
LEGISLATIVE APPROPRIATIONS REQUEST

FISCAL YEARS 2024 AND 2025



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

THE UNIVERSITY OF TEXAS
SYSTEM ADMINISTRATION

August 2022

**THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
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Agency Code: 720	Agency Name: The University of Texas System Admin.	Prepared By: Derek Horton	Date: August 2022	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 2024-25 biennium.				
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The University of Texas System Administration (System Administration) submits the following Legislative Appropriations Request (LAR) for fiscal years 2024 and 2025 to the Governor's Budget and Policy Division and the Legislative Budget Board.

Overview of the UT System

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, appointed by the Board. The Board has the responsibility to provide strategy and policy direction, oversight, and governance for the System. UT System Administration provides oversight, direction and coordination for the eight academic and five health related institutions (listed as part of the organization chart) that make up the UT System, consistent with state law and Regents' Rules and System policies.

The UT System's contributions to Texas are unparalleled:

- It is the largest higher education university system in Texas, with an annual budget in FY 2022 of over \$24.2 billion, more than two times the size of the next largest state system of higher education.
- Its research expenditures total \$3.5 billion, and federal research expenditures are the largest in the state and second largest in the country.
- UT System institutions educate more than 243,000 students – more than 1/3 of all students in Texas public institutions and 91,000 more than the next largest Texas university system – hailing from nearly every county in Texas, all 50 states, and 170 countries and territories.
- UT System institutions produced more than 67,000 graduates in the 2020-21 academic year, almost 25,000 more degrees than the next largest state system and an increase of more than 46 percent over the last decade.
- The UT System employs more than 116,000 faculty, health care professionals, and staff, making the System one of the largest employers in Texas.
- UT System health institutions provided more than 10.6 million patient visits in 2021.
- UT System institutions award 61% of the medical degrees and account for 65% of the resident physicians in accredited programs among Texas public institutions.
- UT System institutions collectively rank 4th in the Top 100 Worldwide Universities Granted U.S. Utility Patents for 2020 released by the National Academy Inventors and Intellectual Property Owners Association. This translates to UT System institutions receiving a patent every 1.8 days.
- New innovation and technology from UT System institutions lead to the creation of a new company every 8 days and generate an invention disclosure every 10 hours.
- 44% of the degrees awarded by UT System academic institutions are in science, technology, engineering, or mathematics (the STEM fields) and health-related fields, higher than both the state (37%) and national (36%) proportions.
- 44% of the degrees awarded by public four-year higher education institutions in key fields (defined by the Texas Higher Education Coordinating Board [THECB] as computer science, engineering, mathematics, and physical science) in Texas were earned at a UT System academic institution.

The economic impact of the UT System and its value to the Texas economy is also unequalled. The thousands of students who left a System institution in 2018, as a group, earned \$2.59 billion working in Texas in 2019 alone. In comparison, UT System institutions that year received \$2 billion in state appropriations.

Method of Funding the UT System

UT System Administration is financed primarily through the Available University Fund (AUF), made up of an annual distribution from the Permanent University Fund

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(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. Some programs 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 has a net asset value of \$30.8 billion (as of June 30, 2022).

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 much of 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. All UT System institutions benefit from the use of PUF bond proceeds for capital projects. The majority of the UT System share of the AUF supports UT Austin. The AUF cannot be used to support or maintain any of the other 12 UT System institutions. A small portion of the AUF is used to support System Administration.

Most 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. The one exception is the newly established multi-institution center in Laredo.

The UT Education and Research Center at Laredo is a multi-institution teaching and research center delivering primarily health-related programs to students in the Laredo region. Previously a campus extension of The University of Texas Health Science Center at San Antonio (UTHSC-SA), in 2021 the Legislature transferred the control and operation of the Center to UT System to leverage the System's multiple institutions and resources to enhance the number and type of programs offered to students.

In 2021, existing non-formula funding that supports the basic administration and operations of the Center was transferred from UTHSC-SA to UT System for the same purpose. The Legislature also appropriated additional funding to aid in the Center's transformation and to provide start-up funding for the development of new academic programs. As these new programs mature and become supported by formula funding, start-up funding is redeployed to additional program development, furthering the Center's mission.

The Laredo Center is a byproduct of the state's South Texas Border Initiative and related efforts to improve the accessibility and quality of higher education and services in South Texas in response to the LULAC v. Richards lawsuit. The Center is an innovative and efficient approach that brings academic programs and research from multiple institutions across the state directly to students in Laredo and its surrounding counties.

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UT System Priorities

For UT System Administration, base 2024-2025 funding requests for the UT Center at Laredo, Stroke Clinical Research and Texas Heart Institute strategies are maintained at 2022-2023 amounts.

Foremost among the UT System priorities is student success. The focus on our students takes many forms:

- An emphasis on increasing of retention, persistence, and four- and six-year graduation rates and closing equity gaps across student populations.
 - Initiatives designed to promote financial well-being, effective advising, and academic and social belonging.
 - Measuring student success beyond the classroom by leveraging short-term and long-term post-collegiate earnings outcomes for UT graduates.
- Assisting our students and recent graduates in launching successful careers in a volatile economic environment.

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

- A strong commitment to affordability demonstrated through data-informed understanding of the financial realities of students, strategic and inclusive financial aid, grants and scholarships, and affordable and open textbooks and course materials.
- Initiatives that serve the needs of each student population with an emphasis on students who are historically under-represented and first-generation, as well as students from low-income families, and those who come from rural communities.
- 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, whether through transfer partnerships and programs, greater attention to preparing more teachers to address statewide shortages, and engagement with employers and industry.

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

- The use of predictive analytics and data dashboards leading to: 1) targeted student success interventions that facilitate smooth transitions through enrollment, persistence, and degree completion; and 2) removal of barriers to student success in gateway courses and majors.
- Curricular and co-curricular programs designed to build student connections with faculty, advisors, and career mentors, and strengthen pathways and credentials into post-graduate study and the workforce.
- Nationally recognized online and hybrid programs and course offerings.

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

- Bolstering the state's continued response to the COVID-19 pandemic through testing, treatment, and conducting basic and advanced research to understand how the virus functions and to develop tests, therapies, vaccines, and public health mitigation efforts.
- Educating more than half of the state's health care workforce.
- 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 (including its regional branches and the Texas Epidemic Public Health Institute, (TEPHI), The University of Texas Health Science Center Tyler's School of Community and Rural Health, and newly created Schools of Public Health at UT Southwestern Medical Center, UT Medical Branch at Galveston, and through a joint effort of UTHSC-SA and The University of Texas San Antonio.
- Constituting a statewide health care enterprise of UT System institutions, with special emphasis on cancer, neurosciences, and diabetes.

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- Forming collaborations between The University of Texas MD Anderson Cancer Center, the nation's top cancer hospital, and sister institutions in San Antonio, Austin, the Gulf Coast, and East Texas to provide high-quality cancer treatment, education, and research.
- 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, East Texas, Austin, San Antonio, and Dallas, including developing and operating the Dunn Behavioral Health Center in Houston; leading the redesign of the Austin and San Antonio state hospitals and their construction; planning, designing, and constructing the first state mental health hospital in Dallas; and expanding psychiatric care throughout the state.
- Enhancing access and delivery of mental health services to children and adolescents across the state through participation in the Texas Child Mental Health Care Consortium (administratively supported by UT System).
- Continuing to expand the use of telemedicine to support rural health care providers and hospitals, bringing previously unavailable care to underserved parts and populations of the state, and increasing the efficiency of healthcare delivery everywhere.
- Improving health and health care analytics through the UT System Health Information Platform, UT Health Houston's All Payor Claims Database, and other initiatives to gain a better understanding of the needs of Texans and drive improvement in the quality and cost of health care.
- Spearheading a significant expansion of care in East Texas through the partnership between UT Health Science Center at Tyler and Ardent Health Care, allowing greatly increased graduate medical education in this part of the state, and establishing a new medical degree program that will greatly improve health care infrastructure in East Texas
- Increasing collaboration and partnerships with state health-related agencies as they strive to improve health in Texas.
- Advancing the cutting edge of medical science and patient treatment through a "bench-to-bedside" research enterprise that leverages a foundation of world class basic research into innovations that directly impact patient care, resulting in improved healthcare outcomes and attracting investment and economic activity through commercialization.

UT System institutions continue to make significant contributions to the security of our nation :

- UT Austin has created the Texas Institute for Electronics (TIE), a public-private partnership between the State of Texas, preeminent semiconductor systems and defense electronics companies, national labs and 13 academic institutions (including UT Arlington, UT Dallas, UT El Paso, UT Rio Grande Valley, and UT San Antonio) across the state to restore leading-edge semiconductor manufacturing, secure the supply chain, ensure national security, and educate the next generation of industry innovators in Texas. Additionally, UT Austin received capital construction assistance project bonds totaling \$112 million in fall 2021, which the Board of Regents approved for modernizing semiconductor fabrication facilities at the J.J. Pickle Research Campus. This facility will enable UT Austin and the State of Texas to effectively compete for a share of \$13 billion in federal CHIPS Act funding and potentially cement Texas as a national leader in the semiconductor industry.
- The U.S. Space Force, the newest branch of the armed services, has signed agreements with UT El Paso and UT Austin to provide advanced research and workforce development, in addition to a UT System umbrella agreement, highlighting the quality of STEM degree offerings, existing space-related research infrastructure, and programming designed to support military veterans at each campus.
- Army Futures Command, whose headquarters remains located with the UT System Administration, has formed a cooperative research and educational partnership with the System to advance medical science and technology that will leverage the expertise and innovation of UT health-related and academic institutions, leading to better treatment options for soldiers and civilians alike.
- The University of Texas System is currently developing a partnership with the US Army Institute of Surgical Research (ISR)/ Army Futures Command for a Trauma Research and Combat Casualty Care Collaborative (TRC4) proposal that will address the number one challenge for military medicine and the leading cause of death for civilians under the age of 44 years. Based at and administered by UTHSC-SA, TRC4 will foster and enable transformation of trauma and critical care capabilities for the nation by delivering responsive, innovative research and solutions while developing the workforce of the future. TRC4 will facilitate bidirectional translation of advances

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in trauma and critical care between ISR and all UT institutions, including their associated regional trauma systems.

- Four UT institutions have been designated a National Center of Academic Excellence in Cybersecurity by the National Security Agency: UT Austin, UT Dallas, UT El Paso, and UT San Antonio. Each offer degrees and conduct ground-breaking research in cybersecurity and related fields, growing the increasingly in-demand cybersecurity workforce.

As Texas continues to grow in size and diversity, UT institutions continue to innovate and invest in the future by creating new opportunities and pathways for populations whose talents and contributions are essential to our nation's vitality and health. As part of that investment, UT Arlington, UT Austin, UT El Paso and UT San Antonio have joined with 16 other top research institutions in the nation to form the Alliance of Hispanic Serving Research Universities (HSRU). All 20 members of the new HSRU Alliance are categorized as both R1 (very high research activity) by the Carnegie Classification of Institutions of Higher Education and designated as a Hispanic Serving Institution (HSI) by the U.S. Department of Education. That means they are in the top 5% of universities in America in terms of research, and at least 25% of their undergraduate student bodies are Hispanic. The HSRU Alliance, will be chaired by UT El Paso President Heather Wilson, has set two key goals to achieve by 2030: Double the number of Hispanic doctoral students enrolled at Alliance universities, and increase by 20% the Hispanic professoriate in Alliance universities.

UT System Needs for the 2024-2025 Biennium

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, including mission specific formulas, 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 2022-2023 biennium is needed from the Legislature. Otherwise, institutions will not be able to properly plan and execute initiatives to increase student success and achieve the statewide higher education goals of the Texas Higher Education Coordinating Board's strategic plan, Building a Talent Strong Texas, while maintaining affordability and access.

Adequate formula funding is even more critical because of the unprecedented challenges facing our institutions. They are facing steep cost increases in every sector, including employee health insurance, fuel, labor costs and construction. While the state has made significant strides to fund higher education, enrollment growth and inflationary cost increases have made simply maintaining effort each biennium very challenging. Other cost drivers and legislative directives, like the Hazlewood legacy program (a \$176M cost to institutions of higher education in FY21, of which the state funds 13%) mean that even when formulas are funded at prior biennial levels, institutions are starting off each biennium deeply underfunded. Federal COVID aid came to Texas during a time of great need, but it is important to note that almost 50% of those funds went straight to students and the remainder was only authorized for one-time expenditures, not ongoing operations. In recognition of the challenges faced by Texas families, the UT System did not raise tuition for the fall of 2022.

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 growth and success of the four emerging UT System research institutions in Arlington, Dallas, El Paso, and San Antonio. Additional investment in the Research Enhancement Formula and performance-based research formulas 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.

The UT System believes that now is the time for Texas to increase its investment in the emerging research institutions by revisiting the suite of research programs

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available for those institutions. While once incredibly impactful, the Texas Research Incentive Program (TRIP) now has a backlog of funding of \$307 million (as of 5/2022) and without a substantial investment, the biennial appropriation will never catch up with demand – the last matched gift was given in 2016. As more institutions become eligible for the National Research University Fund (NRUF), we encourage the legislature to add additional funding to the NRUF corpus and revisit payout formulas to ensure that this fund provides meaningful biennial support to the institutions that qualify.

Other sources of funds are important for UT System institutions' research efforts as well, such as the grants for cancer research and prevention through the Cancer Prevention and Research Institute of Texas (CPRIT) and the recruitment of distinguished researchers to Texas from other states through the Governor's University Research Initiative (GURI).

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 or above the levels provided in the 2022-2023 biennium.

UT System also requests the continuation of funding for the newly transformed multi-institution UT Center at Laredo so that the Center can continue to develop and expand the delivery of critically needed health-related academic and research programs in Laredo and the surrounding region.

During the 87th Legislature, Third Called Session, the Legislature passed a capital construction assistance project (CCAP) bill that will significantly advance the ability of UT institutions to address critical capital needs. Historically, UT System institutions have not requested capital projects immediately following the passage of such legislation, so at this time the UT System institutions are not submitting projects as a part of the Legislative Appropriations Request. The focus of the UT System and the institutions will be on student outcomes and patient care. However, each institution is prepared to provide a top priority capital project if a CCAP bill is proposed during the 88th Legislative Session. As UT System institution facilities begin to age, campuses are faced with costly repair and renovation costs that are not normally included in regular operating budgets. As the Legislature considers the deferred maintenance needs within state government, we respectfully request that higher education's needs are reviewed. The UT System institutions will also be prepared to provide a project list for deferred maintenance needs across the system.

Selected by the Texas Child Mental Health Care Consortium Executive Committee (Consortium) to serve as its administrative support entity, UT System stands ready to continue to assist the thirteen health-related institutions, HHSC, and three mental health care organizations that comprise the Consortium as they further develop critical health care system improvements and vital services for children and adolescents. Accordingly, UT System supports continued funding for this transformational initiative. This funding is more critical than ever following the Legislature's investment of federal ARPA funds and additional budget execution authority in June 2022 to greatly expand the Consortium's programs and services, including expanding the Texas Child Health Access Through Telemedicine program to all school districts in the state.

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

Legislative support is also necessary in less obvious ways, such as the state's contribution to employees' health insurance costs. UT System requests a restorative increase in the state's share of premium costs. As recently as 2011, state appropriations for group insurance funded the state's proportion of the total cost of basic life and health coverage for all state-funded active and retired higher education employees at 95% of the rate of other non-higher education employees participating in the ERS plan (the ERS rate). As a cost savings measure beginning in the 2012-2013 biennium, the state began to decrease its contribution percentage such that it no longer

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equitably funded higher education employees and further shifted the cost onto institutions and to plan members. For the 2022-2023 biennium, the state's contribution for UT System institution employees declined to 78.2% of the full funding ERS rate for non-higher education employees. In the 2020-2021 biennium, UT System was funded at 79.4% of ERS rates. As a result, the total shortfall in funding for the state's proportional share of group insurance costs at UT institutions was over \$20 million in FY 2020 and over \$15 million in FY 2021. Within UT System's health plan, 98% of the plan expenditures and patient care occur in Texas, contributing greatly to the Texas economy. With the strength of the Texas economy, it is time for the state to restore its full share of proportional health care costs for higher education employees and allow institutions to redirect funding back to student support, instruction, and innovation.

Tuition

At the core of UT System's tuition setting process is a philosophy that tuition rates should be predictable and limited to what is necessary to achieve institutional goals within the context of a comprehensive financial plan. Therefore, other sources of revenues, including state appropriations, are closely examined and leveraged before increases to tuition and fees are considered.

Criminal Background Checks

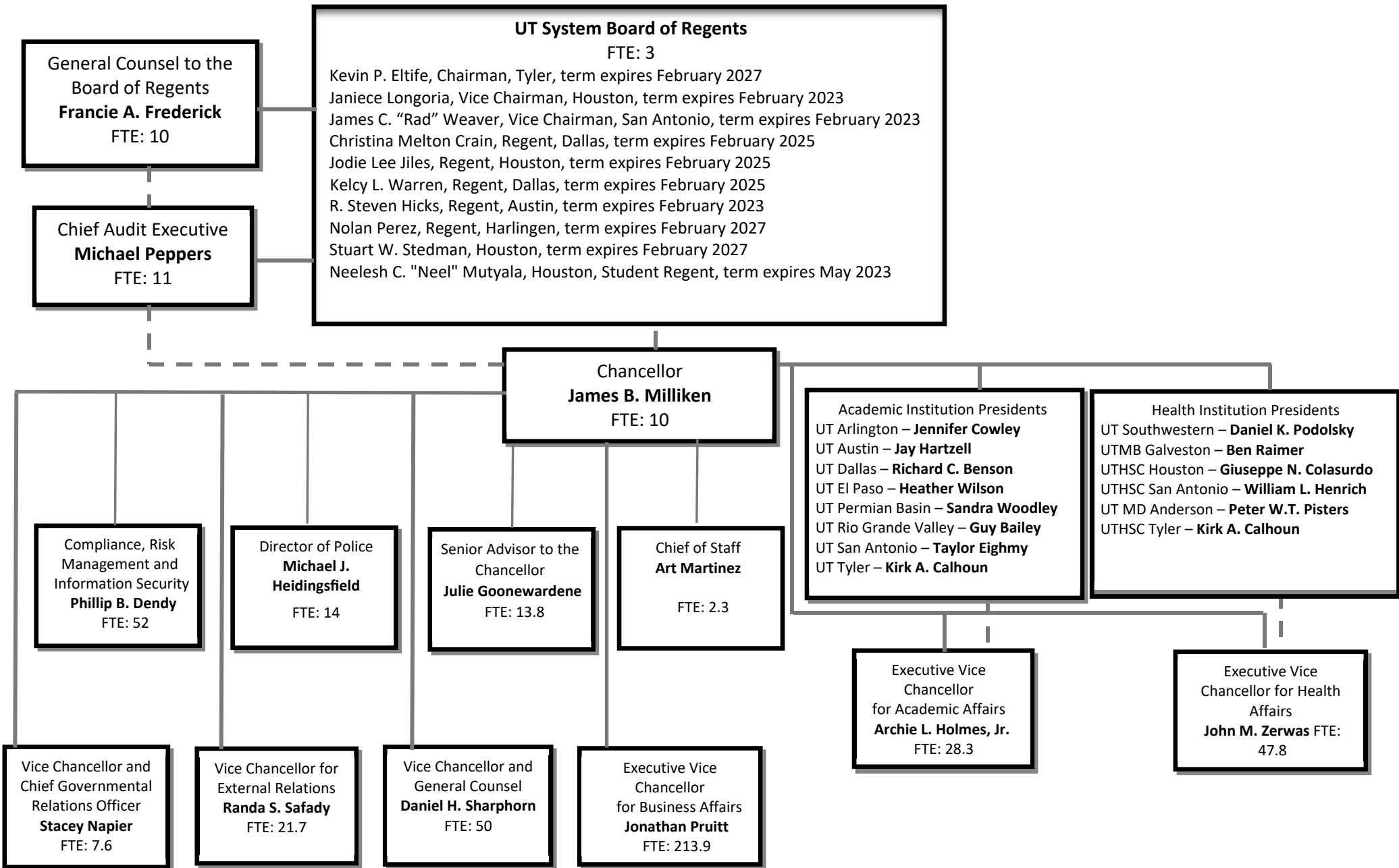
System Administration's policy is to obtain criminal history information on all finalists considered for appointment to all positions, as they are all deemed security sensitive, as allowed by Government Code Section 411.094 and Education Code Section 51.125. All background checks are conducted with appropriate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

- UT Austin: Architectural History, MA; European Studies, BA; Latin American Studies, PhD; Italian Studies, BA; Portuguese, BA; Jewish Studies, BA; Dance, MFA; Music Composition, BM; Jazz, BM; International Business, BBA
- UT El Paso: Education, MA
- UT Permian Basin: Information Systems, BS; Spanish, MA; Biology, MS; Criminal Justice Administration, MS; History, MA
- UT San Antonio: Neurobiology, PhD; Mathematics, MS; Art History, MA
- UT Tyler: Criminal Justice, MS
- UT Medical Branch at Galveston: Clinical Science, PhD
- UT Health Science Center at San Antonio: Medical Health Physics, MS; Personalized Molecular Medicine, MS
- UT M. D. Anderson Cancer Center, Cytotechnology, BS

THE UNIVERSITY OF TEXAS SYSTEM



Budget Overview - Biennial Amounts
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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Appropriation Years: 2024-25

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2024-25
Goal: 2. Provide Infrastructure Support											
2.1.1. Debt Service - Nserb	6,213,570	2,616,240							6,213,570	2,616,240	
Total, Goal	6,213,570	2,616,240							6,213,570	2,616,240	
Goal: 3. Non-formula Support											
3.1.1. Multi-Institution Center - Laredo	7,618,136	7,203,016							7,618,136	7,203,016	
Total, Goal	7,618,136	7,203,016							7,618,136	7,203,016	
Goal: 7. Tobacco Funds											
7.1.1. Tobacco Earnings - Rahc							2,716,137	2,756,000	2,716,137	2,756,000	
Total, Goal							2,716,137	2,756,000	2,716,137	2,756,000	
Goal: 8. Trusteed Funds for Health Programs											
8.1.2. Heart Inst - Adult Stem Cell Pgm	3,163,982	3,163,982							3,163,982	3,163,982	
8.1.3. Stroke Clinical Research	4,275,000	4,275,000							4,275,000	4,275,000	
Total, Goal	7,438,982	7,438,982							7,438,982	7,438,982	
Total, Agency	21,270,688	17,258,238					2,716,137	2,756,000	23,986,825	20,014,238	
Total FTEs									244.3	244.3	0.0

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Goal / Objective / STRATEGY			Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
2 Provide Infrastructure Support							
1 Provide Operation and Maintenance of E&G Space							
1 DEBT SERVICE - NSERB			4,251,390	3,597,330	2,616,240	1,308,120	1,308,120
TOTAL, GOAL	2		\$4,251,390	\$3,597,330	\$2,616,240	\$1,308,120	\$1,308,120
3 Non-formula Support							
1 INSTRUCTIONAL SUPPORT							
1 MULTI-INSTITUTION CENTER - LAREDO			0	3,809,068	3,809,068	3,601,508	3,601,508
TOTAL, GOAL	3		\$0	\$3,809,068	\$3,809,068	\$3,601,508	\$3,601,508
7 Tobacco Funds							
1 Tobacco Earnings for Research							
1 TOBACCO EARNINGS - RAHC			1,322,124	1,338,137	1,378,000	1,378,000	1,378,000
TOTAL, GOAL	7		\$1,322,124	\$1,338,137	\$1,378,000	\$1,378,000	\$1,378,000

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Goal / Objective / STRATEGY	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
8 <u>Trusteed Funds for Health Programs</u>					
1 <u>Trusteed Funds for Health Programs</u>					
2 HEART INST - ADULT STEM CELL PGM	1,498,728	1,581,991	1,581,991	1,581,991	1,581,991
3 STROKE CLINICAL RESEARCH	2,025,000	2,137,500	2,137,500	2,137,500	2,137,500
TOTAL, GOAL 8	\$3,523,728	\$3,719,491	\$3,719,491	\$3,719,491	\$3,719,491
TOTAL, AGENCY STRATEGY REQUEST	\$9,097,242	\$12,464,026	\$11,522,799	\$10,007,119	\$10,007,119
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$9,097,242	\$12,464,026	\$11,522,799	\$10,007,119	\$10,007,119

2.A. Summary of Base Request by Strategy

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88th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

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Goal / Objective / STRATEGY	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	7,775,118	11,125,889	10,144,799	8,629,119	8,629,119
SUBTOTAL	\$7,775,118	\$11,125,889	\$10,144,799	\$8,629,119	\$8,629,119
Other Funds:					
822 Permanent Endowment FD UTRAC	1,322,124	1,338,137	1,378,000	1,378,000	1,378,000
SUBTOTAL	\$1,322,124	\$1,338,137	\$1,378,000	\$1,378,000	\$1,378,000
TOTAL, METHOD OF FINANCING	\$9,097,242	\$12,464,026	\$11,522,799	\$10,007,119	\$10,007,119

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

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

8/5/2022 6:39:29AM

88th 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 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<u>GENERAL REVENUE</u>						
<u>1</u>	General Revenue Fund					
	REGULAR APPROPRIATIONS					
	Regular Appropriations from MOF Table (2020-21 GAA)	\$8,166,643	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2022-23 GAA)	\$0	\$8,518,329	\$7,537,239	\$0	\$0
	Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$0	\$0	\$8,629,119	\$8,629,119
	RIDER APPROPRIATION					
	Article IX, Section 17.34, 87th Legislature, Regular Session	\$0	\$2,400,000	\$2,400,000	\$0	\$0
	Comments: Multi-Institution Center in Laredo Regional Campus					
	TRANSFERS					
	Article III Special Provisions Section 4. Transfer Provisions and Section 17 System Offices Funding Authorized	\$0	\$207,560	\$207,560	\$0	\$0

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

8/5/2022 6:39:29AM

88th 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 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<u>GENERAL REVENUE</u>						
Comments: Permanent transfer of UTHSC-San Antonio appropriation to support Laredo Center operations.						
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>						
HB 2, 87th Leg, Regular Session						
		\$(391,525)	\$0	\$0	\$0	\$0
Comments: HB2 Section 1(31)						
TOTAL,	General Revenue Fund	\$7,775,118	\$11,125,889	\$10,144,799	\$8,629,119	\$8,629,119
TOTAL, ALL	GENERAL REVENUE	\$7,775,118	\$11,125,889	\$10,144,799	\$8,629,119	\$8,629,119

OTHER FUNDS

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

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2020-21 GAA)

\$1,256,000	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2022-23 GAA)

\$0	\$1,310,000	\$1,310,000	\$0	\$0
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2.B. Summary of Base Request by Method of Finance

8/5/2022 6:39:29AM

88th 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 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<u>OTHER FUNDS</u>						
Regular Appropriations from MOF Table (2024-25 GAA)		\$0	\$0	\$0	\$1,378,000	\$1,378,000
<i>BASE ADJUSTMENT</i>						
Revised Receipts - Distribution		\$54,000	\$24,000	\$68,000	\$0	\$0
Revised Receipts - Interest		\$12,124	\$4,137	\$0	\$0	\$0
TOTAL,	Permanent Endowment Fund Account No. 822, UT Regional Academic Health Center	\$1,322,124	\$1,338,137	\$1,378,000	\$1,378,000	\$1,378,000
TOTAL, ALL	OTHER FUNDS	\$1,322,124	\$1,338,137	\$1,378,000	\$1,378,000	\$1,378,000
GRAND TOTAL		\$9,097,242	\$12,464,026	\$11,522,799	\$10,007,119	\$10,007,119

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

8/5/2022 6:39:29AM

88th 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 2021	Est 2022	Bud 2023	Req 2024	Req 2025
FULL-TIME-EQUIVALENT POSITIONS						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2022-23 GAA)		0.0	248.0	248.0	244.3	244.3
Regular Appropriations from MOF Table (2020-21 GAA)		368.5	0.0	0.0	0.0	0.0
RIDER APPROPRIATION						
Article IX, Section 17.34, 87th Legislature, Regular Session		0.0	48.0	48.0	0.0	0.0
Comments: Multi-Institution Center in Laredo - Regional Campus						
UNAUTHORIZED NUMBER OVER (BELOW) CAP						
Unauthorized Number Over (Below) Cap		(152.0)	(69.4)	(51.7)	0.0	0.0
Comments: Unauthorized Number Over (Below) Cap						
TOTAL, ADJUSTED FTES		216.5	226.6	244.3	244.3	244.3
NUMBER OF 100% FEDERALLY FUNDED FTEs						

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

8/5/2022 6:39:29AM

88th 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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
1001 SALARIES AND WAGES	\$0	\$526,599	\$792,893	\$792,893	\$792,893
2001 PROFESSIONAL FEES AND SERVICES	\$0	\$352,176	\$263,500	\$263,500	\$263,500
2003 CONSUMABLE SUPPLIES	\$0	\$25,000	\$32,655	\$32,655	\$32,655
2004 UTILITIES	\$0	\$200,000	\$200,000	\$200,000	\$200,000
2005 TRAVEL	\$0	\$20,000	\$20,000	\$20,000	\$20,000
2008 DEBT SERVICE	\$4,251,390	\$3,597,330	\$2,616,240	\$1,308,120	\$1,308,120
2009 OTHER OPERATING EXPENSE	\$1,322,124	\$2,148,430	\$2,128,020	\$2,128,020	\$2,128,020
4000 GRANTS	\$3,523,728	\$5,594,491	\$5,469,491	\$5,261,931	\$5,261,931
OOE Total (Excluding Riders)	\$9,097,242	\$12,464,026	\$11,522,799	\$10,007,119	\$10,007,119
OOE Total (Riders)					
Grand Total	\$9,097,242	\$12,464,026	\$11,522,799	\$10,007,119	\$10,007,119

2.F. Summary of Total Request by Strategy
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/5/2022
TIME : 6:39:29AM

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

Goal/Objective/STRATEGY	Base 2024	Base 2025	Exceptional 2024	Exceptional 2025	Total Request 2024	Total Request 2025
2 Provide Infrastructure Support						
1 <i>Provide Operation and Maintenance of E&G Space</i>						
1 DEBT SERVICE - NSERB	\$1,308,120	\$1,308,120	\$0	\$0	\$1,308,120	\$1,308,120
TOTAL, GOAL 2	\$1,308,120	\$1,308,120	\$0	\$0	\$1,308,120	\$1,308,120
3 Non-formula Support						
1 <i>INSTRUCTIONAL SUPPORT</i>						
1 MULTI-INSTITUTION CENTER - LAREDO	3,601,508	3,601,508	0	0	3,601,508	3,601,508
TOTAL, GOAL 3	\$3,601,508	\$3,601,508	\$0	\$0	\$3,601,508	\$3,601,508
7 Tobacco Funds						
1 <i>Tobacco Earnings for Research</i>						
1 TOBACCO EARNINGS - RAHC	1,378,000	1,378,000	0	0	1,378,000	1,378,000
TOTAL, GOAL 7	\$1,378,000	\$1,378,000	\$0	\$0	\$1,378,000	\$1,378,000

2.F. Summary of Total Request by Strategy
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/5/2022
TIME : 6:39:29AM

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

Goal/Objective/STRATEGY	Base 2024	Base 2025	Exceptional 2024	Exceptional 2025	Total Request 2024	Total Request 2025
8 Trusteed Funds for Health Programs						
1 <i>Trusteed Funds for Health Programs</i>						
2 HEART INST - ADULT STEM CELL PGM	\$1,581,991	\$1,581,991	\$0	\$0	\$1,581,991	\$1,581,991
3 STROKE CLINICAL RESEARCH	2,137,500	2,137,500	0	0	2,137,500	2,137,500
TOTAL, GOAL 8	\$3,719,491	\$3,719,491	\$0	\$0	\$3,719,491	\$3,719,491
TOTAL, AGENCY STRATEGY REQUEST	\$10,007,119	\$10,007,119	\$0	\$0	\$10,007,119	\$10,007,119
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$10,007,119	\$10,007,119	\$0	\$0	\$10,007,119	\$10,007,119

2.F. Summary of Total Request by Strategy
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/5/2022
TIME : 6:39:29AM

Agency code: 720		Agency name: The University of Texas System Administration					
Goal/Objective/STRATEGY		Base 2024	Base 2025	Exceptional 2024	Exceptional 2025	Total Request 2024	Total Request 2025
General Revenue Funds:							
1	General Revenue Fund	\$8,629,119	\$8,629,119	\$0	\$0	\$8,629,119	\$8,629,119
		\$8,629,119	\$8,629,119	\$0	\$0	\$8,629,119	\$8,629,119
Other Funds:							
822	Permanent Endowment FD UTRAC	1,378,000	1,378,000	0	0	1,378,000	1,378,000
		\$1,378,000	\$1,378,000	\$0	\$0	\$1,378,000	\$1,378,000
TOTAL, METHOD OF FINANCING		\$10,007,119	\$10,007,119	\$0	\$0	\$10,007,119	\$10,007,119
FULL TIME EQUIVALENT POSITIONS		244.3	244.3	0.0	0.0	244.3	244.3

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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)

TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)

FULL TIME EQUIVALENT POSITIONS:	216.5	214.6	231.3	231.3	231.3
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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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
2008	DEBT SERVICE	\$4,251,390	\$3,597,330	\$2,616,240	\$1,308,120	\$1,308,120
TOTAL, OBJECT OF EXPENSE		\$4,251,390	\$3,597,330	\$2,616,240	\$1,308,120	\$1,308,120
Method of Financing:						
1	General Revenue Fund	\$4,251,390	\$3,597,330	\$2,616,240	\$1,308,120	\$1,308,120
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,251,390	\$3,597,330	\$2,616,240	\$1,308,120	\$1,308,120
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,308,120	\$1,308,120
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,251,390	\$3,597,330	\$2,616,240	\$1,308,120	\$1,308,120

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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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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 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$6,213,570	\$2,616,240	\$(3,597,330)	\$(3,597,330)	Change in debt service based on actual requirements for the construction of a natural science and engineering building at UT Dallas not exceeding funding levels specified in TEC 55.17521.
			<u>\$(3,597,330)</u>	Total of Explanation of Biennial Change

720 The University of Texas System Administration

GOAL: 3 Non-formula Support
OBJECTIVE: 1 INSTRUCTIONAL SUPPORT
STRATEGY: 1 Multi-institution Center In Laredo

Service Categories:

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

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$526,599	\$792,893	\$792,893	\$792,893
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$352,176	\$263,500	\$263,500	\$263,500
2003	CONSUMABLE SUPPLIES	\$0	\$25,000	\$32,655	\$32,655	\$32,655
2004	UTILITIES	\$0	\$200,000	\$200,000	\$200,000	\$200,000
2005	TRAVEL	\$0	\$20,000	\$20,000	\$20,000	\$20,000
2009	OTHER OPERATING EXPENSE	\$0	\$810,293	\$750,020	\$750,020	\$750,020
4000	GRANTS	\$0	\$1,875,000	\$1,750,000	\$1,542,440	\$1,542,440
TOTAL, OBJECT OF EXPENSE		\$0	\$3,809,068	\$3,809,068	\$3,601,508	\$3,601,508
Method of Financing:						
1	General Revenue Fund	\$0	\$3,809,068	\$3,809,068	\$3,601,508	\$3,601,508
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$3,809,068	\$3,809,068	\$3,601,508	\$3,601,508
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,601,508	\$3,601,508
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$3,809,068	\$3,809,068	\$3,601,508	\$3,601,508
FULL TIME EQUIVALENT POSITIONS:		0.0	12.0	13.0	13.0	13.0

720 The University of Texas System Administration

GOAL: 3 Non-formula Support

OBJECTIVE: 1 INSTRUCTIONAL SUPPORT

Service Categories:

STRATEGY: 1 Multi-institution Center In Laredo

Service: 19

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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STRATEGY DESCRIPTION AND JUSTIFICATION:

The UT Education and Research Center at Laredo is a multi-institution teaching and research center delivering primarily health-related programs to students in the Laredo region. Previously a campus extension of The University of Texas Health Science Center at San Antonio (UTHSC-SA), in 2021 the Legislature transferred the control and operation of the Center to UT System to leverage the System's multiple institutions and resources to enhance the number and type of programs offered to students .

In 2021, existing non-formula funding that supports the basic administration and operations of the Center was transferred from UTHSC- SA to UT System for the same purpose. The Legislature also appropriated additional funding to aid in the Center's transformation and to provide start-up funding for the development of new academic programs. As these new programs mature and become supported by formula funding, start-up funding is redeployed to additional program development, furthering the Center's mission.

The Laredo Center is a byproduct of the state's South Texas Border Initiative and related efforts to improve the accessibility and quality of higher education and services in South Texas in response to the LULAC v. Richards lawsuit. The Center is an innovative and efficient approach that brings academic programs and research from multiple institutions across the state directly to students in Laredo and its surrounding counties.

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: 3 Non-formula Support
OBJECTIVE: 1 INSTRUCTIONAL SUPPORT
STRATEGY: 1 Multi-institution Center In Laredo

Service Categories:

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

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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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 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$7,618,136	\$7,203,016	\$(415,120)	\$(415,120)	2022 and 2023 amounts include transfers from UT Health Science Center - San Antonio that are meant to be permanent.
			\$(415,120)	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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$1,322,124	\$1,338,137	\$1,378,000	\$1,378,000	\$1,378,000
TOTAL, OBJECT OF EXPENSE		\$1,322,124	\$1,338,137	\$1,378,000	\$1,378,000	\$1,378,000
Method of Financing:						
822	Permanent Endowment FD UTRAC	\$1,322,124	\$1,338,137	\$1,378,000	\$1,378,000	\$1,378,000
SUBTOTAL, MOF (OTHER FUNDS)		\$1,322,124	\$1,338,137	\$1,378,000	\$1,378,000	\$1,378,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,378,000	\$1,378,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,322,124	\$1,338,137	\$1,378,000	\$1,378,000	\$1,378,000
FULL TIME EQUIVALENT POSITIONS:		0.0				

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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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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 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$2,716,137	\$2,756,000	\$39,863	\$39,863	Budgeted 2024-25 is based on 2023 endowment distribution.
			<u>\$39,863</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

STRATEGY: 2 Heart Institute - Adult Stem Cell Program

Service Categories:

Service: 19

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
4000	GRANTS	\$1,498,728	\$1,581,991	\$1,581,991	\$1,581,991	\$1,581,991
TOTAL, OBJECT OF EXPENSE		\$1,498,728	\$1,581,991	\$1,581,991	\$1,581,991	\$1,581,991
Method of Financing:						
1	General Revenue Fund	\$1,498,728	\$1,581,991	\$1,581,991	\$1,581,991	\$1,581,991
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,498,728	\$1,581,991	\$1,581,991	\$1,581,991	\$1,581,991
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,581,991	\$1,581,991
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,498,728	\$1,581,991	\$1,581,991	\$1,581,991	\$1,581,991
FULL TIME EQUIVALENT POSITIONS:		0.0				

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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$3,163,982	\$3,163,982	\$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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
4000	GRANTS	\$2,025,000	\$2,137,500	\$2,137,500	\$2,137,500	\$2,137,500
TOTAL, OBJECT OF EXPENSE		\$2,025,000	\$2,137,500	\$2,137,500	\$2,137,500	\$2,137,500
Method of Financing:						
1	General Revenue Fund	\$2,025,000	\$2,137,500	\$2,137,500	\$2,137,500	\$2,137,500
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,025,000	\$2,137,500	\$2,137,500	\$2,137,500	\$2,137,500
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,137,500	\$2,137,500
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,025,000	\$2,137,500	\$2,137,500	\$2,137,500	\$2,137,500
FULL TIME EQUIVALENT POSITIONS:		0.0				
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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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The Lone Star Stroke Research Consortium was created by the 83rd Legislature via an appropriation to the Department of State Health Services, allocating funds to the Stroke System of Care Coordination (Lone Star Stroke), which was administered by The University of Texas System Administration. The 85th Legislature moved funding to UT System Administration.

The mission of the Lone Star Stroke Research Consortium (LSS) is to improve the health and lives of Texans by discovering, testing and disseminating better therapies to prevent and treat stroke and enhance recovery in stroke survivors. LSS created and administers a state-wide inter-institutional collaborative network for patient-centered stroke research and therapeutic trials within Texas, linking academic health institutions with expertise in stroke research to community stroke centers.

The Lone Star Stroke Research Consortium includes Baylor College of Medicine, Texas Tech Health Sciences Center El Paso, Dell Medical School at 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 Texas A&M System also participates as a major satellite spoke. Through active collaborations with more than 50 rural and urban community spoke hospitals, LSS works to ensure all Texans have access to the highest level of stroke expertise and the most effective, most advanced prevention strategies, treatments, and post-stroke recovery care wherever they reside in Texas.

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 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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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 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$4,275,000	\$4,275,000	\$0		
			\$0	Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$9,097,242	\$12,464,026	\$11,522,799	\$10,007,119	\$10,007,119
METHODS OF FINANCE (INCLUDING RIDERS):				\$10,007,119	\$10,007,119
METHODS OF FINANCE (EXCLUDING RIDERS):	\$9,097,242	\$12,464,026	\$11,522,799	\$10,007,119	\$10,007,119
FULL TIME EQUIVALENT POSITIONS:	216.5	226.6	244.3	244.3	244.3

3.B. Rider Revisions and Additions Request

Agency Code: 720	Agency Name: The University of Texas System Administration	Prepared By: Derek Horton	Date: August 2022	Request Level: Base
Current Rider Number	Page Number in 2022–23 GAA	Proposed Rider Language		
Health and Human Services Commission, Rider 143	II-95	143. Reporting Requirement: COVID-19 Funding to Nursing Facilities and Hospitals. Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts and Administration, the Health and Human Services Commission (HHSC) shall develop a report detailing the total value and uses of COVID-19-related Federal Funds, including Provider Relief Funds, provided directly to nursing facilities and hospitals contracting with HHSC, <u>other than a health related institution of higher education</u>, since the beginning of the public health emergency. The report should include any temporary rate increases provided to nursing facilities related to the COVID-19 pandemic. Any facilities that do not provide information requested by the commission necessary to complete the report shall be identified in the report. The first submission of the report shall also include a description of any requirements implemented for nursing facilities in response to the COVID-19 pandemic, the cost to nursing facilities to implement the requirements, and recommendations on whether or not the requirements should be continued after the end of the public health emergency. HHSC shall submit the report to the Governor, Legislative Budget Board, and any appropriate standing committee in the Legislature on December 1st and June 1st of each fiscal year. The format and content of the report shall be specified by the Legislative Budget Board and posted on the HHSC website. Appropriations in Strategy A.2.4, Nursing Facility Payments, for fiscal year 20253 are contingent on the submission of the reports due December 1, 20234 and June 1, 20242. <i>U. T. System requests that the reporting provisions of Rider 143 be modified to exclude health related institutions (HRIs) of higher education. HRIs already report the Provider Relief Funds as a result of Article III, Special Provisions, Rider 63. Reporting to both HHSC and THECB is duplicative and may result in overcounting of federal COVID-19 support at the statewide level. In the event that the exclusion is not granted, then U. T. System believes that HHSC has exceeded the authority granted it by requesting non-federal expenditure information. Therefore, the following language is requested to be added to the end of this rider as regulatory relief:</i> <u>For an institution of higher education, the report shall be limited to federal Provider Relief Funds only and may not require information on non-federal COVID-19 expenditures.</u>		

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

Higher Education Employees Group Insurance Contributions, Rider 6	III-49 to III-50	6. Appropriations Transfers. (no requested change to subsection a) b. The Employees Retirement System, The University of Texas System, and the Texas A&M University System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by December 1 of each year, detailing any such transfers. (no requested change to subsections c through e) f. Out of the funds appropriated above in Strategy A.1.11, The University of Texas Health Science Center at Houston, \$ <u>4,213,340</u> in fiscal year 20224 and \$ <u>4,213,340</u> in fiscal year 20235 is for the purpose of paying General Revenue group insurance premiums for employees associated with the Harris County Psychiatric Center and the Dunn Behavioral Sciences Center. Except for the transfer authority provided above in Subsection (a), these amounts are sum certain. (renumber and update remaining provisions as appropriate) <i>U. T. System requests that the reporting provisions of Higher Education Employee Group Insurance Rider 6 subsection b. be deleted. The rider requires a report less than two weeks after the annual Accounting Policy Statement 011 (Benefits Proportional by Fund) reports are submitted to the State Comptroller. Information reported on the Rider 6.b report is preliminary, as the APS 11 reports are audited and finalized by the Comptroller. Over the last several years, there have been significant delays in the Comptroller audits, making it difficult to finalize the appropriation transfer process. Transfers have been occurring up to 18 months after the report is due, as a result of delays in the Comptroller finalizing APS 11 reports thereby minimizing the benefit of the information provided by the report.</i> <i>U. T. System also requests that the provision related to UTHSC Houston be updated to reflect the status of the new Dunn Behavioral Science Center.</i>
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3.B. Rider Revisions and Additions Request (continued)

Higher Education Employees Group Insurance Contributions, Rider 8	III-50	8. Benefits Proportionality Audit Requirement. a. Each institution of higher education, excluding Public Community/Junior Colleges, shall consider as part of its annual audit risk assessment whether to conduct an internal audit of benefits proportional by fund reporting. 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, 2022. The Any audit must examine fiscal years 2019, 2020, and 2021, and must be conducted using a methodology approved by the State Auditor's Office. 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 prior three fiscal years defined in subsection (a) 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.
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3.B. Rider Revisions and Additions Request (continued)

		<u>ad.</u> For fiscal years 20242 and 20253, institutions of higher education shall also consider audits of benefits proportional when developing their annual internal audit plans. <u>be.</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 20242-253 biennium. <u>c.</u> <u>If an audit conducted under subsections (a) or (b) 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 prior three fiscal years defined in subsection (a) 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 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.</u> <i>U. T. System requests that the provisions of the rider be modified by deleting subsections a. and c. 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. Proposed subsection c. is a renumbering/minor revision of existing subsection b. to properly order the provisions of the rider after the deletion of the other subsections. U. T. System has not addressed the intent provision (formerly subsection e.) for the State Auditor (SAO) to conduct two audits. The 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>
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3.B. Rider Revisions and Additions Request (continued)

Higher Education Employees Group Insurance Contributions, Rider 9 (NEW)	III-50 (NEW)	<u>9. HEGI State Premium Contribution Rate.</u> For the 2024-25 biennium, funds identified and appropriated through the Higher Education Employees Group Insurance bill pattern are based on the following percentage of the full Employee Retirement System (ERS) premium rates, based on the following institutional categories: 2024-25 <table><tr><td><u>The University of Texas System</u></td><td>100.0%</td></tr><tr><td><u>Texas A&M University System</u></td><td>100.0%</td></tr><tr><td><u>ERS Participating Institutions</u></td><td>100.0%</td></tr><tr><td><u>Public Community/Junior Colleges</u></td><td>50.0%</td></tr></table> <i>U. T. System requests that the provisions of Rider 61, HEGI State Premium Contribution Rate, be incorporated as a rider in the HEGI bill pattern rather than being in Special Provisions. This allows the information presented to be grouped with the related HEGI appropriations.</i> <i>Additionally, U. T. System requests the Legislature restore the rate for participating institutions to 100% of the ERS rates for employees funded through appropriated funds.</i>	<u>The University of Texas System</u>	100.0%	<u>Texas A&M University System</u>	100.0%	<u>ERS Participating Institutions</u>	100.0%	<u>Public Community/Junior Colleges</u>	50.0%
<u>The University of Texas System</u>	100.0%									
<u>Texas A&M University System</u>	100.0%									
<u>ERS Participating Institutions</u>	100.0%									
<u>Public Community/Junior Colleges</u>	50.0%									

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

Higher Education Coordinating Board, Rider 51	III-63 to III-64	51. Texas Child Mental Health Care Consortium. (no requested changes to subsection a or b) (c) Administration and Oversight. Not later than September 1, 20234, out of funds referenced in Subsection (b) of this rider, THECB shall execute interagency and other contracts to transfer \$600,000 in fiscal year 20242 and \$600,000 in fiscal year 20253 to an institution of higher education designated by TCMHCC for oversight and evaluation of the outlined initiatives. THECB may employ, using existing resources, one additional <u>full-time equivalent employee (FTE)</u> in each fiscal year of the 20242-253 biennium to oversee the transfer. <u>The FTE limitations imposed by Art. IX §6.10 Limitations on State Employment Levels of this Act shall not apply to an FTE at the designated institution of higher education paid from the interagency or other contract for the administration of TCMHCC.</u> (d) Transfers and LBB Approval. TCMHCC may transfer up to 10 percent of funds between programs referenced in Subsection (b) of this rider. If TCMHCC needs to transfer more than 10 percent of funds between programs, TCMHCC shall seek approval from the Legislative Budget Board (LBB). The request shall be considered approved unless the LBB issues a written disapproval within 10 business days. (e) Unexpended Balances. Any unexpended balances remaining <u>at THECB or any participating institution of higher education which may have received a transfer of this appropriation</u> as of August 31, 20242, are appropriated for the same purpose in the fiscal year beginning September 1, 20242. (f) Contingency for Behavioral Health Funds. Notwithstanding appropriation authority granted above, the Comptroller of Public Accounts shall not allow the expenditure of General Revenue-Related Funds at the Texas Higher Education Coordinating Board in Strategy, D.1.7, Child Mental Health Care Consortium, in fiscal year 20242 or 20253, as identified in Art. IX §10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures, if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the agency's planned expenditure of those funds in fiscal year 20242 or fiscal year 20253 does not satisfy the requirements of Art. IX §10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures. <u>(g) For purposes of the requirements of Article IX, Sec. 6.08 Benefits Proportional by Fund of this Act, appropriations made to THECB and transferred to any institution of higher education to be used in</u>
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3.B. Rider Revisions and Additions Request (continued)

		<u>relation to TCMHCC shall be counted as if the transferred funds were directly appropriated to respective institution.</u> <i>U. T. System requests three clarifying changes to the rider: 1) clarify that FTEs at the institution of higher education (which is U. T. System) responsible for administering TCMHCC are not counted against the FTE cap. The funding is not included in U. T. System's LAR and as such may not be considered in establishing the System's appropriated FTE cap; 2) Modify/clarify the unexpended balance rider to provide explicit authority for each TCMHCC participant; and 3) clarify and ensure the transferability of proportional benefits along with the general revenue funding.</i>
U. T. System Administration, Rider 3	III-67	3. 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, 20234, and the income to said fund during the fiscal years beginning September 1, 20234, are hereby appropriated to The University of Texas System Administration and to any University of Texas institutions to which funds may be transferred by The University of Texas System Administration. Any unexpended appropriations made above as of August 31, 20242, are hereby appropriated for the same purposes for fiscal year 20253 to The University of Texas System Administration and to any University of Texas institutions to which funds may have been transferred by The University of Texas System Administration. <i>U. T. System requests that the dates in the rider be updated.</i>

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

U. T. System Administration, Rider 4	III-67 to III-68	4. Stroke Clinical Research. Out of the funds appropriated above to The University of Texas System in Strategy C.1.2, Stroke Clinical Research, \$4,275,000 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). Any unexpended balances as of August 31, 20242, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 20242. <i>U. T. System requests that the dates in the rider be updated.</i>
U. T. System Administration, Rider 5	III-68	5. Multi-Institution Center - Laredo. The University of Texas System is authorized to operate the Multi-Institution Center in Laredo. Notwithstanding Article III, Special Provisions Relating Only to State Agencies of Higher Education, Sec. 4 Transfer Provisions of this Act, The University of Texas System Administration may transfer appropriations to any general academic or health related institution from Strategy B.1.1., Multi-Institution Center - Laredo to be used for educational programs or other services operated at or related to the Multi-Institution Center - Laredo. Any unexpended balances as of August 31, 20242, from the appropriations identified in Strategy B.1.1., Multi-Institution Center - Laredo, are hereby appropriated to The University of Texas System Administration or to any general academic or health related institution which may have received a transfer of this appropriation from The University of Texas System Administration for the same purpose for the fiscal year beginning September 1, 20242. 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 System Administration and transferred to any general academic or health related institution <u>or transferred from any general academic or health related institution to The University of Texas System Administration</u> to be used in relation to the Multi-Institution Center - Laredo shall be counted as if the transferred funds were directly appropriated to respective <u>recipient general academic or health related institution</u>. <i>U. T. System requests update of the dates and modification of proportionality transfer provisions. In the current biennium U. T. Health Science Center at San Antonio also receives an appropriation. There was a current need to transfer some funds from the HSC to U. T. System. As the rider currently exists, proportional benefit impact does not transfer to U. T. System from the HSC along with the funds. Per the rider, proportional benefit only transfers from U. T. System to an institution. The rider change corrects this misalignment.</i>

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

Available University Fund, Rider 3	III-69	3. The University of Texas System Share. There is appropriated for the biennium ending August 31, 2023, 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 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, endowments, 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. <u>support and maintenance including</u> 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. <i>U. T. System requests modification of the provisions in “b” of this rider. The existing language is inconsistent with the Texas Constitution and in potential conflict with allowed uses in AUF Rider 8. The proposed language of “support and maintenance” is quoted from the Texas Constitution and would encompass the spirit of Rider 8.</i> <i>U. T. System also requests deletion of the prohibition on Board of Regents expenses. This language is in direct conflict with Education Code Chapter 65.14 which states “The reasonable expenses incurred by members of the board in the discharge of their duties shall be paid from the available university fund.”</i>
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3.B. Rider Revisions and Additions Request (continued)

Available University Fund, Rider 6	III-70	6. Reporting Requirements for System Office Operations and System Initiatives. 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: 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; b. A detailed listing of the role and function of any FTEs included in the Board of Regents activity; c. A listing of funds outside of the Available University Fund, including gifts, donations, and other funds outside the treasury, used for each activity each fiscal year; and d. Any additional information requested by the Legislative Budget Board. <i>U. T. System requests the deletion of the reporting requirement related to the Board of Regents (BOR) activity as regulatory relief. The primary purpose of the report is related to detail of AUF used for system office operations and initiatives. Information on the BOR office does not seem to directly fit the purpose.</i>
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3.B. Rider Revisions and Additions Request (continued)

Support for Military and Veterans Exemptions, Rider 1	III-72 to III-73	1. Distribution to Eligible Institutions. There is appropriated to each eligible institution of higher education for the biennium ending August 31, 2023, an annual distribution amount from the Permanent Fund Supporting Military and Veterans Exemptions to offset the cost to each institution of higher education of the exemptions required by Education Code, Sec. 54.341(k). The annual distribution total from the fund shall be determined by the Texas Treasury Safekeeping Trust Company. The annual distribution from the fund shall be distributed to eligible institutions in proportion to each institution's respective share of the aggregate cost to all institutions of the exemptions required by Education Code, Sec. 54.341(k), as determined and approved by the Legislative Budget Board. 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. Pursuant to Education Code, Sec. 54.341(h), each institution of higher education shall report information required for determining the distribution allocations. In the event an institution of higher education receives any funds from the Permanent Fund Supporting Military and Veterans Exemptions as a result of data reporting errors, the amount of funds related to the reporting errors shall be lapsed. <u>The Legislative Budget Board shall provide a copy of the approved annual distribution allocation data and amounts by institution to all receiving Institutions of Higher Education.</u> <i>U. T. System requests the addition of this provision to allow institutions of higher education to understand the Hazlewood funding distributions and to effectively administer them. The request is consistent with how Permanent Health Fund allocation information is provided to participating entities.</i>
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3.B. Rider Revisions and Additions Request (continued)

Support for Military and Veterans Exemptions, Rider 2	III-72 to III-73	2. Reimbursements for Hazlewood Exemption Program. Notwithstanding Article IX, §14.01, Appropriation Transfers or similar provisions of this Act, the General Revenue amounts appropriated above in Strategy B.1.1, Reimbursement for Hazlewood Exempts, are for the sole purpose of funding the proportionate share of the total cost to each institution for the Hazlewood Exemption Legacy Program and may not be used for any other purpose. The Texas Comptroller of Public Accounts shall annually distribute the appropriations made in Strategy B.1.1, Reimbursement for Hazlewood Exempts, according to the proportion of each institution's respective share of the aggregate cost of the exemption for students under the Hazlewood Exemption Legacy Program in Education Code, §54.341(k), as determined by the Legislative Budget Board consistent with the annual distribution from the Permanent Fund Supporting Military and Veterans Exemptions. The appropriations made in Strategy B.1.1, Reimbursement for Hazlewood Exempts, may not be distributed without the prior written approval of the Legislative Budget Board. 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. <u>For purposes of the requirements of Article IX, Sec. 6.08 Benefits Proportional by Fund of this Act, appropriations made in Strategy B.1.1 and transferred to any institution of higher education shall be counted as if the transferred funds were directly appropriated to respective institution.</u> Pursuant to Education Code, §54.341(h), each institution of higher education shall report information required for determining the distribution allocations. In the event an institution of higher education receives any General Revenue as a result of data reporting errors, the amount of funds related to the reporting errors shall be lapsed. <u>The Legislative Budget Board shall provide a copy of the approved annual distribution allocation data and amounts by institution to all receiving institutions of higher education.</u> <i>U. T. System requests that proportionality benefits be made available for the general revenue funding associated with Hazlewood. This allows for the more effective use and administration of the funds.</i>
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3.B. Rider Revisions and Additions Request (continued)

		<i>U. T. System requests the addition of the reporting provision to allow institutions of higher education to understand the Hazlewood funding distributions and to effectively administer them. The request is consistent with how Permanent Health Fund allocation information is provided to participating entities.</i>
Support for Military and Veterans Exemptions, Rider 3	III-73	3. Appropriation: Unexpended Balances. Any unobligated and unexpended balances as of August 31, 20234, in Permanent Fund Supporting Military and Veterans Exemptions appropriations made to each eligible institution of higher education are appropriated for the same purpose for the fiscal year beginning September 1, 20234. Any unobligated and unexpended balances as of August 31, 20242, in Permanent Fund Supporting Military and Veterans Exemptions appropriations made to each eligible institution of higher education are appropriated for the same purpose for the fiscal year beginning September 1, 20242. <u>Any unobligated and unexpended balances as of August 31, 2024, resulting from appropriation distributions made to each eligible institution of higher education out of Strategy B.1.1, Reimbursement for Hazlewood Exempts, are appropriated for the same purpose for the fiscal year beginning September 1, 2024.</u> <i>U. T. System requests the addition of unexpended balance (UB) authority for the general revenue reimbursement distributions made out of funds appropriated in Strategy B.1.1. Adding UB authority for the Hazlewood general revenue creates consistency between the two Hazlewood funds. Since the funds are received later in the fiscal year, UB authority will allow appropriate time to spend the funds.</i>
Support for Military and Veterans Exemptions, Rider 4 (NEW)	III-73	<u>4. Texas Veterans Commission Veterans Exemption Data.</u> <u>By November 30 of each year of the biennium, the Texas Veterans Commission shall provide a report to eligible institutions and their system office on veteran, child, spouse and legacy participants in the Hazlewood exemption program. At a minimum, the report would include all institutions, broken down by institution and exemption type, and would contain numbers of students, total exemption hours, total value of exemptions. Any information provided would not be personally identifiable, so as to not violate the federal Family Educational Rights and Privacy Act.</u> <i>U. T. System requests the addition of this reporting rider to allow institutions of higher education to better understand the Hazlewood funding distributions and to effectively administer them.</i>

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

The University of Texas Rio Grande Valley School of Medicine, Rider 5	III-193	5. Reporting Requirement on Permanent Health Fund Expenditures. The University of Texas Rio Grande Valley School of Medicine shall report, by December 1 of each fiscal year, to the Legislative Budget Board, House Appropriations Committee, and Senate Finance Committee, information on the use of expenditures from appropriations provided in Strategy D.1.1, School of Medicine and Strategy E.1.1, Tobacco Earnings from the Permanent Health Fund for Higher Education. <i>U. T. System requests the deletion of this reporting rider for UT Rio Grande Valley School of Medicine (RGVSOM). All other budgeting and reporting riders related to tobacco endowments have been deleted in prior sessions. Regarding reporting of activities of the School of Medicine strategy, the expenditure data are reported in RGVSOM's Legislative Appropriations Request. No other medical school embedded in an academic institution has this requirement. UTRGV also reports separate School of Medicine activities annually to the Coordinating Board as part of THECB's Sources and Uses Report.</i>
Special Provisions Relating Only to State Agencies of Higher Education, Sec. 5	III-266 to III-267	(no requested changes to subsections 1 to 4) 5. Tuition Revenue BondCapital Construction Assistance Project and Revenue Bond Transfers. Notwithstanding the other provisions of this act, transfers are not prohibited to the extent they are required to comply with proceedings authorizing bonds or other obligations now outstanding or hereafter issued pursuant to law. <i>U. T. System proposes an update to the transfer provision related to the former tuition revenue bonds. The updates adopt the new CCAP name under the assumption that the various appropriation strategies will be renamed.</i>

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

Special Provisions Relating Only to State Agencies of Higher Education, Sec. 6	III-268	Sec. 6. Expenditure Provisions. The expenditure of the appropriations made in this Article or authorized in law for institutions of higher education, except bequests and gifts specifically designated to be in some manner handled otherwise, shall be subject to the provisions of this section which follow and with exceptions only as specifically noted: 1. Annual Operating Budgets Required. It is expressly provided that the governing board of each of the institutions of higher education named herein shall approve on or before September 1, 20231 and 20242, an itemized budget covering the operation of the ensuing fiscal year, which budget shall be prepared within the limits of the revenue available. Each institution's operating budget shall contain a section(s) which provides budget amounts and the method of finance for each listed informational item of appropriated funds contained in this Act. A copy of each budget, and any subsequent amendments thereto, shall be filed with the Legislative Reference Library and the institution's general library to be available for public inspection. Copies of each budget shall also be filed with the Legislative Budget Board (if requested), the Governor, and the Texas Higher Education Coordinating Board by December 1 of each fiscal year. (no requested changes to subsections 2 through 8) 9. Tuition Revenue Bonds Capital Construction Assistance Projects and Other Revenue Bonds. Funds clearly identified in separate informational strategies to the <u>state institutions of higher education named in this Article</u> general academic teaching institutions and health sciences centers <u>for capital construction assistance projects or other revenue</u> or tuition revenue bond retirement may be expended only to reimburse institutions or centers for debt retirement authorized by Education Code §55.17 through §55.17991892 and §55.19. Any funds in excess of the amount expended for regularly scheduled principal and interest for debt service reimbursements due each year shall be lapsed to the General Revenue Fund at the end of each fiscal year. Funds may be used for bond and commercial paper debt service payments, which can include principal, interest and fees. <i>U. T. System requests that the requirement to submit amendments to the Operating Budget be lifted. It is unclear what this provision requires, as routine amendments are not provided to the listed agencies. It is uncertain as to whether the agencies would be equipped to handle the hundreds if not thousands of individual amendments.</i> <i>In addition, U. T. System has had trouble fulfilling the requirements of the rider specifically with respect to submitting a copy of the budget to the LBB in the years when the LBB's Operating</i>
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3.B. Rider Revisions and Additions Request (continued)

		<i>Budget process is not ongoing. The LBB typically does not want copies of U.T.'s budget documents in the off years. The requested would alleviate the requirement in the off years, unless the LBB specifically requests the documents.</i> <i>Under the assumption that the various tuition revenue bond (TRB) appropriation strategies will be renamed, U. T. System proposes updates to the former TRB limiting rider. The updates adopt the new CCAP strategy name reference, expands the statutory reference to include authorizations under SB52 (87th Leg, 3rd Called Session) as well as clean up old language limiting the rider only to general academic institutions and health science centers – which omitted system offices, TSTC, and health-related institutions such as U. T. M. D. Anderson Cancer Center which is technically not a “health science center”.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 11	III-271	Sec. 11. Method of Financing Scholarships. 1. Out of the funds identified by this Article in the informational items described as "Other Educational and General Income," the respective governing boards of the general academic teaching institutions and of the health centers, health science centers, or technical colleges may allocate and expend the actual receipts in such informational item for student scholarships pursuant to the provisions of Education Code §56.031 to §56.039, cited as the Texas Public Educational Grants Program. 2. Copies of such approved allocations together with copies of rules and regulations adopted by the respective governing boards concerning the award of such scholarships shall be filed with the Coordinating Board and with the Comptroller prior to the disbursement of any moneys for scholarships. Copies of any subsequent changes in such allocations or rules shall be similarly filed with the Coordinating Board and with the Comptroller. 3. No educational and general funds appropriated in this Act for scholarships to institutions of higher education may be used to provide athletic scholarships. 34. Out of the additional funds appropriated for the 20242-253 biennium for the informational strategy described as "Scholarships," funds the respective governing boards shall allocated and expended such funds by the respective governing boards for need-based student scholarships shall be allocated and expended without regardless of <u>to</u> the race, sex, color, or ethnicity of the student recipient. <i>U. T. System requests deletion of the reporting requirement in Paragraph 2 related to scholarships. TPEG scholarships are long established, and this would relieve a regulatory burden.</i> <i>UT System also requests clean-up of Paragraph 4. Since the adoption of the current formula funding model in the 1998-99 appropriation bill (75th Legislature), institutions no longer have the informational strategy of "Scholarships" in their bill pattern. The revision is intended to continue the existing requirement while eliminating the outdated language.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 26	III-274 to III-275	Sec. 26. General Academic Funding. Appropriations made in this Act for formula funding for general academic institutions will consist of four<u>the following</u> formulas and supplemental items. 1. Instruction and Operation Formula. The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 20242-253 biennium is \$59.4555.66 in fiscal year 20242 and fiscal year 20253. Weighting is determined by the following matrix: (matrix and paragraph 2 omitted for space considerations) 3. Infrastructure Support. Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater, and thermal energy. The average rate per square foot is \$5.845.47 in fiscal year 20242 and fiscal year 20253. 4. Supplemental Non-formula Items. Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, organized activities, scholarships, tuition revenue capital construction assistance projects bond payments, and facility lease charges. Institutions may receive an appropriation for non-formula support items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges. (no requested changes to Paragraphs 5 except routine updates) 6. Small Institution Supplement. The Small Institution Supplement, as a set-aside within the General Academic Institution Infrastructure Formula, shall provide supplemental funding to general academic institutions with headcounts of fewer than 10,000 students. For the 20242-253 biennium, general academic institutions with a headcount of fewer than 5,000 students shall receive a small institution supplement of \$2,812,342,633,133. The small institution supplement shall decrease proportionate to the increase in headcount above 5,000 until the institution reaches 10,000 headcount. Once an institution reaches 10,000 headcount, it shall no longer be eligible for this supplement.
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3.B. Rider Revisions and Additions Request (continued)

		These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2022<u>24</u>. <i>U. T. System requests the update of these paragraphs to reflect the THECB formula recommendations. The edit to Paragraph 4 is in anticipation of the tuition revenue bond strategies being renamed and is appropriate only if that occurs.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 26	III-274 to III-275	(all other changes to Rider 26 are requested above) <u>7. Research Funding and Formulas.</u> <u>The general academic institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also shall participate in one of the following research formulas subject to their eligibility for each formula.</u> <u>a. Texas Research University Fund.</u> <u>The Texas Research University Fund shall provide funding to The University of Texas at Austin and Texas A&M University based on each institution's average research expenditures for the previous three-year period as reported to the Higher Education Coordinating Board. For the 2024-25 biennium, each institution receives 10.8 percent of its three-year average of total research expenditures as reported to the Texas Higher Education Coordinating Board.</u> <u>b. Core Research Support.</u> <u>The core research support fund is established to promote increased research capacity at 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). For the 2024-25 biennium, each institution is funded at an average of 11.2 percent of eligible research expenditures as determined by criteria listed above.</u> <u>c. Comprehensive Research Fund.</u> <u>The Comprehensive Research Fund shall provide funding to promote increased research capacity at general academic institutions, excluding The University of Texas at Austin, Texas A&M University, and institutions of higher education designated as an emerging research university under the Higher Education Coordinating Board's accountability system. Funding to eligible institutions shall be allocated among institutions based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years as reported to the Higher Education Coordinating Board. For the 2024-25 biennium, each institution receives 17.4 percent of its three-year average of restricted research expenditures as reported to the Texas Higher Education Coordinating Board.</u> <i>U. T. System requests the addition of Paragraph 7 to Rider 26 to consolidate information on all general academic institution formula methodologies into one rider and to update funding to the THECB Formula Funding recommendations. It is believed that this helps clarify formula vs. non-</i>
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**3.B. Rider Revisions and Additions Request
(continued)**

		<i>formula bill pattern items. The rider is submitted in combination with the requests for Special Provisions Riders 56 and 58 which previously included the methodologies plus unexpended balance authority and informational listings of formula amounts. In the event this request is not adopted, the language should remain in Riders 56 and 58.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 27	III-275 to III-282	Sec. 27. Health Related Institutions Funding. Appropriations made in this Act for formula funding for health related institutions shall consist of four <u>the following</u> formulas plus supplemental non-formula items. 1. Instruction and Operations Support Formula. The Instruction and Operations Support Formula shall provide funding on a per student or full-time equivalent basis. Funding for each instructional program is based on the following funding weights per student, with a base value per weighted student of <u>\$11,142.622</u> in fiscal year 20242 and fiscal year 20253: (matrix omitted due to space considerations) Instructional programs at remote locations and the main campus at The University of Texas Health Science Center at Tyler with enrollments of less than 200 students at individual campuses shall receive additional funding to compensate for the diseconomies of scale. The minimum formula shall generate additional funding per student, on a sliding scale, with programs with small enrollments receiving more additional funding per student. 2. Infrastructure Support Formula. Funding to the health related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is <u>\$7.116.14</u> in fiscal year 20242 and fiscal year 20253 for all health related institutions. Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at 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 be included in the <u>respective mission specific formulas found in subsections 9 and 13 below</u> total funding for hospital and center operations. 3. Research Funding. The health related institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also receives research enhancement funding of \$1,412,500 plus <u>1.351.17</u> percent in fiscal year 20242 and fiscal year 20253 of its research expenditures as reported to the Texas Higher Education Coordinating Board. (no requested changes to Subsection 4 except routine updates as part of this request)
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3.B. Rider Revisions and Additions Request (continued)

		5. Graduate Medical Education Formula. The Graduate Medical Education Formulas shall provide funding on a per medical resident basis. Funding is based on a base value of \$13,826,11,940 per medical resident in an accredited program. Appropriations for Graduate Medical Education for fiscal year 20242 and fiscal year 20253 are \$6,9135,970 per resident. (no requested changes to remaining Subsections except routine updates as part of this request) <i>U. T. System requests the update of these paragraphs to reflect the THECB formula recommendations.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 27	III-275 to III-282	Sec. 27. Health Related Institutions Funding. Appropriations made in this Act for formula funding for health related institutions shall consist of four <u>the following</u> formulas plus supplemental non-formula items. (no requested changes to Subsection 1 except routine updates) 2. Infrastructure Support Formula. Funding to the health related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is \$<u>7.11</u>6.14 in fiscal year 2024<u>2</u> and fiscal year 2025<u>3</u> for all health related institutions. Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at 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 be included in the <u>respective mission specific formulas found in subsections 9 and 13 below</u>total funding for hospital and center operations. (no requested changes to Subsections 3-6 except routine updates) 7. Supplemental Non-formula Items. Institutions shall receive a direct reimbursement as applicable for staff group insurance, workers' compensation insurance, unemployment insurance, public education grants, medical loans, tuition revenue <u>capital construction assistance projects</u> bond payments, and facility lease charges. Institutions may receive an appropriation for non-formula support items and hospital and clinic operations. (no requested changes to the Subsections 8-9 except routine updates) 10. Mission Specific Support - Performance Based Research Operations Formula. (Note - all of Subsection 10 omitted due to space considerations except the affected last paragraph) For formula funding purposes, the amount of growth in total funding for the Performance Based Research Operations Formula from one biennium to another may not exceed 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding <u>appropriations for capital construction assistance projects</u>tuition revenue bond debt service. The Legislative Budget Board shall implement the funding in accordance with this limitation. In a biennium in which funding is not available to meet the institution's performance-driven target, the formula mechanisms and
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3.B. Rider Revisions and Additions Request (continued)

		performance-calculated match rates remain while the Legislature determines the General Revenue provided. In the FY 20242-25³ biennium, \$ <u> 114,849,890 </u> in General Revenue is provided. 11. Mission Specific Support - Performance Based Research Operations Formula. (Note - all of Subsection 11 omitted due to space considerations except the affected last paragraph) For formula funding purposes, the amount of growth in total funding for the Performance Based Research Operations Formula from one biennium to another may not exceed 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding <u>appropriations for capital construction assistance projects</u>tuition revenue bond and debt service. The Legislative Budget Board shall implement the funding in accordance with this limitation. In a biennium in which funding is not available to meet the institution's performance-driven target, the formula mechanisms and performance-calculated match rates remain while the Legislature determines the General Revenue provided. In the FY 20242-25³ biennium, \$ <u> 25,476,160 </u> in General Revenue is provided. 12. Mission Specific Support - Performance Based Research Operations Formula. (Note - all of Subsection 12 omitted due to space considerations except the affected last paragraph) For formula funding purposes, the amount of growth in total funding for the Performance Based Research Operations Formula from one biennium to another may not exceed 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding <u>appropriations for capital construction assistance projects</u>tuition revenue bond and debt service. The Legislative Budget Board shall implement the funding in accordance with this limitation. In a biennium in which funding is not available to meet the institution's performance-driven target, the formula mechanisms and performance-calculated match rates remain while the Legislature determines the General Revenue provided. In the FY 20242-25³ biennium, \$ <u> 25,448,000 </u> in General Revenue is provided. (no requested changes to the Subsections 13-14 except routine updates) 15. Mission Specific Support - Performance Based Research Operations Formula. (Note - all of Subsection 15 omitted due to space considerations except the affected last paragraph of "b.") For formula funding purposes, the amount of growth in total funding for the Performance Based Research Operations Formula from one biennium to another may not exceed 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding <u>appropriations for</u>
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3.B. Rider Revisions and Additions Request (continued)

		capital construction assistance projecttuition revenue bond debt service. The Legislative Budget Board shall implement the funding in accordance with this limitation. 16. Mission Specific Support - Performance Based Research Operations Formula. (Note - all of Subsection 16 omitted due to space considerations except the affected last paragraph) For formula funding purposes, the amount of growth in total funding for the Performance Based Research Operations Formula from one biennium to another may not exceed 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding <u>appropriations for capital construction assistance project</u>tuition revenue bond debt service. The Legislative Budget Board shall implement the funding in accordance with this limitation. 17. Mission Specific Support - Performance Based Research Operations Formula. (Note - all of Subsection 17 omitted due to space considerations except the affected last paragraph) For formula funding purposes, the amount of growth in total funding for the Performance Based Research Operations Formula from one biennium to another may not exceed 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding <u>appropriations for capital construction assistance project</u>tuition revenue bond debt service. The Legislative Budget Board shall implement the funding in accordance with this limitation. <i>U. T. System requests the changes to clean up the introductory section as there are now more than four formulas and because none of the three institutions receive an appropriation for hospital and center operations. This funding was replaced by mission-specific formula support in all cases.</i> <i>The edit to Paragraphs 7, 10-12 and 15-17 are in anticipation of the tuition revenue bond strategies being renamed.</i>
Special Provisions Relating Only to State Agencies of Higher Education, Rider 35	III-283	Sec. 35. Endowed Programs. A state university that, within five years of receiving a donation, diminishes its financial support from local funds for a program created or endowed by the donor shall notify the donor in accordance with the donor agreement. If the agreement so provides, then upon application by the donor, the university shall return the donation or endowment. <i>U. T. System requests the deletion of this rider as regulatory relief.</i>

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

Special Provisions Relating Only to State Agencies of Higher Education, Rider 39	III-284	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 \$_____ 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. <u>Along with the determined distributions referenced above, the Texas Comptroller of Public Accounts shall also distribute any current or prior interest earned on pre-distribution balances held in the State Treasury to the eligible institutions in proportion to the allocation distributions determined by the Legislative Budget Board in accordance with Education Code §63.003.</u> <u>The Legislative Budget Board shall provide a copy of the approved annual distribution allocation data and amounts by institution to participating institutions of higher education.</u> <i>U. T. System requests three changes: 1) the change to update the amount with the 2023 distribution approved by the U. T. System Board of Regents. 2) A nominal amount of interest is earned in the State Treasury on balances received by the State from UTIMCO but not yet distributed to the participating institutions. This would authorize/require the Comptroller to distribute that interest using the same proportions as the current LBB-approved distribution. We estimate this currently to be \$40-50K total with a much smaller amount to be earned annually in the future. This is a housekeeping request to see that the funds are utilized. 3) The addition of a data-sharing provision consistent with current LBB practice to allow institutions of higher education to understand the PHF funding distributions and to effectively administer them. The request is consistent with the request we are making regarding Hazlewood funding.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 44	III-284 to III-285	Sec. 46. Report Concerning Designated Tuition. (a) Not later than January 1, 2022, 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 2019-20 and 2020-21 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, the chair of the House Appropriations Committee, and the Legislative Budget Board. <i>U. T. System requests the deletion of this reporting requirement as a reduction of administrative burden. Tuition deregulation has been in statute for almost 20 years and the report has likely lessened in importance. An informational listing/projection of designated tuition by institution is included Rider 50.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 56	III-288 to III-289	Sec. 56. Research Funding for General Academic Institutions. Below are informational amounts related to the Texas Research University Fund and the Comprehensive Research Fund. 1. Texas Research University Fund. The Texas Research University Fund shall provide funding to The University of Texas at Austin and Texas A&M University based on each institution's average research expenditures for the previous three year period as reported to the Higher Education Coordinating Board. For the 2022-23 biennium, each institution receives 10.1 percent of its three year average of total research expenditures as reported to the Texas Higher Education Coordinating Board. The amounts listed below for informational purposes are appropriated out of the General Revenue fund elsewhere in the Act in each affected institution's "Texas Research University Fund" strategy and shall be expended to support faculty for the purpose of instructional excellence and research. Any unexpended balances as of August 31, 20242, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 20242. (informational listing of institutions and amounts not included in this request – update as appropriate) 2. Comprehensive Research Fund. The Comprehensive Research Fund shall provide funding to promote increased research capacity at general academic institutions, excluding The University of Texas at Austin, Texas A&M University, and institutions of higher education designated as an emerging research university under the Higher Education Coordinating Board's accountability system. Funding to eligible institutions shall be allocated among institutions based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years as reported to the Higher Education Coordinating Board. For the 2022-23 biennium, each institution receives 16.3 percent of its three year average of restricted research expenditures as reported to the Texas Higher Education Coordinating Board. The amounts listed below for informational purposes are appropriated out of the General Revenue fund elsewhere in the Act in each affected institutions' "Comprehensive Research Fund" 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. Any unexpended balances as of August 31, 20242, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 20242. (listing of institutions and amounts not included in this request – update as appropriate) <i>U. T. System requests the changes to consolidate information on all general academic institution formula methodologies into one rider (Rider 26). It is believed that this helps clarify formula vs.</i>
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3.B. Rider Revisions and Additions Request (continued)

		<i>non-formula bill pattern items. The changes to Rider 56 are submitted in combination with the requests for Special Provisions Riders 26 (GAI formula rider) and 58 Emerging Research Universities Research Funding.</i>
Special Provisions Relating Only to State Agencies of Higher Education, Rider 58	III-289 to III-290	Sec. 58. Emerging Research Universities Research Funding. <u>Below are informational amounts for the two funding programs to support research at Emerging Research Universities-shall consist of appropriations from two research programs.</u> 1. Texas Research Incentive Program. Pursuant to Education Code, Sec. 62.121-62.124, the Texas Research Incentive Program shall provide matching funds to emerging research universities, designated under the Higher Education Coordinating Board's accountability system, to assist institutions in leveraging private gifts for the enhancement of research productivity. The amounts listed below for each emerging research university are for informational purposes only. (listing of institutions and amounts not included in this request – update as appropriate) 2. Core Research Support: The core research support fund is established to promote increased research capacity at 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). For the 2022-23 biennium, each institution is funded at an average of 10.4 percent of eligible research expenditures as determined by criteria listed above. Any unexpended balances as of August 31, 20242, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 20242. The amounts listed below for each institution are for informational purposes only. (listing of institutions and amounts not included in this request – update as appropriate) <i>U. T. System requests the changes to consolidate information on all general academic institution formula methodologies into one rider (Rider 26). It is believed that this helps clarify formula vs. non-formula bill pattern items. The changes to Rider 58 are submitted in combination with the requests for Special Provisions Riders 26 (GAI formula rider) and 56 Research Funding for General Academic Institutions.</i>

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

Special Provisions Relating Only to State Agencies of Higher Education, Rider 59	III-290	Sec. 59. 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>										
Special Provisions Relating Only to State Agencies of Higher Education, Rider 59	III-291	Sec. 61. HEGI State Premium Contribution Rate. For the 2022-23 biennium, funds identified and appropriated through the Higher Education Employees Group Insurance bill pattern are based on the following percentage of the full Employee Retirement System (ERS) premium rates, based on the following institutional categories: <table><tr><td></td><td>2022-23</td></tr><tr><td>The University of Texas System</td><td>78.2%</td></tr><tr><td>Texas A&M University System</td><td>78.2%</td></tr><tr><td>ERS Participating Institutions</td><td>78.6%</td></tr><tr><td>Public Community/Junior Colleges</td><td>50.0%</td></tr></table> <i>U. T. System requests that the provisions of Rider 61 be moved to the Higher Education Group Insurance bill pattern and added to it as a new rider (see request above). This allows the information presented to be grouped with the related HEGI appropriations. In the event this is not moved to the HEGI bill pattern, this request is withdrawn.</i>		2022-23	The University of Texas System	78.2%	Texas A&M University System	78.2%	ERS Participating Institutions	78.6%	Public Community/Junior Colleges	50.0%
	2022-23											
The University of Texas System	78.2%											
Texas A&M University System	78.2%											
ERS Participating Institutions	78.6%											
Public Community/Junior Colleges	50.0%											

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

Article IX, Section 6.08	IX-28 to IX-30	Sec. 6.08. Benefits Paid Proportional by Method of Finance. <i>(Paragraphs (a) through (f) omitted due to space considerations)</i> (g) Each agency or institution of higher education (excluding a community or junior college) having General Revenue Fund appropriations and other sources of financing shall file with the Comptroller and the State Auditor a report demonstrating proportionality. The report shall be filed before November 20 following the close of the fiscal year for the salaries, wages, and benefits of the preceding year which ended August 31. The report shall be in a format prescribed by the Comptroller in collaboration with the Legislative Budget Board and the State Auditor's Office. <u>The Comptroller shall have 180 days after the due date to review this report, after which the report is considered final and approved. This deadline shall not apply if an agency or institution of higher education has not satisfactorily resolved issues raised by the Comptroller.</u> <i>(Paragraphs (h) through (j) omitted due to space considerations)</i> (k) The limitation in Subsection (j) shall not apply to the: (1) funds appropriated to the Texas Department of Criminal Justice and provided to The University of Texas Medical Branch at Galveston or to the Texas Tech University Health Sciences Center for correctional health care services, and (2) funds appropriated to the Health and Human Services Commission and provided to The University of Texas Health Science Center at Houston for the operation of the Harris County Psychiatric Center <u>or the Dunn Behavioral Sciences Center.</u> <i>U. T. System requests that a deadline for review of the Benefits Proportionality reports (APS 11 Reports) be established. Currently reviews are often in excess of 18 months, making it difficult to administer the provisions of the HEGI reallocation rider (Rider 6.a) on a timely basis. Appropriations lapse two years after the end of a fiscal year and this leaves little time to ensure an appropriate reallocation has occurred.</i> <i>U. T. System also requests that the provision related to UTHSC Houston be updated to reflect the status of the new Dunn Behavioral Science Center.</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 7.01	IX-35 to IX-36	Sec. 7.01. Budgeting and Reporting. (a) As a limitation and restriction upon appropriations made by this Act, agencies and institutions of higher education appropriated funds by this Act may expend appropriated funds only if there is compliance with the following provisions: (1) On or before December 1 of each year, an itemized budget covering the operation of that fiscal year shall be filed with the Governor, the Legislative Budget Board, and the Legislative Reference Library in the format prescribed jointly by the Legislative Budget Board and the Governor. (2) All subsequent amendments to the original budget shall be filed with the Governor and the Legislative Budget Board within 30 days of approval of such amendments unless such reporting requirement is waived. (3) Under guidelines developed by the Legislative Budget Board, each agency shall file a report with the Legislative Budget Board, the Governor, the Legislative Reference Library, the state publications clearinghouse of the Texas State Library, State Auditor's Office, and the appropriate substantive committees of the House and Senate. The report shall analyze the agency's performance relative to the attainment of stated outcome, output and efficiency targets of each funded goal and strategy. The report shall be submitted at such intervals required by the Legislative Budget Board. The report shall contain a comparison of actual performance for the reporting period with targeted performance based on the level of funding appropriated. In developing guidelines for the submission of agency performance reports, the Legislative Budget Board (in consultation with the Governor) shall: (A) specify the measures to be reported including the key performance measures established in this Act; (B) approve the definitions of measures reported; and (C) establish standards for and the reporting of variances between actual and targeted performance levels. (4) The Legislative Budget Board (in consultation with the Governor) may adjust projected performance target levels, develop new measures, modify or omit existing measures and measure definitions, and/or transfer measures between agencies, goals or strategies to reflect appropriation changes made by riders or other legislation subsequent to passage of this Act, invocation of budget execution authority by the Governor and the Legislative Budget Board, or as unforeseen circumstances may warrant during the biennium.
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3.B. Rider Revisions and Additions Request (continued)

		(5) To ensure that the Program and Cost Accounting functions of the Uniform Statewide Accounting System (USAS) are maximized, it is the intent of the Legislature that the Legislative Budget Board and the Governor: (A) determine the agencies, institutions, goals, strategies or other reporting units for which cost accounting data is required; (B) approve the basis for calculating and allocating costs to selected functions, tasks or measures; (C) determine the frequency of reporting cost accounting data needed; and (D) provide for the integration of cost accounting data into the budget development and oversight process. (6) The determinations to be made should be based upon due consideration of the relative benefits and cost-effectiveness of applying cost accounting requirements to a given state operation. (b) It is further the intent of the Legislature that the Comptroller develop and provide USAS training modules and support for state agencies and institutions to activate the cost accounting requirements addressed above. <u>(c) The provisions of (a)(1) and (a)(2) of this section shall not apply to an institution of higher education as annual operating budget requirements for institutions of higher education are set forth in Article III, Sec. 6.1, Annual Operating Budgets Required, of this Act.</u> <i>U. T. System requests that the budget and budget amendment provisions of this section be made not applicable to institutions of higher education. Higher Education has a competing budget requirement in Article III, Sec. 6.01. The primary difference between the two sections is the inclusion of a method of finance in the Article III budget requirements and the recipient lists for budget amendments and the annual budget.</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 7.04	IX-35 to IX-36	Sec. 7.04. Contract Notification: Amounts Greater than \$50,000. (a) In this section "contract" includes a contract, grant, or agreement, including a revenue generating contract, an interagency or interlocal grant or agreement, purchase order or other written expression of terms of agreement or an amendment, modification, renewal, or extension of such for the purchase or sale of goods or services that was entered into or paid for, either in whole or in part <u>with funds appropriated by this Act</u>, by a state agency or institution of higher education. (b) In this section "contract" does not include a contract with a value of less than or equal to \$50,000. (c) In this section "contract" includes an amendment, modification, renewal or extension which increases a contract's value from a value less than or equal to \$50,000 to a value greater than \$50,000. (d) Before the 30th calendar day after awarding a contract or granting an amendment, modification, renewal, or extension, a state agency or institution of higher education shall report to the Legislative Budget Board in the manner prescribed by Legislative Budget Board all contracts, amendments, modifications, renewals, and extensions to which the agency or institution was a party. (e) A state agency or institution of higher education receiving an appropriation under this Act shall report a contract pursuant to this section without regard to source of funds or method of finance associated with the expenditure, including a contract for which only non-appropriated funds will be expended. (f) The Legislative Budget Board may conduct reviews of contracts required to be submitted under this section 7.04 and valued at \$1,000,000 or more. If a contract reported under this section is found to violate: (1) State of Texas Procurement and Contract Management Guide; or (2) Any applicable statutes, rules, policies and procedures related to the procurement and contracting of goods and services, including compliance with conflict of interest disclosure requirements; the Director of the Legislative Budget Board may provide written notification to the comptroller, the governor, and/or the Legislative Budget Board detailing the requirements of this section that the agency did not meet and any recommendations to address identified risks related to the procurement or contract. The recommendations may include enhanced monitoring by Legislative Budget Board staff; auditing by the State Auditor's Office; required agency consultation with the Quality Assurance Team and/or Contract Advisory Team; or contract cancellation.
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3.B. Rider Revisions and Additions Request (continued)

		(g) For contracts with an initial award value greater than \$1 million, a state agency or institution of higher education shall provide notice of a contract for services for which the expected total value of the contract subsequent to amendment or renewal exceeds the total value of the initial contract award by 10 percent or more, in accordance with procedures established by the Legislative Budget Board, to: (1) the governor; (2) the lieutenant governor; and (3) the speaker of the house of representatives. (h) A state agency or institution of higher education must provide the notice required under Subsection (g) not later than the 30th day after the date of the disclosure or discovery that the expected total value of the contract subsequent to amendment or renewal exceeds the total value of the initial contract award by 10 percent. The notice must include: (1) the amount of the cost increase; (2) the reason for the cost increase; and (3) any opportunity the state agency had to lessen the cost or to purchase the service from another vendor after the first dollar of the increased cost was discovered or disclosed to the agency or institution. (i) The Legislative Budget Board shall establish the procedures for the notice required by Subsections (g) or (h). <i>U. T. System requests the revision of this reporting requirement to limit it to funds within the Act as regulatory relief. An analysis of Fiscal 2019 contracts for the entire U. T. System indicates that U. T. was required to report over 9,000 contracts under the current rule. If the rule were limited to only appropriated funds, this number falls by 90%.</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 7.04	IX-35 to IX-36	Sec. 7.04. Contract Notification: Amounts Greater than \$50,000. (a) In this section "contract" includes a contract, grant, or agreement, including a revenue generating contract, an interagency or interlocal grant or agreement, purchase order or other written expression of terms of agreement or an amendment, modification, renewal, or extension of such for the purchase or sale of goods or services that was entered into or paid for, either in whole or in part, by a state agency or institution of higher education. (b) In this section "contract" does not include a contract with a value of less than or equal to \$50,000 <u>for a state agency or a value of less than or equal to \$250,000 for an institution of higher education.</u> (c) In this section "contract" includes an amendment, modification, renewal or extension which increases a contract's value from a value less than or equal to \$50,000 to a value greater than \$50,000 <u>for a state agency or from a value of less than or equal to \$250,000 to a value greater than \$250,000 for an institution of higher education.</u> (d) Before the 30th calendar day after awarding a contract or granting an amendment, modification, renewal, or extension, a state agency or institution of higher education shall report to the Legislative Budget Board in the manner prescribed by Legislative Budget Board all contracts, amendments, modifications, renewals, and extensions to which the agency or institution was a party. (e) A state agency or institution of higher education receiving an appropriation under this Act shall report a contract pursuant to this section without regard to source of funds or method of finance associated with the expenditure, including a contract for which only non-appropriated funds will be expended. (f) The Legislative Budget Board may conduct reviews of contracts required to be submitted under this section 7.04 and valued at \$1,000,000 or more. If a contract reported under this section is found to violate: (1) State of Texas Procurement and Contract Management Guide; or (2) Any applicable statutes, rules, policies and procedures related to the procurement and contracting of goods and services, including compliance with conflict of interest disclosure requirements; the Director of the Legislative Budget Board may provide written notification to the comptroller, the governor, and/or the Legislative Budget Board detailing the requirements of this section that the agency did not meet and any recommendations to address identified risks related to the procurement
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3.B. Rider Revisions and Additions Request (continued)

		or contract. The recommendations may include enhanced monitoring by Legislative Budget Board staff; auditing by the State Auditor's Office; required agency consultation with the Quality Assurance Team and/or Contract Advisory Team; or contract cancellation. (g) For contracts with an initial award value greater than \$1 million, a state agency or institution of higher education shall provide notice of a contract for services for which the expected total value of the contract subsequent to amendment or renewal exceeds the total value of the initial contract award by 10 percent or more, in accordance with procedures established by the Legislative Budget Board, to: (1) the governor; (2) the lieutenant governor; and (3) the speaker of the house of representatives. (h) A state agency or institution of higher education must provide the notice required under Subsection (g) not later than the 30th day after the date of the disclosure or discovery that the expected total value of the contract subsequent to amendment or renewal exceeds the total value of the initial contract award by 10 percent. The notice must include: (1) the amount of the cost increase; (2) the reason for the cost increase; and (3) any opportunity the state agency had to lessen the cost or to purchase the service from another vendor after the first dollar of the increased cost was discovered or disclosed to the agency or institution. (i) The Legislative Budget Board shall establish the procedures for the notice required by Subsections (g) or (h). <i>U. T. System requests the revision of this reporting requirement to increase the reporting threshold for institutions of higher education from \$50,000 to \$250,000 as regulatory relief. An analysis of Fiscal 2019 contracts for the entire U. T. System indicates that U. T. was required to report over 9,000 contracts under the current rule. If the threshold were increased from \$50,000 to \$250,000, the number of contracts reported would likely fall by an undetermined, but significant number.</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 7.11	IX-40 to IX-41	Sec. 7.11. Notification of Certain Purchases or Contract Awards, Amendments, and Extensions. (a) In this section "contract" includes a contract, grant or agreement, including a revenue generating contract, an interagency or interlocal grant or agreement, purchase order or other written expression of terms of agreement or an amendment, modification, renewal, or extension of such for the purchase or sale of goods or services that was entered into or paid for, either in whole or in part <u>with funds appropriated by this Act</u>, by a state agency or institution of higher education. (b) Until providing notice that satisfies the requirements of Subsections 7.11(c) and (d), an agency or institution of higher education appropriated funds in this Act may not expend any funds to make a payment on a contract if the expected amount of the contract exceeds or may reasonably be expected to exceed either of the following thresholds: (1) \$10 million; or (2) \$1 million in the case of a contract awarded: (A) as a result of an emergency or following an emergency procedure allowed by statute; or (B) without issuing a request for proposal, request for bid, or other similar process common to participation in the competitive bidding processes required by statute, rule, or ordinary and commonly recognized state policies and procedures. (c) An agency or institution of higher education may not expend funds to make a payment on a contract under Subsection (b)(1) or (b)(2) until the notice required in this Section 7.11 is provided to the Legislative Budget Board. The notice shall be provided to the Legislative Budget Board: (1) within 15 calendar days of contract award; or (2) within 5 calendar days of contract award if the contract was awarded as a result of an emergency or following an emergency procedure allowed by statute. Such a purchase must be necessary to avoid an immediate hazard to life, health, safety or the welfare of humans, or to avoid an immediate hazard to property. (d) The notice required by Section 7.11(c) must include:
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3.B. Rider Revisions and Additions Request (continued)

		(1) (A) information regarding the nature, term, amount and the vendor(s) awarded the contract; (B) a copy of the contract documents, including all appendices and attachments, and, if applicable, a finding of fact for major consulting contracts from the Governor's Office stating that the consulting services are necessary as required by Government Code, Section 2254.028(a)(3); (C) each request for proposal, invitation to bid, or comparable solicitation related to the contract; and (D) Subsections (d)(1)(B) and (C) shall not apply: (i) to an enrollment contract described by T.A.C. Section 391.183 as that section existed November 1, 2013; (ii) to a contract of the Texas Department of Transportation that relates to highway construction or engineering, or is subject to Section 201.112, Transportation Code; (2) (A) certification signed by the executive director of the agency or other similar agency or institution administrator or designee of the agency or institution of higher education stating that the process used to award the contract, contract extension, or purchase complies with or is consistent with the following: (i) State of Texas Procurement and Contract Management Guide; and (ii) statutes, rules, policies and procedures related to the procurement and contracting of goods and services, including compliance with conflict of interest disclosure requirements; or (B) if the process to award the contract, contract extension, or procurement did not comply with the requirements of Subsection (d)(2)(A)(i) and (ii), or if these requirements are found to be inapplicable, the agency or institution of higher education shall provide either a legal justification for the inapplicability of the requirements or an explanation for the alternative process utilized, and legal justification for the alternative process; (3) certification by the executive director of the agency or other similar agency or institution administrator or designee of the agency or institution of higher education that the agency or institution has a process for:
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3.B. Rider Revisions and Additions Request (continued)

		(A) verification of vendor performance and deliverables; (B) payment for goods and services only within the scope of the contract or procurement order; (C) calculation and collection of any liquidated damages associated with vendor performance; and (D) when, why, or how to apply corrective action plans for continuing poor vendor performance; (4) certification by the executive director of the agency or other similar agency or institution administrator or designee of the agency or institution of higher education that the agency or institution will comply with the requirement to provide information to the Vendor Performance Tracking System when the contract is completed; and (5) any other information requested by the Legislative Budget Board before or after the Legislative Budget Board receives the notice as required by this Section 7.11. (e) A state agency or institution of higher education receiving an appropriation under this Act shall provide notice of a contract pursuant to this section without regard to the source of funds or method of finance associated with the expenditures, including a contract for which only non-appropriated funds will be expended. (f) If the agency does not satisfy the notification requirements of this section, the Director of the Legislative Budget Board may provide written notification to the comptroller, governor, and Legislative Budget Board detailing the requirements of this section that the agency did not meet and any recommendations to address identified risks related to the procurement or contract. The recommendations may include enhanced monitoring by Legislative Budget Board staff; auditing by the State Auditor's Office; required agency consultation with the Quality Assurance Team and/or Contract Advisory Team; or contract cancellation. (g) It is the intent of the legislature that a written notice certified as required by this Section 7.11 should be considered a "governmental record" as defined under Chapter 37, Penal Code. <i>U. T. System requests the revision of this reporting requirement to limit it to funds within the Act as regulatory relief. U. T. System also proposes the deletion of references to "institution" in the provision related to the Vendor Performance Tracking System. Pursuant to SB 799, 87th Leg RS, Section 7, which amended Government Code, Section 2155.089(c), contracts entered into by institutions of higher education are statutorily excluded from VPTS requirements.</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 9.12	IX-50 to IX-52	Sec. 9.12. Assignment of Contract Responsibility. (a) In this section: (1) "Agency" and "state agency" mean a state officer, board, commission, or department in the executive branch of government appropriated funds under this General Appropriations Act. (2) "Assignment" includes any legal means for transferring the responsibilities for fulfillment of any duties, rights, or obligations due to a state agency or institution of higher education under a contract, from the original party obligated to the agency or institution (the assignor) to another party (the assignee) assuming the duties, rights, or obligations due to a state agency or institution of higher education under a contract. (3) "Contract" has the meaning provided by Sec. 7.04 (Contract Notification: Amounts Greater than \$50,000), Article IX, of this General Appropriations Act. (4) "Institution of higher education" or "institution" has the meaning provided by Sec. 61.003(8), Education Code, except that the term does not include a public junior college. (5) "Major information resources project" has the meaning provided by Sec. 2054.003, Government Code. (6) "Quality assurance team" means the quality assurance team established under Sec. 2054.158, Government Code. (7) "Sensitive personal information" has the meaning provided by Sec. 521.002, Business & Commerce Code. (8) "Total value of the contract" includes the value of all payments <u>from funds appropriated by this Act</u>, as calculated by the quality assurance team, made and expected to be made in the future by a state agency or institution of higher education over the life of the contract beginning from the date of execution of the original contract between the state agency or institution of higher education and the original party with responsibilities for fulfillment of any duties, rights, or obligations due to a state agency or institution of higher education under the contract and including total payments made before assignment of the contract and the total payments expected to be made in the future after the assignment of the contract.
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3.B. Rider Revisions and Additions Request (continued)

		(no changes proposed to the remainder of this section) <i>U. T. System requests the modification of this section as regulatory relief. As modified, it is believed that the provisions of this rider would still be applicable to contracts funded from appropriated sources.</i>
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3.B. Rider Revisions and Additions Request (continued)

		Sec. 11.03. Statewide Capital Planning. (a) An agency or institution of higher education appropriated funds by this Act shall supply to the Bond Review Board capital planning information relating to projects subject to this section and financing options for the 2024-25 fiscal biennium in a format and according to guidelines developed by the Bond Review Board. Such information shall include: (1) a description of the project or acquisition; (2) the cost of the project; (3) the anticipated useful life of the project; (4) the timing of the capital need; (5) a proposed source of funds (method of financing); (6) a proposed type of financing; and (7) any additional related information requested by the Bond Review Board. (b) The Bond Review Board shall compile a statewide capital expenditure plan for the 2024-25 fiscal biennium from the information submitted by agencies and institutions in accordance with the capital planning guidelines. Copies of the guidelines shall be filed with the Governor and the Legislative Budget Board no later than December 31, 2021. The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 2023, with the Governor and the Legislative Budget Board no later than September 1, 2022. (c) The statewide capital plan required by this section shall identify the state's capital needs and alternatives to finance these needs. The Bond Review Board shall review input from all state agencies and institutions regarding the agencies' and institutions' current and future capital needs as part of the strategic planning process. The Bond Review Board shall inform the Legislature on the possible budget impact of the capital plan on the state's debt capacity (d) This section applies to each anticipated state project requiring capital expenditures for:
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3.B. Rider Revisions and Additions Request (continued)

		(1) land acquisition; (2) construction of buildings and other facilities; (3) renovations of buildings and other facilities estimated to exceed \$1 million in the aggregate for a single state agency or institution of higher education; or (4) major information resources projects estimated to exceed \$1 million. (e) The Higher Education Coordinating Board and the Bond Review Board shall eliminate redundant reporting by consolidating this report and the <u>An institution of higher education that completes the Higher Education Coordinating Board's Master Plan report is exempt from the provisions of this section. The Bond Review Board shall utilize information obtained from the Higher Education Coordinating Board's Master Plan report, to the greatest extent possible.</u> <i>U. T. System requests the modification of this section as regulatory relief. The Higher Education Coordinating Board (THECB) collects capital information from institutions of higher education. The Legislature has previously instructed the Bond Review Board (BRB) and THECB to consolidate reporting to the greatest extent possible. Rather than having institutions prepare two reports, the BRB should use information obtained from THECB and work with THECB to incorporate any required information not currently available into the existing Master Plan report.</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 13.11	IX-67	Sec. 13.11. Reporting of Federal Homeland Security Funding. All state agencies and institutions shall include in their operating budget reports to the Legislative Budget Board: (1) an estimated amount of federal homeland security funding received by the agency or institution of higher education and used for the operation and administration of state homeland security programs; and (2) the amount of federal homeland security funding received by the agency or institution and passed through to other agencies, institutions <u>of higher education</u>, or local units of government. (3) <u>This section does not apply to institutions or agencies of higher education that do not receive an appropriation of federal homeland security funding in this Act.</u> <i>U. T. System requests the modification of this rider to be limited to agencies and institutions of higher education that receive federal funding for Homeland Security appropriated through the General Appropriations Act.</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 17.09 (Paragraphs (b)(10) and (f) only)	IX-82 to IX-84	Sec. 17.09. Contract Management and Oversight. <i>(Paragraph (a) omitted due to space considerations)</i> (b) Agencies and institutions should manage contracts consistent with state statute, the General Appropriations Act, and the State of Texas Procurement and Contract Management Guide and ensure proper oversight of contract processes including: <i>(intervening provisions (1) to (9) omitted due to space considerations)</i> (10) Ensure that vendor performance is reported to the Vendor Performance Tracking System (VPTS) and that VPTS data is used in selecting vendors for contract awards. <u>This provision does not apply to an institution of higher education.</u> <i>(subsequent paragraphs omitted due to space considerations)</i> <i>U. T. System requests the change to this requirement to reflect current statute. Pursuant to SB 799, 87th Leg RS, Section 7, which amended Government Code, Section 2155.089(c), contracts entered into by institutions of higher education are statutorily excluded from the requirement to include VPTS. Accordingly, changes are proposed to specifically exempt institutions of higher education from provision (b)(10).</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 17.10	IX-84	Sec. 17.10. Energy Efficiency Savings for State Facilities. (a) In this section, "facility" means a facility with at least 100,000 gross square feet. (b) It is the intent of the legislature that a state agency that is appropriated money by this Act with charge and control over a facility shall have a remote or on-site assessment of the facility performed by the Energy Systems Laboratory at Texas A&M Engineering Experiment Station or another qualified provider to determine whether implementation of continuous commissioning or existing building commissioning practices would result in estimated savings of at least 10 percent in utility costs for the facility. A state agency shall supply any documents necessary to perform the assessment. The state agency shall report to the Legislative Budget Board on the results of the assessment. (c) If the results of an assessment performed under Subsection (b) of this section show estimated utility cost savings of at least 10 percent, the state agency shall have the Energy Systems Laboratory at Texas A&M Engineering Experiment Station or another qualified provider prepare a plan for implementation of continuous commissioning or existing building commissioning practices and monitoring of the implementation for the state agency. (d) <u>This section does not apply to an institution of higher education.</u> <i>U. T. System requests the change to this requirement as regulatory relief.</i>

6.A. Historically Underutilized Business Supporting Schedule
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/5/2022**
Time: **6:39:41AM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2020			Total Expenditures		HUB Expenditures FY 2021			Total Expenditures
			% Actual	Diff	Actual \$	FY 2020	% Goal	% Actual	Diff	Actual \$	FY 2021
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0
21.1%	Building Construction	18.6 %	21.1%	2.5%	\$15,682,882	\$74,184,611	18.6 %	22.2%	3.6%	\$7,201,042	\$32,457,410
32.9%	Special Trade	8.6 %	29.9%	21.3%	\$1,559,941	\$5,213,568	8.6 %	48.7%	40.1%	\$1,092,354	\$2,243,597
23.7%	Professional Services	15.2 %	14.4%	-0.8%	\$1,086,720	\$7,569,884	8.8 %	5.3%	-3.6%	\$312,399	\$5,950,153
26.0%	Other Services	4.5 %	3.8%	-0.7%	\$3,032,866	\$79,455,730	4.5 %	2.6%	-1.9%	\$2,009,253	\$77,572,609
21.1%	Commodities	28.9 %	36.2%	7.3%	\$3,887,054	\$10,740,907	7.7 %	36.4%	28.7%	\$3,715,753	\$10,202,719
	Total Expenditures		14.3%		\$25,249,463	\$177,164,700		11.2%		\$14,330,801	\$128,426,488

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

UT System attained or exceeded three of its five goals, or 60%, of the applicable procurement goals in fiscal year 2020 and 2021.

Applicability:

UT System rarely has expenditures in heavy construction, so no goal was set for this procurement category

Factors Affecting Attainment:

Professional Services:

- Significantly more subcontracting opportunities for HUB engineering firms with architectural firms on the design of major construction major construction projects than in financial and accounting services contracts. In designing a major capital projects, multiple specialized licensed disciplines are needed from mechanical engineering to structural to engineering electrical engineering.
- In the audit of UT System institutions, the only licensed discipline used is accounting. There was a major, unexpected decline in expenditures for architecture and engineering services because many construction projects were put on hold due to the pandemic.
- UT System delegated more of its major capital projects management to campuses decreasing its spend in this area in FY 2020.
- Accounting services were a much larger percentage of the total expenditures in professional services growing from 30% in FY 2019 to 43% in FY 2020 to 59% in FY 2021.

Other Services: A significant portion of expenditures is for purchasing property insurance and Oracle software where there is very little if any HUB subcontracting opportunities.

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

C. Good-Faith Efforts to Increase HUB Participation

Outreach Efforts and Mentor-Protégé Programs:

It is the Policy of U.T. System to promote full and equal opportunity for all businesses to supply the goods and services needed to support the mission, administrative, and logistical operations of U. T. System Administration and the U.T. System institutions. We commit to a good faith effort to increase purchases from and contract awards to HUB firms consistent with the State's goals.

- Outreach, education & training for vendors including sponsoring the UT System Construction Subcontractor training classes (Mar 2020), the UT System Institutions Goods & Services HUB Outreach Webinar (Apr 2021). We participated in nearly 50 HUB outreach events in FY 2020 & 30 in FY 2021.
- Developed HUB Contractor Guide to improve understanding of how to pursue, bid, & execute on major capital projects. Introduced the guide to HUB contractor community through various HUB outreach & training events
- Provided education/training of procurement staff on HUB requirements including monthly meetings with the Contracts and Procurement Office, & annual HUB training at the annual UT System Supply Chain Alliance Power of Collaboration Conference.
- 8 mentor protégé relationships in FY2020 & 9 in FY2021

HUB Program Staffing:

Providing five FTEs in support of System administration and Systemwide HUB outreach and training

Current and Future Good-Faith Efforts:

- Hosted 2nd Annual UT Systemwide Goods & Services HUB Procurement Opportunity Webinar and Second Annual UT Systemwide HUB Construction Opportunities Webinar in FY 2022
- Cosponsored Texas Education X Advocacy Series HUB outreach event January 27, 2022
- Developed Contractor Preparedness Checklist
- Updating the HUB Contractor Guide (1st edition published June 2020) with new information from focus group meetings with general contractors and HUB contractors
- Presented update on UT Systemwide HUB program to UT System Board of Regents and UT System Business Management Council in May 2022
- Hosted several focus group meetings with UT System Institution HUB Coordinators to discuss barriers to growth of HUB expenditures and best practices
- Sponsored the 12 hours UT System Construction Contractor Training Program for HUB subcontractors for projects at UT Rio Grande Valley
- Enhanced email marketing notifying HUBs of upcoming bid opportunities from the Contracts and Procurement Office with emphasis on encouraging them to attend the pre-proposal conference
- Developing automation tool for reporting of HUB

The University of Texas System Administration (720)
Estimated Funds Outside the Institution's Bill Pattern
2022-23 and 2024-25 Biennia

	2022-23 Biennium				2024-25 Biennium			
	<u>FY 2022 Revenue</u>	<u>FY 2023 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>	<u>FY 2024 Revenue</u>	<u>FY 2025 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 10,918,329	\$ 9,937,239	\$ 20,855,568		\$ 8,629,119	\$ 7,975,059	\$ 16,604,178	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Endowment and Interest Income	1,334,000	1,378,000	2,712,000		1,378,000	1,378,000	2,756,000	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>12,252,329</u>	<u>11,315,239</u>	<u>23,567,568</u>	<u>1.3%</u>	<u>10,007,119</u>	<u>9,353,059</u>	<u>19,360,178</u>	<u>0.9%</u>
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	\$ -	\$ 117,087	\$ 117,087		\$ -	\$ -	\$ -	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	838,494,667	904,530,329	1,743,024,995		974,925,849	1,043,796,066	2,018,721,915	
State Grants and Contracts	<u>9,696,794</u>	<u>-</u>	<u>9,696,794</u>		<u>9,696,794</u>	<u>-</u>	<u>9,696,794</u>	
Total	<u>848,191,461</u>	<u>904,647,416</u>	<u>1,752,838,876</u>	<u>93.6%</u>	<u>984,622,643</u>	<u>1,043,796,066</u>	<u>2,028,418,709</u>	<u>94.3%</u>
NON-APPROPRIATED SOURCES								
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	29,832,046	34,973,862	64,805,908		34,973,862	34,973,862	69,947,724	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	400,000	400,000	800,000		400,000	400,000	800,000	
Endowment and Interest Income	7,451,004	7,859,941	15,310,945		7,859,941	7,859,941	15,719,882	
Sales and Services of Educational Activities (net)	2,785,750	3,148,283	5,934,033		3,148,283	3,148,283	6,296,566	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	<u>4,560,514</u>	<u>4,959,944</u>	<u>9,520,458</u>		<u>4,959,944</u>	<u>4,959,944</u>	<u>9,919,888</u>	
Total	<u>45,029,314</u>	<u>51,342,030</u>	<u>96,371,344</u>	<u>5.1%</u>	<u>51,342,030</u>	<u>51,342,030</u>	<u>102,684,060</u>	<u>4.8%</u>
TOTAL SOURCES	<u><u>\$ 905,473,104</u></u>	<u><u>\$ 967,304,685</u></u>	<u><u>\$ 1,872,777,788</u></u>	<u><u>100.0%</u></u>	<u><u>\$ 1,045,971,792</u></u>	<u><u>\$ 1,104,491,155</u></u>	<u><u>\$ 2,150,462,947</u></u>	<u><u>100.0%</u></u>

Schedule 2: Selected Educational, General and Other Funds

8/5/2022 6:39:41AM

88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

720 The University of Texas System Administration					
	Act 2021	Act 2022	Bud 2023	Est 2024	Est 2025
General Revenue Transfers					
Transfer from Coordinating Board for Texas College Work Study Program (2021, 2022, 2023)	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 (2021, 2022, 2023)	0	0	0	0	0
Other (Itemize)					
Allocation from Texas Higher Education Coordinating Board for Joint Admission Medical Program	0	9,696,794	0	0	0
Transfer for Texas Child Mental Health Care Consortium	500,000	975,000	1,175,000	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	500,000	10,671,794	1,175,000	0	0
General Revenue HEF	0	0	0	0	0
Transfer from Available University Funds (UT, A&M and Prairie View A&M Only)	92,000,000	93,263,511	117,787,318	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 (2021, 2022, 2023)	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

Schedule 2: Selected Educational, General and Other Funds

8/5/2022 6:39:41AM

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Automated Budget and Evaluation System of Texas (ABEST)

720 The University of Texas System Administration					
	Act 2021	Act 2022	Bud 2023	Est 2024	Est 2025
Indirect Cost Recovery (Sec. 145.001(d))	0	0	0	0	0
Correctional Managed Care Contracts	0	0	0	0	0

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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 %	2.00%				
GR-D/Other %	98.00%				
Total Percentage	100.00%				
FULL TIME ACTIVES					
1a Employee Only	108	2	106	108	111
2a Employee and Children	40	1	39	40	38
3a Employee and Spouse	21	0	21	21	19
4a Employee and Family	43	1	42	43	48
5a Eligible, Opt Out	2	0	2	2	2
6a Eligible, Not Enrolled	6	0	6	6	5
Total for This Section	220	4	216	220	223
PART TIME ACTIVES					
1b Employee Only	0	0	0	0	0
2b Employee and Children	0	0	0	0	0
3b Employee and Spouse	1	0	1	1	0
4b Employee and Family	0	0	0	0	0
5b Eligible, Opt Out	0	0	0	0	0
6b Eligible, Not Enrolled	1	0	1	1	0
Total for This Section	2	0	2	2	0
Total Active Enrollment	222	4	218	222	223

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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	85	2	83	85	123
2c Employee and Children	2	0	2	2	2
3c Employee and Spouse	52	1	51	52	75
4c Employee and Family	4	0	4	4	5
5c Eligible, Opt Out	4	0	4	4	5
6c Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	147	3	144	147	210
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	147	3	144	147	210
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	193	4	189	193	234
2e Employee and Children	42	1	41	42	40
3e Employee and Spouse	73	1	72	73	94
4e Employee and Family	47	1	46	47	53
5e Eligible, Opt Out	6	0	6	6	7
6e Eligible, Not Enrolled	6	0	6	6	5
Total for This Section	367	7	360	367	433

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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	193	4	189	193	234
2f Employee and Children	42	1	41	42	40
3f Employee and Spouse	74	1	73	74	94
4f Employee and Family	47	1	46	47	53
5f Eligible, Opt Out	6	0	6	6	7
6f Eligible, Not Enrolled	7	0	7	7	5
Total for This Section	369	7	362	369	433

Schedule 6: Constitutional Capital Funding
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/5/2022 6:39:41AM

720 The University of Texas System Administration					
Activity	Act 2021	Act 2022	Bud 2023	Est 2024	Est 2025
A. PUF Bond Proceeds Allocation	4,500,000	11,813,128	5,000,000	5,000,000	5,000,000
Project Allocation					
Library Acquisitions	4,500,000	5,000,000	5,000,000	5,000,000	5,000,000
Construction, Repairs and Renovations	0	3,008,255	0	0	0
Furnishings & Equipment	0	1,000,000	0	0	0
Computer Equipment & Infrastructure	0	2,804,873	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
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/5/2022
Time: 6:39:42AM

Agency code: **720** Agency name: **UT Sys Admin**

	Actual 2021	Actual 2022	Budgeted 2023	Estimated 2024	Estimated 2025
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	0.0	12.0	13.0	13.0	13.0
Subtotal, Directly Appropriated Funds	0.0	12.0	13.0	13.0	13.0
Other Appropriated Funds					
AUF	216.5	209.8	226.5	226.5	226.5
Other (Itemize) Transfer from THECB	0.0	4.8	4.8	4.8	4.8
Subtotal, Other Appropriated Funds	216.5	214.6	231.3	231.3	231.3
Subtotal, All Appropriated	216.5	226.6	244.3	244.3	244.3
Non Appropriated Funds Employees	228.3	226.6	241.3	241.3	241.3
Subtotal, Other Funds & Non-Appropriated	228.3	226.6	241.3	241.3	241.3
GRAND TOTAL	444.8	453.2	485.6	485.6	485.6

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Heart Institute - Adult Stem Cell Program

(1) Year Non-Formula Support Item First Funded: 2010

Year Non-Formula Support Item Established: 2010

Original Appropriation: \$500,000

(2) Mission:

Created by 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:

N/A

(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/Discontinu

The 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 does not establish performance metrics.

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Multi-Institution Center - Laredo

(1) Year Non-Formula Support Item First Funded:	2022
Year Non-Formula Support Item Established:	2022
Original Appropriation:	\$3,601,508

(2) Mission:

The UT Education and Research Center at Laredo is a multi-institution teaching and research center delivering primarily health-related programs to students in the Laredo region. Previously a campus extension of The University of Texas Health Science Center at San Antonio (UTHSC-SA), in 2021 the Legislature transferred the control and operation of the Center to UT System to leverage the System's multiple institutions and resources to enhance the number and type of programs offered to students.

In 2021, existing non-formula funding that supports the basic administration and operations of the Center was transferred from UTHSC-SA to UT System for the same purpose. The Legislature also appropriated additional funding to aid in the Center's transformation and to provide start-up funding for the development of new academic programs. As these new programs mature and become supported by formula funding, start-up funding is redeployed to additional program development, furthering the Center's mission.

The Laredo Center is a byproduct of the state's South Texas Border Initiative and related efforts to improve the accessibility and quality of higher education and services in South Texas in response to the LULAC v. Richards lawsuit. The Center is an innovative and efficient approach that brings academic programs and research from multiple institutions across the state directly to students in Laredo and its surrounding counties.

(3) (a) Major Accomplishments to Date:

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Transformation to Center

- Hired 1st Executive Director & support staff
- Transferred operations control from UTHSC-SA to UT System
- Updated operations & IT support

Academic Programs

- UTRGV
 - o BS & MS of Social Work
 - Developing articulation agreements w/ Laredo College for student recruitment
 - Continuing to hire faculty. Next student cohort: Fall 2022
- UTHealth Houston
 - o School of Biomedical Informatics
 - Developed accelerated master's program agreements w/ Texas A&M International University
 - Recruiting and hiring faculty & Health IT advisor
 - Recruiting students: Fall 2022 start
 - Developing practicum agreements w/ local healthcare delivery organizations
 - Held community events. Conducted educational outreach and awareness in K-12 schools & within local healthcare industry
- UTSA
 - o Community Health Worker Certificate
 - Developed program & received accreditation
 - Hired 1st faculty & continue to recruit
 - Conducted student outreach/engagement activities
 - Expected 1st cohort fall 2022
 - o BA Multidisciplinary Studies
 - Currently recruiting faculty/staff/students
- UTHSCSA
 - o BS Dental Hygiene
 - In development phase. 1st class expected to start July 2023
 - Program has full accreditation
 - Currently recruiting faculty/students
 - o Master of Physician Assistant Studies
 - Expanded program to Center, two cohorts enrolled (21 total students)
 - Established required anatomy lab on site

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

The UT Center at Laredo will continue to support the participating institutions in building their current programs in the pipeline and developing them to self-sufficiency. As these programs start up and mature, funding will be shifted to new programs. These new programs will be identified through collaborations with local educational institutions (including K-12, Laredo College, and TAMU) and the local healthcare industry based on workforce demands, student interest, and capacity.

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

N/A

(5) Formula Funding:

N/A

(6) Category:

Instructional Support

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

N/A

(9) Impact of Not Funding:

Without funding, there would be no support available to oversee the Center's basic operations and administration. There also would be no support to enable the start-up of the nascent academic programs underway. Accordingly, the academic programs housed at the Center would be discontinued, and the buildings would be left vacant. The availability and quality of health-related higher education programs in Laredo and the surrounding area would be diminished.

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

Non-formula support is needed on a permanent basis.

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

N/A

(12) Benchmarks:

N/A

(13) Performance Reviews:

N/A

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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:

The mission of the Lone Star Stroke Research Consortium (LSS) is to improve the health and lives of Texans by discovering, testing, and disseminating better therapies to prevent and treat stroke, and enhance recovery in stroke survivors. The LSS created and administers a state-wide inter-institutional collaborative network for patient-centered stroke research and therapeutic trials, linking academic health institutions with expertise in stroke research to community stroke centers treating Texans throughout the state.

While stroke is the fifth leading cause of death nationwide, it's the third highest in Texas, and especially deadly to women, Hispanics, African Americans, and Texans over the age of 65. Despite medical advances, many regions in Texas fall behind in access to the high quality acute stroke care needed for favorable outcomes. LSS works to develop and provide this access.

The LSS includes Baylor College of Medicine, Texas Tech Health Sciences Center El Paso, Dell Medical School at 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, with Texas A&M System also participating as a major satellite spoke. Through these collaborations, LSS works to ensure all Texans have access to the highest level of stroke expertise and the most effective, most advanced prevention strategies, treatments, and post-stroke recovery care wherever they reside in Texas.

(3) (a) Major Accomplishments to Date:

- Utilized the hub and spoke research network to perform 20+ collaborative research projects, testing new therapies for Texans affected by stroke and cerebrovascular disease. These consortium studies, involving over 26,000 patients, have helped improve medical devices, diagnostic tools, and systems of care; many of the technologies are invented in Texas.
- Established evidence-based methods to improve stroke diagnosis, emergency stroke care, and long-term post-hospitalization care, leading to better outcomes and lower costs for patients across Texas.
- Shared discoveries through > 50 publications in medical journals and leveraged results to generate substantial external funding through Federal and institutional grants.
- Improved and expanded the professional workforce available to provide expert care for Texans with stroke. Facing substantial shortages in expert providers, our faculty provided intensive stroke specialty training for 63 early career physicians, many recruited from outside of Texas, and helped train diverse stroke providers, nurses and research staff at hub and spoke hospitals across the state.
- Moved aggressively to respond to challenges of the COVID-19 pandemic. We launched three new studies to understand special stroke risks of COVID-19 patients, enrolled patients in national treatment studies, assessed effects of medical system disruption on stroke care, and implemented new projects to improve the quality of telehealth delivery.

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

- All currently ongoing studies will be completed, analyzed, and published.
- Collaborative projects will be reviewed by independent experts and implemented across the consortium to test new drugs, devices, and care models for stroke.
- These studies will provide the opportunity to advance discoveries by Texas scientists and clinicians, leading to potential clinical application and commercialization.
- LSS will leverage its infrastructure, geographically diverse research network, and completed research studies to identify strategies for integration of telemedicine services into the full spectrum of Texas stroke systems of care. The goals are to improve access for underserved urban and rural communities across the state, improve patient outcomes, and reduce costs.
- If additional funding becomes available, LSS will develop a program for wide-spread dissemination of best clinical practices, therapeutic approaches, and consortium research discoveries to each Texas stroke facility that requests assistance, starting with current LSS Spokes. This program will utilize established expertise in research implementation, knowledge translation, quality improvement, and remote learning.

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

None

(5) Formula Funding:

N/A

(6) Category:

Trusted Funds

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

None

(9) Impact of Not Funding:

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Not funding would lead to the discontinuation of the LSS research network. This would curtail research into the causes and treatment of strokes in Texas, eliminate a critical source of cutting edge treatment and prevention strategies for stroke victims, and cease consortium operations at spoke hospitals which are not affiliated with major academic hub centers. Disparities in access to research is a major cause of insufficient information to guide optimum stroke care for minorities and rural Texans. Moreover, given the greatly increased risk of severe complications from COVID-19 in those with uncontrolled cardiovascular risk factors, this lack of access may contribute to higher death rates in these areas. Discontinuation of LSS funding will also halt important activities to recruit, train, and retain the expert workforce needed to provide quality care for Texans with stroke.

The State of Texas has made a major investment in the LSS research network which is paying great dividends in knowledge gained to help make lives better for Texans with stroke, leveraging Texas legislative support into outside grant funding, and preparing future stroke researchers who will continue to create new knowledge and provide outstanding stroke care for the people of Texas. This is an unprecedented opportunity for major academic institutions in Texas to collaborate to address one of Texas' major causes of disability and death.

(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 timeframe at which funding could be eliminated.

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

N/A

(12) Benchmarks:

The strengthening of collaboration and network activities among LSS Hub Institutions continued as new projects were initiated. The LSS Consortium has completed 8 studies and will complete 8 more by the end of FY22.

More than 26,000 Texans have participated in LSS clinical studies which address life-saving unmet needs in prevention and treatment of stroke with the aim to improve care for the best outcomes and value. Clustered around themes of telehealth (telemedicine), secondary stroke prevention, emergency management of acute ischemic and hemorrhagic stroke, stroke care for medically underserved Texans, and women's health, the success of these important clinical studies is measured by their findings, examples of which include:

- Creating robust care pathways can improve the time to life-saving treatment for stroke victims with a nurse-driven protocol in emergency rooms.
- After a stroke, a program of patient education on secondary stroke prevention using telemedicine is well accepted by patients and can reduce important risk factors like hypertension, smoking, and high cholesterol, decreasing the chances of a future stroke.
- Recovery from certain strokes—those due to large vessel disease and those with large brain hemorrhages—do better when transferred to comprehensive stroke centers in urban areas. Accordingly, LSS is analyzing data that will help improve the transfer times of these patients and thus improve their chances of a good outcome from their stroke.

(13) Performance Reviews:

N/A