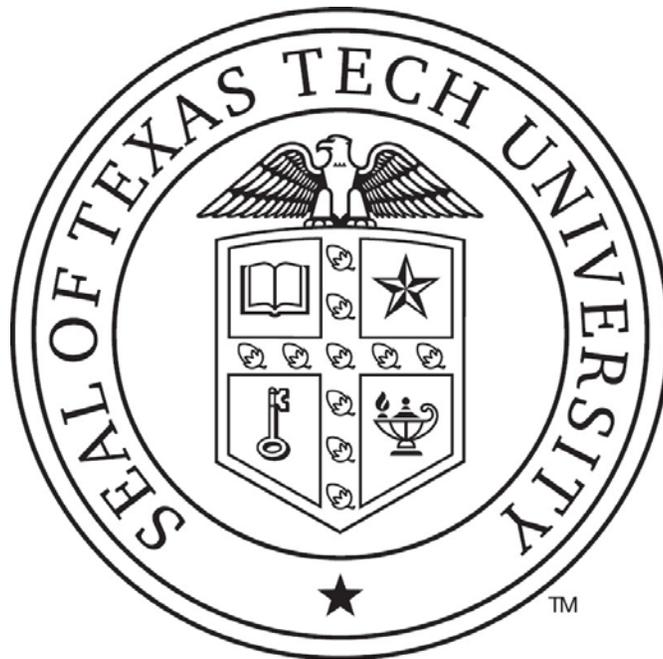


TEXAS TECH UNIVERSITY



SUMMARY OPERATING BUDGET FISCAL YEAR 2018



TEXAS TECH UNIVERSITY

Noel A. Sloan
Vice President for Administration & Finance
Chief Financial Officer

August 10, 2017

Members of the Board of Regents and Chancellor
Texas Tech University
Lubbock, Texas 79409

Dear Members of the Board and Chancellor Duncan,

Pursuant to Section 07.04.3(b), *Regents' Rules*, a written certification by the chief fiscal officer that funds are available is required for any budget prior to approval by the Board of Regents.

I certify that the Fiscal Year 2018 Texas Tech University Operating Budget is within the total funds anticipated to be available to Texas Tech University for operations.

The total estimated expenditures of \$940,036,703 is funded by estimated income of \$914,205,064 and use of prior year fund balances of \$25,831,639.

In conclusion, I recommend approval of the Fiscal Year 2018 Operating Budget for Texas Tech University.

Sincerely,

A handwritten signature in black ink that reads "Noel Sloan".

Noel Sloan
Vice President for Administration and Finance and CFO

xc: President Lawrence Schovanec

**TEXAS TECH UNIVERSITY
FY 2018 SUMMARY OPERATING BUDGET
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TEXAS TECH UNIVERSITY SUMMARY OPERATING BUDGET FUND DEFINITIONS

EDUCATIONAL AND GENERAL FUNDS:

Funds comprised of tax (General Revenue) funds in the state treasury and funds generated locally (Other E & G) by the University from students and other sources.

Appropriated

General Revenue and Higher Education Assistance Funds (HEAF) from the state treasury for administration, institutional expense, instruction and departmental research, physical plant operation, and other items related to instruction.

Other Educational and General Funds

Funds generated locally by the University and reappropriated by the state (e.g. tuition, fees, interest earnings, etc.) to be used for administration, institutional expense, instruction and departmental research, physical plant operation, and other items related to instruction.

NATIONAL RESEARCH UNIVERSITY FUNDS (NRUF):

This funding may only be used to increase the research capacity at Texas Tech University by providing faculty salaries, equipment, fellowships, and other research related activities.

DESIGNATED FUNDS:

Unrestricted funds that are internally allocated for specific purposes (e.g. designated tuition, student fees, indirect costs, etc.).

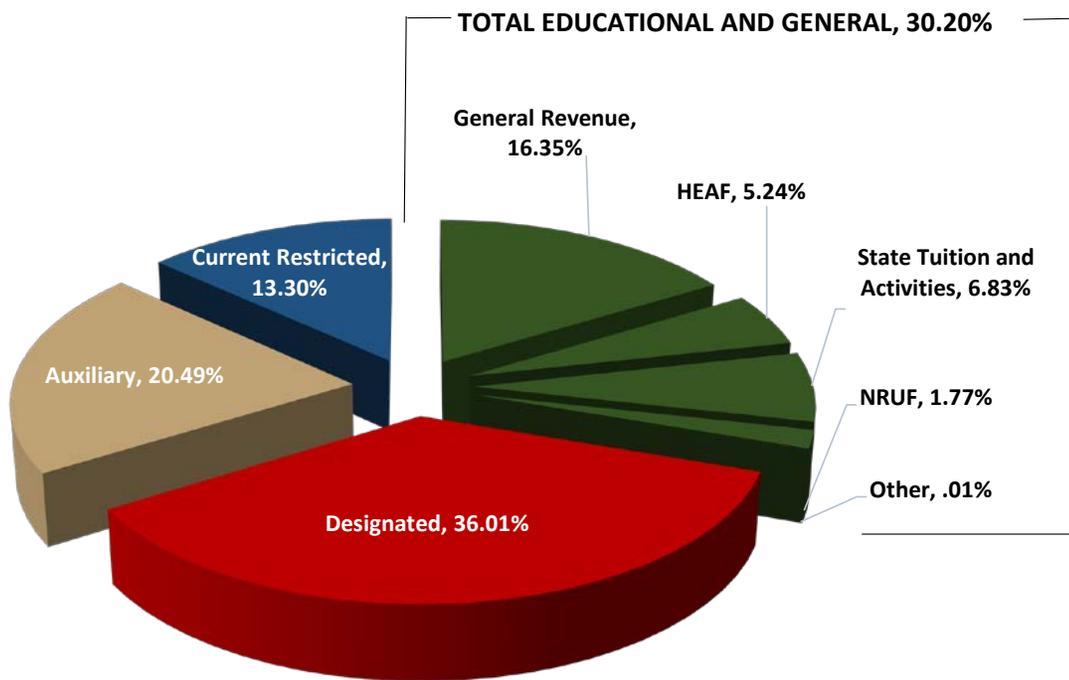
AUXILIARY FUNDS:

Funds used to provide services for students, faculty, and staff which generally charge a fee directly related to the cost of the service provided (e.g. athletics, residence halls, hospitality services, traffic & parking, etc.). No appropriated funds can be used to support auxiliary operations.

CURRENT RESTRICTED FUNDS:

Funds available for current purposes, the use of which is restricted by the donor/grantor to be utilized as stipulated by the funding source (e.g. research grants, scholarships, earnings from endowments, etc.).

**TEXAS TECH UNIVERSITY
FY 2018
SUMMARY OPERATING BUDGET
SOURCE OF FUNDS**



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TEXAS TECH UNIVERSITY
EDUCATIONAL AND GENERAL FUNDS

**TEXAS TECH UNIVERSITY
EDUCATIONAL AND GENERAL FUNDS
INCOME BUDGET**

ITEM	FY 2017	FY 2018
STATE APPROPRIATIONS		
GENERAL REVENUE	\$153,823,380	\$153,715,909
TUITION REVENUE BOND DEBT SERVICE (HB100)	5,414,199	0
HIGHER EDUCATION ASSISTANCE FUND	49,225,809	49,225,809
STATE APPROPRIATIONS	\$208,463,388	\$202,941,718
TUITION AND FEES		
NET TUITION	\$54,574,000	\$55,049,000
GRADUATE TUITION	4,900,000	5,100,000
LAW TUITION	2,564,319	2,185,830
ORGANIZED ACTIVITIES	575,000	575,000
TUITION AND FEES	\$62,613,319	\$62,909,830
OTHER EDUCATIONAL AND GENERAL INCOME		
NATIONAL RESEARCH UNIVERSITY FUND	\$9,454,322	\$9,541,221
MISCELLANEOUS	83,672	64,323
OTHER EDUCATIONAL AND GENERAL INCOME	\$9,537,994	\$9,605,544
TOTAL CURRENT FUNDS REVENUES	\$280,614,701	\$275,457,092
NATIONAL RESEARCH UNIVERSITY FUND - FUND BALANCE	\$3,000,000	\$7,120,270
EDUCATIONAL AND GENERAL INCOME FUND- FUND BALANCE	0	1,342,537
TOTAL EDUCATIONAL AND GENERAL REVENUE	\$283,614,701	\$283,919,899
PERCENT CHANGE		0.11%

**TEXAS TECH UNIVERSITY
EDUCATIONAL AND GENERAL FUNDS
EXPENSE BUDGET**

ITEM	FY 2017	FY 2018
FACULTY SALARIES	\$108,765,086	\$104,303,421
DEPARTMENTAL OPERATING SALARIES	16,420,109	16,219,636
INSTRUCTIONAL ADMINISTRATION	8,673,547	8,462,441
ACADEMIC OPERATIONS SUPPORT	5,111,881	5,060,865
STUDENT SERVICES	1,486,881	1,446,802
PHYSICAL PLANT	8,659,839	8,550,247
INSTITUTIONAL SUPPORT	9,908,910	9,771,598
EMPLOYEE BENEFITS	14,877,107	17,327,107
SPECIAL ITEMS - EXISTING	7,360,160	5,253,971
CORE RESEARCH SUPPORT FUND	11,339,575	10,622,253
GRADUATE STUDENT SUPPORT	7,464,319	7,285,830
DEBT SERVICE	12,580,524	14,513,383
TEXAS PUBLIC EDUCATION GRANTS	6,672,000	6,686,000
NATIONAL RESEARCH UNIVERSITY FUND	12,454,322	16,661,491
HIGHER EDUCATION ASSISTANCE FUND	49,225,809	49,225,809
OTHER	2,614,632	2,529,045
TOTAL EDUCATIONAL AND GENERAL EXPENSE	<u>\$283,614,701</u>	<u>\$283,919,899</u>
PERCENT CHANGE		0.11%

**TEXAS TECH UNIVERSITY
EDUCATIONAL AND GENERAL FUNDS
SPECIAL ITEMS BUDGET**

ITEM	FY 2017	FY 2018
AGRICULTURAL RESEARCH	\$1,673,371	\$1,268,426
MUSEUMS AND CENTERS	1,523,064	1,007,417
SMALL BUSINESS DEVELOPMENT	1,350,477	881,507
VETERINARY MEDICINE	0	543,803
ENERGY RESEARCH	643,447	505,437
LIBRARY ARCHIVAL SUPPORT	533,756	353,048
EMERGING TECHNOLOGIES RESEARCH	237,480	256,296
HILL COUNTRY EDUCATIONAL NETWORK	454,219	207,124
JUNCTION ANNEX OPERATION	258,346	117,806
CENTER FOR FINANCIAL RESPONSIBILITY	171,000	113,107
VITICULTURE AND ENOLOGY PROGRAM	365,000	0
TEXAS WINE/MARKETING RESEARCH	150,000	0
TOTAL	<u>\$7,360,160</u>	<u>\$5,253,971</u>
PERCENT CHANGE		-28.62%

**TEXAS TECH UNIVERSITY
HIGHER EDUCATION ASSISTANCE FUNDS
CAPITAL FINANCING PLAN**

ITEM	FY 2017	FY 2018
PROJECTS		
MAJOR PROJECTS		
CASH AND DEBT SERVICE	\$12,498,458	\$10,225,544
FACILITIES ALLOCATION COMMITTEE	1,000,000	1,000,000
MINOR AND INTERMEDIATE		
ACADEMICS	1,000,000	1,000,000
LIFE SAFETY	1,000,000	1,000,000
SPACE ALLOCATION COMMITTEE	250,000	250,000
DEFERRED MAINTENANCE	2,500,000	2,500,000
TOTAL PROJECTS	\$18,248,458	\$15,975,544
LIBRARIES		
LIBRARY	\$4,000,000	\$5,000,000
TOTAL LIBRARIES	\$4,000,000	\$5,000,000
EQUIPMENT		
ADMINISTRATIVE UNITS	\$150,000	\$150,000
OPERATIONS DIVISION	1,000,000	1,000,000
INFORMATION TECHNOLOGY	1,150,000	1,150,000
ACADEMICS	3,500,000	3,500,000
RESEARCH AND START UP PACKAGES	6,300,000	4,800,000
TOTAL EQUIPMENT	\$12,100,000	\$10,600,000
OTHER		
EMERGENCY RESERVE	\$1,500,000	\$1,500,000
PRESIDENT'S CLASSROOM & TEACHING LAB RENOVATIONS	0	5,500,000
STRATEGIC INITIATIVES	13,377,351	10,650,265
TOTAL OTHER	\$14,877,351	\$17,650,265
TOTAL	\$49,225,809	\$49,225,809

**TEXAS TECH UNIVERSITY
EDUCATIONAL AND GENERAL FUNDS
DISTRIBUTION BY METHOD OF FINANCE**

ITEM	METHOD OF FINANCE		FY 2018
	General Revenue	GR-Dedicated and NRUF	
FACULTY SALARIES	\$81,957,278	\$22,346,143	\$104,303,421
DEPARTMENTAL OPERATING SALARIES	12,744,713	3,474,923	16,219,636
INSTRUCTIONAL ADMINISTRATION	6,649,433	1,813,008	8,462,441
ACADEMIC OPERATIONS SUPPORT	3,976,617	1,084,248	5,060,865
STUDENT SERVICES	1,136,837	309,965	1,446,802
PHYSICAL PLANT	6,718,427	1,831,820	8,550,247
INSTITUTIONAL SUPPORT	7,678,114	2,093,484	9,771,598
EMPLOYEE BENEFITS	496,423	16,830,684	17,327,107
SPECIAL ITEMS - EXISTING	5,253,971	0	5,253,971
CORE RESEARCH SUPPORT FUND	10,622,253	0	10,622,253
GRADUATE STUDENT SUPPORT	0	7,285,830	7,285,830
DEBT SERVICE	14,513,383	0	14,513,383
TEXAS PUBLIC EDUCATION GRANTS	0	6,686,000	6,686,000
NATIONAL RESEARCH UNIVERSITY FUND	0	16,661,491	16,661,491
HIGHER EDUCATION ASSISTANCE FUND	49,225,809	0	49,225,809
OTHER	1,968,460	560,585	2,529,045
TOTAL	\$202,941,718	\$80,978,181	\$283,919,899

This schedule complies with Article III, Section 6 of the General Appropriations Act.

TEXAS TECH UNIVERSITY
DESIGNATED FUNDS

**TEXAS TECH UNIVERSITY
DESIGNATED FUNDS
INCOME BUDGET**

ITEM	FY 2017	FY 2018
TUITION AND FEES:		
DESIGNATED TUITION	\$157,260,117	\$164,608,347
SUPPLEMENTAL DESIGNATED TUITION	2,008,931	4,113,841
DESIGNATED TUITION - NEED BASE FINANCIAL AID	18,735,050	19,845,200
INFORMATION TECHNOLOGY FEE	19,170,000	19,500,000
LIBRARY FEE	15,930,000	16,248,000
STUDENT SERVICE FEE	11,300,000	12,000,000
PROGRAM FEES	10,687,065	9,296,024
TEXAS PUBLIC EDUCATION GRANTS	6,672,000	6,686,000
STUDENT RECREATION FEE	6,480,750	6,480,750
FINANCIAL AND RECORD SERVICES FEE	6,230,000	6,230,000
CORRESPONDENCE AND EXTENSION FEES	6,999,496	6,165,834
ONLINE LEARNING AND DISTANCE EDUCATION FEE	5,400,000	5,400,000
MEDICAL SERVICES FEE	4,485,000	4,485,000
STUDENT TRANSPORTATION FEE	4,050,000	4,050,000
ENERGY FEE	4,000,000	4,000,000
ADVISING AND RETENTION FEE	3,510,873	3,546,701
SPECIAL INSTRUCTION FEES	3,414,764	3,447,719
ACADEMIC DEPARTMENT INSTRUCTIONAL ASSESSMENT FEE	0	1,000,000
OTHER STUDENT FEES	12,877,054	14,098,069
TUITION AND FEES	\$299,211,100	\$311,201,485
OTHER SOURCES:		
RECOVERY OF INDIRECT COSTS	\$9,083,063	\$9,117,336
EDUCATION RELATED BUSINESS ACTIVITIES	5,760,245	6,566,307
TEXAS RESEARCH INCENTIVE PROGRAM	12,856,248	1,968,956
B-ON-TIME REIMBURSEMENT	6,226,842	0
OTHER MISCELLANEOUS INCOME	4,798,879	4,929,176
OTHER SOURCES	\$38,725,277	\$22,581,775
TOTAL CURRENT DESIGNATED REVENUE	\$337,936,377	\$333,783,260
UTILIZATION OF FUND BALANCE	\$6,837,685	\$11,446,657
TOTAL DESIGNATED REVENUE	\$344,774,062	\$345,229,917
PERCENT CHANGE		0.13%

**TEXAS TECH UNIVERSITY
DESIGNATED FUNDS
EXPENSE BUDGET**

ITEM	FY 2017	FY 2018
INSTRUCTION AND ACADEMIC SUPPORT		
INFORMATION TECHNOLOGY	\$21,557,000	\$20,387,000
LIBRARY SUPPORT	15,990,000	16,308,000
EDUCATION RELATED BUSINESS ACTIVITIES	6,177,828	6,976,014
TEXAS PUBLIC EDUCATION GRANT	6,672,000	6,686,000
CORRESPONDENCE AND EXTENSION STUDIES	7,059,596	6,224,834
ONLINE LEARNING AND DISTANCE EDUCATION FEE	5,400,000	6,145,630
SCHOLARSHIP SUPPORT	0	3,810,000
SPECIAL INSTRUCTION FEES	3,456,505	3,484,460
ACADEMIC SUCCESS PROGRAMS	0	1,200,000
ACADEMIC DEPARTMENT INSTRUCTIONAL ASSESSMENT FEE	0	1,000,000
B-ON-TIME REIMBURSEMENT SCHOLARSHIP SUPPORT	6,226,842	0
OTHER INSTRUCTION AND ACADEMIC SUPPORT	21,839,589	21,115,477
INSTRUCTION AND ACADEMIC SUPPORT	\$94,379,360	\$93,337,415
DESIGNATED TUITION SUPPORT		
DEPARTMENTAL OPERATING EXPENSE	\$30,500,671	\$33,571,301
FACULTY SALARIES	31,564,977	33,120,464
COLLEGE DESIGNATED TUITION	30,159,609	32,212,749
STUDENT INITIATIVES AND OTHER	22,842,308	25,261,178
NEED BASE FINANCIAL AID	18,735,050	19,845,200
PRESIDENT'S SCHOLARSHIP FUND	18,765,749	18,719,749
UTILITIES	14,834,736	14,834,736
INSTITUTIONAL TUITION TRANSFERS	8,668,095	8,211,429
PRESIDENT'S INITIATIVES	972,600	3,728,582
GRADUATE SUPPORT AND SCHOLARSHIPS	2,000,000	2,000,000
DESIGNATED TUITION SUPPORT	\$179,043,795	\$191,505,388
STUDENT SERVICE SUPPORT		
STUDENT SERVICE ACTIVITIES	\$13,362,603	\$13,211,166
STUDENT RECREATIONAL CENTER	6,480,750	6,480,750
STUDENT HEALTH CENTER	4,596,126	4,583,135
ADVISING ACTIVITIES	3,728,131	3,873,651
OTHER STUDENT SERVICE SUPPORT ACTIVITIES	17,632,486	17,559,268
STUDENT SERVICE SUPPORT	\$45,800,096	\$45,707,970
OTHER INSTITUTIONAL SUPPORT		
RECOVERY OF INDIRECT COSTS	\$9,083,063	\$9,143,688
TEXAS RESEARCH INCENTIVE PROGRAM	12,856,248	1,968,956
ALL OTHER INSTITUTIONAL SUPPORT	3,611,500	3,566,500
OTHER INSTITUTIONAL SUPPORT	\$25,550,811	\$14,679,144
TOTAL	\$344,774,062	\$345,229,917

PERCENT CHANGE

0.13%

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TEXAS TECH UNIVERSITY
SERVICE DEPARTMENTS

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**TEXAS TECH UNIVERSITY
SERVICE DEPARTMENTS
INCOME AND EXPENSE BUDGET**

ITEM	FY 2017	FY 2018
REVENUE BUDGET		
SALES AND SERVICES - INTERNAL DEPARTMENTS	\$71,668,009	\$72,002,567
SHARED SERVICES	9,013,423	9,693,186
UTILIZATION OF FUND BALANCE	1,242,487	1,600,369
TOTAL SALES AND SERVICES REVENUE	<u>\$81,923,919</u>	<u>\$83,296,122</u>
EXPENSE BUDGET		
SALES AND SERVICES - INTERNAL DEPARTMENTS	\$68,959,929	\$69,782,369
SHARED SERVICES	9,013,423	9,693,186
STAFF BENEFITS	3,950,567	3,820,567
TOTAL SALES AND SERVICES EXPENSE	<u>\$81,923,919</u>	<u>\$83,296,122</u>
PERCENT CHANGE		1.67%

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TEXAS TECH UNIVERSITY
AUXILIARY FUNDS

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**TEXAS TECH UNIVERSITY
AUXILIARY FUNDS
INCOME AND EXPENSE BUDGET**

ITEM	FY 2017	FY 2018
REVENUE BUDGET		
INTERCOLLEGIATE ATHLETICS	\$78,615,663	\$82,851,003
RESIDENCE HALLS	39,000,000	41,000,000
HOSPITALITY SERVICES	38,103,650	40,103,650
STUDENT UNION	7,821,983	7,821,983
TRAFFIC AND PARKING / GARAGE OPERATION	5,650,000	5,650,000
OTHER SALES AND SERVICES	9,110,451	9,224,076
TOTAL CURRENT AUXILIARY REVENUE	<u>\$178,301,747</u>	<u>\$186,650,712</u>
UTILIZATION OF FUND BALANCE	\$6,445,242	\$5,922,175
TOTAL AUXILIARY REVENUE	<u>\$184,746,989</u>	<u>\$192,572,887</u>
EXPENSE BUDGET		
INTERCOLLEGIATE ATHLETICS	\$78,615,663	\$84,840,958
RESIDENCE HALLS	41,000,000	41,000,000
HOSPITALITY SERVICES	39,853,650	41,853,650
STUDENT UNION	7,821,983	7,821,983
TRAFFIC AND PARKING/GARAGE OPERATION	7,095,762	6,502,364
OTHER SALES AND SERVICES	10,359,931	10,553,932
TOTAL AUXILIARY EXPENSE	<u>\$184,746,989</u>	<u>\$192,572,887</u>
PERCENT CHANGE		4.24%

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TEXAS TECH UNIVERSITY
CURRENT RESTRICTED FUNDS

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**TEXAS TECH UNIVERSITY
CURRENT RESTRICTED FUNDS
INCOME AND EXPENSE BUDGET**

ITEM	FY 2017	FY 2018
SOURCES OF FUNDS		
FEDERAL PROGRAMS	\$62,275,000	\$62,241,000
STATE PROGRAMS	4,639,000	4,473,000
PRIVATE	44,548,000	47,627,000
ALL OTHER	8,538,000	10,659,000
TOTAL FUNDS FROM ALL SOURCES	\$120,000,000	\$125,000,000

DISTRIBUTION BY COLLEGE OR AREA:

ADMINISTRATIVE AND OTHER	\$16,821,000	\$18,379,000
AGRICULTURAL SCIENCES AND NATURAL RESOURCES	11,388,000	10,999,000
ARCHITECTURE	346,000	433,000
ARTS AND SCIENCES	10,610,000	11,921,000
ATHLETICS	5,984,000	6,329,000
EDUCATION	4,702,000	5,550,000
WHITACRE COLLEGE OF ENGINEERING	17,059,000	16,580,000
FINANCIAL AID	37,590,000	38,160,000
GRADUATE SCHOOL	945,000	1,245,000
HUMAN SCIENCES	4,487,000	4,549,000
INSTITUTIONAL DIVERSITY	1,081,000	1,200,000
MEDIA AND COMMUNICATION	384,000	429,000
MULTIDISCIPLINARY RESEARCH CENTER AND INSTITUTE	495,000	621,000
MUSEUM AND HERITAGE	2,356,000	2,511,000
RAWLS COLLEGE OF BUSINESS ADMINISTRATION	3,544,000	3,774,000
SCHOOL OF LAW	1,124,000	1,108,000
VISUAL AND PERFORMING ARTS	1,084,000	1,212,000
TOTAL DISTRIBUTION TO ALL COLLEGES AND AREAS	\$120,000,000	\$125,000,000

PERCENT CHANGE

4.17%

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**TEXAS TECH UNIVERSITY
SUMMARY OPERATING BUDGET
FISCAL YEAR 2018**

FUND	SOURCE OF FUNDS		ESTIMATED EXPENSE
	ESTIMATED INCOME	OTHER SOURCES	
EDUCATIONAL AND GENERAL LESS TRANSFER TO DESIGNATED - TPEG	\$275,457,092	\$8,462,807	\$283,919,899 (6,686,000)
DESIGNATED LESS TRANSFER FROM EDUCATIONAL AND GENERAL - TPEG	333,783,260 (6,686,000)	11,446,657	345,229,917
AUXILIARY	186,650,712	5,922,175	192,572,887
CURRENT RESTRICTED	125,000,000	0	125,000,000
TOTAL	<u>\$914,205,064</u>	<u>\$25,831,639</u>	<u>\$940,036,703</u>

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**TEXAS TECH UNIVERSITY
BUDGET COMPARISON
FISCAL YEAR 2018 vs FISCAL YEAR 2017**

FUND	FY 2017	FY 2018	Increase (Decrease)
EDUCATIONAL AND GENERAL	\$283,614,701	\$283,919,899	\$305,198
LESS TRANSFER TO DESIGNATED - TPEG	(6,672,000)	(6,686,000)	(14,000)
DESIGNATED			
INSTRUCTION AND ACADEMIC SUPPORT	94,379,360	93,337,415	(1,041,945)
DESIGNATED TUITION SUPPORT	179,043,795	191,505,388	12,461,593
STUDENT SERVICE SUPPORT	45,800,096	45,707,970	(92,126)
OTHER INSTITUTIONAL SUPPORT	25,550,811	14,679,144	(10,871,667)
AUXILIARY	184,746,989	192,572,887	7,825,898
CURRENT RESTRICTED	120,000,000	125,000,000	5,000,000
TOTAL	<u>\$926,463,752</u>	<u>\$940,036,703</u>	<u>\$13,572,951</u>

1.47%