

Legislative Appropriations Request

For Fiscal Year 2018 and 2019

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

by

University of Houston System Administration

**Date of Submission
October, 2016**

Table of Contents

	<u>Page</u>
Administrator’s Statement	1
UHS/UH Organizational Chart	5
Summaries of Request	
Base Request by Strategy	6
Base Request by Method of Finance	9
Base Request by Object of Expense	13
Exceptional Item Request	14
Total Request by Strategy	15
Strategy Requests	
Instructional and Operations Support	
System Office Operations	18
Infrastructure Support	
University of Houston Tuition Revenue Bond Retirement	21
University of Houston Clear Lake Tuition Revenue Bond Retirement	23
University of Houston Downtown Tuition Revenue Bond Retirement	25
University of Houston Victoria Tuition Revenue Bond Retirement	27
University of Houston System Administration Tuition Revenue Bond Retirement.....	29
Public Service Special Item Support	
High School Cooperative Education Program w/NASA & Technology Outreach Program	31
3A.1 Program-Level Request	36
Exceptional Item Requests	
Restoration of 4% Biennial Base Reduction.....	37
Houston Guided Pathways to Success	39
Texas Aerospace Scholars/Technology Outreach Program	42

	<u>Page</u>
Historically Underutilized Business Supporting Schedule	49
Estimated Funds Outside the Institution’s Bill Pattern	50
10 Percent Biennial Base Reduction Options	51
Supporting Schedules	
Schedule 3A Staff Group Insurance Data Elements (ERS)	53
Schedule 4 Computation of OASI	56
Schedule 5 Calculation of Retirement Proportionality and ORP Differential	57
Schedule 7 Personnel	58
Schedule 8C Revenue Capacity for Tuition Revenue Bond Projects	60
Schedule 8D Tuition Revenue Bond Request by Project	61
Schedule 9 Special Item Information	62

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Schedules Not Included

Agency Code: 783	Agency Name: University of Houston System Administration	Date: October 17, 2016
<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 2018-19 biennium</p>		
Number	Name	
2C.1	Operating Costs Detail – Base Request	
2D	Summary of Base Request Objective Outcomes	
2G	Summary of Total Request Objective Outcomes	
3C	Rider Appropriations and Unexpended Balance Request	
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	
6D	Federal Funds Tracking Schedule	
6E	Estimated Revenue Collections Supporting Schedule	
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	
Schedule 8A	Tuition Revenue Bond Projects	
Schedule 8B	Tuition Revenue Bond Issuance History	

Administrator's Statement

10/14/2016 11:13:50AM

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

783 University of Houston System Administration

University of Houston System Overview and Goals

Houston is the energy capital of the world, headquarters for 24 Fortune 500 companies, and home to the world's largest medical complex. According to estimates, the greater Houston region contributed more than \$500 billion to GDP in 2015. An international trade hub, Houston is also the nation's largest export market. As the global economy becomes increasingly driven by technological innovation and the creation of new knowledge, success for the region and Texas depends increasingly on a highly-skilled, highly-educated professional workforce and cutting-edge research and development.

As the region's largest provider of comprehensive (baccalaureate to doctorate) higher education services, the University of Houston System plays a primary role in meeting the needs of a global city. To that end, we must expand access to our universities to all prepared students; ensure their success and degree completion; deliver programs that meet workforce needs; and conduct research that is relevant to industry and society. Finally, we must accomplish this with limited resources and be accountable to our students and the people of Texas.

To fulfill these goals, the UH System has four universities: the University of Houston, UH-Clear Lake, UH-Downtown, and UH-Victoria. The University of Houston is a Tier One national research university, offering baccalaureate to doctoral programs. UH-Clear Lake is an undergraduate and master's university located in Southeast Houston with close ties to NASA's Johnson Space Center and regional community colleges. UH-Downtown, the 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 the universities, as well as providing select centralized services (e.g. general counsel, board of regents, auditing).

The UH System is making significant progress in meeting the needs of the greater Houston region. Over the past eight years, the system has achieved milestones in both enrollment and research:

- Enrollment system-wide has increased 23%, with minority enrollment increasing by almost 10,000 students. Total enrollment now exceeds 70,000 students.
- Degrees awarded have increased 30% overall, 45% for minority students, and more than doubled in STEM disciplines. Total degrees awarded have reached a record high of 15,224.
- Two of our universities, 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 has grown nearly 50%, and UH-Clear Lake has grown 18%.
- Research expenditures have more than doubled from \$75 million to \$155 million.

A System Meeting the Needs of the Diverse Region It Serves

The Houston metropolitan area is a national model for ethnic and cultural diversity. By 2030, the regional population is projected to reach eight million residents, more than 40% of which will be Hispanic. The UH System universities already reflect these changes. Our student body is 31% Hispanic, 27% White, 16% Asian, 13% African-American, and 9% International. Within the next decade a majority of Houston's youth (24 and under) will also 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 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.

Administrator's Statement

10/14/2016 11:13:50AM

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

783 University of Houston System Administration

Improving Student Success

While Houston is experiencing phenomenal growth, its rate of postsecondary attainment trails the national average: among the 20 largest metropolitan areas in the U.S., Houston ranks 19th in educational attainment. In addition, accumulation of excess credit hours by college students is a major issue for Texas higher education. According to the Texas Higher Education Coordinating Board, students at Texas public universities graduate with nearly 140 credits – 20 more than is needed for the typical 120-hour degree. Reducing the number of excess credit hours would save the both the state and students millions of dollars.

In order to improve student retention and graduation rates, accelerate time to degree, and reduce excess credit hours, the UH System and four community college partners (Houston Community College, San Jacinto College, Lone Star College, and Wharton County Junior College) are developing Houston Guided Pathways to Success (H-GPS). H-GPS is an integrated system of strategies that will significantly improve college completion rates and time to degree especially among underrepresented/low income students and those transferring from two to four-year institutions. GPS strategies include proactive, data-driven advising; providing students with economic and career information so they make an informed choice about a major; degree maps so students can chart their academic career; and reliable, structured schedules to avoid scheduling issues (especially for students who work).

Meeting Our Students Where They Live and Work

The UH System is also aggressively expanding access to its degree programs through off-campus teaching centers. According to demographic projections, suburban areas in Houston 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 our universities' main campuses. To meet their needs, we have developed the UH Sugar Land Campus, the UH-Clear Lake Pearland Campus, and the UH System Northwest Campus, where both UH and UH-Downtown deliver programs. Thanks to the appropriation of tuition revenue bonds during the 84th legislative session, planning is underway for new buildings in Sugar Land, Pearland and Katy, construction of which will have a dramatic impact on our ability to serve students in the Houston area.

Planning for the Future

Given the breadth of the UH System institutions and the significant amount of expansion we are undertaking, coordinated planning is essential if we are to fully serve our constituents. Central to all of these activities are the UH System's goals – student access and success, national competitiveness, and community advancement – all of which further the state's goals for higher education as well as the social and economic well-being of the greater Houston region.

1. Student Access and Success

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

2. National Competitiveness

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

Administrator's Statement

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

783 University of Houston System Administration

3. Community Advancement

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

UH System Legislative Priorities

As we look to the future, the needs of our constituents and the goals we have established for serving them necessitate greater resources than our universities currently possess. Therefore, we ask that the Legislature consider the items listed below as areas of critical concern to the University of Houston System. We hope that in making budgetary decisions the Legislature will give strong consideration to the UH System’s priorities, given the importance of higher education to the future of Texas.

1. Base Formula Funding

As demands on our universities grow, it is imperative to provide adequate resources for basic educational services through the formulas. Without sufficient base formula funding, universities will not be able to accommodate enrollment demand through course delivery; we will not be able to enhance program quality by recruiting and retaining exceptional faculty members; and we will not be able to enhance student success through academic support services. While the statewide formula funding rate for the FY 2016-17 biennium (\$55.39) was 1% higher than it was for the previous biennium, it was still 11% lower than the rate for the FY 2010-11 biennium (\$62.19). It is essential to close this gap. For the upcoming biennium, the University of Houston System encourages the Legislature to provide funding consistent with the 2010-11 funding levels.

2. Hazlewood Exemptions

The UH System is committed to supporting veterans and their families by expanding opportunities for them to earn a college degree. To that end, the UHS universities funded approximately \$13 million in Hazlewood exemptions in FY 2016. These costs increase each year, and most are absorbed at the institutional level. Absent full state coverage, we must fund these exemptions 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.” The UH System recommends that the state appropriate resources to cover all Hazlewood exemptions or modify the exemption.

3. Funding for Special Items and Exceptional Items

Each year the Legislature funds numerous programs at the UH System universities that fall outside the scope of formula funding. These programs have a tremendous impact on our academic programs, research endeavors, and the communities we serve. The UH System recommends continuation of special item funding and consideration of our requests for exceptional item funding. For FY18 and FY19, the UH System is requesting exceptional item funding for the following initiatives that directly support the UHS goals of national competitiveness, student success and community advancement.

Exceptional Items	Biennial Request
Houston Guided Pathways to Success (H-GPS)	\$3,000,000
Texas Aerospace Scholars/Technology Outreach Program	\$ 605,216
Restoration of 4% Biennial Base Reduction	\$ 170,957

Administrator's Statement

10/14/2016 11:13:50AM

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

783 University of Houston System Administration

4. State Funding for Research Programs for Tier One Universities

Combined, the Core Research Support Fund, Texas Research Incentive Program, National Research University Fund, and Governor's University Research Initiative constitute an innovative and powerful tool for 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 the University of Houston and other universities not supported by the Permanent University Fund pursue their national competitiveness/Tier One goals. The UH System recommends increased appropriations to each of these funds.

5. Financial Aid/TEXAS Grants

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

6. Restoration of 4% Base Reduction

As requested, the LARs for the UHS institutions reflect a 4% biennial base reduction. The UH System recognizes that state agencies and institutions of higher education must make difficult funding decisions given the state's economic forecast. Still, as noted above, formula funding has declined in real dollars over the past several years, and the lack of full coverage for Hazlewood exemptions has negative fiscal consequences for UHS institutions. Further reductions will limit our ability to build upon past progress and achieve short and long-term goals. The UH System encourages the Legislature, as much as is possible and prudent, to restore the reduction.

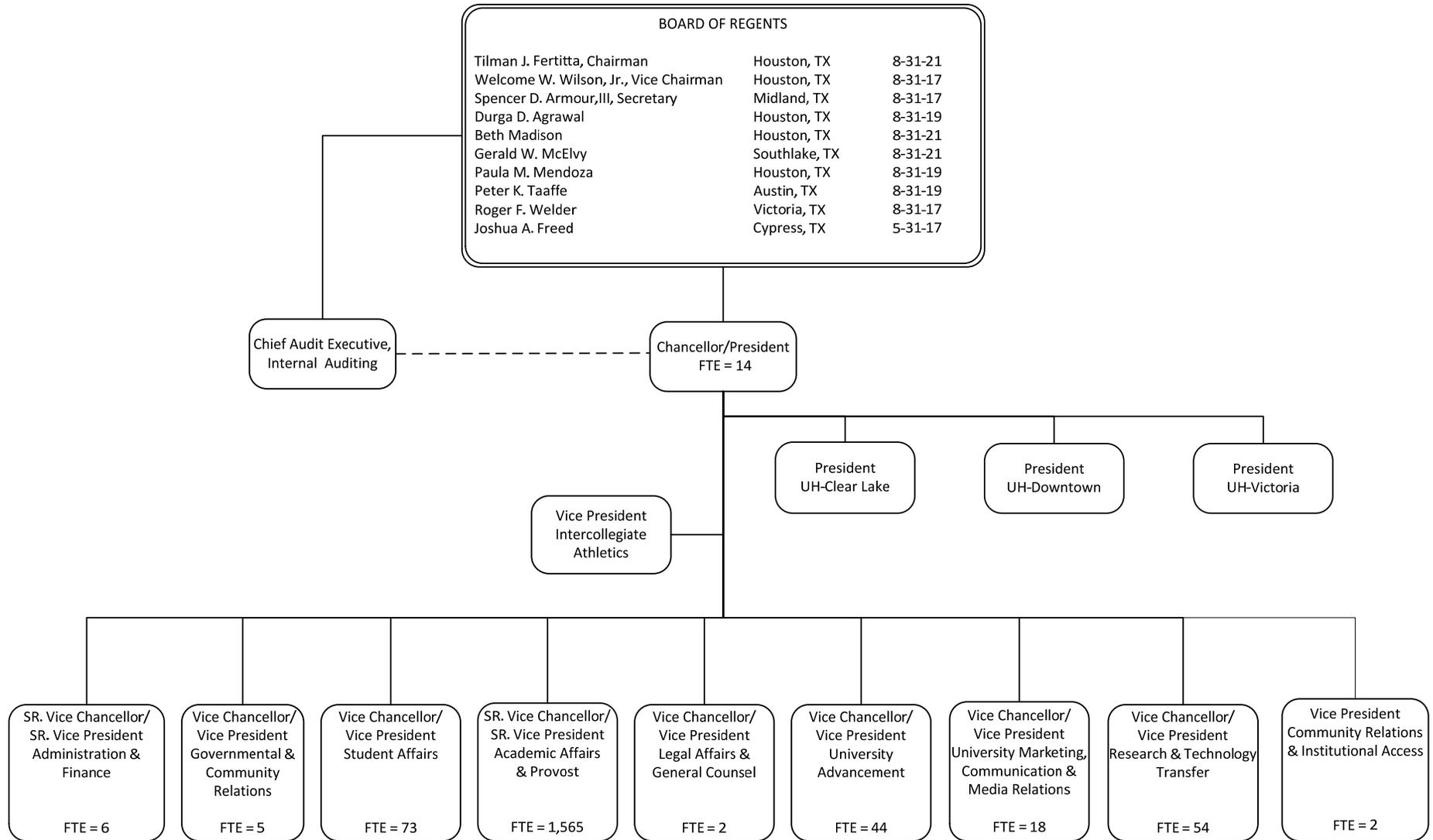
Approach to 4 and 10 Percent Base Reductions

The UH System Administration's LAR reflects a 4% base reduction and includes a scenario for a 10% base reduction. These reductions total approximately \$171,000 and \$410,000 respectively. Reduced funding would limit our ability to coordinate system activities and support the UHS universities in achieving their goals. The reduction has been taken across the board to prevent unsustainable harm to any of our system operations and programs.

Accountability to Students and Tax-Payers

Finally, while the UH System believes that increased state funding for higher education is essential to the future of Texas, we also recognize that universities must be good stewards of the dollars with which they are entrusted. The University of Houston System is committed to this principle. Given increasing student debt nationwide, tuition and fee increases cannot be the only strategy for maintaining and improving institutional quality. To the extent that we can maximize private support and reallocate existing resources to support our goals, we can ensure that a high quality education is affordable and accessible to every student in Texas. The UH System has made strong progress on this front: Since 2008, private support at our universities has more than doubled (from \$55 million to \$125 million); our endowment has grown by 22% (from \$653 million to \$794 million); and our institutions have reallocated more than \$60 million to support institutional priorities.

University of Houston System/University of Houston



FTE is budgeted FY2017 from Appropriated Funds; UH= 1,769 FTE, UHSA= 14 FTE, TOTAL= 1,783 FTE

2.A. Summary of Base Request by Strategy

10/14/2016 1:35:49PM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>1</u> Provide Instructional and Operations Support					
<u>1</u> Provide Instructional and Operations Support					
11 SYSTEM OFFICE OPERATIONS	1,425,000	1,436,238	1,436,238	1,379,238	1,379,237
TOTAL, GOAL 1	\$1,425,000	\$1,436,238	\$1,436,238	\$1,379,238	\$1,379,237
<u>2</u> Provide Infrastructure Support					
<u>1</u> Provide Operation and Maintenance of E&G Space					
1 UH TUITION REVENUE BOND RETIREMENT	11,648,473	11,680,771	18,911,640	17,498,496	16,838,425
2 UH CLEAR LAKE REV BOND RETIREMENT	2,782,413	2,788,207	8,874,831	8,446,152	8,409,324
3 UH DOWNTOWN REVENUE BOND RETIREMENT	5,952,874	5,786,413	10,600,537	8,548,992	8,526,516
4 UH VICTORIA REVENUE BOND RETIREMENT	1,909,623	1,914,083	8,396,106	6,127,937	6,126,980
5 UH SYSTEM REVENUE BOND RETIREMENT	0	0	3,622,254	5,358,923	5,345,260
TOTAL, GOAL 2	\$22,293,383	\$22,169,474	\$50,405,368	\$45,980,500	\$45,246,505
<u>3</u> Provide Special Item Support					

2.A. Summary of Base Request by Strategy

10/14/2016 1:35:49PM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>3</u> <i>Public Service Special Item</i>					
1 NASA PROGRAMS	711,961	711,961	711,961	683,482	683,482
<u>5</u> <i>Exceptional Item Request</i>					
1 EXCEPTIONAL ITEM REQUEST	0	0	0	0	0
TOTAL, GOAL 3	\$711,961	\$711,961	\$711,961	\$683,482	\$683,482
TOTAL, AGENCY STRATEGY REQUEST	\$24,430,344	\$24,317,673	\$52,553,567	\$48,043,220	\$47,309,224
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$24,430,344	\$24,317,673	\$52,553,567	\$48,043,220	\$47,309,224

2.A. Summary of Base Request by Strategy

10/14/2016 1:35:49PM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	24,430,344	24,306,435	52,542,329	48,031,982	47,297,986
SUBTOTAL	\$24,430,344	\$24,306,435	\$52,542,329	\$48,031,982	\$47,297,986
Other Funds:					
802 License Plate Trust Fund No. 0802	0	11,238	11,238	11,238	11,238
SUBTOTAL	\$0	\$11,238	\$11,238	\$11,238	\$11,238
TOTAL, METHOD OF FINANCING	\$24,430,344	\$24,317,673	\$52,553,567	\$48,043,220	\$47,309,224

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

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

10/14/2016 1:35:49PM

85th 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 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2016-17 GAA)

\$0	\$24,492,300	\$24,507,915	\$0	\$0
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Regular Appropriations from MOF Table (2014-15 GAA)

\$24,610,656	\$0	\$0	\$0	\$0
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Regular

\$0	\$0	\$0	\$48,031,982	\$47,297,986
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TRANSFERS

Higher Education Coordinating Board - Rider 71, Contingency Appropriation HB100 TRB Debt Ser

\$0	\$0	\$3,622,254	\$0	\$0
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Higher Education Coordinating Board - Rider 71, Contingency Appropriation HB100 TRB Debt Ser

\$0	\$0	\$9,049,447	\$0	\$0
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Higher Education Coordinating Board - Rider 71, Contingency Appropriation HB100 TRB Debt Ser

\$0	\$0	\$6,081,229	\$0	\$0
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2.B. Summary of Base Request by Method of Finance

10/14/2016 1:35:49PM

85th 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 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>						
Higher Education Coordinating Board - Rider 71, Contingency Appropriation HB100 TRB Debt Ser						
		\$0	\$0	\$4,640,742	\$0	\$0
Higher Education Coordinating Board - Rider 71, Contingency Appropriation HB100 TRB Debt Ser						
		\$0	\$0	\$4,640,742	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
Tuition Revenue Bond Debt Service - University of Houston						
		\$(64,388)	\$(40,890)	\$0	\$0	\$0
Tuition Revenue Bond Debt Service - University of Houston Downtown						
		\$(95,688)	\$(57,618)	\$0	\$0	\$0
Tuition Revenue Bond Debt Service - University of Houston Victoria						
		\$(20,236)	\$(87,357)	\$0	\$0	\$0
TOTAL,	General Revenue Fund	\$24,430,344	\$24,306,435	\$52,542,329	\$48,031,982	\$47,297,986
TOTAL, ALL	GENERAL REVENUE	\$24,430,344	\$24,306,435	\$52,542,329	\$48,031,982	\$47,297,986

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

10/14/2016 1:35:49PM

85th 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 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>OTHER FUNDS</u>						
802	License Plate Trust Fund Account No. 0802					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2016-17 GAA)	\$0	\$0	\$0	\$11,238	\$11,238
	<i>RIDER APPROPRIATION</i>					
	Art III, Special Provisions Higher Education, Sec 60, Texas Collegiate License Plate Scholarships (2	\$0	\$11,238	\$11,238	\$0	\$0
TOTAL,	License Plate Trust Fund Account No. 0802	\$0	\$11,238	\$11,238	\$11,238	\$11,238
TOTAL, ALL	OTHER FUNDS	\$0	\$11,238	\$11,238	\$11,238	\$11,238
GRAND TOTAL		\$24,430,344	\$24,317,673	\$52,553,567	\$48,043,220	\$47,309,224

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

10/14/2016 1:35:49PM

85th 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 2015	Est 2016	Bud 2017	Req 2018	Req 2019
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2014-15 GAA)	71.5	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2016-17 GAA)	0.0	14.1	14.1	14.1	14.1
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Unauthorized number over (below) CAP	(13.4)	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	58.1	14.1	14.1	14.1	14.1

NUMBER OF 100% FEDERALLY FUNDED FTES

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

10/14/2016 1:35:50PM

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

783 University of Houston System Administration

OBJECT OF EXPENSE	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1001 SALARIES AND WAGES	\$1,406,876	\$1,416,993	\$1,416,993	\$1,367,324	\$1,367,323
1002 OTHER PERSONNEL COSTS	\$7,169	\$704	\$704	\$676	\$676
2008 DEBT SERVICE	\$15,535,056	\$15,933,038	\$33,978,023	\$32,553,319	\$30,869,709
2009 OTHER OPERATING EXPENSE	\$7,011,674	\$6,497,369	\$16,688,278	\$13,671,115	\$14,620,730
3001 CLIENT SERVICES	\$469,569	\$469,569	\$469,569	\$450,786	\$450,786
OOE Total (Excluding Riders)	\$24,430,344	\$24,317,673	\$52,553,567	\$48,043,220	\$47,309,224
OOE Total (Riders)					
Grand Total	\$24,430,344	\$24,317,673	\$52,553,567	\$48,043,220	\$47,309,224

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

DATE: 10/14/2016
 TIME : 1:35:50PM

Agency code: 783

Agency name: University of Houston System Administration

Priority	Item	2018			2019			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Restoration of 4% Reduction	\$85,478	\$85,478		\$85,478	\$85,478		\$170,956	\$170,956
2	H-GPS	\$1,500,000	\$1,500,000		\$1,500,000	\$1,500,000		\$3,000,000	\$3,000,000
3	NASA	\$302,608	\$302,608		\$302,608	\$302,608		\$605,216	\$605,216
Total, Exceptional Items Request		\$1,888,086	\$1,888,086		\$1,888,086	\$1,888,086		\$3,776,172	\$3,776,172

Method of Financing

General Revenue	\$1,888,086	\$1,888,086		\$1,888,086	\$1,888,086		\$3,776,172	\$3,776,172
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$1,888,086	\$1,888,086		\$1,888,086	\$1,888,086		\$3,776,172	\$3,776,172

Full Time Equivalent Positions

Number of 100% Federally Funded FTEs

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

DATE : 10/14/2016

TIME : 1:35:51PM

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

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
1 Provide Instructional and Operations Support						
<i>1 Provide Instructional and Operations Support</i>						
11 SYSTEM OFFICE OPERATIONS	\$1,379,238	\$1,379,237	\$0	\$0	\$1,379,238	\$1,379,237
TOTAL, GOAL 1	\$1,379,238	\$1,379,237	\$0	\$0	\$1,379,238	\$1,379,237
2 Provide Infrastructure Support						
<i>1 Provide Operation and Maintenance of E&G Space</i>						
1 UH TUITION REVENUE BOND RETIREMENT	17,498,496	16,838,425	0	0	17,498,496	16,838,425
2 UH CLEAR LAKE REV BOND RETIREMENT	8,446,152	8,409,324	0	0	8,446,152	8,409,324
3 UH DOWNTOWN REVENUE BOND RETIREMENT	8,548,992	8,526,516	0	0	8,548,992	8,526,516
4 UH VICTORIA REVENUE BOND RETIREMENT	6,127,937	6,126,980	0	0	6,127,937	6,126,980
5 UH SYSTEM REVENUE BOND RETIREMENT	5,358,923	5,345,260	0	0	5,358,923	5,345,260
TOTAL, GOAL 2	\$45,980,500	\$45,246,505	\$0	\$0	\$45,980,500	\$45,246,505

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

DATE : 10/14/2016

TIME : 1:35:51PM

Agency code: 783	Agency name: University of Houston System Administration					
Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
3 Provide Special Item Support						
3 <i>Public Service Special Item</i>						
1 NASA PROGRAMS	\$683,482	\$683,482	\$302,608	\$302,608	\$986,090	\$986,090
5 <i>Exceptional Item Request</i>						
1 EXCEPTIONAL ITEM REQUEST	0	0	1,585,478	1,585,478	1,585,478	1,585,478
TOTAL, GOAL 3	\$683,482	\$683,482	\$1,888,086	\$1,888,086	\$2,571,568	\$2,571,568
TOTAL, AGENCY STRATEGY REQUEST	\$48,043,220	\$47,309,224	\$1,888,086	\$1,888,086	\$49,931,306	\$49,197,310
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$48,043,220	\$47,309,224	\$1,888,086	\$1,888,086	\$49,931,306	\$49,197,310

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

DATE : 10/14/2016

TIME : 1:35:51PM

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

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
General Revenue Funds:						
1 General Revenue Fund	\$48,031,982	\$47,297,986	\$1,888,086	\$1,888,086	\$49,920,068	\$49,186,072
	\$48,031,982	\$47,297,986	\$1,888,086	\$1,888,086	\$49,920,068	\$49,186,072
Other Funds:						
802 License Plate Trust Fund No. 0802	11,238	11,238	0	0	11,238	11,238
	\$11,238	\$11,238	\$0	\$0	\$11,238	\$11,238
TOTAL, METHOD OF FINANCING	\$48,043,220	\$47,309,224	\$1,888,086	\$1,888,086	\$49,931,306	\$49,197,310
FULL TIME EQUIVALENT POSITIONS	14.1	14.1	0.0	0.0	14.1	14.1

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

10/14/2016 1:35:51PM

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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,406,876	\$1,416,993	\$1,416,993	\$1,367,324	\$1,367,323
1002	OTHER PERSONNEL COSTS	\$7,169	\$704	\$704	\$676	\$676
2009	OTHER OPERATING EXPENSE	\$10,955	\$18,541	\$18,541	\$11,238	\$11,238
TOTAL, OBJECT OF EXPENSE		\$1,425,000	\$1,436,238	\$1,436,238	\$1,379,238	\$1,379,237
Method of Financing:						
1	General Revenue Fund	\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,367,999
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,425,000	\$1,425,000	\$1,425,000	\$1,368,000	\$1,367,999
Method of Financing:						
802	License Plate Trust Fund No. 0802	\$0	\$11,238	\$11,238	\$11,238	\$11,238
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$11,238	\$11,238	\$11,238	\$11,238
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,379,238	\$1,379,237
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,425,000	\$1,436,238	\$1,436,238	\$1,379,238	\$1,379,237
FULL TIME EQUIVALENT POSITIONS:		58.1	14.1	14.1	14.1	14.1

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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

10/14/2016 1:35:51PM

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 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,872,476	\$2,758,475	\$(114,001)	\$(114,001)	4% GR Reduction.
			\$(114,001)	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 Tuition Revenue Bond Retirement Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2008	DEBT SERVICE	\$7,669,632	\$8,036,064	\$12,206,397	\$11,745,679	\$11,436,439
2009	OTHER OPERATING EXPENSE	\$3,978,841	\$3,644,707	\$6,705,243	\$5,752,817	\$5,401,986
TOTAL, OBJECT OF EXPENSE		\$11,648,473	\$11,680,771	\$18,911,640	\$17,498,496	\$16,838,425
Method of Financing:						
1	General Revenue Fund	\$11,648,473	\$11,680,771	\$18,911,640	\$17,498,496	\$16,838,425
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$11,648,473	\$11,680,771	\$18,911,640	\$17,498,496	\$16,838,425
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$17,498,496	\$16,838,425
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$11,648,473	\$11,680,771	\$18,911,640	\$17,498,496	\$16,838,425
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 Tuition Revenue Bond Retirement Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$30,592,411	\$34,336,921	\$3,744,510	\$3,744,510	Increase in TRB Debt Service Allocation (HB 100)
			<u>\$3,744,510</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: 2 University of Houston Clear Lake Tuition Revenue Bond Retirement Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2008	DEBT SERVICE	\$1,814,284	\$1,907,072	\$5,037,220	\$5,154,861	\$5,263,051
2009	OTHER OPERATING EXPENSE	\$968,129	\$881,135	\$3,837,611	\$3,291,291	\$3,146,273
TOTAL, OBJECT OF EXPENSE		\$2,782,413	\$2,788,207	\$8,874,831	\$8,446,152	\$8,409,324
Method of Financing:						
1	General Revenue Fund	\$2,782,413	\$2,788,207	\$8,874,831	\$8,446,152	\$8,409,324
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,782,413	\$2,788,207	\$8,874,831	\$8,446,152	\$8,409,324
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$8,446,152	\$8,409,324
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,782,413	\$2,788,207	\$8,874,831	\$8,446,152	\$8,409,324

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 Tuition Revenue Bond Retirement Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$11,663,038	\$16,855,476	\$5,192,438	\$5,192,438	Increase in TRB Debt Service Allocation (HB 100)
			\$5,192,438	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 Tuition Revenue Bond Retirement Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2008	DEBT SERVICE	\$4,656,614	\$4,513,822	\$8,072,582	\$6,187,846	\$6,278,109
2009	OTHER OPERATING EXPENSE	\$1,296,260	\$1,272,591	\$2,527,955	\$2,361,146	\$2,248,407
TOTAL, OBJECT OF EXPENSE		\$5,952,874	\$5,786,413	\$10,600,537	\$8,548,992	\$8,526,516
Method of Financing:						
1	General Revenue Fund	\$5,952,874	\$5,786,413	\$10,600,537	\$8,548,992	\$8,526,516
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$5,952,874	\$5,786,413	\$10,600,537	\$8,548,992	\$8,526,516
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$8,548,992	\$8,526,516
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$5,952,874	\$5,786,413	\$10,600,537	\$8,548,992	\$8,526,516
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 Tuition Revenue Bond Retirement Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$16,386,950	\$17,075,508	\$688,558	\$688,558	Increase in TRB Debt Service Allocation (HB 100)
			<u>\$688,558</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 Tuition Revenue Bond Retirement Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2008	DEBT SERVICE	\$1,394,526	\$1,476,080	\$6,220,861	\$6,127,937	\$4,432,644
2009	OTHER OPERATING EXPENSE	\$515,097	\$438,003	\$2,175,245	\$0	\$1,694,336
TOTAL, OBJECT OF EXPENSE		\$1,909,623	\$1,914,083	\$8,396,106	\$6,127,937	\$6,126,980
Method of Financing:						
1	General Revenue Fund	\$1,909,623	\$1,914,083	\$8,396,106	\$6,127,937	\$6,126,980
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,909,623	\$1,914,083	\$8,396,106	\$6,127,937	\$6,126,980
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$6,127,937	\$6,126,980
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,909,623	\$1,914,083	\$8,396,106	\$6,127,937	\$6,126,980
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 Tuition Revenue Bond Retirement Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$10,310,189	\$12,254,917	\$1,944,728	\$1,944,728	Increase in TRB Debt Service Allocation (HB 100)
			<u>\$1,944,728</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: 5 University of Houston System Revenue Bond Retirement Service: NA Income: NA Age: NA

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2008	DEBT SERVICE	\$0	\$0	\$2,440,963	\$3,336,996	\$3,459,466
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$1,181,291	\$2,021,927	\$1,885,794
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$3,622,254	\$5,358,923	\$5,345,260
Method of Financing:						
1	General Revenue Fund	\$0	\$0	\$3,622,254	\$5,358,923	\$5,345,260
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$3,622,254	\$5,358,923	\$5,345,260
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$5,358,923	\$5,345,260
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$3,622,254	\$5,358,923	\$5,345,260
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: 5 University of Houston System Revenue Bond Retirement Service: NA Income: NA Age: NA

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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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>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$3,622,254	\$10,704,183	\$7,081,929	\$7,081,929	Increase in TRB Debt Service Allocation (HB 100)
			<u>\$7,081,929</u>	Total of Explanation of Biennial Change

783 University of Houston System Administration

GOAL: 3 Provide Special Item Support
 OBJECTIVE: 3 Public Service Special Item
 STRATEGY: 1 High School Cooperative Education Program w/NASA & Tech Outreach Pgm

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$242,392	\$242,392	\$242,392	\$232,696	\$232,696
3001	CLIENT SERVICES	\$469,569	\$469,569	\$469,569	\$450,786	\$450,786
TOTAL, OBJECT OF EXPENSE		\$711,961	\$711,961	\$711,961	\$683,482	\$683,482
Method of Financing:						
1	General Revenue Fund	\$711,961	\$711,961	\$711,961	\$683,482	\$683,482
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$711,961	\$711,961	\$711,961	\$683,482	\$683,482
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$683,482	\$683,482
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$711,961	\$711,961	\$711,961	\$683,482	\$683,482

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

783 University of Houston System Administration

GOAL: 3 Provide Special Item Support
 OBJECTIVE: 3 Public Service Special Item Service Categories:
 STRATEGY: 1 High School Cooperative Education Program w/NASA & Tech Outreach Pgm Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Texas Aerospace Scholars (TAS): The TAS programs provide online opportunities and onsite experiences at NASA Johnson Space Center (JSC) for students and teachers from across the state of Texas. Since 1999, more than 10,000 Texans have participated in the programs and have explored career opportunities in science, technology, engineering and math (STEM). High school juniors explore opportunities in STEM academic fields by completing online modules and travel to JSC for a one-week summer experience. Middle school educators learn innovative ways to integrate NASA instructional materials across various disciplines that align with state and national standards. The community college program challenges student teams to complete an aerospace project for a simulated NASA contract. Participation includes web-based assignments and onsite activities where students interact with NASA engineers and scientists. The TAS Internship focuses on strengthening the STEM pipeline by offering semester-long internships to TAS student alumni.

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

783 University of Houston System Administration

GOAL: 3 Provide Special Item Support
 OBJECTIVE: 3 Public Service Special Item Service Categories:
 STRATEGY: 1 High School Cooperative Education Program w/NASA & Tech Outreach Pgm Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The Texas Aerospace Scholars (TAS) initiative harnesses the excitement of human space exploration for Texas students across the state to encourage these students to pursue careers and degrees in science, technology, engineering and math. TAS will:

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

The Technology Outreach Program (TOP) applies technology and expertise developed through human space flight to assist Texas small businesses to expand and diversify. Economic impact includes:

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

783 University of Houston System Administration

GOAL: 3 Provide Special Item Support
 OBJECTIVE: 3 Public Service Special Item Service Categories:
 STRATEGY: 1 High School Cooperative Education Program w/NASA & Tech Outreach Pgm Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$1,423,922	\$1,366,964	\$(56,958)	\$(56,958)	4.0% GR Reduction
			\$(56,958)	Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$24,430,344	\$24,317,673	\$52,553,567	\$48,043,220	\$47,309,224
METHODS OF FINANCE (INCLUDING RIDERS):				\$48,043,220	\$47,309,224
METHODS OF FINANCE (EXCLUDING RIDERS):	\$24,430,344	\$24,317,673	\$52,553,567	\$48,043,220	\$47,309,224
FULL TIME EQUIVALENT POSITIONS:	58.1	14.1	14.1	14.1	14.1

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

Agency Code: 783		Agency: University of Houston System Administration									
Date:						16-17 Base	Requested 2018	Requested 2019	Biennial Total 18-19	Biennial Difference	
Goal	Goal Name	Strategy	Strategy Name	Program	Program Name					\$	%
1	Provide Instructional and Operations Support	11	System Office Operations		System Office Operations	\$2,872,476	\$1,379,238	\$1,379,238	\$2,758,476	(\$114,000)	-4.0%
Total Goal Instructional and Operations Support						\$2,872,476	\$1,379,238	\$1,379,238	\$2,758,476	(\$114,000)	-4.0%
2	Provide Infrastructure Support	1	UH Tuition Revenue Bond Retirement		UH TRB	\$18,911,640	\$17,498,496	\$16,838,425	\$34,336,921	\$15,425,281	81.6%
		2	UH Clear Lake Revenue Bond Retirement		UH Clear Lake TRB	8,874,831	8,446,152	8,409,324	16,855,476	\$7,980,645	89.9%
		3	UH Downtown Revenue Bond Retirement		UH Downtown TRB	10,600,537	8,548,992	8,526,516	17,075,508	\$6,474,971	61.1%
		4	UH Victoria Revenue Bond Retirement		UH Victoria TRB	8,396,106	6,127,937	6,126,980	12,254,917	\$3,858,811	46.0%
		5	UHSA Tuition Revenue Bond Retirement		UHSA Tuition TRB	3,622,254	5,358,923	5,345,260	10,704,183	\$7,081,929	195.5%
Total Goal Infrastructure Support						\$50,405,368	\$45,980,500	\$45,246,505	\$91,227,005	\$40,821,637	81.0%
3	Provide Special Item Support	1	NASA Programs		NASA Programs	1,423,922	683,483	683,483	1,366,966	(\$56,956)	-4.0%
Total Goal Special Item Support						\$1,423,922	\$683,483	\$683,483	\$1,366,966	(\$56,956)	-4.0%

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

DATE: 10/14/2016
 TIME: 10:49:24AM

Agency code: 783

Agency name:
University of Houston System Administration

CODE	DESCRIPTION	Excp 2018	Excp 2019
	Item Name: Restoration of 4% Biennial Base Reduction 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	49,669	49,669
1002	OTHER PERSONNEL COSTS	28	28
2009	OTHER OPERATING EXPENSE	16,999	16,999
3001	CLIENT SERVICES	18,782	18,782
TOTAL, OBJECT OF EXPENSE		\$85,478	\$85,478
METHOD OF FINANCING:			
1	General Revenue Fund	85,478	85,478
TOTAL, METHOD OF FINANCING		\$85,478	\$85,478

DESCRIPTION / JUSTIFICATION:

The UH System requests restoring the 4% biennial base reduction. Restoration of this funding would enable the UHSA to better serve the four UH System universities in terms of central services (e.g. general counsel, audit, Board of Regents, etc.) and planning to meet the higher education needs of Greater Houston and the state.

This restoration would also allow two programs at the NASA-Johnson Space Center (Texas Aerospace Scholars and Technology Outreach Program) to continue to provide educational and business services at current levels. TAS provides educational and internship opportunities to high school and community college students to promote STEM careers, and the TOP facilitates technology adoption and economic development in the business community.

EXTERNAL/INTERNAL FACTORS:

As the region's largest provider of comprehensive (baccalaureate to doctorate) higher education services, the University of Houston System plays a primary role in meeting the needs of a global city. Greater Houston generates one-third of the state's economy, and one in four Texans live in the region. The population is expected to reach 8 million by 2030. The future of Texas depends on the future of Houston.

Through its four institutions (UH, UH-Downtown, UH-Clear Lake, and UH-Victoria), the UH System plays a vital role meeting the educational, public service, and research needs of the region. The system serves over 70,000 students--14,000 more than it did in 2008. The 4% reduction would reduce the system's ability to meet the needs of our institutions during a period of extraordinary growth. In addition, reducing NASA special item funding would mean fewer opportunities for students to explore STEM education and careers. It will also limit the NASA-Johnson Space Center's outreach to businesses, which would mean less technology transfer and economic development.

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

DATE: 10/14/2016
TIME: 10:49:24AM

Agency code: 783

Agency name:

University of Houston System Administration

CODE DESCRIPTION

Excp 2018

Excp 2019

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

To maintain special item funding.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2020	2021	2022
\$85,478	\$85,478	\$85,478

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

DATE: 10/14/2016
 TIME: 10:49:24AM

Agency code: 783

Agency name:
University of Houston System Administration

CODE	DESCRIPTION	Excp 2018	Excp 2019
	Item Name: Houston Guided Pathways to Success Item Priority: 2 IT Component: Yes Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request		

OBJECTS OF EXPENSE:

2009	OTHER OPERATING EXPENSE	1,500,000	1,500,000
TOTAL, OBJECT OF EXPENSE		1,500,000	1,500,000

METHOD OF FINANCING:

1	General Revenue Fund	1,500,000	1,500,000
TOTAL, METHOD OF FINANCING		1,500,000	1,500,000

DESCRIPTION / JUSTIFICATION:

Houston-Guided Pathways to Success is a regional partnership among the UH System universities (UH, UH-Clear Lake, UH-Downtown) and the major community colleges in the Houston area (Lone Star College, San Jacinto College, Houston Community College, Wharton County Junior College). Partnership goals are to increase the number of students earning a degree, improve graduation rates, reduce time to degree, and reduce excess credit hours, particularly among students transferring from 2-year to 4-year institutions.

H-GPS strategies include (1) the development of academic degree maps for every undergraduate program, charting the courses students need to take and the semesters in which they need to take them; (2) the creation of broad-based “meta-majors” that will lead undeclared-majors into courses applicable to programs that serve their general academic/professional interests; (3) structured schedules that allow students to better coordinate academic coursework with family and job responsibilities; (4) proactive advising, through which advisors use predictive analytics to identify and engage students academically at-risk; and (5) a technology platform that allows for cross-institutional data sharing.

H-GPS planning has taken place over the past year (funded through a grant from the Houston Endowment), with implementation set to begin this year. Exceptional item funding is requested on behalf of all partner institutions to support H-GPS activities.

EXTERNAL/INTERNAL FACTORS:

Statewide many students struggle to complete a degree on time or at all. In Texas, just one in four students at two-year institutions earns a degree or certificate in six years. Just over half of students who start at a two-year institution and transfer to a university earn a degree in six years. Meanwhile, students at Texas public universities graduate with nearly 140 SCH, about twenty more than the traditional 120-hour degree requires. The financial and economic consequences of failure to complete a degree in a timely manner are enormous, including:

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

DATE: 10/14/2016
 TIME: 10:49:24AM

Agency code: 783

Agency name:
University of Houston System Administration

CODE	DESCRIPTION	Excp 2018	Excp 2019
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- The investment in tuition, fees, and state funding that doesn't yield an academic credential.
- The repeated courses or those that don't count toward the degree, the cost of which is borne by both the student and the state. (Several years ago, the Texas Higher Education Coordinating Board estimated that reducing the number of excess credit hours by 12 would save the state \$15 million and students \$94 million.)
- The lost income to the student and economic contributions to the state resulting from delayed entry into the workforce.
- The failure to produce the highly skilled, highly educated workforce that Texas needs for economic competitiveness in the global economy.

By reducing excess SCH, increasing the number of graduates, and improving time to degree, H-GPS will ultimately enlarge and strengthen the state's workforce and save money for students, the state, and taxpayers.

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

H-GPS requires a software platform that integrates all H-GPS activities—advising, career counseling, predictive analytics, and course registration—across all campuses.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

NEW

PROPOSED SOFTWARE EXAMPLES (Client-side, server-side, Midrange and Mainframe)

Subscription based, third-party software package that includes advising, predictive analytics, career and labor market data, and course/classroom registration and scheduling.

PROPOSED HARDWARE EXAMPLES (Desktop, Laptop, Tablets, Servers, Mainframes, Printers and Monitors)

None anticipated.

DEVELOPMENT COST AND OTHER COSTS

We estimate the annual subscription fee for the software package will be \$3 million per year.

TYPE OF PROJECT

Data Management / Data Warehousing

ALTERNATIVE ANALYSIS

The program cannot fully succeed without the technology solution. A cross-institutional, integrated platform with predictive analytics is necessary for H-GPS to target and advise students at-risk academically. The exceptional item request of \$3 million for the 18-19 biennium will cover half the anticipated cost for those years(\$6 million).

ESTIMATED IT COST

2016	2017	2018	2019	2020	2021	2022	Total Over Life of Project
\$0	\$0	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$15,000,000

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

DATE: 10/14/2016
 TIME: 10:49:24AM

Agency code: 783

Agency name:
University of Houston System Administration

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2018</u>	<u>Excp 2019</u>
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DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

To cover costs associated with this Special Item.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

	<u>2020</u>	<u>2021</u>	<u>2022</u>
	\$1,500,000	\$1,500,000	\$1,500,000

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 100.00%

CONTRACT DESCRIPTION :

The UH System and H-GPS partners will contract with a software provider for a software package that will integrate all H-GPS activities—advising, career counseling, predictive analytics, and course/classroom scheduling and registration—across all campuses. The software will have an annual subscription fee.

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

DATE: 10/14/2016
 TIME: 10:49:24AM

Agency code: 783

Agency name:
University of Houston System Administration

CODE	DESCRIPTION	Excp 2018	Excp 2019
	Item Name: Texas Aerospace Scholars/Technology Outreach Program Item Priority: 3 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 03-03-01 High School Cooperative Education Program w/NASA & Tech Outreach Pgm		
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	222,608	222,608
3001	CLIENT SERVICES	80,000	80,000
TOTAL, OBJECT OF EXPENSE		\$302,608	\$302,608
METHOD OF FINANCING:			
1	General Revenue Fund	302,608	302,608
TOTAL, METHOD OF FINANCING		\$302,608	\$302,608

DESCRIPTION / JUSTIFICATION:

Texas Aerospace Scholars (TAS) exceptional item funding will:

- Provide additional summer internship opportunities for recent High School Aerospace Scholars graduating from high school, and community college students successfully completing the NASA Community College Aerospace Scholars program. Dedicating additional funds to interns ensures the successful pipeline into the NASA and Texas workforce. Internships would increase from 4 to 12 per year
- Increase the number of participants in the Texas Aerospace Scholars program and increase recruitment efforts to reach districts within Texas that have low participation in TAS, especially underrepresented schools.
- Develop a new module for the TAS curriculum dedicated to commercial crew and Texas Spaceports. The new curriculum will highlight the STEM connection to the development of commercial crew vehicles and Spaceports and why they are critical to future deep space exploration.
- Provide NASA Community College Aerospace scholars the opportunity to work on a final project dedicated to the Commercial Crew program and Texas Spaceports.

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

EXTERNAL/INTERNAL FACTORS:

Texas Aerospace Scholars:

Providing internships for recently graduated High School Aerospace Scholars and NASA Community College Aerospace Scholars who have successfully completed the program continues the momentum of interested students pursuing a STEM degree and finding a place in the workforce. Immersing students the summer after their HAS and

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

DATE: 10/14/2016
 TIME: 10:49:24AM

Agency code: 783

Agency name:
University of Houston System Administration

CODE	DESCRIPTION	Excp 2018	Excp 2019
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NCAS experience in a technical or research environment increases the pipeline of pathway internships during undergraduate years.

Funding the development of an additional curriculum module and project component to TAS will allow students to become more familiar with the innovative approach of utilizing commercial crew and new spaceports for deep space exploration, with an emphasis on spaceports located in Texas to highlight the contributions Texas is making in space exploration.

Technology Outreach Program (TOP) will have a positive economic impact on the growth of small business in Texas by accepting additional companies into the program. Technical assistance provided will result in new aerospace technology being incorporated into the small business processes, producing viable products, acquiring new advocates for the Texas aerospace industry, and increasing revenues and employment.

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

To cover costs associated with this Special Item.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2020	2021	2022
\$302,608	\$302,608	\$302,608

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

DATE: **10/14/2016**
 TIME: **10:50:30AM**

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

Code	Description	Excp 2018	Excp 2019
Item Name: Restoration of 4% Biennial Base Reduction			
Allocation to Strategy: 3-5-1 Exceptional Item Request			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	49,669	49,669
1002	OTHER PERSONNEL COSTS	28	28
2009	OTHER OPERATING EXPENSE	16,999	16,999
3001	CLIENT SERVICES	18,782	18,782
TOTAL, OBJECT OF EXPENSE		\$85,478	\$85,478
METHOD OF FINANCING:			
1 General Revenue Fund		85,478	85,478
TOTAL, METHOD OF FINANCING		\$85,478	\$85,478

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

DATE: **10/14/2016**
 TIME: **10:50:30AM**

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

Code	Description	Excp 2018	Excp 2019
Item Name: Houston Guided Pathways to Success			
Allocation to Strategy: 3-5-1 Exceptional Item Request			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	1,500,000	1,500,000
TOTAL, OBJECT OF EXPENSE		\$1,500,000	\$1,500,000
METHOD OF FINANCING:			
1	General Revenue Fund	1,500,000	1,500,000
TOTAL, METHOD OF FINANCING		\$1,500,000	\$1,500,000

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

DATE: **10/14/2016**
 TIME: **10:50:30AM**

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

Code	Description	Excp 2018	Excp 2019
Item Name: Texas Aerospace Scholars/Technology Outreach Program			
Allocation to Strategy: 3-3-1 High School Cooperative Education Program w/NASA & Tech Outreach			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	222,608	222,608
3001	CLIENT SERVICES	80,000	80,000
TOTAL, OBJECT OF EXPENSE		\$302,608	\$302,608
METHOD OF FINANCING:			
1	General Revenue Fund	302,608	302,608
TOTAL, METHOD OF FINANCING		\$302,608	\$302,608

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

DATE: 10/14/2016
TIME: 10:51:30AM

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

GOAL: 3 Provide Special Item Support

OBJECTIVE: 3 Public Service Special Item

Service Categories:

STRATEGY: 1 High School Cooperative Education Program w/NASA & Tech Outreach Pgm

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

CODE	DESCRIPTION	Exp 2018	Exp 2019
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OBJECTS OF EXPENSE:

2009	OTHER OPERATING EXPENSE	222,608	222,608
3001	CLIENT SERVICES	80,000	80,000
Total, Objects of Expense		\$302,608	\$302,608

METHOD OF FINANCING:

1	General Revenue Fund	302,608	302,608
Total, Method of Finance		\$302,608	\$302,608

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Texas Aerospace Scholars/Technology Outreach Program

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

DATE: 10/14/2016
TIME: 10:51:30AM

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

GOAL: 3 Provide Special Item Support

OBJECTIVE: 5 Exceptional Item Request

STRATEGY: 1 Exceptional Item Request

Service Categories:

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

CODE DESCRIPTION	Excp 2018	Excp 2019
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	49,669	49,669
1002 OTHER PERSONNEL COSTS	28	28
2009 OTHER OPERATING EXPENSE	1,516,999	1,516,999
3001 CLIENT SERVICES	18,782	18,782
Total, Objects of Expense	\$1,585,478	\$1,585,478

METHOD OF FINANCING:

1 General Revenue Fund	1,585,478	1,585,478
Total, Method of Finance	\$1,585,478	\$1,585,478

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restoration of 4% Biennial Base Reduction

Houston Guided Pathways to Success

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

Date: **10/14/2016**
 Time: **1:36:02PM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2014 - 2015 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2014			Total Expenditures FY 2014		HUB Expenditures FY 2015			Total Expenditures FY 2015	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2015		
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
21.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$40,268	
32.9%	Special Trade	32.7 %	44.1%	11.4%	\$5,395	\$12,225	0.0 %	0.0%	0.0%	\$0	\$12,796	
23.7%	Professional Services	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
26.0%	Other Services	24.6 %	0.1%	-24.5%	\$5,091	\$4,895,821	26.0 %	1.1%	-24.9%	\$9,885	\$861,114	
21.1%	Commodities	21.0 %	32.4%	11.4%	\$49,625	\$153,085	21.1 %	41.9%	20.8%	\$99,783	\$238,237	
	Total Expenditures		1.2%		\$60,111	\$5,061,131		9.5%		\$109,668	\$1,152,415	

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

Attainment:

If FY2014, UH System Administration attained the statewide HUB goal in two out of three procurement categories that had expenditures, and in one out of four categories with expenditures in FY2015.

Applicability:

UH System Administration did not have expenditures in the Heavy Construction or Professional Services categories in FY2014 or FY2015, and did not have expenditures in the Building Construction category in FY2014.

Factors Affecting Attainment:

In FY2014, the Other Services category goal was not met because it included a \$4.1 million insurance payment for property, directors and officers insurance. This insurance premium was paid by the University of Houston in FY2015. In FY2015, a few small contracts in the Building Construction and Special Trade categories were awarded to non-HUB firms that did not do subcontracting. In FY2015, Other Services included contracts for bond rating services, legal services, and auditing services. These contracts were competitively bid, when possible, but HUB vendors did not receive most of the contracts and there was very little subcontracting.

"Good-Faith" Efforts:

University of Houston HUB outreach and compliance activity increased significantly in FY2015. After hiring Maya Thornton, HUB Director, in July 2014, UH added two HUB Specialists to assist Maya with HUB activities. The UH HUB program was audited by the State Auditor's Office during FY2015 and received a "substantially compliant" rating. Since the audit looked back at FY2014, the auditors did not consider the improvements made by Maya in FY2015 prior to the audit. However, all of the auditor's recommendations have been implemented. The increased focus that UH is placing on its HUB program will help broaden the use of HUB vendors in the coming years.

**6.H. Estimate Total Of All Funds Outside the General Appropriations Bill Act Pattern Schedule
2016 - 17 and 2018 - 19 Biennial**

Agency Code: 00783
Agency Name: University of Houston System Administration

	2016-17 Biennium				2018-19 Biennium			
	<u>FY 2016 Revenue</u>	<u>FY 2017 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>	<u>FY 2018 Revenue</u>	<u>FY 2019 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 24,503,538	\$ 52,553,567	\$ 77,057,105		\$ 48,043,220	\$ 47,309,224	\$ 95,352,444	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Endowment and Interest Income	-	-	-		-	-	-	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>24,503,538</u>	<u>52,553,567</u>	<u>77,057,105</u>	<u>80.5%</u>	<u>48,043,220</u>	<u>47,309,224</u>	<u>95,352,444</u>	<u>85.0%</u>
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	\$ 1,100,160	\$ 1,139,278	\$ 2,239,438		\$ 1,139,278	\$ 1,139,278	\$ 2,278,556	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Total	<u>1,100,160</u>	<u>1,139,278</u>	<u>2,239,438</u>	<u>2.3%</u>	<u>1,139,278</u>	<u>1,139,278</u>	<u>2,278,556</u>	<u>2.0%</u>
NON-APPROPRIATED SOURCES								
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	-	-	-		-	-	-	
Endowment and Interest Income	1,704,608	1,826,018	3,530,626		1,826,018	1,826,018	3,652,036	
Sales and Services of Educational Activities (net)	7,408,373	5,437,573	12,845,946		5,437,573	5,437,573	10,875,146	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>9,112,981</u>	<u>7,263,591</u>	<u>16,376,572</u>	<u>17.1%</u>	<u>7,263,591</u>	<u>7,263,591</u>	<u>14,527,182</u>	<u>13.0%</u>
TOTAL SOURCES	<u>\$ 34,716,679</u>	<u>\$ 60,956,436</u>	<u>\$ 95,673,115</u>	<u>100.0%</u>	<u>\$ 56,446,089</u>	<u>\$ 55,712,093</u>	<u>\$ 112,158,182</u>	<u>100.0%</u>

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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

Date: 10/14/2016

Time: 1:36:03PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	

1 System Office Operation

Category: Programs - Service Reductions (Other)

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

Strategy: 1-1-11 System Office Operations

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$136,800	\$136,801	\$273,601
General Revenue Funds Total	\$0	\$0	\$0	\$136,800	\$136,801	\$273,601
Item Total	\$0	\$0	\$0	\$136,800	\$136,801	\$273,601

FTE Reductions (From FY 2018 and FY 2019 Base Request)

2 NASA and Technology Outreach Program

Category: Programs - Service Reductions (Other)

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

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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$68,348	\$68,348	\$136,696
General Revenue Funds Total	\$0	\$0	\$0	\$68,348	\$68,348	\$136,696
Item Total	\$0	\$0	\$0	\$68,348	\$68,348	\$136,696

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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

Date: 10/14/2016

Time: 1:36:03PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
FTE Reductions (From FY 2018 and FY 2019 Base Request)							
AGENCY TOTALS							
General Revenue Total				\$205,148	\$205,149	\$410,297	\$410,297
Agency Grand Total	\$0	\$0	\$0	\$205,148	\$205,149	\$410,297	\$410,297
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2018 and FY 2019 Base Request)							

783 University of Houston System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
GR & GR-D Percentages					
GR %	100.00%				
GR-D/Other %	0.00%				
Total Percentage	100.00%				
FULL TIME ACTIVES					
1a Employee Only	8	8	0	8	20
2a Employee and Children	3	3	0	3	10
3a Employee and Spouse	1	1	0	1	5
4a Employee and Family	2	2	0	2	6
5a Eligible, Opt Out	0	0	0	0	0
6a Eligible, Not Enrolled	1	1	0	1	4
Total for This Section	15	15	0	15	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	1
4b Employee and Family	0	0	0	0	0
5b Eligible, Opt Out	0	0	0	0	0
6b Eligible, Not Enrolled	0	0	0	0	1
Total for This Section	0	0	0	0	2
Total Active Enrollment	15	15	0	15	47

783 University of Houston System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
FULL TIME RETIREES by ERS					
1c Employee Only	0	0	0	0	0
2c Employee and Children	0	0	0	0	0
3c Employee and Spouse	0	0	0	0	0
4c Employee and Family	0	0	0	0	0
5c Eligible, Opt Out	0	0	0	0	0
6c Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
PART TIME RETIREES by ERS					
1d Employee Only	0	0	0	0	0
2d Employee and Children	0	0	0	0	0
3d Employee and Spouse	0	0	0	0	0
4d Employee and Family	0	0	0	0	0
5d Eligible, Opt Out	0	0	0	0	0
6d Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
Total Retirees Enrollment	0	0	0	0	0
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	8	8	0	8	20
2e Employee and Children	3	3	0	3	10
3e Employee and Spouse	1	1	0	1	5
4e Employee and Family	2	2	0	2	6
5e Eligible, Opt Out	0	0	0	0	0
6e Eligible, Not Enrolled	1	1	0	1	4
Total for This Section	15	15	0	15	45

783 University of Houston System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	8	8	0	8	20
2f Employee and Children	3	3	0	3	10
3f Employee and Spouse	1	1	0	1	6
4f Employee and Family	2	2	0	2	6
5f Eligible, Opt Out	0	0	0	0	0
6f Eligible, Not Enrolled	1	1	0	1	5
Total for This Section	15	15	0	15	47

Schedule 4: Computation of OASI
 85th 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	2015		2016		2017		2018		2019	
	<u>% to Total</u>	<u>Allocation of OASI</u>								
General Revenue (% to Total)	100.0000	\$377,016	100.0000	\$76,686	100.0000	\$78,250	100.0000	\$80,000	100.0000	\$81,600
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	\$377,016	100.0000	\$76,686	100.0000	\$78,250	100.0000	\$80,000	100.0000	\$81,600

Schedule 5: Calculation of Retirement Proportionality and ORP Differential

10/14/2016 1:51:47PM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

783 University of Houston System Administration

Description	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
Proportionality Amounts					
Gross Educational and General Payroll - Subject To TRS Retirement	3,776,618	1,106,882	1,132,353	1,154,412	1,176,471
Employer Contribution to TRS Retirement Programs	256,810	75,268	77,000	78,500	80,000
Gross Educational and General Payroll - Subject To ORP Retirement	1,720,697	0	0	0	0
Employer Contribution to ORP Retirement Programs	113,566	0	0	0	0
Proportionality Percentage					
General Revenue	100.0000 %	100.0000 %	100.0000 %	100.0000 %	100.0000 %
Other Educational and General Income	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Health-related Institutions Patient Income	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Proportional Contribution					
Other Educational and General Proportional Contribution (Other E&G percentage x Total Employer Contribution to Retirement Programs)	0	0	0	0	0
HRI Patient Income Proportional Contribution (HRI Patient Income percentage x Total Employer Contribution To Retirement Programs)	0	0	0	0	0
Differential					
Differential Percentage	1.9000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Gross Payroll Subject to Differential - Optional Retirement Program	524,526	0	0	0	0
Total Differential	9,966	0	0	0	0

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

Date: 10/14/2016
 Time: 1:52:36PM

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

	Actual 2015	Actual 2016	Budgeted 2017	Estimated 2018	Estimated 2019
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Faculty Employees	58.1	14.1	14.1	14.1	14.1
Subtotal, Directly Appropriated Funds	58.1	14.1	14.1	14.1	14.1
Non Appropriated Funds Employees	1.9	46.0	49.7	49.7	49.7
Subtotal, Other Funds & Non-Appropriated	1.9	46.0	49.7	49.7	49.7
GRAND TOTAL	60.0	60.1	63.8	63.8	63.8

Part B.
Personnel Headcount

Directly Appropriated Funds (Bill Pattern)

Educational and General Funds Faculty Employees	59.0	15.0	15.0	15.0	15.0
Subtotal, Directly Appropriated Funds	59.0	15.0	15.0	15.0	15.0
Non Appropriated Funds Employees	3.0	48.0	50.0	50.0	50.0
Subtotal, Non-Appropriated	3.0	48.0	50.0	50.0	50.0
GRAND TOTAL	62.0	63.0	65.0	65.0	65.0

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

Date: 10/14/2016
 Time: 1:52:36PM

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

	Actual 2015	Actual 2016	Budgeted 2017	Estimated 2018	Estimated 2019
PART C.					
Salaries					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Faculty Employees	\$6,147,287	\$1,417,697	\$1,417,697	\$1,368,000	\$1,368,000
Subtotal, Directly Appropriated Funds	\$6,147,287	\$1,417,697	\$1,417,697	\$1,368,000	\$1,368,000
Non Appropriated Funds Employees	\$1,002,645	\$5,885,735	\$6,646,136	\$6,695,833	\$6,695,833
Subtotal, Non-Appropriated	\$1,002,645	\$5,885,735	\$6,646,136	\$6,695,833	\$6,695,833
GRAND TOTAL	\$7,149,932	\$7,303,432	\$8,063,833	\$8,063,833	\$8,063,833

Schedule 8C: Revenue Capacity for Tuition Revenue Bond Projects

DATE: 10/14/2016
TIME: 10:30:19AM

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

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

	Act 2015	Act 2016	Bud 2017	Est 2018	Est 2019
Gross Tuition	\$156,337,038	\$166,602,844	\$170,596,965	\$174,056,447	\$177,672,951
Less: Remissions and Exemptions	(29,263,411)	(35,407,122)	(39,116,889)	(39,909,385)	(40,740,535)
Less: Refunds	0	0	0	0	0
Less: Installment Payment Forfeits	0	0	0	0	0
Less: Tuition rebates for certain undergraduates (TX. Educ. Code Ann. Sec. 54.0065)	(151,000)	(175,000)	(55,242)	(56,513)	(57,846)
Plus: Tuition waived for students 55 years or older (TX. Educ. Code Ann. Sec. 54.013)	23,159	24,193	29,837	30,523	31,243
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	\$126,945,786	\$131,044,915	\$131,454,671	\$134,121,072	\$136,905,813
Less: Transfer of Funds for Texas Public Education Grants Program (TX. Educ. Code Ann. Sec. 56c) and for Emergency Loans (TX. Educ. Code Ann. Sec. 56d)	(11,548,388)	(11,981,802)	(11,923,491)	(12,170,194)	(12,427,319)
Less: Transfer of Funds (2%) for Physician/Dental Loans (Medical School)	0	0	0	0	0
Less: Statutory Tuition (TX. Educ. Code Ann. Sec. 54.051) Set aside for Doctoral Incentive Loan Repayment Program (TX. Educ. Code Ann. Sec. 56.095)	(61,486)	0	0	0	0
Less: Other Authorized Deductions	0	0	0	0	0
Total Net Tuition Available to Pledge for Tuition Revenue Bonds	\$115,335,912	\$119,063,113	\$119,531,180	\$121,950,878	\$124,478,494
Debt Service on Existing Tuition Revenue Bonds	(22,293,383)	(22,120,461)	(30,084,662)	(26,995,533)	(26,261,538)
Estimated Debt Service for Authorized but Unissued Tuition Revenue Bonds	0	0	(20,320,706)	(18,984,967)	(18,984,967)
Subtotal, Debt Service on Existing Authorizations	\$(22,293,383)	\$(22,120,461)	\$(50,405,368)	\$(45,980,500)	\$(45,246,505)
TOTAL TUITION AVAILABLE FOR NEW AUTHORIZATIONS	\$93,042,529	\$96,942,652	\$69,125,812	\$75,970,378	\$79,231,989
Debt Capacity Available for New Authorizations	\$1,067,190,478	\$1,143,648,789	\$819,154,681	\$892,800,018	\$930,188,933

Schedule 8D: Tuition Revenue Bonds Request by Project
85th Regular Session, Agency Submission, Version 1

Agency Code: 783

Agency Name: University of Houston System Administration

Original Bond Issue	Refunded by Bond Issue	Component	Project Name	Authorization Year	Estimated Final Payment Date	Requested Amount 2018	Requested Amount 2019	
University of Houston								
2004	NA	UH	Tropical Storm Allison Recovery TRB (CRB 2004)	2004	2/15/2017	\$ 592,475	\$ -	
2009	NA	UH	Consolidated Revenue Refunding Bonds Series 2009 - TRB (Science Labs)	2009	2/15/2028	4,140,000	4,139,375	
2009	1999	UH	Consolidated Revenue Refunding Bonds, Series 2009A (TRB - refund 1999)	2009	2/15/2019	860,017	859,009	
2011	2002A	UH	Consolidated Revenue Refunding Bonds, Series 2011A (TRB - Refund 2002A)	2011	2/15/2018	3,362,756	3,297,393	
2016B	NA	UH	Consolidated Revenue Refunding Bonds, Series 2016B (TRB - Health & Biomed B	2016	2/15/2036	4,366,580	4,365,980	
2017	NA	UH	New Academic Building in Sugarland, TX	2017		4,176,668	4,176,668	
Subtotal - UH						\$ 17,498,496	\$ 16,838,425	
University of Houston - Clear Lake								
2009	NA	UHCL	Consolidated Revenue Refunding Bonds Series 2009 - TRB (Arbor)	2009	2/15/2028	760,750	762,625	
2011	2002A	UHCL	Consolidated Revenue Refunding Bonds, Series 2011A (TRB - Refund 2002A)	2011	2/15/2018	2,039,406	1,999,765	
2016B	NA	UHCL	Consolidated Revenue Refunding Bonds, Series 2016B (TRB - STEM Building)	2016	2/15/2036	3,741,435	3,742,373	
2017	NA	UHCL	Health Sciences and Classroom Building in Pearland, TX	2017		1,904,561	1,904,561	
Subtotal - UHCL						\$ 8,446,152	\$ 8,409,324	
University of Houston - Downtown								
2014	2006	UHD	Consolidated Revenue Refunding Bonds, Series 2014 (partial refund 2006 - TRB)	2014	2/15/2026	1,435,685	1,422,800	
2009	1999	UHD	Consolidated Revenue Refunding Bonds, Series 2009A (TRB - refund 1999)	2009	2/15/2019	537,421	536,791	
2011	2002A	UHD	Consolidated Revenue Refunding Bonds, Series 2011A (TRB - Refund 2002A)	2011	2/15/2018	1,201,891	1,178,530	
2013A	2006	UHD	Consolidated Revenue Refunding Bonds, Series 2013A (partial refund 2006 - TRB)	2013	2/15/2017	733,253	747,653	
2017	NA	UHD	Science and Technology Building	2017		4,640,742	4,640,742	
Subtotal - UHD						\$ 8,548,992	\$ 8,526,516	
University of Houston - Victoria								
2008	NA	UHV	Tuition Revenue Bonds - Series 2008 (Allied Health)	2008	2/15/2028	84,038	85,438	
2008	NA	UHV	Tuition Revenue Bonds - Series 2008 (REDC)	2008	2/15/2028	301,113	303,231	
2009	1999	UHV	Consolidated Revenue Refunding Bonds, Series 2009A (TRB - refund 1999)	2009	2/15/2019	741,493	740,624	
2011	2002A	UHV	Consolidated Revenue Refunding Bonds, Series 2011A (TRB - Refund 2002A)	2011	2/15/2018	185,501	181,895	
2016A	2008	UHV	Consolidated Revenue Refunding Bonds, Series 2016A (UHV Allied TRB - refunc	2016	2/15/2028	36,900	36,900	
2016A	2008	UHV	Consolidated Revenue Refunding Bonds, Series 2016A (UHV Eco Dev TRB - refu	2016	2/15/2028	138,150	138,150	
2017	NA	UHV	Academic expansion and land acquisition	2017		4,640,742	4,640,742	
Subtotal - UHV						\$ 6,127,937	\$ 6,126,980	
University of Houston - System Administration								
2008	NA	UHSA	Tuition Revenue Bonds - Series 2008 (Sugar Land)	2008	2/15/2028	1,021,050	1,007,681	
2009	1999	UHSA	Consolidated Revenue Refunding Bonds, Series 2009A (Ft. Bend TRB - refund 199	2009	2/15/2019	250,669	250,375	
2016A	2008	UHSA	Consolidated Revenue Refunding Bonds, Series 2016A (Sugarland TRB - refund 20	2016	2/15/2028	464,950	464,950	
2017	NA	UHSA	Construction of a building and land purchase near Katy	2017		3,622,254	3,622,254	
Subtotal - UHSA						\$ 5,358,923	\$ 5,345,260	
Total						\$ 45,980,500	\$ 45,246,505	
Total by Component								
						UH	\$ 17,498,496	\$ 16,838,425
						UHCL	8,446,152	8,409,324
						UHD	8,548,992	8,526,516
						UHV	6,127,937	6,126,980
						UHSA	5,358,923	5,345,260
						Total	45,980,500	45,246,505

783 University of Houston System Administration

Special Item: 1 **Restoration of 4% Biennial Base Reduction**

(1) Year Special Item: 2018
Original Appropriations: \$85,478

(2) Mission of Special Item:

The UH System requests restoring the 4% biennial base reduction which would be taken from university operations and the NASA special item. Funding for university operations is used to better serve the four UH System universities in terms of central services (e.g. general counsel, audit, Board of Regents, etc.) and planning to meet the higher education needs of Greater Houston and the state. This restoration would also allow two programs at the NASA-Johnson Space Center to continue to provide education and business opportunities at current levels. The Texas Aerospace Scholars program provides educational and internship opportunities to high school and community college students to promote STEM careers, while the Technology Outreach Program facilitates technology adoption and economic development in the business community.

(3) (a) Major Accomplishments to Date:

Since 2008, UH System enrollment has grown by 25%. Today, the system serves 70,000 students—14,000 more than before. Degrees awarded have increased by 30% from 11,702 to 15,224. Among our institutions, UH continues to rise among the ranks of nationally competitive Tier One universities; UH-Clear Lake and UH-Victoria now enroll freshman and sophomores; and UH-Downtown has expanded its graduate programs and implemented stronger undergraduate admissions standards. The UH System has also developed three off-campus teaching centers (in Sugar Land, Pearland, and Northwest Houston) and will launch a future campus in Katy.

NASA's Texas Aerospace Scholars program has served more than 9,000 high school juniors and 2,100 community college students. The Technology Outreach Program has helped 800 small businesses solve technical challenges.

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

By restoring the reduction, the UH System would be able to fully provide strategic guidance and services to its four institutions. We expect to enroll more students, improve student success measures (e.g. graduation/ retention rates), and produce more graduates which will benefit the regional/state economy. The system also expects to make progress on expanding its off-campus teaching centers. We are meeting our students where they live and work in the high-growth areas of Greater Houston.

The Texas Aerospace Scholars would continue to provide educational and internship opportunities at current levels. The Technology Outreach Program would continue to expose businesses to innovative technology which will lead to greater technology adoption and economic development.

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

NA

(5) Formula Funding:

N

783 University of Houston System Administration

(6) Startup Funding:

N

(7) Transition Funding:

N

(8) Non-general Revenue Sources of Funding:

NA

(9) Consequences of Not Funding:

The UH System coordinates activities among four institutions with over 70,000 students. The 4% reduction would limit our ability to support the institutions and meet their needs as well as those of the region and state, during a time of extraordinary growth. In addition, reducing NASA special item funding would mean fewer opportunities for students to explore STEM education and careers. It would also limit the NASA-Johnson Space Center's outreach to businesses which would lead to less technology transfer and economic development.

783 University of Houston System Administration

Special Item: 2 **Houston Guided Pathways to Success (H-GPS)**

(1) Year Special Item: 2018
Original Appropriations: \$1,500,000

(2) Mission of Special Item:

Houston Guided Pathways to Success (H-GPS) is a regional partnership among the UH System universities (UH, UH-Clear Lake, UH-Downtown) and regional community colleges (Lone Star College, San Jacinto College, Houston Community College, Wharton County Junior College). Goals are to increase the number of students earning a degree; improve graduation rates; reduce time to degree; and reduce excess credit hours, particularly among students that transfer from 2-year to 4-year institutions. Funding will be used to develop a technology solution that will integrate all H-GPS activities—advising, career counseling, predictive analytics, and course registration—across all campuses.

(3) (a) Major Accomplishments to Date:

H-GPS partners have been planning this program for over a year through a one-time grant from the Houston Endowment. Participating institutions have entered into a formal Memorandum of Understanding. We have met to establish program goals, technology needs, and student success strategies.

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

H-GPS will begin implementing program strategies, policies, and procedures in FY 2017. Over the next two years, H-GPS expects to secure funding to develop the technology solution and implement this technology across all campuses. The H-GPS technology will: 1) Provide students with economic and career information so they can make an informed choice about a major; 2) Develop cross-institutional degree maps, so students can chart their entire four-year academic career with required courses; 3) Develop structured class schedules that allow students to better coordinate courses with family and job responsibilities; and 4) Combine proactive advising with predictive analytics, so advisors can target at-risk students and make sure they remain on track to complete their degree.

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

NA

(5) Formula Funding:

N

(6) Startup Funding:

N

(7) Transition Funding:

N

(8) Non-general Revenue Sources of Funding:

783 University of Houston System Administration

Fiscal Year	Amount	Source
2016	\$900,000	Houston Endowment (private grant-making organization)

(9) Consequences of Not Funding:

The program cannot fully succeed without the technology solution. A cross-institutional, integrated platform with predictive analytics is necessary for H-GPS to target and advise students at-risk academically.

783 University of Houston System Administration

Special Item: 3 **Texas Aerospace Scholars/Technology Outreach Program**

(1) Year Special Item: 2000
Original Appropriations: \$200,000

(2) Mission of Special Item:

The Texas Aerospace Scholars (TAS) programs harness the excitement of human space exploration to inspire Texas students to consider and pursue STEM degrees and careers, as only NASA can. TAS provides unique educational and internship experiences that ensure a competitive workforce for the future. The mission of the Technology Outreach Program (TOP) is to make innovative aerospace technology available to the private sector, particularly to small businesses. Secondary goals are to incorporate technology into small business processes to produce viable products, serve as an advocate for the aerospace industry, and realize the positive economic impact to small businesses through new contracts, increased revenues, increased employment, and/or overall company growth due to TOP technical assistance.

(3) (a) Major Accomplishments to Date:

High School Aerospace Scholars: More than 9,000 high school juniors, representing 100% of the legislative districts, have participated. In 2016, legislators nominated 727 juniors to participate. Students have indicated an interest in STEM degrees as a result of participating. The ratio of other revenue to State funds is 2:1.
Middle School Aerospace Scholars: More than 700 teachers from 100% of Texas Education Service Centers have participated in educational professional development events and a workshop at the Johnson Space Center. Teachers discover innovative ways to integrate NASA instructional materials across disciplines.
Community College Aerospace Scholars: More than 2,100 students representing 88% of the college districts have participated. Of these, over 40% were from underrepresented populations. TAS Internships provide a technical semester position at JSC for TAS alumni. To date, 75 students have participated. This is a key component to the workforce pipeline.
The Technology Outreach Program (TOP) transfers NASA/JSC scientific and engineering expertise to meet Texas small businesses' technology requirements fostering economic retention/expansion. Since 1999, TOP has helped 800 small businesses solve technical challenges. TOP assistance impacts increased sales, retention and new employment opportunities for small businesses in Texas. NASA Aerospace contractors' commitment of free engineering support is leveraged with TOP state funds at a ratio of 3:1.

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

Texas Aerospace Scholars (TAS) plans to expand existing programs to include a greater representation of school districts and regional service centers, with an emphasis on reaching greater numbers of underrepresented populations in Texas and to continue to identify partners to leverage NASA and Texas' investment in our youth. In addition, NASA will continue to provide additional internship opportunities for alums of the TAS program to create a pipeline opportunity for Texas students who have successfully completed the program.
Technology Outreach Program (TOP) expects significant economic growth due to TOP assistance in the development of: an innovative fetal monitoring system that mitigates fetal brain injuries at birth, increased calf survivability rate and livestock production due to the development of advanced all-weather calf enclosure, a novel, cost efficient beverage level monitoring system for the restaurant industry, improved durability and security for a new trailer hitch storage device, and a more effective lower back pain and sciatica treatment device due to enhanced knee protection during treatment.

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

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

783 University of Houston System Administration

(5) Formula Funding:

N

(6) Startup Funding:

N

(7) Transition Funding:

N

(8) Non-general Revenue Sources of Funding:

Texas Aerospace Scholars (TAS) anticipates continued annual contributions of \$10,000 from the local Rotary and \$182,500 from the Houston Livestock Show and Rodeo. We continue collaborating with Texas universities, community colleges, and educational nonprofit organizations to submit grant applications to the National Science Foundation, Department of Education and other organizations and will work together with the Texas Business and Education Coalition. JSC is committed to supporting the TAS programs and leveraging Texas' contributions to increase the positive impact of programs. JSC provides support for the program by providing 2.5 FTE civil servants, over 2,000 hours of subject matter experts (=1 FTE), facilities, transportation, photography, and printing materials valued at \$665,000 per year. The center also allots \$190,000 of its discretionary budget toward the program.

Technology Outreach Program (TOP) received donations, goods and services through the Bay Area Houston Economic Partnership (BAHEP), aerospace members and local colleges and universities, to implement the program in the local BAHEP region, along with NASA JSC to implement the local program. The aerospace industry and NASA provide engineers at no cost to small businesses. The commitment of donated engineering time during the biennium equates to \$1,332,000 worth of engineering assistance. Leveraging these various funding sources and services maximizes the return to the state and small businesses.

(9) Consequences of Not Funding:

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

- * A significant impact on our ability to affect Texas students and teachers.
- * Discontinued 17-year investment in education opportunities throughout Texas and with all segments of demographics to encourage more students to pursue education to prepare for STEM careers.
- * Lessening Texas' commitment and awareness of the value in STEM careers.
- * Widening the gap between Texas' need for a high-tech workforce and the lack of graduates pursuing STEM degrees.

Technology Outreach Program (TOP) Economic impacts include:

- * Small businesses and entrepreneurs not being assisted by the program, and new inventions will not be taken to market.
 - * Small businesses that may have participated in the program will not expand or be created in Texas.
 - * Program will no longer provide the opportunity for the Legislature's commitment to expand companies, create new companies and growth, and assist small businesses in establishing Texas as a high tech region.
-