

**STATE OF TEXAS
LEGISLATIVE APPROPRIATIONS REQUEST**

For Fiscal Years 2024 and 2025

**Submitted to the
Office of Governor, Budget Division
and the Legislative Budget Board**



Texas Tech University System Administration

October 19, 2022

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Schedules Not Included

Agency Code: 768	Agency Name: Texas Tech University System Administration	Prepared By: David Mondt	Date: Aug. 2022	Request Level: Baseline
For the schedules identified below, Texas Tech University System Administration either has no information to report or the schedule is not applicable. Accordingly, these schedules have been excluded from the Texas Tech University System Administration Legislative Appropriations Request for the 2024-2025 biennium.				
Number	Name			
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INSTITUTIONAL ORGANIZATION

The Texas Tech University System (TTU System) is governed by a nine-member Board of Regents appointed by the Governor of Texas. Members of the board serve six-year, staggered terms. In addition to the nine members, there also is a non-voting student regent who serves a one-year term and is appointed by the governor. A list of the current members of the Board of Regents is included in the organization chart.

The board reviews major issues and establishes policy for the TTU System and its components. The board also appoints a chancellor who is the chief executive officer of the TTU System. As CEO, the chancellor works collaboratively with the Board of Regents, TTU System administration and university presidents to enhance the TTU System's profile and support shared missions of advancing higher education, health care, research and community engagement.

TTU SYSTEM OVERVIEW

As a leading university system in public higher education, the TTU System provides high-quality education, innovative research, and exceptional health care to fields critical to the future of Texas and the world.

The TTU System is comprised of a central administration (Texas Tech University System Administration), two health-related institutions (Texas Tech University Health Sciences Center and Texas Tech University Health Sciences Center El Paso) and three general academic institutions (Texas Tech University, Angelo State University, and Midwestern State University). While the component institutions of the TTU System have their own long-standing histories and traditions, the TTU System itself was created in 1996 and formally established by the Texas Legislature in 1999.

The TTU System Administration (TTUSA) is headquartered in Lubbock, Texas. The TTU System's primary campuses are in Lubbock, San Angelo, El Paso, and Wichita Falls, and its regional campuses and sites are in Abilene, Amarillo, Cleburne, Dallas, Flower Mound, Fredericksburg, Junction, Mansfield, Marble Falls, McKinney, Midland, Odessa, Rockwall, Sherman, and Waco. The TTU System has two international locations that include a study abroad site in Seville, Spain, and a campus in San Jose, Costa Rica, both within the flagship institution, Texas Tech University.

Collectively, the annual budget of all components of the TTU System totals more than \$2.65 billion, including all funds. Approximately \$780 million of these funds are appropriated by the Texas Legislature.

Historic milestones were achieved for the state of Texas and the TTU System during the 86th Texas Legislature after the system received legislative funding and approval to establish a new Texas Tech University veterinary school in Amarillo and a new dental school at TTUHSC El Paso. This is the state's first veterinary school in more than a century and first dental school in over 50 years. The addition of these two schools makes the TTU System one of only nine in the nation to offer programs for undergraduate, medical, law, nursing, pharmacy, dental and veterinary education, among other academic areas.

As one of the largest employers in West Texas, the TTU System has approximately 19,000 faculty and staff focused on advancing its overall mission. Combined, TTU System component institutions enroll approximately 64,000 students across all campuses.

TTU SYSTEM ADMINISTRATION, LEADERSHIP & SUPPORT

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Under the governance of the Board of Regents, the TTUSA provides its component institutions with leadership and services that support the attainment of each component's individual mission. Fostering a culture of collaboration, sustainability, and excellence throughout the TTU System, the administration provides autonomy for the TTU System's component institutions while encouraging accountability, uniformity, and consistency. TTUSA provides for the overall fiscal health and stability of the TTU System and supports impactful initiatives of the component institutions.

The functions performed by the TTUSA and coordinated between the component institutions of the TTU System have been strategically identified to maximize consolidated expertise and cost saving measures in areas that include governmental relations, institutional advancement, investments, cash and debt management, risk management, information systems, facilities planning and construction, legal counsel and audit services, among other areas.

STUDENT ENROLLMENT AND SUCCESS

The TTU System remains diligent in its efforts to improve higher education participation and educate the state's workforce while being mindful of the cost of education and the impact of student debt on the future success of student graduation.

The TTU System has experienced tremendous enrollment growth, despite declining national trends and as the demand for higher education continues to increase in Texas. From Fall 2017 to Fall 2022, student enrollment grew by 11 percent, from 57,822 students to approximately 64,000 students, respectively. All five component institutions experienced enrollment growth while simultaneously improving the quality of their student population. In fact, four institutions within the TTU System achieved record or near record enrollment totals during the Fall 2021 semester.

Each component institution has also diversified its student population. Overall, the TTU System's Hispanic population grew to approximately 28 percent in Fall 2020, up from 24 percent in Fall 2015. Angelo State University, Texas Tech University, TTUHSC El Paso, and TTUHSC are designated as Hispanic Serving Institutions by the U.S. Department of Education.

Each university provides students with opportunities to enhance their marketable skills through service learning and collaborative programs that improve technical abilities and develop interpersonal skills through academic, research, simulation, study abroad, internship and service opportunities.

DEGREES AWARDED

Since 1925, the component institutions of the TTU System have educated generations of leaders and graduated more than 431,000 students. Graduates from TTU System institutions are known for their learned skill sets, practicality, strong work ethic and ambition. In academic year 2021-22, TTU System institutions awarded 15,000 degrees, up from 13,155 degrees in 2016-17.

RESEARCH EXCELLENCE

The TTU System's investment in research reached \$270 million in fiscal 2022, up from \$241.7 million in fiscal 2017, as part of a concentrated commitment to expanding the research enterprise at each of its component institutions. Each component institution of the TTU System has research areas of unparalleled excellence which include agriculture, wind science, energy production, tele-health, cybersecurity, and public health, among many other areas.

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By leveraging unique resources and collaborations, TTU System institutions provide solutions to complex problems that impact their communities, the state, nation and world. TTU System component institutions strategically recruit research-oriented faculty. Hiring researchers with proven histories of accomplishment, who can also perform in the classroom, has been an important priority in enhancing the research objectives for both the TTU System and the state.

PATIENT CARE

In 2021, the TTU System provided service to more than 322,000 patients throughout the 108 counties that make up its vast service area with more than 3 million people. The TTU System's health-related institutions pride themselves on investigating and treating complex health issues—especially those affecting rural and historically underserved populations. Through partnerships with teaching hospitals, health care professionals, and local communities, the TTU System's health-related institutions combine education, research, and practice to provide health care solutions for West Texas, the U.S.-Mexico border region and beyond.

ECONOMIC IMPACT

While the impact of an educated population and workforce is one of the most important benefits of higher education, universities also are centers for innovation and serve as economic engines for their regions and the state. A 2021 study conducted on the economic impact of the TTU System revealed the organization generated a gross economic impact of \$16.4 billion for the State of Texas and helped sustain more than 45,000 jobs.

LEGISLATIVE PRIORITIES

Formula Funding – As the state's population grows and the demand for higher education increases, sufficient state funding is necessary to support academic and support services. Continued investment by the state and prioritization of formula funding is critical as a stable source of funding for institutions. The TTU System respectfully requests the state fully fund the formula rates and levels to include increases for new enrollment growth, persistent inflation, and mission specific formulas for the TTU System's institutions.

Non-Formula Support – Base formulas are an equitable mechanism to distribute state appropriations to institutions of higher education; however, there are legislative initiatives for higher education in which the formulas do not provide enough support. The TTU System and its component institutions are conscientious of the non-formula support items put forward each biennium and requests the legislature continue funding these strategic and essential areas.

Employee Benefits – Higher Education Group Insurance allocations are important to offering competitive benefits packages and attracting top talent, which are keys to productivity and efficiency. Any shortfall in the contribution from the state requires institutions of higher education to divert resources from other areas to fund this mandatory expense. The TTU System requests the state contribution for institutions of higher education be funded at the full ERS premium rate.

Capital Construction Assistance Projects – Facilities, with the capacity and technology to seat and teach the growing number of students on TTU System university campuses, are essential for higher education to achieve the performance expectations set by the state. The TTU System requests funding of previous commitments to debt service along with funding for the authorization of bonds for new capital construction projects as requested by TTU System institutions.

Financial Aid – Scholarships and grants are extraordinarily important to students and families to offset costs of higher education and encourages students to apply to college who otherwise might not. The TTU System requests the Legislature prioritize funding TEXAS grants, student loan repayment programs, and other forms of

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financial aid.

Hazlewood Exemptions – Veterans make valuable contributions to university programs, and each TTU System component institution has a program in place to assist veterans in their transition to academic life. The tuition exemptions of this important program result in forgone revenues that have a multimillion-dollar impact on the component institutions of the TTU System. Additional state funding for higher education institutions to support these veterans and their legacy dependents would help minimize the impact from foregone revenues.

Research Funds – Research is critical to the overall mission, impact, and quality of higher education. Being a leader in knowledge creation is essential to graduate education and has a dynamic impact on undergraduate education. Investment in research also drives innovation that helps advance the economic success and prosperity of the Texas economy. The TTU System is grateful for the state's establishment and continued investment in several research programs that support research activity at higher education institutions and requests that the legislature allocate funding to fully leverage these programs.

Comprehensive Regional University Performance Funding – Comprehensive regional universities are vital to achieving our shared mission in Texas public higher education, and the new program established in the 87th Texas Legislature through Senate Bill 1295 was a much-needed resource for these institutions. With two regional comprehensive universities, the TTU System requests that the legislature increase funding for comprehensive regional universities.

Graduate Medical Education – The best way to meet the health care needs for the state's growing population is to retain medical graduate students through residency training programs. The TTU System appreciates the state's significant investment in graduate medical education and requests the state continue to expand its support of these programs to meet the health care workforce needs of Texas.

Texas Child Mental Health Care Consortium – Providing quality patient and health care is a significant aspect of the TTU System's service on the region and state of Texas, and the Texas Child Mental Health Care Consortium is a tremendous resource for improving mental health care for children and adolescents in our state. With two health-related institutions, the TTU System supports continued funding to the consortium.

Exceptional Items – The TTU System Administration is requesting an additional \$5.4 million (additional \$2,700,400 million each year) in system office enhancements to support recent and continued growth of the TTU System and its component institutions. As the TTU System expands to meet the ever-changing needs of Texas students and communities, this request would provide additional funding for system operations, appropriate staffing and enhance the organization's ability to ensure its component universities have the services and resources needed to advance learning through higher education, health care, research, and community engagement. Currently, component institutions contribute to the support of TTU System Administration.

OTHER ITEMS

Background Checks – All staff positions (including temporary employees) are classified as security sensitive level I positions and require criminal background checks prior to employment, promotion, reclassification, transfer or direct appointment. These background checks are performed in accordance with Texas Education Code, Section 51.215 and Government Code, Section 411.094.

Rider Revisions and Additional Requests – The rider revisions and additions requested in Schedule 3.B. are submitted on behalf of, and with the support of each component of the TTU System. In addition, it appears there is a consensus among the Texas public systems and institutions of higher education in support of the

Administrator's Statement

10/19/2022 11:04:06AM

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

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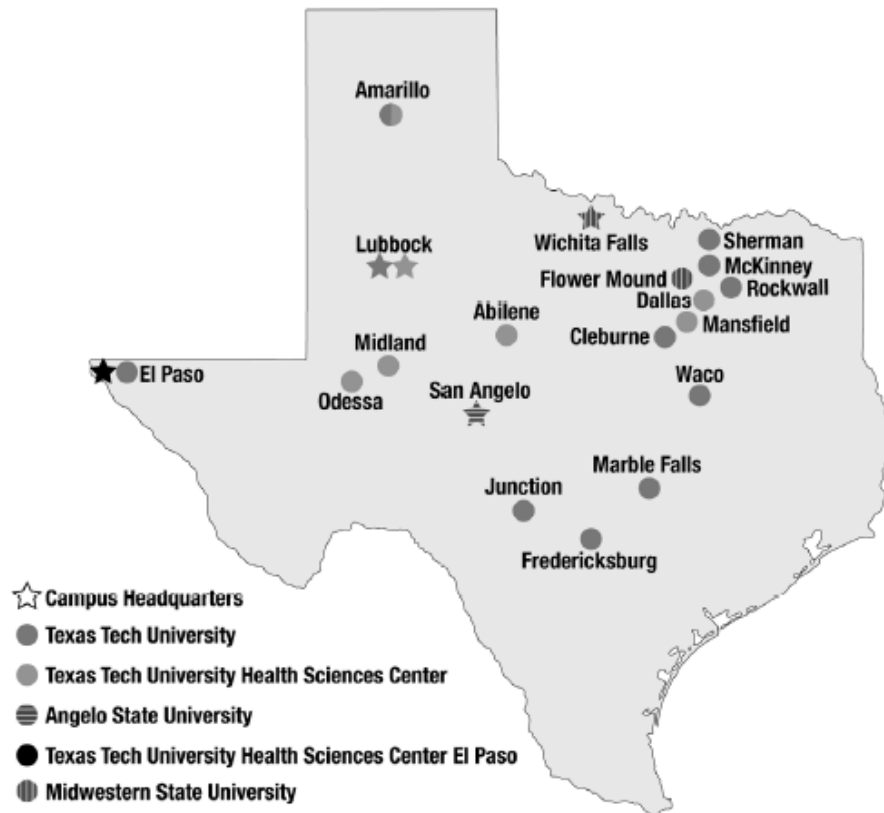
requested revisions. The revisions, each of which includes an explanation, serve the general purposes of clarifying legislative intent, eliminating unnecessary or redundant requirements, or aligning the rider with relevant statutes.

Low-Producing Programs – Pursuant to the recommendations from TTU System presidents, the TTU System Board of Regents will consider in the upcoming year a plan for the consolidation or continuation of the following programs:

TTU – PHD Land Use Planning, Management, and Design; MED Bilingual Education and English as a Second Language; MED Language/Literacy Education; MS Microbiology; BS Multidisciplinary Science; BA International Studies

MSU – BA Humanities; BA Global Studies; MSRS Radiologic Assistant

Texas Tech University System – Locations



Texas Tech University

- Lubbock
- Amarillo
- Cleburne (Hill College)
- El Paso
- Fredericksburg
- Junction
- Marble Falls (Highland Lakes)
- McKinney
- Rockwall
- Sherman (Austin College)
- Waco
- San Jose, Costa Rica
- Seville, Spain



Texas Tech University Health Sciences Center

- Lubbock
- Abilene
- Amarillo
- Dallas
- Mansfield
- Midland
- Odessa



Angelo State University

- San Angelo



Texas Tech University Health Sciences Center El Paso

- El Paso



Midwestern State University

- Wichita Falls
- Flower Mound

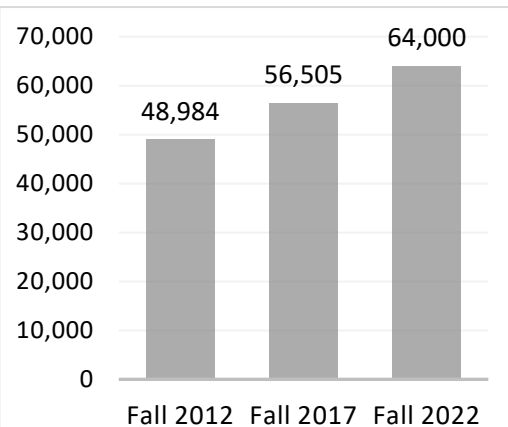
Texas Tech University System

With the addition of the TTU School of Veterinary Medicine and TTUHSC El Paso Woody L. Hunt School of Dental Medicine, the TTU System is 1 of only 9 in the country whose universities are offering programs for:

- Undergraduate
- Medical
- Law
- Nursing
- Pharmacy
- Dental
- Veterinary

Additionally, we are the only non-land grant institution in the nation to offer this variety of programs.

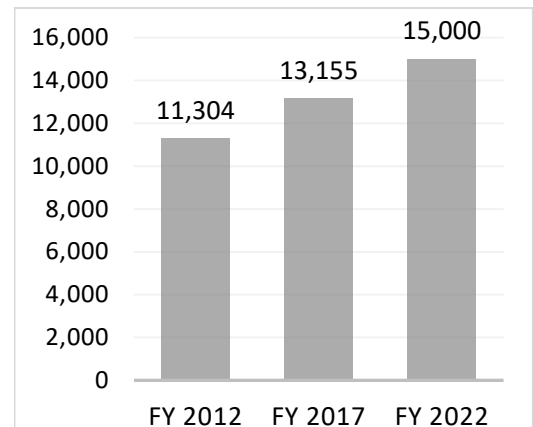
ENROLLMENT



RESEARCH EXPENDITURES

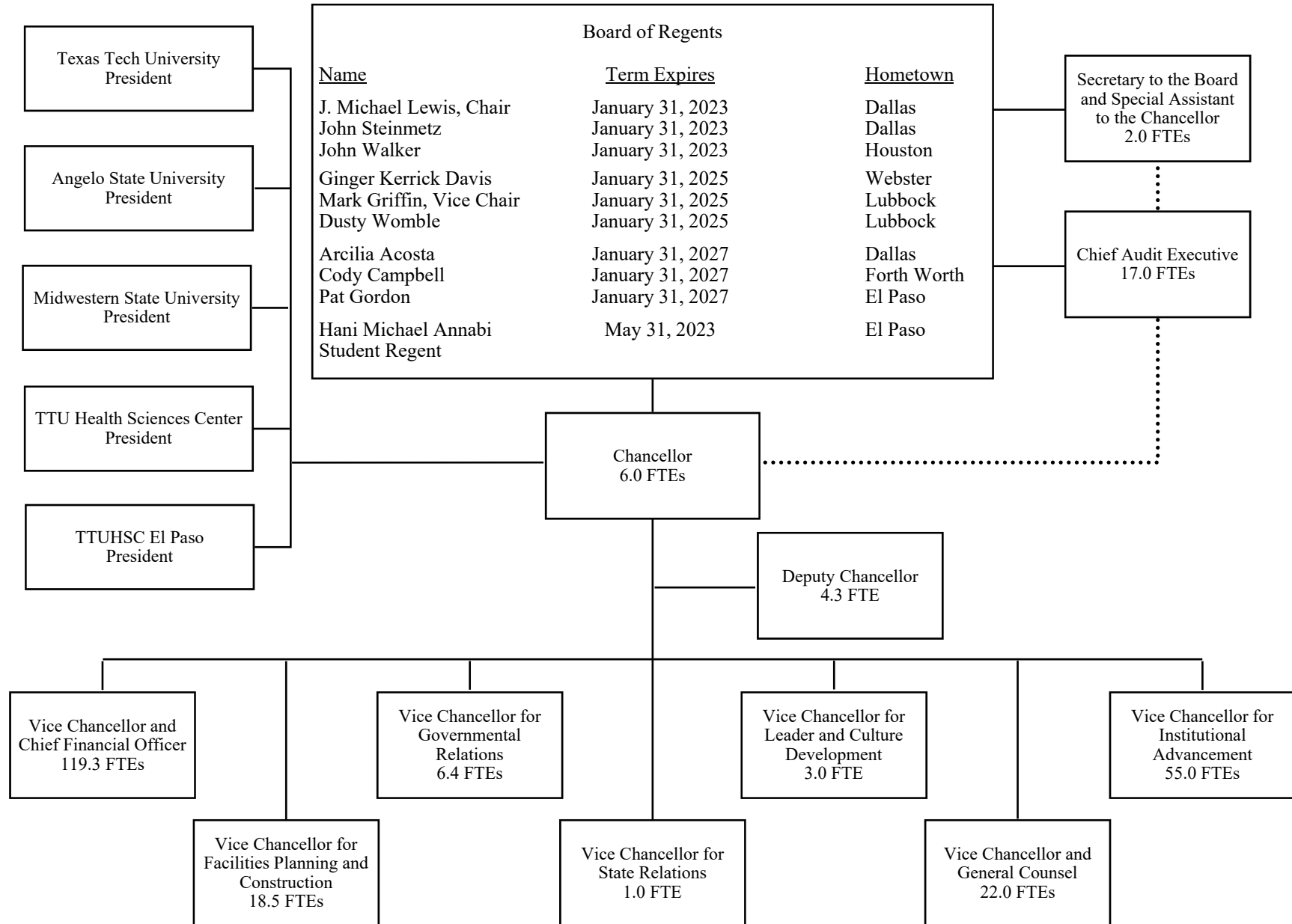


DEGREES AWARDED



Texas Tech University System Administration FY 2023 Budget

Total FTEs — 254.4





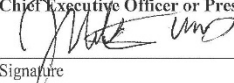
CERTIFICATE

Agency Name: Texas Tech University System Administration

This is to certify that the information contained in the agency Legislative Appropriation Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division (Governor's Office) is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor's office will be notified in writing in accordance with Article IX, Section 7.01 (2022-23 GAA).

Chief Executive Officer or Presiding Judge


Signature

Tedd Mitchell, M.D.
Printed Name

Chancellor
Title

8-05-2022
Date

Board or Commission Chair

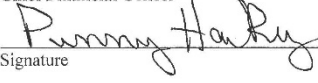

Signature

J. Michael Lewis
Printed Name

Chair
Title

8-05-2022
Date

Chief Financial Officer


Signature

Penny Harkey
Printed Name

Interim Vice Chancellor and
Chief Financial Officer
Title

8-05-2022
Date

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: 1. Provide Instructional and Operations Support											
1.1.11. System Office Operations	2,599,200	2,599,200							2,599,200	2,599,200	5,400,800
Total, Goal	2,599,200	2,599,200							2,599,200	2,599,200	5,400,800
Total, Agency	2,599,200	2,599,200							2,599,200	2,599,200	5,400,800
Total FTEs									78.3	78.3	37.1

2.A. Summary of Base Request by Strategy

10/19/2022 11:04:09AM

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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
1 Provide Instructional and Operations Support					
1 Provide Instructional and Operations Support					
11 SYSTEM OFFICE OPERATIONS	1,231,200	1,299,600	1,299,600	1,299,600	1,299,600
TOTAL, GOAL 1	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
TOTAL, AGENCY STRATEGY REQUEST	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	1,231,200	1,299,600	1,299,600	1,299,600	1,299,600
SUBTOTAL	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
TOTAL, METHOD OF FINANCING	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600

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

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

10/19/2022 11:04:10AM

88th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **768**Agency name: **Texas Tech University 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					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2020-21 GAA)	\$1,368,000	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2022-23 GAA)	\$0	\$1,299,600	\$1,299,600	\$0	\$0
	Regular Appropriations from MOF Table	\$0	\$0	\$0	\$1,299,600	\$1,299,600
	<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>					
	HB 2, 87th Leg, Regular Session	\$(136,800)	\$0	\$0	\$0	\$0
TOTAL,	General Revenue Fund	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
TOTAL, ALL	GENERAL REVENUE	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600

2.B. Summary of Base Request by Method of Finance
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/19/2022 11:04:10AM

Agency code:	768	Agency name:	Texas Tech University System Administration			
METHOD OF FINANCING		Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
GRAND TOTAL		\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
FULL-TIME-EQUIVALENT POSITIONS						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2020-21 GAA)		78.3	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2022-23 GAA)		0.0	78.3	78.3	0.0	0.0
Regular Appropriations from MOF Table		0.0	0.0	0.0	78.3	78.3
UNAUTHORIZED NUMBER OVER (BELOW) CAP						
Unauthorized Number Over (Below) Cap		(3.8)	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES		74.5	78.3	78.3	78.3	78.3
NUMBER OF 100% FEDERALLY FUNDED FTEs						

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

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OBJECT OF EXPENSE	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
1001 SALARIES AND WAGES	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
1002 OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
OOE Total (Riders)					
Grand Total	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600

2.E. Summary of Exceptional Items Request
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/19/2022
TIME : 11:04:10AM

Agency code: 768

Agency name: Texas Tech University System Administration

		2024			2025			Biennium	
Priority	Item	GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	System Office Enhancement	\$2,700,400	\$2,700,400	37.1	\$2,700,400	\$2,700,400	37.1	\$5,400,800	\$5,400,800
Total, Exceptional Items Request		\$2,700,400	\$2,700,400	37.1	\$2,700,400	\$2,700,400	37.1	\$5,400,800	\$5,400,800
Method of Financing									
	General Revenue	\$2,700,400	\$2,700,400		\$2,700,400	\$2,700,400		\$5,400,800	\$5,400,800
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$2,700,400	\$2,700,400		\$2,700,400	\$2,700,400		\$5,400,800	\$5,400,800
Full Time Equivalent Positions				37.1				37.1	
Number of 100% Federally Funded FTEs									

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

DATE : 10/19/2022
TIME : 11:04:11AM

Agency code: 768	Agency name: Texas Tech University System Administration					
Goal/Objective/STRATEGY	Base 2024	Base 2025	Exceptional 2024	Exceptional 2025	Total Request 2024	Total Request 2025
1 Provide Instructional and Operations Support						
1 Provide Instructional and Operations Support						
11 SYSTEM OFFICE OPERATIONS	\$1,299,600	\$1,299,600	\$2,700,400	\$2,700,400	\$4,000,000	\$4,000,000
TOTAL, GOAL 1	\$1,299,600	\$1,299,600	\$2,700,400	\$2,700,400	\$4,000,000	\$4,000,000
TOTAL, AGENCY STRATEGY REQUEST	\$1,299,600	\$1,299,600	\$2,700,400	\$2,700,400	\$4,000,000	\$4,000,000
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$1,299,600	\$1,299,600	\$2,700,400	\$2,700,400	\$4,000,000	\$4,000,000

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

DATE : 10/19/2022
TIME : 11:04:11AM

Agency code: 768		Agency name: Texas Tech University 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	\$1,299,600	\$1,299,600	\$2,700,400	\$2,700,400	\$4,000,000	\$4,000,000
		\$1,299,600	\$1,299,600	\$2,700,400	\$2,700,400	\$4,000,000	\$4,000,000
TOTAL, METHOD OF FINANCING		\$1,299,600	\$1,299,600	\$2,700,400	\$2,700,400	\$4,000,000	\$4,000,000
FULL TIME EQUIVALENT POSITIONS		78.3	78.3	37.1	37.1	115.4	115.4

3.A. Strategy Request
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/19/2022 11:04:11AM

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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
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
Method of Financing:						
1	General Revenue Fund	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,299,600	\$1,299,600
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
FULL TIME EQUIVALENT POSITIONS:		74.5	78.3	78.3	78.3	78.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

Under the governance of the Board of Regents, the Texas Tech University System Administration provides its component institutions with leadership and central services that support the attainment of each component's individual mission. Areas include strategic planning, governmental relations, fundraising, investments, cash and debt management, risk management, facilities planning and construction, legal counsel and audit services, among other areas.

3.A. Strategy Request
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/19/2022 11:04:11AM

768 Texas Tech University 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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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2022 + Bud 2023)	Baseline Request (BL 2024 + BL 2025)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,599,200	\$2,599,200	\$0		
			\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/19/2022 11:04:11AM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
METHODS OF FINANCE (INCLUDING RIDERS):				\$1,299,600	\$1,299,600
METHODS OF FINANCE (EXCLUDING RIDERS):	\$1,231,200	\$1,299,600	\$1,299,600	\$1,299,600	\$1,299,600
FULL TIME EQUIVALENT POSITIONS:	74.5	78.3	78.3	78.3	78.3

3.B. Rider Revisions and Additions Request

Agency Code: 768	Agency Name: Texas Tech University System	Prepared By: David Mondt	Date: August 2022	Request Level: Base
Current Rider Number	Page Number in 2022–23 GAA	Proposed Rider Language		
N/A	N/A	3. Aircraft Authorized. The Texas Tech University System Administration is authorized to acquire, operate and maintain, including replacing, one passenger airplane. Such airplane should be acquired by gift, if possible, but may be acquired by purchase subject to the authority under Government Code, Chapter 2205. All costs of acquisition, operation and maintenance, including replacement, shall be paid for out of institutional funds. In the event that a temporary need arises, the Texas Tech University may expend institutional funds for the lease or rental of an aircraft on an as-needed basis. <i>TTU System requests authorization to acquire an aircraft to be used in the conduct of official State business. The aircraft would be used in accordance with applicable sections of Texas Government Code Sec 2205.036.</i>		

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 20242² and 20253³, 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 20242²-253³ 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>TTU 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 TTU 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. TTU 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: <u>2024-25</u> <table><tr><td><u>The University of Texas System</u></td><td style="text-align: right;"><u>100.0%</u></td></tr><tr><td><u>Texas A&M University System</u></td><td style="text-align: right;"><u>100.0%</u></td></tr><tr><td><u>ERS Participating Institutions</u></td><td style="text-align: right;"><u>100.0%</u></td></tr><tr><td><u>Public Community/Junior Colleges</u></td><td style="text-align: right;"><u>50.0%</u></td></tr></table> <i>TTU 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, TTU 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>	<u>100.0%</u>	<u>Texas A&M University System</u>	<u>100.0%</u>	<u>ERS Participating Institutions</u>	<u>100.0%</u>	<u>Public Community/Junior Colleges</u>	<u>50.0%</u>
<u>The University of Texas System</u>	<u>100.0%</u>									
<u>Texas A&M University System</u>	<u>100.0%</u>									
<u>ERS Participating Institutions</u>	<u>100.0%</u>									
<u>Public Community/Junior Colleges</u>	<u>50.0%</u>									

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. (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 at THECB or any participating institution of higher education which may have received a transfer of this appropriation 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. (g) <u>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 relation to TCMHCC shall be counted as if the transferred funds were directly appropriated to respective institution.</u> <i>TTU System requests two clarifying changes to the rider: 1) Modify/clarify the unexpended balance</i>
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3.B. Rider Revisions and Additions Request (continued)

		<i>rider to provide explicit authority for each TCMHCC participant; and 2) clarify and ensure the transferability of proportional benefits along with the general revenue funding.</i>
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>TTU 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>

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>TTU 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>TTU 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>TTU 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	4. Texas Veterans Commission Veterans Exemption Data. <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>TTU 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)

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>TTU 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, 20234 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 for <u>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>TTU 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, TTU 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 institution budget documents in the off years. The requested revision 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, TTU 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 to the race, sex, color, or ethnicity of the student recipient. <i>TTU 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>TTU 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 2024<u>2</u>-25<u>3</u> biennium is \$59.45<u>\$55.66</u> in fiscal year 2024<u>2</u> and fiscal year 2025<u>3</u>. 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 \$5.84<u>\$5.47</u> in fiscal year 2024<u>2</u> and fiscal year 2025<u>3</u>. 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 <u>capital construction assistance projects</u> 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 2024<u>2</u>-25<u>3</u> biennium, general academic institutions with a headcount of fewer than 5,000 students shall receive a small institution supplement of \$2,812,342<u>\$2,633,133</u>. 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>TTU 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) 7. Research Funding and Formulas. <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> a. Texas Research University Fund. <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> b. Core Research Support. <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> c. Comprehensive Research Fund. <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>TTU 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 \$11,142<u>9,622</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 \$7.116<u>6.44</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 1.35<u>1.17</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 \$13,82611,940 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>TTU 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 \$7.116-14 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. (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, \$ 114,849,890 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 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, \$ 25,476,160 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 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, \$ 25,448,000 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 projectstuition 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 projects</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 projects</u>tuition revenue bond debt service. The Legislative Budget Board shall implement the funding in accordance with this limitation. <i>TTU 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>TTU 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 \$21,758,685 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>TTU System requests two changes: 1) 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. 2) 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>TTU 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>TTU 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>TTU 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>TTU 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>TTU 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>(Paragraph (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>(The remainder of Section 6.08 is omitted due to space considerations)</i> <i>TTU 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>
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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>TTU 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>TTU System requests the revision of this reporting requirement to limit it to funds within the Act as regulatory relief.</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>TTU 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.</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>TTU System requests the revision of this reporting requirement to limit it to funds within the Act as regulatory relief. TTU 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</i>
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**3.B. Rider Revisions and Additions Request
(continued)**

		<i>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>TTU 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>TTU System requests the modification of this section as regulatory relief. The Texas 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	<p>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:</p> <p class="list-item-l1">(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</p> <p class="list-item-l1">(2) the amount of federal homeland security funding received by the agency or institution and passed through to other agencies, institutions of <u>higher education</u>, or local units of government.</p> <p class="list-item-l1">(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></p> <p><i>TTU 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></p>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 17.10 (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>TTU 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 17.11	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>TTU System requests the change to this requirement as regulatory relief.</i>

4.A. Exceptional Item Request Schedule
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/19/2022**
TIME: **11:04:13AM**

Agency code: **768** Agency name: **Texas Tech University System Administration**

CODE	DESCRIPTION	Excp 2024	Excp 2025
Item Name: System Office Enhancement Item Priority: 1 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 01-01-11 System Office Operations			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,673,400	2,673,400
1002	OTHER PERSONNEL COSTS	27,000	27,000
TOTAL, OBJECT OF EXPENSE		\$2,700,400	\$2,700,400
METHOD OF FINANCING:			
1	General Revenue Fund	2,700,400	2,700,400
TOTAL, METHOD OF FINANCING		\$2,700,400	\$2,700,400
FULL-TIME EQUIVALENT POSITIONS (FTE):		37.10	37.10

DESCRIPTION / JUSTIFICATION:

This request would provide additional funding for system operations and appropriate staffing levels as the TTU System expands to meet the ever-changing needs of Texas students and communities. In Sept. 2021, Midwestern State University officially joined the TTU System as its fifth component institution. These funds would boost the system administration's ability to ensure our universities have the resources needed to advance learning through higher education, healthcare, research, and community engagement; part of the TTUS System's contribution to preparing a skilled and dynamic workforce for Texas.

EXTERNAL/INTERNAL FACTORS:

Major accomplishments to date and expected over the next two years: The leadership and support services provided by the system administration help our institution manage costs and are vital to our component institutions ability to effectively and efficiently meet the educational goals in the State's 60x30TX initiative.

Year established: The Texas Tech University System was formally established in 1999.

Formula Funding: n/a

Non-General Revenue sources of funding: TTUSA receives other funding from our component institutions.

Consequences of not funding: Component institutions will be required to continue to contribute funding in order to to maintain the same level of basic services as past years.

4.A. Exceptional Item Request Schedule
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/19/2022**
TIME: **11:04:13AM**

Agency code: **768** Agency name: **Texas Tech University System Administration**

CODE	DESCRIPTION	Excp 2024	Excp 2025
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PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Permanent support for continuing operations.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2026	2027	2028
\$2,700,400	\$2,700,400	\$2,700,400

4.B. Exceptional Items Strategy Allocation Schedule
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/19/2022**
TIME: **11:04:13AM**

Agency code: **768** Agency name: **Texas Tech University System Administration**

Code	Description	Excp 2024	Excp 2025
Item Name: System Office Enhancement			
Allocation to Strategy: 1-1-11 System Office Operations			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,673,400	2,673,400
1002	OTHER PERSONNEL COSTS	27,000	27,000
TOTAL, OBJECT OF EXPENSE		\$2,700,400	\$2,700,400
METHOD OF FINANCING:			
1	General Revenue Fund	2,700,400	2,700,400
TOTAL, METHOD OF FINANCING		\$2,700,400	\$2,700,400
FULL-TIME EQUIVALENT POSITIONS (FTE):		37.1	37.1

4.C. Exceptional Items Strategy Request
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/19/2022
TIME: 11:04:13AM

Agency Code: 768 Agency name: Texas Tech University 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	Excp 2024	Excp 2025
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	2,673,400	2,673,400
1002 OTHER PERSONNEL COSTS	27,000	27,000
Total, Objects of Expense	\$2,700,400	\$2,700,400

METHOD OF FINANCING:

1 General Revenue Fund	2,700,400	2,700,400
Total, Method of Finance	\$2,700,400	\$2,700,400

FULL-TIME EQUIVALENT POSITIONS (FTE):	37.1	37.1
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

System Office Enhancement

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

Date: **10/19/2022**
Time: **11:04:13AM**

Agency Code: **768** Agency: **Texas Tech University System Administration**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	<u>HUB Expenditures FY 2020</u>			<u>Total Expenditures</u>		<u>HUB Expenditures FY 2021</u>			<u>Total Expenditures</u>	
			% Actual	Diff	Actual \$	FY 2020	% Goal	% Actual	Diff	Actual \$	FY 2021	
11.2%	Heavy Construction	1.0 %	0.0%	-1.0%	\$0	\$31,775	1.0 %	0.0%	-1.0%	\$0	\$0	
21.1%	Building Construction	2.6 %	0.0%	-2.6%	\$0	\$0	2.6 %	0.0%	-2.6%	\$0	\$1,350	
32.9%	Special Trade	5.2 %	0.0%	-5.2%	\$0	\$48,241	5.2 %	5.3%	0.1%	\$2,295	\$43,053	
23.7%	Professional Services	2.7 %	9.2%	6.5%	\$12,100	\$131,691	3.1 %	1.2%	-1.9%	\$1,600	\$129,240	
26.0%	Other Services	3.8 %	0.3%	-3.5%	\$15,072	\$4,915,683	3.2 %	0.3%	-2.9%	\$21,203	\$6,908,166	
21.1%	Commodities	18.3 %	12.9%	-5.4%	\$119,568	\$923,594	16.2 %	9.4%	-6.8%	\$137,501	\$1,470,131	
	Total Expenditures		2.4%		\$146,740	\$6,050,984		1.9%		\$162,599	\$8,551,940	

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

Texas Tech University System Administration (TTUSA) exceeded its Professional Services Goal of 2.7% in 2020 and its Special Trade Construction Goal of 5.2% in 2021.

Applicability:

TTUSA's primary expenditures categories are Other Services and Commodity Purchasing.

Factors Affecting Attainment:

The majority of purchases from TTUSA are either internal office needs or many are proprietary purchases. Availability and capability of HUB vendors in West Texas is very limited for some commodities and services. TTU System will continue to require prime contractors to put forth a good faith effort in establishing contracts with HUBs as subcontractors, suppliers, and material providers for contracts of \$100,000 or more.

C. Good-Faith Efforts to Increase HUB Participation

Outreach Efforts and Mentor-Protégé Programs:

TTUSA utilizes the outreach and mentor-protégé program at Texas Tech University.

HUB Program Staffing:

TTUSA utilizes HUB Program Staffing at Texas Tech University. Additionally, TTUSA has a halftime FTE dedicated to monitoring subcontractor good faith efforts in regards to construction contracts.

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

Date: **10/19/2022**
Time: **11:04:13AM**

Agency Code: **768** Agency: **Texas Tech University System Administration**

Current and Future Good-Faith Efforts:

TTUSA provides monthly HUB reports to TTUS departments that include vendor names to purchasing employees .

Participates in local HUB forums & presentations to Small Business Development programs.

Assists HUB firms with certification.

Require prime contractors to put forth a good faith effort on all contracts and assist with HUB Subcontracting Plan questions .

6.H Estimated Funds Outside the Institution's Bill Pattern

Texas Tech University System (768)
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 2023 Revenue</u>	<u>FY 2024 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 1,299,600	\$ 1,299,600	\$ 2,599,200		\$ 1,299,600	\$ 1,299,600	\$ 2,599,200	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Endowment and Interest Income	-	-	-		-	-	-	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>1,299,600</u>	<u>1,299,600</u>	<u>2,599,200</u>	<u>4.7%</u>	<u>1,299,600</u>	<u>1,299,600</u>	<u>2,599,200</u>	<u>4.6%</u>
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	1,591,034	1,614,073	3,205,107		1,614,073	1,614,073	3,228,146	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Total	<u>1,591,034</u>	<u>1,614,073</u>	<u>3,205,107</u>	<u>5.8%</u>	<u>1,614,073</u>	<u>1,614,073</u>	<u>3,228,146</u>	<u>5.7%</u>
NON-APPROPRIATED SOURCES								
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	-	-	-		-	-	-	
Endowment and Interest Income	9,999,557	10,657,382	20,656,939		10,657,382	10,657,382	21,314,764	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	4,068,500	4,199,231	8,267,731		4,199,231	4,199,231	8,398,462	
Transfers from Components (Appropriated & Non-Appropriated)	9,712,311	10,506,898	20,219,209		10,506,898	10,506,898	21,013,796	
Total	<u>23,780,368</u>	<u>25,363,511</u>	<u>49,143,879</u>	<u>89.4%</u>	<u>25,363,511</u>	<u>25,363,511</u>	<u>50,727,022</u>	<u>89.7%</u>
TOTAL SOURCES	<u>\$ 26,671,002</u>	<u>\$ 28,277,184</u>	<u>\$ 54,948,186</u>	<u>100.0%</u>	<u>\$ 28,277,184</u>	<u>\$ 28,277,184</u>	<u>\$ 56,554,368</u>	<u>100.0%</u>

Schedule 3A: Staff Group Insurance Data Elements (ERS)
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/19/2022 11:04:14AM

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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 %	100.00%				
GR-D/Other %	0.00%				
Total Percentage	100.00%				
FULL TIME ACTIVES					
1a Employee Only	26	26	0	26	70
2a Employee and Children	17	17	0	17	30
3a Employee and Spouse	15	15	0	15	13
4a Employee and Family	20	20	0	20	30
5a Eligible, Opt Out	0	0	0	0	0
6a Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	78	78	0	78	143
PART TIME ACTIVES					
1b Employee Only	0	0	0	0	0
2b Employee and Children	0	0	0	0	1
3b Employee and Spouse	0	0	0	0	0
4b Employee and Family	0	0	0	0	1
5b Eligible, Opt Out	0	0	0	0	0
6b Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	2
Total Active Enrollment	78	78	0	78	145

Schedule 3A: Staff Group Insurance Data Elements (ERS)
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/19/2022 11:04:14AM

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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	0	0	0	0	0
2c Employee and Children	0	0	0	0	0
3c Employee and Spouse	0	0	0	0	0
4c Employee and Family	0	0	0	0	0
5c Eligible, Opt Out	0	0	0	0	0
6c Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
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	0	0	0	0	0
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	26	26	0	26	70
2e Employee and Children	17	17	0	17	30
3e Employee and Spouse	15	15	0	15	13
4e Employee and Family	20	20	0	20	30
5e Eligible, Opt Out	0	0	0	0	0
6e Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	78	78	0	78	143

Schedule 3A: Staff Group Insurance Data Elements (ERS)
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/19/2022 11:04:14AM

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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	26	26	0	26	70
2f Employee and Children	17	17	0	17	31
3f Employee and Spouse	15	15	0	15	13
4f Employee and Family	20	20	0	20	31
5f Eligible, Opt Out	0	0	0	0	0
6f Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	78	78	0	78	145

Schedule 4: Computation of OASI
88th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency 768 Texas Tech University System Administration

Proportionality Percentage Based on Comptroller Accounting Policy Statement #011, Exhibit 2	2021		2022		2023		2024		2025	
	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>
General Revenue (% to Total)	100.0000	\$364,811	100.0000	\$364,811	100.0000	\$371,363	100.0000	\$378,790	100.0000	\$386,366
Other Educational and General Funds (% to Total)	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0
Health-Related Institutions Patient Income (% to Total)	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0
Grand Total, OASI (100%)	100.0000	\$364,811	100.0000	\$364,811	100.0000	\$371,363	100.0000	\$378,790	100.0000	\$386,366

Schedule 5: Calculation of Retirement Proportionality and ORP Differential

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Description	Act 2021	Act 2022	Bud 2023	Est 2024	Est 2025
Proportionality Amounts					
Gross Educational and General Payroll - Subject To TRS Retirement	4,616,122	4,668,239	4,649,390	4,742,378	4,837,225
Employer Contribution to TRS Retirement Programs	346,209	361,789	371,951	391,246	399,071
Gross Educational and General Payroll - Subject To ORP Retirement	497,428	360,690	491,694	501,527	501,527
Employer Contribution to ORP Retirement Programs	33,825	24,527	33,435	34,104	34,104
Proportionality Percentage					
General Revenue	100.0000 %	100.0000 %	100.0000 %	100.0000 %	100.0000 %
Other Educational and General Income	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Health-related Institutions Patient Income	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Proportional Contribution					
Other Educational and General Proportional Contribution (Other E&G percentage x Total Employer Contribution to Retirement Programs)	0	0	0	0	0
HRI Patient Income Proportional Contribution (HRI Patient Income percentage x Total Employer Contribution To Retirement Programs)	0	0	0	0	0
Differential					
Differential Percentage	1.9000 %	1.9000 %	1.9000 %	1.9000 %	1.9000 %
Gross Payroll Subject to Differential - Optional Retirement Program	259,551	199,618	221,636	226,069	230,590
Total Differential	4,931	3,793	4,211	4,295	4,381

Schedule 7: Personnel
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Agency code: **768** Agency name: **Texas Tech Univ 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	74.5	78.3	78.3	78.3	78.3
Subtotal, Directly Appropriated Funds	74.5	78.3	78.3	78.3	78.3
Non Appropriated Funds Employees	85.8	167.9	176.1	176.1	176.1
Subtotal, Other Funds & Non-Appropriated	85.8	167.9	176.1	176.1	176.1
GRAND TOTAL	160.3	246.2	254.4	254.4	254.4

Schedule 8B: Tuition Revenue Bond Issuance History

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Authorization Date	Authorization Amount	Issuance Date	Issuance Amount	Authorized Amount Outstanding as of 08/31/2022	Proposed Issuance Date for Outstanding Authorization	Proposed Issuance Amount for Outstanding Authorization
1971	\$35,000,000	Feb 1 1972	\$5,000,000			
		Jun 1 1972	\$12,500,000			
		Apr 1 1974	\$16,000,000			
		Feb 1 1984	\$1,500,000			
		Subtotal	\$35,000,000		\$0	
1993	\$41,000,000	Jan 5 1994	\$16,000,000			
		Feb 15 1995	\$25,000,000			
		Subtotal	\$41,000,000		\$0	
1997	\$82,500,000	Sep 19 1998	\$20,000,000			
		May 4 1999	\$38,200,000			
		Jan 1 2002	\$24,300,000			
		Subtotal	\$82,500,000		\$0	
2001	\$107,447,075	Sep 1 2003	\$90,529,525			
		Oct 17 2012	\$16,917,550			
		Subtotal	\$107,447,075		\$0	
2003	\$45,000,000	Jan 1 2006	\$45,000,000			
		Subtotal	\$45,000,000		\$0	
2006	\$89,810,000	Mar 3 2009	\$89,810,000			
		Subtotal	\$89,810,000		\$0	
2015	\$247,115,000	Feb 22 2017	\$247,115,000			
		Subtotal	\$247,115,000		\$0	
2022	\$299,434,902	Sep 1 2023	\$0			
		Subtotal	\$0	\$299,434,902		