

**STATE OF TEXAS
LEGISLATIVE APPROPRIATIONS REQUEST**

For Fiscal Years 2018 and 2019

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



Texas Tech University System Administration

October 17, 2016

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Schedules Not Included

Agency Code: 768	Agency Name: Texas Tech University System Administration	Prepared By: David Mondt	Date: October 2016	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 2018-2019 biennium.				
Number	Name			
2.D	Summary of Base Request Objective Outcomes			
2.G	Summary of Total Request Objective Outcomes			
3.C	Rider Appropriations and Unexpended Balances Request			
5.A-5.E	Capital Budget			
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6.J	Behavioral Health Funding Schedule			
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8	Summary of Requests for Capital Project Financing			
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Schedule 1B	Health-related Institutions Patient Income			
Schedule 2	Selected Educational, General, and Other Funds			
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Schedule 6	Constitutional Capital Funding			
Schedule 8A	Proposed Tuition Revenue Bond Projects			
Schedule 8D	Tuition Revenue Bond Request by Project			

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INSTITUTIONAL ORGANIZATION

The Texas Tech University System (the 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 System and its components. The board also appoints a chancellor who is the chief executive officer of the System. As chief executive officer, the chancellor carries out the policies of the System as determined by the regents and has direct responsibility for all aspects of oversight and management of the components.

The chancellor of the Texas Tech University System is Robert L. Duncan.

SYSTEM OVERVIEW

Formally established by the Texas Legislature in 1999, the Texas Tech University System is composed of a central administration, two health-related institutions and two general academic institutions. The components of the System are Texas Tech University System Administration (TTUSA), Texas Tech University (TTU), Texas Tech University Health Sciences Center (TTUHSC), Angelo State University (ASU) and Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso).

In its young history, the Texas Tech University System has emerged as a nationally acclaimed higher education system. Headquartered in Lubbock, Texas, the System operates on more than 12 campuses and academic sites throughout the State of Texas and on one international site. The System has locations statewide in Abilene, Amarillo, Dallas, El Paso, Fredericksburg, Highland Lakes, Junction, Lubbock, Midland, Odessa, San Angelo and Waco. Internationally, the System has a location in Seville, Spain.

Collectively, the annual budget of all components of the Texas Tech University System totals more than \$2.0 billion, including all funds. Approximately \$570 million of these funds are appropriated by the Texas Legislature.

The Texas Tech University System employs approximately 17,000 faculty and staff who are focused on advancing higher education, health care, research and outreach. 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 411.097.

SYSTEM ADMINISTRATION, LEADERSHIP & SUPPORT

Under the governance of the Board of Regents, TTUSA provides its component institutions with leadership, resources and support services to address challenges facing the State of Texas in an effective and efficient manner. TTUSA also offers a multitude of centralized services that support the attainment of each component's individual mission.

TTUSA currently performs or coordinates many collaborative functions between the System's components including strategic planning, fundraising, legal counsel, audit services, governmental relations, facilities planning and construction, investments, cash and debt management, risk management and communication services. In addition,

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TTUSA directs shared services across all institutions to encourage university collaborations and further reduce expenses.

With guidance and resources from the TTUSA, each component institution has enhanced its productivity and efficiency over the last decade in effort to meet the increasing needs in higher education and better the State of Texas.

Student Enrollment and Success

The Texas Tech University 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 our graduates. In the past 10 years, the System has experienced remarkable student enrollment growth. Each component institution also has diversified its student population, furthering statewide goals.

In the fall of 2015, total student enrollment across all components of the System was approximately 48,750 students. Collectively, student enrollment has increased approximately 60.8 percent at System institutions since the fall of 2005. Each component enrolled record numbers of students while simultaneously improving the quality of its students in fall 2015. As the state's population grows and the demand for higher education increases, sufficient state funding is necessary to support student success and continued enrollment growth throughout the System.

Degrees Awarded

Since 1925, the component institutions of the Texas Tech University System have educated generations of leaders and graduated more than 310,000 students. Graduates from System institutions are known for their practicality, strong work ethic and ambition.

In academic year 2014-2015, System institutions awarded more than 10,600 degrees. On the rise over the last decade, the number of degrees awarded annually system-wide has increased 60 percent since 2005. These graduates greatly contribute to the state's workforce and health care industry. Each university provides students with unique programs and opportunities to enhance their knowledge and skills for lifelong personal, professional and civic success.

Research Excellence

The Texas Tech University System is committed to continuing to expand the research enterprise at each of its component institutions, while maintaining focus on quality undergraduate and graduate education. Being a leader in knowledge creation is critical to overall quality and prosperity in higher education. Each component has research areas of unparalleled excellence, leveraging unique resources and collaborating to provide solutions to complex problems that impact the state, nation and world. The faculty of the System components conducted approximately \$218 million in overall research expenditures in FY 2015—a total that has more than doubled since 2005.

Research is essential to graduate education and has a dynamic impact on undergraduate programs. System components have strategically recruited research-oriented faculty. Hiring researchers with proven histories of accomplishment who can also perform in the classroom has been an important priority in enhancing research objectives for the System and the State of Texas.

Economic Impact

As one of the largest employers in West Texas, the Texas Tech University System is an economic engine in the region. After an analysis of the System's economic

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impact, a recent study revealed the organization generated a total economic impact of \$9.98 billion for the State of Texas. According to the study, the System also helped sustain more than 40,775 jobs.

The impact of an educated population and workforce is one of the most important benefits of higher education. The total workforce contribution of alumni, which represents the yearly contribution to the Texas labor force by graduates of the component institutions, stood at \$5.54 billion. The assessment also revealed that for every dollar the State of Texas invests in the Texas Tech University System, the state's economy sees more than \$23 returned.

MAJOR AREAS OF CONCERN

Formula Funding – The Texas Tech University System respectfully requests the Texas Legislature provide a sufficient increase in base funding to cover the growth in student enrollment statewide along with the increased costs of delivering such academic and support services.

Capital Facilities – Funding for previously authorized facilities built or to be built with tuition revenue bonds and funding for the increased annual appropriation in HEAF authorized by the 84th Legislature are priorities for TTUSA.

Employee Benefits – The Texas Tech University System respectfully requests funding to cover the increases in enrollments by employees and retirees and increase the state's share of the premium costs. Additionally, returning to a higher level of funding of the state's share would allow the institutions to redirect those resources to the academic mission of the institution.

Financial Aid – Increasing the financial aid in the form of TEXAS grants and Top 10% scholarships are extraordinarily important to the students of our institutions. Additionally, providing resources to address the foregone revenue from the Hazlewood exemption would help all institutions.

REQUIRED 4% REDUCTION TO BASELINE

The mandatory 4% reduction for FY 2018-19 will decrease funds available for system office operations by \$57,000 each year, or \$114,000 over the biennium. The reduction will result in the elimination of 1.75 FTEs that provide direct instructional and operational support to our components, and will prevent any additional development of cost-effective centralized services. Declining system operations further burdens our component institutions as they seek to meet the demand for expanded services by a growing student population and research community.

10% BIENNIAL BASE REDUCTION OPTIONS SCHEDULE

Initial 5% Reduction

Management met the challenge of the reductions experienced in fiscal years 2010-13 appropriations. However, management's options to maintain service levels with increased growth of the Texas Tech University System was limited by flat appropriations in subsequent years, and a 5% reduction in FY 2018-19 is limited due to the size of the agency. This reduction will result in the elimination of 2 positions in functions that provide direct support to the components of the Texas Tech University System.

Additional 5% Reduction

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An additional 5% in FY 2018-19 further restricts management's options to maintain service levels and will result in the elimination of an additional 2 positions in functions that provide direct support to the components of the Texas Tech University System.

EXCEPTIONAL ITEMS

Additional Funding for System Administration

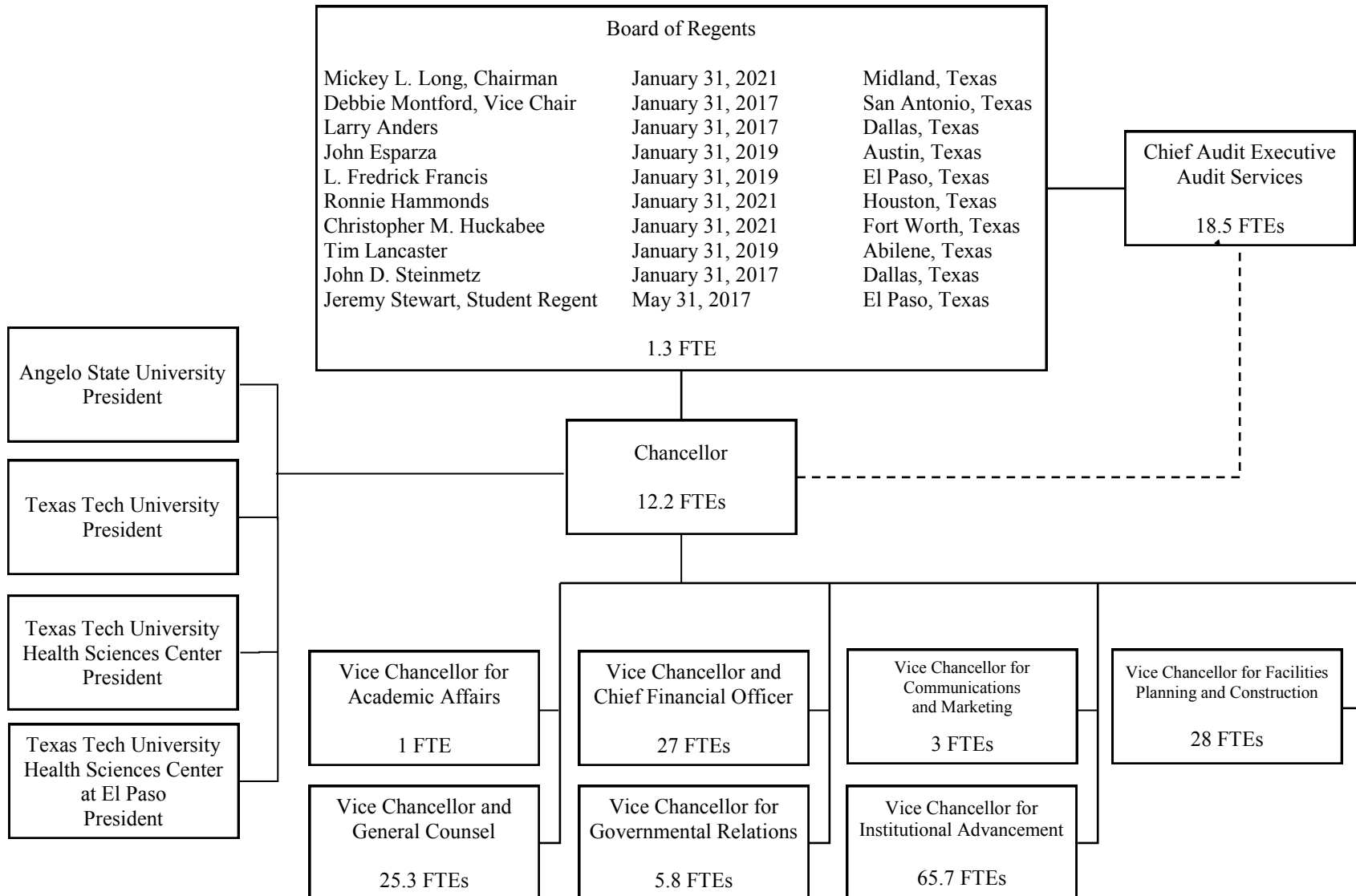
The Texas Tech University System is a world-class organization and the TTUSA provides many collaborative functions between its components. These centralized services help the institutions manage costs and have been vital to its institutions' ability to effectively and efficiently meet statewide higher education goals. The system anticipates future growth in its student population that will further increase demand for system operations, however, TTUSA has experienced a 29% reduction in appropriations since 2010 and has been asked to reduce the base by another 4% for the 2018-2019 budget cycle. TTUSA is requesting additional funding for system operations that in return would allow its component institutions to retain an equivalent amount to reinvest in their academic missions. The request totals \$632,000 for fiscal year 2018 and \$632,000 for fiscal year 2019.

RIDER REVISIONS AND ADDITIONS 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 Texas Tech University System. In addition, we believe there is a consensus among the Texas public systems and institutions of higher education in support of the 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.

Texas Tech University System Administration 2017 Budget

Total FTEs — 185.1





CERTIFICATE

Agency Name Texas Tech University System

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 Division, 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 (2016-17 GAA).

Chief Executive Officer or Presiding Judge


Signature

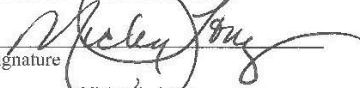
Robert L. Duncan

Chancellor
Printed Name

Title

8/5/2016
Date

Board or Commission Chair


Signature

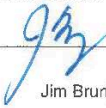
Mickey L. Long

Chair
Printed Name

Title

8/5/2016
Date

Chief Financial Officer


Signature

Jim Brunjes

Vice Chancellor and Chief Financial Officer
Printed Name

Title

8/5/2016
Date

Budget Overview - Biennial Amounts
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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Appropriation Years: 2018-19

		GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
		2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2018-19
Goal: 1. Provide Instructional and Operations Support												
1.1.11. System Office Operations		2,850,000	2,736,000							2,850,000	2,736,000	1,264,000
Total, Goal		2,850,000	2,736,000							2,850,000	2,736,000	1,264,000
Total, Agency		2,850,000	2,736,000							2,850,000	2,736,000	1,264,000
Total FTEs										80.0	78.2	19.8

2.A. Summary of Base Request by Strategy

10/13/2016 9:55:12AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

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Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
1 Provide Instructional and Operations Support					
1 Provide Instructional and Operations Support					
11 SYSTEM OFFICE OPERATIONS	1,425,000	1,425,000	1,425,000	1,368,000	1,368,000
TOTAL, GOAL 1	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
TOTAL, AGENCY STRATEGY REQUEST	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	1,425,000	1,425,000	1,425,000	1,368,000	1,368,000
SUBTOTAL	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
TOTAL, METHOD OF FINANCING	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000

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

2.B. Summary of Base Request by Method of Finance
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/13/2016 9:55:13AM

Agency code: 768		Agency name: Texas Tech University System Administration				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>						
<u>1</u> General Revenue Fund						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2014-15 GAA)						
		\$1,425,000	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2016-17 GAA)						
		\$0	\$1,425,000	\$1,425,000	\$0	\$0
Regular Appropriations						
		\$0	\$0	\$0	\$1,368,000	\$1,368,000
TOTAL,	General Revenue Fund	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
TOTAL, ALL	GENERAL REVENUE	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
GRAND TOTAL		\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000

2.B. Summary of Base Request by Method of Finance
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/13/2016 9:55:13AM

Agency code: 768	Agency name: Texas Tech University System Administration				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2014-15 GAA)	83.5	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2016-17 GAA)	0.0	80.0	80.0	0.0	0.0
Regular Appropriations	0.0	0.0	0.0	78.2	78.2
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Unauthorized Number Over (Below) Cap	(14.0)	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	69.5	80.0	80.0	78.2	78.2
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

10/13/2016 9:55:14AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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OBJECT OF EXPENSE	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1001 SALARIES AND WAGES	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
OOE Total (Excluding Riders)	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
OOE Total (Riders)					
Grand Total	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000

2.E. Summary of Exceptional Items Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/13/2016
TIME : 9:55:14AM

Agency code: 768

Agency name: Texas Tech University System Administration

Priority	Item	2018			2019			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Additional Funding for System Admin	\$632,000	\$632,000	19.8	\$632,000	\$632,000	19.8	\$1,264,000	\$1,264,000
Total, Exceptional Items Request		\$632,000	\$632,000	19.8	\$632,000	\$632,000	19.8	\$1,264,000	\$1,264,000
Method of Financing									
	General Revenue	\$632,000	\$632,000		\$632,000	\$632,000		\$1,264,000	\$1,264,000
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$632,000	\$632,000		\$632,000	\$632,000		\$1,264,000	\$1,264,000
Full Time Equivalent Positions				19.8				19.8	
Number of 100% Federally Funded FTEs				0.0				0.0	

2.F. Summary of Total Request by Strategy
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/13/2016
TIME : 9:55:15AM

Agency code: 768	Agency name: Texas Tech University System Administration					
Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
1 Provide Instructional and Operations Support						
1 Provide Instructional and Operations Support						
11 SYSTEM OFFICE OPERATIONS	\$1,368,000	\$1,368,000	\$632,000	\$632,000	\$2,000,000	\$2,000,000
TOTAL, GOAL 1	\$1,368,000	\$1,368,000	\$632,000	\$632,000	\$2,000,000	\$2,000,000
TOTAL, AGENCY STRATEGY REQUEST	\$1,368,000	\$1,368,000	\$632,000	\$632,000	\$2,000,000	\$2,000,000
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$1,368,000	\$1,368,000	\$632,000	\$632,000	\$2,000,000	\$2,000,000

2.F. Summary of Total Request by Strategy
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/13/2016
TIME : 9:55:15AM

Agency code: 768		Agency name: Texas Tech University System Administration					
Goal/Objective/STRATEGY		Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
General Revenue Funds:							
1	General Revenue Fund	\$1,368,000	\$1,368,000	\$632,000	\$632,000	\$2,000,000	\$2,000,000
		\$1,368,000	\$1,368,000	\$632,000	\$632,000	\$2,000,000	\$2,000,000
TOTAL, METHOD OF FINANCING		\$1,368,000	\$1,368,000	\$632,000	\$632,000	\$2,000,000	\$2,000,000
FULL TIME EQUIVALENT POSITIONS		78.2	78.2	19.8	19.8	98.0	98.0

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/13/2016 9:55:15AM

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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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
TOTAL, OBJECT OF EXPENSE		\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
Method of Financing:						
1	General Revenue Fund	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,368,000	\$1,368,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
FULL TIME EQUIVALENT POSITIONS:		69.5	80.0	80.0	78.2	78.2
STRATEGY DESCRIPTION AND JUSTIFICATION:						

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Formally established by the Texas Legislature in 1999, the Texas Tech University System (System) is composed of Texas Tech University System Administration (TTUSA), Texas Tech University, Texas Tech University Health Sciences Center, Angelo State University, and Texas Tech University Health Sciences Center El Paso.

The System operates on more than 12 campuses and academic sites throughout the State of Texas and on one international site. The System has locations statewide in Abilene, Amarillo, Dallas, El Paso, Fredericksburg, Highland Lakes, Junction, Lubbock, Midland, Odessa, San Angelo, and Waco. Internationally, the System has a location in Seville, Spain. In 2015, the total enrollment across all components was approximately 48,750 students.

Headquartered in Lubbock, the System's control and direction is vested in a ten-member Board of Regents. The Chancellor, appointed by the Board of Regents, is the chief executive officer of the System. TTUSA provides its components with leadership, resources, and support services to address challenges facing the State of Texas.

TTUSA is committed to providing the highest quality and most efficient resources and services to its components. TTUSA strives to increase accessibility, enhance instruction and infrastructure formula funding, provide necessary financial aid, produce and commercialize technologies, strengthen academic quality and reputation, advance research, improve productivity and efficiency, and further the quality and availability of health care for all Texans.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/13/2016 9:55:15AM

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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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

Sufficient funding is necessary to support the Texas Tech University System's goal of increased enrollment and to further aid in fulfilling the statewide goals.

Graduates from our universities are known for their practicality, strong work ethic, and ambition. The component institutions of the Texas Tech University System are preparing students for lifelong success personally, professionally, and civically.

As the cost of a four-year college education rises, universities must find ways to keep deserving families from being priced out of a quality education. The Texas Tech University System is committed to keeping higher education affordable and accessible to all families by providing necessary financial resources.

Our health-related institutions pride themselves on investigating and treating complex health issues—especially those affecting historically underserved populations.

Each of our universities has research areas of unparalleled excellence that are leveraging their unique resources to provide solutions to complex problems impacting our nation and world.

The System and its components are committed to utilizing the resources necessary to achieve its goals in combination with improved productivity, internal efficiencies, and budget reallocations. In addition, the System will continue to share services across all institutions in order to reduce expenses.

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/13/2016 9:55:15AM

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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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
------	-------------	----------	----------	----------	---------	---------

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$2,850,000	\$2,736,000	\$(114,000)	\$(114,000)	4% Base Reduction, 1.75 FTEs. All GR.
			\$(114,000)	Total of Explanation of Biennial Change

3.A. Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/13/2016 9:55:15AM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
METHODS OF FINANCE (INCLUDING RIDERS):				\$1,368,000	\$1,368,000
METHODS OF FINANCE (EXCLUDING RIDERS):	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,368,000
FULL TIME EQUIVALENT POSITIONS:	69.5	80.0	80.0	78.2	78.2

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

Agency Code: 768		Agency: Texas Tech University System Administration				Prepared By: David Mondt					
Date: October 2016						16-17 Base	Requested 2018	Requested 2019	Biennial Total 18-19	Biennial Difference	
Goal	Goal Name	Strategy	Strategy Name	Program	Program Name					\$	%
A	Instruction/Operations	A.1.1	System Office Operations	A.1.1.1	System Office Operations	\$2,850,000	\$1,368,000	\$1,368,000	\$2,736,000	(\$114,000)	-4.0%
			*Exceptional Item Request	A.1.1.1	Additional Funding for System Admin	\$0	\$632,000	\$632,000	\$1,264,000	\$1,264,000	

3.B. Rider Revisions and Additions Request

Agency Code: 768	Agency Name: Texas Tech University System Administration	Prepared By: David Mondt	Date: October 2016	Request Level: Base
Current Rider Number	Page Number in 2016-17 GAA	Proposed Rider Language		
Available National Research University Fund Rider 1 and Rider 2 (New)	III-64	1. Distribution to Eligible Institutions. There is hereby appropriated to each eligible institution for the biennium ending August 31, 2017, that portion of the earnings from the National Research University Fund distributed to it by Article VII, §20 of the Texas Constitution. Pursuant to Article VII, §20 of the Texas Constitution, <u>together with any interest on balances attributable to the eligible institutions.</u> eEach eligible institution must use its National Research University Fund appropriation only for the support and maintenance of educational and general activities that promote increased research capacity at the institution. 2. Unexpended Balances. All balances of appropriations from the National Research University Fund to <u>each eligible institution at the close of the fiscal year ending August 31, 2017, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2018, are hereby appropriated to the institution for the same purposes for fiscal year 2019.</u> <i>TTU System is eligible for participation in this fund currently and in the 2018-19 biennium and requests Unexpended Balance authority between fiscal years in a manner similar to that granted for the various tobacco endowments as well as authority to earn and retain interest like other constitutional funds.</i>		
Permanent Fund Supporting Military and Veterans Exemptions Rider 2 (New)	III-65	2. Unexpended Balances. <u>All balances of appropriations from the Permanent Fund Supporting Military and Veterans Exemptions to each eligible institution at the close of the fiscal year ending August 31, 2017, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2018, are hereby appropriated to the institution for the same purposes for fiscal year 2019.</u> <i>TTU System requests Unexpended Balance authority between fiscal years in a manner similar to that granted for the various tobacco endowments.</i>		

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

Special Provisions Relating Only to State Agencies of Higher Education, Rider 5	III-248	Sec. 5. Salary and Benefit Provisions. 7. Administrative Accountability a. In each state fiscal year of the biennium, an institution of higher education, including a system office, may not spend funds appropriated to the institution by this Act unless, not later than December 1, the institution submits to the Legislative Budget Board, the chair of the House Appropriations Committee, and the chair of the Senate Finance Committee a report that includes the total number of persons holding high-ranking administrative positions at the institution. b. For purposes of subsection (a), "high-ranking administrative position" includes the following positions: (1) chancellor; (2) vice chancellor; (3) associate chancellor; (4) assistant chancellor; (5) president; (6) vice president; (7) associate vice president; (8) assistant vice president; (9) dean; (10) associate dean; (11) assistant dean; and (12) any other administrative position having similar responsibilities to the other positions listed in this subsection. c. A report submitted under subsection (a) must: (1) be in a form prescribed by the Legislative Budget Board; (2) include the name, salary, and total value of non-salary benefits for each person holding a high administrative position at the institution; and (3) include the percentage salary increase for each person holding a high-ranking administrative position at the institution who occupies the same position during the current fiscal year as during the preceding fiscal year. d. Not later than the seventh day after the date an institution of higher education submits the report required by subsection (a), the institution shall make a copy of the report available for public inspection in the library of the institution. <i>TTU System requests this rider change relating to the administrative accountability report. This report is published by the Legislative Budget Board in their website and available for public inspection.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 16	III-252	Sec. 16. Compliance with Uniform Recruitment and Retention Strategy. Institutions of higher education shall use the appropriations in this Act to give top priority and consideration to compliance with the spirit and mandates of the Uniform Recruitment and Retention Strategy. <i>Senate Bill 5 passed by the 82nd Legislature, repealed Section 61.086 (Uniform Recruitment and Retention Strategy) of the Texas Education Code.</i>
Special Provisions Relating Only to State Agencies of Higher Education, Rider 40	III-259	Sec. 40. 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 <u>\$21,420,000</u> 20,895,000 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. <i>TTU System requests the change to update the amount with the 2017 distribution approved by the U.T. System Board of Regents.</i>
Special Provisions Relating Only to State Agencies of Higher Education, Rider 43	III-260	Sec. 43. Limitation on Use of Funds. 1.—State agencies and institutions of higher education that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release in this Article shall submit a budget by November 1 of each year of the biennium to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency or institution of higher education. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget. 2.—Authorized managers of permanent funds and endowments whose earnings are appropriated in this article shall provide a copy of year-end financial reports to the Legislative Budget Board and the Governor by November 1 of each year of the biennium. These reports should include, at a minimum, an income statement and balance sheet for each fund, and a summary of the investment return of the fund during the preceding fiscal year. <i>TTU System requests the deletion of Provision 2 within this rider. In 2011, Senate Bill 5, Sections 9.01(b)(10) and (11) eliminated reporting requirements for actual tobacco expenses and elimination of provision 2 conforms with that change.</i>

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

Special Provisions Relating Only to State Agencies of Higher Education, Rider 49	III-261	Sec. 49. Report Concerning Designated Tuition. (a) Not later than January 1, 2018 2016, 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 2016-2017 2013-2014 and 2017-2018 2015-2016 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, <u>and</u> the chair of the House Appropriations Committee, and the members of the Legislative Oversight Committee on Higher Education. <i>TTU System requests that the dates in the rider be updated and in a manner to reflect the years that have been historically reported. TTU System also requests deletion of the reference to the Legislative Oversight Committee on Higher Education as that committee does not currently exist.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 59	III-265	Sec. 60. Texas Collegiate License Plate Scholarships. The funds provided to the Texas Collegiate License Plate Scholarships program are appropriated in accordance with Transportation Code §504.615 to provide scholarships for students who demonstrate a need for financial assistance. <u>All balances of appropriations from the Texas Collegiate License Plate Scholarships program to each eligible institution at the close of the fiscal year ending August 31, 2017, are hereby appropriated.</u> Any balances on hand at the end of fiscal year 20186 may be carried over to fiscal year 20197 and such funds are appropriated for fiscal year 20197 for the same purpose. In addition to educational and general funds amounts appropriated by this Act, all unexpended balances that may exist and all receipts deposited in the state treasury during the biennium beginning September 1, 20175, to the credit of the institutions of higher education as provided by VTCA, Transportation Code §504.615, estimated to be \$434,611 in fiscal year 20186 and \$434,611 in fiscal year 20197, are appropriated for that period to the institution of higher education for which the receipts are credited for the purpose of providing scholarships for students who demonstrate a need for financial assistance. The following is a list of estimated collegiate license plate revenue amounts¹ for fiscal years 20186 and 20197. <i>(The remainder of the rider will be updated for appropriation amounts)</i> <i>TTU System requests modification of the unexpended balance language in the rider to allow carryforward from the 2016-17 biennium to the 2018-19 biennium in a manner similar to how tobacco endowment funds are treated. Some estimated appropriation amounts are very small and the ability to carry amounts forward would allow greater flexibility particularly with the small amounts.</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 63	III-267	Sec. 63. Emerging Research Universities Research Funding. 2. Core Research Support: Provides The core research support fund is established to promote increased research capacity at the Emerging Research Universities. <u>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).</u> The amounts listed below for each institution are for informational purposes <u>are appropriated out of the General Revenue fund elsewhere in the Act in each affected institution “Core Research Support” strategy and shall be expended for the support and maintenance of educational and general activities, including research and student services that promote increased research capacity at the institution. only: Any unexpended balances as of August 31, 2018, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2018.</u> <i>(no other changes to the remainder of the rider)</i> <i>TTU System requests the section in the rider relating to Core Research Support be expanded similar to the Texas Research University Fund and Comprehensive Research Fund Riders based on language from the Education Code Section 62.134 and 62.136. This change will provide Emerging Research Institutions Unexpended Balance authority similar to what was previously authorized in the Research Development Fund (RDF).</i>
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3.B. Rider Revisions and Additions Request (continued)

Special Provisions Relating Only to State Agencies of Higher Education, Rider 65	III-267	Sec. 65. 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>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 6.08	IX-30	Sec. 6.08. Benefits Paid Proportional by Fund. (a) Unless otherwise provided, in order to maximize balances in the General Revenue Fund, payment for benefits paid from appropriated funds, including "local funds" and "education and general funds" as defined in §51.009 (a) and (c), Education Code, shall be proportional to the source of funds except for public and community junior colleges. <u>In determining the proportional allocation for institutions of higher education between the General Revenue Fund and other appropriated funds, an adjustment for local funds benefits shall be made to equitably distribute costs between the General Revenue Fund and other appropriated funds.</u> Any funds subject to restrictions that prevent their expenditure on salaries and wages shall not be subject to this proportional requirement. <i>(no change in intervening provisions)</i> (d) The Comptroller, after consulting with the Legislative Budget Board and the State Auditor's Office, shall develop and maintain rules to provide for the administration of this section <u>including the inclusion of an adjustment for local funds benefits for institutions of higher education.</u> <i>(no other changes to the remainder of the rider)</i> <i>TTU System requests this rider change relating to benefits proportionality calculations. The proposed changes codify the historic practice of allowing a reduction in local funds revenue when making the proportionality calculation between General Revenue (GR) Funds and other sources. This local benefits exclusion calculation has been historically made because GR benefits are similarly excluded from the calculations as they are not directly appropriated to institutions. If local benefits are not similarly excluded, the percentage calculated is inequitably skewed toward local funds resulting in an understatement of GR proportion and an excess burden on local funds sources.</i>
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3.B. Rider Revisions and Additions Request (continued)

Article IX, Section 7.10	IX-39	Sec. 7.10. Reporting Requirement for Deepwater Horizon Oil Spill Funds. (a) Any state agency or institution of higher education that receives, expends, or administers funds, appropriations, or donations related to the Deepwater Horizon oil spill shall submit reports at the end of each fiscal quarter to the Legislative Budget Board. These include, but are not limited to, funds, appropriations, or donations from: (1) the State Treasury; (2) the federal government; (3) the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act; (4) legal settlements and agreements; (5) private companies; and (6) non-profit organizations. (b) The reports shall be in the format prescribed by the Legislative Budget Board and include the following information: (1) activity since April 20, 2010; (2) amounts received by funding source; (3) projects and project descriptions; (4) expenditures, obligations, and projected costs; (5) timelines; and (6) direct and indirect costs. <u>(c) A state agency or institution of higher education that has previously reported under the provision of this section and has subsequently completed all activities related to the Deepwater Horizon oil spill may notify the Legislative Budget Board of this fact and cease further reporting in the fiscal quarter following the last fiscal quarter with activity. In the event that the agency or institution of higher education has additional activity, the agency or institution shall notify the Legislative Budget Board and begin reporting at the next fiscal quarter.</u> <i>TTU System requests the additional rider provision to allow institutions that have completed Deepwater Horizon activities to cease reporting. The current report requires continued, indefinite reporting of historic activities that have occurred since April 20, 2010 even if those activities are complete.</i>
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4.A. Exceptional Item Request Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/13/2016**
TIME: **9:55:24AM**

Agency code: **768**

Agency name:

Texas Tech University System Administration

CODE	DESCRIPTION	Excp 2018	Excp 2019
	Item Name: Additional Funding for System Administration 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	632,000	632,000
	TOTAL, OBJECT OF EXPENSE	\$632,000	\$632,000
METHOD OF FINANCING:			
1	General Revenue Fund	632,000	632,000
	TOTAL, METHOD OF FINANCING	\$632,000	\$632,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		19.80	19.80

DESCRIPTION / JUSTIFICATION:

Texas Tech University System Administration currently provides many collaborative functions between the System's five components including strategic planning; fund raising; legal counsel; audit services; facilities planning and construction; investments, cash, and debt management; risk management; communication services; and governmental relations.

These centralized services help our institution manage costs, and have been vital to our component's ability to effectively and efficiently meet previous statewide education goals in participation, success, excellence, and research. These centralized services will remain a key factor as our components start to prepare for upcoming statewide goals related to attainment, completion, marketable skills, and student debt.

Even though demand for system operations has increased due to a 16% growth in enrollment since 2010 and the addition of a fifth component, the Texas Tech University Health Sciences Center El Paso, the System Administration has experienced a 29% reduction in appropriations during that same time period and has been asked to reduce its base by another 4% for the 2018-2019 budget cycle. These reductions are being managed to minimize their impact on the students and mission of the Texas Tech University System, but the reductions have slowed hiring and resulted in a small degradation of service, e.g., fewer staff to respond to service requests and opportunities for additional efficiencies lost.

Additional funding for system operations will provide appropriate staffing levels as the Texas Tech University System Administration works to meet the increased needs of our component institutions, which will in turn allow our components to retain more funding for their students and their academic missions.

4.A. Exceptional Item Request Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/13/2016**
TIME: **9:55:24AM**

Agency code: **768**

Agency name:

Texas Tech University System Administration

CODE DESCRIPTION

Excp 2018

Excp 2019

EXTERNAL/INTERNAL FACTORS:

Major accomplishments to date and expected over the next two years:

The Texas Tech University System has helped the State of Texas achieve its goals by growing enrollment and diversifying student populations for both our general academic institutions and health-related institutions, awarding a record number of degrees, and expanding research while focusing on quality undergraduate and graduate education. The TTUSA will continue to provide centralized services to allow our component institutions "prepare Texas for the future" through expected increases in student enrollment, student diversity, and quality of education during fiscal years 2018-2019. The System also anticipates enhancing the marketable skills of its students, and identifying ways to keep student debt low.

Year established and funding source prior to receiving special item funding:

The Texas Tech University System was 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 maintain the same level of basic services in FY 2018 and 2019.

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

An estimated \$632,000 per fiscal year is anticipated for fiscal 2020 through 2022, to fund 19.75 FTEs

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2020	2021	2022
\$632,000	\$632,000	\$632,000

4.B. Exceptional Items Strategy Allocation Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/13/2016**
TIME: **9:55:24AM**

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

Code	Description	Excp 2018	Excp 2019
Item Name: Additional Funding for System Administration			
Allocation to Strategy: 1-1-11 System Office Operations			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	632,000	632,000
TOTAL, OBJECT OF EXPENSE		\$632,000	\$632,000
METHOD OF FINANCING:			
1	General Revenue Fund	632,000	632,000
TOTAL, METHOD OF FINANCING		\$632,000	\$632,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		19.8	19.8

4.C. Exceptional Items Strategy Request
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/13/2016
TIME: 9:55:24AM

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 2018	Excp 2019
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES

632,000

632,000

Total, Objects of Expense

\$632,000

\$632,000

METHOD OF FINANCING:

1 General Revenue Fund

632,000

632,000

Total, Method of Finance

\$632,000

\$632,000

FULL-TIME EQUIVALENT POSITIONS (FTE):

19.8

19.8

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Additional Funding for System Administration

6.A. Historically Underutilized Business Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **10/13/2016**
Time: **9:55:25AM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2014 - 2015 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	<u>HUB Expenditures FY 2014</u>			<u>Total Expenditures FY 2014</u>		<u>HUB Expenditures FY 2015</u>			<u>Total Expenditures FY 2015</u>	
			% Actual	Diff	Actual \$		% Goal	% Actual	Diff	Actual \$		
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	\$0
21.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$0	21.0 %	0.0%	-21.0%	\$0	\$459,251	\$465
32.9%	Special Trade	32.7 %	0.0%	-32.7%	\$0	\$28,571	32.9 %	14.0%	-18.9%	\$65	\$79,976	\$465
23.7%	Professional Services	23.6 %	6.6%	-17.0%	\$16,850	\$256,465	23.7 %	0.0%	-23.7%	\$0	\$79,976	\$79,976
26.0%	Other Services	24.6 %	7.4%	-17.2%	\$135,127	\$1,835,111	26.0 %	9.3%	-16.7%	\$199,995	\$2,148,218	\$2,148,218
21.1%	Commodities	21.0 %	37.2%	16.2%	\$272,828	\$733,941	21.1 %	19.4%	-1.7%	\$135,257	\$696,202	\$696,202
	Total Expenditures		14.9%		\$424,805	\$2,854,088		9.9%		\$335,317	\$3,384,112	

B. Assessment of Fiscal Year 2014 - 2015 Efforts to Meet HUB Procurement Goals

Attainment:

TTUSA exceeded one of four, or 25%, of the applicable agency HUB procurement goals in fiscal year 2014, and zero of five, or 0% in fiscal 2015.

Applicability:

Other Services and Commodities are the primary categories applicable to TTUSA. The Heavy Construction category was not applicable to TTUSA operations in either fiscal year 2014 or fiscal year 2015, and the Building Construction category was not applicable to TTUSA operations in fiscal year 2014, since TTUSA did not have any programs or strategies in those categories.

Factors Affecting Attainment:

The majority of purchases from TTUSA are either internal office needs or many are proprietary purchases. Availability HUB vendors in West Texas is very limited for the construction categories. Availability and capability to meet unique needs specific to higher education of HUB vendors in West Texas is limited in the services and commodities categories.

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.

"Good-Faith" Efforts:

TTU System made the following additional good faith efforts to comply with statewide HUB goals:

- Assist HUBs in learning how to conduct business with the TTU System and its components by conducting outreach activities such as submitting notices of contracting opportunities through various minority news media, chambers of commerce, and minority business development centers.
- Participate in local HUB forums & presentations to Small Business Development programs.

6.A. Historically Underutilized Business Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **10/13/2016**
Time: **9:55:25AM**

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

-Assist HUB firms with certification.

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

Texas Tech University System (768)
Estimated Funds Outside the Institution's Bill Pattern
2016-17 and 2018-19 Biennia

	2016-17 Biennium				2018-19 Biennium			
	<u>FY 2016 Revenue</u>	<u>FY 2017 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>	<u>FY 2018 Revenue</u>	<u>FY 2019 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	1,425,000	1,425,000	2,850,000		1,368,000	1,368,000	2,736,000	
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>1,425,000</u>	<u>1,425,000</u>	<u>2,850,000</u>	<u>5.7%</u>	<u>1,368,000</u>	<u>1,368,000</u>	<u>2,736,000</u>	<u>5.3%</u>
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	1,365,996	1,458,571	2,824,567		1,443,985	1,443,985	2,887,971	
Higher Education Assistance Funds								
Available University Fund								
State Grants and Contracts								
Total	<u>1,365,996</u>	<u>1,458,571</u>	<u>2,824,567</u>	<u>5.7%</u>	<u>1,443,985</u>	<u>1,443,985</u>	<u>2,887,971</u>	<u>5.6%</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	\$ 6,605,000	\$ 7,012,000	13,617,000		\$ 7,012,000	\$ 7,012,000	14,024,000	
Sales and Services of Educational Activities (net)								
Sales and Services of Hospitals (net)								
Professional Fees (net)	\$ 3,145,694	\$ 3,546,076	6,691,770		\$ 3,546,076	\$ 3,546,076	7,092,152	
Auxiliary Enterprises (net)								
Transfers from Components - Appropriated Funds	\$ 3,971,142	4,085,246	8,056,388		4,085,246	4,085,246	8,170,492	
Other Income	\$ 7,513,765	\$ 8,338,778	15,852,543		\$ 8,338,778	\$ 8,338,778	16,677,555	
Total	<u>21,235,601</u>	<u>22,982,100</u>	<u>44,217,701</u>	<u>88.6%</u>	<u>22,982,100</u>	<u>22,982,100</u>	<u>45,964,199</u>	<u>89.1%</u>
TOTAL SOURCES	<u>\$ 24,026,597</u>	<u>\$ 25,865,671</u>	<u>\$ 49,892,268</u>	<u>100.0%</u>	<u>\$ 25,794,085</u>	<u>\$ 25,794,085</u>	<u>\$ 51,588,170</u>	<u>100.0%</u>

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/13/2016

Time: 9:55:25AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
1 5% Reduction to System Operations							
Category: Administrative - FTEs / Layoffs							
Item Comment: Management met the challenge of the reductions experienced in fiscal years 2010-13 appropriations. However, management's options to maintain service levels with increased growth of the Texas Tech University System with a 5% reduction in FY 2018-19 are limited due to the size of the agency. This reduction will result in the elimination of 2 positions in functions that provide direct support to the component institutions of the Texas Tech University System.							
Strategy: 1-1-11 System Office Operations							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$68,400	\$68,400	\$136,800	
General Revenue Funds Total	\$0	\$0	\$0	\$68,400	\$68,400	\$136,800	
Item Total	\$0	\$0	\$0	\$68,400	\$68,400	\$136,800	
FTE Reductions (From FY 2018 and FY 2019 Base Request)				2.0	2.0		
2 Additional 5% Reduction to System Operations							
Category: Administrative - FTEs / Layoffs							
Item Comment: An additional 5% in FY 2018-19 further restricts management's options to maintain service levels and will result in the elimination of an additional 2 positions in functions that provide direct support to the components of the Texas Tech University System							
Strategy: 1-1-11 System Office Operations							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$68,400	\$68,400	\$136,800	
General Revenue Funds Total	\$0	\$0	\$0	\$68,400	\$68,400	\$136,800	
Item Total	\$0	\$0	\$0	\$68,400	\$68,400	\$136,800	
FTE Reductions (From FY 2018 and FY 2019 Base Request)				2.0	2.0		
AGENCY TOTALS							

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

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Date: 10/13/2016

Time: 9:55:25AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
General Revenue Total				\$136,800	\$136,800	\$273,600	\$273,600
Agency Grand Total	\$0	\$0	\$0	\$136,800	\$136,800	\$273,600	\$273,600
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2018 and FY 2019 Base Request)				4.0	4.0		

Schedule 3A: Staff Group Insurance Data Elements (ERS)
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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	38	38	0	38	34
2a Employee and Children	14	14	0	14	14
3a Employee and Spouse	5	5	0	5	9
4a Employee and Family	20	20	0	20	14
5a Eligible, Opt Out	1	1	0	1	0
6a Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	78	78	0	78	71
PART TIME ACTIVES					
1b Employee Only	1	1	0	1	2
2b Employee and Children	0	0	0	0	0
3b Employee and Spouse	1	1	0	1	0
4b Employee and Family	0	0	0	0	0
5b Eligible, Opt Out	0	0	0	0	0
6b Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	2	2	0	2	2
Total Active Enrollment	80	80	0	80	73

Schedule 3A: Staff Group Insurance Data Elements (ERS)
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Automated Budget and Evaluation System of Texas (ABEST)

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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	38	38	0	38	34
2e Employee and Children	14	14	0	14	14
3e Employee and Spouse	5	5	0	5	9
4e Employee and Family	20	20	0	20	14
5e Eligible, Opt Out	1	1	0	1	0
6e Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	78	78	0	78	71

Schedule 3A: Staff Group Insurance Data Elements (ERS)
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Automated Budget and Evaluation System of Texas (ABEST)

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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	39	39	0	39	36
2f Employee and Children	14	14	0	14	14
3f Employee and Spouse	6	6	0	6	9
4f Employee and Family	20	20	0	20	14
5f Eligible, Opt Out	1	1	0	1	0
6f Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	80	80	0	80	73

Schedule 4: Computation of OASI
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Agency 768 Texas Tech University System Administration

Proportionality Percentage Based on Comptroller Accounting Policy Statement #011, Exhibit 2	2015		2016		2017		2018		2019	
	% 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)	100.0000	\$328,880	100.0000	\$348,148	100.0000	\$355,510	100.0000	\$357,639	100.0000	\$363,445
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	\$328,880	100.0000	\$348,148	100.0000	\$355,510	100.0000	\$357,639	100.0000	\$363,445

Schedule 5: Calculation of Retirement Proportionality and ORP Differential

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Description	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
Proportionality Amounts					
Gross Educational and General Payroll - Subject To TRS Retirement	3,561,019	4,275,397	4,365,802	4,391,948	4,463,256
Employer Contribution to TRS Retirement Programs	242,149	290,727	296,875	298,652	303,501
Gross Educational and General Payroll - Subject To ORP Retirement	1,360,915	891,530	910,382	915,834	930,704
Employer Contribution to ORP Retirement Programs	89,820	58,841	60,085	60,445	61,426
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	1,019,141	652,316	666,109	670,099	680,978
Total Differential	19,364	12,394	12,656	12,732	12,939

Schedule 7: Personnel
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/13/2016
Time: 9:55:33AM

Agency code: **768** Agency name: **Texas Tech Univ Sys Admin**

	Actual 2015	Actual 2016	Budgeted 2017	Estimated 2018	Estimated 2019
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	69.5	80.0	80.0	78.2	78.2
Subtotal, Directly Appropriated Funds	69.5	80.0	80.0	78.2	78.2
Non Appropriated Funds Employees	90.7	90.0	105.1	105.1	105.1
Subtotal, Other Funds & Non-Appropriated	90.7	90.0	105.1	105.1	105.1
GRAND TOTAL	160.2	170.0	185.1	183.3	183.3

Part B.
Personnel Headcount

Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	73.0	80.0	80.0	78.0	78.0
Subtotal, Directly Appropriated Funds	73.0	80.0	80.0	78.0	78.0
Non Appropriated Funds Employees	116.0	113.0	132.0	132.0	132.0
Subtotal, Non-Appropriated	116.0	113.0	132.0	132.0	132.0
GRAND TOTAL	189.0	193.0	212.0	210.0	210.0

Schedule 7: Personnel
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Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/13/2016
Time: 9:55:33AM

Agency code: **768** Agency name: **Texas Tech Univ Sys Admin**

	Actual 2015	Actual 2016	Budgeted 2017	Estimated 2018	Estimated 2019
PART C.					
Salaries					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	\$5,010,689	\$5,342,715	\$5,455,689	\$5,399,259	\$5,399,259
Subtotal, Directly Appropriated Funds	\$5,010,689	\$5,342,715	\$5,455,689	\$5,399,259	\$5,399,259
Non Appropriated Funds Employees	\$7,564,717	\$7,660,357	\$8,291,772	\$8,291,772	\$8,291,772
Subtotal, Non-Appropriated	\$7,564,717	\$7,660,357	\$8,291,772	\$8,291,772	\$8,291,772
GRAND TOTAL	\$12,575,406	\$13,003,072	\$13,747,461	\$13,691,031	\$13,691,031

Schedule 8B: Tuition Revenue Bond Issuance History

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Authorization Date	Authorization Amount	Issuance Date	Issuance Amount	Authorized Amount Outstanding as of 08/31/2016	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 5 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	Oct 17 2002	\$16,917,550			
		Sep 1 2003	\$90,529,525			
		Subtotal	\$107,447,075	\$0		
2003	\$45,000,000	Feb 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 1 2017	\$247,115,000

Schedule 8C: Revenue Capacity for Tuition Revenue Bond Projects
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/13/2016
TIME: 9:55:34AM

Agency Code: 768	Agency Name: Texas Tech University System Administration				
	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
Gross Tuition	\$128,241,256	\$135,277,879	\$139,872,923	\$142,548,823	\$144,719,874
Less: Remissions and Exemptions	(51,334,677)	(55,461,833)	(57,752,350)	(58,835,325)	(59,796,157)
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)	(542,000)	(614,000)	(614,000)	(614,000)	(614,000)
Plus: Tuition waived for students 55 years or older (TX. Educ. Code Ann. Sec. 54.013)	115,085	106,435	116,270	116,270	116,270
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	\$76,479,664	\$79,308,481	\$81,622,843	\$83,215,768	\$84,425,987
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)	(9,304,097)	(9,850,580)	(10,224,968)	(10,601,548)	(10,844,112)
Less: Transfer of Funds (2%) for Physician/Dental Loans (Medical School)	(120,346)	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)	(86,528)	0	0	0	0
Less: Other Authorized Deductions	0	0	0	0	0
Total Net Tuition Available to Pledge for Tuition Revenue Bonds	\$66,968,693	\$69,457,901	\$71,397,875	\$72,614,220	\$73,581,875
Debt Service on Existing Tuition Revenue Bonds	(24,112,854)	(22,308,194)	(22,276,464)	(23,178,580)	(21,523,401)
Estimated Debt Service for Authorized but Unissued Tuition Revenue Bonds	0	0	(19,113,282)	(19,829,146)	(19,829,146)
Subtotal, Debt Service on Existing Authorizations	\$(24,112,854)	\$(22,308,194)	\$(41,389,746)	\$(43,007,726)	\$(41,352,547)
TOTAL TUITION AVAILABLE FOR NEW AUTHORIZATIONS	\$42,855,839	\$47,149,707	\$30,008,129	\$29,606,494	\$32,229,328
Debt Capacity Available for New Authorizations	\$495,301,473	\$544,927,361	\$346,815,528	\$342,173,675	\$372,486,788

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Special Item: 1 **Additional Funding for System Administration**

(1) Year Special Item: 2018
Original Appropriations: \$632,000

(2) Mission of Special Item:

The mission of the Texas Tech University System is to provide leadership and support services for Texas Tech University, the Texas Tech University Health Sciences Center, the Texas Tech University Health Sciences Center El Paso, and Angelo State University in the attainment of each component's individual mission.

(3) (a) Major Accomplishments to Date:

The Texas Tech University System (System) was formally established in 1999 by the Texas Legislature and consisted of Texas Tech University and the Texas Tech University Health Sciences Center. Angelo State University became the third university of the System in 2007 and the Texas Tech University Health Sciences Center El Paso became the fourth university of the System in 2015.

The System achieved its State of Texas goals by growing enrollment and diversifying student populations for both our general academic institutions and health-related institutions, awarding a record number of degrees, and expanding research while focusing on quality undergraduate and graduate education.

In 2015, total enrollment across the system was approximately 48,750 students, more than 10,600 students were awarded degrees, and total research expenditures were more than \$218 million. In 2015, Texas Tech University was designated a Carnegie Tier One university. In 2015 and 2016, U.S. News ranked Texas Tech University as a "first tier" university, and ranked the Texas Tech University Health Sciences Center as a "first tier" research medical school. In 2016 and for the seventh consecutive year, Princeton Review listed ASU as one of the country's best institutions for undergraduate education in its annual "The Best 380 Colleges" guide.

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

The TTUSA will continue to provide centralized services to allow our component institutions "prepare Texas for the future" through expected increases in student enrollment, student diversity, and quality of education during fiscal 2018-2019. The System also anticipates identifying ways to enhance the marketable skills of its students and ways to keep student debt low. Additional accomplishments will include an expansion of services and the construction and/or updating of existing facilities to meet the growing needs of the System's component institutions.

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

n/a

(5) Formula Funding:

N

(6) Startup Funding:

N

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(7) Transition Funding:

N

(8) Non-general Revenue Sources of Funding:

TTUSA receives GR and Non-GR Funding from its component institutions.

(9) Consequences of Not Funding:

Component institutions will be required to continue to contribute funding in order to maintain the same level of basic services in FY 2018 and FY 2019.
