	\$15,501,765	4.2%	\$624,325	\$14,763,356
Total Expenditures		19.3%	\$132,191,509	\$685,088,432	15.1%	\$80,331,111	\$530,526,011

B. Assessment of Fiscal Year 2004 - 2005 Efforts to Meet HUB Procurement Goals

Attainment:

While U. T. System Administration did not exceed any of the applicable statewide HUB procurement goals in FY 2004, FY 2004 results exceeded one (building construction) of five, or 20% of statewide average performance on the applicable statewide HUB procurement goals, and exceeded the statewide average of all procurement categories with 19.2% HUB participation. U. T. System Administration was the second largest spending agency and ranked twentieth among the state's fifty largest spending agencies on the measure of total HUB expenditures.

U. T. System Administration exceeded statewide HUB average performance in FY 2005. U. T. System Administration ranked nineteenth among the state's fifty largest spending agencies on the measure of total HUB expenditures.

Applicability:

The "Heavy Construction" category is not applicable to U. T. System Administration operations in either fiscal year 2004 or fiscal year 2005 since U. T. System Administration did 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 2004 from 19.2 to 24.4 and for FY 2005 from 15.1 to 16.69.

Other factors affect expenditures for legal and financial services: 1) The nature and types of medical malpractice claims are extremely varied. 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) All U. T. System bonds/notes are rated by at least two of the three nationally recognized bond rating agencies: Standard & Poors, Moody's and Fitch. The paying agent/registrar is typically a bank that must be automated and capable of meeting the requirements that may be specified by the Depository Trust Company in New York. HUB firms that provide bond counsel, financial, printing, and underwriting services are limited.

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

80th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/7/2006
Time: 8:43:14AM

"Good-Faith" Efforts:

The U. T. System Board of Regents continues its "Policy on Utilization of Historically Underutilized Businesses" through the Rules and Regulations of the Board of Regents and Administrative Rule updated December, 2004, and by which Chapter 1, Texas Administrative Code (TAC) Sections 111.11-111.28 were adopted for all U. T. System components.

Other good faith efforts to comply with statewide HUB procurement goals:

- 1) The Bonding and Technical Assistance Program (BTAP) delivers technical support services to increase business capacity. The success of the 2001 pilot effort at U. T. MD Anderson resulted in implementation of a BTAP as part of the standard operating process effective September 1, 2005.
- 2) Work 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.
- 3) Economic Opportunity Outreach Forums including participation in and sponsoring HUB forum events; hosting BTAP subcontractor workshops; provision of one-on-one introductions to key personnel within U. T. System and state agencies; recruited, negotiated and administered mentor protégé program.

The University of Texas System Administration
Schedule 6.H. - Estimated Funds Outside the GAA
2006-07 and 2008-09 Biennia

	2006 - 2007 Biennium				2008 - 2009 Biennium			
	FY 2006 Revenue	FY 2007 Revenue	Biennium Total	Percent of Total	FY 2008 Revenue	FY 2009 Revenue	Biennium Total	Percent of Total
APPROPRIATED SOURCES (INSIDE THE GAA)								
State Appropriations	\$ 829,990	\$ 917,755	\$ 1,747,745		\$ 703,250	\$ 703,250	\$ 1,406,500	
State Grants and Contracts	2,316,355	1,000,000	3,316,355		650,000	650,000	1,300,000	
Research Excellence Funds (URF/TEF)	-	-	-		-	-	-	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	247,598,837	281,108,194	528,707,031		309,985,838	336,678,599	646,664,437	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	-	-	-		-	-	-	
Endowment and Interest Income	-	-	-		-	-	-	
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	250,745,182	283,025,949	533,771,131	82.1%	311,339,088	338,031,849	649,370,937	82.3%
NON-APPROPRIATED SOURCES (OUTSIDE THE GAA)								
State Grants and Contracts	618,000	673,738	1,291,738		752,369	756,127	1,508,496	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	8,300,000	9,020,991	17,320,991		9,228,952	9,264,965	18,493,917	
Endowment and Interest Income	47,392,492	47,866,417	95,258,909		48,345,081	48,828,532	97,173,613	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	850,000	1,468,135	2,318,135		1,256,000	1,262,000	2,518,000	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	-	-	-		10,000,000	10,100,000	20,100,000	
Total	57,160,492	59,029,281	116,189,773	17.9%	69,582,402	70,211,624	139,794,026	17.7%
TOTAL SOURCES	\$ 307,905,674	\$ 342,055,230	\$ 649,960,904	100.0%	\$ 380,921,490	\$ 408,243,473	\$ 789,164,963	100.0%

6.I. Allocation of the Biennial Ten Percent Reduction to Strategies Schedule

Agency Code: 720		Agency Name: The University of Texas System Administration									
Strategies		Biennial Application of 10 Percent Reduction					FTE Reductions (FY 2008-09 Base Request Compared to Budgeted 2007)		Revenue Impact? Y/N	Requesting Restoration? Y/N	Exceptional Item(s)
Code	Name	GR	GR-Dedicated	Federal	Other	All Funds	FY 08	FY 09			
1.1.11	System Office Operations	156,287							N	Y	1
Agency Biennial Total		\$ 156,287	\$ -	\$ -	\$ -	\$ -	0.0	0.0			
Agency Biennial Total (GR + GR-D)			\$ 156,287								

Strategy Code / Name
Explanation of Impact to Programs and Revenue Collections

1.1.11 System Office Operations
 Because state general revenue plays such an important role in financing the core mission of System Administration, it is important that it be maintained and not reduced. Not restoring this funding will result in an increased dependency on the Available University Fund and will potentially reduce the amount of funds available for Excellence, etc.

0 0

0 0

Schedule 2: Grand Total Educational, General and Other Funds

80th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/3/2006

TIME: 8:11:21AM

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

	Act 2005	Act 2006	Bud 2007	Est 2008	Est 2009
Balances as of Beginning of Fiscal Year					
Encumbered and Obligated	137,622	127,945	127,945	0	0
Unencumbered and Unobligated	9,265,152	10,284,926	10,284,926	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	6,312,672	781,389	781,389	7,243,850	7,243,850
Less: Transfer Sec. 9-5.09(c), Expenditures for Commercial Air Travel (2006-07)	0	0	0	0	0
Transfer from Office of the Governor Deficiency and Emergency Grants	0	0	0	0	0
Less: General Revenue Appropriations Lapsed	0	0	0	0	0
Plus: Special Provisions Relating to Agencies of Higher Education, Section 56 (Health Related Institutions only) (2005)	0	0	0	0	0
Less: Special Provisions Relating to Agencies of Higher Education, Section 56 Reductions (2005)	(16,438)	0	0	0	0
Plus: Additional General Revenue through Budget Execution	0	0	0	0	0
Other (Itemize)					
Art III, Page 65, Strtegy A.1.2 T/F to UT HSC San Antonio	(2,625,000)	0	0	0	0
Art III, Page 65, Strtegy B.1.1 T/F to UT HSC San Antonio	(1,249,974)	0	0	0	0
Art III, Page 65, Strtegy C.2.1 T/F to UT HSC San Antonio	(612,500)	0	0	0	0
Art III, Page 65, Strtegy A.1.2 T/F to UT HSC Houston	(656,250)	0	0	0	0
Art III, Page 65, Strtegy B.1.1 T/F to UT HSC Houston	(330,047)	0	0	0	0
Art III, Section 56 Reduction T/F to UT HSC San Antonio	11,685	0	0	0	0
Art III, Section 56 Reduction T/F to UT HSC Houston	2,568	0	0	0	0
Art IV, Section 5.09 Reduction for Commercial Air Travel	0	(23,853)	(23,854)	0	0
HB 153, 79th Legislature, 3rd Called Session	0	5,300,000	0	0	0
HB 153, 79th Legislature, 3rd Called Session	0	(4,050,600)	4,050,600	0	0
Subtotal, General Revenue Appropriations	836,716	2,006,936	4,808,135	7,243,850	7,243,850
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	1,010,913	1,074,000	1,102,000	1,102,000	1,102,000
Other (Itemize)					

Schedule 2: Grand Total Educational, General and Other Funds

80th Regular Session, Agency Submission, Version I
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/3/2006

TIME: 8:11:25AM

PAGE: 2 of 3

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

	Act 2005	Act 2006	Bud 2007	Est 2008	Est 2009
TOTAL, EDUCATIONAL AND GENERAL APPROPRIATIONS	1,847,629	3,080,936	5,910,135	8,345,850	8,345,850
General Revenue Transfers					
Transfer from Coordinating Board for Developmental Education (2005, 2006, 2007)	0	0	0	0	0
Transfer from Coordinating Board for Advanced Research Program (2006 - 2007)	0	0	0	0	0
Transfer from Coordinating Board for Advanced Technology Program (2005)	0	0	0	0	0
Transfer from Coordinating Board for Texas College Work Study Program (2005, 2006, 2007)	0	0	0	0	0
Transfer from Coordinating Board for Dramatic Enrollment Growth (Growth Supplement) (2005) [Nursing]	0	0	0	0	0
Transfer from Coordinating Board for Dramatic Enrollment Growth (Growth Supplement) (2005) [All other enrollment growth]	0	0	0	0	0
Transfer from Coordinating Board for Professional Nursing Shortage Reduction Program (2006-07)	0	0	0	0	0
Transfer from Coordinating Board for Dramatic Enrollment Growth (Growth Supplement) (2005)[Nursing]	0	0	0	0	0
Transfer from Coordinating Board for Dramatic Enrollment Growth (Growth Supplement) (2005)[All other enrollment growth]	0	0	0	0	0
Transfer from Coordinating Board for the Cancer Registry (2006-07)	0	0	0	0	0
Transfer from Coordinating Board for Professional Nursing Shortage Reduction Program (2006-07)	0	0	0	0	0
Transfer of GR Group Insurance Premium from Comptroller (UT and TAMU Components only)	48,626	48,601	51,366	0	0
Less: Transfer to Other Institutions	0	0	0	0	0
Less: Transfer to Department of Health, Disproportionate Share - State-Owned Hospitals (2005, 2006, 2007)	0	0	0	0	0
Other (Itemize)					
Art III, Section 56 Reduction on GIP	(129)	0	0	0	0
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
Subtotal, General Revenue Transfers	48,497	48,601	51,366	0	0
General Revenue HEF for Operating Expenses	0	0	0	0	0

Schedule 2: Grand Total Educational, General and Other Funds

80th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/3/2006

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PAGE: 3 of 3

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

	Act 2005	Act 2006	Bud 2007	Est 2008	Est 2009
Transfer from Available University Funds (UT, A&M and Prairie View A&M Only)	27,739,420	29,695,141	32,001,334	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 (2005, 2006, 2007)	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
Other (Itemize)					
Other Deductions (Itemize)					
Decrease Capital Projects - Educational and General Funds	0	0	0	0	0
Other (Itemize)					
Total Funds	39,038,320	43,237,549	48,375,706	8,345,850	8,345,850
Less: Balances as of End of Fiscal Year					
Encumbered and Obligated	(127,945)	(127,945)	(127,945)	0	0
Unencumbered and Unobligated	(10,284,926)	(10,284,926)	(10,284,926)	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	28,625,449	32,824,678	37,962,835	8,345,850	8,345,850
Designated Tuition (Sec. 54.0513)	0	0	0	0	0
Indirect Cost Recovery (Informational Purposes Only)	0	0	0	0	0

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/2/2006
 Time: 6:19:15PM
 Page: 1 of 4

Agency Code: 720

Agency Code: The University of Texas System Administration

	General Revenue Fund		Other Educational and General Funds		Subtotal, Educ. & General Funds		Non-educational and General Funds		Total, All Funds	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
I. "Active employees," as of December 1, 2006, for whom the institution is required to make a contribution for faculty and staff group insurance under Article 3.50-3 of the Texas Insurance Code.										
A. Number of "active employees" enrolled in "Employee Only" health plan.	4	0	121	0	125	0	180	1	305	1
B. Number of "active employees" enrolled in an "Employee and Children" health plan.	1	0	42	0	43	0	62	0	105	0
C. Number of "active employees" enrolled in an "Employee and Spouse" health plan.	1	0	28	1	29	1	42	1	71	2
D. Number of "active employees" enrolled in an "Employee and Family" health plan.	2	0	55	0	57	0	82	0	139	0
E. Number of "active employees" who have health insurance coverage from another source and who are using up to one-half of the "employee only" contribution for optional insurance.	0	0	5	1	5	1	8	1	13	2
F. Number of "active employees" eligible but not enrolled in a health plan and not purchasing optional insurance in I.E. above.	0	0	1	0	1	0	0	0	1	0
Total for This Section	8	0	252	2	260	2	374	3	634	5

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/2/2006
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 Page: 2 of 4

Agency Code: 720

Agency Code: The University of Texas System Administration

General Revenue Fund		Other Educational and General Funds		Subtotal, Educ. & General Funds		Non-educational and General Funds		Total, All Funds	
Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time

II. "Retired employees," as of December 1, 2006, for whom the institution is required to make a contribution for faculty and staff group insurance under Article 3.50-3 of the Texas Insurance Code.

A. Number of "retired employees" enrolled in an "Employee Only" health plan.	1	0	41	0	42	0	60	0	102	0
B. Number of "retired employees" enrolled in an "Employee and Children" health plan.	0	0	1	0	1	0	1	0	2	0
C. Number of "retired employees" enrolled in an "Employee and Spouse" health plan.	1	0	29	0	30	0	42	0	72	0
D. Number of "retired employees" enrolled in an "Employee and Family" health plan.	0	0	2	0	2	0	3	0	5	0
E. Number of "retired employees" who have health insurance coverage from another source and who are using up to one-half of the "employee only" contribution for optional insurance.	0	0	4	0	4	0	6	0	10	0
F. Number of "retired employees" eligible but not enrolled in a health plan and not purchasing optional insurance in II.E. above.	0	0	0	0	0	0	0	0	0	0
Total for This Section	2	0	77	0	79	0	112	0	191	0

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

	General Revenue Fund		Other Educational and General Funds		Subtotal, Educ. & General Funds		Non-educational and General Funds		Total, All Funds	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
III. "Student employees," as of December 1, 2006, for whom the institution is required to make a contribution for faculty and staff group insurance under Article 3.50-3 of the Texas Insurance Code.										
A. Number of "student employees" enrolled in "Employee Only" health plan.	0	0	0	0	0	0	0	0	0	0
B. Number of "student employees" enrolled in "Employee and Children" health plan.	0	0	0	0	0	0	0	0	0	0
C. Number of "student employees" enrolled in "Employee and Spouse" health plan.	0	0	0	0	0	0	0	0	0	0
D. Number of "student employees" enrolled in "Employee and Family" health plan.	0	0	0	0	0	0	0	0	0	0
E. Number of "student employees" who have health insurance coverage from another source and who are using up to one-half of the "employee only" contribution for optional insurance.	0	0	0	0	0	0	0	0	0	0
F. Number of "student employees" eligible but not enrolled in a health plan and not purchasing optional insurance in III.E. above.	0	0	0	0	0	0	0	0	0	0
Total for This Section	0	0	0	0	0	0	0	0	0	0

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)
 80th Regular Session, Agency Submission, Version 1
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Agency Code: 720

Agency Code: The University of Texas System Administration

	General Revenue Fund		Other Educational and General Funds		Subtotal, Educ. & General Funds		Non-educational and General Funds		Total, All Funds	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
IV. Total, eligible employees.										
A. Total, eligible employees enrolled in an "Employee Only" health plan. (I.A.+II.A.+III.A)	5	0	162	0	167	0	240	1	407	1
B. Total, eligible employees enrolled in an "Employee and Children" health plan. (I.B+II.B+III.B)	1	0	43	0	44	0	63	0	107	0
C. Total, eligible employees enrolled in an "Employee and Spouse" health plan. (I.C+II.C+III.C)	2	0	57	1	59	1	84	1	143	2
D. Total, eligible employees enrolled in an "Employee and Family" health plan. (I.D+II.D+III.D)	2	0	57	0	59	0	85	0	144	0
E. Total, eligible employees who have health insurance coverage from another source and who are using up to one-half of the "employee only" contribution for optional insurance. (I.E+II.E+III.E)	0	0	9	1	9	1	14	1	23	2
F. Total, eligible employees eligible but not enrolled in a health plan and not purchasing optional insurance in IV.E. above. (I.F.+II.F.+III.F)	0	0	1	0	1	0	0	0	1	0
Total for This Section	10	0	329	2	339	2	486	3	825	5

Schedule 6: Capital Funding
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency Code: 720	Agency Name: The University of Texas System Administration				
Activity	Act 2005	Act 2006	Bud 2007	Est 2008	Est 2009
I. Balances as of Beginning of Fiscal Year					
A. PUF Bond Proceeds	6,842,138	28,768,360	28,768,360	0	0
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	23,293,098	2,000,000	2,000,000	2,000,000	2,000,000
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	\$30,135,236	\$30,768,360	\$30,768,360	\$2,000,000	\$2,000,000
IV. Less: Deductions					
A. Expenditures (Itemize)					
Library and Equipment	2,041,787	2,000,000	5,260,561	2,000,000	2,000,000
Repair and Rehabilitation	28,448	0	25,507,799	0	0
Asbel Smith/Colorado Building	(868,208)	0	0	0	0
PUF Series 2004	3,035	0	0	0	0
PUF Series 2005 A&B Misc. Costs	161,814	0	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	\$1,366,876	\$2,000,000	\$30,768,360	\$2,000,000	\$2,000,000
V. Balances as of End of Fiscal Year					
A. PUF Bond Proceeds	28,768,360	28,768,360	0	0	0
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
	\$28,768,360	\$28,768,360	\$0	\$0	\$0

Schedule 8: PERSONNEL
 80th Regular Session, Agency Submission, Version 1
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Agency code: 720 Agency name: UT SYS ADMIN

	Actual 2005	Actual 2006	Budgeted 2007	Estimated 2008	Estimated 2009
Part A.					
FTE Postions					
E & G Non-Faculty Employees	217.3	249.0	249.0	249.0	249.0
SUBTOTAL, E&G	217.3	249.0	249.0	249.0	249.0
Other Funds Employees	396.5	401.3	453.8	453.8	453.8
SUBTOTAL, NON-APPROPRIATED	396.5	401.3	453.8	453.8	453.8
GRAND TOTAL	613.8	650.3	702.8	702.8	702.8
Part B.					
Personnel Headcount					
E & G Non-Faculty Employees	240	255	255	255	255
SUBTOTAL, E&G	240	255	255	255	255
Other Funds Employees	402	409	466	466	466
SUBTOTAL, NON-APPROPRIATED	402	409	466	466	466
GRAND TOTAL	642	664	721	721	721
PART C.					
Salaries					
E & G Non-Faculty Employees	\$16,661,093	\$18,788,348	\$19,518,568	\$19,518,568	\$19,518,568
SUBTOTAL, E&G	\$16,661,093	\$18,788,348	\$19,518,568	\$19,518,568	\$19,518,568
Other Funds Employees	\$24,401,164	\$26,143,917	\$28,020,288	\$28,020,288	\$28,020,288
SUBTOTAL, NON-APPROPRIATED	\$24,401,164	\$26,143,917	\$28,020,288	\$28,020,288	\$28,020,288
GRAND TOTAL	\$41,062,257	\$44,932,265	\$47,538,856	\$47,538,856	\$47,538,856

Schedule 10C: Revenue Capacity for Tuition Revenue Bond Projects

80th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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Agency Code: 720

Agency Name: The University of Texas System Administration

	Act 2005	Act 2006	Bud 2007	Est 2008	Est 2009
Gross Tuition	\$324,301,695	\$333,718,528	\$340,333,715	\$346,586,779	\$351,815,856
Less: Remissions and Exemptions	(61,866,641)	(67,285,282)	(69,022,871)	(70,367,859)	(71,910,683)
Less: Refunds	(398,542)	(512,979)	(528,368)	(544,219)	(560,546)
Less: Installment Payment Forfeits	(131,448)	(143,085)	(154,741)	(159,493)	(164,422)
Less: Board Authorized Tuition Increases (TX. Educ. Code Ann. Sec. 54.008)	0	0	0	0	0
Less: Statutory Tuition Increases (TX. Educ. Code Ann. Sec. 54.0512) (2005, 2006, 2007)	0	0	0	0	0
Less: Tuition increases charged to doctoral students with hours in excess of 100 (TX. Educ. Code Ann. Sec. 54.012)	0	0	0	0	0
Less: Tuition increases charged to undergraduate students with excessive hours above degree requirements. (TX. Educ. Code Ann. Sec. 61.0595)	0	0	0	0	0
Less: Tuition rebates for certain undergraduates (TX. Educ. Code Ann. Sec. 54.0065)	(919,000)	(964,200)	(1,066,030)	(1,071,186)	(1,076,346)
Plus: Tuition waived for students 55 years or older (TX. Educ. Code Ann. Sec. 54.0013)	0	0	0	0	0
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	\$260,986,064	\$264,812,982	\$269,561,705	\$274,444,022	\$278,103,859
Less: Transfer of Tuition to Retirement of Indebtedness: 1) Skiles Act	(791,375)	(614,485)	(711,449)	(703,093)	(714,665)
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)	(35,933,896)	(37,359,727)	(38,470,990)	(38,840,688)	(39,206,523)
Less: Transfer of Funds (2%) for Emergency Loans (Medical School)	(567,996)	(577,118)	(496,755)	(502,205)	(502,205)
Less: Transfer of Funds for Repayment of Student Loans of Physicians (TX. Educ. Code Ann. Sec. 61.539)	(36,500)	(39,658)	(41,743)	(44,148)	(47,283)
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)	(209,029)	(269,989)	(269,989)	(220,122)	(220,122)
Less: Other Authorized Deductions	(80,868)	(120,848)	(122,324)	(74,240)	(74,240)
Total Net Tuition Available to Pledge for Tuition Revenue Bonds	\$223,366,400	\$225,831,157	\$229,448,455	\$234,059,526	\$237,338,821

Schedule 10C: Revenue Capacity for Tuition Revenue Bond Projects

80th Regular Session, Agency Submission, Version I
Automated Budget and Evaluation System of Texas (ABEST)

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Agency Code: 720

Agency Name: The University of Texas System Administration

	Act 2005	Act 2006	Bud 2007	Est 2008	Est 2009
Debt Service on Existing Tuition Revenue Bonds	\$(51,275,067)	\$(65,998,857)	\$(65,990,692)	\$(61,870,223)	\$(61,873,748)
Estimated Debt Service for Authorized but Unissued Tuition Revenue Bonds	0	0	0	(73,792,660)	(73,792,660)
Subtotal, Debt Service on Existing Authorizations	\$(51,275,067)	\$(65,998,857)	\$(65,990,692)	\$(135,662,883)	\$(135,666,408)
TOTAL TUITION AVAILABLE FOR NEW AUTHORIZATIONS	\$172,091,333	\$159,832,300	\$163,457,763	\$98,396,643	\$101,672,413
Debt Capacity Available for New Authorizations	\$172,091,333	\$159,832,300	\$163,457,763	\$98,396,643	\$101,672,413