

Legislative Appropriations Request

For Fiscal Year 2024 and 2025

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

by

University of Houston System Administration

Date of 2nd Submission

October 19, 2022

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CERTIFICATE

Agency Name University of Houston System Administration

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

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

Chief Executive Officer or Presiding Judge

Renu Khator
Signature

Dr. Renu Khator
Printed Name

Chancellor
Title

10/12/2022
Date

Board or Commission Chair

Tilman J. Fertitta
Signature

Tilman J. Fertitta
Printed Name

Chairman, UH System Board of Regents
Title

October 18, 2022
Date

Chief Financial Officer

Raymond S. Bartlett
Signature

Raymond S. Bartlett
Printed Name

Senior Vice Chancellor Administration & Finance
Title

10/10/22
Date

Schedules Not Included

Agency Code: 783	Agency Name: University of Houston System Administration	Date: October 19, 2022
<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 2024-25 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	
3A.1	Program – Level Request Schedule	
5A	Capital Budget Project Schedule	
5B	Capital Budget Project Information	
5C	Capital Budget Project Allocation to Strategies (Baseline)	
5D	Capital Budget Operating and Maintenance Expenses	
5E	Capital Budget Project-OOE and MOF Detail by Strategy	
6C	Federal Funds Supporting Schedule	
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6F.a – 6F.b	Advisory Committee Supporting Schedule Part A ~ Part B	
6G	Homeland Security Funding	
7A - 7B	Indirect & Direct Administrative and Support Costs	
Schedule 1A	Other Educational and General Income	
Schedule 2	Selected Educational, General and Other Funds	
Schedule 3B	Staff Group Insurance Data Elements (UT/A&M)	
Schedule 3D	Group Insurance Data Elements (Supplemental)	
Schedule 6	Constitutional Capital Funding	

Administrator's Statement

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Overview and Goals

As the largest provider of comprehensive (baccalaureate, master's and doctoral) higher education services in Greater Houston and southeast Texas, the University of Houston System fuels the economic growth of a diverse, vibrant region. Houston is the "Energy Capital of the World," headquarters to more than 22 Fortune 500 companies and home of the world's largest medical complex. According to the U.S. Bureau of Economic Analysis, the region generated nearly \$500 billion in GDP in 2020 and ranks as the 27th largest economy worldwide. No single ethnic group makes up a majority of its residents, and the UH System reflects this diversity.

The UH System has been recognized for providing social mobility and socially beneficial research to the city and the state it serves. The Brookings Institute has ranked the UH System in the Top 5 nationally for these efforts and noted it provides a high return on investment of taxpayer dollars. Today, the system serves and graduates a record number of students, many from low-income families that have been historically underrepresented in higher education. Approximately 40% of undergraduates receive Pell Grants. The UH System's progress demonstrates that access and excellence can go hand-in-hand with opportunity.

The UH System has four separate and distinct universities that serve approximately 76,000 students across a large geographical area:

- The University of Houston is a Tier One national research university and the system's flagship. It offers baccalaureate, master's and doctoral programs.
- UH-Clear Lake is an undergraduate, master's and doctoral university located in Southeast Houston with close ties to NASA's Johnson Space Center and regional community colleges.
 - UH-Downtown, the UH System's and Houston's second largest university, is a predominantly undergraduate institution with a growing number of master's programs.
 - UH-Victoria is an undergraduate and master's level institution on path to become a residential, destination university in the Coastal Bend region of Texas.

The UH System Administration is responsible for coordinating the operations of all four universities, as well as providing centralized services (e.g. general counsel, board of regents, auditing). Given the breadth of the UH System institutions and the expansion underway, coordinated planning is essential to fully serve our constituents. Central to all of these activities are the UH System's goals of student access and success, national competitiveness, and community advancement.

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. The UH System will help students identify the UHS university that best serves their needs and academic goals, so that they are not lost to the UH System or to higher education. Furthermore, pathways will be developed for transfers between campuses and admissions to graduate programs.

2. National Competitiveness

The City of Houston and the Greater Houston Region will be known for having one of the best and most diverse metropolitan systems of higher education in the nation. Each university within the UH System will benchmark itself nationally for excellence within the context of its unique mission.

3. Community Advancement

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

A Period of Transformation

Under the leadership of Chancellor Renu Khator, the UH System has transformed significantly

- Enrollment increased by almost 19,000 students. Figure 1 shows how total system enrollment has grown from 2008 to 2022.
- Degrees awarded annually increased nearly 52%. Total degrees awarded reached a record high of 17,809 with almost one in four coming in critical fields. Figure 2 shows how total degrees awarded have increased from 2008 to 2022. Additionally, Figure 3 shows how degrees awarded to underserved students have increased from 2008 to 2022.
- UH achieved Tier One status, welcomed a Phi Beta Kappa chapter and additional National Academy members, and improved graduation rates;
- UH-Clear Lake and UH-Victoria began enrolling freshmen and sophomores for the first time, enabling them to expand access to a larger number of students than ever before. UH-Victoria's enrollment grew 51%.
- UH-Downtown increased degrees granted by 73%, retention rates (56% to 64%) and research expenditures (\$175k to \$2.2M).
- Research expenditures throughout the system have increased from \$75 million to more than \$207 million.

Increasing Opportunity for a Diverse City and State

The Houston metropolitan area is a national model for diversity. By 2030, the regional population is projected to reach eight million residents, more than 40% of which will be Hispanic. The UH System already reflects these changes. In the Fall of 2021 total student demographics at all of the UH institutions was collectively: 39% Hispanic, 22% White, 17% Asian, 14% African-American, and 6% International.

In the next decade, a majority of Houston's youth will be Hispanic. This poses a special challenge for the UH System and other educational institutions, since Hispanics have historically been underrepresented in higher education. The four UH System universities are prepared to meet this challenge, since all have been designated Hispanic Serving Institutions (HSIs) by the federal government - the first university system in the nation to receive this distinction. HSIs are eligible to compete for federal grants designed to increase the participation and success of Hispanics in higher education.

Houston GPS Improving Degree Completion and Reducing Excess Semester Credit Hours

In Texas, too many students graduate with excess semester credit hours (SCH). According to the Texas Higher Education Coordinating Board, students completing two- and four-year degrees graduate with 13 excess SCH. Reducing the number of excess SCH would save the both the state and students millions of dollars.

The Problems

- Student are not graduating
- Students are taking too much time to graduate

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- Students are taking too many credits
- Students are spending too much money completing their degree

The Reasons

- Poor choices
- Unavailable courses
- Excess credits
- Lost transfers
- Unnecessary credits

In an effort to confront these problems, the UH System, along with its four universities, have led a multi-year effort with Texas Southern University, Prairie View A&M and the seven Houston area community college systems to create and develop Houston Guided Pathways to Success (Houston GPS). Houston GPS is an integrated system of strategies that will improve college completion rates and time to degree especially among underrepresented/low-income students and those who transfer from two to four-year institutions. These strategies include

- Structured pathways
- Academic maps
- Informed choice (about careers and majors)
- Intrusive advising

The UH System anticipates that Houston GPS will lead to higher graduation rates, more on-time graduates, closing achievement gaps, and fewer lost SCH.

Meeting Students Where They Live and Work

The Greater Houston region spans more than 9,000 square miles. Suburban areas are growing rapidly, particularly along the western arc of the metropolitan area from Montgomery County in the north, to Katy and Sugar Land in the west, to Pearland in the south. As a result of distance, traffic, work, and family responsibilities, students who live in these areas often find it difficult to pursue a college education at the universities. For that reason, the UH System continues to seek opportunities to expand its in-person academic programs across the region so that achieving an undergraduate degree, graduate degree, or Ph.D. is available to students across the Houston region.

Background Checks

The University of Houston System's statutory authority to conduct background checks on employees comes from Texas Govt. Code Chapter 411 Subchapter (f) and Texas Education Code Section 51.215. It is the system's policy and practice to conduct such checks on all employees being considered for positions at the University of Houston System.

UH System Legislative Priorities

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As we look to the future, the needs of our constituents and the goals we have established for serving them require greater resources than our universities currently possess. Therefore, we ask that the Legislature consider the following UH System priorities

1. Stable Base Formula Funding

Formula funding is the foundation of the state's public universities. Without stable, reliable base formula funding, Texas universities will not be able to meet the needs of their students or adequately plan for growth. The statewide formula funding rate for the FY 2022-23 biennium (\$55.66) remains significantly lower than the rate for the FY 2010-11 biennium (\$62.19). For the upcoming biennium, the University of Houston System encourages the Legislature to provide increased formula funding to cover enrollment growth and inflation, which would significantly reduce pressure on our universities to increase tuition and fees paid by students.

2. Performance Based Funding for Comprehensive Regional Universities

The 87th Legislature recognized the importance of the state's 27 Comprehensive Regional Universities by passing SB1295, and using federal funding to support this legislation. For the upcoming biennium, we request \$80 million in General Revenue to provide two years of performance funding to continue student support programs at our Comprehensive Regional Universities. This amount would provide \$250,000 in base funding and \$1,000 per at-risk student per year. With this support, these institutions can help address the state's decline in direct enrollment from high school to college and close the gap in these institutions' graduation rates compared to the emerging research and research institutions. Increasing regionals' college enrollment and graduation rates will add more skilled employees to the workforce and improve regional economies.

3. Financial Aid/TEXAS Grants

State funding for financial aid is essential to expand access to higher education and facilitate student graduation. This is especially true at the University of Houston System universities, where the education of many of our students is not paid for by their families. Rather, students typically work to pay for college and rely heavily on financial aid. Without further investment in state supported financial aid programs, a large number of these students will be unable to attend and complete a degree in the coming years. The University of Houston encourages the Legislature to increase funding for TEXAS Grants.

4. State Funding for Research Programs

Combined, the Core Research Support Fund, the Texas Research Incentive Program (TRIP), the National Research University Fund, and the Governor's University Research Initiative constitute an innovative and powerful tool for enhancing and developing more nationally- competitive Tier One research universities. They 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 universities not supported by the Permanent University Fund pursue their national competitiveness and Tier One goals. The University of Houston System recommends preserving the appropriations to each of the research funds and funding the backlog of TRIP program donations.

5. Conversion of Expansion Funding to Institutional Enhancement

Existing non-formula expansion funding is critical to our institutions, University of Houston-Clear Lake and University of Houston- Victoria. The Legislature provides essential funding to six of the state's smaller regional institutions in order to enable them to better meet the growing higher education needs of their communities and the

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state. Previously known as transition funding and downward expansion funding, the 86th Legislature renamed this funding, cut the amount, and included rider language to establish scheduled phasing out of this funding. Given the still-present unprecedented financial hardships from the COVID-19 pandemic and the essential education and workforce training the institutions provide, the University of Houston System requests that this funding, similar to Hold Harmless funding in previous biennia, be converted to Institutional Enhancement funding.

6. Hazlewood Exemptions

UHS is committed to supporting veterans and their families by expanding opportunities for them to earn a college degree. Simply put, Hazlewood costs are unsustainable. Absent full state coverage, funding for these exemptions must be attained through other resources, including tuition paid by other students. As the Comptroller of Public Accounts noted in August 2016, public colleges and universities are losing tuition revenue due to the exemption, and as a result "students without Hazlewood benefits are subsidizing those who have them." UHS recommends that the state appropriate resources to cover all Hazlewood exemptions or modify the exemption.

7. Infrastructure Support

The UH System greatly appreciates the capital construction projects authorized by the 87th Legislature in SB 52 during the Third Called Session. While these projects will greatly assist the UH System universities to continue to expand their course offerings to meet increasing enrollment, not all projects were included in the legislation. For this reason, the UH System is respectfully requesting additional support for projects that were not given adequate support to complete or not funded at all during the 87th Legislature, Third Called Session.

UH System Exceptional Item Requests

1. Teacher Preparation Program

In response to the critical shortage of full-time teachers in the largest school district in the state, the UH System respectfully requests \$2 million to implement a program designed to develop highly qualified teachers who would then commit to teach in Houston Independent School District for a minimum of four years upon graduating from this program. This program would be a partnership between the school district and the University of Houston System's universities.

The program is designed to provide students with tuition assistance and academic support during their collegiate career, as well as coaching and mentoring support during their first few years in a guaranteed teaching position within HISD. The UH System stands ready to assist to state of Texas in tackling this growing crisis in public education.

2. Katy Building

Currently, the University of Houston – Katy Campus offers students in West Houston and Katy area the opportunity to complete over 20 undergraduate degrees and over 12 graduate degrees in high-demand fields in business, education, and nursing. The Katy Campus partners closely with Houston Community College – Northwest to provide freshman and sophomore level coursework prior to transferring into one of the undergraduate degree programs. The current campus includes one building completed in 2019.

We respectfully request support for a new academic building on this campus. The additional space provided by this new building is crucial to the expansion of degree

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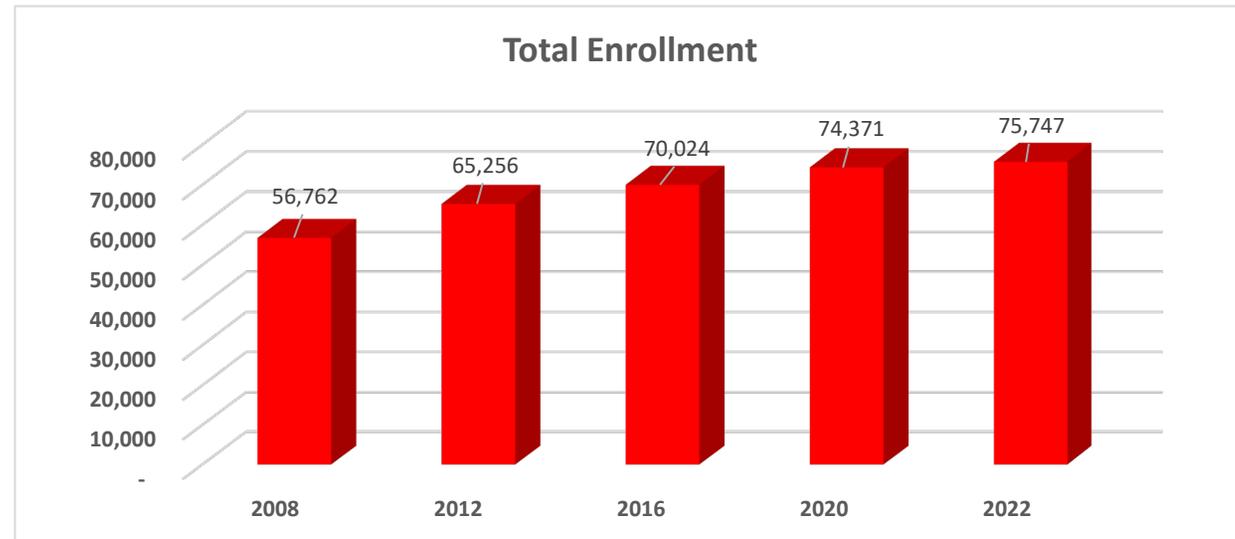
programs on the Katy Campus. This project will include enhanced connectivity to the campus through planned site improvements.

3. TMC3 Project

While \$60 million in capital construction bonds was provided to the UH System for construction of a building in the TMC3 project of the Texas Medical Center, that funding is not nearly adequate enough to construct the type of research building that is imagined by TMC3. For this reason, the UH System is requesting an additional \$150 million in capital construction bonds for completion of the project.

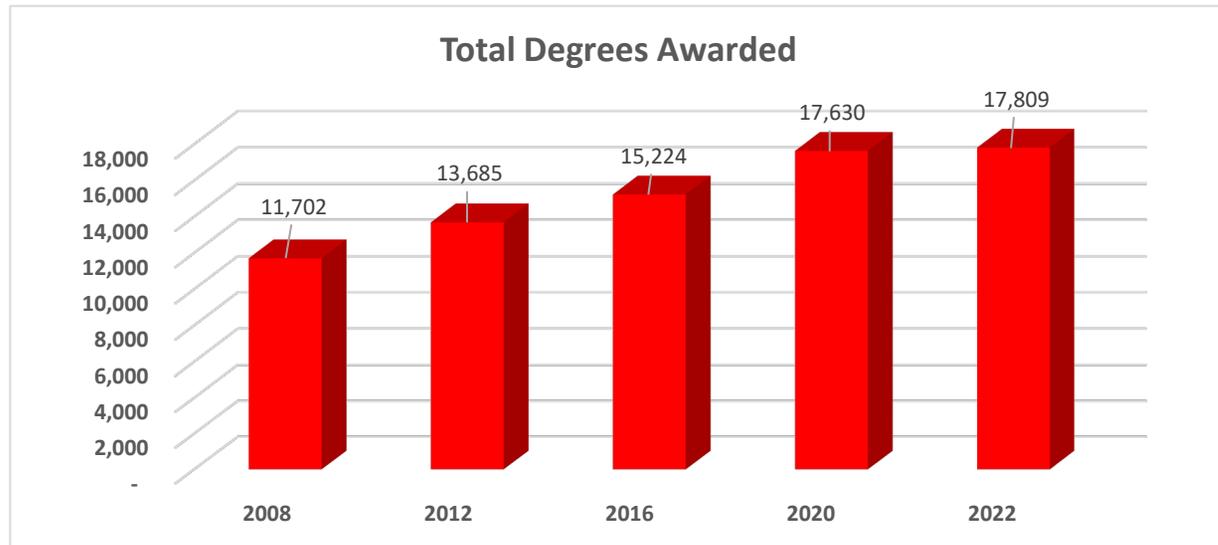
Total Enrollment

FIGURE 1



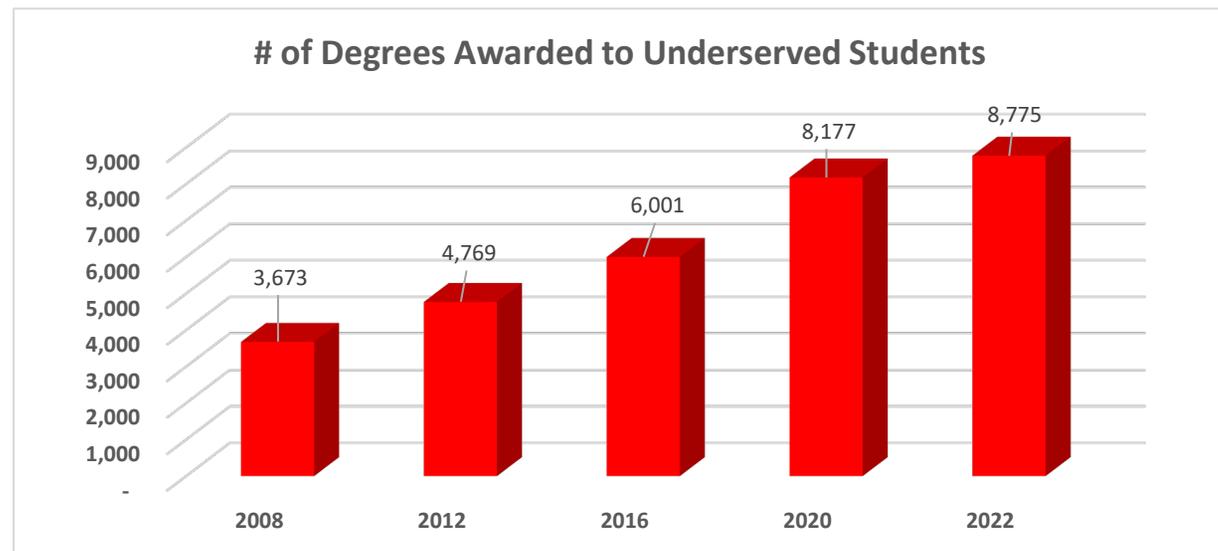
Total Degrees Awarded

FIGURE 2

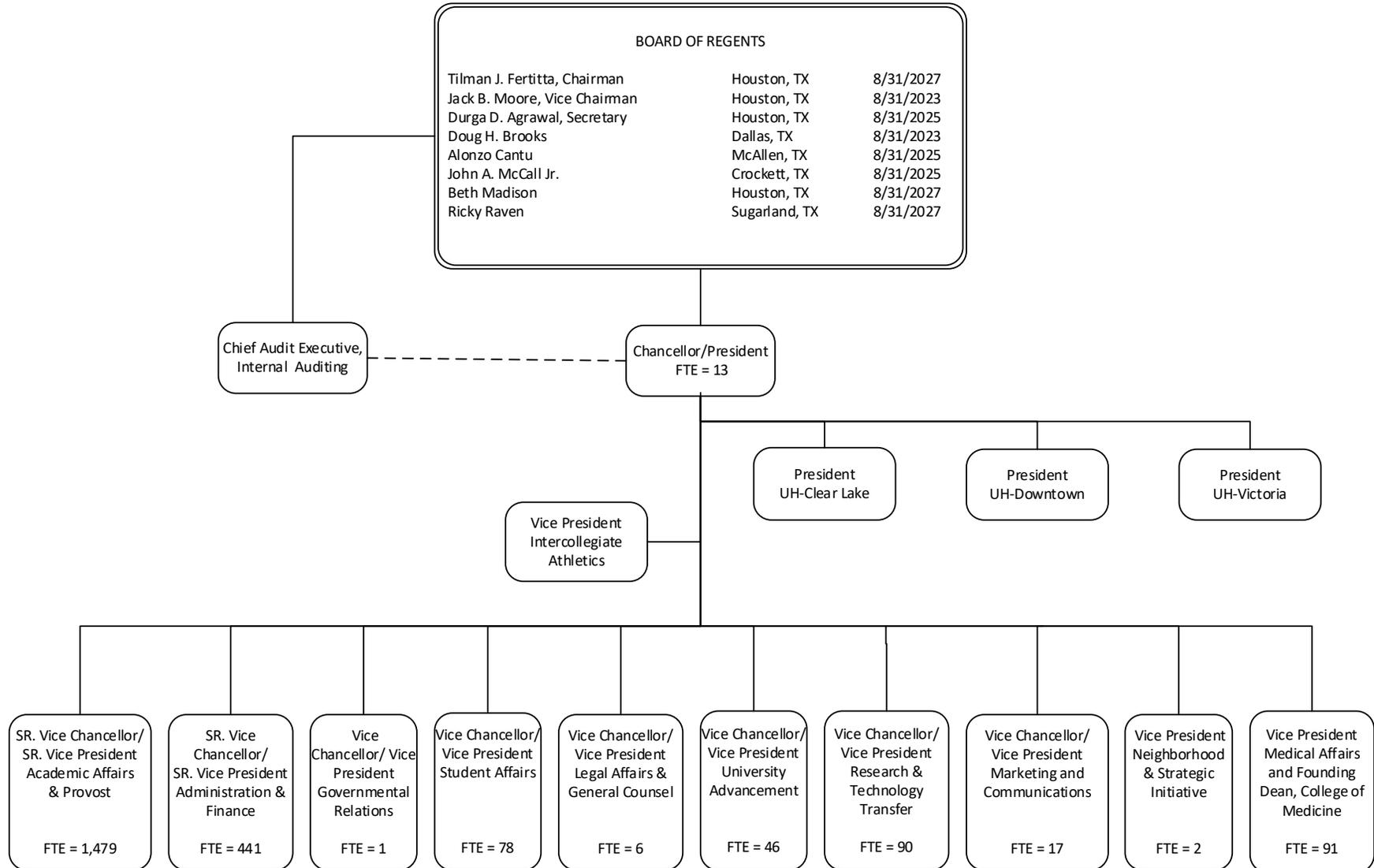


of Degrees Awarded to Underserved Students

FIGURE 3



University of Houston System/University of Houston



FTE budgeted in FY2023 from Appropriated Funds; UH= 2,252 FTE, UHSA= 12 FTE, TOTAL= 2,264 FTE

Budget Overview - Biennial Amounts
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Appropriation Years: 2024-25

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS	
	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2022-23	2024-25	2024-25	
	<hr/>											
Goal: 1. Provide Instructional and Operations Support												
1.1.11. System Office Operations	2,915,040	2,915,042					12,917	22,476	2,927,957	2,937,518		
Total, Goal	2,915,040	2,915,042					12,917	22,476	2,927,957	2,937,518		
Goal: 2. Provide Infrastructure Support												
2.1.1. Uh Ccap Revenue Bonds	28,667,924	43,931,541							28,667,924	43,931,541		
2.1.2. Uh Clear Lake Ccap Revenue Bonds	14,325,695	18,530,155							14,325,695	18,530,155		
2.1.3. Uh Downtown Ccap Revenue Bonds	13,961,490	19,103,075							13,961,490	19,103,075		
2.1.4. Uh Victoria Ccap Revenue Bonds	9,469,818	15,508,775							9,469,818	15,508,775		
2.1.5. Uh System Ccap Revenue Bonds	13,763,624	17,695,875							13,763,624	17,695,875	44,071,792	
Total, Goal	80,188,551	114,769,421							80,188,551	114,769,421	44,071,792	
Goal: 3. Provide Non-formula Support												
3.5.1. Exceptional Item Request												2,000,000
Total, Goal												2,000,000
Total, Agency	83,103,591	117,684,463					12,917	22,476	83,116,508	117,706,939		46,071,792
Total FTEs									11.7	11.7		1.0

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
1 Provide Instructional and Operations Support					
1 Provide Instructional and Operations Support					
11 SYSTEM OFFICE OPERATIONS	1,457,520	1,457,519	1,470,438	1,468,759	1,468,759
TOTAL, GOAL 1	\$1,457,520	\$1,457,519	\$1,470,438	\$1,468,759	\$1,468,759
2 Provide Infrastructure Support					
1 Provide Operation and Maintenance of E&G Space					
1 UH CCAP REVENUE BONDS	15,493,048	15,285,070	13,382,854	21,967,439	21,964,102
2 UH CLEAR LAKE CCAP REVENUE BONDS	8,206,390	8,174,697	6,150,998	9,266,723	9,263,432
3 UH DOWNTOWN CCAP REVENUE BONDS	7,506,445	7,519,740	6,441,750	9,549,575	9,553,500
4 UH VICTORIA CCAP REVENUE BONDS	4,122,799	4,823,968	4,645,850	7,760,725	7,748,050
5 UH SYSTEM CCAP REVENUE BONDS	4,689,200	7,597,287	6,166,337	8,845,700	8,850,175
TOTAL, GOAL 2	\$40,017,882	\$43,400,762	\$36,787,789	\$57,390,162	\$57,379,259

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
3 Provide Non-formula Support					
5 Exceptional Item Request					
1 EXCEPTIONAL ITEM REQUEST	0	0	0	0	0
TOTAL, GOAL 3	\$0	\$0	\$0	\$0	\$0
TOTAL, AGENCY STRATEGY REQUEST	\$41,475,402	\$44,858,281	\$38,258,227	\$58,858,921	\$58,848,018
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$41,475,402	\$44,858,281	\$38,258,227	\$58,858,921	\$58,848,018
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	41,475,402	44,858,281	38,245,310	58,847,683	58,836,780
SUBTOTAL	\$41,475,402	\$44,858,281	\$38,245,310	\$58,847,683	\$58,836,780
Other Funds:					
802 Lic Plate Trust Fund No. 0802, est	0	0	12,917	11,238	11,238
SUBTOTAL	\$0	\$0	\$12,917	\$11,238	\$11,238
TOTAL, METHOD OF FINANCING	\$41,475,402	\$44,858,281	\$38,258,227	\$58,858,921	\$58,848,018

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
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*Rider appropriations for the historical years are included in the strategy amounts.

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

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Agency code: 783

Agency name: University of Houston System Administration

METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2020-21 GAA)

	\$41,557,889	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2022-23 GAA)

	\$0	\$41,948,570	\$35,335,598	\$0	\$0
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Regular Appropriation

	\$0	\$0	\$0	\$58,847,683	\$58,836,780
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TRANSFERS

SB 52, 87th Legislature, 3rd Called Session

	\$0	\$2,909,711	\$2,909,712	\$0	\$0
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Comments: SB 52- CCAP: TMC3 Medical Research Facility (FY22 and FY23)

SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS

HB 2, 87th Leg, Regular Session, 2021

	\$(76,712)	\$0	\$0	\$0	\$0
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Comments: 5% GR Reduction (System Office Funding)

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

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Agency code: 783		Agency name: University of Houston System Administration				
METHOD OF FINANCING		Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<u>GENERAL REVENUE</u>						
<i>LAPSED APPROPRIATIONS</i>						
Tuition Revenue Bond Debt Service (10783 0001 21)- UH		\$18,750	\$(1,439,325)	\$0	\$0	\$0
Tuition Revenue Bond Debt Service (10783 0001 21)- UH Victoria		\$(1,975)	\$0	\$0	\$0	\$0
Tuition Revenue Bond Debt Service (10783 0001 21)- UH System		\$(22,550)	\$1,439,325	\$0	\$0	\$0
TOTAL,	General Revenue Fund	\$41,475,402	\$44,858,281	\$38,245,310	\$58,847,683	\$58,836,780
TOTAL, ALL	GENERAL REVENUE	\$41,475,402	\$44,858,281	\$38,245,310	\$58,847,683	\$58,836,780

OTHER FUNDS

802 License Plate Trust Fund Account No. 0802, estimated

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2020-21 GAA)

\$11,238	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
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Agency code: 783	Agency name: University of Houston System Administration				
METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<u>OTHER FUNDS</u>					
Regular Appropriations from MOF Table (2022-23 GAA)	\$0	\$11,238	\$11,238	\$0	\$0
Regular Appropriation	\$0	\$0	\$0	\$11,238	\$11,238
<i>TRANSFERS</i>					
86th Leg., Art. III, P. 258, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 4	\$(4,922)	\$0	\$0	\$0	\$0
Comments: License Plate Trust Fund. AY21, FY21 transfers out to UH.					
86th Leg., Art. III, P. 258, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 4	\$(969)	\$0	\$0	\$0	\$0
Comments: License Plate Trust Fund. AY21, FY21 transfers out to UHCL.					
86th Leg., Art. III, P. 258, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 4	\$(513)	\$0	\$0	\$0	\$0
Comments: License Plate Trust Fund. AY21, FY21 transfers out to UHV.					

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

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Automated Budget and Evaluation System of Texas (ABEST)

METHOD OF FINANCING	Exp 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<p>Agency code: 783 Agency name: University of Houston System Administration</p>					
<u>OTHER FUNDS</u>					
86th Leg., Art. III, P. 258, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 4	\$(1,582)	\$0	\$0	\$0	\$0
Comments: License Plate Trust Fund. AY21, FY21 transfers out to UHD.					
87th Leg., Art. III, P. 266, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 4	\$0	\$(5,517)	\$0	\$0	\$0
Comments: License Plate Trust Fund. Estimated AY22, FY22 transfers out to UH.					
87th Leg., Art. III, P. 266, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 4	\$0	\$(1,088)	\$0	\$0	\$0
Comments: License Plate Trust Fund. Estimated AY22, FY22 transfers out to UHCL.					
87th Leg., Art. III, P. 266, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 4	\$0	\$(492)	\$0	\$0	\$0
Comments: License Plate Trust Fund. Estimated AY22, FY22 transfers out to UHV.					

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

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88th 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 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<u>OTHER FUNDS</u>					
87th Leg., Art. III, P. 266, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 4	\$0	\$(1,751)	\$0	\$0	\$0
Comments: License Plate Trust Fund. Estimated AY22, FY22 transfers out to UHD.					
<i>UNEXPENDED BALANCES AUTHORITY</i>					
86th Leg., Art. III, P. 277, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 57	\$646	\$0	\$0	\$0	\$0
Comments: Rolled forward from AY20					
87th Leg., Art. III, P. 288, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 55	\$(2,140)	\$0	\$0	\$0	\$0
Comments: Rolled forward to AY22					
87th Leg., Art. III, P. 288, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 55	\$0	\$2,140	\$0	\$0	\$0
Comments: Rolled forward from AY21					

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

10/19/2022 11:52:27AM

88th 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 2021	Est 2022	Bud 2023	Req 2024	Req 2025
<u>OTHER FUNDS</u>						
87th Leg., Art. III, P. 288, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 55		\$0	\$(1,679)	\$0	\$0	\$0
Comments: Roll forward to AY23						
87th Leg., Art. III, P. 288, Special Provisions Relating Only To State Agencies of Higher Education, Sec. 55		\$0	\$0	\$1,679	\$0	\$0
Comments: Roll forward from AY22 to AY23						
<i>BASE ADJUSTMENT</i>						
Revised Receipts AY21- (1,758). Revenues (receipts) deposits from license plate sales and also interest earned.		\$(1,758)	\$0	\$0	\$0	\$0
Revised Receipts AY22- (2,725). Revenues (receipts) deposits from license plate sales and also interest earned.		\$0	\$(2,851)	\$0	\$0	\$0
TOTAL,	License Plate Trust Fund Account No. 0802, estimated	\$0	\$0	\$12,917	\$11,238	\$11,238
TOTAL, ALL	OTHER FUNDS	\$0	\$0	\$12,917	\$11,238	\$11,238

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

10/19/2022 11:52:27AM

88th 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 2021	Est 2022	Bud 2023	Req 2024	Req 2025
GRAND TOTAL	\$41,475,402	\$44,858,281	\$38,258,227	\$58,858,921	\$58,848,018

FULL-TIME-EQUIVALENT POSITIONS

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2020-21 GAA)	11.7	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2022-23 GAA)	0.0	11.7	11.7	0.0	0.0
Regular Appropriations	0.0	0.0	0.0	11.7	11.7
TOTAL, ADJUSTED FTES	11.7	11.7	11.7	11.7	11.7

**NUMBER OF 100% FEDERALLY FUNDED
FTEs**

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

10/19/2022 11:52:27AM

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

783 University of Houston System Administration

OBJECT OF EXPENSE	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
1001 SALARIES AND WAGES	\$1,453,086	\$1,453,022	\$1,453,053	\$1,464,291	\$1,464,291
1002 OTHER PERSONNEL COSTS	\$3,296	\$3,321	\$3,321	\$3,321	\$3,321
2008 DEBT SERVICE	\$24,819,463	\$28,640,941	\$23,824,512	\$29,403,818	\$29,397,770
2009 OTHER OPERATING EXPENSE	\$15,199,557	\$14,760,997	\$12,977,341	\$27,987,491	\$27,982,636
OOE Total (Excluding Riders)	\$41,475,402	\$44,858,281	\$38,258,227	\$58,858,921	\$58,848,018
OOE Total (Riders)					
Grand Total	\$41,475,402	\$44,858,281	\$38,258,227	\$58,858,921	\$58,848,018

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

DATE: 10/19/2022
 TIME : 11:52:27AM

Agency code: 783

Agency name: University of Houston System Administration

Priority	Item	2024			2025			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Teacher Preparation Program	\$1,000,000	\$1,000,000	1.0	\$1,000,000	\$1,000,000	1.0	\$2,000,000	\$2,000,000
2	Katy Academic Building #2	\$8,958,213	\$8,958,213		\$8,958,213	\$8,958,213		\$17,916,426	\$17,916,426
3	Medical Research Facility (TMC3)	\$13,077,683	\$13,077,683		\$13,077,683	\$13,077,683		\$26,155,366	\$26,155,366
Total, Exceptional Items Request		\$23,035,896	\$23,035,896	1.0	\$23,035,896	\$23,035,896	1.0	\$46,071,792	\$46,071,792

Method of Financing

General Revenue	\$23,035,896	\$23,035,896		\$23,035,896	\$23,035,896		\$46,071,792	\$46,071,792
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$23,035,896	\$23,035,896		\$23,035,896	\$23,035,896		\$46,071,792	\$46,071,792

Full Time Equivalent Positions

1.0

1.0

Number of 100% Federally Funded FTEs

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

DATE : 10/19/2022
 TIME : 11:52:27AM

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

Goal/Objective/STRATEGY	Base 2024	Base 2025	Exceptional 2024	Exceptional 2025	Total Request 2024	Total Request 2025
1 Provide Instructional and Operations Support						
<i>1 Provide Instructional and Operations Support</i>						
11 SYSTEM OFFICE OPERATIONS	\$1,468,759	\$1,468,759	\$0	\$0	\$1,468,759	\$1,468,759
TOTAL, GOAL 1	\$1,468,759	\$1,468,759	\$0	\$0	\$1,468,759	\$1,468,759
2 Provide Infrastructure Support						
<i>1 Provide Operation and Maintenance of E&G Space</i>						
1 UH CCAP REVENUE BONDS	21,967,439	21,964,102	0	0	21,967,439	21,964,102
2 UH CLEAR LAKE CCAP REVENUE BONDS	9,266,723	9,263,432	0	0	9,266,723	9,263,432
3 UH DOWNTOWN CCAP REVENUE BONDS	9,549,575	9,553,500	0	0	9,549,575	9,553,500
4 UH VICTORIA CCAP REVENUE BONDS	7,760,725	7,748,050	0	0	7,760,725	7,748,050
5 UH SYSTEM CCAP REVENUE BONDS	8,845,700	8,850,175	22,035,896	22,035,896	30,881,596	30,886,071
TOTAL, GOAL 2	\$57,390,162	\$57,379,259	\$22,035,896	\$22,035,896	\$79,426,058	\$79,415,155

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

DATE : 10/19/2022
 TIME : 11:52:27AM

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

Goal/Objective/STRATEGY	Base 2024	Base 2025	Exceptional 2024	Exceptional 2025	Total Request 2024	Total Request 2025
3 Provide Non-formula Support						
5 <i>Exceptional Item Request</i>						
1 EXCEPTIONAL ITEM REQUEST	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
TOTAL, GOAL 3	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
TOTAL, AGENCY STRATEGY REQUEST	\$58,858,921	\$58,848,018	\$23,035,896	\$23,035,896	\$81,894,817	\$81,883,914
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$58,858,921	\$58,848,018	\$23,035,896	\$23,035,896	\$81,894,817	\$81,883,914

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

DATE : 10/19/2022
 TIME : 11:52:27AM

Agency code: 783		Agency name: University of Houston System Administration				
Goal/Objective/STRATEGY	Base 2024	Base 2025	Exceptional 2024	Exceptional 2025	Total Request 2024	Total Request 2025
General Revenue Funds:						
1 General Revenue Fund	\$58,847,683	\$58,836,780	\$23,035,896	\$23,035,896	\$81,883,579	\$81,872,676
	\$58,847,683	\$58,836,780	\$23,035,896	\$23,035,896	\$81,883,579	\$81,872,676
Other Funds:						
802 Lic Plate Trust Fund No. 0802, est	11,238	11,238	0	0	11,238	11,238
	\$11,238	\$11,238	\$0	\$0	\$11,238	\$11,238
TOTAL, METHOD OF FINANCING	\$58,858,921	\$58,848,018	\$23,035,896	\$23,035,896	\$81,894,817	\$81,883,914
FULL TIME EQUIVALENT POSITIONS	11.7	11.7	1.0	1.0	12.7	12.7

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

10/19/2022 11:52:28AM

783 University of Houston System Administration

GOAL: 1 Provide Instructional and Operations Support
 OBJECTIVE: 1 Provide Instructional and Operations Support
 STRATEGY: 11 System Office Operations

Service Categories:
 Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,453,086	\$1,453,022	\$1,453,053	\$1,464,291	\$1,464,291
1002	OTHER PERSONNEL COSTS	\$3,296	\$3,321	\$3,321	\$3,321	\$3,321
2009	OTHER OPERATING EXPENSE	\$1,138	\$1,176	\$14,064	\$1,147	\$1,147
TOTAL, OBJECT OF EXPENSE		\$1,457,520	\$1,457,519	\$1,470,438	\$1,468,759	\$1,468,759
Method of Financing:						
1	General Revenue Fund	\$1,457,520	\$1,457,519	\$1,457,521	\$1,457,521	\$1,457,521
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,457,520	\$1,457,519	\$1,457,521	\$1,457,521	\$1,457,521
Method of Financing:						
802	Lic Plate Trust Fund No. 0802, est	\$0	\$0	\$12,917	\$11,238	\$11,238
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$0	\$12,917	\$11,238	\$11,238
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,468,759	\$1,468,759
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,457,520	\$1,457,519	\$1,470,438	\$1,468,759	\$1,468,759
FULL TIME EQUIVALENT POSITIONS:		11.7	11.7	11.7	11.7	11.7

783 University of Houston System Administration

GOAL: 1 Provide Instructional and Operations Support
 OBJECTIVE: 1 Provide Instructional and Operations Support Service Categories:
 STRATEGY: 11 System Office Operations Service: 02 Income: A.2 Age: B.3

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

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.

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 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.

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

10/19/2022 11:52:28AM

783 University of Houston System Administration

GOAL: 1 Provide Instructional and Operations Support
 OBJECTIVE: 1 Provide Instructional and Operations Support
 STRATEGY: 11 System Office Operations

Service Categories:

Service: 02 Income: A.2 Age: B.3

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

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2022 + Bud 2023)	Baseline Request (BL 2024 + BL 2025)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,927,957	\$2,937,518	\$9,561	\$9,561	Variance is due to License Plate Scholarship.
			<u>\$9,561</u>	Total of Explanation of Biennial Change

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
 STRATEGY: 1 University of Houston Capital Construction Assistance Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
2008	DEBT SERVICE	\$10,241,590	\$10,484,064	\$8,846,657	\$14,521,447	\$14,519,241
2009	OTHER OPERATING EXPENSE	\$5,251,458	\$4,801,006	\$4,536,197	\$7,445,992	\$7,444,861
TOTAL, OBJECT OF EXPENSE		\$15,493,048	\$15,285,070	\$13,382,854	\$21,967,439	\$21,964,102
Method of Financing:						
1	General Revenue Fund	\$15,493,048	\$15,285,070	\$13,382,854	\$21,967,439	\$21,964,102
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$15,493,048	\$15,285,070	\$13,382,854	\$21,967,439	\$21,964,102
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$21,967,439	\$21,964,102
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$15,493,048	\$15,285,070	\$13,382,854	\$21,967,439	\$21,964,102
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
 STRATEGY: 1 University of Houston Capital Construction Assistance Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$28,667,924	\$43,931,541	\$15,263,617	\$15,263,617	Change in CCAP Debt Service Allocations
			\$15,263,617	Total of Explanation of Biennial Change

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
 STRATEGY: 2 University of Houston Clear Lake Capital Construction Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
2008	DEBT SERVICE	\$5,431,920	\$5,618,487	\$4,071,428	\$3,132,954	\$3,131,842
2009	OTHER OPERATING EXPENSE	\$2,774,470	\$2,556,210	\$2,079,570	\$6,133,769	\$6,131,590
TOTAL, OBJECT OF EXPENSE		\$8,206,390	\$8,174,697	\$6,150,998	\$9,266,723	\$9,263,432
Method of Financing:						
1	General Revenue Fund	\$8,206,390	\$8,174,697	\$6,150,998	\$9,266,723	\$9,263,432
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$8,206,390	\$8,174,697	\$6,150,998	\$9,266,723	\$9,263,432
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$9,266,723	\$9,263,432
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$8,206,390	\$8,174,697	\$6,150,998	\$9,266,723	\$9,263,432
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
 STRATEGY: 2 University of Houston Clear Lake Capital Construction Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$14,325,695	\$18,530,155	\$4,204,460	\$4,204,460	Change in CCAP Debt Service Allocations
			<u>\$4,204,460</u>	Total of Explanation of Biennial Change

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
 STRATEGY: 3 University of Houston Downtown Capital Construction Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
2008	DEBT SERVICE	\$4,620,686	\$4,628,870	\$3,965,300	\$3,671,215	\$3,672,724
2009	OTHER OPERATING EXPENSE	\$2,885,759	\$2,890,870	\$2,476,450	\$5,878,360	\$5,880,776
TOTAL, OBJECT OF EXPENSE		\$7,506,445	\$7,519,740	\$6,441,750	\$9,549,575	\$9,553,500
Method of Financing:						
1	General Revenue Fund	\$7,506,445	\$7,519,740	\$6,441,750	\$9,549,575	\$9,553,500
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$7,506,445	\$7,519,740	\$6,441,750	\$9,549,575	\$9,553,500
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$9,549,575	\$9,553,500
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$7,506,445	\$7,519,740	\$6,441,750	\$9,549,575	\$9,553,500
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
 STRATEGY: 3 University of Houston Downtown Capital Construction Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$13,961,490	\$19,103,075	\$5,141,585	\$5,141,585	Change in CCAP Debt Service Allocations
			<u>\$5,141,585</u>	Total of Explanation of Biennial Change

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
 STRATEGY: 4 University of Houston Victoria Capital Construction Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
2008	DEBT SERVICE	\$2,055,267	\$2,404,808	\$2,316,014	\$3,891,906	\$3,885,550
2009	OTHER OPERATING EXPENSE	\$2,067,532	\$2,419,160	\$2,329,836	\$3,868,819	\$3,862,500
TOTAL, OBJECT OF EXPENSE		\$4,122,799	\$4,823,968	\$4,645,850	\$7,760,725	\$7,748,050
Method of Financing:						
1	General Revenue Fund	\$4,122,799	\$4,823,968	\$4,645,850	\$7,760,725	\$7,748,050
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,122,799	\$4,823,968	\$4,645,850	\$7,760,725	\$7,748,050
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$7,760,725	\$7,748,050
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,122,799	\$4,823,968	\$4,645,850	\$7,760,725	\$7,748,050
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
 STRATEGY: 4 University of Houston Victoria Capital Construction Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$9,469,818	\$15,508,775	\$6,038,957	\$6,038,957	Change in CCAP Debt Service Allocations
			\$6,038,957	Total of Explanation of Biennial Change

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space
 STRATEGY: 5 University of Houston System Capital Construction Assistance

Service Categories:
 Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
Objects of Expense:						
2008	DEBT SERVICE	\$2,470,000	\$5,504,712	\$4,625,113	\$4,186,296	\$4,188,413
2009	OTHER OPERATING EXPENSE	\$2,219,200	\$2,092,575	\$1,541,224	\$4,659,404	\$4,661,762
TOTAL, OBJECT OF EXPENSE		\$4,689,200	\$7,597,287	\$6,166,337	\$8,845,700	\$8,850,175
Method of Financing:						
1	General Revenue Fund	\$4,689,200	\$7,597,287	\$6,166,337	\$8,845,700	\$8,850,175
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,689,200	\$7,597,287	\$6,166,337	\$8,845,700	\$8,850,175
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$8,845,700	\$8,850,175
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,689,200	\$7,597,287	\$6,166,337	\$8,845,700	\$8,850,175
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 University of Houston System Administration

GOAL: 2 Provide Infrastructure Support
 OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space
 STRATEGY: 5 University of Houston System Capital Construction Assistance

Service Categories:
 Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2021	Est 2022	Bud 2023	BL 2024	BL 2025
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2022 + Bud 2023)</u>	<u>Baseline Request (BL 2024 + BL 2025)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$13,763,624	\$17,695,875	\$3,932,251	\$3,932,251	Senate Bill 8, 3rd Called Session, 87th Legislature CCAP rev bond debt srv as distributed by the Coord Board for debt srv on authorizations made by the legislature plus Change in CCAP Debt Srv Alloc
			\$3,932,251	Total of Explanation of Biennial Change

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

10/19/2022 11:52:28AM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$41,475,402	\$44,858,281	\$38,258,227	\$58,858,921	\$58,848,018
METHODS OF FINANCE (INCLUDING RIDERS):				\$58,858,921	\$58,848,018
METHODS OF FINANCE (EXCLUDING RIDERS):	\$41,475,402	\$44,858,281	\$38,258,227	\$58,858,921	\$58,848,018
FULL TIME EQUIVALENT POSITIONS:	11.7	11.7	11.7	11.7	11.7

3.B. Rider Revisions and Additions Request

Agency Code: 783	Agency Name: University of Houston System	Prepared By:	Date: July 2022	Request Level: Base
Current Rider Number	Page Number in 2022-23 GAA	Proposed Rider Language		
Higher Education Employees Group Insurance Contributions, Rider 6	III-49 to III-50	<p>6. Appropriations Transfers.</p> <p>(no requested change to subsection a)</p> <p>b. The Employees Retirement System, The University of Texas System, and the Texas A&M University System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by December 1 of each year, detailing any such transfers.</p> <p>(renumber and update remaining provisions as appropriate)</p> <p><i>UH System requests that the reporting provisions of Higher Education Employee Group Insurance Rider 6 subsection b. be deleted. The rider requires a report less than two weeks after the annual Accounting Policy Statement 011 (Benefits Proportional by Fund) reports are submitted to the State Comptroller. Information reported on the Rider 6.b report is preliminary, as the APS 11 reports are audited and finalized by the Comptroller. Over the last several years, there have been significant delays in the Comptroller audits, making it difficult to finalize the appropriation transfer process. Transfers have been occurring up to 18 months after the report is due, as a result of delays in the Comptroller finalizing APS 11 reports thereby minimizing the benefit of the information provided by the report.</i></p>		

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

<p>Higher Education Employees Group Insurance Contributions, Rider 8</p>	<p>III-50</p>	<p>8. Benefits Proportionality Audit Requirement.</p> <p>a. Each institution of higher education, excluding Public Community/Junior Colleges, shall consider as part of its annual audit risk assessment whether to conduct an internal audit of benefits proportional by fund reporting. In the event a benefits proportional internal audit is to be conducted, the institution shall notify the State Auditor's Office. and submit a copy of the internal audit to the Legislative Budget Board, Comptroller of Public Accounts, and State Auditor's Office no later than August 31, 2022. The Any audit must examine fiscal years 2019, 2020, and 2021, and must be conducted using a methodology approved by the State Auditor's Office.</p> <p>b. If the internal audit conducted by an institution identifies any instances in which an institution has not been compliant with the proportionality requirements provided by Article IX, Sec. 6.08, Benefits Paid Proportional by Method of Finance in the prior three fiscal years defined in subsection (a) and received excess General Revenue as a result of this noncompliance, the institution shall submit a reimbursement payment to the Comptroller of Public Accounts within two years from the conclusion of the institution's audit. The Comptroller of Public Accounts shall notify the Legislative Budget Board and State Auditor's Office of all reimbursement payments submitted by an institution of higher education.</p> <p>e. If an institution has previously conducted an internal audit of benefits proportional by fund for the fiscal years included in subsection (a) using a methodology determined to be acceptable by the State Auditor's Office, the State Auditor's Office may waive the requirement that the institution conduct an additional internal audit. The State Auditor's Office shall notify the Legislative Budget Board and Comptroller of Public Accounts of any institutions who receive such a waiver. Any institution that receives a waiver from the audit requirement from the State Auditor's Office is still subject to the provisions of subsection (b) for any instances of noncompliance that were identified.</p>
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3.B. Rider Revisions and Additions Request (continued)

		<p>ad. For fiscal years 20242 and 20253, institutions of higher education shall also consider audits of benefits proportional when developing their annual internal audit plans.</p> <p>be. It is the intent of the Legislature that the State Auditor's Office audit at least two institutions of higher education for compliance with benefits proportional provisions during the 20242-253 biennium.</p> <p>c. <u>If an audit conducted under subsections (a) or (b) identifies any instances in which an institution has not been compliant with the proportionality requirements provided by Article IX, Sec. 6.08, Benefits Paid Proportional by Method of Finance in the prior three fiscal years defined in subsection (a) and received excess General Revenue as a result of this noncompliance, the institution shall submit a reimbursement payment to the Comptroller of Public Accounts within two years from the conclusion of the audit. The Comptroller of Public Accounts shall notify the Legislative Budget Board and State Auditor's Office of all reimbursement payments submitted by an institution of higher education.</u></p> <p><i>UH System requests that the provisions of the rider be modified by deleting subsections a. and c. to allow institution internal audit departments to evaluate the cost/benefit of the audit as part of their annual risk assessment process. Within the UH System, these audits utilized significant resources and resulted in only minimal findings. Proposed subsection c. is a renumbering/minor revision of existing subsection b. to properly order the provisions of the rider after the deletion of the other subsections. UH System has not addressed the intent provision (formerly subsection e.) for the State Auditor (SAO) to conduct two audits. The SAO would be in the best position to evaluate whether this was beneficial and to make recommendations as to whether to retain, modify or delete this provision.</i></p>
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3.B. Rider Revisions and Additions Request (continued)

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

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

<p>Support for Military and Veterans Exemptions, Rider 1</p>	<p>III-72 to III-73</p>	<p>1. Distribution to Eligible Institutions. There is appropriated to each eligible institution of higher education for the biennium ending August 31, 2023, an annual distribution amount from the Permanent Fund Supporting Military and Veterans Exemptions to offset the cost to each institution of higher education of the exemptions required by Education Code, Sec. 54.341(k). The annual distribution total from the fund shall be determined by the Texas Treasury Safekeeping Trust Company. The annual distribution from the fund shall be distributed to eligible institutions in proportion to each institution's respective share of the aggregate cost to all institutions of the exemptions required by Education Code, Sec. 54.341(k), as determined and approved by the Legislative Budget Board. The determined distribution allocations shall be considered approved unless the Legislative Budget Board issues a written disapproval within 30 business days after the date the Legislative Budget Board staff concludes its distribution calculations and forwards the distribution calculations to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Any requests for additional information made by the Legislative Budget Board interrupt the counting of the 30 business days.</p> <p>Pursuant to Education Code, Sec. 54.341(h), each institution of higher education shall report information required for determining the distribution allocations. In the event an institution of higher education receives any funds from the Permanent Fund Supporting Military and Veterans Exemptions as a result of data reporting errors, the amount of funds related to the reporting errors shall be lapsed.</p> <p><u>The Legislative Budget Board shall provide a copy of the approved annual distribution allocation data and amounts by institution to all receiving Institutions of Higher Education.</u></p> <p><i>UH System requests the addition of this provision to allow institutions of higher education to understand the Hazlewood funding distributions and to effectively administer them. The request is consistent with how Permanent Health Fund allocation information is provided to participating entities.</i></p>
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3.B. Rider Revisions and Additions Request (continued)

<p>Support for Military and Veterans Exemptions, Rider 2</p>	<p>III-72 to III-73</p>	<p>2. Reimbursements for Hazlewood Exemption Program. Notwithstanding Article IX, §14.01, Appropriation Transfers or similar provisions of this Act, the General Revenue amounts appropriated above in Strategy B.1.1, Reimbursement for Hazlewood Exempts, are for the sole purpose of funding the proportionate share of the total cost to each institution for the Hazlewood Exemption Legacy Program and may not be used for any other purpose.</p> <p>The Texas Comptroller of Public Accounts shall annually distribute the appropriations made in Strategy B.1.1, Reimbursement for Hazlewood Exempts, according to the proportion of each institution's respective share of the aggregate cost of the exemption for students under the Hazlewood Exemption Legacy Program in Education Code, §54.341(k), as determined by the Legislative Budget Board consistent with the annual distribution from the Permanent Fund Supporting Military and Veterans Exemptions. The appropriations made in Strategy B.1.1, Reimbursement for Hazlewood Exempts, may not be distributed without the prior written approval of the Legislative Budget Board.</p> <p>The determined distribution allocations shall be considered approved unless the Legislative Budget Board issues a written disapproval within 30 business days after the date the Legislative Budget Board staff concludes its distribution calculations and forwards the distribution calculations to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Any requests for additional information made by the Legislative Budget Board interrupt the counting of the 30 business days.</p> <p><u>For purposes of the requirements of Article IX, Sec. 6.08 Benefits Proportional by Fund of this Act, appropriations made in Strategy B.1.1 and transferred to any institution of higher education shall be counted as if the transferred funds were directly appropriated to respective institution.</u></p> <p>Pursuant to Education Code, §54.341(h), each institution of higher education shall report information required for determining the distribution allocations. In the event an institution of higher education receives any General Revenue as a result of data reporting errors, the amount of funds related to the reporting errors shall be lapsed.</p> <p><u>The Legislative Budget Board shall provide a copy of the approved annual distribution allocation data and amounts by institution to all receiving institutions of higher education.</u></p> <p><i>UH System requests that proportionality benefits be made available for the general revenue funding associated with Hazlewood. This allows for the more effective use and administration of the funds.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

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

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

<p>Special Provisions Relating Only to State Agencies of Higher Education, Sec. 5</p>	<p>III-266 to III-267</p>	<p>(no requested changes to subsections 1 to 4)</p> <p>5. Tuition Revenue Bond Capital Construction Assistance Project and Revenue Bond Transfers. Notwithstanding the other provisions of this act, transfers are not prohibited to the extent they are required to comply with proceedings authorizing bonds or other obligations now outstanding or hereafter issued pursuant to law.</p> <p><i>UH System proposes an update to the transfer provision related to the former tuition revenue bonds. The updates adopt the new CCAP name under the assumption that the various appropriation strategies will be renamed.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

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

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

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 11</p>	<p>III-271</p>	<p>Sec. 11. Method of Financing Scholarships.</p> <ol style="list-style-type: none"> 1. Out of the funds identified by this Article in the informational items described as "Other Educational and General Income," the respective governing boards of the general academic teaching institutions and of the health centers, health science centers, or technical colleges may allocate and expend the actual receipts in such informational item for student scholarships pursuant to the provisions of Education Code §56.031 to §56.039, cited as the Texas Public Educational Grants Program. 2. Copies of such approved allocations together with copies of rules and regulations adopted by the respective governing boards concerning the award of such scholarships shall be filed with the Coordinating Board and with the Comptroller prior to the disbursement of any moneys for scholarships. Copies of any subsequent changes in such allocations or rules shall be similarly filed with the Coordinating Board and with the Comptroller. 3. No educational and general funds appropriated in this Act for scholarships to institutions of higher education may be used to provide athletic scholarships. 34. Out of the additional funds appropriated for the 20242-253 biennium for the informational strategy described as "Scholarships," funds the respective governing boards shall <u>allocated and expended such funds by the respective governing boards</u> for need-based student scholarships <u>shall be allocated and expended without regardless of to</u> the race, sex, color, or ethnicity of the student recipient. <p><i>UH System requests deletion of the reporting requirement in Paragraph 2 related to scholarships. TPEG scholarships are long established, and this would relieve a regulatory burden.</i></p> <p><i>UH System also requests clean-up of Paragraph 4. Since the adoption of the current formula funding model in the 1998-99 appropriation bill (75th Legislature), institutions no longer have the informational strategy of "Scholarships" in their bill pattern. The revision is intended to continue the existing requirement while eliminating the outdated language.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 26</p>	<p>III-274 to III-275</p>	<p>Sec. 26. General Academic Funding. Appropriations made in this Act for formula funding for general academic institutions will consist of four<u>the following</u> formulas and supplemental items.</p> <p>1. Instruction and Operation Formula. The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 20242-253 biennium is \$59.4555.66 in fiscal year 20242 and fiscal year 20253.</p> <p>Weighting is determined by the following matrix:</p> <p>(matrix and paragraph 2 omitted for space considerations)</p> <p>3. Infrastructure Support. Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater, and thermal energy. The average rate per square foot is \$5.845.47 in fiscal year 20242 and fiscal year 20253.</p> <p>4. Supplemental Non-formula Items. Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, organized activities, scholarships, tuition revenue <u>capital construction assistance projects</u> bond payments, and facility lease charges. Institutions may receive an appropriation for non-formula support items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.</p> <p>(no requested changes to Paragraphs 5 except routine updates)</p> <p>6. Small Institution Supplement. The Small Institution Supplement, as a set-aside within the General Academic Institution Infrastructure Formula, shall provide supplemental funding to general academic institutions with headcounts of fewer than 10,000 students. For the 20242-253 biennium, general academic institutions with a headcount of fewer than 5,000 students shall receive a small institution supplement of \$2,812,3422,633,133. The small institution supplement shall decrease proportionate to the increase in headcount above 5,000 until the institution reaches 10,000 headcount. Once an institution reaches 10,000 headcount, it shall no longer be eligible for this supplement.</p>
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**3.B. Rider Revisions and Additions Request
(continued)**

		<p>These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 202223<u>24</u>.</p> <p><i>UH System requests the update of these paragraphs to reflect the THECB formula recommendations. The edit to Paragraph 4 is in anticipation of the tuition revenue bond strategies being renamed and is appropriate only if that occurs.</i></p>
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3.B. Rider Revisions and Additions Request (continued)

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 26</p>	<p>III-274 to III-275</p>	<p>(all other changes to Rider 26 are requested above)</p> <p><u>7. Research Funding and Formulas.</u> <u>The general academic institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also shall participate in one of the following research formulas subject to their eligibility for each formula.</u></p> <p><u>a. Texas Research University Fund.</u> <u>The Texas Research University Fund shall provide funding to The University of Texas at Austin and Texas A&M University based on each institution's average research expenditures for the previous three-year period as reported to the Higher Education Coordinating Board. For the 2024-25 biennium, each institution receives 10.8 percent of its three-year average of total research expenditures as reported to the Texas Higher Education Coordinating Board.</u></p> <p><u>b. Core Research Support.</u> <u>The core research support fund is established to promote increased research capacity at Emerging Research Universities. Funding to eligible institutions shall be allocated as follows: 50 percent based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.095(b); and 50 percent based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.053(b). For the 2024-25 biennium, each institution is funded at an average of 11.2 percent of eligible research expenditures as determined by criteria listed above.</u></p> <p><u>c. Comprehensive Research Fund.</u> <u>The Comprehensive Research Fund shall provide funding to promote increased research capacity at general academic institutions, excluding The University of Texas at Austin, Texas A&M University, and institutions of higher education designated as an emerging research university under the Higher Education Coordinating Board's accountability system. Funding to eligible institutions shall be allocated among institutions based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years as reported to the Higher Education Coordinating Board. For the 2024-25 biennium, each institution receives 17.4 percent of its three-year average of restricted research expenditures as reported to the Texas Higher Education Coordinating Board.</u></p> <p><i>UH System requests the addition of Paragraph 7 to Rider 26 to consolidate information on all general academic institution formula methodologies into one rider and to update funding to the THECB Formula Funding recommendations. It is believed that this helps clarify formula vs. non-</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

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

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 27</p>	<p>III-275 to III-282</p>	<p>Sec. 27. Health Related Institutions Funding. Appropriations made in this Act for formula funding for health related institutions shall consist of four <u>the following</u> formulas plus supplemental non-formula items.</p> <p>1. Instruction and Operations Support Formula. The Instruction and Operations Support Formula shall provide funding on a per student or full-time equivalent basis. Funding for each instructional program is based on the following funding weights per student, with a base value per weighted student of \$11,1429,622 in fiscal year 20242 and fiscal year 20253:</p> <p>(matrix omitted due to space considerations)</p> <p>Instructional programs at remote locations and the main campus at The University of Texas Health Science Center at Tyler with enrollments of less than 200 students at individual campuses shall receive additional funding to compensate for the diseconomies of scale. The minimum formula shall generate additional funding per student, on a sliding scale, with programs with small enrollments receiving more additional funding per student.</p> <p>2. Infrastructure Support Formula. Funding to the health related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is \$7.116-14 in fiscal year 20242 and fiscal year 20253 for all health related institutions.</p> <p>Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Science Center at Tyler shall be included in the <u>respective mission specific formulas found in subsections 9 and 13 below</u> total funding for hospital and center operations.</p> <p>3. Research Funding. The health related institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also receives research enhancement funding of \$1,412,500 plus 1.35-1.17 percent in fiscal year 20242 and fiscal year 20253 of its research expenditures as reported to the Texas Higher Education Coordinating Board.</p> <p>(no requested changes to Subsection 4 except routine updates as part of this request)</p>
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**3.B. Rider Revisions and Additions Request
(continued)**

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

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 27</p>	<p>III-275 to III-282</p>	<p>Sec. 27. Health Related Institutions Funding. Appropriations made in this Act for formula funding for health related institutions shall consist of four <u>the following</u> formulas plus supplemental non-formula items.</p> <p>(no requested changes to Subsection 1 except routine updates)</p> <p>2. Infrastructure Support Formula. Funding to the health related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is \$7.116¹⁴ in fiscal year 20242 and fiscal year 20253 for all health related institutions.</p> <p>Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Science Center at Tyler shall be included in the <u>respective mission specific formulas found in subsections 9 and 13 below</u>total funding for hospital and center operations.</p> <p>(no requested changes to Subsections 3-6 except routine updates)</p> <p>7. Supplemental Non-formula Items. Institutions shall receive a direct reimbursement as applicable for staff group insurance, workers' compensation insurance, unemployment insurance, public education grants, medical loans, tuition revenue <u>capital construction assistance projects</u> bond payments, and facility lease charges. Institutions may receive an appropriation for non-formula support items and hospital and clinic operations.</p> <p>(no requested changes to the Subsections 8-9 except routine updates)</p> <p>10. Mission Specific Support - Performance Based Research Operations Formula. (Note - all of Subsection 10 omitted due to space considerations except the affected last paragraph)</p> <p>For formula funding purposes, the amount of growth in total funding for the Performance Based Research Operations Formula from one biennium to another may not exceed 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding <u>appropriations for capital construction assistance projects</u>tuition revenue bond debt service. The Legislative Budget Board shall implement the funding in accordance with this limitation. In a biennium in which funding is not available to meet the institution's performance-driven target, the formula mechanisms and</p>
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**3.B. Rider Revisions and Additions Request
(continued)**

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

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

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

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 39</p>	<p>III-284</p>	<p>Sec. 39. Appropriation of Funds from the Permanent Health Fund for Higher Education. Included in the amounts appropriated to health related institutions of higher education is an estimated appropriation based on the institution's allocation of the estimated earnings out of the Permanent Health Fund for Higher Education for each fiscal year of the biennium. Amounts available for distribution from this fund are estimated to be \$21,758,685 each fiscal year of the biennium. The funds appropriated out of the Permanent Health Fund for Higher Education shall be distributed to the institutions of higher education in accordance with Education Code §63.003 for the purpose of medical research, health education, or treatment programs. The determined distribution allocations shall be considered approved unless the Legislative Budget Board issues a written disapproval within 30 business days after the date the Legislative Budget Board staff concludes its distribution calculations and forwards the distribution calculations to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Any requests for additional information made by the Legislative Budget Board interrupt the counting of the 30 business days.</p> <p><u>Along with the determined distributions referenced above, the Texas Comptroller of Public Accounts shall also distribute any current or prior interest earned on pre-distribution balances held in the State Treasury to the eligible institutions in proportion to the allocation distributions determined by the Legislative Budget Board in accordance with Education Code §63.003.</u></p> <p><u>The Legislative Budget Board shall provide a copy of the approved annual distribution allocation data and amounts by institution to participating institutions of higher education.</u></p> <p><i>UH System requests two changes: 1) A nominal amount of interest is earned in the State Treasury on balances received by the State from UTIMCO but not yet distributed to the participating institutions. This would authorize/require the Comptroller to distribute that interest using the same proportions as the current LBB-approved distribution. We estimate this currently to be \$40-50K total with a much smaller amount to be earned annually in the future. This is a housekeeping request to see that the funds are utilized. 2) The addition of a data-sharing provision consistent with current LBB practice to allow institutions of higher education to understand the PHF funding distributions and to effectively administer them. The request is consistent with the request we are making regarding Hazlewood funding.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 44</p>	<p>III-284 to III-285</p>	<p>Sec. 46. Report Concerning Designated Tuition.</p> <p>(a) Not later than January 1, 2022, the governing board of each public institution of higher education that charges students designated tuition under §54.0513, Education Code, shall use the appropriations in the Act to report to the legislature, for the 2019-20 and 2020-21 academic years:</p> <p style="padding-left: 40px;">(1)the amount the institution has collected in designated tuition;</p> <p style="padding-left: 40px;">(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</p> <p style="padding-left: 40px;">(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:</p> <p style="padding-left: 80px;">(a) grants</p> <p style="padding-left: 80px;">(b) scholarships,</p> <p style="padding-left: 80px;">(c) work study programs,</p> <p style="padding-left: 80px;">(d) students loans,</p> <p style="padding-left: 80px;">(e) and student loan repayment assistance.</p> <p>(b) Reports required by this section shall be delivered to the Lieutenant Governor, the Speaker of the House, the chair of the Senate Finance Committee, the chair of the House Appropriations Committee, and the Legislative Budget Board.</p> <p><i>UH System requests the deletion of this reporting requirement as a reduction of administrative burden. Tuition deregulation has been in statute for almost 20 years and the report has likely lessened in importance. An informational listing/projection of designated tuition by institution is included Rider 50.</i></p>
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3.B. Rider Revisions and Additions Request (continued)

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

		<p><i>non-formula bill pattern items. The changes to Rider 56 are submitted in combination with the requests for Special Provisions Riders 26 (GAI formula rider) and 58 Emerging Research Universities Research Funding.</i></p>
<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 58</p>	<p>III-289 to III-290</p>	<p>Sec. 58. Emerging Research Universities Research Funding. Below are informational amounts for the two funding programs to support research at Emerging Research Universities shall consist of appropriations from two research programs.</p> <p>1. Texas Research Incentive Program. Pursuant to Education Code, Sec. 62.121-62.124, the Texas Research Incentive Program shall provide matching funds to emerging research universities, designated under the Higher Education Coordinating Board's accountability system, to assist institutions in leveraging private gifts for the enhancement of research productivity. The amounts listed below for each emerging research university are for informational purposes only.</p> <p>(listing of institutions and amounts not included in this request – update as appropriate)</p> <p>2. Core Research Support: The core research support fund is established to promote increased research capacity at Emerging Research Universities. Funding to eligible institutions shall be allocated as follows: 50 percent based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.095(b); and 50 percent based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.053(b). For the 2022-23 biennium, each institution is funded at an average of 10.4 percent of eligible research expenditures as determined by criteria listed above. Any unexpended balances as of August 31, 20242, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 20242. The amounts listed below for each institution are for informational purposes only.</p> <p>(listing of institutions and amounts not included in this request – update as appropriate)</p> <p><i>UH System requests the changes to consolidate information on all general academic institution formula methodologies into one rider (Rider 26). It is believed that this helps clarify formula vs. non-formula bill pattern items. The changes to Rider 58 are submitted in combination with the requests for Special Provisions Riders 26 (GAI formula rider) and 56 Research Funding for General Academic Institutions.</i></p>

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

<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 59</p>	<p align="center">III-290</p>	<p>Sec. 59. Research Funding Reporting Requirement. Each general academic institution and health related institution shall report, by December 1 of each year of the biennium, to the Legislative Budget Board and Governor, the following information:</p> <p>(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:</p> <ol style="list-style-type: none"> 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. <p>(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.</p> <p><i>UH 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></p>										
<p>Special Provisions Relating Only to State Agencies of Higher Education, Rider 59</p>	<p align="center">III-291</p>	<p>Sec. 61. HEGI State Premium Contribution Rate. For the 2022-23 biennium, funds identified and appropriated through the Higher Education Employees Group Insurance bill pattern are based on the following percentage of the full Employee Retirement System (ERS) premium rates, based on the following institutional categories:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td align="right">2022-23</td> </tr> <tr> <td>The University of Texas System</td> <td align="right">78.2%</td> </tr> <tr> <td>Texas A&M University System</td> <td align="right">78.2%</td> </tr> <tr> <td>ERS Participating Institutions</td> <td align="right">78.6%</td> </tr> <tr> <td>Public Community/Junior Colleges</td> <td align="right">50.0%</td> </tr> </table> <p><i>UH System requests that the provisions of Rider 61 be moved to the Higher Education Group Insurance bill pattern and added to it as a new rider (see request above). This allows the information presented to be grouped with the related HEGI appropriations. In the event this is not moved to the HEGI bill pattern, this request is withdrawn.</i></p>		2022-23	The University of Texas System	78.2%	Texas A&M University System	78.2%	ERS Participating Institutions	78.6%	Public Community/Junior Colleges	50.0%
	2022-23											
The University of Texas System	78.2%											
Texas A&M University System	78.2%											
ERS Participating Institutions	78.6%											
Public Community/Junior Colleges	50.0%											

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

<p>Article IX, Section 6.08</p>	<p>IX-28 to IX-30</p>	<p>Sec. 6.08. Benefits Paid Proportional by Method of Finance.</p> <p><i>(Paragraph (a) through (f) omitted due to space considerations)</i></p> <p>(g) Each agency or institution of higher education (excluding a community or junior college) having General Revenue Fund appropriations and other sources of financing shall file with the Comptroller and the State Auditor a report demonstrating proportionality. The report shall be filed before November 20 following the close of the fiscal year for the salaries, wages, and benefits of the preceding year which ended August 31. The report shall be in a format prescribed by the Comptroller in collaboration with the Legislative Budget Board and the State Auditor's Office. <u>The Comptroller shall have 180 days after the due date to review this report, after which the report is considered final and approved. This deadline shall not apply if an agency or institution of higher education has not satisfactorily resolved issues raised by the Comptroller.</u></p> <p><i>(The remainder of Section 6.08 is omitted due to space considerations)</i></p> <p><i>UH System requests that a deadline for review of the Benefits Proportionality reports (APS 11 Reports) be established. Currently reviews are often in excess of 18 months, making it difficult to administer the provisions of the HEGI reallocation rider (Rider 6.a) on a timely basis. Appropriations lapse two years after the end of a fiscal year and this leaves little time to ensure an appropriate reallocation has occurred.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Article IX, Section 7.01</p>	<p>IX-35 to IX-36</p>	<p>Sec. 7.01. Budgeting and Reporting.</p> <p>(a) As a limitation and restriction upon appropriations made by this Act, agencies and institutions of higher education appropriated funds by this Act may expend appropriated funds only if there is compliance with the following provisions:</p> <ol style="list-style-type: none"> (1) On or before December 1 of each year, an itemized budget covering the operation of that fiscal year shall be filed with the Governor, the Legislative Budget Board, and the Legislative Reference Library in the format prescribed jointly by the Legislative Budget Board and the Governor. (2) All subsequent amendments to the original budget shall be filed with the Governor and the Legislative Budget Board within 30 days of approval of such amendments unless such reporting requirement is waived. (3) Under guidelines developed by the Legislative Budget Board, each agency shall file a report with the Legislative Budget Board, the Governor, the Legislative Reference Library, the state publications clearinghouse of the Texas State Library, State Auditor's Office, and the appropriate substantive committees of the House and Senate. The report shall analyze the agency's performance relative to the attainment of stated outcome, output and efficiency targets of each funded goal and strategy. The report shall be submitted at such intervals required by the Legislative Budget Board. The report shall contain a comparison of actual performance for the reporting period with targeted performance based on the level of funding appropriated. In developing guidelines for the submission of agency performance reports, the Legislative Budget Board (in consultation with the Governor) shall: <ol style="list-style-type: none"> (A) specify the measures to be reported including the key performance measures established in this Act; (B) approve the definitions of measures reported; and (C) establish standards for and the reporting of variances between actual and targeted performance levels. (4) The Legislative Budget Board (in consultation with the Governor) may adjust projected performance target levels, develop new measures, modify or omit existing measures and measure definitions, and/or transfer measures between agencies, goals or strategies to reflect appropriation changes made by riders or other legislation subsequent to passage of this Act, invocation of budget execution authority by the Governor and the Legislative Budget Board, or as unforeseen circumstances may warrant during the biennium.
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3.B. Rider Revisions and Additions Request (continued)

		<p>(5) To ensure that the Program and Cost Accounting functions of the Uniform Statewide Accounting System (USAS) are maximized, it is the intent of the Legislature that the Legislative Budget Board and the Governor:</p> <p style="padding-left: 40px;">(A) determine the agencies, institutions, goals, strategies or other reporting units for which cost accounting data is required;</p> <p style="padding-left: 40px;">(B) approve the basis for calculating and allocating costs to selected functions, tasks or measures;</p> <p style="padding-left: 40px;">(C) determine the frequency of reporting cost accounting data needed; and</p> <p style="padding-left: 40px;">(D) provide for the integration of cost accounting data into the budget development and oversight process.</p> <p>(6) The determinations to be made should be based upon due consideration of the relative benefits and cost-effectiveness of applying cost accounting requirements to a given state operation.</p> <p>(b) It is further the intent of the Legislature that the Comptroller develop and provide USAS training modules and support for state agencies and institutions to activate the cost accounting requirements addressed above.</p> <p><u>(c) The provisions of (a)(1) and (a)(2) of this section shall not apply to an institution of higher education as annual operating budget requirements for institutions of higher education are set forth in Article III, Sec. 6.1, Annual Operating Budgets Required, of this Act.</u></p> <p><i>UH System requests that the budget and budget amendment provisions of this section be made not applicable to institutions of higher education. Higher Education has a competing budget requirement in Article III, Sec. 6.01. The primary difference between the two sections is the inclusion of a method of finance in the Article III budget requirements and the recipient lists for budget amendments and the annual budget.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Article IX, Section 7.04</p>	<p>IX-35 to IX-36</p>	<p>Sec. 7.04. Contract Notification: Amounts Greater than \$50,000.</p> <p>(a) In this section "contract" includes a contract, grant, or agreement, including a revenue generating contract, an interagency or interlocal grant or agreement, purchase order or other written expression of terms of agreement or an amendment, modification, renewal, or extension of such for the purchase or sale of goods or services that was entered into or paid for, either in whole or in part <u>with funds appropriated by this Act</u>, by a state agency or institution of higher education.</p> <p>(b) In this section "contract" does not include a contract with a value of less than or equal to \$50,000.</p> <p>(c) In this section "contract" includes an amendment, modification, renewal or extension which increases a contract's value from a value less than or equal to \$50,000 to a value greater than \$50,000.</p> <p>(d) Before the 30th calendar day after awarding a contract or granting an amendment, modification, renewal, or extension, a state agency or institution of higher education shall report to the Legislative Budget Board in the manner prescribed by Legislative Budget Board all contracts, amendments, modifications, renewals, and extensions to which the agency or institution was a party.</p> <p>(e) A state agency or institution of higher education receiving an appropriation under this Act shall report a contract pursuant to this section without regard to source of funds or method of finance associated with the expenditure, including a contract for which only non-appropriated funds will be expended.</p> <p>(f) The Legislative Budget Board may conduct reviews of contracts required to be submitted under this section 7.04 and valued at \$1,000,000 or more. If a contract reported under this section is found to violate:</p> <ol style="list-style-type: none"> (1) State of Texas Procurement and Contract Management Guide; or (2) Any applicable statutes, rules, policies and procedures related to the procurement and contracting of goods and services, including compliance with conflict of interest disclosure requirements; the Director of the Legislative Budget Board may provide written notification to the comptroller, the governor, and/or the Legislative Budget Board detailing the requirements of this section that the agency did not meet and any recommendations to address identified risks related to the procurement or contract. The recommendations may include enhanced monitoring by Legislative Budget Board staff; auditing by the State Auditor's Office; required agency consultation with the Quality Assurance Team and/or Contract Advisory Team; or contract cancellation.
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**3.B. Rider Revisions and Additions Request
(continued)**

		<p>(g) For contracts with an initial award value greater than \$1 million, a state agency or institution of higher education shall provide notice of a contract for services for which the expected total value of the contract subsequent to amendment or renewal exceeds the total value of the initial contract award by 10 percent or more, in accordance with procedures established by the Legislative Budget Board, to:</p> <ul style="list-style-type: none">(1) the governor;(2) the lieutenant governor; and(3) the speaker of the house of representatives. <p>(h) A state agency or institution of higher education must provide the notice required under Subsection (g) not later than the 30th day after the date of the disclosure or discovery that the expected total value of the contract subsequent to amendment or renewal exceeds the total value of the initial contract award by 10 percent. The notice must include:</p> <ul style="list-style-type: none">(1) the amount of the cost increase;(2) the reason for the cost increase; and(3) any opportunity the state agency had to lessen the cost or to purchase the service from another vendor after the first dollar of the increased cost was discovered or disclosed to the agency or institution. <p>(i) The Legislative Budget Board shall establish the procedures for the notice required by Subsections (g) or (h).</p> <p><i>UH System requests the revision of this reporting requirement to limit it to funds within the Act as regulatory relief.</i></p>
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3.B. Rider Revisions and Additions Request (continued)

<p>Article IX, Section 7.04</p>	<p>IX-35 to IX-36</p>	<p>Sec. 7.04. Contract Notification: Amounts Greater than \$50,000.</p> <p>(a) In this section "contract" includes a contract, grant, or agreement, including a revenue generating contract, an interagency or interlocal grant or agreement, purchase order or other written expression of terms of agreement or an amendment, modification, renewal, or extension of such for the purchase or sale of goods or services that was entered into or paid for, either in whole or in part, by a state agency or institution of higher education.</p> <p>(b) In this section "contract" does not include a contract with a value of less than or equal to \$50,000 <u>for a state agency or a value of less than or equal to \$250,000 for an institution of higher education.</u></p> <p>(c) In this section "contract" includes an amendment, modification, renewal or extension which increases a contract's value from a value less than or equal to \$50,000 to a value greater than \$50,000 <u>for a state agency or from a value of less than or equal to \$250,000 to a value greater than \$250,000 for an institution of higher education.</u></p> <p>(d) Before the 30th calendar day after awarding a contract or granting an amendment, modification, renewal, or extension, a state agency or institution of higher education shall report to the Legislative Budget Board in the manner prescribed by Legislative Budget Board all contracts, amendments, modifications, renewals, and extensions to which the agency or institution was a party.</p> <p>(e) A state agency or institution of higher education receiving an appropriation under this Act shall report a contract pursuant to this section without regard to source of funds or method of finance associated with the expenditure, including a contract for which only non-appropriated funds will be expended.</p> <p>(f) The Legislative Budget Board may conduct reviews of contracts required to be submitted under this section 7.04 and valued at \$1,000,000 or more. If a contract reported under this section is found to violate:</p> <ol style="list-style-type: none"> (1) State of Texas Procurement and Contract Management Guide; or (2) Any applicable statutes, rules, policies and procedures related to the procurement and contracting of goods and services, including compliance with conflict of interest disclosure requirements; the Director of the Legislative Budget Board may provide written notification to the comptroller, the governor, and/or the Legislative Budget Board detailing the requirements of this section that the agency did not meet and any recommendations to address identified risks related to the procurement
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**3.B. Rider Revisions and Additions Request
(continued)**

		<p>or contract. The recommendations may include enhanced monitoring by Legislative Budget Board staff; auditing by the State Auditor's Office; required agency consultation with the Quality Assurance Team and/or Contract Advisory Team; or contract cancellation.</p> <p>(g) For contracts with an initial award value greater than \$1 million, a state agency or institution of higher education shall provide notice of a contract for services for which the expected total value of the contract subsequent to amendment or renewal exceeds the total value of the initial contract award by 10 percent or more, in accordance with procedures established by the Legislative Budget Board, to:</p> <ol style="list-style-type: none"> (1) the governor; (2) the lieutenant governor; and (3) the speaker of the house of representatives. <p>(h) A state agency or institution of higher education must provide the notice required under Subsection (g) not later than the 30th day after the date of the disclosure or discovery that the expected total value of the contract subsequent to amendment or renewal exceeds the total value of the initial contract award by 10 percent. The notice must include:</p> <ol style="list-style-type: none"> (1) the amount of the cost increase; (2) the reason for the cost increase; and (3) any opportunity the state agency had to lessen the cost or to purchase the service from another vendor after the first dollar of the increased cost was discovered or disclosed to the agency or institution. <p>(i) The Legislative Budget Board shall establish the procedures for the notice required by Subsections (g) or (h).</p> <p><i>UH System requests the revision of this reporting requirement to increase the reporting threshold for institutions of higher education from \$50,000 to \$250,000 as regulatory relief.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Article IX, Section 7.11</p>	<p>IX-40 to IX-41</p>	<p>Sec. 7.11. Notification of Certain Purchases or Contract Awards, Amendments, and Extensions.</p> <p>(a) In this section "contract" includes a contract, grant or agreement, including a revenue generating contract, an interagency or interlocal grant or agreement, purchase order or other written expression of terms of agreement or an amendment, modification, renewal, or extension of such for the purchase or sale of goods or services that was entered into or paid for, either in whole or in part <u>with funds appropriated by this Act</u>, by a state agency or institution of higher education.</p> <p>(b) Until providing notice that satisfies the requirements of Subsections 7.11(c) and (d), an agency or institution of higher education appropriated funds in this Act may not expend any funds to make a payment on a contract if the expected amount of the contract exceeds or may reasonably be expected to exceed either of the following thresholds:</p> <p style="padding-left: 40px;">(1) \$10 million; or</p> <p style="padding-left: 40px;">(2) \$1 million in the case of a contract awarded:</p> <p style="padding-left: 80px;">(A) as a result of an emergency or following an emergency procedure allowed by statute; or</p> <p style="padding-left: 80px;">(B) without issuing a request for proposal, request for bid, or other similar process common to participation in the competitive bidding processes required by statute, rule, or ordinary and commonly recognized state policies and procedures.</p> <p>(c) An agency or institution of higher education may not expend funds to make a payment on a contract under Subsection (b)(1) or (b)(2) until the notice required in this Section 7.11 is provided to the Legislative Budget Board. The notice shall be provided to the Legislative Budget Board:</p> <p style="padding-left: 40px;">(1) within 15 calendar days of contract award; or</p> <p style="padding-left: 40px;">(2) within 5 calendar days of contract award if the contract was awarded as a result of an emergency or following an emergency procedure allowed by statute. Such a purchase must be necessary to avoid an immediate hazard to life, health, safety or the welfare of humans, or to avoid an immediate hazard to property.</p> <p>(d) The notice required by Section 7.11(c) must include:</p>
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**3.B. Rider Revisions and Additions Request
(continued)**

		<p>(1) (A) information regarding the nature, term, amount and the vendor(s) awarded the contract;</p> <p>(B) a copy of the contract documents, including all appendices and attachments, and, if applicable, a finding of fact for major consulting contracts from the Governor's Office stating that the consulting services are necessary as required by Government Code, Section 2254.028(a)(3);</p> <p>(C) each request for proposal, invitation to bid, or comparable solicitation related to the contract; and</p> <p>(D) Subsections (d)(1)(B) and (C) shall not apply:</p> <p style="padding-left: 40px;">(i) to an enrollment contract described by T.A.C. Section 391.183 as that section existed November 1, 2013;</p> <p style="padding-left: 40px;">(ii) to a contract of the Texas Department of Transportation that relates to highway construction or engineering, or is subject to Section 201.112, Transportation Code;</p> <p>(2) (A) certification signed by the executive director of the agency or other similar agency or institution administrator or designee of the agency or institution of higher education stating that the process used to award the contract, contract extension, or purchase complies with or is consistent with the following:</p> <p style="padding-left: 40px;">(i) State of Texas Procurement and Contract Management Guide; and</p> <p style="padding-left: 40px;">(ii) statutes, rules, policies and procedures related to the procurement and contracting of goods and services, including compliance with conflict of interest disclosure requirements; or</p> <p>(B) if the process to award the contract, contract extension, or procurement did not comply with the requirements of Subsection (d)(2)(A)(i) and (ii), or if these requirements are found to be inapplicable, the agency or institution of higher education shall provide either a legal justification for the inapplicability of the requirements or an explanation for the alternative process utilized, and legal justification for the alternative process;</p> <p>(3) certification by the executive director of the agency or other similar agency or institution administrator or designee of the agency or institution of higher education that the agency or institution has a process for:</p>
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3.B. Rider Revisions and Additions Request (continued)

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

		<i>institutions of higher education are statutorily excluded from VPTS requirements.</i>
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3.B. Rider Revisions and Additions Request (continued)

<p>Article IX, Section 9.12</p>	<p>IX-50 to IX-52</p>	<p>Sec. 9.12. Assignment of Contract Responsibility.</p> <p>(a) In this section:</p> <ol style="list-style-type: none"> (1) "Agency" and "state agency" mean a state officer, board, commission, or department in the executive branch of government appropriated funds under this General Appropriations Act. (2) "Assignment" includes any legal means for transferring the responsibilities for fulfillment of any duties, rights, or obligations due to a state agency or institution of higher education under a contract, from the original party obligated to the agency or institution (the assignor) to another party (the assignee) assuming the duties, rights, or obligations due to a state agency or institution of higher education under a contract. (3) "Contract" has the meaning provided by Sec. 7.04 (Contract Notification: Amounts Greater than \$50,000), Article IX, of this General Appropriations Act. (4) "Institution of higher education" or "institution" has the meaning provided by Sec. 61.003(8), Education Code, except that the term does not include a public junior college. (5) "Major information resources project" has the meaning provided by Sec. 2054.003, Government Code. (6) "Quality assurance team" means the quality assurance team established under Sec. 2054.158, Government Code. (7) "Sensitive personal information" has the meaning provided by Sec. 521.002, Business & Commerce Code. (8) "Total value of the contract" includes the value of all payments <u>from funds appropriated by this Act</u>, as calculated by the quality assurance team, made and expected to be made in the future by a state agency or institution of higher education over the life of the contract beginning from the date of execution of the original contract between the state agency or institution of higher education and the original party with responsibilities for fulfillment of any duties, rights, or obligations due to a state agency or institution of higher education under the contract and including total payments made before assignment of the contract and the total payments expected to be made in the future after the assignment of the contract.
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**3.B. Rider Revisions and Additions Request
(continued)**

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

		<p>Sec. 11.03. Statewide Capital Planning.</p> <p>(a) An agency or institution of higher education appropriated funds by this Act shall supply to the Bond Review Board capital planning information relating to projects subject to this section and financing options for the 2024-25 fiscal biennium in a format and according to guidelines developed by the Bond Review Board. Such information shall include:</p> <ul style="list-style-type: none">(1) a description of the project or acquisition;(2) the cost of the project;(3) the anticipated useful life of the project;(4) the timing of the capital need;(5) a proposed source of funds (method of financing);(6) a proposed type of financing; and(7) any additional related information requested by the Bond Review Board. <p>(b) The Bond Review Board shall compile a statewide capital expenditure plan for the 2024-25 fiscal biennium from the information submitted by agencies and institutions in accordance with the capital planning guidelines. Copies of the guidelines shall be filed with the Governor and the Legislative Budget Board no later than December 31, 2021. The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 2023, with the Governor and the Legislative Budget Board no later than September 1, 2022.</p> <p>(c) The statewide capital plan required by this section shall identify the state's capital needs and alternatives to finance these needs. The Bond Review Board shall review input from all state agencies and institutions regarding the agencies' and institutions' current and future capital needs as part of the strategic planning process. The Bond Review Board shall inform the Legislature on the possible budget impact of the capital plan on the state's debt capacity</p> <p>(d) This section applies to each anticipated state project requiring capital expenditures for:</p>
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**3.B. Rider Revisions and Additions Request
(continued)**

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

Article IX, Section 13.11	IX-67	<p>Sec. 13.11. Reporting of Federal Homeland Security Funding. All state agencies and institutions shall include in their operating budget reports to the Legislative Budget Board:</p> <ul style="list-style-type: none">(1) an estimated amount of federal homeland security funding received by the agency or institution of higher education and used for the operation and administration of state homeland security programs; and(2) the amount of federal homeland security funding received by the agency or institution and passed through to other agencies, institutions <u>of higher education</u>, or local units of government.(3) <u>This section does not apply to institutions or agencies of higher education that do not receive an appropriation of federal homeland security funding in this Act.</u> <p><i>UH System requests the modification of this rider to be limited to agencies and institutions of higher education that receive federal funding for Homeland Security appropriated through the General Appropriations Act.</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Article IX, Section 17.10 (Paragraphs (b)(10) and (f) only)</p>	<p>IX-82 to IX-84</p>	<p>Sec. 17.09. Contract Management and Oversight.</p> <p><i>(Paragraph (a) omitted due to space considerations)</i></p> <p>(b) Agencies and institutions should manage contracts consistent with state statute, the General Appropriations Act, and the State of Texas Procurement and Contract Management Guide and ensure proper oversight of contract processes including:</p> <p><i>(intervening provisions (1) to (9) omitted due to space considerations)</i></p> <p>(10) Ensure that vendor performance is reported to the Vendor Performance Tracking System (VPTS) and that VPTS data is used in selecting vendors for contract awards. <u>This provision does not apply to an institution of higher education.</u></p> <p><i>(subsequent paragraphs omitted due to space considerations)</i></p> <p><i>UH System requests the change to this requirement to reflect current statute. Pursuant to SB 799, 87th Leg RS, Section 7, which amended Government Code, Section 2155.089(c), contracts entered into by institutions of higher education are statutorily excluded from the requirement to include VPTS. Accordingly, changes are proposed to specifically exempt institutions of higher education from provision (b)(10).</i></p>
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**3.B. Rider Revisions and Additions Request
(continued)**

<p>Article IX, Section 17.11</p>	<p align="center">IX-84</p>	<p>Sec. 17.11. Energy Efficiency Savings for State Facilities.</p> <p>(a) In this section, "facility" means a facility with at least 100,000 gross square feet.</p> <p>(b) It is the intent of the legislature that a state agency that is appropriated money by this Act with charge and control over a facility shall have a remote or on-site assessment of the facility performed by the Energy Systems Laboratory at Texas A&M Engineering Experiment Station or another qualified provider to determine whether implementation of continuous commissioning or existing building commissioning practices would result in estimated savings of at least 10 percent in utility costs for the facility. A state agency shall supply any documents necessary to perform the assessment. The state agency shall report to the Legislative Budget Board on the results of the assessment.</p> <p>(c) If the results of an assessment performed under Subsection (b) of this section show estimated utility cost savings of at least 10 percent, the state agency shall have the Energy Systems Laboratory at Texas A&M Engineering Experiment Station or another qualified provider prepare a plan for implementation of continuous commissioning or existing building commissioning practices and monitoring of the implementation for the state agency.</p> <p>(d) <u>This section does not apply to an institution of higher education.</u></p> <p><i>UH System requests the change to this requirement as regulatory relief.</i></p>

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

DATE: 10/19/2022
 TIME: 11:52:38AM

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

CODE	DESCRIPTION	Excp 2024	Excp 2025
	Item Name: Teacher Preparation Program Item Priority: 1 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	996,958	996,958
1002	OTHER PERSONNEL COSTS	2,261	2,261
2009	OTHER OPERATING EXPENSE	781	781
TOTAL, OBJECT OF EXPENSE		\$1,000,000	\$1,000,000
METHOD OF FINANCING:			
1	General Revenue Fund	1,000,000	1,000,000
TOTAL, METHOD OF FINANCING		\$1,000,000	\$1,000,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.00	1.00

DESCRIPTION / JUSTIFICATION:

The University of Houston System, in partnership with the Houston Independent School District (HISD), would implement this new initiative designed to develop highly qualified teachers. The program would establish a fellowship which will provide area schools with teachers and staff who are well trained and committed to improving their communities through education.

Students from HISD participating in the fellowship would earn a Bachelor of Science in (B.S.) Teaching & Learning from a UH System institution and would be required to return to HISD to teach or serve as an instructional leader for at least four years.

The program is designed to provide students with tuition assistance and academic support throughout their collegiate careers as well as provide them with the necessary tools to succeed. Students will be given an extensive training model for their first two years of teaching, internship opportunities, and a full year of teacher-residency experience.

Upon graduation and completion of the program, students are guaranteed a teaching position in HISD. Along with helpful coaching and mentoring during their first two years of teaching, the fellows will be eligible for additional professional development opportunities during their third and fourth years. The first two years of teaching are often the most critical for new teachers and the Teach Forward Houston program is designed to give those teachers the assistance they need to ensure their success.

EXTERNAL/INTERNAL FACTORS:

The State of Texas, and especially the Houston Independent School District, is experiencing an increasingly critical shortage of full-time teachers from the elementary level all the way to the high school level. Governor Abbott highlighted this crisis in his March 2022 letter to Texas Education Agency Commissioner Morath instructing him to create a task force to address these staffing shortages across the state, stating, "Teachers play a critical role in the development and long-term success of our students."

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

DATE: 10/19/2022
 TIME: 11:52:38AM

Agency code: 783

Agency name: University of Houston System Administration

CODE	DESCRIPTION	Excp 2024	Excp 2025
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With this is mind, the University of Houston System universities are strategically positioned to implement this program in partnership with Houston Independent School District to recruit, instruct, and support those students seeking a teaching career and place them in teaching positions within the district. The University of Houston System has a proven history of success with this model and, with additional state investment, will again step forward to assist in addressing the critical teacher shortage in the state's largest school district.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

These requests are for continuation or expansion of what is currently being done for this program.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2026	2027	2028
<hr/>	<hr/>	<hr/>
\$1,000,000	\$1,000,000	\$1,000,000

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

DATE: 10/19/2022
 TIME: 11:52:38AM

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

CODE	DESCRIPTION	Excp 2024	Excp 2025
	<p>Item Name: Katy Academic Building #2 Item Priority: 2 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 02-01-05 University of Houston System Capital Construction Assistance</p>		
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	8,958,213	8,958,213
TOTAL, OBJECT OF EXPENSE		8,958,213	8,958,213
METHOD OF FINANCING:			
1	General Revenue Fund	8,958,213	8,958,213
TOTAL, METHOD OF FINANCING		8,958,213	8,958,213

DESCRIPTION / JUSTIFICATION:

The University of Houston System would construct a 150,000 square foot new academic building on the University of Houston – Katy Campus. This project is part of a major UHS effort to expand academic programs to address the workforce needs in the region. This project was requested during the 87th Legislature, but, due to limited funding, was not included in SB52 during the Third Called Session. Currently, the University of Houston- Katy Campus offers students in West Houston and Katy area the opportunity to complete over 20 undergraduate degrees and over 12 graduate degrees in high-demand fields in business, education, and nursing. The Katy Campus partners closely with Houston Community College-Northwest to provide freshman and sophomore level coursework prior to transferring into one of the undergraduate degree programs. The current campus includes one building completed in 2019 and the additional space provided by this new building is crucial to the expansion of degree programs on the Katy Campus. This project will include enhanced connectivity to the campus through planned site improvements.

EXTERNAL/INTERNAL FACTORS:

Currently, the University of Houston- Katy Campus offers students in West Houston and Katy area the opportunity to complete over 20 undergraduate degrees and over 12 graduate degrees in high-demand fields in business, education, and nursing. The Katy Campus partners closely with Houston Community College-Northwest to provide freshman and sophomore level coursework prior to transferring into one of the undergraduate degree programs. The current campus includes one building completed in 2019 and the additional space provided by this new building is crucial to the expansion of degree programs on the Katy Campus. This project will include enhanced connectivity to the campus through planned site improvements.

PCLS TRACKING KEY:

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

DATE: 10/19/2022
 TIME: 11:52:38AM

Agency code: 783

Agency name: University of Houston System Administration

CODE	DESCRIPTION	Excp 2024	Excp 2025
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

These requests are for continuation or expansion of what is currently being done for this program.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	2026	2027	2028
	\$8,958,213	\$8,958,213	\$8,958,213

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

DATE: 10/19/2022
 TIME: 11:52:38AM

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

CODE	DESCRIPTION	Excp 2024	Excp 2025
	Item Name: Medical Research Facility (TMC3) Item Priority: 3 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 02-01-05 University of Houston System Capital Construction Assistance		

OBJECTS OF EXPENSE:

2008	DEBT SERVICE	13,077,683	13,077,683
TOTAL, OBJECT OF EXPENSE		\$13,077,683	\$13,077,683

METHOD OF FINANCING:

1	General Revenue Fund	13,077,683	13,077,683
TOTAL, METHOD OF FINANCING		\$13,077,683	\$13,077,683

DESCRIPTION / JUSTIFICATION:

The University of Houston would construct a state-of-the-art facility that will allow for medical and health related innovations, entrepreneurship and rapid acceleration requiring a close partnership between basic scientists, engineers and technologists, data experts, entrepreneurs, business disrupters and health care professionals. TMC3 provides a unique geographical location to engage a broad group of stakeholders from a broad range of academic, medical and entrepreneurial communities to transform how medical and health innovations are sprouted, nurtured and delivered in a timely, affordable and economically accretive form to the broader community of Houston and Texas. The University, with its outstanding fundamental biological sciences, engineering, translational technologies, recognized entrepreneurship programs and unique public-private partnership models for health-care delivery, would benefit greatly by locating a focused effort on medical and health related innovation in TMC3

EXTERNAL/INTERNAL FACTORS:

TMC3 provides a unique geographical location to engage a broad group of stakeholders from a broad range of academic, medical and entrepreneurial communities to transform how medical and health innovations are sprouted, nurtured and delivered in a timely, affordable and economically accretive form to the broader community of Houston and Texas. The University of Houston, with its outstanding fundamental biological sciences, engineering, translational technologies, recognized entrepreneurship programs and unique public-private partnership models for health-care delivery, would benefit greatly by locating a focused effort on medical and health related innovation in TMC3.

PCLS TRACKING KEY:

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

DATE: **10/19/2022**
 TIME: **11:52:38AM**

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

Code	Description	Excp 2024	Excp 2025
Item Name: Teacher Preparation Program			
Allocation to Strategy: 3-5-1 Exceptional Item Request			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	996,958	996,958
1002	OTHER PERSONNEL COSTS	2,261	2,261
2009	OTHER OPERATING EXPENSE	781	781
TOTAL, OBJECT OF EXPENSE		\$1,000,000	\$1,000,000
METHOD OF FINANCING:			
1	General Revenue Fund	1,000,000	1,000,000
TOTAL, METHOD OF FINANCING		\$1,000,000	\$1,000,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

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

DATE: **10/19/2022**
 TIME: **11:52:38AM**

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

Code	Description	Excp 2024	Excp 2025
Item Name: Katy Academic Building #2			
Allocation to Strategy: 2-1-5 University of Houston System Capital Construction Assistance			
OBJECTS OF EXPENSE:			
	2008 DEBT SERVICE	8,958,213	8,958,213
TOTAL, OBJECT OF EXPENSE		8,958,213	8,958,213
METHOD OF FINANCING:			
	1 General Revenue Fund	8,958,213	8,958,213
TOTAL, METHOD OF FINANCING		8,958,213	8,958,213

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

DATE: **10/19/2022**
 TIME: **11:52:38AM**

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

Code	Description	Excp 2024	Excp 2025
Item Name: Medical Research Facility (TMC3)			
Allocation to Strategy: 2-1-5 University of Houston System Capital Construction Assistance			
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	13,077,683	13,077,683
TOTAL, OBJECT OF EXPENSE		\$13,077,683	\$13,077,683
METHOD OF FINANCING:			
1	General Revenue Fund	13,077,683	13,077,683
TOTAL, METHOD OF FINANCING		\$13,077,683	\$13,077,683

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

DATE: 10/19/2022
TIME: 11:52:38AM

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

GOAL: 2 Provide Infrastructure Support

OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space

Service Categories:

STRATEGY: 5 University of Houston System Capital Construction Assistance

Service: 10 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2024	Exp 2025
-------------------------	-----------------	-----------------

OBJECTS OF EXPENSE:

2008 DEBT SERVICE	22,035,896	22,035,896
Total, Objects of Expense	\$22,035,896	\$22,035,896

METHOD OF FINANCING:

1 General Revenue Fund	22,035,896	22,035,896
Total, Method of Finance	\$22,035,896	\$22,035,896

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Katy Academic Building #2

Medical Research Facility (TMC3)

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

DATE: 10/19/2022
TIME: 11:52:38AM

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

GOAL: 3 Provide Non-formula Support

OBJECTIVE: 5 Exceptional Item Request

STRATEGY: 1 Exceptional Item Request

Service Categories:

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

CODE DESCRIPTION	Exp 2024	Exp 2025
-------------------------	-----------------	-----------------

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	996,958	996,958
1002 OTHER PERSONNEL COSTS	2,261	2,261
2009 OTHER OPERATING EXPENSE	781	781
Total, Objects of Expense	\$1,000,000	\$1,000,000

METHOD OF FINANCING:

1 General Revenue Fund	1,000,000	1,000,000
Total, Method of Finance	\$1,000,000	\$1,000,000

FULL-TIME EQUIVALENT POSITIONS (FTE): 1.0 1.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Teacher Preparation Program

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

Date: **10/19/2022**
 Time: **11:52:38AM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2020			Total Expenditures FY 2020		HUB Expenditures FY 2021			Total Expenditures FY 2021	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2021		
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
21.1%	Building Construction	34.8 %	34.8%	0.0%	\$389,115	\$1,117,542	0.0 %	0.0%	0.0%	\$0	\$2,595	
32.9%	Special Trade	1.3 %	-1.3%	-2.6%	\$-17,199	\$1,325,740	0.0 %	0.0%	0.0%	\$0	\$16,344	
23.7%	Professional Services	0.0 %	0.0%	0.0%	\$0	\$81,465	0.0 %	0.0%	0.0%	\$0	\$108,473	
26.0%	Other Services	0.4 %	0.4%	0.0%	\$5,224	\$1,189,243	12.3 %	12.3%	0.0%	\$117,506	\$955,445	
21.1%	Commodities	37.8 %	37.8%	0.0%	\$76,031	\$200,878	24.4 %	24.4%	0.0%	\$53,087	\$217,264	
	Total Expenditures		11.6%		\$453,171	\$3,914,868		13.1%		\$170,593	\$1,300,121	

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

In FY 2020, the University of Houston attained HUB goals within two statewide procurement categories (Building Construction and Commodities). In FY2021, the University of Houston exceeded the state HUB goal in the commodities category.

Applicability:

The University of Houston does not build roads or bridges so the Heavy Construction category is not applicable to UH.

Factors Affecting Attainment:

In FY20 and FY21, Building Construction and Other Services contracts over \$5,000 were awarded following a competitive procurement process with the largest expenditures being with non-HUBs. In FY21, the largest expenditures in the Other Services category were made with non-HUBs. Awards are made on the basis of demonstrated competence and qualifications to perform the services for a fair and reasonable price. The Purchasing department is working with HUB to continue to implement strategies to increase HUB participation within all expenditure categories; as demonstrated with the significant increase in overall HUB percentage in FY2021.

C. Good-Faith Efforts to Increase HUB Participation

Outreach Efforts and Mentor-Protégé Programs:

UH Colleges & Departments are provided monthly reports of HUB expenditures and are challenged to meet HUB goals assigned at the beginning of each fiscal year. HUB Operations began hosting meetings with all Colleges and Divisions twice per year to review expenditures and share examples of HUBs providing goods and services within applicable expenditure categories. HUB Operations held a targeted HUB Vendor Fair where exhibitors providing goods and services of expressed

6.A. Historically Underutilized Business Supporting Schedule
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Date: **10/19/2022**
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Agency Code: **783** Agency: **University of Houston System Administration**

interest to Colleges/Departments had an opportunity to meet with UH staff with purchasing authority . HUB Operations staff participates in pre-bid meetings and partner with prime contractors to share information about subcontracting opportunities and services offered by HUB Dept .

HUB Program Staffing:

University of Houston HUB Operations Department has (3) three FTEs: Director (F.Linile Clark), Senior HUB Specilist (Brandon Davis), and Accountant III (Dakari Cambell).

Current and Future Good-Faith Efforts:

UH Colleges & Departments are provided monthly reports of HUB expenditures and are challenged to meet HUB goals assigned at the beginning of each fiscal year. HUB Operations began hosting meetings with all Colleges and Divisions twice per year to review expenditures and share examples of HUBs providing goods and services within applicable expenditure categories. HUB Operations held a targeted HUB Vendor Fair where exhibitors providing goods and services of expressed interest to Colleges/Departments had an opportunity to meet with UH staff with purchasing authority . HUB Operations staff participates in pre-bid meetings and partner with prime contractors to share information about subcontracting opportunities and services offered by HUB Dept.

**6.H. Estimate Total Of All Funds Outside the General Appropriations Bill Act Pattern Schedule
2022 - 23 and 2024 - 25 Biennium**

Agency Code: 00783

Agency Name: University of Houston System Administration

	2022 - 2023 Biennium				2024 - 2025 Biennium			
	FY 2022 Revenue	FY 2023 Revenue	Biennium Total	Percent of Total	FY 2024 Revenue	FY 2025 Revenue	Biennium Total	Percent of Total
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 41,959,808	\$ 35,346,836	\$ 77,306,644		\$ 35,346,836	\$ 35,346,836	\$ 70,693,672	
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	41,959,808	35,346,836	77,306,644	74.0%	35,346,836	35,346,836	70,693,672	72.3%
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	474,891	479,776	\$ 954,667		\$ 479,776	\$ 479,776	\$ 959,552	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Total	474,891	479,776	954,667	0.9%	479,776	479,776	959,552	1.0%
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	2,451,882	2,480,489	4,932,371		2,480,489	2,480,489	4,960,978	
Sales and Services of Educational Activities (net)	10,666,174	10,549,518	21,215,692		10,549,518	10,549,518	21,099,036	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	13,118,056	13,030,007	26,148,063	25.0%	13,030,007	13,030,007	26,060,014	26.7%
TOTAL SOURCES	\$ 55,552,755	\$ 48,856,619	\$ 104,409,374	100.0%	\$ 48,856,619	\$ 48,856,619	\$ 97,713,238	100.0%

8. Summary of Requests for Facilities-Related Projects
88th Regular Session, Agency Submission, Version 1

Agency Code:		Agency: 783		Prepared by: Barbara Duarte											
Date: 08-05-02022				Amount Requested											
				Project Category											
Project ID #	Capital Expenditure Category	Project Description	New Construction	Health and Safety	Deferred Maintenance	Maintenance	2024-25 Total Amount Requested	MOF Code #	MOF Requested	Can this project be partially funded?	Requested in Prior Session?	Value of Existing Capital Projects	2024-25 Estimated Debt Service (If Applicable)	Debt Service MOF Code #	Debt Service MOF Requested
1	7341	Katy Academic Building #2	\$ 102,750,000				\$ 102,750,000	GR 001	CCAP Bond	No	No		\$ 17,916,426	GR 001	General Revenue Fund
2	7341	Medical Research Facility (TMC3)	\$ 150,000,000				\$ 150,000,000	GR 001	CCAP Bond	No	No		\$ 26,155,367	GR 001	General Revenue Fund

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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	6	6	0	6	24
2a Employee and Children	2	2	0	2	10
3a Employee and Spouse	1	1	0	1	4
4a Employee and Family	1	1	0	1	3
5a Eligible, Opt Out	0	0	0	0	1
6a Eligible, Not Enrolled	1	1	0	1	3
Total for This Section	11	11	0	11	45
PART TIME ACTIVES					
1b Employee Only	0	0	0	0	0
2b Employee and Children	0	0	0	0	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	1	1	0	1	0
Total for This Section	1	1	0	1	0
Total Active Enrollment	12	12	0	12	45

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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	6	6	0	6	24
2e Employee and Children	2	2	0	2	10
3e Employee and Spouse	1	1	0	1	4
4e Employee and Family	1	1	0	1	3
5e Eligible, Opt Out	0	0	0	0	1
6e Eligible, Not Enrolled	1	1	0	1	3
Total for This Section	11	11	0	11	45

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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	6	6	0	6	24
2f Employee and Children	2	2	0	2	10
3f Employee and Spouse	1	1	0	1	4
4f Employee and Family	1	1	0	1	3
5f Eligible, Opt Out	0	0	0	0	1
6f Eligible, Not Enrolled	2	2	0	2	3
Total for This Section	12	12	0	12	45

Schedule 4: Computation of OASI
 88th 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	2021		2022		2023		2024		2025	
	<u>% to Total</u>	<u>Allocation of OASI</u>								
General Revenue (% to Total)	100.0000	\$100,698	100.0000	\$105,374	100.0000	\$107,536	100.0000	\$107,536	100.0000	\$107,536
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	\$100,698	100.0000	\$105,374	100.0000	\$107,536	100.0000	\$107,536	100.0000	\$107,536

Schedule 5: Calculation of Retirement Proportionality and ORP Differential

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Description	Act 2021	Act 2022	Bud 2023	Est 2024	Est 2025
Proportionality Amounts					
Gross Educational and General Payroll - Subject To TRS Retirement	1,167,320	1,165,986	1,165,987	1,189,306	1,213,093
Employer Contribution to TRS Retirement Programs	87,549	87,447	87,449	98,118	100,080
Gross Educational and General Payroll - Subject To ORP Retirement	301,091	302,773	302,773	308,828	315,005
Employer Contribution to ORP Retirement Programs	19,872	19,983	19,983	20,383	20,790
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	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Gross Payroll Subject to Differential - Optional Retirement Program	0	0	0	0	0
Total Differential	0	0	0	0	0

Schedule 7: Personnel
 88th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/19/2022
 Time: 11:52:39AM

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

	Actual 2021	Actual 2022	Budgeted 2023	Estimated 2024	Estimated 2025
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Faculty Employees	11.7	11.7	11.7	11.7	11.7
Subtotal, Directly Appropriated Funds	11.7	11.7	11.7	11.7	11.7
Non Appropriated Funds Employees	47.1	44.2	45.9	45.9	45.9
Subtotal, Other Funds & Non-Appropriated	47.1	44.2	45.9	45.9	45.9
GRAND TOTAL	58.8	55.9	57.6	57.6	57.6

Agency 783 University of Houston System Administration

Project Priority:	Project Code:	Tuition Revenue Bond Request	Total Project Cost	Cost Per Total Gross Square Feet
1	2	\$ 102,750,000	\$ 102,750,000	\$ 685
Name of Proposed Facility:		Project Type:		
Katy Academic Building #2		New Construction		
Location of Facility:		Type of Facility:		
UHS at Katy, 22400 Grand Circle Blvd. Katy 1		Academic		
Project Start Date:		Project Completion Date:		
09/01/2023		08/01/2026		
Gross Square Feet:		Net Assignable Square Feet in Project		
150,000		105,000		

Project Description

Through this project, the University of Houston System would construct a new academic building of 150,000 square feet on the University of Houston - Katy Campus. This project is part of a major UHS effort to expand academic programs to address the workforce needs in the region. Currently, the University of Houston- Katy Campus offers students in West Houston and Katy area the opportunity to complete over 20 undergraduate degrees and over 12 graduate degrees in high-demand fields in business, education, and nursing. The Katy Campus partners closely with Houston Community College-Northwest to provide freshman and sophomore level coursework prior to transferring into one of the undergraduate degree programs. The current campus includes one building completed in 2019 and the additional space provided by this new building is crucial to the expansion of degree programs on the Katy Campus. This project will include enhanced connectivity to the campus through planned site improvements.

Agency 783 University of Houston System Administration

Project Priority:	Project Code:	Tuition Revenue Bond Request	Total Project Cost	Cost Per Total Gross Square Feet
2	3	\$ 150,000,000	\$ 150,000,000	\$ 1,000
Name of Proposed Facility:		Project Type:		
Medical Research Facility (TMC3)		New Construction		
Location of Facility:		Type of Facility:		
UH at Texas Medical Center 3, Houston, TX		Research		
Project Start Date:		Project Completion Date:		
09/01/2023		08/01/2026		
Gross Square Feet:	Net Assignable Square Feet in Project			
150,000	75,000			

Project Description

The University of Houston would construct a state-of-the-art facility that will allow for medical and health related innovations, entrepreneurship and rapid acceleration requiring a close partnership between basic scientists, engineers and technologists, data experts, entrepreneurs, business disrupters and health care professionals. TMC3 provides a unique geographical location to engage a broad group of stakeholders from a broad range of academic, medical and entrepreneurial communities to transform how medical and health innovations are sprouted, nurtured and delivered in a timely, affordable and economically accretive form to the broader community of Houston and Texas. The University, with its outstanding fundamental biological sciences, engineering, translational technologies, recognized entrepreneurship programs and unique public-private partnership models for health-care delivery, would benefit greatly by locating a focused effort on medical and health related innovation in TMC3

Schedule 8B: Tuition Revenue Bond Issuance History

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 Automated Budget and Evaluation System of Texas (ABEST)

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Authorization Date	Authorization Amount	Issuance Date	Issuance Amount	Authorized Amount Outstanding as of 08/31/2022	Proposed Issuance Date for Outstanding Authorization	Proposed Issuance Amount for Outstanding Authorization
2016	\$46,832,000	Feb 16 2017	\$46,832,000			
		<i>Subtotal</i>	\$46,832,000	\$0		
2022	\$59,897,111	Jun 29 2022	\$59,897,111		Aug 31 2020	\$0
		<i>Subtotal</i>	\$59,897,111	\$0	Jun 29 2022	\$0

Schedule 8C: Tuition Revenue Bonds Request by Project
88th Regular Session, Agency Submission, Version 1

Agency Code: 797	Agency Name: University of Houston System
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Component	Project Name	Authorization Year	Estimated Final Payment Date	Requested Amount 2024	Requested Amount 2025
University of Houston					
UH	Consolidated Revenue Refunding Bonds, Series 2011A (TRB - Refund 2002A)	2011	2/15/2022	-	-
UH	Consolidated Revenue Refunding Bonds, Series 2016B (TRB - Health & Biomed Bldg 2)	2016	2/15/2036	4,366,014.00	4,368,302.00
UH	Consolidated Revenue Refunding Bonds, Series 20017A (TRB - refund 2009 Science Lab)	2017	2/15/2028	3,836,375	3,829,375
UH	Consolidated Revenue Refunding Bonds, Series 20017A (TRB - Academic Bldg Sugarland)	2017	2/15/2037	3,475,750.00	3,475,000.00
UH	Consolidated Revenue Refunding Bonds, Series 20017A (TRB - Academic Bldg Sugarland CP)	2017	2/15/2037	255,500.00	253,875.00
UH	Consolidated Revenue Refunding Bonds, Series 2022A (COT Bldg 2 Sugarland-TRB)	2022	2/15/2042	3,584,375.00	3,585,750.00
UH	Consolidated Revenue Refunding Bonds, Series 2022A (COT Bldg 2 Sugarland-TRB CP)	2022	2/15/2042	47,100.00	46,100.00
UH	Consolidated Revenue Refunding Bonds, Series 2022A (Idea Lab (Now Innovation HUB) -TRB)	2022	2/15/2042	3,584,125.00	3,585,500.00
UH	Consolidated Revenue Refunding Bonds, Series 2022A (Idea Lab (Now Innovation HUB) -TRB CP)	2022	2/15/2042	47,100.00	46,100.00
UH	Consolidated Revenue Refunding Bonds, Series 2022A (Hobby School Bldg. TRB)	2022	2/15/2042	2,724,200.00	2,728,200.00
UH	Consolidated Revenue Refunding Bonds, Series 2022A (Hobby School Bldg. TRB CP)	2022	2/15/2042	46,900.00	45,900.00
Subtotal - UH				21,967,439	21,964,102
University of Houston - Clear Lake					
UHCL	Consolidated Revenue Refunding Bonds, Series 2011A (TRB - Refund 2002A)	2011	2/15/2022	-	-
UHCL	Consolidated Revenue Refunding Bonds, Series 2016B (TRB - STEM Building)	2016	2/15/2036	3,744,473	3,743,557
UHCL	Consolidated Revenue Refunding Bonds, Series 2017A (TRB - Refund 2009 Arbor)	2017	2/15/2028	706,875.00	707,875.00
UHCL	Consolidated Revenue Refunding Bonds, Series 2017A (TRB - Health Sci Blgd)	2017	2/15/2037	1,619,375.00	1,617,125.00
UHCL	Consolidated Revenue Refunding Bonds, Series 2017A (TRB - Health Sci Blgd CP)	2017	2/15/2037	85,625.00	83,375.00
UHCL	Consolidated Revenue Refunding Bonds, Series 2022A (TRB -Reno, Bayou, Delta, SSC)	2022	2/15/2042	3,110,375.00	3,111,500.00
Subtotal - UHCL				9,266,723	9,263,432
University of Houston - Downtown					
UHD	Consolidated Revenue Refunding Bonds, Series 2011A (TRB - Refund 2002A)	2011	2/15/2022	-	-
UHD	Consolidated Revenue Refunding Bonds, Series 2013A (partial refund 2006 - TRB)	2013	2/15/2022	-	-
UHD	Consolidated Revenue Refunding Bonds, Series 2014 (partial refund 2006 - TRB)	2014	2/15/2026	2,294,200.00	2,295,250.00
UHD	Consolidated Revenue Refunding Bonds, Series 2017A (Sci & Tech Bldg - TRB)	2017	2/15/2037	4,144,750.00	4,146,500.00
UHD	Consolidated Revenue Refunding Bonds, Series 2022A (Police Dept. & CJA-TRB)	2022	2/15/2042	3,110,625.00	3,111,750.00
Subtotal - UHD				9,549,575	9,553,500
University of Houston - Victoria					
UHV	Consolidated Revenue Refunding Bonds, Series 2011A (TRB - Refund 2002A)	2011	2/15/2022	-	-
UHV	Consolidated Revenue Refunding Bonds, Series 2016A (UHV Allied TRB - refund 2008)	2016	2/15/2028	112,775.00	108,500.00
UHV	Consolidated Revenue Refunding Bonds, Series 2016A (UHV Eco Dev TRB - refund 2008)	2016	2/15/2028	411,025.00	420,000.00
UHV	Consolidated Revenue Refunding Bonds, Series 2017A (Learning Commons - TRB)	2017	2/15/2037	1,049,875	1,047,500
UHV	Consolidated Revenue Refunding Bonds, Series 2017A (Learning Commons - TRB CP)	2017	2/15/2037	57,500.00	56,250.00
UHV	Consolidated Revenue Refunding Bonds, Series 2017A (Buildout REDC - TRB)	2017	2/15/2037	332,750.00	334,000.00
UHV	Consolidated Revenue Refunding Bonds, Series 2017A (Buildout REDC - TRB CP)	2017	2/15/2037	177,750.00	178,125.00
UHV	Consolidated Revenue Refunding Bonds, Series 2017A (Land Acquisition & Demo - TRB)	2017	2/15/2037	335,500	336,750
UHV	Consolidated Revenue Refunding Bonds, Series 2017A (STEM Bldg- TRB)	2017	2/15/2037	866,500.00	868,875.00

Schedule 8C: Tuition Revenue Bonds Request by Project
88th Regular Session, Agency Submission, Version 1

Agency Code: 797	Agency Name: University of Houston System
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Component	Project Name	Authorization Year	Estimated Final Payment Date	Requested Amount 2024	Requested Amount 2025
UHV	Consolidated Revenue Refunding Bonds, Series 2017A (STEM Land TRB)	2017	2/15/2037	146,125.00	147,250.00
UHV	Consolidated Revenue Refunding Bonds, Series 2017A (UHV Allied TRB - refund 2008)	2017	2/15/2027	750.00	750.00
UHV	Consolidated Revenue Refunding Bonds, Series 2017A (UHV Eco Dev TRB - refund 2008)	2017	2/15/2028	8,875	3,750
UHV	Consolidated Revenue Refunding Bonds, Series 2017C (Campus Expansion)	2017	2/15/2038	256,669.00	259,669.00
UHV	Consolidated Revenue Refunding Bonds, Series 2017C (Town Plaza)	2017	2/15/2038	129,793.26	126,293.76
UHV	Consolidated Revenue Refunding Bonds, Series 2017C (Land Acquisition)	2017	2/15/2038	36,537.50	35,537.50
UHV	Consolidated Revenue Refunding Bonds, Series 2020A (Ben Wilson CP)	2020	2/15/2041	452,650	450,400
UHV	Consolidated Revenue Refunding Bonds, Series 2020A (Campus Expansion)	2020	2/15/2041	244,650	243,025
UHV	Consolidated Revenue Refunding Bonds, Series 2020A (UHV Allied TRB- Refund 2008)	2020	2/15/2041	6,125	5,875
UHV	Consolidated Revenue Refunding Bonds, Series 2020A (UHV Eco Dev- Refund 2008)	2020	2/15/2041	14,500	14,000
UHV	Consolidated Revenue Refunding Bond , Series 2022A (Bldg. Reno & Campus Infra Upgrades CP)	2022	2/15/2042	677,000.00	678,125.00
UHV	Consolidated Revenue Refunding Bond , Series 2022A (Bldg. Reno & Campus Infra Upgrades)	2022	2/15/2042	2,443,375.00	2,433,375.00
Subtotal - UHV				7,760,725	7,748,050
University of Houston - System Administration					
UHSA	Consolidated Revenue Refunding Bonds, Series 2016A (TRB - Refund 2008 Sugarland)	2016	2/15/2028	1,386,325.00	1,412,300.00
UHSA	Consolidated Revenue Refunding Bonds, Series 2017A (Sugarland TRB - refund 2008)	2017	2/15/2028	22,750	17,375
UHSA	Consolidated Revenue Refunding Bonds, Series 2017A (Katy Building CP)	2017	2/15/2037	59,500.00	58,000.00
UHSA	Consolidated Revenue Refunding Bonds, Series 2017A (Katy Building)	2017	2/15/2037	2,101,500.00	2,101,625.00
UHSA	Consolidated Revenue Refunding Bonds, Series 2017A (Katy Land)	2017	2/15/2037	1,072,125.00	1,074,125.00
UHSA	Consolidated Revenue Refunding Bonds, Series 20020A (TRB - Refund 2008 Sugarland)	2020	2/15/2041	56,250.00	39,625.00
UHSA	Consolidated Revenue Refunding Bonds, Series 2022A (Medical Research Bldg. - TRB)	2022	2/15/2042	4,147,250.00	4,147,125.00
Subtotal - UHSA				8,845,700	8,850,175
Total				57,390,162	57,379,259

Agency Code: 797

Agency Name: University of Houston System

Component	Requested Amount 2024	Requested Amount 2025
UH	21,967,439	21,964,102
UHCL	9,266,723	9,263,432
UHD	9,549,575	9,553,500
UHV	7,760,725	7,748,050
UHSA	8,845,700	8,850,175
Total by Component	57,390,162	57,379,259

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Teacher Preparation Program

(1) Year Non-Formula Support Item First Funded:	2024
Year Non-Formula Support Item Established:	2024
Original Appropriation:	\$2,000,000

(2) Mission:

The University of Houston System universities are strategically positioned to implement a program in partnership with Houston Independent School District to recruit, instruct, and support those students seeking a teaching career and place them in teaching positions within the district. The University of Houston System has a proven history of success with this model and, with additional state investment, will again step forward to assist in addressing the critical teacher shortage in the state's largest school district.

(3) (a) Major Accomplishments to Date:

The University of Houston System has had collaborative discussions with Houston Independent School District and have secured commitments to provide half the necessary funding for the program in 2024-25.

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

The University of Houston System would implement this initiative with HISD to establish a fellowship which will provide area schools with teachers and staff who are well trained and committed to improving their communities through education. The program is designed to provide students with tuition assistance and academic support throughout their collegiate careers as well as provide them with the necessary tools to succeed.

Beyond the first two years, students are guaranteed a teaching position in HISD upon graduation from the program. Along with helpful coaching and mentoring during their first two years of teaching, the fellows will be eligible for additional professional development opportunities during their third and fourth years. The first two years of teaching are often the most critical for new teachers and the Teach Forward Houston program is designed to give those teachers the assistance they need to ensure their success.

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

N/A

(5) Formula Funding:

N/A

(6) Category:

Public Service

(7) Transitional Funding:

N

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(8) Non-General Revenue Sources of Funding:

N/A

(9) Impact of Not Funding:

The State of Texas, and especially the Houston Independent School District, is experiencing an increasingly critical shortage of full-time teachers from the elementary level all the way to the high school level. Governor Abbott highlighted this crisis in his March 2022 letter to Texas Education Agency Commissioner Morath instructing him to create a task force to address these staffing shortages across the state, stating, “Teachers play a critical role in the development and long-term success of our students.”

Without this funding, the UH System and HISD would not have the required support to implement this critically needed program to address the teacher shortage in the largest school district in the state.

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

Permanent

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

No

(12) Benchmarks:

None

(13) Performance Reviews:

Performance of the program would be able to be measured by the numbers of students completing the program and entering the teacher workforce at HISD.
