

Legislative Appropriations Request

For Fiscal Year 2014 and 2015

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

by

University of Houston System Administration

**Date of Submission
October, 2012**

Table of Contents

	<u>Page</u>
Administrator’s Statement	1
UHS/UH Organizational Chart	5
Summaries of Request	
Base Request by Strategy	7
Base Request by Method of Finance	9
Base Request by Object of Expense	11
Exceptional Item Request	12
Total Request by Strategy	13
Strategy Requests	
Instructional and Operations Support	
System Office Operations	16
Infrastructure Support	
University of Houston Tuition Revenue Bond Retirement	18
University of Houston Clear Lake Tuition Revenue Bond Retirement	19
University of Houston Downtown Tuition Revenue Bond Retirement	20
University of Houston Victoria Tuition Revenue Bond Retirement	21
Public Service Special Item Support	
High School Cooperative Education Program w/NASA & Technology Outreach Program	22
Rider Revisions and Additions Request	26
Exceptional Item Request	
High School Cooperative Education Program w/NASA & Technology Outreach Program	31

	<u>Page</u>
Historically Underutilized Business Supporting Schedule	32
Estimated Total of All Funds Outside the General Appropriations Bill Act Pattern Schedule	34
10 Percent Biennial Base Reduction Options	35
Supporting Schedules	
Schedule 3A Staff Group Insurance Data Elements (ERS)	37
Schedule 4 Computation of OASI.....	40
Schedule 5 Calculation of Retirement Proportionality and ORP Differential	41
Schedule 6 Capital Funding	42
Schedule 7 Personnel	44
Schedule 8C Revenue Capacity for Tuition Revenue Bond Projects	46
Schedule 8D Tuition Revenue Bond Request by Project	48
Schedule 9 Special Item Information	49

Schedules Not Included

Agency Code: 783	Agency Name: University of Houston System Administration	Prepared By:	Date: October, 2012	Request Level:
<p>For the schedules identified below, the University of Houston System Administration either has no information to report or the schedule is not applicable. Accordingly, these schedules have been excluded from the U.H. System Administration Legislative Appropriations Request for the 2014-15 biennium.</p>				
Number	Name			
2C.1	Operating Costs Detail – Base Request			
2D	Summary of Base Request Objective Outcomes			
2G	Summary of Total Request Objective Outcomes			
3C	Rider Appropriations and Unexpended Balance Request			
4B	Exceptional Items Strategy Allocation Schedule			
4C	Exceptional Items Strategy Request			
5 A - E	Capital Budget Project			
6B	Current Biennium One-Time Expenditure Schedule			
6C	Federal Funds Supporting Schedule			
6D	Federal Funds Tracking Schedule			
6E	Estimated Revenue Collections Supporting Schedule			
6F a - b	Advisory Committee Supporting Schedule – Part A and B			
6G	Homeland Security Funding Schedule			
6J A - B	Budgetary Impacts Related to Federal Health Care Reform Schedule - Part A and B			
7 A - B	Direct and Indirect Administrative and Support Costs			
Schedule 1A	Other Educational and General Income			
Schedule 2	Selected Educational, General and Other Funds			
Schedule 8A	Tuition Revenue Bond Project			
Schedule 8B	Tuition Revenue Bond Issuance History			

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Administrator's Statement

10/16/2012 1:32:22PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

University of Houston System Administration
Administrator's Statement

As the global economy becomes increasingly driven by the creation of new knowledge and technological innovation, success for the Houston metropolitan area and Texas depends increasingly on the existence of a highly-skilled, professional workforce and cutting-edge research and development. As the region's largest provider of comprehensive (baccalaureate to doctorate) higher education services, the University of Houston System must play a primary role in meeting these needs. In short, we must expand access to our universities to all prepared students; we must ensure their success by the completion of a degree; we must deliver programs that correspond to workforce needs; we must conduct research that is relevant to industry and society; and we must do it all with limited resources and in a way that demonstrates accountability to our students and the people of Texas.

To fulfill these mandates, the UH System has four universities – the University of Houston, UH-Clear Lake, UH-Downtown, and UH-Victoria. The University of Houston is the system's comprehensive research university, offering programs from the baccalaureate through the doctorate. UH-Clear Lake is an upper-level/master's university located in Southeast Houston with close ties to NASA's Johnson Space Center and regional community colleges (from which the university draws most of its students). UHCL will begin enrolling freshmen and sophomores in fall 2014. UH-Downtown – Houston's second largest university after UH – is a predominantly undergraduate institution with a limited but growing number of master's programs. UH-Victoria is an undergraduate and master's-level institution seeking to become a residential, destination university in the Coastal Bend region of Texas. The UH System Administration is responsible for coordinating the operations of the universities, as well as providing select centralized services (e.g., general counsel, board of regents, auditing).

In meeting the needs of the Houston metropolitan area, the UH System is making significant progress. During the current biennium, the system has achieved significant milestones in both enrollment and research. For the first time, enrollment has exceeded 65,000 students and research expenditures have surpassed \$115 million. In addition, total degrees awarded reached a record high last year of 13,685. Among universities nationwide, the UH System remains a model of diversity and a reflection of the region it serves. Our student body is 16% African-American, 15% Asian, 26% Hispanic, and 33% white. Three of the UH System's universities – UH, UH-Clear Lake, and UH-Downtown – have been designated Hispanic Serving Institutions (HSIs) by the federal government. HSIs are eligible to compete for federal grants designed to increase the participation and success of Hispanics in higher education. Finally, the UH System has achieved these ends while improving the operating efficiency of its institutions. In FY11, the UH System's instructional operating cost was \$510 per credit hour generated. In FY12, it was reduced to \$486. At the UH System, improved operating efficiency is facilitated, in part, by the ability of our institutions (due to their close geographic proximity) to share administrative services. The current value of shared services at the UH System is \$27.7 million.

The UH System is also aggressively expanding access to its degree programs through off-campus centers. The pattern of population growth in Houston over the past 20 years has been away from the center of the city in favor of the surrounding suburbs, particularly in the region's "western hemisphere." Unfortunately, as a result of distance, traffic, work and family responsibilities, students who live in these areas often find it difficult if not impossible to pursue a college education at our universities' main campuses, which, in the case of UH and UH-Downtown, are centrally located. To meet the needs of these students we have developed the University of Houston Sugar Land Campus, the UH System at Cinco Ranch, and the UH-Clear Lake Pearland Campus, all of which enjoy permanent facilities and broad community support in the southwestern, western and southern parts of the metropolitan area. More recently, UH and UH-Downtown have begun offering programs at the Lone Star College University Center in Northwest Houston. Consistent with the rapid population growth in this region, enrollment in these programs is proving very successful. Over the past year alone, enrollments in Northwest Houston and Sugar Land have grown by more than 50 percent.

Given the breadth of the UH System institutions and the significant amount of expansion we are undertaking, coordinated planning is essential if we are to fully serve our

Administrator's Statement

10/16/2012 1:32:22PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

constituents. To that end, the UH System has developed campus master plans that identify the facilities each of our universities will need to meet enrollment and research projections for 2020. Enrollment, for example, is projected to exceed 84,000 students in 2020. In addition, the UHS universities are working collaboratively on four system-wide initiatives in health, global outreach, and faculty and student pathways. For example, students enrolled at one UHS institution can now earn up to six credit hours at a sister UHS institution without going through an admissions process. Doing so facilitates timely degree completion. Central to all of these planning activities are the UH System's goals – student access and success, national competitiveness, and community advancement – all of which further the state's goals for higher education identified in "Closing the Gaps," as well as the social and economic well-being of the Houston metropolitan area.

1. Student Access and Success

The UH System will commit to providing access to the people of the Greater Houston Region and the state. Each university within the system will make student success its top priority and will hold itself publicly accountable for achieving this goal.

2. National Competitiveness

The City of Houston (and the Greater Houston Region) will be known for having one of the best metropolitan systems of higher education in the nation.

3. Community Advancement

The UH System will be the engine of social and economic advancement of the metropolitan region and the state. Each university within the system will engage with its community and will hold itself accountable for contributing toward community advancement.

As we look to the future, the needs of our constituents and the goals we have established for serving them necessitate greater resources than our universities currently possess. Over the next five years, demographic forecasts predict the Houston metropolitan area will add another 600,000 persons. Accommodating a corresponding level of enrollment growth at our universities will require tremendous investments in faculty, staff, facilities and other infrastructure. Therefore, we ask that the Legislature consider the items listed below as areas of critical concern to the University of Houston System. We do so, however, with full recognition of the financial challenges the state is facing and the difficult decisions that lie ahead. We hope that in making budgetary decisions the Legislature will give strong consideration to the UH System's priorities, given the importance of higher education to the future of Texas.

1. Base Formula Funding

As demands on our universities grow, it is imperative to provide adequate resources for basic educational services through the formulas. Without sufficient base formula funding universities will not be able to accommodate enrollment demand through course delivery; we will not be able to enhance program quality by recruiting and retaining exceptional faculty members; and we will not be able to enhance student success through academic support services. In short, we will not be able to achieve the goals of "Closing the Gaps." The UH System encourages the Legislature to provide sufficient funding for the formula so that it covers at least current services (growth plus inflation) at the state's universities.

2. Funding for Special Items and Exceptional Items

Each year the Legislature funds numerous programs at the UH System universities that fall outside the scope of formula funding. These programs have a tremendous impact on our academic programs, research endeavors and the communities we serve. The UH System recommends continuation of special item funding and consideration of our requests for exceptional item funding.

3. Tier One Research Programs

Administrator's Statement

10/16/2012 1:32:22PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

The Research Development Fund, Texas Competitive Knowledge Fund, Texas Research Incentive Program, and National Research University Fund are of critical importance to the continued growth of Texas' economy and advancement in significant areas of research and industry. They are also the primary resources through which the University of Houston funds its Tier One research enterprise. We therefore recommend increased appropriations to these funds.

4. Tuition Revenue Bonds

Maintaining quality in our classrooms, laboratories, libraries and equipment is critical to achieving the UH System's goals of academic and research excellence. And as enrollment and the number of faculty at our institutions grow, so too does the need for expanded and better infrastructure. Tuition revenue bonds are vital for addressing these needs.

5. Financial Aid/TEXAS Grants

In addition to resources for university operations, state funding for student financial aid is essential if Texas is to expand access to higher education and facilitate student graduation. This is especially true at the UH System institutions, where the education of many of our students is not paid for by their families. Rather our students typically work to pay for college and rely heavily on financial aid. Therefore, the UH System encourages the Legislature to increase funding for TEXAS Grants.

6. Conversion of Fees to Tuition

During the last legislative session, a bill was filed (but not passed) that would allow universities on a one-time basis to convert incidental fees to designated tuition without setting aside the 15-20% in scholarships required of tuition. State universities often process hundred of incidental fees, so passage of this bill would allow them to increase efficiency by streamlining financial systems. It would also support efforts to simplify student tuition and fee bills in order to enhance the predictability of college costs.

Approach to 10 Percent Base Reduction

As requested, the UH System Administration has developed a scenario through which 10 percent of base resources has been reduced from designated groups of funds. For the UHSA this totaled \$402,392, the loss of which would have a significant negative impact on our ability to support the UH universities in achieving their goals, as well as those identified in "Closing the Gaps." Due to the small size of the UHSA appropriation, the most effective way to cut our appropriation was across the board, to prevent unsustainable harm to any of our system offices and programs.

Effective Management of Resources and Accountability

Finally, while we believe that increased funding for higher education and the University of Houston System is important to the future of Texas, we also realize that universities must be good stewards of the dollars with which they are entrusted. The University of Houston System is committed to this principle. Accomplishing our goals, we believe, is predicated on effective management of resources and accountability, which our institutions strive to achieve. When Chancellor Khator arrived at the UH System in 2008, one of her first initiatives was to develop progress cards for each of the UH System universities that evaluate performance on metrics pertaining to the system's three goals of student success, national competitiveness, and community advancement. These progress cards are reviewed annually by the Board of Regents and guide the budget decisions made by our universities. Proposed investments that align with institutional goals and are justified in terms of performance are supported, whereas those that do not meet this standard are not funded.

Statement on Background Checks

Administrator's Statement

10/16/2012 1:32:22PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

The University of Houston System and its component universities derive their authority to conduct background checks for employment applicants from the Texas Education Code § 51.215. Based on this authority, the universities may require criminal history record background investigations for “security sensitive” positions – those that meet one or more of the following criteria:

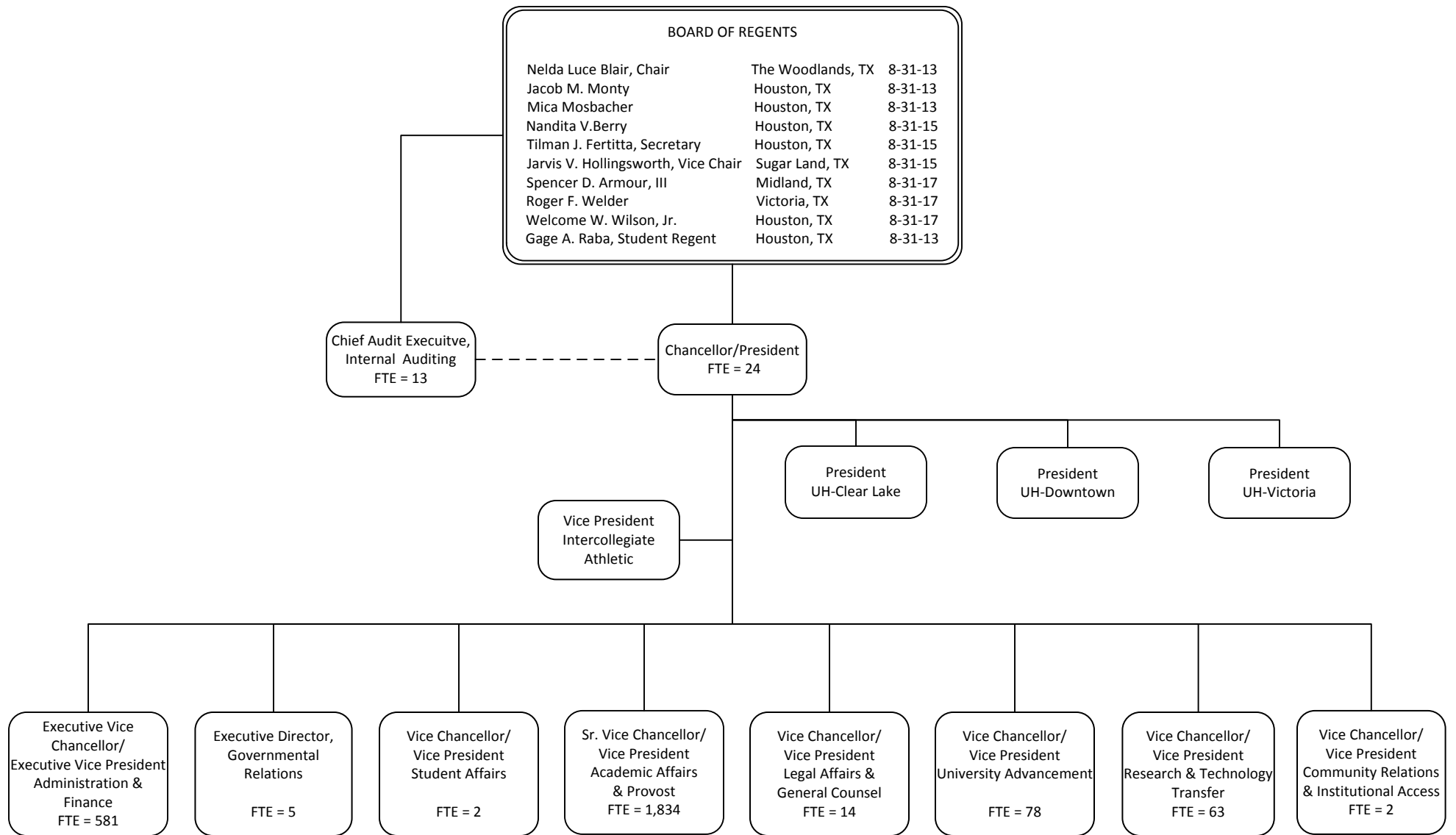
1. Handle currency;
2. Have access to confidential information and/or the capability to create, delete, or alter records in any of the university student, financial, personnel, payroll, or related computer databases or to research databases that may contain trade secrets;
3. Have routine access to building master control and key systems;
4. Are responsible for the care or instruction of children; or
5. Work in an area of the institution which has been designated as a security sensitive area.

The criminal history record background check is conducted by the university chief of police and reported to the human resources director, who evaluates any positive criminal history against job-related criteria and recommends whether an applicant is employable. A request for permission to hire an applicant deemed “not recommended for employment” by the human resources director must be approved by the chief executive officer or his/her designee. With respect to privacy, criminal history record information is destroyed for applicants for whom there is no criminal history. For applicants with a criminal history who are hired by the UH System, the records are sealed and held for a minimum of seven years after termination of employment.

Statement on Impact of Patient Protection and Affordable Care Act

The UH System universities make available health insurance to students who do not otherwise have coverage (e.g., through their parents). Due to expanded health care services required by the Patient Protection & Affordable Care Act (PPACA), the UHS universities will increase in FY 2013 the fee students must pay for this coverage from \$940 to \$1,099 per year, to compensate for a 25 percent increase in the premium charged by our insurer. In fall 2011, approximately 4,000 students purchased UH System sponsored health insurance. Beyond student health coverage, the Colleges of Pharmacy and Optometry at the University of Houston would both experience significant growth in patient care and resources due to individuals receiving coverage for the first time. This is dependent, however, upon the State of Texas participating in the Medicaid program expansion.

University of Houston System/University of Houston



FTE is budgeted FY2013 from Appropriated Funds; UH= 2,544 FTE, UHSA= 72 FTE, TOTAL= 2,616 FTE

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2.A. Summary of Base Request by Strategy

10/16/2012 1:32:22PM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>1</u> Provide Instructional and Operations Support					
<u>1</u> Provide Instructional and Operations Support					
11 SYSTEM OFFICE OPERATIONS	1,791,854	1,423,000	1,425,000	1,425,000	1,425,000
TOTAL, GOAL 1	\$1,791,854	\$1,423,000	\$1,425,000	\$1,425,000	\$1,425,000
<u>2</u> Provide Infrastructure Support					
<u>1</u> Provide Operation and Maintenance of E&G Space					
1 UH TUITION REVENUE BOND RETIREMENT	0	10,692,367	10,283,699	9,883,955	9,888,579
2 UH CLEAR LAKE REV BOND RETIREMENT	0	3,021,588	2,776,498	2,780,228	2,782,413
3 UH DOWNTOWN REVENUE BOND RETIREMENT	0	6,194,460	6,045,059	6,047,852	6,048,562
4 UH VICTORIA REVENUE BOND RETIREMENT	0	4,054,768	3,749,706	3,755,137	3,754,141
TOTAL, GOAL 2	\$0	\$23,963,183	\$22,854,962	\$22,467,172	\$22,473,695
<u>3</u> Provide Special Item Support					
<u>3</u> Public Service Special Item					

2.A. Summary of Base Request by Strategy

10/16/2012 1:32:22PM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
1 NASA PROGRAMS	791,686	586,961	586,961	586,961	586,961
TOTAL, GOAL 3	\$791,686	\$586,961	\$586,961	\$586,961	\$586,961
TOTAL, AGENCY STRATEGY REQUEST	\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	2,583,540	25,973,144	24,866,923	24,479,133	24,485,656
SUBTOTAL	\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656
TOTAL, METHOD OF FINANCING	\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656

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

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/16/2012 1:32:23PM

Agency code: **783** Agency name: **University of Houston System Administration**

METHOD OF FINANCING **Exp 2011** **Est 2012** **Bud 2013** **Req 2014** **Req 2015**

GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2010-11 GAA)

\$2,840,617 \$0 \$0 \$0 \$0

Regular Appropriations from MOF Table (2012-13 GAA)

\$0 \$25,975,144 \$25,693,318 \$24,479,133 \$24,485,656

SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS

HB 4, 82nd Leg, Regular Session, Sec 1(a) General Revenue Reductions.

\$(257,077) \$0 \$0 \$0 \$0

LAPSED APPROPRIATIONS

Tuition Revenue Bond Debt Service

\$0 \$(2,000) \$0 \$0 \$0

BASE ADJUSTMENT

Return debt service due to refinancing rates on tuition revenue bonds

\$0 \$0 \$(826,395) \$0 \$0

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

10/16/2012 1:32:23PM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 783		Agency name: University of Houston System Administration				
METHOD OF FINANCING		Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE</u>						
TOTAL,	General Revenue Fund	\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656
TOTAL, ALL	GENERAL REVENUE	\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656
GRAND TOTAL		\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656
FULL-TIME-EQUIVALENT POSITIONS						
REGULAR APPROPRIATIONS						
	Regular Appropriations from MOF Table (2010-11 GAA)	64.0	0.0	0.0	0.0	0.0
	Regular Appropriations from MOF Table (2012-13 GAA)	0.0	98.5	98.5	98.5	98.5
UNAUTHORIZED NUMBER OVER (BELOW) CAP						
	Unauthorized Amount Over (Below) Cap	29.2	(9.7)	(27.0)	(27.0)	(27.0)
TOTAL, ADJUSTED FTES		93.2	88.8	71.5	71.5	71.5
NUMBER OF 100% FEDERALLY FUNDED FTEs		0.0	0.0	0.0	0.0	0.0

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

10/16/2012 1:32:23PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

OBJECT OF EXPENSE	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1001 SALARIES AND WAGES	\$1,744,685	\$1,384,504	\$1,386,450	\$1,386,450	\$1,386,450
1002 OTHER PERSONNEL COSTS	\$35,384	\$28,162	\$28,202	\$28,202	\$28,202
2008 DEBT SERVICE	\$0	\$18,258,618	\$17,418,354	\$17,120,460	\$17,125,512
2009 OTHER OPERATING EXPENSE	\$135,985	\$5,832,291	\$5,564,348	\$5,474,452	\$5,475,923
3001 CLIENT SERVICES	\$667,486	\$469,569	\$469,569	\$469,569	\$469,569
OOE Total (Excluding Riders)	\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656
OOE Total (Riders)					
Grand Total	\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656

2.E. Summary of Exceptional Items Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/16/2012
 TIME : 1:32:23PM

Agency code: 783

Agency name: University of Houston System Administration

Priority	Item	2014			2015			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	NASA	\$117,392	\$117,392		\$117,392	\$117,392		\$234,784	\$234,784
Total, Exceptional Items Request		\$117,392	\$117,392		\$117,392	\$117,392		\$234,784	\$234,784

Method of Financing

General Revenue	\$117,392	\$117,392		\$117,392	\$117,392		\$234,784	\$234,784
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$117,392	\$117,392		\$117,392	\$117,392		\$234,784	\$234,784

Full Time Equivalent Positions

Number of 100% Federally Funded FTEs **0.0** **0.0**

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/16/2012

TIME : 1:32:24PM

Agency code: 783 Agency name: University of Houston System Administration

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
1 Provide Instructional and Operations Support						
<i>1 Provide Instructional and Operations Support</i>						
11 SYSTEM OFFICE OPERATIONS	\$1,425,000	\$1,425,000	\$0	\$0	\$1,425,000	\$1,425,000
TOTAL, GOAL 1	\$1,425,000	\$1,425,000	\$0	\$0	\$1,425,000	\$1,425,000
2 Provide Infrastructure Support						
<i>1 Provide Operation and Maintenance of E&G Space</i>						
1 UH TUITION REVENUE BOND RETIREMENT	9,883,955	9,888,579	0	0	9,883,955	9,888,579
2 UH CLEAR LAKE REV BOND RETIREMENT	2,780,228	2,782,413	0	0	2,780,228	2,782,413
3 UH DOWNTOWN REVENUE BOND RETIREMENT	6,047,852	6,048,562	0	0	6,047,852	6,048,562
4 UH VICTORIA REVENUE BOND RETIREMENT	3,755,137	3,754,141	0	0	3,755,137	3,754,141
TOTAL, GOAL 2	\$22,467,172	\$22,473,695	\$0	\$0	\$22,467,172	\$22,473,695

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/16/2012

TIME : 1:32:24PM

Agency code: 783 Agency name: University of Houston System Administration

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
3 Provide Special Item Support						
3 <i>Public Service Special Item</i>						
1 NASA PROGRAMS	\$586,961	\$586,961	\$117,392	\$117,392	\$704,353	\$704,353
TOTAL, GOAL 3	\$586,961	\$586,961	\$117,392	\$117,392	\$704,353	\$704,353
TOTAL, AGENCY STRATEGY REQUEST	\$24,479,133	\$24,485,656	\$117,392	\$117,392	\$24,596,525	\$24,603,048
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$24,479,133	\$24,485,656	\$117,392	\$117,392	\$24,596,525	\$24,603,048

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/16/2012

TIME : 1:32:24PM

Agency code: 783	Agency name: University of Houston System Administration					
Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
General Revenue Funds:						
1 General Revenue Fund	\$24,479,133	\$24,485,656	\$117,392	\$117,392	\$24,596,525	\$24,603,048
	\$24,479,133	\$24,485,656	\$117,392	\$117,392	\$24,596,525	\$24,603,048
TOTAL, METHOD OF FINANCING	\$24,479,133	\$24,485,656	\$117,392	\$117,392	\$24,596,525	\$24,603,048
FULL TIME EQUIVALENT POSITIONS	71.5	71.5	0.0	0.0	71.5	71.5

783 University of Houston System Administration

GOAL:	1	Provide Instructional and Operations Support	Statewide Goal/Benchmark:	2	0
OBJECTIVE:	1	Provide Instructional and Operations Support	Service Categories:		
STRATEGY:	11	System Office Operations	Service:	19	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,744,685	\$1,384,504	\$1,386,450	\$1,386,450	\$1,386,450
1002	OTHER PERSONNEL COSTS	\$35,384	\$28,162	\$28,202	\$28,202	\$28,202
2009	OTHER OPERATING EXPENSE	\$11,785	\$10,334	\$10,348	\$10,348	\$10,348
TOTAL, OBJECT OF EXPENSE		\$1,791,854	\$1,423,000	\$1,425,000	\$1,425,000	\$1,425,000
Method of Financing:						
1	General Revenue Fund	\$1,791,854	\$1,423,000	\$1,425,000	\$1,425,000	\$1,425,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,791,854	\$1,423,000	\$1,425,000	\$1,425,000	\$1,425,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,425,000	\$1,425,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,791,854	\$1,423,000	\$1,425,000	\$1,425,000	\$1,425,000
FULL TIME EQUIVALENT POSITIONS:		93.2	88.8	71.5	71.5	71.5

STRATEGY DESCRIPTION AND JUSTIFICATION:

Established by Acts 1977, 65th Legislature, as codified in Section 111.20 of the Texas Education Code, the University of Houston System Administration provides leadership, coordination, support and some centralized services for the four universities in the UH System. The UH System's mission is to serve the full range of educational and research needs of Houston, the Gulf Coast Region and the State of Texas with programs of highest quality and efficiency.

783 University of Houston System Administration

GOAL:	1	Provide Instructional and Operations Support	Statewide Goal/Benchmark:	2	0
OBJECTIVE:	1	Provide Instructional and Operations Support	Service Categories:		
STRATEGY:	11	System Office Operations	Service:	19	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The rapid demographic changes facing Houston and Texas present both social and economic challenges for the state and its public universities. The University of Houston System is the largest single source of professional and technical talent for the Gulf Coast Region, providing the intellectual as well as the research, technological and cultural base for the area. The UH System contributes greatly to the economic future of the state by preparing the workforce with academic programs serving all populations in the region and expanding the research and technology base.

The role of the UH System Administration has been reviewed by the Board of Regents to ensure the greatest responsiveness, effectiveness and efficiency of services to the community and the four universities. The Board has combined the top two positions in the System, the Chancellor and the President of the University of Houston, into a single Chief Executive to effect greater cooperation, coordination and efficiency. This new management model will continue to bring the universities together for shared services where economically beneficial; for system-wide initiatives, such as partnerships with community groups, public and private schools, corporate and industrial organizations; and for coordinating support from private individuals and corporations as well as federal, state and local governments.

783 University of Houston System Administration

GOAL:	2	Provide Infrastructure Support	Statewide Goal/Benchmark:	2	0
OBJECTIVE:	1	Provide Operation and Maintenance of E&G Space	Service Categories:		
STRATEGY:	1	University of Houston Tuition Revenue Bond Retirement	Service:	19	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
2008	DEBT SERVICE	\$0	\$8,208,505	\$7,894,771	\$7,587,889	\$7,591,439
2009	OTHER OPERATING EXPENSE	\$0	\$2,483,862	\$2,388,928	\$2,296,066	\$2,297,140
TOTAL, OBJECT OF EXPENSE		\$0	\$10,692,367	\$10,283,699	\$9,883,955	\$9,888,579
Method of Financing:						
1	General Revenue Fund	\$0	\$10,692,367	\$10,283,699	\$9,883,955	\$9,888,579
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$10,692,367	\$10,283,699	\$9,883,955	\$9,888,579
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$9,883,955	\$9,888,579
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$10,692,367	\$10,283,699	\$9,883,955	\$9,888,579
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 University of Houston System Administration

GOAL:	2	Provide Infrastructure Support	Statewide Goal/Benchmark:	2	0
OBJECTIVE:	1	Provide Operation and Maintenance of E&G Space	Service Categories:		
STRATEGY:	2	University of Houston Clear Lake Tuition Revenue Bond Retirement	Service:	19	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
2008	DEBT SERVICE	\$0	\$2,329,222	\$2,140,292	\$2,143,168	\$2,144,852
2009	OTHER OPERATING EXPENSE	\$0	\$692,366	\$636,206	\$637,060	\$637,561
TOTAL, OBJECT OF EXPENSE		\$0	\$3,021,588	\$2,776,498	\$2,780,228	\$2,782,413
Method of Financing:						
1	General Revenue Fund	\$0	\$3,021,588	\$2,776,498	\$2,780,228	\$2,782,413
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$3,021,588	\$2,776,498	\$2,780,228	\$2,782,413
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,780,228	\$2,782,413
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$3,021,588	\$2,776,498	\$2,780,228	\$2,782,413
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support Statewide Goal/Benchmark: 2 0
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
 STRATEGY: 3 University of Houston Downtown Tuition Revenue Bond Retirement Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
2008	DEBT SERVICE	\$0	\$4,759,358	\$4,644,570	\$4,646,716	\$4,647,261
2009	OTHER OPERATING EXPENSE	\$0	\$1,435,102	\$1,400,489	\$1,401,136	\$1,401,301
TOTAL, OBJECT OF EXPENSE		\$0	\$6,194,460	\$6,045,059	\$6,047,852	\$6,048,562
Method of Financing:						
1	General Revenue Fund	\$0	\$6,194,460	\$6,045,059	\$6,047,852	\$6,048,562
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$6,194,460	\$6,045,059	\$6,047,852	\$6,048,562
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$6,047,852	\$6,048,562
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$6,194,460	\$6,045,059	\$6,047,852	\$6,048,562
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 University of Houston System Administration

GOAL:	2	Provide Infrastructure Support	Statewide Goal/Benchmark:	2	0
OBJECTIVE:	1	Provide Operation and Maintenance of E&G Space	Service Categories:		
STRATEGY:	4	University of Houston Victoria Tuition Revenue Bond Retirement	Service:	19	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
2008	DEBT SERVICE	\$0	\$2,961,533	\$2,738,721	\$2,742,687	\$2,741,960
2009	OTHER OPERATING EXPENSE	\$0	\$1,093,235	\$1,010,985	\$1,012,450	\$1,012,181
TOTAL, OBJECT OF EXPENSE		\$0	\$4,054,768	\$3,749,706	\$3,755,137	\$3,754,141
Method of Financing:						
1	General Revenue Fund	\$0	\$4,054,768	\$3,749,706	\$3,755,137	\$3,754,141
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$4,054,768	\$3,749,706	\$3,755,137	\$3,754,141
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,755,137	\$3,754,141
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$4,054,768	\$3,749,706	\$3,755,137	\$3,754,141
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 University of Houston System Administration

GOAL:	3	Provide Special Item Support	Statewide Goal/Benchmark:	2	0
OBJECTIVE:	3	Public Service Special Item	Service Categories:		
STRATEGY:	1	High School Cooperative Education Program w/NASA & Tech Outreach Pgm	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$124,200	\$117,392	\$117,392	\$117,392	\$117,392
3001	CLIENT SERVICES	\$667,486	\$469,569	\$469,569	\$469,569	\$469,569
TOTAL, OBJECT OF EXPENSE		\$791,686	\$586,961	\$586,961	\$586,961	\$586,961
Method of Financing:						
1	General Revenue Fund	\$791,686	\$586,961	\$586,961	\$586,961	\$586,961
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$791,686	\$586,961	\$586,961	\$586,961	\$586,961
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$586,961	\$586,961
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$791,686	\$586,961	\$586,961	\$586,961	\$586,961
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 University of Houston System Administration

GOAL:	3	Provide Special Item Support	Statewide Goal/Benchmark:	2	0
OBJECTIVE:	3	Public Service Special Item	Service Categories:		
STRATEGY:	1	High School Cooperative Education Program w/NASA & Tech Outreach Pgm	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Texas Aerospace Scholars (TAS): The TAS programs provide distance learning opportunities and onsite experiences at NASA JSC for student and teachers from across the state of Texas. Since 1999, more than 9,800 Texans have participated in the programs and have explored career opportunities in science, technology, engineering and math (STEM). High school juniors explore opportunities in STEM academic fields by completing on-line modules and travel to JSC for a one-week summer experience. Middle school educators learn innovative ways to integrate NASA instructional materials across various disciplines that align with state and national standards. The community college program challenges student teams to complete on an aerospace project for a simulated NASA contract. Participation includes web-based assignments and onsite activities where students interact with engineers, scientists and astronauts. The TAS Internship focuses on strengthening the STEM pipeline by offering semester-long internships to TAS student alumni.

Technology Outreach Program (TOP): TOP transfers NASA JSC scientific and engineering expertise to meet innovative Texas small business' technology requirements that foster economic expansion. Since 1999, TOP has helped over 800 small businesses solve technical challenges facing their business. TOP assistance has resulted in Texas companies creating new products, job creations, increased sales, retention of jobs and new capital investment.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

783 University of Houston System Administration

GOAL:	3	Provide Special Item Support	Statewide Goal/Benchmark:	2	0
OBJECTIVE:	3	Public Service Special Item	Service Categories:		
STRATEGY:	1	High School Cooperative Education Program w/NASA & Tech Outreach Pgm	Service:	NA	Income: NA Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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The Texas Aerospace Scholars (TAS) initiative harnesses the excitement of human space exploration to Texas students across the state to encourage these students to pursue careers and degrees in math, science, and engineering. TAS will:

- Increase the number of Texans with high-tech skills
- Promote economic development through the creation of an increased technical workforce
- Provide access to unique educational and internship opportunities to students from rural communities, inner cities, and border regions
- Ensure Texas' future growth and prosperity and continued world leadership in technology
- Provide high-visibility to the Legislature's commitment to math, science, and engineering education

The Technology Outreach Program (TOP) applies technology and expertise developed through human space flight to assist Texas small business to expand and diversify.

Economic impact includes:

- New and improved manufacturing processes for existing and new companies
- New technology development, existing product improvement, new patents, new physical plant improvements
- New peripheral and secondary economic impact on upstream vendors and suppliers
- Increased opportunities have resulted in a healthy, robust economic climate that is vital to Texas in growing the Texas economy
- Additional companies in the greater Houston region have the opportunity to access NASA/Johnson Space Center technology

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656
METHODS OF FINANCE (INCLUDING RIDERS):				\$24,479,133	\$24,485,656
METHODS OF FINANCE (EXCLUDING RIDERS):	\$2,583,540	\$25,973,144	\$24,866,923	\$24,479,133	\$24,485,656
FULL TIME EQUIVALENT POSITIONS:	93.2	88.8	71.5	71.5	71.5

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:	Prepared By:	Date:	Request Level:
Current Rider Number	Page Number in 2012-13 GAA	Proposed Rider Language		
Art. IX, Sec. 9.03	IX-43	<p>Sec. 9.03. Biennial Operating Plan and Information Resources Strategic Plan Approval. It is the intent of the Legislature that agencies and institutions of higher education receiving appropriated funds for the acquisition of information technology must have a current Information Resources Strategic Plan and a Biennial Operating Plan including any amendments as approved by the Legislative Budget Board prior to expending any funds for information technology. Information Technology items identified in the Capital Budget Rider must be included and approved in the Biennial Operating Plan <u>required by Section 2054.100, Government Code</u> or a subsequently approved amendment of the Biennial Operating Plan. The Legislative Budget Board may direct the Comptroller to deny the agency or institution of higher education access to information technology appropriations for non-compliance <u>with Section 2054.100, Government Code.</u></p> <p><i>The proposed change eliminates an unnecessary restatement of the statutory requirement for a Biennial Operating Plan and corrects the reference to institutions of higher education in regard to the requirement for an Information Resources Strategic Plan, a statutory requirement from which institutions of higher education are exempt under Section 2054.095 and Chapter 2056, Government Code.</i></p>		
Art. IX, Sec. 11.01	IX-48	<p>Sec. 11.01. Limitation on Use of Funds for Personal Residences.</p> <p>(a) Out of appropriations made by this Act, expenditures exceeding an aggregate amount of \$25,000 for the biennium beginning on September 1, 2011, may not be made for purchasing, remodeling, or repairing of any one particular personal residence or living quarters unless the expenditures are:</p> <ul style="list-style-type: none"> (1) (A) required by court order; <li style="padding-left: 20px;">(B) will result in increased safety, significant net cost savings, or prevention of substantial waste; or <li style="padding-left: 20px;">(C) are specifically identified in a Capital Budget in this Act; and <p>(2) the Governor and Legislative Budget Board have approved the expenditure.</p> <p>(b) The Texas Facilities Commission shall report all expenditures of funds appropriated by this Act exceeding an aggregate amount of \$25,000 for the biennium for purchasing, remodeling, or repairing any one particular personal residence or living quarters to the Legislative Budget Board.</p> <p><i>The proposed change in Subsection (b) makes it consistent with Subsection (a) and clarifies that the report</i></p>		

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

		<p><i>required of the Texas Facilities Commission, as a detail, limit, or restriction on the use of appropriated funds, relates only to the use of appropriated funds. In addition, the Texas Facilities Commission does not exercise general jurisdiction over the purchase, remodeling, or repair of facilities of institutions of higher education.</i></p>
<p>Art. IX, Sec. 7.05</p>	<p>IX-37</p>	<p>Sec. 7.05. Contract Notification: Amounts Greater than \$500,000.</p> <p>(a) In this section "contract" includes:</p> <p style="padding-left: 40px;">(1) a contract, agreement, purchase order, interagency contract, interlocal agreement, 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 during a fiscal year, which has a value of more than \$500,000; or</p> <p style="padding-left: 40px;">(2) a series of contracts, agreements, purchase orders, interagency contracts, interlocal agreements, or other written expressions of terms of agreement, or amendments, modifications, renewals, or extensions 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 during a fiscal year which together total in value an amount greater than \$500,000 and involving both:</p> <p style="padding-left: 80px;">(A) a single entity or individual; and</p> <p style="padding-left: 80px;">(B) a state agency or institution of higher education.</p> <p>(b) In this section a contract does not include a contract that has been reported to the Legislative Budget Board:</p> <p style="padding-left: 40px;">(1) under §§ 2054.008, 2166.2551, 2254.006, or 2254.0301, Government Code; or</p> <p style="padding-left: 40px;">(2) Sec. 7.04 of this Article; <u>or</u></p> <p style="padding-left: 40px;">(3) <u>a contract paid only with funds not appropriated by this Act.</u></p> <p>(c) Before October 1 of each fiscal year, a state agency or an institution of higher education shall report to the Legislative Budget Board in the manner prescribed by the Legislative Budget Board all contracts to which the agency or institution was a party during the prior fiscal year.</p> <p><i>The proposed change clarifies that, as a limitation on the expenditure of appropriated funds, the rider applies only to contracts paid with appropriated funds. The proposed change conforms the rider to the similar requirements of Section 7.04(b)(6) relating to contracts for amounts greater than \$50,000.</i></p>
		<p>Sec. 11. Method of Financing Scholarships.</p> <p>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</p>

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

		<p>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.</p> <p>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.</p> <p><u>32.</u> No educational and general funds appropriated in this Act for scholarships to institutions of higher education may be used to provide athletic scholarships.</p> <p><u>43.</u> Out of the additional funds appropriated for the 2012-13 biennium for the informational strategy described as "Scholarships," the respective governing boards shall allocate and expend such funds for need-based student scholarships regardless of the race, sex, color, or ethnicity of the student recipient.</p> <p><i>The proposed change conforms the rider to a statutory change enacted by Section 9.01(b) S.B. 5, 82nd Legislature, R.S., 2013, repealing Sec.56.034, Education Code effective September 1, 2013. The repealed section was the source of the information described in the omitted provision of the rider.</i></p>
Art. III, Sec. 55	III-247	<p>Sec. 55. Community College Transfer Student Reporting Requirement. All General Academic Institutions shall use their respective Education and General funds appropriated in this Act to develop and submit an annual report to the Texas Higher Education Coordinating Board (THECB) that details the institution's goals to increase the number, success, and persistence of community college transfer students as measured by THECB. The report shall assess each institution's existing academic and technical transfer pathways, identify each institution's barriers to transfer, and define emerging issues. The report shall detail institution actions to serve current and future transfer students through local and regional articulation agreements with faculty collaboration, community college program enhancements, student outreach and advising, website information development, targeted financial aid, university student success programs, and degree program alignment.</p> <p>For all general academic institutions, tThe THECB shall provide performance data by institution (application rates, admission rates, financial aid awarded, time-to-degree, and baccalaureate graduation rates) of transfer and native students by program completion at community colleges and universities during the preceding fiscal year.The THECB shall conduct a comparative analysis of the institutional reports and the performance data. The THECB shall submit an annual report to the Legislature that evaluates actions to increase the number, success, and persistence of community college transfer students and make recommendations to meet state goals.</p> <p>The report shall be delivered to the House Appropriations Committee, the Senate Finance Committee, the Legislative Budget Board and the Governor by November 1 of each year.</p>

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

		<p><i>The proposed change recognizes that the Coordinating Board collects the information described in the first paragraph without the necessity of the described report, making a separate report unnecessary.</i></p>
<p>Art. IX, Sec. 7.07</p>	<p>IX-38</p>	<p>Sec. 7.07. Reporting Fees, Fines, and Penalties.</p> <p>(a) Before November 1 of each fiscal year, each state agency and institution of higher education (including a community or junior college) shall report to the Legislative Budget Board in the manner prescribed by the Legislative Budget Board all fees, fines, and penalties assessed <u>the revenue of which are required to be deposited in the state treasury for appropriation</u> and all <u>such</u> fees, fines, and penalties assessed but not collected by the agency or institution-during the prior fiscal year.</p> <p>(b) Each report made under this section shall detail the effort made by the reporting state agency or institution of higher education to collect fees, fines, and penalties that are more than ninety days past due.</p> <p><i>The proposed change clarifies that, as a limitation on the use of appropriated funds, the rider applies only to revenue that is deposited in the state treasury for appropriation.</i></p>
<p>Art. III, Sec. 50</p>	<p>III-245</p>	<p>Sec. 50. Report Concerning Designated Tuition.</p> <p>(a) Not later than January 1, 20142, 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 2010-2011<u>2012-2013</u> and 2011-2012<u>2013-2014</u> academic years:</p> <ol style="list-style-type: none"> (1) the amount the institution has collected in designated tuition; (2) the purposes for which the institution spent the money derived from designated tuition and the amount of that money spent for each of those purposes; and (3) the amount set aside from designated tuition for resident undergraduate and graduate student assistance under §§ 56.011 and 56.012, Education Code and how these amounts are allocated under the following categories. <ol style="list-style-type: none"> (a) grants (b) scholarships, (c) work-study programs, (d) students loans, (e) and student loan repayment assistance. <p>(b) In addition to the information reported under Subsection (a), not later than January 1, 2012, the governing board of each institution of higher education shall report to the legislature the total academic cost for resident undergraduates enrolled for 15 semester credit hours. The information reported shall be derived from actual fee bills for the 2010 fall semester and the 2009 spring and fall semesters and must reflect the actual charges, before any adjustments or discounts are applied for waivers, exemptions, or other discounts, in the following categories:</p>

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

		<p>(1) statutory tuition; (2) designated tuition; (3) mandatory fees; and (4) average college and course fees, which must include all academic related fees and charges not reported under (1), (2), or (3), such as fees for laboratories, field trips, multimedia, equipment replacement, and instructional technology, but should not include charges for voluntary services "optional fees").</p> <p>(e) Reports required by this section shall be delivered to the Lieutenant Governor, the Speaker of the House, the chair of the Senate Finance Committee, the chair of the House Appropriations Committee, and the members of the Legislative Oversight Committee on Higher Education.</p> <p><i>Section (b) of the Report Concerning Designated Tuition is redundant as the information is previously captured in the Texas Higher Education Coordinating Board's IFRS system and available online, making a separate report for that purpose unnecessary.</i></p>
Art. III, Sec. 57	III-247	<p>Sec. 57. Online Degree Plans.</p> <p>(a) Using funds appropriated by this Act, not later than August 1, 2012, each public institution of higher education receiving appropriations under this Act shall submit to the Higher Education Coordinating Board a study of the costs making available online four of the institution's most popular degree plans, as determined by the institution. Each institution's reported cost study must include the methodology used for the cost study and an explanation for each expense listed in the study.</p> <p>(b) The coordinating board shall use new and existing data, including performance measures, ongoing research studies, and survey data, to evaluate probable student outcomes for online degree plans identified by the institutions. The coordinating board shall:</p> <p style="padding-left: 40px;">(1) analyze and compare all reported cost studies under this section and corresponding student outcomes to determine the most efficient and effective of the proposed online degree plans among these institutions generally; and</p> <p style="padding-left: 40px;">(2) notify each institution of its conclusions.</p> <p><i>The proposed change eliminates a reporting requirement for a one-time study by institutions and the Texas Higher Education Coordinating Board.</i></p>

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/16/2012**
 TIME: **1:32:24PM**

Agency code: **783**

Agency name:
University of Houston System Administration

CODE	DESCRIPTION	Excp 2014	Excp 2015
	Item Name: Texas Aerospace Scholars (TAS)		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies: 03-03-01 High School Cooperative Education Program w/NASA & Tech Outreach Pgm		
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	33,392	33,392
3001	CLIENT SERVICES	84,000	84,000
	TOTAL, OBJECT OF EXPENSE	\$117,392	\$117,392
METHOD OF FINANCING:			
1	General Revenue Fund	117,392	117,392
	TOTAL, METHOD OF FINANCING	\$117,392	\$117,392

DESCRIPTION / JUSTIFICATION:

Texas Aerospace Scholars (TAS) initiative harnesses the excitement of human space exploration for Texas students and educators across the state to encourage students to pursue degrees and careers in math, science, and engineering as only NASA can. Exceptional item funding will be used in existing programs to regain the reach into school districts, underrepresented, underserved and rural populations across the state and continuation of identifying partners to leverage Texas' investment in TAS.

Technology Outreach Program (TOP) increases public awareness of NASA technology and makes the technology more accessible to the public sector's use generating positive economic impact on the State. Exceptional item funding will facilitate the preservation of TOP's impact throughout the state benefiting Texas small businesses and inventors.

EXTERNAL/INTERNAL FACTORS:

With a 30% decrease in funding since 2008/09, the number of Texas Aerospace Scholars events have decreased by almost 50% and the number of companies assisted by Technology Outreach Program has decreased by 11%. There is an increased risk of:

- reducing the overall number of students, educators, and small businesses served and the building of the high-tech workforce of Texas
- losing funds from industry and the community which are leveraged with the state funding
- causing layoffs that will prohibit the successful operation of the programs
- eliminating one or more of the TAS subset programs

6.A. Historically Underutilized Business Supporting Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **10/16/2012**
 Time: **1:32:25PM**

Agency Code: **783** Agency: **University of Houston System Administration**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2010 - 2011 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2010			Total Expenditures FY 2010		HUB Expenditures FY 2011			Total Expenditures FY 2011	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal	% Actual	Diff
11.9%	Heavy Construction	11.9 %	0.0%	-11.9%	\$0	\$0	11.9 %	0.0%	-11.9%	\$0	\$0	
26.1%	Building Construction	26.1 %	25.9%	-0.2%	\$93,605	\$360,976	26.1 %	0.0%	-26.1%	\$0	\$0	
57.2%	Special Trade Construction	57.2 %	2.3%	-54.9%	\$43,613	\$1,874,692	57.2 %	0.6%	-56.6%	\$2,612	\$429,370	
20.0%	Professional Services	20.0 %	0.0%	-20.0%	\$0	\$37,000	20.0 %	0.0%	-20.0%	\$0	\$0	
33.0%	Other Services	33.0 %	3.7%	-29.3%	\$27,479	\$749,308	33.0 %	23.3%	-9.7%	\$291,317	\$1,252,365	
12.6%	Commodities	12.6 %	38.2%	25.6%	\$256,090	\$671,267	12.6 %	45.4%	32.8%	\$329,466	\$725,503	
	Total Expenditures		11.4%		\$420,787	\$3,693,243		25.9%		\$623,395	\$2,407,238	

B. Assessment of Fiscal Year 2010 - 2011 Efforts to Meet HUB Procurement Goals

Attainment:

The University of Houston System Administration attained or exceeded one of five, or 20%, of the applicable statewide HUB procurement goals in FY2010. UH System Administration attained or exceeded one of three, or 33%, of the applicable statewide HUB procurement goals in FY2011. Overall HUB use increased from 11.3% in FY2010 to 25.9% in FY2011.

Applicability:

UH System Administration did not have expenditures in the "Heavy Construction" category in FY2010 or FY2011, and did not have expenditures in the "Building Construction" or "Professional Services" categories in FY2011.

Factors Affecting Attainment:

In FY2010, HUB expenditures in the "Special Trade" category were lower than the statewide goal because of retainage payments made to a non-HUB prime contractor following the completion of the UHS Sugar Land Teaching Facility. In FY2011, "Special Trade" expenditures did not meet the statewide goal because of mandatory payments to Fort Bend County for levee improvements associated with the UHS Sugar Land Teaching Facility. In FY2010, HUB expenditures in the "Professional Services" category were less than the statewide goal because of architecture and engineering services provided by one vendor to complete a project started in FY2009. In FY2010 and FY2011, HUB expenditures in the "Other Services" category were less than the statewide goal because of contracts awarded to non-HUB vendors through a competitive process that included HUB vendors. In FY2011, however, the percentage of HUBs paid under "Other Services" increased by almost 20% because of janitorial contracts awarded to HUB vendors for the UHS Sugar Land and UHS Cinco Ranch Teaching Centers.

"Good-Faith" Efforts:

The University of Houston System Administration made the following good faith efforts to comply with statewide HUB goals as stated by 34 TAC Section 20.13(c):

6.A. Historically Underutilized Business Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **10/16/2012**
Time: **1:32:25PM**

Agency Code: **783** Agency: **University of Houston System Administration**

- (1) required a HUB Subcontracting Plan for all contracts over \$100,000; (2) sought bids from at least two HUB vendors on competitively bid contracts over \$5,000;
- (3) assisted minority and women-owned businesses with HUB certification, as well as provided information on how to do business with UH System Administration;
- (4) conducted HUB vendor shows in which HUB vendors met with UH System Administration employees to describe their products and services; (5) encouraged HUB use by listing the departments that utilized HUBs the most in a monthly newsletter distributed to all UH System Administration administrative employees ; and
- (6) brokered a Mentor-Protégé agreement.

**6.H. Estimate Total Of All Funds Outside the General Appropriations Bill Act Pattern Schedule
2012 - 13 and 2014 - 15 Biennia**

Agency Code: 00783

Agency Name: University of Houston System Administration

	2012 - 2013 Biennium				2014 - 2015 Biennium			
	<u>FY 2012 Revenue</u>	<u>FY 2013 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>	<u>FY 2014 Revenue</u>	<u>FY 2015 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 25,905,144	\$ 25,623,318	\$ 51,528,462		\$ 25,623,318	\$ 25,623,318	\$ 51,246,636	
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>25,905,144</u>	<u>25,623,318</u>	<u>51,528,462</u>	<u>78.9%</u>	<u>25,623,318</u>	<u>25,623,318</u>	<u>51,246,636</u>	<u>78.9%</u>
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	\$ 1,193,790	\$ 1,193,790	\$ 2,387,580		\$ 1,193,790	\$ 1,193,790	\$ 2,387,580	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Total	<u>1,193,790</u>	<u>1,193,790</u>	<u>2,387,580</u>	<u>3.7%</u>	<u>1,193,790</u>	<u>1,193,790</u>	<u>2,387,580</u>	<u>3.7%</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	16,000	16,000	32,000		16,000	16,000	32,000	
Endowment and Interest Income	1,611,453	1,124,104	2,735,557		1,124,104	1,124,104	2,248,208	
Sales and Services of Educational Activities (net)	4,088,393	4,506,715	8,595,108		4,506,715	4,506,715	9,013,430	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>5,715,846</u>	<u>5,646,819</u>	<u>11,362,665</u>	<u>17.4%</u>	<u>5,646,819</u>	<u>5,646,819</u>	<u>11,293,638</u>	<u>17.4%</u>
TOTAL SOURCES	<u>\$ 32,814,780</u>	<u>\$ 32,463,927</u>	<u>\$ 65,278,707</u>	<u>100.0%</u>	<u>\$ 32,463,927</u>	<u>\$ 32,463,927</u>	<u>\$ 64,927,854</u>	<u>100.0%</u>

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/16/2012

Time: 1:32:25PM

Agency code: 783 Agency name: University of Houston System Administration

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

1 System Office Operations

Category: Administrative - Operating Expenses

Item Comment: The UH System Administration is responsible for coordinating the operations of the UHS universities - including system-wide planning to meet the state's higher education goals - as well as providing select centralized services (e.g., general counsel, board of regents, auditing). The 10% reduction would limit our ability to provide these services.

Strategy: 1-1-11 System Office Operations

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$142,500	\$142,500	\$285,000
General Revenue Funds Total	\$0	\$0	\$0	\$142,500	\$142,500	\$285,000
Item Total	\$0	\$0	\$0	\$142,500	\$142,500	\$285,000

FTE Reductions (From FY 2014 and FY 2015 Base Request)

2 NASA and Technology Outreach Program

Category: Programs - Service Reductions (Other)

Item Comment: Special item funding is used to support two programs at the Johnson Space Center: the Aerospace Scholars program, which provides science and technology learning opportunities to public school and community college students in Texas, and the Technology Outreach Program, which supports the development of new science and engineering companies and the commercialization of technologies. Reduced funding would limit the operations of these programs and, therefore, the state's ability to improve the quality of PK-16 education, encourage more students to enter careers in science and technology, and enhance economic development through the creation of new companies and technologies.

Strategy: 3-3-1 High School Cooperative Education Program w/NASA & Tech Outreach Pgm

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$58,696	\$58,696	\$117,392
General Revenue Funds Total	\$0	\$0	\$0	\$58,696	\$58,696	\$117,392
Item Total	\$0	\$0	\$0	\$58,696	\$58,696	\$117,392

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/16/2012

Time: 1:32:25PM

Agency code: 783 Agency name: University of Houston System Administration

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
FTE Reductions (From FY 2014 and FY 2015 Base Request)							
AGENCY TOTALS							
General Revenue Total				\$201,196	\$201,196	\$402,392	\$402,392
Agency Grand Total	\$0	\$0	\$0	\$201,196	\$201,196	\$402,392	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2014 and FY 2015 Base Request)							

783 University of Houston System Administration

	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 %	0.00%				
Total Percentage	100.00%				
FULL TIME ACTIVES					
1a Employee Only	51	51	0	51	4
2a Employee and Children	11	11	0	11	1
3a Employee and Spouse	7	7	0	7	0
4a Employee and Family	10	10	0	10	0
5a Eligible, Opt Out	1	1	0	1	0
6a Eligible, Not Enrolled	1	1	0	1	0
Total for This Section	81	81	0	81	5
PART TIME ACTIVES					
1b Employee Only	1	1	0	1	0
2b Employee and Children	1	1	0	1	0
3b Employee and Spouse	0	0	0	0	0
4b Employee and Family	0	0	0	0	0
5b Eligible, Opt Out	0	0	0	0	0
6b Eligible, Not Enrolled	2	2	0	2	0
Total for This Section	4	4	0	4	0
Total Active Enrollment	85	85	0	85	5

783 University of Houston System Administration

	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	51	51	0	51	4
2e Employee and Children	11	11	0	11	1
3e Employee and Spouse	7	7	0	7	0
4e Employee and Family	10	10	0	10	0
5e Eligible, Opt Out	1	1	0	1	0
6e Eligible, Not Enrolled	1	1	0	1	0
Total for This Section	81	81	0	81	5

783 University of Houston System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	52	52	0	52	4
2f Employee and Children	12	12	0	12	1
3f Employee and Spouse	7	7	0	7	0
4f Employee and Family	10	10	0	10	0
5f Eligible, Opt Out	1	1	0	1	0
6f Eligible, Not Enrolled	3	3	0	3	0
Total for This Section	85	85	0	85	5

Schedule 4: Computation of OASI
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency 783 University of Houston System Administration

Proportionality Percentage Based on Comptroller Accounting Policy Statement #011, Exhibit 2	2011		2012		2013		2014		2015	
	% to Total	Allocation of OASI	% to Total	Allocation of OASI	% to Total	Allocation of OASI	% to Total	Allocation of OASI	% to Total	Allocation of OASI
General Revenue (% to Total)	100.00	\$462,528	100.00	\$446,136	100.00	\$380,000	100.00	\$380,000	100.00	\$380,000
Other Educational and General Funds (% to Total)	0.00	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	\$0
Health-Related Institutions Patient Income (% to Total)	0.00	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00	\$0
Grand Total, OASI (100%)	100.00	\$462,528	100.00	\$446,136	100.00	\$380,000	100.00	\$380,000	100.00	\$380,000

Schedule 5: Calculation of Retirement Proportionality and ORP Differential

10/16/2012 1:32:27PM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

Description	Act 2011	Act 2012	Bud 2013	Est 2014	Est 2015
Proportionality Amounts					
Gross Educational and General Payroll - Subject To TRS Retirement	4,179,369	4,227,617	3,125,000	3,125,000	3,125,000
Employer Contribution to TRS Retirement Programs	277,677	253,657	200,000	200,000	200,000
Gross Educational and General Payroll - Subject To ORP Retirement	2,659,123	2,447,593	2,300,000	2,300,000	2,300,000
Employer Contribution to ORP Retirement Programs	170,184	146,856	138,000	138,000	138,000
Proportionality Percentage					
General Revenue	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Other Educational and General Income	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Health-related Institutions Patient Income	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
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					
Gross Payroll Subject to Differential - Optional Retirement Program	4,427,732	2,886,205	3,053,435	3,053,435	3,053,435
Total Differential	40,292	37,809	40,000	40,000	40,000

Schedule 6: Capital Funding

10/16/2012 1:32:27PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration					
Activity	Act 2011	Act 2012	Bud 2013	Est 2014	Est 2015
I. Balances as of Beginning of Fiscal Year					
A. PUF Bond Proceeds	0	0	0	0	0
B. HEF Bond Proceeds	0	0	0	0	0
C. HEF Annual Allocations	0	0	0	0	0
D. TR Bond Proceeds	0	0	0	0	0
E. Other Debt Proceeds (e.g. Patient Income)	0	0	0	0	0
II. Additions					
A. PUF Bond Proceeds Allocation	0	0	0	0	0
B. HEF General Revenue Appropriation	0	0	0	0	0
C. HEF Bond Proceeds	0	0	0	0	0
D. TR Bond Proceeds	0	0	0	0	0
E. Investment Income on PUF Bond Proceeds	0	0	0	0	0
F. Investment Income on HEF Bond Proceeds	0	0	0	0	0
G. Investment Income on TR Bond Proceeds	0	0	0	0	0
H. Other Debt Proceeds (e.g. Patient Income)	0	0	0	0	0
I. Other (Itemize)					
TR Bond Proceeds					
General Revenue Appropriation for Debt Service	0	23,963,183	23,681,357	22,467,172	22,473,695
III. Total Funds Available - PUF, HEF, and TRB	\$0	\$23,963,183	\$23,681,357	\$22,467,172	\$22,473,695
IV. Less: Deductions					
A. Expenditures (Itemize)					
B. Annual Debt Service on PUF Bonds	0	0	0	0	0
C.1. Annual Debt Service on HEF Bonds - RFS Commercial Paper	0	0	0	0	0
C.2. Annual Debt Service on HEF Bonds - RFS Bonds, Series 2001	0	0	0	0	0
D. Annual Debt Service on TR Bonds	0	23,961,183	22,854,962	22,467,172	22,473,695
E. Annual Debt Service on Other Bonds (e.g. Patient Income)	0	0	0	0	0
F. Other (Itemize)					
TR Bond Proceeds					
TRB Lapse Debt Service	0	2,000	0	0	0
TRB Debt Service Return	0	0	826,395	0	0
Total, Deductions	\$0	\$23,963,183	\$23,681,357	\$22,467,172	\$22,473,695

Schedule 6: Capital Funding

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

Activity	Act 2011	Act 2012	Bud 2013	Est 2014	Est 2015
V. Balances as of End of Fiscal Year					
A.PUF Bond Proceeds	0	0	0	0	0
B.HEF Bond Proceeds	0	0	0	0	0
C.HEF Annual Allocations	0	0	0	0	0
D.TR Bond Proceeds	0	0	0	0	0
E.Other Revenue (e.g. Patient Income)	0	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$0	\$0	\$0	\$0	\$0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Schedule 7: Personnel
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/16/2012
 Time: 1:32:27PM

Agency code: **783** Agency name: **Univ of Houston Sys Admin**

	Actual 2011	Actual 2012	Budgeted 2013	Estimated 2014	Estimated 2015
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	93.2	88.8	71.5	71.5	71.5
Subtotal, Directly Appropriated Funds	93.2	88.8	71.5	71.5	71.5
Non Appropriated Funds Employees	4.4	7.1	6.5	6.5	6.5
Subtotal, Other Funds & Non-Appropriated	4.4	7.1	6.5	6.5	6.5
GRAND TOTAL	97.6	95.9	78.0	78.0	78.0

Part B.
Personnel Headcount

Directly Appropriated Funds (Bill Pattern)

Educational and General Funds Non-Faculty Employees	103.0	95.0	72.0	72.0	72.0
Subtotal, Directly Appropriated Funds	103.0	95.0	72.0	72.0	72.0
Non Appropriated Funds Employees	7.0	10.0	7.0	7.0	7.0
Subtotal, Non-Appropriated	7.0	10.0	7.0	7.0	7.0
GRAND TOTAL	110.0	105.0	79.0	79.0	79.0

Schedule 7: Personnel
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/16/2012
 Time: 1:32:27PM

Agency code: **783** Agency name: **Univ of Houston Sys Admin**

	Actual 2011	Actual 2012	Budgeted 2013	Estimated 2014	Estimated 2015
PART C.					
Salaries					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	\$7,375,552	\$7,149,742	\$6,227,504	\$6,227,504	\$6,227,504
Subtotal, Directly Appropriated Funds	\$7,375,552	\$7,149,742	\$6,227,504	\$6,227,504	\$6,227,504
Non Appropriated Funds Employees	\$537,513	\$613,477	\$532,468	\$532,468	\$532,468
Subtotal, Non-Appropriated	\$537,513	\$613,477	\$532,468	\$532,468	\$532,468
GRAND TOTAL	\$7,913,065	\$7,763,219	\$6,759,972	\$6,759,972	\$6,759,972

Schedule 8C: Revenue Capacity for Tuition Revenue Bond Projects

DATE: 10/16/2012
TIME: 1:32:28PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **783** Agency Name: **University of Houston System Administration**

	Act 2011	Act 2012	Bud 2013	Est 2014	Est 2015
Gross Tuition	\$131,647,917	\$135,482,318	\$136,560,546	\$139,708,182	\$141,011,171
Less: Remissions and Exemptions	(18,017,224)	(20,015,748)	(20,480,858)	(20,913,374)	(21,195,780)
Less: Refunds	0	0	0	0	0
Less: Installment Payment Forfeits	0	0	0	0	0
Less: Tuition rebates for certain undergraduates (TX. Educ. Code Ann. Sec. 54.0065)	(70,000)	(66,000)	(20,000)	(20,000)	(20,000)
Plus: Tuition waived for students 55 years or older (TX. Educ. Code Ann. Sec. 54.013)	29,008	35,775	35,775	35,775	35,775
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	\$113,589,701	\$115,436,345	\$116,095,463	\$118,810,583	\$119,831,166
Less: Transfer of Tuition to Retirement of Indebtedness: 1) Skiles Act	0	0	0	0	0
Less: Transfer of Funds for Texas Public Education Grants Program (TX. Educ. Code Ann. Sec. 56c) and for Emergency Loans (TX. Educ. Code Ann. Sec. 56d)	(10,979,992)	(11,004,763)	(11,471,935)	(11,734,103)	(11,856,122)
Less: Transfer of Funds (2%) for Emergency Loans (Medical School)	0	0	0	0	0
Less: Transfer of Funds for Repayment of Student Loans of Physicians (TX. Educ. Code Ann. Sec. 61.539)	0	0	0	0	0
Less: Statutory Tuition (TX. Educ. Code Ann. Sec. 54.051) Set aside for Doctoral Incentive Loan Repayment Program (TX. Educ. Code Ann. Sec. 56.095)	(43,894)	(65,460)	(62,512)	(62,512)	(62,512)
Less: Other Authorized Deductions	0	0	0	0	0
Total Net Tuition Available to Pledge for Tuition Revenue Bonds	\$102,565,815	\$104,366,122	\$104,561,016	\$107,013,968	\$107,912,532
Debt Service on Existing Tuition Revenue Bonds	(23,976,932)	(23,963,183)	(17,088,421)	(16,702,886)	(16,708,584)
Estimated Debt Service for Authorized but Unissued Tuition Revenue Bonds	0	0	(5,766,541)	(5,764,286)	(5,765,111)
Subtotal, Debt Service on Existing Authorizations	\$(23,976,932)	\$(23,963,183)	\$(22,854,962)	\$(22,467,172)	\$(22,473,695)

Schedule 8C: Revenue Capacity for Tuition Revenue Bond Projects

DATE: 10/16/2012
TIME: 1:32:28PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 783

Agency Name: University of Houston System Administration

	Act 2011	Act 2012	Bud 2013	Est 2014	Est 2015
TOTAL TUITION AVAILABLE FOR NEW AUTHORIZATIONS	\$78,588,883	\$80,402,939	\$81,706,054	\$84,546,796	\$85,438,837
Debt Capacity Available for New Authorizations	\$901,408,297	\$922,215,376	\$937,162,002	\$969,745,089	\$979,976,729

Schedule 8D: Tuition Revenue Bonds Request by Project
83rd Regular Session, Agency Submission, Version 1

Agency Code: **783**

Agency Name: **University of Houston System Administration**

Project Name	Authorization Year	Estimated Final Payment Date	Requested Amount 2014	Requested Amount 2015
Construct an Academic/Student Services (One Main) Building	1993	2/15/2017	\$ 1,857,750.00	\$ 1,857,750.00
Tropical Storm Allison Repairs	2003	2/15/2019	1,557,275.62	1,556,148.29
Purchase an Academic Bldg. & land from Victoria College	1995	2/15/2017	411,625.00	413,875.00
Construct an Academic Bldg. (Shea Street)	2006	2/15/2026	2,462,461.88	2,461,449.38
Fund Allied Health Facilities	2006	2/15/2028	123,925.00	120,925.00
Fund Regional Economic Development	2006	2/15/2028	459,000.00	467,500.00
Construct an Academic Bldg. at the UH System Center at Sugar Land	2006	2/15/2028	1,582,062.50	1,572,812.50
Renovate Science Labs	2006	2/15/2028	4,138,450.00	4,139,550.00
Renovation and Addition to the Arbor Bldg.	2006	2/15/2028	763,300.00	762,800.00
Refund Series 1999 bonds	1997	2/15/2019	862,536.34	862,761.28
Refund Series 1999 bonds	1997	2/15/2019	538,995.34	539,135.90
Refund Series 1999 bonds	1995 & 1997	2/15/2019	995,068.32	995,327.82
Refund Series 2002A Bonds Issued to Construct a Science & Engineering Bldg.	2001	2/15/2022	3,325,692.91	3,330,119.89
Refund Series 2002A Bonds Issued to Construct a Student Services Bldg.	2001	2/15/2022	2,016,928.19	2,019,613.02
Refund Series 2002A Bonds Issued to Construct an Academic Bldg. (Commerce St.)	2001	2/15/2022	1,188,644.47	1,190,226.73
Refund Series 2002A Bonds Issued to Construct an Academic Bldg.	2001	2/15/2022	183,456.38	183,700.59
			\$ 22,467,171.95	\$ 22,473,695.40

783 University of Houston System Administration

Special Item: 1 **Texas Aerospace Scholars/Technology Outreach Program**

(1) Year Special Item: 2000

(2) Mission of Special Item:

The Texas Aerospace Scholars (TAS) programs harness the excitement of human space exploration to inspire Texas students to consider and pursue degrees and careers in science, technology, engineering and mathematics (STEM)...as only NASA can. TAS provides unique educational and internship experiences that ensure a competitive workforce for the future.

The mission of the Technology Outreach Program (TOP) is to make innovative aerospace technology available to the private sector, particularly to small businesses. Secondary goals are to incorporate technology into the small business processes to produce viable products, serve as an advocate for the aerospace industry and realize the positive economic impact to small business through new contracts, increased revenues, increased employment, and/or overall company growth due to TOP technical assistance.

(3) (a) Major Accomplishments to Date:

High School Aerospace Scholars: More than 6700 high school juniors, representing 100% of the legislative districts, have participated. In 2011, legislators nominated 458 juniors to participate. Students have indicated an interest in STEM degrees as a result of participating. The ratio of other revenue to State funds is 2:1.

Middle School Aerospace Scholars: More than 640 teachers from 100% of Texas Education Service Centers have participated in distance learning events and a weeklong workshop at JSC. Teachers discover innovative ways to integrate NASA instructional materials across disciplines.

Community College Aerospace Scholars: More than 2000 students representing 88% of the college districts have participated. Of these, over 40% were from underrepresented populations. In 2012, 171 students and 38 faculty participated in a competitive "real world" experience at JSC.

TAS Internships provide a technical semester position at JSC for TAS alumni. To date, 49 students have participated.

The Technology Outreach Program transfers NASA/JSC scientific and engineering expertise to meet Texas small business' technology requirements fostering economic retention/ expansion. Since 1999, TOP has helped 800 small businesses solve their technical challenges. TOP assistance impacts increased sales, retention and new employment opportunities for small businesses in Texas. Aerospace contractors' commitment of free engineering support is leveraged with TOP state funds at a ratio of 15:1.

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

Texas Aerospace Scholars (TAS) plans to continue expanding existing programs to include a greater representation of school districts and regional service centers, with an emphasis on reaching greater numbers of underrepresented populations in Texas; and continue to identify partners to leverage NASA and Texas' investment in our youth.

Technology Outreach Program (TOP) expects significant economic growth due to TOP assistance in the development of: increased tank farm storage capacity due to novel design of floating roof system; fire resistant storage container resulting in improved safety for air transport of oxygen generators; reliable and energy-efficient ocean buoys; low-power antenna for improved mobile communications; and innovative compressor-driven tool for cost-effective automotive engine repairs.

(4) Funding Source Prior to Receiving Special Item Funding:

Texas Aerospace Scholars (TAS) did not exist before special item funding.

Technology Outreach Program (TOP) did not exist in the state/region prior to special item funding.

783 University of Houston System Administration

(5) Formula Funding:

N/A

(6) Non-general Revenue Sources of Funding:

Texas Aerospace Scholars (TAS) anticipates continued annual contributions of \$10,000 from the local Rotary and \$135,000 from the Houston Livestock Show and Rodeo. We continue collaborating with Texas universities, community colleges, and educational nonprofit organizations to submit grant applications to the National Science Foundation, Department of Education and other similar organizations and will work together with the Texas Business and Education Coalition. JSC is committed to supporting the TAS programs and leveraging Texas' contributions to increase the positive impact of the programs for students and teachers. JSC provides support for the program through facilities, transportation, photography, and printing materials valued at \$120,000 per year.

Technology Outreach Program (TOP) received donations, goods and services through the Bay Area Houston Economic Partnership (BAHEP), aerospace members and local colleges and universities, to implement the program in the local BAHEP region, along with NASA JSC to implement the local program. The aerospace industry and NASA provide engineers at no cost to small businesses. Leveraging these various funding sources and services maximizes the return to the state and small businesses. The donated engineering time equates to \$180,000 worth of engineering assistance. Leveraging these various funding sources and services maximizes the return to the state and small businesses.

(7) Consequences of Not Funding:

Texas Aerospace Scholars (TAS) Consequences of not funding include:

- A significant impact on our ability to affect Texas students and teachers.

- Discontinued investment in education opportunities throughout Texas and with all segments of demographics to encourage more students to pursue education to prepare for high-tech careers.

- Lessening Texas' commitment and awareness of the value in STEM careers.

- Widening the gap between Texas' need for a high-tech workforce and the lack of graduates pursuing STEM degrees.

Technology Outreach Program (TOP) Economic impacts include:

- Small businesses and entrepreneurs not being assisted by the program and new inventions will not be taken to market.

- Small businesses that may have benefited will not expand or be created in Texas.

- TOP will be limited in the number of businesses it will be able to assist and the program will remain limited to the Bay Area Houston region.

- Program provides the opportunity for the Legislature's commitment to expand companies, create new companies and growth, and assist small businesses in establishing Texas as the high tech region.



OFFICE OF THE GOVERNOR

RICK PERRY
GOVERNOR

June 27, 2012

TO: Chancellors, Presidents and Directors of Institutions and Agencies of Higher Education

Detailed instructions for the submission of legislative appropriations requests for the 2014-2015 biennium are available on the external web sites of the Legislative Budget Board and the Office of the Governor. In addition to information requested therein, institutions and agencies of higher education are asked to submit the following to the Governor's Office of Budget, Planning and Policy:

- Schedule 11: Educational, General and Other Fund Balances (please see attached example); and
- Schedule 12 (except for System offices): Current and Local Fund (General) Balances (please see attached example). Fund balances are as of August 31 for each year reported. The balance of Current Funds held in the State Treasury should correspond to the Comptroller's USAS records. Reported interest earned should reconcile to reported amounts in Schedule 1A.

Institutions and agencies should submit three bound paper copies of their legislative appropriations request to Governor's Office, with the above schedules included as an addendum.

Please contact your respective Governor's Advisor with any questions. Thank you and we look forward to working with you and your staff during this budget cycle.

Sincerely,

A handwritten signature in cursive script that reads "Jonathan Hurst".

Jonathan Hurst
Director
Budget, Planning and Policy
Office of the Governor

Attachments

cc: Ms. Ursula Parks, Acting Director, Legislative Budget Board
Dr. Raymund A. Paredes, Commissioner, Texas Higher Education Coordinating Board

Schedule 11: Educational, General and Other Fund Balances

83rd Regular Session, Agency Submission

Agency Code: 783	Agency Name University of Houston System Administration				
	Actual 2011	Actual 2012	Budgeted 2013	Estimated 2014	Estimated 2015
Balances as of Beginning of Fiscal Year					
Encumbered and Obligated	\$ 7,633,030	\$ 186,402	\$ 200,000	\$ 200,000	\$ 200,000
Unencumbered and Unobligated					
Capital Projects - Legislative Appropriations					
Capital Projects - Other Educational and General Funds					

Schedules 11: Educational, General was included only in the legislative appropriations bound paper copies submitted to the Governor's Office as requested by the Director of Budget, Planning and Policy, Office of the Governor.