
LEGISLATIVE APPROPRIATIONS REQUEST

FISCAL YEARS 2020 AND 2021



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

THE UNIVERSITY OF TEXAS
SYSTEM ADMINISTRATION

October 2018

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
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Agency Code: 720	Agency Name: The University of Texas System Admin.	Prepared By: Scott C. Kelley	Date: October 2018	Request Level: Baseline
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 2020-21 biennium.				
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Introduction

In accordance with the instructions, The University of Texas System Administration (System Administration) submits the following Legislative Appropriations Request (LAR) for fiscal years 2020 and 2021 to the Governor's Office of Budget, Policy, and Planning and the Legislative Budget Board.

Founded in 1883, the University of Texas System (UT System or System) is governed by a nine-person board of regents (Board or Regents) appointed by the governor and confirmed by the Texas Senate. Regents serve staggered six-year terms, with the terms of three expiring on February 1 of each odd-numbered year. The governor also appoints a non-voting student regent for a one-year term ending each May 31. (The composition of the Board of Regents is part of the organization chart in this LAR.)

The chancellor of the UT System, James B. Milliken, is the chief executive officer, chosen by the Board. Chancellor Milliken assumed the role of Chancellor of the UT System beginning in September 2018. The Board has the responsibility to provide strategy and policy direction, oversight, and governance, while System Administration oversees the eight academic and six health related institutions (listed as part of the organization chart) that make up the UT System, consistent with the Regents' rules and System policies. A thorough review and evaluation of System Administration is being undertaken and is expected to be finalized and implemented over the next several months. System Administration has already reduced its size from 923 full-time equivalents in the 2017 budget to its current size of 686.

What Does the UT System Contribute to Texas?

Among all the great institutions of higher education in Texas, the UT System has a unique opportunity and responsibility to prepare the state to lead nationally. Texas is an economic powerhouse, but its national economic leadership is not preordained. The education, health, resourcefulness, and creativity of the people of Texas will determine whether the state will continue to lead or fall back.

The UT System's contributions to Texas are unlike those of any other Texas university system:

- It is the largest higher education university system in Texas, with an annual budget in FY 2018 of over \$18.3 billion, more than four times the size of the next largest state system of higher education
- Its total research funding of \$2.9 billion is largest in the state and second largest in the country
- UT System institutions educate more than 235,000 students – more than 1/3 of all students in Texas public institutions and 80,000 more than the next largest Texas university system – hailing from nearly every county in Texas, all 50 states, and 146 countries
- UT System institutions produced nearly 59,000 graduates in the 2016-17 academic year, almost 24,000 more degrees than the next largest state system and an increase of more than 49 percent over the last decade
- The UT System employs more than 100,000 faculty, health care professionals, and staff, making the System one of the largest employers in Texas
- UT System health institutions provide almost 7.9 million patient visits annually
- UT System institutions award 59% of the medical degrees and account for 65% of the resident physicians in accredited programs among Texas public institutions
- UT System institutions were granted the 3rd largest number of patents of any system of public higher education institutions in the nation in 2017
- The UT System ranked 9th in the Reuters ranking of the World's Most Innovative Universities in 2017
- 45% of the degrees awarded by UT System institutions are in science, technology, engineering, or mathematics (the STEM fields) and health-related fields, higher than both the state (32%) and national (34%) proportions
- 42% of the degrees awarded in key fields (defined by the Texas Higher Education Coordinating Board [THECB] as computer science, engineering, mathematics, and

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physical science) in Texas were earned at a UT System institution

The economic impact of the UT System and its value to the Texas economy is also unparalleled. The thousands of students who left a System institution in 2015, as a group, earned \$2.18 billion working in Texas in 2016 alone. In comparison, UT System institutions that year received \$2.23 billion in state appropriations.

How is the UT System Financed?

System Administration is financed primarily through the Available University Fund (AUF), made up of an annual distribution from the Permanent University Fund (PUF) and certain surface-related income directly deposited to the AUF. Some aspects of System Administration are self-funded in whole or in part, such as the oversight of the System's insurance and risk programs, funded by premiums paid by employees and retirees and by institutions; oversight of construction services at many of the institutions, funded by the campuses; and management of University Lands, funded directly from the Permanent University Fund. And some aspects receive separate state funding, such as the Texas Medical and Dental Schools Application Service, which manages applications to all the state's public medical and dental schools.

The Texas 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. Supplemented by other lands and fueled by revenues from the oil and gas underneath these lands, along with historical returns on investments, the PUF now has a net asset value of \$21.9 billion.

The PUF and the AUF are constitutionally shared two-thirds by the UT System and one-third by the Texas A&M University System (A&M). The funds that flow into the AUF are used for various purposes: capital construction and equipment among the two systems' institutions; the two systems' administrative functions; and operations at select institutions: for the UT System, the University of Texas at Austin (UT Austin) and for the Texas A&M System, Texas A&M University in College Station (Texas A&M) and Prairie View A&M. The PUF and AUF have provided invaluable resources that have allowed UT Austin and Texas A&M to become our state's only public research institutions that are members of the Association of American Universities. But even at its current size, the PUF is still a limited resource, without the capacity to support all the needs of the two systems for construction at their institutions and excellence at their two flagships.

The AUF is used first to pay the debt service on bonds issued by the UT and A&M systems. The remainder of the UT System share of the AUF is divided between System Administration and UT Austin for their support and maintenance. The AUF cannot be used to support or maintain any of the other 13 UT System institutions.

General Revenue received by System Administration does not support operations but rather is trustee for other purposes, including debt service on the Natural Science and Engineering Laboratory at the University of Texas at Dallas, the statewide Lone Star Stroke initiative, and the Texas Heart Institute.

What are the Priorities of the UT System?

The UT System is committed to meeting the educational and health needs of Texas and our nation.

UT System has identified its priorities, set forth below, and what it needs from the Legislature to accomplish these priorities, outlined in the next section of this Statement.

Foremost among these is student success. The focus on our students takes many forms:

- An emphasis on increasing rates of retention and persistence and four- and six-year graduation rates

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- A comparison of the performance of each UT System institution vs. its peers around the country
- Deep dives into each campus by the Board of Regents with the presidents

Student success requires access, and access often requires assistance that can take many forms:

- A strong commitment to affordability demonstrated through data-informed, strategic and inclusive financial aid, grants and scholarships
- Initiatives that serve the needs of each student population with an emphasis on historically under-represented and first-generation students
- A commitment to deliver high-quality dual credit courses and early college high school programs
- Enhanced regional and statewide partnerships that are foundational to the education pipeline in Texas

Promoting student success also means that UT System institutions continue to develop and implement innovations in education, including:

- Effective student success programs that facilitate smooth transitions through enrollment, persistence, and degree completion
- Programs designed to build student connections with mentors and strengthen the quality of interactions with financial aid, advisors, and faculty
- Nationally recognized online programs and course offerings
- Best practice transfer initiatives with local community colleges to successfully move students from two-year institutions through the UT System's four-year institutions
- Better information about the results of students' educational outcomes through SeekUT, a free online tool that provides earnings and debt information for recent graduates, through a first of its kind partnership with the U.S. Census Bureau

UT System institutions are making an increasingly significant contribution to our nation's security through:

- The Texas National Security Network that is managed by UT Austin and that engages other institutions in the UT System
- A nationally recognized cybersecurity program at the University of Texas at San Antonio with the U.S. Department of Homeland Security
- Critical work on infectious diseases at the Galveston National Laboratory at the University of Texas Medical Branch
- Serving as home to the headquarters of the U.S. Army's new Futures Command, which will oversee the most sweeping restructuring of the Army in more than 40 years

UT System institutions significantly contribute to improving health, health care delivery, and innovation across Texas by:

- Serving as a cornerstone of community health improvement through the University of Texas Health Science Center Houston's (UT Health Houston) School of Public Health (and its regional branches in Austin, Brownsville, Dallas, El Paso, and San Antonio), the University of Texas Health Science Center Tyler's (UT Health East Texas) School of Community and Rural Health, and population health initiatives at each health institution
- Implementation of a coordinated statewide health care enterprise of UT System institutions, with special emphasis on cancer, neurosciences, and diabetes
- An enhanced presence of the University of Texas MD Anderson Cancer Center, the nation's top cancer hospital, in San Antonio, the Gulf Coast, and East Texas in alliance with its sister UT System institutions
- Drawing together the resources of all UT System institutions to address Alzheimer's, dementia, concussions, and post-traumatic stress disorder (PTSD)
- Improving mental health of Texans through a greater role at state hospitals in Houston, Rusk, Austin, and San Antonio and expanded psychiatric care throughout the state
- Expanding the use of telemedicine to support rural health care providers and hospitals, bringing previously unavailable care to underserved parts and populations of the state
- Improving health and health care data analytics through the UT System Health Information Platform and other initiatives to gain a better understanding of the needs of Texans and drive improvement in the quality of health care
- A significant expansion of care in East Texas through the partnership between UT Health East Texas and Ardent Health Care, allowing greatly increased graduate

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medical education in this part of the state

- Increasing collaboration and partnerships with state health-related agencies as they strive to improve health in Texas

What Does the UT System Need from the State to Achieve These Priorities?

The UT System would not be able to accomplish any of its priorities without the continued support of the State of Texas through the Texas Legislature .

Formula funding for both the general academic and health related institutions within the System is the top need. This funding is critical to provide a basic level of state support for operations, regardless of the size of an institution or its mission or unique focus. The formulas provide an equitable and predictable source of funding on which institutions rely to implement programs and initiatives that increase student success on their campuses. Increased formula funding for UT System academic institutions that accounts for enrollment growth and inflation over the amounts provided for the current 2018-2019 biennium is needed from the Legislature, as was recommended by the THECB formula advisory committee. Otherwise, institutions will not be able to properly plan and execute initiatives to increase student success and achieve the statewide higher education goals of 60X30TX while maintaining affordability and access. UT System's health-related institutions seek funding consistent with the recommendation of the THECB formula advisory committee that will help them make incremental progress toward restoring formula funding rates to their 2000-2001 levels.

UT System recognizes the importance of funding for its academic institutions that is tied to outcomes, as all the institutions strive to meet and improve on common measures of success: increasing the number of graduates; increasing student retention rates; and improving the persistence of students as they move along the path toward graduation. As base formula funding per student has eroded and not kept pace with enrollment growth or inflation, however, UT System believes any outcome-based funding should be treated as a bonus on top of adequate base formula funding. This is consistent with the recommendation of the THECB formula advisory committee for the graduation bonus concept that was developed by THECB staff. UT System believes the graduation bonus provides a simple and straightforward approach that appropriately gives the proper incentive to institutions.

Research-based formula funding is especially key to the future of UT Austin as one of the state's two public academic flagships, as well as to the continued development of the four emerging UT System research institutions in Arlington, Dallas, El Paso, and San Antonio. Additional investment in the Research Enhancement Formula for the health-related institutions will spur research and discovery and the subsequent commercialization of intellectual property and enhance state and regional economic development, building this vital part of the state's intellectual infrastructure.

Other sources of funds are important for the state's and UT System institutions' research efforts, such as the grants for cancer research and prevention through the Cancer Prevention and Research Institute of Texas (CPRIT), the recruitment of distinguished researchers to Texas from other states through the Governor's University Research Initiative (GURI), and the partnership of UT System institutions with generous Texas philanthropists through the Texas Research Incentive Program (TRIP). UT System believes the continuation and expansion of all these programs by the Legislature is justified, through fully- funding CPRIT for the 2020-21 biennium, more funding for GURI and its expansion to recruit rising star researchers, and funds to relieve the sizable backlog in TRIP-eligible gifts from expectant donors and provide additional state incentives to spur and match the generosity of Texas philanthropists.

In addition, the UT System is pleased that the University of Texas at Dallas is now eligible to receive funding from the National Research University Fund (NRUF), the first new institution to become eligible since 2012. NRUF funding will be important to establishing more emerging research institutions in Texas, but full formula funding remains the single most important action the state can take to support more UT System institutions qualifying for NRUF and becoming tier one research universities .

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Non-formula support funding for items across the UT System aids a wide range of goals and initiatives for our state and our institutions. Some items contribute to student success; others support institutions' unique research strengths or address state policy and health priorities; others build the infrastructure of state government; and some over time have come to provide essential funding for basic institutional operations. UT System supports continued funding of these items at no less than the levels provided in the current 2018-2019 biennium.

UT System also supports consideration of new needs and new exceptional items proposed by the institutions, which seized the opportunity created by the formula and non-formula funding reductions in the 85th Legislature to reassess their priorities and determine which items are most critical to their missions. All proposed exceptional items have been reviewed and approved by the Board. UT System also proposes that continued and new non-formula support item funding be coupled with more accurate categorization and thorough descriptions of these items and their anticipated results, periodic review of all new items, and, where appropriate, a commitment to their being phased out over time.

The Lone Star Stroke (LSS) Research Consortium is a collaboration among leading medical research institutions to improve the health of Texans affected by stroke and cerebrovascular disease through patient-centered research. The LSS Research Consortium is comprised of the Baylor College of Medicine, Texas Tech Health Sciences Center El Paso, Texas A&M University Health Science Center, the University of Texas Southwestern Medical Center, the University of Texas Health Science Center San Antonio, and UT Health Houston. Trusteed funding for this endeavor was appropriated to UT System Administration in 2018, and the System seeks its continuation, as it does for the trusteed funds provided through UT System Administration for the Texas Heart Institute.

Significant funding reductions in both formula and non-formula funding during the 85th Legislature led to the appropriation of hold harmless funding for many institutions. UT System supports the inclusion of this funding within the base state support UT System institutions receive and encourages the Legislature to maintain this position throughout the appropriations process. If hold harmless funding is reviewed further, UT System requests that it remain at the institution; if this is not possible, this funding should at least remain within the higher education spending under Article III of the appropriations bill and be repurposed to meet one of the many critical needs facing institutions of higher education.

As a still growing system, with improved performance and innovation, UT System institutions need the support of state financing for more technologically-equipped classrooms and laboratories and for the renovation of existing facilities. This support has historically come through the Legislature's periodic (usually every other session) authorization of tuition revenue bonds, or TRBs. Recognizing the available revenues for meeting all the needs of state government may make consideration of TRBs a challenge in the 86th Session, each UT System institution is submitting a TRB request, with some reflecting joint projects of two institutions. The Board has reviewed and approved all TRB requests, recognizing that each request is critical to the continued quality and growth of UT System institutions and their ability to meet the needs of the state for a trained workforce and the research needed to advance the Texas economy. If a broad authorization of TRBs is not possible in the 86th Session, there may be select projects that contribute uniquely to identified state priorities that warrant special consideration by the Legislature for a TRB or some other means of state funding; if this selective funding occurs, UT System urges the Legislature to consider the remaining projects in the next legislative session.

UT System health institutions are prepared to support the commitment of the Legislature made in the 85th Session to rebuild several of our state hospitals and enhance behavioral and mental health services across Texas. UT System supports legislative action to fund the operations of those hospitals that will be rebuilt in the next biennium and construction and renovation of the additional hospitals for which planning is currently underway.

To maintain affordability and access at all of its institutions, UT System supports increases in funding for student financial aid, including TEXAS Grants and other

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financial aid programs.

Legislative support is also needed in less obvious ways, like the state's contribution to employees' health insurance costs. UT System requests funding to cover increases in employee and retiree enrollment and higher health care costs that are outside of the System's control. In addition, the System requests an increase in the state's share of premium costs, which has been eroding steadily over the last few biennia. Any additional funding from the state will allow institutions to redirect funding to support the mission of each institution and its commitment to student success and expanding research.

Another significant source of revenue for institutions' operations is tuition. While tuition rates have increased throughout higher education since 2003 when boards of regents were allowed to establish designated tuition rates, these increases are attributable almost directly to reductions in state appropriations. In addition, at some UT institutions after 2003, most fees were folded into a calculation of total academic costs in order to increase the transparency of the cost of a degree, and this shift also contributed to the reported increases. UT System believes the state's current process for setting tuition and fees and our transparency in pricing serves our students and their families and institutions well and does not need to be modified.

Other costs to higher education come through regulation. During the Sunset process in 2013, the relationship of the THECB and higher education was properly rebalanced. The Legislature took note of the sophistication of boards of regents, which provide outstanding leadership and proper oversight to address the unique needs and missions of each system and institution. This balance should be maintained.

How Will the UT System Achieve Its Priorities?

Under its new chancellor, with a number of new presidents at its academic institutions, the UT System will work with the Board of Regents to continue its existing efforts for student success, to contribute to our nation's security, and to improve the health of Texans. New initiatives to further these priorities will be established for System, with a revamped role for System Administration, as UT System institutions continue to produce leaders for Texas in every field of endeavor.

Criminal Background Checks

System Administration's policy is to obtain criminal history information on all finalists considered for appointment to all positions, as they are all deemed security sensitive, as allowed by Government Code Section 411.094 and Education Code Section 51.125. All background checks are conducted with appropriate notice and consent measures when applicable.

Programs Recommended for Consolidation or Elimination by THECB

Pursuant to Sec. 61.0512(f), Education Code, the following is a list of programs the Texas Higher Education Coordinating Board recommended for consolidation or elimination that the UT System Board of Regents approved for continuation (by institution):

- (1) UT Austin – Architectural History, MA; Latin American Studies, PhD; German, Scandinavian, and Dutch Studies, BA; Italian, BA; Jewish Studies, BA; Dance, MFA, Music-Composition, BM; Jazz, BM; Clinical Nurse Specialist, MSN;
- (2) UT Dallas – Software Engineering, PhD; Bioinformatics and Computational Biology, MS; Communication Sciences and Disorders, PhD;
- (3) UT El Paso – Chicano Studies, BA; Leadership Studies, BA;

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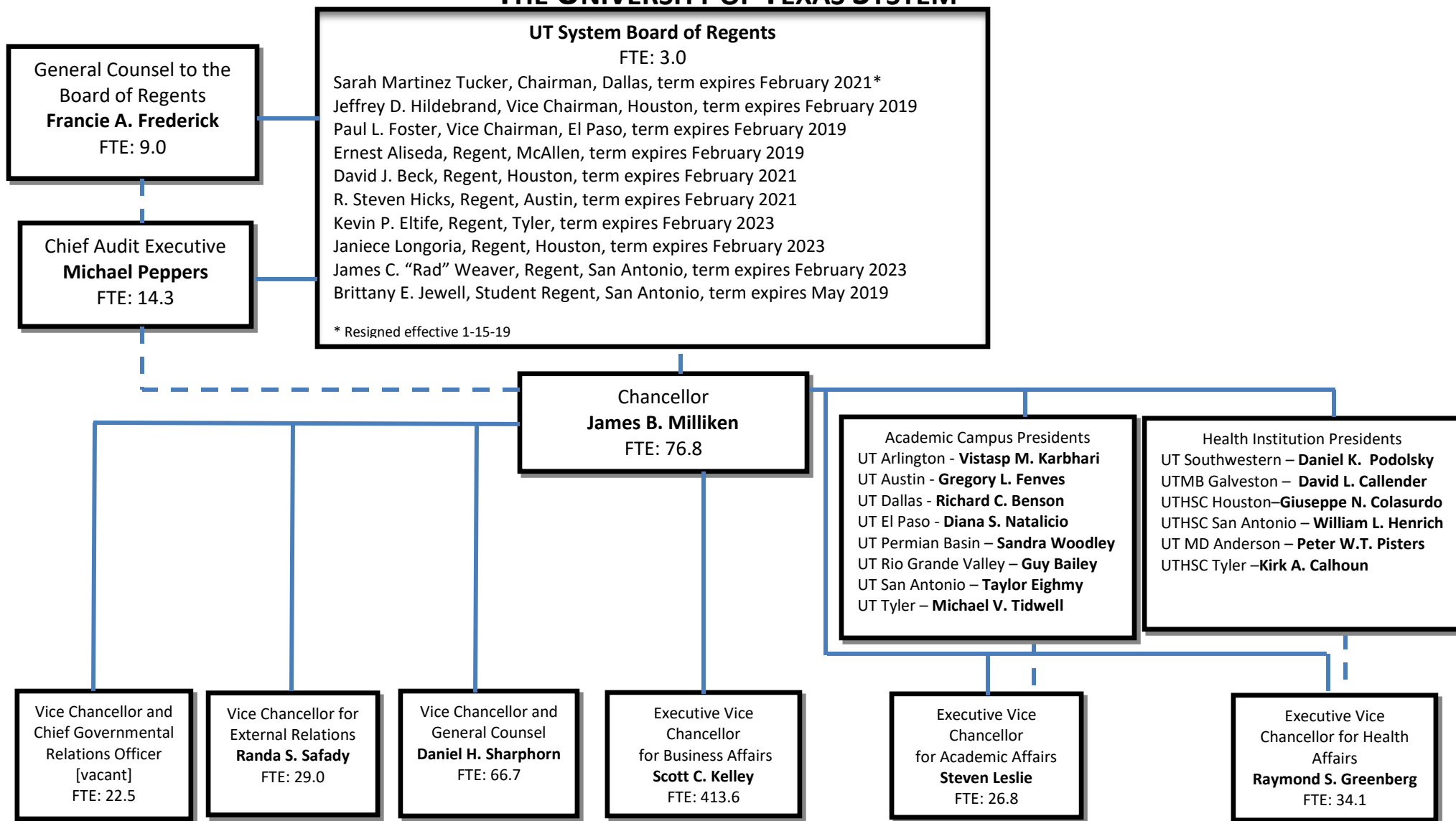
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- (4) UT Permian Basin – Information Systems, BS; Leadership Studies, BA;
- (5) UT San Antonio – Business Administration-Information Technology, PhD;
- (6) UT Tyler – Economics, BA & BS;
- (7) UT Southwestern - Biomedical Engineering, PhD (UT Southwestern collaboratively offers this program with UT Arlington and UT Dallas but UT Southwestern does not award the degree. UT Arlington and UT Dallas award degrees in an amount that exceeds low producing program status); and
- (8) UTMB – Medical Science Research, MMS.

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Budget Overview - Biennial Amounts
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Appropriation Years: 2020-21

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2020-21
Goal: 2. Provide Infrastructure Support											
2.1.1. Debt Service - Nserb	11,765,573	9,156,840							11,765,573	9,156,840	
Total, Goal	11,765,573	9,156,840							11,765,573	9,156,840	
Goal: 7. Tobacco Funds											
7.1.1. Tobacco Earnings - Rahc							2,599,560	2,512,000	2,599,560	2,512,000	
Total, Goal							2,599,560	2,512,000	2,599,560	2,512,000	
Goal: 8. Trusteed Funds for Health Programs											
8.1.2. Heart Inst - Adult Stem Cell Pgm	3,330,506	3,330,506							3,330,506	3,330,506	
8.1.3. Stroke Clinical Research	3,290,780	3,290,780							3,290,780	3,290,780	
Total, Goal	6,621,286	6,621,286							6,621,286	6,621,286	
Total, Agency	18,386,859	15,778,126					2,599,560	2,512,000	20,986,419	18,290,126	
Total FTEs									382.3	382.3	0.0

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Goal / Objective / STRATEGY		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
2	Provide Infrastructure Support					
1	<i>Provide Operation and Maintenance of E&G Space</i>					
1	DEBT SERVICE - NSERB	6,536,762	6,206,063	5,559,510	4,905,450	4,251,390
	TOTAL, GOAL	2				
		\$6,536,762	\$6,206,063	\$5,559,510	\$4,905,450	\$4,251,390
7	Tobacco Funds					
1	<i>Tobacco Earnings for Research</i>					
1	TOBACCO EARNINGS - RAHC	1,262,944	1,290,780	1,308,780	1,256,000	1,256,000
	TOTAL, GOAL	7				
		\$1,262,944	\$1,290,780	\$1,308,780	\$1,256,000	\$1,256,000
8	Trusted Funds for Health Programs					
1	<i>Trusted Funds for Health Programs</i>					
2	HEART INST - ADULT STEM CELL PGM	2,500,000	1,665,253	1,665,253	1,665,253	1,665,253
3	STROKE CLINICAL RESEARCH	0	1,645,390	1,645,390	1,645,390	1,645,390

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
TOTAL, GOAL 8	\$2,500,000	\$3,310,643	\$3,310,643	\$3,310,643	\$3,310,643
TOTAL, AGENCY STRATEGY REQUEST	\$10,299,706	\$10,807,486	\$10,178,933	\$9,472,093	\$8,818,033
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$10,299,706	\$10,807,486	\$10,178,933	\$9,472,093	\$8,818,033
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	9,036,762	9,516,706	8,870,153	8,216,093	7,562,033
SUBTOTAL	\$9,036,762	\$9,516,706	\$8,870,153	\$8,216,093	\$7,562,033
Other Funds:					
822 Permanent Endowment FD UTRAC	1,262,944	1,290,780	1,308,780	1,256,000	1,256,000
SUBTOTAL	\$1,262,944	\$1,290,780	\$1,308,780	\$1,256,000	\$1,256,000
TOTAL, METHOD OF FINANCING	\$10,299,706	\$10,807,486	\$10,178,933	\$9,472,093	\$8,818,033

*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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Agency code: 720		Agency name: The University of Texas System Administration				
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>GENERAL REVENUE</u>						
<u>1</u> General Revenue Fund						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2016-17 GAA)						
		\$9,037,463	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2018-19 GAA)						
		\$0	\$9,516,706	\$8,870,153	\$8,216,093	\$7,562,033
LAPSED APPROPRIATIONS						
Lapsed Debt Service						
		\$(701)	\$0	\$0	\$0	\$0
TOTAL,	General Revenue Fund	\$9,036,762	\$9,516,706	\$8,870,153	\$8,216,093	\$7,562,033
TOTAL, ALL	GENERAL REVENUE	\$9,036,762	\$9,516,706	\$8,870,153	\$8,216,093	\$7,562,033

OTHER FUNDS

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

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2016-17 GAA)

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

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Agency code:	720	Agency name:	The University of Texas System Administration			
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>OTHER FUNDS</u>						
		\$1,194,000	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2018-19 GAA)					
		\$0	\$1,224,000	\$1,224,000	\$1,256,000	\$1,256,000
	BASE ADJUSTMENT					
	Revised Receipts - Distribution					
		\$30,000	\$14,000	\$32,000	\$0	\$0
	Revised Receipts - Interest					
		\$38,944	\$52,780	\$52,780	\$0	\$0
TOTAL,	Permanent Endowment Fund Account No. 822, UT Regional Academic Health Center					
		\$1,262,944	\$1,290,780	\$1,308,780	\$1,256,000	\$1,256,000
TOTAL, ALL	OTHER FUNDS					
		\$1,262,944	\$1,290,780	\$1,308,780	\$1,256,000	\$1,256,000
GRAND TOTAL		\$10,299,706	\$10,807,486	\$10,178,933	\$9,472,093	\$8,818,033

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

10/19/2018 10:26:49AM

86th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:	720	Agency name:	The University of Texas System Administration			
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
FULL-TIME-EQUIVALENT POSITIONS						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2016-17 GAA)		252.9	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2018-19 GAA)		0.0	391.6	391.6	382.3	382.3
RIDER APPROPRIATION						
Art IX, Sec 6(a)(2), Board or Administrator FTE adjustment (2016-17 GAA)		25.3	0.0	0.0	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP						
Unauthorized Number Over (Below) Cap		184.4	(23.1)	(9.3)	0.0	0.0
TOTAL, ADJUSTED FTES		462.6	368.5	382.3	382.3	382.3
NUMBER OF 100% FEDERALLY FUNDED FTES						

2.C. Summary of Base Request by Object of Expense

10/19/2018 10:26:49AM

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

720 The University of Texas System Administration

OBJECT OF EXPENSE	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2008 DEBT SERVICE	\$6,536,762	\$6,206,063	\$5,559,510	\$4,905,450	\$4,251,390
2009 OTHER OPERATING EXPENSE	\$3,762,944	\$2,956,033	\$2,974,033	\$2,921,253	\$2,921,253
4000 GRANTS	\$0	\$1,645,390	\$1,645,390	\$1,645,390	\$1,645,390
OOE Total (Excluding Riders)	\$10,299,706	\$10,807,486	\$10,178,933	\$9,472,093	\$8,818,033
OOE Total (Riders)					
Grand Total	\$10,299,706	\$10,807,486	\$10,178,933	\$9,472,093	\$8,818,033

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

DATE : 10/19/2018
TIME : 10:26:49AM

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

Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
2 Provide Infrastructure Support						
1 <i>Provide Operation and Maintenance of E&G Space</i>						
1 DEBT SERVICE - NSERB	\$4,905,450	\$4,251,390	\$0	\$0	\$4,905,450	\$4,251,390
TOTAL, GOAL 2	\$4,905,450	\$4,251,390	\$0	\$0	\$4,905,450	\$4,251,390
7 Tobacco Funds						
1 <i>Tobacco Earnings for Research</i>						
1 TOBACCO EARNINGS - RAHC	1,256,000	1,256,000	0	0	1,256,000	1,256,000
TOTAL, GOAL 7	\$1,256,000	\$1,256,000	\$0	\$0	\$1,256,000	\$1,256,000
8 Trusteed Funds for Health Programs						
1 <i>Trusteed Funds for Health Programs</i>						
2 HEART INST - ADULT STEM CELL PGM	1,665,253	1,665,253	0	0	1,665,253	1,665,253
3 STROKE CLINICAL RESEARCH	1,645,390	1,645,390	0	0	1,645,390	1,645,390
TOTAL, GOAL 8	\$3,310,643	\$3,310,643	\$0	\$0	\$3,310,643	\$3,310,643
TOTAL, AGENCY STRATEGY REQUEST	\$9,472,093	\$8,818,033	\$0	\$0	\$9,472,093	\$8,818,033
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$9,472,093	\$8,818,033	\$0	\$0	\$9,472,093	\$8,818,033

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

DATE : 10/19/2018

TIME : 10:26:49AM

Agency code: 720		Agency name: The University of Texas System Administration					
Goal/Objective/STRATEGY		Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
General Revenue Funds:							
1	General Revenue Fund	\$8,216,093	\$7,562,033	\$0	\$0	\$8,216,093	\$7,562,033
		\$8,216,093	\$7,562,033	\$0	\$0	\$8,216,093	\$7,562,033
Other Funds:							
822	Permanent Endowment FD UTRAC	1,256,000	1,256,000	0	0	1,256,000	1,256,000
		\$1,256,000	\$1,256,000	\$0	\$0	\$1,256,000	\$1,256,000
TOTAL, METHOD OF FINANCING		\$9,472,093	\$8,818,033	\$0	\$0	\$9,472,093	\$8,818,033
FULL TIME EQUIVALENT POSITIONS		382.3	382.3	0.0	0.0	382.3	382.3

720 The University of Texas System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 11 System Office Operations

Service Categories:

Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)

TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)

FULL TIME EQUIVALENT POSITIONS:	462.6	368.5	382.3	382.3	382.3
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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.

720 The University of Texas System Administration

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 11 System Office Operations

Service Categories:

Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (+)	Baseline Request (+)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)

\$0 Total of Explanation of Biennial Change

720 The University of Texas System Administration

GOAL: 2 Provide Infrastructure Support

OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space

STRATEGY: 1 Debt Service for the Natural Science and Engr. Building at UT - Dallas

Service Categories:

Service: 10

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
2008	DEBT SERVICE	\$6,536,762	\$6,206,063	\$5,559,510	\$4,905,450	\$4,251,390
TOTAL, OBJECT OF EXPENSE		\$6,536,762	\$6,206,063	\$5,559,510	\$4,905,450	\$4,251,390
Method of Financing:						
1	General Revenue Fund	\$6,536,762	\$6,206,063	\$5,559,510	\$4,905,450	\$4,251,390
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$6,536,762	\$6,206,063	\$5,559,510	\$4,905,450	\$4,251,390
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$4,905,450	\$4,251,390
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$6,536,762	\$6,206,063	\$5,559,510	\$4,905,450	\$4,251,390

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.

720 The University of Texas System Administration

GOAL: 2 Provide Infrastructure Support
OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space
STRATEGY: 1 Debt Service for the Natural Science and Engr. Building at UT - Dallas

Service Categories:
Service: 10 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>
\$11,765,573	\$9,156,840	\$(2,608,733)	\$(2,608,733)	Change in debt service based on actual requirements for the construction of a natural science and engineering research building at UT Dallas not exceeding funding levels specified in TEC 55.17521
			<u>\$(2,608,733)</u>	Total of Explanation of Biennial Change

720 The University of Texas System Administration

GOAL: 7 Tobacco Funds
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 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$1,262,944	\$1,290,780	\$1,308,780	\$1,256,000	\$1,256,000
TOTAL, OBJECT OF EXPENSE		\$1,262,944	\$1,290,780	\$1,308,780	\$1,256,000	\$1,256,000
Method of Financing:						
822	Permanent Endowment FD UTRAC	\$1,262,944	\$1,290,780	\$1,308,780	\$1,256,000	\$1,256,000
SUBTOTAL, MOF (OTHER FUNDS)		\$1,262,944	\$1,290,780	\$1,308,780	\$1,256,000	\$1,256,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,256,000	\$1,256,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,262,944	\$1,290,780	\$1,308,780	\$1,256,000	\$1,256,000

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Funding for this strategy is derived from annual distributions of Permanent Health Funds established Section 63.101 of the Texas Education Code. These are appropriated for research and other programs that are conducted by the institution and that benefit the public health.

The proceeds are used by The University of Texas Health Science Center at Houston and The University of Texas Rio Grande Valley for activities related to the Regional Academic Health Centers and UTRGV School of Medicine located in the Lower Rio Grande Valley.

720 The University of Texas System Administration

GOAL: 7 Tobacco Funds
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 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>
\$2,599,560	\$2,512,000	\$(87,560)	\$(87,560)	Budgeted 2020-21 is base on 2019 endowment distribution.
			<u>\$(87,560)</u>	Total of Explanation of Biennial Change

720 The University of Texas System Administration

GOAL:	8	Trusteed Funds for Health Programs	
OBJECTIVE:	1	Trusteed Funds for Health Programs	Service Categories:
STRATEGY:	2	Heart Institute - Adult Stem Cell Program	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	\$2,500,000	\$1,665,253	\$1,665,253	\$1,665,253	\$1,665,253
TOTAL, OBJECT OF EXPENSE		\$2,500,000	\$1,665,253	\$1,665,253	\$1,665,253	\$1,665,253
Method of Financing:						
1	General Revenue Fund	\$2,500,000	\$1,665,253	\$1,665,253	\$1,665,253	\$1,665,253
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,500,000	\$1,665,253	\$1,665,253	\$1,665,253	\$1,665,253
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,665,253	\$1,665,253
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,500,000	\$1,665,253	\$1,665,253	\$1,665,253	\$1,665,253

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Created in the 81st Legislature to provide pass-through funding to the Texas Heart Institute to conduct stem cell research. Beginning in 2016, funds were trusteed to UT System Administration.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Additional information for this strategy is available in Schedule 9, Non-Formula Support.

720 The University of Texas System Administration

GOAL: 8 Trusteed Funds for Health Programs
OBJECTIVE: 1 Trusteed Funds for Health Programs Service Categories:
STRATEGY: 2 Heart Institute - Adult Stem Cell Program Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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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>
\$3,330,506	\$3,330,506	\$0		
			\$0	Total of Explanation of Biennial Change

720 The University of Texas System Administration

GOAL: 8 Trusteed Funds for Health Programs
OBJECTIVE: 1 Trusteed Funds for Health Programs
STRATEGY: 3 Stroke Clinical Research

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:						
4000	GRANTS	\$0	\$1,645,390	\$1,645,390	\$1,645,390	\$1,645,390
TOTAL, OBJECT OF EXPENSE		\$0	\$1,645,390	\$1,645,390	\$1,645,390	\$1,645,390
Method of Financing:						
1	General Revenue Fund	\$0	\$1,645,390	\$1,645,390	\$1,645,390	\$1,645,390
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$1,645,390	\$1,645,390	\$1,645,390	\$1,645,390
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,645,390	\$1,645,390
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$1,645,390	\$1,645,390	\$1,645,390	\$1,645,390
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

720 The University of Texas System Administration

GOAL: 8 Trusteed Funds for Health Programs
OBJECTIVE: 1 Trusteed Funds for Health Programs
STRATEGY: 3 Stroke Clinical Research

Service Categories:

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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This item was originally created by the 83rd Legislature and was appropriated to the Department of State Health Services with a rider requirement to allocate the funds to the Stroke System of Care Coordination (Lone Star Stroke) which was administered by UT System Administration. The 85th Legislature moved the funding to UT System Administration.

The mission of the Lone Star Stroke Research Consortium is to improve the health and lives of Texans by discovering, testing and disseminating better therapies to prevent and treat stroke.

The Lone Star Stroke Research Consortium is comprised of Baylor College of Medicine, Texas Tech Health Sciences Center El Paso, The University of Texas at Austin, The University of Texas Southwestern Medical Center, and the University of Texas Health Science Centers at Houston and San Antonio

The vision that motivates Lone Star Stroke is the conviction that all Texans should have access to the highest level of stroke expertise and the most effective, most advanced treatments no matter where they live or what hospital or clinic they use.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Additional information for this strategy is available in Schedule 9, Non-Formula Support.

720 The University of Texas System Administration

GOAL: 8 Trusteed Funds for Health Programs
OBJECTIVE: 1 Trusteed Funds for Health Programs
STRATEGY: 3 Stroke Clinical Research

Service Categories:

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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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>
\$3,290,780	\$3,290,780	\$0	\$0	No change
			<u>\$0</u>	Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$10,299,706	\$10,807,486	\$10,178,933	\$9,472,093	\$8,818,033
METHODS OF FINANCE (INCLUDING RIDERS):				\$9,472,093	\$8,818,033
METHODS OF FINANCE (EXCLUDING RIDERS):	\$10,299,706	\$10,807,486	\$10,178,933	\$9,472,093	\$8,818,033
FULL TIME EQUIVALENT POSITIONS:	462.6	368.5	382.3	382.3	382.3

3.A.1. PROGRAM-LEVEL REQUEST SCHEDULE
85th Regular Session, Agency Submission, Version 1

Agency Code: 720		Agency: The University of Texas System Administration				Prepared By: Scott C. Kelley					
Date: October 2018						18-19 Base	Requested 2020	Requested 2021	Biennial Total 20-21	Biennial Difference	
Goal	Goal Name	Strategy	Strategy Name	Program	Program Name					\$	%
A	Infrastructure Support	A.1.1	Debt Service - NSERB	A.1.1	Debt Service - NSERB	\$11,765,573	\$4,905,450	\$4,251,390	\$9,156,840	(\$2,608,733)	-22.2%
B	Tobacco Funds	B.1.1	Tobacco Earnings - RAHC	B.1.1	Tobacco Earnings - RAHC	\$2,599,560	\$1,256,000	\$1,256,000	\$2,512,000	(\$87,560)	-3.4%
C	Health Programs	C.1.1	Heart Inst - Adult Stem Cell Pgm	C.1.1	Heart Inst - Adult Stem Cell Pgm	\$3,330,506	\$1,665,253	\$1,665,253	\$3,330,506	\$0	0.0%
C	Health Programs	C.1.2	Stroke Clinical Research	C.1.2	Stroke Clinical Research	\$3,290,780	\$1,645,390	\$1,645,390	\$3,290,780	\$0	0.0%
Total Strategies						\$20,986,419	\$9,472,093	\$8,818,033	\$18,290,126	(\$2,696,293)	-12.8%

3.B. Rider Revisions and Additions Request

Agency Code: 720	Agency Name: The University of Texas System Administration	Prepared By: Scott C. Kelley	Date: October 2018	Request Level: Base
Current Rider Number	Page Number in 2018-19 GAA	Proposed Rider Language		
U. T. System Administration, Rider 3	III-62	3. Governing Board. None of the money appropriated by this Act, including General Revenue or the Available University Fund, may be used to pay or reimburse expenses of any unconfirmed members of the board of regents of The University of Texas System, including expenses for travel or for equipment such as communications equipment or computer equipment. This provision does not limit the expenditure of appropriated funds for travel, maintenance, operations, or equipment of system office employees or student regent. <i>U. T. System requests elimination of the rider. The identified circumstance would be very unusual and/or infrequent in occurrence. In addition, the rider is inconsistently applied to U. T. only and not to the Texas A&M System.</i>		
U. T. System Administration, Rider 4	III-62	4. Estimated Appropriation and Unexpended Balance. a. Included in the amounts appropriated above are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Lower Rio Grande Valley Regional Academic Health Center. b. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference. c. All balances of estimated appropriations from the Permanent Endowment Fund for the Lower Rio Grande Valley Regional Academic Health Center, except for any General Revenue, at the close of the fiscal year ending August 31, 20197, and the income to said fund during the fiscal years beginning September 1, 20197, are hereby appropriated to U. T. System Administration and to any U. T. institutions to which funds may have been transferred by U. T. System Administration. Any unexpended appropriations made above as of August 31, 202048, are hereby appropriated for the same purposes for fiscal year 202149 to U. T. System Administration and to any U. T. institutions to which funds may have been transferred by U. T. System Administration.		

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

		<i>U. T. System requests that the dates in the rider be updated. In addition, U. T. System also requests the additional language change to allow UB authority at the two campuses and to simplify the accounting process in USAS. The entire proceeds of this endowment (Fund 822) are routinely transferred by U. T. System to two of its institutions: U. T. Rio Grande Valley and U. T. Health Science Center at Houston. Recently the State Comptroller has determined that Unexpended Balance (UB) authority in this rider does not extend to those campuses for Fund 822 balances. This represents a change from the Comptroller's historical practice. The new methodology will require these U. T. institutions to return unexpended Fund 822 to U. T. System which will bring the balance forward with its UB authority and then return the funds to the institutions.</i>
U. T. System Administration, Rider 5	III-62	5. Reporting Requirement for Capital Projects for The University of Texas System Administration. By December 1 of each year, The University of Texas System shall submit a report to the Legislative Budget Board for the prior fiscal year that includes information on all capital construction projects paid for with funds appropriated by this Act, having a cost in excess of \$1,000,000 and having the purpose of directly supporting the administration and operation of The University of Texas System Administration or the Board of Regents of The University of Texas System. The report must include at a minimum for each capital project: (1) the purpose of the project; (2) the total cost of the project; (3) the source of funding for the project; (4) the savings achieved by the project; and (5) any other information requested by the Legislative Budget Board. <i>Request elimination of the rider. U. T. System Administration Replacement Office Building was completed in calendar year 2017 and no further projects are expected to be reported upon its completion.</i>
U. T. System Administration, Rider 6	III-62	6. Stroke Clinical Research. Out of the funds appropriated above to The University of Texas System in Strategy C.1.2, Stroke Clinical Research, \$3,290,780 in General Revenue over the biennium at The University of Texas System is for the administration of the statewide stroke clinical research network., Stroke System of Care Coordination (Lone Star Stroke). <u>Any unexpended balances as of August 31, 2020, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2020.</u> <i>U. T. System Administration requests unexpended balance authority between fiscal years for the Lone Star Stroke funding. UT System allocates funding to participating institutions of higher education based on decisions made by an external review board. To ensure the optimal use of the funds, it may be desirable to carry funds from one year to the next similar to other research funds such as the Texas Research University Fund or the Comprehensive Research Fund.</i>
Available University Fund, Rider 3	III-63 to III-64	3. The University of Texas System Share. There is appropriated for the biennium ending August 31, 2021<u>19</u> that portion of the Available University Fund No. 011 apportioned to The University of Texas System by Article VII, §18(f) of the Texas Constitution, together with interest and any balance in the

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

		Available University Fund No. 011 for any previous years, except that portion appropriated by §18 for the payment of principal and interest on bonds or notes issued by the Board of Regents of The University of Texas System. This appropriation and any amounts derived from refinancing and/or early retirement of debt or other obligations derived from funds from the Permanent University Fund and/or Available University Fund may only be used for: a. new construction, major repairs and rehabilitation, equipment, maintenance, operation, salaries, <u>endowments</u>, and support, including the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions for The University of Texas at Austin; and b. necessary direct administration operations of The University of Texas System Administration and for necessary expenses to provide administrative support for Board operations. The University of Texas System is prohibited from using Available University Fund appropriations for Board travel, food, and the Board's meeting expenses. This prohibition does not include functions of the Board that are statutorily required, or reimbursements for the student regent. The University of Texas System Administration and Board of Regents must use Available University Fund appropriations for the purposes consistent with Article VII, Section 18(f) of the Texas Constitution and are prohibited from using Available University Fund appropriations not expressly authorized above. <i>U. T. System requests the addition of endowments to the list of uses expressly authorized. The State Comptroller has allowed this activity and the language change provides clarification consistent with allowed practice. The Texas Constitution and the Education Code provide limitations on the uses of AUF by U. T. System Administration. The restatement above is redundant with the Constitution and inconsistent with language in the GAA related to Texas A&M University even though Texas A&M has similar constitutional and statutory limitations..</i>
Available University Fund, Rider 6	III-64 to III-65	6. Reimbursements. None of the money appropriated by this Act, including General Revenue or the Available University Fund, may be used to pay or reimburse expenses of any unconfirmed members of the board of regents of The University of Texas System, including expenses for travel or for equipment such as communications equipment or computer equipment. This provision does not limit the expenditure of appropriated funds for travel, maintenance, operations, or equipment of system office employees or student regent. <i>U. T. System requests elimination of the rider. The identified circumstance would be very unusual and/or infrequent in occurrence. In addition, the rider is inconsistently applied to U. T. only and not to the Texas A&M System.</i>

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

Available University Fund, Rider 7	III-65	7. Reporting Requirements for System Office Operations and System Initiatives. a. In addition to the reporting requirements in Rider 5, The University of Texas System and Texas A&M University System shall report to the Legislative Budget Board no later than December 1 of each fiscal year additional information regarding the use of the Available University Fund for system office operations and system initiatives for the two previous fiscal years, the current fiscal year, and two future fiscal years (projected). The report shall include the following: (1)a. Available University Fund support and maintenance allocations and expenditures for system office operations and system initiatives by activity (which must include an activity for the Board of Regents), including the object of expense detail for each activity, the number of full-time equivalents (FTEs) funded by the Available University Fund in each activity, a detailed description of the purpose and authority for each activity, and a reconciliation between Available University Fund allocations and expenditures each fiscal year including the resulting Available University Fund surplus or deficit; (2)b. A detailed listing of the role and function of any FTEs included in the Board of Regents activity; (3)c. A listing of funds outside of the Available University Fund used for each activity each fiscal year; and (4)d. Any additional information requested by the Legislative Budget Board. b. Additionally, The University of Texas System and Texas A&M University System shall report to the Legislative Budget Board no later than February 28, May 31, and August 31 of each fiscal year an update of any changes to the information reported in subsection (a), including: (1) Expenditure amounts to date for the current fiscal year for each activity, including object of expense detail; (2) Updated Available University Fund allocations to system office operations and system initiatives for the current and two future fiscal years (projected), including any new activities and changes to existing activities, and an explanation for those changes; (3) A summary of any actions taken by the Board of Regents since the most recent report that relate to system office operations or system initiatives; and (4) Any additional information requested by the Legislative Budget Board.
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3.B. Rider Revisions and Additions Request (continued)

		<i>UT System requests deletion of the quarterly reporting provision of this rider. The annual report provides meaningful detail on operations and initiatives. The summary of actions taken by the Board of Regent is in essence a redundant reporting requirement with Rider 8 Appropriation Limitations for System Initiatives as the notification process required by Rider 8 provides detailed information on Board actions.</i>
The University of Texas Rio Grande Valley, Rider 4	III-83	4. Appropriations in Support of the School of Medicine and the Regional Academic Health Center (RAHC). Included in appropriations above to The University of Texas Rio Grande Valley in Strategy C.4.1, School of Medicine, is \$21,000,000 in fiscal year 2018 and \$21,000,000 in fiscal year 2019 to support the establishment, operation, or administration of a medical school and the Regional Academic Health Center. Notwithstanding Article III, Special Provisions Relating Only to State Agencies of Higher Education, Sec. 4 Transfer Provisions of this Act, The University of Texas Rio Grande Valley may transfer appropriations to The University of Texas Health Science Center at San Antonio from Strategy H.1.1, School of Medicine in an amount not to exceed \$15,698,950 in fiscal year 2018 and \$15,698,950 in fiscal year 2019, to be used for services related to the Regional Academic Health Center or the medical school. For purposes of the requirements of Article IX, Sec. 6.08 Benefits Proportional by Fund of this Act, appropriations made to The University of Texas Rio Grande Valley and transferred to The University of Texas Health Science Center at San Antonio to be used for services related to the Regional Academic Health Center or the medical school shall be counted as if the transferred funds were directly appropriated to The University of Texas Health Science Center at San Antonio. <i>UT System requests deletion of this rider as it is no longer needed in the upcoming biennium.</i>
The University of Texas Health Science Center at San Antonio, Rider 3	III-185	3. Services Provided in Support of the Regional Academic Health Center (RAHC) and The University of Texas Rio Grande Valley School of Medicine. Notwithstanding limitations on appropriations transfers elsewhere in this Act, The University of Texas Health Science Center at San Antonio is authorized to use the funds appropriated by this Act to The University of Texas Rio Grande Valley for the purpose of providing services to The University of Texas Rio Grande Valley School of Medicine in an amount not to exceed \$15,698,950 in fiscal year 2018 and \$15,698,950 in fiscal year 2019, for the support of the Regional Academic Health Center or the establishment, operation, or administration of The University of Texas Rio Grande Valley School of Medicine. For purposes of the requirements of Article IX, Sec. 6.08 Benefits Proportional by Fund of this Act, appropriations made to The University of Texas Rio Grande Valley and transferred to The University

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

		of Texas Health Science Center at San Antonio for the support of the Regional Academic Health Center or the establishment, operation, or administration of The University of Texas Rio Grande Valley School of Medicine shall be counted as if the transferred funds were directly appropriated to The University of Texas Health Science Center at San Antonio. <i>UT System requests deletion of this rider as it is no longer needed in the upcoming biennium.</i>
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3.B. Rider Revisions and Additions Request (continued)

Higher Education Employees Group Insurance Contributions Rider 8	III-45	8. Benefits Proportionality Audit Requirement. a. Each institution of higher education, excluding Public Community/Junior Colleges, shall <u>consider as part of its annual audit risk assessment whether to</u> conduct an internal audit of benefits proportional by fund reporting. <u>In the event a benefits proportional internal audit is to be conducted, the institution shall notify the State Auditor's Office. and submit a copy of the internal audit to the Legislative Budget Board, Comptroller of Public Accounts, and State Auditor's Office no later than August 31, 2018. The Any audit must examine fiscal years 2015, 2016, and 2017, and must be conducted using a methodology approved by the State Auditor's Office with a copy of the internal audit provided to Legislative Budget Board, Comptroller of Public Accounts, and State Auditor's Office.</u> b. If the internal audit conducted by an institution identifies any instances in which an institution has not been compliant with the proportionality requirements provided by Article IX, Sec. 6.08, Benefits Paid Proportional by Method of Finance in the <u>examined prior three fiscal years defined in subsection (a)</u> and received excess General Revenue as a result of this noncompliance, the institution shall submit a reimbursement payment to the Comptroller of Public Accounts within two years from the conclusion of the institution's audit. The Comptroller of Public Accounts shall notify the Legislative Budget Board and State Auditor's Office of all reimbursement payments submitted by an institution of higher education. c. If an institution has previously conducted an internal audit of benefits proportional by fund for the fiscal years included in subsection (a) using a methodology determined to be acceptable by the State Auditor's Office, the State Auditor's Office may waive the requirement that the institution conduct an additional internal audit. The State Auditor's Office shall notify the Legislative Budget Board and Comptroller of Public Accounts of any institutions who receive such a waiver. Any institution that receives a waiver from the audit requirement from the State Auditor's Office is still subject to the provisions of subsection (b) for any instances of noncompliance that were identified. d. For fiscal years 2018 and 2019, institutions of higher education shall also consider audits of benefits proportional when developing their annual internal audit plans. <u>ce.</u> It is the intent of the Legislature that the State Auditor's Office audit at least two institutions of higher education for compliance with benefits proportional provisions during the <u>2020-18-219</u> biennium. <i>U. T. System requests that the provisions of the rider be modified so as to allow institution internal audit departments to evaluate the cost/benefit of the audit as part of their annual risk assessment process. Within the U. T. System, these audits utilized significant resources and resulted in only minimal findings. U. T. System has not addressed the intent provision (formerly paragraph e.) for the State Auditor (SAO) to conduct two audits. The</i>
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3.B. Rider Revisions and Additions Request (continued)

		<i>SAO would be in the best position to evaluate whether this was beneficial and to make recommendations as to whether to retain, modify or delete this provision.</i>
Special Provisions Relating Only to State Agencies of Higher Education, Rider 21	III-262	Sec. 21. County Indigent Care Contracts. 1. Contracts Required. It is the intent of the Legislature that all institutions of higher education providing indigent health care contract with relevant counties in their service area to recover the costs associated with treating those counties' indigent patients. 2. County Indigent Care Contracts Reporting. The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Science Center at Tyler shall submit to the Legislative Budget Board and the Governor at the end of each fiscal year a list of counties whose indigent residents have been served by each institution; the total amount of reimbursement received by each institution from each county pursuant to the Indigent Health Care and Treatment Act; and the total cost, by county, of services provided by each institution for which counties are liable pursuant to the Indigent Health Care and Treatment Act. In addition, each institution shall report annually (no later than March <u>December</u> 1st) to the Legislative Budget Board and Governor on the status of contract agreements or negotiations with each county whose indigent residents have been served by the institution. <i>U. T. System requests the change to the reporting date. Most of the information reported is based on information gathered for the federal Medicare Cost Report which is not completed until January 31st each year. A change in the reporting date would better align with federal requirements.</i>

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

Special Provisions Relating Only to State Agencies of Higher Education, Rider 39	III-266	Sec. 39. Appropriation of Funds from the Permanent Health Fund for Higher Education. Included in the amounts appropriated to health related institutions of higher education is an estimated appropriation based on the institution's allocation of the estimated earnings out of the Permanent Health Fund for Higher Education for each fiscal year of the biennium. Amounts available for distribution from this fund are estimated to be \$XXXXXXXXXX each fiscal year of the biennium. The funds appropriated out of the Permanent Health Fund for Higher Education shall be distributed to the institutions of higher education in accordance with Education Code §63.003 for the purpose of medical research, health education, or treatment programs. The determined distribution allocations shall be considered approved unless the Legislative Budget Board issues a written disapproval within 30 business days after the date the Legislative Budget Board staff concludes its distribution calculations and forwards the distribution calculations to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Any requests for additional information made by the Legislative Budget Board interrupt the counting of the 30 business days. <i>U. T. System requests the change to update the amount with the 2019 distribution approved by the U. T. System Board of Regents.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 46	III-268	Sec. 46. Report Concerning Designated Tuition. (a) Not later than January 1, 2018, the governing board of each public institution of higher education that charges students designated tuition under §54.0513, Education Code, shall use the appropriations in the Act to report to the legislature, for the 2015-16 and 2016-17 academic years: (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 and how these amounts are allocated under the following categories: (a) grants (b) scholarships, (c) work study programs, (d) students loans, (e) and student loan repayment assistance. (b) Reports required by this section shall be delivered to the Lieutenant Governor, the Speaker of the House, the chair of the Senate Finance Committee, and the chair of the House Appropriations Committee. <i>UT System requests deletion of this rider. In the infancy of Boards of Regents' authority to set designated tuition rates, there was a very legitimate need for accountability such that legislators and others understood the uses of the tuition. Now that tuition setting authority has been in existence for 15 years, the incremental changes are small relative to the totals and the reports provide little new information. The Legislature also receives duplicative information on the amount collected as part of the Legislative Appropriation Request.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 60	III-273	Sec. 60. Emerging Research Universities Research Funding. 2. Core Research Support: Provides <u>The core research support fund is established to promote increased research capacity at the Emerging Research Universities. Funding to eligible institutions shall be allocated as follows: 50 percent based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by section 62.095(b); and 50 percent based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.053 (b). Any unexpended balances as of August 31, 202018, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 202018. The amounts listed below for each institution are for informational purposes are appropriated out of the General Revenue fund elsewhere in the Act in each affected institution “Core Research Support” strategy and shall be expended for the support and maintenance of educational and general activities, including research and student services that promote increased research capacity at the institution. only.</u> <i>(remainder of the rider to be updated for revised appropriations)</i> <i>U. T. System requests the section in the rider relating to Core Research Support be expanded similar to the Texas Research University Fund and Comprehensive Research Fund Riders based on language from the Education Code Section 62. This change will provide Emerging Research Institutions Unexpended Balance authority similar to what was previously authorized in the Research Development Fund (RDF).</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 61	III-273	Sec. 61. Research Funding Reporting Requirement. Each general academic institution and health related institution shall report, by December 1 of each year of the biennium, to the Legislative Budget Board and Governor, the following information: (a) The amount of research funds awarded to the institution in the prior fiscal year, from appropriations made elsewhere in this Act, from the following, listed individually by source of funding: 1. Core Research Support; 2. Texas Research University Fund; 3. Comprehensive Research Fund; 4. Available National Research University Fund; 5. Texas Research Incentive Program; 6. Governor's University Research Initiative; and the 7. Cancer Prevention and Research Institute of Texas. (b) For each individual award granted to an institution under programs listed in Subsection (a), the amount of funding, if any, provided to an institution from an external source as a matching award amount. <i>U. T. System requests the deletion of this rider and reporting requirement. The report is redundant as all information included in the report is found in the General Appropriations Act or online at the Texas Higher Education Coordinating Board (TRIP) and CPRIT websites.</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 7.10	IX-39	Sec. 7.10. Reporting Requirement for Deepwater Horizon Oil Spill Funds. (a) Any state agency or institution of higher education that receives, expends, or administers funds, appropriations, or donations related to the Deepwater Horizon oil spill shall submit reports at the end of each fiscal quarter to the Legislative Budget Board. These include, but are not limited to, funds, appropriations, or donations from: (1) the State Treasury; (2) the federal government; (3) the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act; (4) legal settlements and agreements; (5) private companies; and (6) non-profit organizations. (b) The reports shall be in the format prescribed by the Legislative Budget Board and include the following information: (1) activity since April 20, 2010; (2) amounts received by funding source; (3) projects and project descriptions; (4) expenditures, obligations, and projected costs; (5) timelines; and (6) direct and indirect costs. (c) A state agency or institution of higher education that has previously reported under the provision of this section and has subsequently completed all activities related to the Deepwater Horizon oil spill may notify the Legislative Budget Board of this fact and cease further reporting to the LBB in the fiscal quarter following the last fiscal year quarter with activity. In the event that the agency or institution of higher education has additional unexpected activity, the agency or institution shall notify the Legislative Budget Board and begin reporting again the next fiscal quarter. <i>U. T. System requests the deletion of this reporting requirement. All but one U. T. institution has completed Deepwater Horizon related activities as of FY 2018. Reporting in FY 2020 and FY 2021 will be ten years after the original event with questionable continuing purpose.</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 10.03	IX-52 to IX-54	Sec. 10.03. Informational Listing on Use of Tobacco Settlement Receipts Subsection (a) (6) University of Texas Southwestern Medical Center at Dallas E.1.1. Tobacco Earnings - UT SWMC Dallas, estimated 3,060 3,060 E.1.2. Tobacco - Permanent Health Fund, estimated 2,685 2,685 <i>(no change to other provisions)</i> Subsection (b) (9) The University of Texas Southwestern Medical Center at Dallas Endowment, Fund No. 813 50,000,000 <i>(no change in intervening provisions or other provisions)</i> (13) The University of Texas Health <u>Science</u> Center at Tyler Endowment, Fund No. 816 25,000,000 <i>U. T. System requests corrections to the rider to reflect the institution names consistent with Article III, Section 2 of the Act (Page III-253).</i>
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6.A. Historically Underutilized Business Supporting Schedule
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **10/19/2018**
Time: **10:27:05AM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2016 - 2017 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2016			Total Expenditures		HUB Expenditures FY 2017			Total Expenditures
			% Actual	Diff	Actual \$	FY 2016	% Goal	% Actual	Diff	Actual \$	FY 2017
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0
21.1%	Building Construction	19.0 %	18.3%	-0.7%	\$115,526,026	\$631,812,986	17.3 %	21.5%	4.2%	\$135,546,387	\$629,140,778
32.9%	Special Trade	12.4 %	0.3%	-12.1%	\$2,857	\$1,006,286	3.1 %	0.2%	-2.9%	\$1,245	\$539,497
23.7%	Professional Services	23.6 %	27.1%	3.5%	\$10,189,880	\$37,586,775	23.7 %	27.3%	3.6%	\$11,330,390	\$41,533,010
26.0%	Other Services	3.4 %	4.3%	0.9%	\$2,870,910	\$67,530,488	3.3 %	6.7%	3.4%	\$4,442,027	\$66,411,504
21.1%	Commodities	35.3 %	54.6%	19.4%	\$11,626,877	\$21,289,399	44.5 %	44.2%	-0.3%	\$16,718,365	\$37,824,523
	Total Expenditures		18.5%		\$140,216,550	\$759,225,934		21.7%		\$168,038,414	\$775,449,312

B. Assessment of Fiscal Year 2016 - 2017 Efforts to Meet HUB Procurement Goals

Attainment:

UT System Administration met or exceeded Statewide HUB Procurement Goals in two (2) of five (5) procurement categories in Fiscal year 2016 and its internal goals in three (3) of the five (5) categories. In FY 2017 UTS exceeded Statewide HUB Procurement Goals in three (3) of five (5) procurement categories and its internal goals in three (3) of the five (5) categories. The UT System HUB percentages of 18.47% in FY 2016 and 21.67% in FY 2017 substantially exceeded the overall state HUB percentage for each year.

Applicability:

The "Heavy Construction" category was not applicable to UT System Administration operations in either fiscal year 2016 or fiscal year 2017 since UT System Administration does not have any strategies or programs related to heavy construction.

Factors Affecting Attainment:

A significant portion of expenditures with Other Services is for purchasing highly specialized enterprise software such as PeopleSoft and for services related to the rolling owner insurance program (ROCIP) where there is very little if any HUB subcontracting opportunities. The amount of expenditures spent in Special Trade in FY 2016 and FY 2017 is approximately 0.1% of UT System total expenditures, but staff is working closely with the facilities office to improve performance. The HUB percentage in Commodities was only 0.25% less than the goal and was significantly higher than the state goal.

"Good-Faith" Efforts:

The UT System Board of Regents continues its "Policy on Utilization of Historically Underutilized Businesses" through the Rules and Regulations of the Board of Regents and UT System Policy updated March, 2008, and by which Ch 1, Texas Administrative Code (TAC) Sections 20.11-20.28 were adopted for all UT System institutions. UT System Admin HUB Coordinator = Director leve. Good faith efforts: In FY 2016 and FY 2017 U.T. System participated in over 100 HUB outreach events

6.A. Historically Underutilized Business Supporting Schedule
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including events sponsored by TAAACC, TAMACC, Dallas/Fort Worth Minority Supplier Development Council, Greater Austin Asian American Chamber and many others. UT System also participated in over 100 one-on-one meetings with HUB firms to discuss opportunities, and sponsored over 40 training workshops for HUB firms across Texas.

The University of Texas System Administration (720)
Estimated Funds Outside the Institution's Bill Pattern
2018-19 and 2020-21 Biennia

	2018-19 Biennium				2020-21 Biennium			
	<u>FY 2018 Revenue</u>	<u>FY 2019 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>	<u>FY 2020 Revenue</u>	<u>FY 2021 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 9,516,706	\$ 8,870,156	\$ 18,386,862		\$ 8,216,093	\$ 7,562,033	\$ 15,778,126	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Endowment and Interest Income	1,290,780	1,308,780	2,599,560		1,256,000	1,256,000	2,512,000	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>10,807,486</u>	<u>10,178,936</u>	<u>20,986,422</u>	<u>1.4%</u>	<u>9,472,093</u>	<u>8,818,033</u>	<u>18,290,126</u>	<u>1.1%</u>
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	662,695,646	752,182,667	1,414,878,313		784,163,333	817,172,000	1,601,335,333	
State Grants and Contracts	<u>10,206,794</u>	<u>-</u>	<u>10,206,794</u>		<u>10,206,794</u>	<u>-</u>	<u>10,206,794</u>	
Total	<u>672,902,440</u>	<u>752,182,667</u>	<u>1,425,085,107</u>	<u>94.7%</u>	<u>794,370,127</u>	<u>817,172,000</u>	<u>1,611,542,127</u>	<u>95.7%</u>
NON-APPROPRIATED SOURCES								
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	20,000,000	14,260,000	34,260,000		14,260,000	14,260,000	28,520,000	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	1,119,630	1,069,630	2,189,260		1,069,630	1,069,630	2,139,260	
Endowment and Interest Income	6,903,174	7,144,887	14,048,061		7,144,887	7,144,887	14,289,774	
Sales and Services of Educational Activities (net)	2,702,700	3,102,200	5,804,900		3,102,200	3,102,200	6,204,400	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	<u>1,131,326</u>	<u>1,855,264</u>	<u>2,986,590</u>		<u>1,855,264</u>	<u>1,855,264</u>	<u>3,710,528</u>	
Total	<u>31,856,830</u>	<u>27,431,981</u>	<u>59,288,811</u>	<u>3.9%</u>	<u>27,431,981</u>	<u>27,431,981</u>	<u>54,863,962</u>	<u>3.3%</u>
TOTAL SOURCES	<u><u>\$ 715,566,756</u></u>	<u><u>\$ 789,793,584</u></u>	<u><u>\$ 1,505,360,340</u></u>	<u><u>100.0%</u></u>	<u><u>\$ 831,274,201</u></u>	<u><u>\$ 853,422,014</u></u>	<u><u>\$ 1,684,696,215</u></u>	<u><u>100.0%</u></u>

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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

Date: 10/19/2018
Time: 10:27:05AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total

1 Reduction to Trusteed Funds

Category: Programs - Service Reductions (Contracted)

Item Comment: Pass-through of Trusteed Funds to the Texas Heart Institute and Lone Star Stroke clinical research network would be reduced by 2.5% in this Phase 1 reduction.

Strategy: 8-1-2 Heart Institute - Adult Stem Cell Program

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$41,631	\$41,631	\$83,262	\$166,525	\$166,526	\$333,051
General Revenue Funds Total	\$0	\$0	\$0	\$41,631	\$41,631	\$83,262	\$166,525	\$166,526	\$333,051

Strategy: 8-1-3 Stroke Clinical Research

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$41,135	\$41,135	\$82,270	\$164,539	\$164,539	\$329,078
General Revenue Funds Total	\$0	\$0	\$0	\$41,135	\$41,135	\$82,270	\$164,539	\$164,539	\$329,078
Item Total	\$0	\$0	\$0	\$82,766	\$82,766	\$165,532	\$331,064	\$331,065	\$662,129

FTE Reductions (From FY 2020 and FY 2021 Base Request)

2 Reduction to Trusteed Funds

Category: Programs - Service Reductions (Contracted)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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

Date: 10/19/2018
Time: 10:27:05AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
Item Comment: Pass-through of Trusteed Funds to the Texas Heart Institute and the Lone Star Stroke clinical research network would be reduced 2.5% in this Phase 2 reduction. Strategy: 8-1-2 Heart Institute - Adult Stem Cell Program <u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$41,631	\$41,631	\$83,262	\$166,525	\$166,526	\$333,051
General Revenue Funds Total	\$0	\$0	\$0	\$41,631	\$41,631	\$83,262	\$166,525	\$166,526	\$333,051
Strategy: 8-1-3 Stroke Clinical Research <u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$41,135	\$41,135	\$82,270	\$164,539	\$164,539	\$329,078
General Revenue Funds Total	\$0	\$0	\$0	\$41,135	\$41,135	\$82,270	\$164,539	\$164,539	\$329,078
Item Total	\$0	\$0	\$0	\$82,766	\$82,766	\$165,532	\$331,064	\$331,065	\$662,129

FTE Reductions (From FY 2020 and FY 2021 Base Request)

3 Reduction to Trusteed Funds

Category: Programs - Service Reductions (Contracted)

Item Comment: Pass-through of Trusteed Funds to the Texas Heart Institute and the Lone Star Stroke clinical research network would be reduced 2.5% in this Phase 3 reduction.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total

Strategy: 8-1-2 Heart Institute - Adult Stem Cell Program

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$41,632	\$41,632	\$83,264	\$166,525	\$166,526	\$333,051
General Revenue Funds Total	\$0	\$0	\$0	\$41,632	\$41,632	\$83,264	\$166,525	\$166,526	\$333,051

Strategy: 8-1-3 Stroke Clinical Research

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$41,135	\$41,135	\$82,270	\$164,539	\$164,539	\$329,078
General Revenue Funds Total	\$0	\$0	\$0	\$41,135	\$41,135	\$82,270	\$164,539	\$164,539	\$329,078
Item Total	\$0	\$0	\$0	\$82,767	\$82,767	\$165,534	\$331,064	\$331,065	\$662,129

FTE Reductions (From FY 2020 and FY 2021 Base Request)

4 Reduction to Trusteed Funds

Category: Programs - Service Reductions (Contracted)

Item Comment: Pass-through of Trusteed Funds to the Texas Heart Institute and the Lone Star Stroke clinical research network would be reduced 2.5% in this Phase 4 reduction.

Strategy: 8-1-2 Heart Institute - Adult Stem Cell Program

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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REVENUE LOSS				REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
Item Priority and Name/ Method of Financing	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$41,631	\$41,632	\$83,263	\$166,545	\$166,526	\$333,071
General Revenue Funds Total	\$0	\$0	\$0	\$41,631	\$41,632	\$83,263	\$166,545	\$166,526	\$333,071
Strategy: 8-1-3 Stroke Clinical Research									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$41,134	\$41,134	\$82,268	\$164,539	\$164,539	\$329,078
General Revenue Funds Total	\$0	\$0	\$0	\$41,134	\$41,134	\$82,268	\$164,539	\$164,539	\$329,078
Item Total	\$0	\$0	\$0	\$82,765	\$82,766	\$165,531	\$331,084	\$331,065	\$662,149
FTE Reductions (From FY 2020 and FY 2021 Base Request)									
AGENCY TOTALS									
General Revenue Total				\$331,064	\$331,065	\$662,129	\$1,324,276	\$1,324,260	\$2,648,536
Agency Grand Total	\$0	\$0	\$0	\$331,064	\$331,065	\$662,129	\$1,324,276	\$1,324,260	\$2,648,536
Difference, Options Total Less Target									
Agency FTE Reductions (From FY 2020 and FY 2021 Base Request)									

6.I. Percent Biennial Base Reduction Options**10 % REDUCTION**

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

Item Priority and Name/ <u>Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
Article Total				\$331,064	\$331,065	\$662,129	\$1,324,276	\$1,324,260	\$2,648,536
Statewide Total				\$331,064	\$331,065	\$662,129	\$1,324,276	\$1,324,260	\$2,648,536

Schedule 2: Selected Educational, General and Other Funds

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	Act 2017	Act 2018	Bud 2019	Est 2020	Est 2021
General Revenue Transfers					
Transfer from Coordinating Board for Texas College Work Study Program (2017, 2018, 2019)	0	0	0	0	0
Transfer from Coordinating Board for Professional Nursing Shortage Reduction Program	0	0	0	0	0
Transfer of GR Group Insurance Premium from Comptroller (UT and TAMU Components only)	0	0	0	0	0
Less: Transfer to Other Institutions	0	0	0	0	0
Less: Transfer to Department of Health, Disproportionate Share - State-Owned Hospitals (2017, 2018, 2019)	0	0	0	0	0
Other (Itemize)					
Allocation from Coordinating Board for Joint Admission Medical Program	0	10,206,794	0	0	0
Other: Fifth Year Accounting Scholarship	0	0	0	0	0
Texas Grants	0	0	0	0	0
B-on-Time Program	0	0	0	0	0
Texas Research Incentive Program	0	0	0	0	0
Less: Transfer to System Administration	0	0	0	0	0
GME Expansion	0	0	0	0	0
Subtotal, General Revenue Transfers	0	10,206,794	0	0	0
General Revenue HEF for Operating Expenses	0	0	0	0	0
Transfer from Available University Funds (UT, A&M and Prairie View A&M Only)	111,397,461	95,795,000	95,795,000	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 (2017, 2018, 2019)	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)					
Gross Designated Tuition (Sec. 54.0513)	0	0	0	0	0
Indirect Cost Recovery (Sec. 145.001(d))	0	0	0	0	0

Schedule 2: Selected Educational, General and Other Funds

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	Act 2017	Act 2018	Bud 2019	Est 2020	Est 2021
Correctional Managed Care Contracts	0	0	0	0	0

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)

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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
GR & GR-D Percentages					
GR %		0.00%			
GR-D/Other %		100.00%			
Total Percentage		100.00%			
FULL TIME ACTIVES					
1a Employee Only	179	0	179	179	150
2a Employee and Children	61	0	61	61	55
3a Employee and Spouse	42	0	42	42	53
4a Employee and Family	79	0	79	79	66
5a Eligible, Opt Out	2	0	2	2	0
6a Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	363	0	363	363	324
PART TIME ACTIVES					
1b Employee Only	0	0	0	0	1
2b Employee and Children	1	0	1	1	0
3b Employee and Spouse	1	0	1	1	2
4b Employee and Family	1	0	1	1	0
5b Eligible, Opt Out	0	0	0	0	0
6b Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	3	0	3	3	3
Total Active Enrollment	366	0	366	366	327

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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
FULL TIME RETIREES by ERS					
1c Employee Only	101	0	101	101	90
2c Employee and Children	2	0	2	2	1
3c Employee and Spouse	59	0	59	59	53
4c Employee and Family	3	0	3	3	2
5c Eligible, Opt Out	5	0	5	5	4
6c Eligible, Not Enrolled	1	0	1	1	1
Total for This Section	171	0	171	171	151
PART TIME RETIREES by ERS					
1d Employee Only	0	0	0	0	0
2d Employee and Children	0	0	0	0	0
3d Employee and Spouse	0	0	0	0	0
4d Employee and Family	0	0	0	0	0
5d Eligible, Opt Out	0	0	0	0	0
6d Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
Total Retirees Enrollment	171	0	171	171	151
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	280	0	280	280	240
2e Employee and Children	63	0	63	63	56
3e Employee and Spouse	101	0	101	101	106
4e Employee and Family	82	0	82	82	68
5e Eligible, Opt Out	7	0	7	7	4
6e Eligible, Not Enrolled	1	0	1	1	1
Total for This Section	534	0	534	534	475

Schedule 3B: Staff Group Insurance Data Elements (UT/A&M)

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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	280	0	280	280	241
2f Employee and Children	64	0	64	64	56
3f Employee and Spouse	102	0	102	102	108
4f Employee and Family	83	0	83	83	68
5f Eligible, Opt Out	7	0	7	7	4
6f Eligible, Not Enrolled	1	0	1	1	1
Total for This Section	537	0	537	537	478

Schedule 6: Constitutional Capital Funding
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Activity	Act 2017	Act 2018	Bud 2019	Est 2020	Est 2021
A. PUF Bond Proceeds Allocation	7,114,246	5,000,000	4,500,000	4,500,000	4,500,000
Project Allocation					
Library Acquisitions	4,000,000	4,000,000	4,500,000	4,500,000	4,500,000
Construction, Repairs and Renovations	0	0	0	0	0
Furnishings & Equipment	0	0	0	0	0
Computer Equipment & Infrastructure	3,114,246	1,000,000	0	0	0
Reserve for Future Consideration	0	0	0	0	0
Other (Itemize)					
B. HEF General Revenue Allocation	0	0	0	0	0
Project Allocation					
Library Acquisitions	0	0	0	0	0
Construction, Repairs and Renovations	0	0	0	0	0
Furnishings & Equipment	0	0	0	0	0
Computer Equipment & Infrastructure	0	0	0	0	0
Reserve for Future Consideration	0	0	0	0	0
HEF for Debt Service	0	0	0	0	0
Other (Itemize)					

Schedule 7: Personnel
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	Actual 2017	Actual 2018	Budgeted 2019	Estimated 2020	Estimated 2021
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	462.6	368.5	382.3	382.3	382.3
Subtotal, Directly Appropriated Funds	462.6	368.5	382.3	382.3	382.3
Non Appropriated Funds Employees	366.0	299.6	313.5	313.5	313.5
Subtotal, Other Funds & Non-Appropriated	366.0	299.6	313.5	313.5	313.5
GRAND TOTAL	828.6	668.1	695.8	695.8	695.8

Part B.
Personnel Headcount

Directly Appropriated Funds (Bill Pattern)

Educational and General Funds Non-Faculty Employees	479.0	376.0	396.0	396.0	396.0
Subtotal, Directly Appropriated Funds	479.0	376.0	396.0	396.0	396.0
Non Appropriated Funds Employees	363.0	306.0	328.0	328.0	328.0
Subtotal, Non-Appropriated	363.0	306.0	328.0	328.0	328.0
GRAND TOTAL	842.0	682.0	724.0	724.0	724.0

Schedule 7: Personnel
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Date: 10/19/2018
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Agency code: **720** Agency name: **UT Sys Admin**

	Actual 2017	Actual 2018	Budgeted 2019	Estimated 2020	Estimated 2021
PART C.					
Salaries					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	\$54,163,534	\$44,677,745	\$47,333,273	\$47,333,273	\$47,333,273
Subtotal, Directly Appropriated Funds	\$54,163,534	\$44,677,745	\$47,333,273	\$47,333,273	\$47,333,273
Non Appropriated Funds Employees	\$40,578,466	\$47,381,154	\$37,071,112	\$37,071,112	\$37,071,112
Subtotal, Non-Appropriated	\$40,578,466	\$47,381,154	\$37,071,112	\$37,071,112	\$37,071,112
GRAND TOTAL	\$94,742,000	\$92,058,899	\$84,404,385	\$84,404,385	\$84,404,385

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Heart Inst - Adult Stem Cell Pgm

(1) Year Non-Formula Support Item First Funded:	2010
Year Non-Formula Support Item Established:	2010
Original Appropriation:	\$5,000,000

(2) Mission:

Created in the 81st Legislature to provide pass-through funding to the Texas Heart Institute to conduct stem cell research. Beginning in 2016, these pass-through funds were trusted to the UT System Administration.

(3) (a) Major Accomplishments to Date:

This item funds programs at the Texas Heart Institute

(3) (b) Major Accomplishments Expected During the Next 2 Years:

Continued funding of programs at the Texas Heart Institute

(4) Funding Source Prior to Receiving Non-Formula Support Funding:

N/A

(5) Formula Funding:

This item is not related to formula funding.

(6) Category:

Trusted Funds

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

N/A

(9) Impact of Not Funding:

Funding would no longer be made available to the Texas Heart Institute.

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(10) Non-Formula Support Needed on Permanent Basis/Discontinuu

This funding supports ongoing activities and does not have a specific time frame or completion point.

(11) Non-Formula Support Associated with Time Frame:

N/A

(12) Benchmarks:

N/A

(13) Performance Reviews:

The UT System passes these funds through to the Texas Heart Institute and has not established performance metrics.

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Stroke Clinical Research (Lone Star Stroke)

(1) Year Non-Formula Support Item First Funded:	2014
Year Non-Formula Support Item Established:	2014
Original Appropriation:	\$2,250,000

(2) Mission:

This item was originally created by the 83rd Legislature and was appropriated to the Department of State Health Services with a rider requirement to allocate the funds to the Stroke System of Care Coordination (Lone Star Stroke) which was administered by UT System Administration. The 85th Legislature moved the funding to UT System Administration.

The mission of the Lone Star Stroke Research Consortium is to improve the health and lives of Texans by discovering, testing and disseminating better therapies to prevent and treat stroke.

The Lone Star Stroke Research Consortium is comprised of Baylor College of Medicine, Texas Tech Health Sciences Center El Paso, The University of Texas at Austin, The University of Texas Southwestern Medical Center, and the University of Texas Health Science Centers at Houston and San Antonio

The vision that motivates Lone Star Stroke is the conviction that all Texans should have access to the highest level of stroke expertise and the most effective, most advanced treatments no matter where they live or what hospital or clinic they use.

(3) (a) Major Accomplishments to Date:

- Established a robust Hub and Spoke research network including six hub institutions and more than 50 spoke hospitals.
- Participation by over 9000 Texans in consortium projects
- At the heart of the Lone Star Stroke Consortium's mission is research that will improve the lives of all Texans affected by stroke and cerebrovascular disease.

Currently there are nine active research projects whose focus is to achieve this mission.

(3) (b) Major Accomplishments Expected During the Next 2 Years:

- Continued research and stroke care for Texans
- Maintain, enhance, and increase the Lone Star Stroke Hub and Spoke network.

(4) Funding Source Prior to Receiving Non-Formula Support Funding:

None.

(5) Formula Funding:

This item is not related to formula funding.

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(6) Category:

Trusteed Funds

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

None.

(9) Impact of Not Funding:

A failure to provide funding would lead to the discontinuation of the Lone Star Stroke network and would curtail related research into the causes and treatment of strokes.

(10) Non-Formula Support Needed on Permanent Basis/Discontinuation:

The need for non-formula support for stroke research is ongoing. There is no specific benchmark or time-frame at which funding could be eliminated.

(11) Non-Formula Support Associated with Time Frame:

N/A

(12) Benchmarks:

N/A

(13) Performance Reviews:

FY17 and FY18 saw the strengthening of collaboration and network activities among Lone Star Stroke Hub Institutions as the new projects approved by the Lone Star Stroke External Advisory Committee late in FY16 and January FY18 took off; each project enlisting multiple study sites from multiple Hubs. The set of Lone Star Stroke clinical studies initiated in FY15 have completed or approached completion in FY17 or FY18. New clinical studies were reviewed, vetted, and approved for funding by the robust Lone Star Stroke External Advisory Committee. In total, over 9000 Texans to date have participated in the Lone Star Stroke Consortium clinical studies which address important and life-saving unmet needs in prevention and treatment of stroke with the aim to improve care for the best outcomes and the best value. The Lone Star Stroke clinical projects cluster around themes of telehealth (telemedicine), secondary stroke prevention, emergency management of acute ischemic and hemorrhagic stroke, and women's health. The success of these important clinical studies will be measured by the answers uncovered by the research questions being asked in each clinical study.
