
LEGISLATIVE APPROPRIATIONS REQUEST FISCAL YEARS 2020 AND 2021



Submitted to the Governor's Office
and the Legislative Budget Board

THE UNIVERSITY OF TEXAS SYSTEM
AVAILABLE UNIVERSITY FUND

August 2018

**THE UNIVERSITY OF TEXAS SYSTEM AVAILABLE UNIVERSITY FUND
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Agency Code: 799	Agency Name: Available University Fund	Prepared By: Scott C. Kelley	Date: August 2018	Request Level: Baseline
<p>For the schedules identified below, the Available University Fund either has no information to report or the schedule is not applicable. Accordingly, these schedules have been excluded from the Available University Fund Legislative Appropriations Request for the 2020-21 biennium.</p>				
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799 Available University Fund**THE UNIVERSITY OF TEXAS SYSTEM****PERMANENT UNIVERSITY FUND I AVAILABLE UNIVERSITY FUND ADMINISTRATOR'S STATEMENT**

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

Chairman Sara Martinez Tucker of Dallas (2-1-21); Vice Chairman Paul L. Foster of El Paso (2-1-19); Vice Chairman Jeffrey D. Hildebrand of Houston (2-1-19); Ernest Aliseda of McAllen (2-1-19); R. Steven "Steve" Hicks of Austin (2-1-21); David J. Beck of Houston (2-1-21); James C. "Rad" Weaver of San Antonio (2-1-23); Kevin P. Eltife of Tyler (2-1-23); Janiece Longoria of Houston (2-1-23); Student Regent Brittany E. Jewell representing UT Health Science Center Houston (5-31-19)

The chancellor of the UT System is the chief executive officer of the System, chosen by the Board of Regents of The University of Texas System (UT Board). Dr. Larry Faulkner is serving as the Chancellor ad interim of the System while the UT Board continues its search for the next chancellor.

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

Today, PUF lands consist of approximately 2.1 million acres of land primarily located in 24 counties in west Texas (PUF Lands). PUF Lands produce two streams of income: mineral and surface. The UT Board has actively leased the surface and mineral interests of the PUF lands since 1923. The UT Board remits mineral income to the PUF and distributes surface income to the Available University Fund (AUF) as mandated by the Constitution.

Mineral income consists primarily of revenue from the periodic sale of mineral leases, royalties on gross revenues from oil and gas production, and other bonus payments. The Constitution requires that all mineral income and income from the sale of PUF Lands be retained within the PUF and invested in PUF investments.

The total net asset value of the PUF at August 31, 2017, was \$19.9 billion. This amount included securities and cash of \$19.9 billion, and land carried at a nominal value of \$10.0 million. Additions to the PUF during the 2017 fiscal year were \$709.0 million including \$625.2 million from oil and gas royalties, \$83.3 million from mineral lease rentals, bonuses, and other miscellaneous sources.

The UT Board entered into an investment management contract on March 1, 1996, with The University of Texas Investment Management Company, now The University of Texas/Texas A&M Investment Management Company (UTIMCO), to invest the PUF assets in accordance with section 66.08 of the Texas Education Code. PUF investments are invested in a diversified portfolio of equity, fixed income and derivative securities in accordance with the prudent investor standard. In accordance with the Constitution, distributions made from the PUF to the AUF are from the total return on all investment assets of the PUF, including the net income attributable to the surface of PUF Lands. Total return includes income returned as well as realized and unrealized capital gains. Additionally, the Constitution authorizes expenses of managing PUF lands and investments to be paid from PUF assets. The amount of any distributions to the AUF is determined by the UT Board in a manner intended to provide the AUF with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The distributions to the AUF are subject to the following overriding conditions:

799 Available University Fund

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

Distributions to the AUF from the PUF are allocated two-thirds for the benefit of eligible institutions of the UT System and one-third for the benefit of eligible institutions of the Texas A&M System. PUF distributions paid to the

AUF are expended by each university system to fund two major programs:

- The Constitution authorizes the UT Board and the Texas A&M System Board (A&M Board) to issue bonds (PUF bonds) payable from their respective interests in PUF distributions to finance capital expenditures. The UT Board and A&M Board are authorized to issue bonds secured by each system's interest in PUF distributions in an amount not to exceed 20% and 10%, respectively, of the book value of PUF assets at the time of issuance. At August 31, 2017, the UT System had outstanding PUF bonds and notes of \$2.695.0 million. When combined with the outstanding Texas A&M System PUF bonds and notes of \$932.85 million, the outstanding debt is approximately 22.2% of the book value of PUF investments, below the constitutional limit of 30%.
- PUF distributions, after payment of debt service on PUF bonds, are used to fund support and maintenance of The University of Texas at Austin, Texas A&M University, and Prairie View A&M University, along with the two system offices.

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

Actual 2017 \$839.4 million

Projected 2018 \$887.3 million

Budgeted 2019 \$936.3 million

Projected 2020 \$1,014.1 million

Projected 2021 \$1,097.2 million

The projected PUF distributions are currently based on an assumed annual investment return of 5.93%.

The UT Board has established a UT System Board of Regents' Rules and Regulations, Rule 80303 (Regents' Rule 80303), on "Uses of the Available University Fund." Regents' Rule 80303 provides that the UT Board shall determine an amount to be distributed to the AUF during the next fiscal year. Article VII, Section 18 of the Constitution provides that the UT Board has the authority to distribute any amount that it deems appropriate up to a maximum rate of 7%. For FY 2017, the UT Board

799 Available University Fund

approved a PUF distribution of \$839,441,000, which equated to 5.0% of the average net asset value of PUF investments for the trailing 12 quarters ending February 29, 2016. For FY 2018, the UT Board approved a PUF distribution of \$887,250,000, which equated to 5.0% of the average net asset value of PUF investments for the trailing 12 quarters ending February 28, 2017. As the UT Board had not approved a distribution rate for FY 2019 by the submission date of this appropriation request, a policy distribution rate of 5.0% has been assumed for FY 2019-2021.

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

Budget Overview - Biennial Amounts
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

799 Available University Fund Appropriation Years: 2020-21										EXCEPTIONAL ITEM FUNDS
GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		
2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2020-21
Goal: 1. Provide Management and Administrative Support for Endowment Funds										
1.1.2. Texas A&M Univ System Allocation				665,284,333		763,302,667		665,284,333		763,302,667
1.1.3. The Univ Of Texas System Allocation				1,359,568,667		1,560,677,333		1,359,568,667		1,560,677,333
Total, Goal				2,024,853,000		2,323,980,000		2,024,853,000		2,323,980,000
Total, Agency				2,024,853,000		2,323,980,000		2,024,853,000		2,323,980,000

799 Available University Fund

Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
1 Provide Management and Administrative Support for Endowment Funds					
1 <i>Available University Fund</i>					
2 TEXAS A&M UNIV SYSTEM ALLOCATION	299,458,731	323,096,333	342,188,000	367,803,000	395,499,667
3 THE UNIV OF TEXAS SYSTEM ALLOCATION	605,557,973	659,192,667	700,376,000	752,519,000	808,158,333
TOTAL, GOAL	1				
	\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000	\$1,203,658,000
TOTAL, AGENCY STRATEGY REQUEST		\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST		\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000
					\$1,203,658,000
METHOD OF FINANCING:					
Other Funds:					
11 Available University Fund, est	905,016,704	982,289,000	1,042,564,000	1,120,322,000	1,203,658,000
SUBTOTAL	\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000	\$1,203,658,000
TOTAL, METHOD OF FINANCING		\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000
					\$1,203,658,000

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

2.A. Summary of Base Request by Strategy

8/2/2018 7:57:55AM

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Automated Budget and Evaluation System of Texas (ABEST)

799 Available University Fund

Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
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2.B. Summary of Base Request by Method of Finance

8/2/2018 7:57:55AM

86th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **799**Agency name: **Available University Fund**

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>OTHER FUNDS</u>					
<u>11 Available University Fund No. 011</u>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2016-17 GAA)	\$889,399,222	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2018-19 GAA)	\$0	\$889,729,453	\$910,818,520	\$1,120,322,000	\$1,203,658,000
<i>BASE ADJUSTMENT</i>					
Revised Receipts	\$15,617,482	\$92,559,547	\$131,745,480	\$0	\$0
TOTAL, Available University Fund No. 011	\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000	\$1,203,658,000
TOTAL, ALL OTHER FUNDS	\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000	\$1,203,658,000
GRAND TOTAL	\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000	\$1,203,658,000

2.B. Summary of Base Request by Method of Finance

8/2/2018 7:57:55AM

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **799**Agency name: **Available University Fund****METHOD OF FINANCING****Exp 2017****Est 2018****Bud 2019****Req 2020****Req 2021****FULL-TIME-EQUIVALENT POSITIONS****TOTAL, ADJUSTED FTES****NUMBER OF 100% FEDERALLY FUNDED****FTEs**

799 Available University Fund

OBJECT OF EXPENSE	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2009 OTHER OPERATING EXPENSE	\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000	\$1,203,658,000
OOE Total (Excluding Riders)	\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000	\$1,203,658,000
OOE Total (Riders)					
Grand Total	\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000	\$1,203,658,000

799 Available University Fund

Goal/ Objective / Outcome	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1 Provide Management and Administrative Support for Endowment Funds <i>1 Available University Fund</i>					
KEY 1 Permanent University Fund (PUF) Expense as Basis Points of Net Assets	27.60	27.60	27.60	27.60	27.60

2.F. Summary of Total Request by Strategy
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : **8/2/2018**
 TIME : **7:57:55AM**

Agency code:	799	Agency name:	Available University Fund					
Goal/Objective/STRATEGY			Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
1 Provide Management and Administrative Support for Endowment Fun								
1	<i>Available University Fund</i>							
2	TEXAS A&M UNIV SYSTEM ALLOCATION		\$367,803,000	\$395,499,667	\$0	\$0	\$367,803,000	\$395,499,667
3	THE UNIV OF TEXAS SYSTEM ALLOCATION		752,519,000	808,158,333	0	0	752,519,000	808,158,333
TOTAL, GOAL 1			\$1,120,322,000	\$1,203,658,000	\$0	\$0	\$1,120,322,000	\$1,203,658,000
TOTAL, AGENCY STRATEGY REQUEST								
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST								
GRAND TOTAL, AGENCY REQUEST			\$1,120,322,000	\$1,203,658,000	\$0	\$0	\$1,120,322,000	\$1,203,658,000

2.F. Summary of Total Request by Strategy
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : **8/2/2018**
 TIME : **7:57:55AM**

Agency code:	799	Agency name:	Available University Fund					
			Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
Goal/Objective/STRATEGY								
Other Funds:								
11	Available University Fund, est		\$1,120,322,000	\$1,203,658,000	\$0	\$0	\$1,120,322,000	\$1,203,658,000
			\$1,120,322,000	\$1,203,658,000	\$0	\$0	\$1,120,322,000	\$1,203,658,000
TOTAL, METHOD OF FINANCING			\$1,120,322,000	\$1,203,658,000	\$0	\$0	\$1,120,322,000	\$1,203,658,000

FULL TIME EQUIVALENT POSITIONS

2.G. Summary of Total Request Objective Outcomes

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/2/2018

Time: 7:57:55AM

Agency code: 799

Agency name: Available University Fund

Goal/ Objective / Outcome

	BL 2020	BL 2021	Excp 2020	Excp 2021	Total Request 2020	Total Request 2021
1						
1	Provide Management and Administrative Support for Endowment Funds					
1	<i>Available University Fund</i>					
KEY	1 Permanent University Fund (PUF) Expense as Basis Points of Net Assets					
	27.60	27.60			27.60	27.60

3.A. Strategy Request

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 Automated Budget and Evaluation System of Texas (ABEST)

799 Available University Fund

GOAL: 1 Provide Management and Administrative Support for Endowment Funds
 OBJECTIVE: 1 Available University Fund
 STRATEGY: 2 Texas A&M Univ. System Available Univ. Fund Allocation, estimated.

Service Categories:
 Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
2009 OTHER OPERATING EXPENSE		\$299,458,731	\$323,096,333	\$342,188,000	\$367,803,000	\$395,499,667
TOTAL, OBJECT OF EXPENSE		\$299,458,731	\$323,096,333	\$342,188,000	\$367,803,000	\$395,499,667
Method of Financing:						
11 Available University Fund, est		\$299,458,731	\$323,096,333	\$342,188,000	\$367,803,000	\$395,499,667
SUBTOTAL, MOF (OTHER FUNDS)		\$299,458,731	\$323,096,333	\$342,188,000	\$367,803,000	\$395,499,667
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$367,803,000	\$395,499,667
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$299,458,731	\$323,096,333	\$342,188,000	\$367,803,000	\$395,499,667
FULL TIME EQUIVALENT POSITIONS:						

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

3.A. Strategy Request

86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

799 Available University Fund

GOAL: 1 Provide Management and Administrative Support for Endowment Funds

OBJECTIVE: 1 Available University Fund

Service Categories:

STRATEGY: 2 Texas A&M Univ. System Available Univ. Fund Allocation, estimated.

Service: 19 Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$665,284,333	\$763,302,667	\$98,018,334	\$98,018,334	For FY 2020-21, a distribution rate of 5 percent has been assumed.
\$98,018,334				Total of Explanation of Biennial Change

3.A. Strategy Request

86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

799 Available University Fund

GOAL: 1 Provide Management and Administrative Support for Endowment Funds
 OBJECTIVE: 1 Available University Fund
 STRATEGY: 3 The Univ. of Texas System Available Univ. Fund Allocation, estimated.

Service Categories:
 Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
2009 OTHER OPERATING EXPENSE		\$605,557,973	\$659,192,667	\$700,376,000	\$752,519,000	\$808,158,333
TOTAL, OBJECT OF EXPENSE		\$605,557,973	\$659,192,667	\$700,376,000	\$752,519,000	\$808,158,333
Method of Financing:						
11 Available University Fund, est		\$605,557,973	\$659,192,667	\$700,376,000	\$752,519,000	\$808,158,333
SUBTOTAL, MOF (OTHER FUNDS)		\$605,557,973	\$659,192,667	\$700,376,000	\$752,519,000	\$808,158,333
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$752,519,000	\$808,158,333
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$605,557,973	\$659,192,667	\$700,376,000	\$752,519,000	\$808,158,333
FULL TIME EQUIVALENT POSITIONS:						

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

3.A. Strategy Request

86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

799 Available University Fund

GOAL: 1 Provide Management and Administrative Support for Endowment Funds

OBJECTIVE: 1 Available University Fund

Service Categories:

STRATEGY: 3 The Univ. of Texas System Available Univ. Fund Allocation, estimated.

Service: 19 Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$1,359,568,667	\$1,560,677,333	\$201,108,666	\$201,108,666	For FY 2020-21, a distribution rate of 5 percent has been assumed.
\$201,108,666				Total of Explanation of Biennial Change

3.A. Strategy Request

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000	\$1,203,658,000
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METHODS OF FINANCE (INCLUDING RIDERS):				\$1,120,322,000	\$1,203,658,000
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METHODS OF FINANCE (EXCLUDING RIDERS):	\$905,016,704	\$982,289,000	\$1,042,564,000	\$1,120,322,000	\$1,203,658,000
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FULL TIME EQUIVALENT POSITIONS:

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

Agency	Agency Name: The University of Texas System Administration	Prepared By:			Date:	
799	Available University Fund	Scott C. Kelley			August 2018	
Expended						
Item No.		Actual 2017	Projected 2018	Budgeted 2019	Requested 2020	Requested 2021
1	The Available University Fund allocable to the Board of Regents of Texas A&M University is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs, and physical plant operation and maintenance, minority student scholarships and student recruitment, and educational and general activities of the Texas A&M University System pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution, estimated at	\$ 299,458,731	\$ 323,096,333	\$ 342,188,000	\$ 367,803,000	\$ 395,499,667
2.	The Available University Fund allocable to The University of Texas System is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution and, pursuant to the authorization of Article VII, Sections 11(a) and 18 of the constitution, for permanent improvements, new construction, equipment, repairs and rehabilitation, physical plant operation and maintenance, and educational and general activities of The University of Texas System Administration and The University of Texas at Austin, estimated at	605,557,973	659,192,667	700,376,000	752,519,000	808,158,333
3.	TOTAL AVAILABLE UNIVERSITY FUND estimated at	\$ 905,016,704	\$ 982,289,000	\$ 1,042,564,000	\$ 1,120,322,000	\$ 1,203,658,000

SCHEDULE 2
ESTIMATES OF INCOME

Agency Code: 799	Name of Agency: The University of Texas System Administration Available University Fund	Prepared by: Scott C. Kelley			Date: August 2018	
Item No.	Description	INCOME				
		Actual 2017	Projected 2018	Budgeted 2019	2020	2021
Divisible with A&M University						
1.	Permanent University Fund Distributions	\$ 839,441,000	\$ 887,250,000	\$ 936,290,000	\$ 1,014,135,000	\$ 1,097,225,000
2.	Grazing and Hunting Lease Rental	3,975,544	6,221,000	6,000,000	6,000,000	6,000,000
3.	Surface Easements and Leases	32,770,274	49,206,000	53,000,000	55,000,000	55,000,000
4.	Exploration Permits	1,751,604	268,000	155,000	155,000	155,000
5.	Other Income - West Texas Lands	20,137,772	26,044,000	33,119,000	30,119,000	30,119,000
6.	Wine Royalties	300,000	300,000	300,000	300,000	300,000
7.	Divisible Expenses - Damage Reimbursement Payments	0	0	(2,300,000)	(2,300,000)	(2,300,000)
8.	Net Divisible Income	898,376,194	969,289,000	1,026,564,000	1,103,409,000	1,186,499,000
9.	Less: 1/3 to A&M University (Schedule 1, Item No. 1)	299,458,731	323,096,333	342,188,000	367,803,000	395,499,667
10.	Net 2/3 Share to The University of Texas System	598,917,463	646,192,667	684,376,000	735,606,000	790,999,333
Non-Divisible:						
11.	Interest on Daily AUF Balances	6,640,510	13,000,000	16,000,000	16,913,000	17,159,000
12.	Estimated Net Income, The University of Texas System Share (Schedule 2a, Item No. 1 and Schedule 1, Item No. 2)	\$ 605,557,973	\$ 659,192,667	\$ 700,376,000	\$ 752,519,000	\$ 808,158,333

SCHEDULE 2a
PROPOSED UTILIZATION OF NET AVAILABLE FUND INCOME

Agency Code: 799	Name of Agency: The University of Texas System Administration Available University Fund	Prepared by: Scott C. Kelley			Date: August 2018
Item No.	Description	Actual 2017	Projected 2018	Budgeted 2019	Requested 2020 2021
1.	Estimated Net Income - The University of Texas System Share (Schedule 2, Item No. 12 and Schedule 1, Item No. 2)	\$ 605,557,973	\$ 659,192,667	\$ 700,376,000	\$ 752,519,000 \$ 808,158,333
	Less Debt Service:				
	Permanent University Fund:				
2.	Series 2005A	-	-	-	-
3.	Series 2005B	-	-	-	-
4.	Series 2006B	14,851,563	14,851,563	14,851,563	39,591,563 39,594,563
5.	Series 2008A	19,480,468	19,364,577	19,359,401	19,397,307 19,390,157
6.	Series 2009A	13,155,000	13,155,000	13,155,000	13,155,000 13,155,000
7.	Series 2014A	12,017,000	12,017,000	12,017,000	12,017,000 12,017,000
8.	Series 2014B	9,191,000	9,191,000	9,191,000	9,191,000 9,191,000
9.	Series 2015A	31,653,725	31,771,125	31,773,625	6,999,375 7,003,375
10.	Series 2015B	17,515,900	17,515,900	17,517,400	17,514,650 17,511,900
11.	Series 2015C	4,763,556	4,763,556	4,763,556	4,763,556 4,763,556
12.	Series 2016A	9,478,938	9,478,738	9,476,988	9,475,238 9,477,988
13.	Series 2016B	17,952,917	17,951,000	17,950,000	17,953,500 17,955,500
14.	Series 2017A	-	6,442,466	10,217,126	10,217,126 10,217,126
15.	Other Bonds/Notes	1,899,848	23,571,879	66,727,341	94,893,475 120,791,340
16.	Subtotal, Debt Service	151,959,915	180,073,804	227,000,000	255,168,790 281,068,505
17.	Net Available University Fund Income	<u>\$ 453,598,058</u>	<u>\$ 479,118,863</u>	<u>\$ 473,376,000</u>	<u>\$ 497,350,210</u> <u>\$ 527,089,828</u>
	Allocations to:				
	System Administration				
18.	Operating Budget - System Operations	\$ 70,989,934	\$ 53,475,878	\$ 53,879,228	53,879,228 53,879,228
19.	Operating Budget - Direct Campus Support	40,407,527	42,319,122	41,915,772	41,915,772 41,915,772
20.	System-Wide Initiatives	13,600,464	20,567,917	-	- -
	The University of Texas at Austin				
	For Educational Programs and Projects (over and above General Appropriation)	271,560,000	338,480,000	371,200,000	398,840,000 428,325,000
21.	U. T. Medical School	25,000,000	-	-	- -
22.	System-wide Technology and Telecommunications	1,060,000	1,992,000	1,992,000	1,992,000 1,992,000
23.	Other UT Austin Support	42,210,410	10,000,000	-	- -
24.	Net Allocations of Available University Fund Income	<u>\$ 464,828,335</u>	<u>\$ 466,834,917</u>	<u>\$ 468,987,000</u>	<u>\$ 496,627,000</u> <u>\$ 526,112,000</u>