

# **LAR Statewide Workshop**

**TACUBO Budget Committee  
April 2024**

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# Policy Letter



Legislative Budget Board  
Robert E. Johnson Bldg.  
1501 N. Congress Avenue, 5<sup>th</sup> Floor  
Austin, TX 78701  
(512) 463-1200

Governor's Office of  
Budget and Policy  
1100 San Jacinto, 4<sup>th</sup> Floor  
Austin, TX 78701  
(512) 463-1778

June 30, 2022

**TO:** State Agency Board/Commission Chairs  
State Agency Heads and Executive Directors  
Appellate Court Justices and Judges  
Chancellors, Presidents, and Directors of Institutions and Agencies of Higher Education

Detailed instructions for the submission of legislative appropriations requests for the 2024-25 biennium have been posted on the websites of the Legislative Budget Board and the Office of the Governor. A staggered schedule of submission due dates is included in the instructions.

Under these instructions, an agency's baseline request for General Revenue Funds and General Revenue-Dedicated Funds may not exceed the sum of those amounts expended in fiscal year 2022 and budgeted in fiscal year 2023. Exceptions to the baseline request limitation include amounts necessary to:

- maintain funding for the Foundation School Program under state law;
- satisfy debt service requirements for bond authorizations;
- maintain funding at fiscal year 2023 budgeted levels plus amounts necessary to cover the impact of payroll growth for state pension systems and employee group benefits (not including payroll contributions made by state agencies and institutions of higher education for retirement and group health insurance), though group benefit modifications may be considered;
- maintain benefits and eligibility under state law in Medicaid programs, the Children's Health Insurance Program, foster care programs, the adoption subsidies programs, and the permanency care assistance program (baseline requests for these programs should include amounts sufficient for projected caseload growth);
- amounts necessary for public safety operations and equipment, including border security; and
- replace federal funds used for fiscal year 2022 public health and public safety salaries and other personnel costs at targeted agencies.

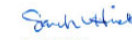
Funding requests that exceed the baseline spending level may not be included in the baseline request but may be submitted as exceptional items. Because school safety and border security funding will be paramount conversations next session, information not included or addressed in the normal LAR schedules will be requested separately from various agencies for consideration.

It is imperative that state agencies remain fiscally and operationally efficient with state resources. Budget requests should reflect conservative values and be mindful that we are experiencing a time of world and national economic uncertainty that could have an impact on our state. While these instructions do not require a reduction to baseline amounts, agencies and institutions should be mindful the legislature may make reductions to their 2024-25 appropriations, and these entities will be expected to fully justify maintaining baseline spending amounts.

Thank you for your service to the state of Texas, and we look forward to working with you and your staff in preparation for the 88<sup>th</sup> Legislative Session.

Sincerely,

  
Jerry McGinty  
Director  
Legislative Budget Board

  
Sarah Hicks  
Director of Budget & Policy  
Office of the Governor

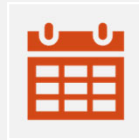
# LEGISLATIVE PROCESS

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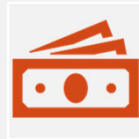
# Texas Legislature



In session every two years



Odd numbered years from  
January to May



Must pass the State Budget  
(General Appropriations Act)  
for the next biennium

# Legislative Cycle (GAA)



## Legislative Appropriations Request

LARs submitted by all State Agencies and Institutions of Higher Education



## Legislative Cycle

Base Bill(s), prepared by the LBB is filed  
House and Senate create and pass separate GAA  
Conference committee creates the final GAA



## General Appropriations Act

Conference Committee version of GAA is passed by the House and Senate at end of May  
The Governor has until 20 days after final adjournment to sign the bill, veto it, or allow it to become law without signature.

**Legislative Cycle (GAA)**  
FY 2026 – FY 2027

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<b>March 2024</b>	<b>Base Reconciliation Instructions Issued</b>
May – June 2024	Budget (LAR) instructions issued by LBB and GOBPP
May 3, 2024	Base Reconciliation is due
June – July 2024	LBB provides GR Target to Institutions
August 2024	Agency Budget Request (LAR) submitted to LBB & GOBPP
August – September 2024	Public Hearings conducted by LBB and GOBPP
October 2024	LAR Updates submitted

## Legislative Cycle (GAA) FY 2026 – FY 2027

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<b>January 2025</b>	<b>House and Senate each file a Base Bill</b>
January 2025	House and Senate committees and subcommittees named
January – February 2025	House and Senate GAA Hearings
February – April 2025	House and Senate create and approve separate versions of the GAA
April – May 2025	Conference Committee creates final version of the GAA
May 2025	House and Senate approval Conference Committee version of GAA
June 2025	Veto period

# GENERAL APPROPRIATIONS ACT

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# General Appropriations Act (GAA)



Also known as Appropriations Bill



State budget for the next biennium



Appropriations for each state agency and institution of higher education



Riders for both higher education and all state agencies



Online version of GAA is available on the LBB website

[www.lbb.state.tx.us](http://www.lbb.state.tx.us)

# Appropriation Bill Pattern

**Article III of the GAA contains the following information for each higher education institution:**

- Method of Financing
- Number of Full-Time-Equivalents (FTE) – FTE Cap
- Informational Listing of Appropriated Funds
  - Appropriation by Goals and Strategies
- Performance Measure Targets
- Institution Specific Riders
- Article III Special Provisions
- Article IX General Provisions

# Administrator's Statement

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## Pointers:

- ▶ Limited to 30,000 characters in ABEST.
- ▶ No charts or graphs in ABEST, however, adding a maximum four-page PDF to the LAR is optional.
- ▶ Get started drafting this early in the process so that it can get all the various levels of review required at your institution/system (president, VPs, GR, other?)

# Appropriation Bill Pattern

## THE UNIVERSITY OF TEXAS AT DALLAS

	For the Years Ending	
	August 31, 2024	August 31, 2025
<b>Method of Financing:</b>		
General Revenue Fund	\$ 130,885,694	\$ 130,576,664
<b>General Revenue Fund - Dedicated</b>		
Estimated Board Authorized Tuition Increases Account No. 704	\$ 8,263,214	\$ 8,263,214
Estimated Other Educational and General Income Account No. 770	<u>64,723,968</u>	<u>65,068,171</u>
Subtotal, General Revenue Fund - Dedicated	<u>\$ 72,987,182</u>	<u>\$ 73,331,385</u>
<b>Total, Method of Financing</b>	<u>\$ 203,872,876</u>	<u>\$ 203,908,049</u>
<b>Items of Appropriation:</b>		
1. Educational and General State Support	\$ 203,872,876	\$ 203,908,049
<b>Grand Total, THE UNIVERSITY OF TEXAS AT DALLAS</b>	<u>\$ 203,872,876</u>	<u>\$ 203,908,049</u>
<b>This bill pattern represents an estimated 24.5% of this agency's estimated total available funds for the biennium.</b>		
<b>Number of Full-Time-Equivalents (FTE)- Appropriated Funds</b>	1,803.8	1,803.8

# Appropriation Bill Pattern

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

**A. Goal:** INSTRUCTION/OPERATIONS

Provide Instructional and Operations Support.

<b>A.1.1. Strategy:</b> OPERATIONS SUPPORT	\$ 139,790,088	\$ 139,790,088
<b>A.1.2. Strategy:</b> TEACHING EXPERIENCE SUPPLEMENT	1,166,321	1,166,321
<b>A.1.3. Strategy:</b> STAFF GROUP INSURANCE PREMIUMS	6,445,878	6,445,878
<b>A.1.4. Strategy:</b> WORKERS' COMPENSATION INSURANCE	91,800	91,800
<b>A.1.5. Strategy:</b> UNEMPLOYMENT COMPENSATION INSURANCE	91,800	91,800
<b>A.1.6. Strategy:</b> TEXAS PUBLIC EDUCATION GRANTS	5,594,350	5,628,873
<b>A.1.7. Strategy:</b> ORGANIZED ACTIVITIES	<u>8,153,080</u>	<u>8,153,080</u>
<b>Total, Goal A:</b> INSTRUCTION/OPERATIONS	\$ 161,333,317	\$ 161,367,840

**B. Goal:** INFRASTRUCTURE SUPPORT

Provide Infrastructure Support.

<b>B.1.1. Strategy:</b> E&G SPACE SUPPORT Educational and General Space Support.	\$ 18,623,163	\$ 18,623,163
<b>B.1.2. Strategy:</b> CCAP REVENUE BONDS Capital Construction Assistance Projects Revenue Bonds.	<u>13,325,691</u>	<u>13,326,341</u>
<b>Total, Goal B:</b> INFRASTRUCTURE SUPPORT	\$ 31,948,854	\$ 31,949,504

**C. Goal:** NON-FORMULA SUPPORT

Provide Non-formula Support.

<b>C.1. Objective:</b> RESEARCH		
<b>C.1.1. Strategy:</b> CENTER FOR APPLIED BIOLOGY	\$ 189,002	\$ 189,002
<b>C.1.2. Strategy:</b> NANOTECHNOLOGY	108,314	108,314
<b>C.2. Objective:</b> PUBLIC SERVICE		
<b>C.2.1. Strategy:</b> ACADEMIC BRIDGE PROGRAM Intensive Summer Academic Bridge Program.	\$ 663,415	\$ 663,415
<b>C.2.2. Strategy:</b> MIDDLE SCHOOL BRAIN YEARS	<u>1,490,302</u>	<u>1,490,302</u>
<b>Total, Goal C:</b> NON-FORMULA SUPPORT	\$ 2,451,033	\$ 2,451,033



# Appropriation Bill Pattern

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## Object-of-Expense Informational Listing:

Salaries and Wages	\$ 73,135,558	\$ 80,559,437
Other Personnel Costs	2,766,013	2,918,682
Faculty Salaries (Higher Education Only)	99,597,918	93,153,925
Professional Salaries - Faculty Equivalent (Higher Education Only)	21,963	0
Professional Fees and Services	121,822	0
Consumable Supplies	187,044	1,536,042
Utilities	34,237	0
Travel	6,687	1,000
Rent - Building	387,475	341,576
Rent - Machine and Other	10,618	0
Debt Service	13,325,691	13,326,341
Other Operating Expense	36,688,266	34,456,916
Client Services	44,046	44,046
Grants	5,594,350	5,628,873
Capital Expenditures	<u>9,977</u>	<u>0</u>
<b>Total, Object-of-Expense Informational Listing</b>	<b>\$ <u>231,931,665</u></b>	<b>\$ <u>231,966,838</u></b>

# Strategies

Institutions of Higher Education receive lump sum appropriations. Unlike other state agencies, higher education institutions are technically not bound to spend the appropriation within the specified strategy with the exception of Capital Construction Assistance Projects (CCAP, formerly TRB) debt service and appropriations bracketed for certain use by riders. However, institutions are strongly encouraged to spend within the strategies and especially within appropriated non-formula support items.

## **Types of Strategies**

- Formula
- Appropriation Set Asides
- Non-formula Support (formerly Special Items)
- Other Common Strategies
- Institution Specific Strategies

# Formula Strategies

## General Academic Institutions:

- Operations Support
- Teaching Experience Supplement
- E & G Space Support
- Other
  - Research
  - Comprehensive
  - Regional Universities Formula

## Health Institutions:

- Instruction & Operations Support
  - Medical, Dental, Biomedical Science, Nursing, Allied Health, Pharmacy, Public Health, Biomedical Informatics
- Graduate Medical Education
- Research Enhancement
- E & G Space Support
- Mission Specific Formulas



# Strategies

## **E & G Set Asides:**

- Texas Public Education Grants (TPEG)
- Organized Activity fees
- Staff Group Insurance Premiums
- Dental Loans (HRIs only)

## **Other Common Strategies:**

- CCAP Debt Service
- Worker's Compensation
- Unemployment Compensation
- Research Funds (GAls only)

# Strategies

## **Non-Formula Support:**

Non-formula Support items are appropriated in a Non-formula Support goal in the Bill Pattern. These items are unique to each institution and were appropriated with a specific Legislative intent. Special reporting for these strategies is required in Schedule 9 of the LAR.

## **Institution Specific:**

Other strategies may exist within each institution's bill pattern to support its unique regional or statewide mission.

# Appropriation Bill Pattern

2. **Performance Measure Targets.** The following is a listing of the key performance target levels for The University of Texas at Dallas. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of The University of Texas at Dallas. In order to achieve the objectives and service standards established by this Act, The University of Texas at Dallas shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	<u>2024</u>	<u>2025</u>
<b>A. Goal: INSTRUCTION/OPERATIONS</b>		
<b>Outcome (Results/Impact):</b>		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	75.07%	75.57%
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Four Academic Years	60.07%	60.57%
Persistence Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	89.1%	89.6%
Certification Rate of Teacher Education Graduates	99%	99%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	21.99%	22.19%
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years	78.1%	79.27%
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Two Years	32.37%	32.86%
Percent of Lower Division Semester Credit Hours Taught by Tenured or Tenure-Track Faculty	22.89%	23.09%
Dollar Value of External or Sponsored Research Funds (in Millions)	87.23	88.1
<b>A.1.1. Strategy: OPERATIONS SUPPORT</b>		
<b>Efficiencies:</b>		
Administrative Cost as a Percent of Total Expenditures	5.58%	5.58%
Average Cost of Resident Undergraduate Tuition And Fees For 15 Semester Credit Hours	7,959	8,039
<b>Explanatory:</b>		
Average Student Loan Debt	26,768	27,638
Percent of Students with Student Loan Debt	33%	33%

# “Riders”

Riders in the GAA are laws that must be followed for the biennium

Institution specific riders in each institution’s bill pattern

Higher Ed specific riders in Article III

Riders for all agencies in Article IX

# “Riders”

- 5. Pharmacy Extension.** Out of funds appropriated to The University of Texas at El Paso in Strategy C.1.3, Pharmacy Extension, \$3,084,512 in General Revenue in fiscal year 2024 and \$3,084,512 in General Revenue in fiscal year 2025 will be used for Pharmacy Extension.
- 3. Definition of Allowable Expenses for Public Leadership Institute.** Appropriated funds for the John Ben Shepperd Public Leadership Institute may be used to pay for costs associated with the Institute's education programs for public secondary and university-level students. Allowable costs include, but are not limited to, registration fees, group or air transportation, lodging, meals, training costs, and related expenses
- 4. Contingency for House bill 3447 - Space Facilities.<sup>2</sup>** Included in amounts appropriated above in Strategy C.4.2, Space Facilities, is \$200,000,000 out of the General Revenue Fund in fiscal year 2024 for the construction of facilities to support the Texas Aerospace Research and Space Economy Consortium. In accordance with Article 7, Section 17(j), Texas Constitution, the legislature finds that there is a demonstrated need for such facilities and that such appropriation may be used for this purpose.
- 5. Campus Academic Programs.** Texas Tech University Health Sciences Center academic programs at sites recognized as separate campuses by either the Legislature or the Texas Higher Education Coordinating Board shall be eligible for the small class supplement component of the instruction and operations formula, if the individual program is at a remote site, and the multi-campus adjustment component of the space projection model.
- 5. Foster Care Pilot Program Unexpended Balances.** Any unexpended balances as of August 31, 2024, from the appropriations identified in Strategy C.1.2, Foster Care Pilot Program, are appropriated to The University of Texas at San Antonio for the same purpose for the fiscal year beginning September 1, 2024.

# LAR STRUCTURE

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# LAR Method of Finance

- Unless otherwise instructed by the LBB, institutions should only include the funding sources included in the GAA Method of Finance section.
- The starting point for the Method of Finance is the Conference Committee version of the appropriations bill.
- Designated Tuition is not appropriated through the GAA and should not be included as a Method of Finance in the LAR.

# LAR Schedules

## **Two types of LAR Schedules:**

- Schedules required by all state agencies
- Specific schedules for Higher Education

## **LAR Schedules can be grouped into the following categories:**

- Schedules Directly Impacting the GAA
- Informational Schedules
- Schedules not required by Higher Education



# Schedules Directly Impacting the GAA


Schedule		Comments
2B	Summary of Base Request by MOF	Used by LBB to create GR target, which is the maximum amount of GR an institution can include in its base request
2D 2G	Summaries of Objective Outcomes	Used by the LBB to set the performance measure target for key measures
3A	Strategy Request Schedules	Base Budget Request for the next biennium. Allocate GR target to the various strategies.
3B	Rider Revisions and Additions Request	Request changes to GAA Riders
4A – C	Exceptional Item Requests	Institution's budget request over and above the GR target
6H	Estimated Total of All Funds Outside the GAA	Used to create the % included in each institution's bill pattern: <i>This bill pattern represents an estimated <b>X%</b> of this agency's estimated total available funds for the biennium</i>

# Higher Education Schedules Directly Impacting the GAA

Schedule		Comments
1A	Other Educational and General Income	Used to establish appropriations for Fund 770 and 704
1B	Health Related Institutions Patient Income	Used to generate an informational rider regarding HRI patient income. Does not impact appropriations.
3A - D	Staff Group Insurance Data Elements	Used to calculate the staff group insurance appropriations for each institution
7	Personnel	Used to establish the FTE cap

# Informational Schedules

	Schedule	Comments
	Administrator's Statement	Most commonly reviewed information in the LAR.
	Organizational Chart	
2A 2C 2E 2F	Summaries of request	This are reports generated from information included in the Strategy Request and Exceptional Item Request schedules
3C	Rider Appropriations and Unexpended Balances Request	This schedule rarely applies to Higher Education
6A	Historically Underutilized Business	
6B	Current Biennium One-Time Expenditures	
6F	Advisory Committee Supporting Schedule	
6J	Behavioral Health Funding Schedule	
8	Summary of Requests for Capital Project Financing	



# Informational Higher Ed Schedules

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Schedule		Comments
2	Selected Educational, General and Other Funds	
4	Computation of OASI	
5	Calculation of Retirement Proportionality and Differential	
6	Capital Funding	
8A – D	Capital Construction Assistance Project Bond Request Schedules	
9	Non-Formula Support Information	



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## Schedules not Required by Higher Ed

Schedule		Comments
5 A - E	Capital Budget	
6 C - D	Federal Funds	
6 E	Estimated Revenue Collections	
7A	Administrative and Support Costs (Direct and Indirect)	

# LAR Request

## **Base Request**

- Within the GR target provided to each institution by the LBB
- Formula funding is not included in the base request; it is calculated at the statewide level

## **Exceptional Item Request**

- Over and above the base request
- May include increase in existing strategy or creation of new strategy

# LAR Request

## October Update

- Update revenues on Schedule 1 for 2024
- Update Base Reconciliation with final 2024 expenditures of GRD (due to updated tuition in schedule 1)
- Update Schedules 4, 5, and 7
- Update any strategies that tie to schedule 1 (Staff Group Insurance, TPEG, Medical Loans)
- Any other updates requested by the LBB as they reviewed your August Submission

**3A & 3B will be updated in January to report enrollment as of December 1**

# LAR TIMELINE

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# Timeline is Short

## What should I be working on already?

- Base reconciliation
- Drafting the Administrator’s Statement
- Developing exceptional item requests
- Developing capital project requests



March 2024	Base Reconciliation Instructions Issued
May – June 2024	Budget (LAR) instructions issued by LBB and GOBPP
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June – July 2024	LBB provides GR Target to Institutions
August 2024	Agency Budget Request (LAR) submitted to LBB & GOBPP
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# ADMINISTRATOR'S STATEMENT

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# Administrator's Statement

- The Administrator's Statement is the narrative summary of your institution's priorities and LAR exceptional item requests.
- This is the only part of the LAR read by many capitol staff. It is important to have a strong, well written Administrator's Statement.
- Content varies by institution. Ideas could include:
  - Unique characteristics of your institution
  - Recent accomplishments
  - Improvement in key metrics (degrees awarded, retention, enrollment growth, etc.)
  - Challenges to your institution
  - Ways your institution is addressing state needs
  - etc.

# Administrator's Statement

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## Required elements:

### System offices and independent institutions:

- Names, terms of office, and hometowns of governing board members. Higher education fulfills this by referencing that the Board of Regents is listed on the Organizational Chart
- List of programs recommended for consolidation or elimination by the Coordinating Board

### All institutions and system offices:

- Exceptional Item Requests: description of the program and funding request by year and MOF
- Capital Construction Assistance Project (CCAP) Requests: description of project, include both the total project cost and the CCAP request so your institutional match is clear
- Statutory authority to conduct background checks and actual agency practices or procedures regarding background checks
- Significant changes in policy, provision of service, & externalities
- **Remember to include any standard language required by your System Office**

# EXCEPTIONAL ITEMS

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# Exceptional Item Requests

**Exceptional Items are requests for new funding over the baseline request**

**Exceptional items include:**

- Increased funding for existing non-formula support (formerly special items)
- Funding for new programs
- Funding for debt service for new CCAP requests

**Exceptional Items do NOT include:**

- Baseline funding, including for existing non-formula support items
- Increased funding anticipated in formula strategies
- Increases in debt service for existing CCAPs. Historically, the policy letter that accompanies the LAR instructions allows institutions to request necessary debt service for existing authorizations.

**You have to develop the same data elements for Exceptional Items as you do for other strategies (OOE, MOF, FTEs)**

# Exceptional Item Requests

## **Exceptional Items appear in the LAR in several places:**

- Administrator's Statement
- Summary of Request
  - 2E, Summary of Exceptional Items Request
  - 2F, Summary of Total Request by Strategy
  - 2G, Summary of Total Request Objective Outcomes
- Schedule 4
  - 4.A. Exceptional Item Request
  - 4.B. Exceptional Item Allocation
  - 4.C. Exceptional Item Strategy Request
- Higher Ed Schedule 9, Non-Formula Support

# Exceptional Item Requests

## **Administrator's Statement:**

- Include a detailed description of the request in the Administrator's Statement
- Include the amount of the funding request by year and method of finance in the description

**For many legislative staffers, the Administrator's Statement is the primary source for information about exceptional items**



# Exceptional Item Requests

## **Schedule 9, Non-formula Support Item Information:**

- For exceptional item requests for new non-formula support items (formerly special items), you will need to complete Schedule 9 for the requested item(s).
- The same guidelines used for this schedule for existing items should be used for new items.

### **Pointers**

- ▶ Make sure your descriptions throughout the LAR are consistent.
- ▶ Make sure your numbers in the request are the same as in the descriptions.

# Exceptional Item Requests

## Schedule 4 Requests for Exceptional Items

- 4.A. Exceptional Item Request
  - You will need to complete a Schedule 4.A. for each Exceptional Item
  - Very similar to Schedule 3.A. Strategy Request
  - Be sure to include the additional information required in the Description / Justification section that is similar to what you include on Schedule 9 for your non-formula support items. Also include additional information on IT components and contracts.
  - Be sure to include an exceptional item request for debt service for new CCAPs for which you are seeking statutory authorization

# Exceptional Item Requests

## Schedule 4 Requests for Exceptional Items

- 4.B. Exceptional Item Allocation
  - Complete form for each impacted strategy for each exceptional item.
  - If the request is additional funding for an existing strategy, tie to that strategy.
  - If no strategy exists for the exceptional item, use the “Exceptional Item Request” strategy in ABEST.
  - If the request is for debt service for newly requested projects, use the “Capital Construction Assistance Projects Revenue Bonds” strategy.
- 4.C. Exceptional Item Strategy Request
  - Totals all exceptional items for each strategy

# Exceptional Item Requests

## Summary of Request

- 2E, Summary of Exceptional Items Request. Pulls data from Exceptional Item Strategy Requests.  
*Only data entry is for 100% federally funded FTEs.*
- 2F, Summary of Total Request by Strategy. Pulls data from Schedules 3.A. Strategy Request and 4.A.-4.C. Exceptional Item Requests.  
*No additional data entry required.*
- 2G, Summary of Total Request Objective Outcomes. Pulls data from Schedules 3.A. Strategy Request and 4.A.-4.C. Exceptional Item Requests.  
*Impacts to objective Outcomes must be separately entered into ABEST.*

# **CAPITAL CONSTRUCTION ASSISTANCE PROJECTS REVENUE BONDS REQUESTS**

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# Capital Construction Assistance Projects

- Capital Construction Assistance Projects Revenue Bonds (CCAP) are bonds authorized by the Legislature for major construction and renovation projects
- Historically, the Legislature has provided funding for the debt service of any authorized CCAPs.
- Debt service for existing CCAPs is included in the baseline budget strategy request. Debt service for new requested CCAPs is included in the exceptional item requests.

# Capital Construction Assistance Projects

## Requests for New CCAPs

LAR CCAP Higher Education Schedules:

- Schedule 8A provides detail by project of requests for new projects. This includes information from the physical plant department such as project cost, square footage, etc.
- An exceptional item must be submitted for the debt service related to the new requested bonds.
- Schedule 8B provides issuance history for existing authorizations
- Schedule 8C breaks down total requested amounts for existing CCAP authorizations by project. This schedule should tie to Schedule 3A, Strategy Request for CCAP debt service.
- Schedule 8D provides the detail by project of the total baseline debt service request for existing bonds

# Capital Construction Assistance Projects

## Requests for New CCAPs

### Pointers

- ▶ Use standard assumptions for debt service calculations. System offices will likely provide.
- ▶ Higher education has generally used 6 percent for 20 year bonds.
- ▶ Make sure the description and numbers tie to what is in the Administrator's Statement



# **Base Reconciliation Process Including 1A, 4, 5 and 7**

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# Base Reconciliation

Summary of Base Reconciliation by Method of Finance 88th Regular Session, Base Recon, Version 1 Automated Budget and Evaluation System of Texas (ABEST)				4/12/2022 9:44:39AM
506 The University of Texas M.D. Anderson Cancer Center				
METHOD OF FINANCING		Exp 2021	Est 2022	Bud 2023

- The base reconciliation is a report of appropriations, revenue collection, and spending by method of finance for the current biennium and the preceding year.
- With the addition of two years for the upcoming biennium (the 'request years'), the base reconciliation becomes LAR Schedule 2B – Summary by Method of Finance.
- LAR higher education schedules 1A, 4, 5, and 7 as well as Staff Group Insurance, and Organized Activities Strategy Requests must be completed in order to complete the base reconciliation.

# Base Reconciliation

- Identifies the sources from which funds have been appropriated, expended and budgeted
- Is a reconciliation of original appropriations to expenditures
- Becomes the basis for GR and GR-D funding limit to prepare baseline request for 2026-2027
- Very important to calculate accurately
- Will be prepared three separate times

# Base Reconciliation

- **General Revenue**

- Enter the regular appropriation amounts from the Conference Committee version of the G.A.A.
- Enter any supplemental or special appropriations, lapsed appropriations, etc.

- **General Revenue Dedicated**

- Start with Regular Appropriations (from Conference Committee version of the GAA)
- “Revised Receipts” – use to adjust to actual **revenue** collections above or below the MOF in appr. Bill (*hint: regular appropriations plus revised receipts should equal schedule 1A revenue and include all GR dedicated funds in MOFs 704 and 770*)
- “Adjustment to Expended” – adjust to actual amount **expended** for FY 2023 and estimated for FY 2024

Schedule 1A = Income

Base Recon = Expenditures

# Base Reconciliation

## Schedules that impact Base Reconciliation

- Schedule 1A Other E&G Income
  - Schedule 3A Strategy Request – GR-D strategies: Organized Activities, Staff Group Insurance, TPEG
  - Schedule 4 & 5 OASI and ORP & TRS (Retirement)
  - Schedule 7 Personnel (FTEs)

## Non-LAR schedules that impact Base Reconciliation

- ABEST/USAS Reconciliation
- FTEs reported to State Auditor's Office – must tie to this report
- APS011

# Base Reconciliation

## Schedule 1A Other E&G Income

Used to calculate the estimated appropriations for Other Educational and General Income

- Do not include Designated Tuition
- Report all tuition waived, rebated, etc. (items for which you do not receive formula funding)
- Reconcile waivers and exemptions to IFRS

# Base Reconciliation

## Schedule 1A Other E&G Income Gross Tuition - Resident

- Actual statutory tuition assessed to Texas resident graduate & undergraduate students (TX. Educ. Code Sec. (TEC) (54.051X)
  - Tuition should be @ gross (do not reduce by waivers or exemptions)
  - DO NOT include Designated Tuition
- Actual Board Authorized Tuition charged to resident graduate students (TEC 54.008)
  - Board Authorized Tuition (BAT) assessed to resident graduate students, gross (do not reduce by waivers or exemptions)
- Tuition increases charged to resident doctoral students with hours in excess of 100 (TEC 54.012)
- Tuition for repeated or excessive hours (TEC 54.014)
  - Include the \$50 of statutory revenue here

# Base Reconciliation

## Schedule 1A Other E&G Income

### Gross Tuition – Non-Resident

- Actual statutory tuition assessed to non-resident graduate & undergraduate students
  - Tuition should be @ gross (do not reduce by waivers or exemptions)
  - DO NOT include Designated Tuition
- Actual Board Authorized Tuition charged to non-resident graduate students (TEC 54.008)
  - Board Authorized Tuition (BAT) assessed to non-resident graduate students, gross (do not reduce by waivers or exemptions)
- Tuition increases charged to non-resident doctoral students with hours in excess of 100 (TEC 54.012)
- Tuition for repeated or excessive hours (TEC 54.014)



# Base Reconciliation

## Schedule 1A Other E&G Income

**Less:** Resident Waivers and Exemptions

- Waivers and exemptions of statutory tuition as reported in IFRS (everything but Hazlewood, which is reported separately)
- Remissions = Waivers

**Less:** Non-Resident Waivers and Exemptions

**Less:** Hazlewood Exemptions

- On Statutory Tuition
- ONLY REPORT HAZLEWOOD FOR STATUTORY TUITION

# Base Reconciliation

## Schedule 1A Other E&G Income

**Less:** Board Authorized Tuition (BAT) increases

- Actual tuition assessed to graduate students under TEC 54.008, net of any exemptions and waivers
- The purpose of netting this line item by its associated waivers is to ensure that the actual BAT is reported

**Less:** Tuition Increases charged to doctoral students with hours in excess of 100

- Actual tuition assessed under authority provided by TEC 54.012

**Less:** Tuition rebates for certain undergraduates

- \$1,000 rebates provided under TEC 54.0065

**Plus:** Tuition waived for students 55 years or older

- Waived by authority of TEC 54.263

# Base Reconciliation

## Schedule 1A Other E&G Income

**Less:** Tuition for repeated or excessive hours

- Charged by authority of TEC 54.014, include \$50 statutory

**Plus:** Tuition Waived for Texas Grant recipients

- Waived by authority of TEC 56.307

**Less:** Transfer of funds for Texas Public Education Grants (TPEG) & Emergency Loans

- Statutory tuition transferred by authority of TEC 56c and TEC 56d (tie to TPEG strategy)

**Less:** Transfer of funds (2%) for Physician Loans (Medical Schools)

**Less:** Statutory tuition set aside for Doctoral Incentive Loan Program

- Statutory tuition transferred by authority of TEC 56.095
- NO AMOUNTS SHOULD BE REPORTED ON THIS LINE

# Base Reconciliation

## Schedule 1A Other E&G Income

**Less:** Other authorized deduction

- Only used in extraordinary circumstances; contact LBB if you think this applies

**Plus:** Other authorized additions

- Only used in extraordinary circumstances; contact LBB if you think this applies

**Plus:** Special course fees

- Statutorily required course fees (TEC 51.009 & 54.051(e) & (l))

**Plus:** Laboratory fees

- Statutorily required laboratory fees (TEC 54.501)

# Base Reconciliation

## Schedule 1A Other E&G Income

Interest on Local Funds in state treasury

- Report total annual distributions by state comptroller. This is unspent revenues collected and required to be deposited in the state treasury related to student tuition and fees.

Interest on local funds in local depositories

- Report total annual interest earnings on state funds held in local depositories.

Other Income (Itemize)

- Report Miscellaneous Income

**Less:** O.A.S.I. applicable to educational and general local funds payrolls

- Actual university proportional share of O.A.S.I. – state paid employees only (tie to sch 4)

**Less:** TRS and ORP proportionality for educational and general funds

- Actual university proportional share of TRS and ORP – state paid employees only (tie to sch 5)

**Less:** Staff Group Insurance Premiums

- Actual university share of proportional faculty and staff group insurance premiums - state paid employees only (tie to SGIP Strategy)

Equals: Total Other Educational & General Income (formula amounts)

# Base Reconciliation

## Schedule 1A Other E&G Income

### Reconciliation to Summary of Request (LAR Schedule 2B)

- Add back selected items deducted above in order to provide control total for “Total, General Revenue Fund-Dedicated” used as method of finance (MOF) in LAR.
  - Include all items necessary to reconcile to Summary of Request – (to include but not limited to TPEG, Staff Group Insurance, Organized Activities, Board Authorized Tuition, Tuition due to Excessive Hours)

Equals:  
Total Educational & General Income on Summary of Request

# Base Reconciliation

## Schedule 1A Other E&G Income

- The following items will equal the individual strategies in LAR Schedule 3A:
  - TPEG
  - Organized Activities
  - Staff group insurance premiums paid from Other E&G funds
  - Dental Loans (HRIs only)
- Make sure the following items are equal to the amounts shown on Schedules 4 and 5
  - ORP (exclude differential) & TRS for Other E&G Proportional Contribution
  - OASI for Other E&G Funds

# Base Reconciliation

## Schedule 4 Computation of OASI

- Provides information for actual and estimated OASI for fiscal years 2023 through 2027
- This information is used to calculate the amount to be deducted from the Other E&G Estimates in Schedule 1
- This form requires two calculations:
  - (1) Total OASI from APS 011 – must tie to reported amount
  - (2) Allocation of total OASI between GR and GRD (and patient income if applicable)



# Base Reconciliation

## Schedule 5 Calculation of Retirement Proportionality and ORP Differential

Provides detail for actual and estimated proportionality and Optional Retirement Program differential for fiscal years 2023 through 2027

- Year 1 actual TRS and ORP comes from APS 011
- Back into Gross Payroll based upon TRS and ORP percentages
- ORP Differential as recorded in accounting for year 1
- Back in to Gross Payroll based upon Differential percentage
- ORP Differential is the institution's share of retirement benefits between 6.6 percent and 8.5 percent of salary amounts paid to the ORP for eligible employees hired prior to September 1, 1995.

Resources:  
APS011  
TRS and ORP  
percentages by year

Rates	2023	2024	2025	2026	2027
TRS	8.0%	8.25%	8.25%	8.25%	8.25%
ORP	6.6%	6.6%	6.6%	6.6%	6.6%
ORP Differential	1.9%	1.9%	1.9%	1.9%	1.9%

# Base Reconciliation

## FTEs

- Start with authorized FTE limit from the bill pattern as a “regular appropriation”
- Show authorization for additional FTEs (lessor of 50 FTE or 110% found in Art IX, Sec 6.10; Special Provisions Sec. 58; Other Rider Appropriations) as a “rider appropriation”
- List the number of FTE’s above or below the cap for FY 2023 (above or below bill pattern FTE’s plus additional FTEs allowed in Sec 6.10)
- Total adjusted FTEs for 2023 should equal the average of the 4 quarters reported to the SAO (use “unauthorized above/below” to adjust from appropriated + authorized additional)
- 2024 should represent estimated
- 2025 should represent budgeted

# Base Reconciliation

## Schedule 7 – Personnel

- Provides detail on full-time equivalent (FTE) positions paid from appropriated funds and other funds. This information is used to calculate institution FTE caps.
- Source document SAO Quarterly FTE reports
  - For first year average of FTEs reported to the SAO for the four quarters. For current year, use available report and forecast for remaining year
  - For Health Related Institutions, to exclude patient income, apply GR & GRD proportionality to FTEs reported under appropriated funds.
  - Patient income appropriated FTEs should be reported under Other appropriations
  - Other appropriations could also include other FTEs paid from funds in the GAAs such as THECB.
  - For Contract employees, FTEs in this category should only include UTMB/Tech HSC Correctional Managed Care and HSC Houston Harris County Psychiatric Center and John Dunn Behavioral Science Center
- Appropriated fund FTEs should be broken down between faculty and non-faculty. Faculty FTEs should tie to CBM008 report and include those reported in categories 1 to 5. Category 6 Teaching Assistants should be included as non-faculty
- Total Directly Appropriated FTEs should tie to those FTEs allocated in institution's strategy as well as method of finance schedule

### II. FTE and Headcount Information:

	A. Paid from Appropriated Funds (Excluding Contract Workers reported in C)	B. Paid from Non-Appropriated Funds	C. Paid for Contract Workers	D. 100% Federal Funded FTEs (Not included in agency's or higher education institution's bill pattern)
5. Total number of FTEs paid in this quarter	17,265.7	7,235.3	189.5	0.0

# Base Reconciliation

## Summary of Request by Method of Finance

- In the LAR, the Base Reconciliation is incorporated in Schedule 2B, Summary of Request by Method of Finance
- The schedule includes an additional two years
- Years 4 and 5 baselines are non-formula such as:
  - Workers Comp
  - Unemployment Comp
  - CCAP
  - Non-Formula Support Items
  - Staff Group Insurance
  - TPEG
  - Organized Activities
- Board authorized tuition (704) should tie to Schedule 1A
- MOF totals should tie to your Strategy (3A) amounts by MOF

# 3A STRATEGY REQUEST

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# 3A Strategy Request

- The Strategy request is the basic building block of the budget request. It sets out the baseline funding requested by the agency.
- Only appropriated dollars are to be included. Do not include any designated fund expenditures or method of finance.
- Required for each item in your Appropriation Bill pattern
- Includes 5 years of data:
  - Year 1 is actuals (and should tie to ABEST)
  - Year 2 is estimated actual expenditures
  - Year 3 is budgeted expenditures
  - Year 4 and 5 are future estimates
- For formula strategies year 4 and 5 should be \$0. We do not request formula funding in the LAR.

# 3A Strategy Request

- Performance Measures
  - Actual performance for FY 23, estimated for FY 24 & 25, requested for FY 26 & 27
  - “Key” measures are those cited in the GAA
  - “non-Key” are not in the GAA, but are a part of the strategic planning and budget structure
- Objects of Expense
  - Enter strategy costs by the objects of expense (list with definitions are on the LBB website)
- Method of Finance
  - Funding Sources for expenses – Fund 001, 704, 770, etc.
  - Show the amount expended by MOF, total should tie to total Objects of Expense above. The sum of all strategies should tie to the Summary of Base Request by MOF (Schedule 2B). Years 1-3 are total expended and budgeted amounts. Years 4-5 tie to the GR target provided by the LBB.

# 3A Strategy Request

- FTEs
  - Total number of full-time equivalents for each strategy
- Description/Justification & External/Internal Factors
  - LBB instructions provide a list of items to be included
  - See Consistency Standards for statewide descriptions
  - Non-formula Items – descriptive narrative of non-formula item that articulates institutional priority and connection to State goals and objectives. Language here should be consistent with Schedule 9.
- External/Internal Factors Impacting Strategy
  - See Consistency Standards



# 3A Strategy Request

## Example – General Academic Institutions

Strategy	Method of Finance	Description	FY 23	FY 24	FY 25	FY 26 & 27Fp
<b>Formula Strategies:</b> Operations Support Teaching Experience Supplement E&G Space Support Small Institution Supplement	GR (1) and E&G (704,770)	Determined via Formula	Actual	Estimate	Budget	Zero
Staff Group Insurance Premiums	E&G (770)	Sum-certain amount based on estimated employment as of December 1st	Actual	Estimate	Budget	Estimate
Workers' Compensation Insurance Unemployment Comp	GR (1)	Sum-certain amount	Actual	Estimate	Budget	Estimate
Texas Public Education Grants	E&G (770)	15% of resident tuition and 3% of non-resident tuition at each institution is set aside for these grants	Actual	Estimate	Budget	Estimate
Organized Activities	E&G (770)	Generally E&G income at institutions that operate income-producing enterprises as part of an educational program, not used as a formula MOF	Actual	Estimate	Budget	Estimate
CCAP Revenue Bonds	GR (1)	Allocated for debt service payments	Actual	Estimate	Budget	Estimate
Non-Formula Support (various)	GR (1)	Primarily all special items are funded 100% with GR	Actual	Estimate	Budget	Estimate
<b>Research Funds:</b> National Research Support Fund, Comprehensive Research Fund, Texas Research University Fund	GR (1)	Determined via Formula	Actual	Estimate	Budget	Zero

*E&G is also called General Revenue Dedicated (GRD) and Estimated Other E&G*

# 3A Strategy Request

## Non-Formula Support Items

- Schedule 9, Non-Formula item Information requests additional information to what is in Schedule 3A
- The mission statement from Schedule 9 should be used as strategy description and justification on Schedules 3A
- In the Internal and External Factors Section, use the following statement:
  - *Additional information for this strategy is available in Schedule 9, non-formula Information*

# 3A Strategy Request

## Non-Formula Support Items

Activities that are not funded by formula or direct payment but are specifically designated by the Legislature for state support.

- Instructional support;
- Institutional support;
- Public service items;
- Research items, other than general research support

Requests for additional non-formula items are called ***exceptional items***. If approved, exceptional items will typically appear in the bill pattern as non-formula support items.

# **STAFF GROUP INSURANCE DATA ELEMENTS**

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# Higher Education Group Insurance

- Higher Education Employee Group Insurance is a separate, sum certain General Revenue (GR) appropriation to fund health insurance benefits for employees funded by GR. Higher Education Employees Group Insurance Contributions bill pattern includes a line item for each institution.
- Appropriations are intended to fund the majority of costs of basic life and health coverage for all active and retired employees and 50% of the cost of health coverage for spouses and dependent children.
- ERS provides the coverage for all institutions except The University of Texas and Texas A&M Systems, which provide their own coverage.
- The Staff Group Insurance strategy appropriates funds for the proportional cost of Staff Group Insurance.

# Higher Education Group Insurance

## **Schedule 3A, 3B, 3D: Group Insurance Data Elements**

- Schedule 3A to be completed by institutions participating in the Employee Retirement System (ERS) Group Benefit Program
- Schedule 3B to be completed by components of The University of Texas and Texas A&M Systems
- Schedule 3D (Supplemental) to be completed by some institutions listed in the LAR instructions to report contracted employees – for example Correctional Managed Health Care employees from the Texas Department of Criminal Justice
- Reported enrollment numbers in the LAR should represent the institutions best estimate of actual enrollment as of December 1, 2024. Actual funding will be based on updated census counts to be expected to be reported in January 2025.

# Higher Education Group Insurance

## Schedule 3A, 3B, 3D: Group Insurance Data Elements

- Employee benefits must be paid from the same revenue source as salaries.
- The Method of Financing for Group Health Insurance premiums is based on the APS 011 (proportionality) reported by the institution for fiscal year 2024. For LAR purposes, use estimated proportionality likely to be reported.
- Two basic fund categories from which higher education employees are paid:
  - Educational & General
  - Non-Educational and General (Local)
- Enter the total employees in these categories and your APS 011 percentages for GR and GRD/Other. ABEST will allocate FTE between GR and GRD/Other based on the APS 011 percentages.
- Retired Employees:
  - ERS institutions should NOT include them in Schedule 3A
  - UT and A&M institutions SHOULD include retired employees in Schedule 3B.

NOTE - Retirees should be allocated between appropriated and non appropriated sources in a proportion similar to current salary expenses and in a manner consistent with APS 11 instructions.
- Sum certain amount will show up in Appropriations Bill (after State rates are set)

# Higher Education Group Insurance

Historical System Proration of "Full" ERS Rates

	78th Leg. 2004-05	79th Leg. 2006-07	80th Leg. 2008-09	81st Leg. 2010-11	82nd Leg. 2012-13	83rd Leg. 2014-15	84th Leg. 2016-17	85th Leg. 2018-19	86th Leg. 2020-21	87th Leg. 2022-23	88th Leg. 2024-25
UT System	87.5%	87.5%	95.0%	95.0%	83.4%	87.0%	86.8%	74.3%	81.3%	78.2%	<b>88.6%</b>
TAMU System	87.5%	87.5%	95.0%	95.0%	83.4%	87.0%	86.8%	74.3%	81.3%	78.2%	<b>88.6%</b>
ERS Institutions	87.5%	87.5%	97.5%	97.5%	85.8%	89.4%	89.2%	74.7%	81.7%	78.6%	<b>88.6%</b>



# OTHER LAR SCHEDULES

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# Performance Measures

- The LBB has defined a set performance measures for General Academic Institutions and a separate set for Health Related Institutions.
- Institutional specific performance measures have been developed for some institutions.
- Each measure is categorized as either a key or non-key measure. The Legislature sets targets for key measures through the GAA.

# Performance Measures

- Historical and projected values (FY 2023 – FY 2027) for each measure (key and non-key) are included in the LAR (Schedules 2D, 2G and 3A)
- The LAR data is usually the basis for establishing the targets for key measures
- The LBB has the authority to set the targets at a different level than those included in the LAR
- Targets for key measures are included in the GAA Bill Pattern for each institution

# Performance Measures

- Actual performance is reported to the LBB through ABEST by October 31st of each year (your Institutional Research office is key in this process)
- An explanation is required for variances +/- 5% from the targets for key measures
- Things to think about when preparing the LAR
  - Institutional Research department is the best source for performance measure information
  - LAR Performance measure data will be used to set the target for key measures

## 3B Rider Revisions & Additions

- Word Document, not an ABEST schedule
- Request new riders, deletion or changes to existing riders
- May be used for changes to institution specific riders or Article III and Article IX riders
- Riders may require revision due to statutory reference changes, technical corrections, changes in agency policy, or need for clarification. Riders that make appropriations for sum-certain, estimated, or unexpended balance amounts may also require revisions.
- Higher Ed System offices coordinate a group of Article III and Article IX rider changes to be submitted for all institutions.

# Schedule 8 Summary of Requests for Capital Project Financing

- Summary schedule of capital projects and method of financing to be completed in an Excel template
- Summary of each new capital project requested: Description, Category, Amount, Method of Financing and Associated Debt Service. Only populate with newly requested CCAP or capital exceptional items

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

Agency Code: 739		Agency: Texas Tech University Health Sciences Center		Prepared by: Kerry Romine												
Date: October 12, 2022		Project Category						Amount Requested								
Project ID #	Capital Expenditure Category	Project Description	New Construction	Health and Safety	Deferred Maintenance	Maintenance	2024-25 Total Amount Requested	MOF Code #	MOF Requested	Can this project be partially funded?	Requested in Prior Session?	Value of Existing Capital Projects	2024-25 Estimated Debt Service (If Applicable)	Debt Service MOF Code #	Debt Service MOF Requested	
1	New Construction	Amarillo Academic and Clinical Expansion	\$ 48,500,000				\$ 48,500,000		CCAP	Yes	No	\$ -	\$ 7,611,212	0001	General Revenue	
2	Renovation of Existing Facilities	Preston Smith Library/Center of Innovative Learning				\$ 29,200,000	\$ 29,200,000		CCAP	Yes	No		\$ 4,582,420	0001	General Revenue	

# 6H

## Estimated Funds Outside the Bill Pattern

- Used to create the % used in each institution's bill pattern
  - “This bill pattern represents an estimated x% of this agency's total available funds for the biennium”
- Schedule of Revenue from All Funds to be completed in an Excel Template
- Annual amounts for each current biennium (FY 2024-2025) and requested biennium (FY 2026-2027)
- Include first section for fund sources appropriated in the GAA Bill Pattern, General Revenue and GR Dedicated; second section for funds appropriated outside of the Bill Pattern, State paid Benefits and transfers; third section for all other local funds.

# 6H Estimated Funds Outside the Bill Pattern

## 6.H. ESTIMATED FUNDS OUTSIDE THE INSTITUTION'S BILL PATTERN 2022-23 and 2024-25 Biennia

88th Regular Session, Agency Submission, Version 1

Agency Code: 751

Agency name: Texas A&M University-Commerce

	2022-23 Biennium				2024-25 Biennium			
	FY 2022 Revenue	FY 2023 Revenue	Biennium Total	Percent of Total	FY 2024 Revenue	FY 2025 Revenue	Biennium Total	Percent of Total
<b>APPROPRIATED SOURCES INSIDE THE BILL PATTERN</b>								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 43,550,594	\$ 43,534,106	\$ 87,084,700		\$ 11,698,713	\$ 11,694,689	\$ 23,393,402	
Tuition and Fees (net of Discounts and Allowances)	15,991,907	15,251,285	31,243,192		15,251,285	15,251,285	30,502,570	
Endowment and Interest Income	20,560	30,000	50,560		30,000	30,000	60,000	
Sales and Services of Educational Activities (net)	100,000	100,000	200,000		100,000	100,000	200,000	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Tuition Revenue Bond Art III Rider 64	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
<b>Total</b>	<b>59,663,061</b>	<b>58,915,391</b>	<b>118,578,452</b>	<b>28.6%</b>	<b>27,079,998</b>	<b>27,075,974</b>	<b>54,155,972</b>	<b>16.0%</b>
<b>APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN</b>								
State Appropriations (HEGI & State Paid Fringes)	\$ 9,015,295	\$ 9,816,869	\$ 18,832,164		\$ 10,307,713	\$ 10,307,713	\$ 20,615,426	
Higher Education Assistance Funds	11,123,859	11,123,859	22,247,718		11,123,859	11,123,859	22,247,718	
Available University Fund	-	-	-		-	-	-	
State Grants and Contracts	7,260,181	8,195,915	15,456,096		7,400,000	7,400,000	14,800,000	
Hazlewood	231,328	233,000	464,328		233,000	233,000	466,000	
<b>Total</b>	<b>27,630,663</b>	<b>29,369,643</b>	<b>57,000,306</b>	<b>13.7%</b>	<b>29,064,572</b>	<b>29,064,572</b>	<b>58,129,144</b>	<b>17.2%</b>
<b>NON-APPROPRIATED SOURCES</b>								
Tuition and Fees (net of Discounts and Allowances)	68,092,145	62,200,000	130,292,145		62,200,000	62,200,000	124,400,000	
Federal Grants and Contracts	30,176,810	29,500,000	59,676,810		25,000,000	25,000,000	50,000,000	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	2,246,830	2,400,000	4,646,830		2,400,000	2,400,000	4,800,000	
Endowment and Interest Income	1,653,343	2,000,000	3,653,343		2,000,000	2,000,000	4,000,000	
Sales and Services of Educational Activities (net)	4,003,018	4,100,000	8,103,018		4,100,000	4,100,000	8,200,000	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	15,890,623	17,000,000	32,890,623		17,000,000	17,000,000	34,000,000	
Other Income	-	-	-		-	-	-	
<b>Total</b>	<b>122,062,768</b>	<b>117,200,000</b>	<b>239,262,768</b>	<b>57.7%</b>	<b>112,700,000</b>	<b>112,700,000</b>	<b>225,400,000</b>	<b>66.7%</b>
<b>TOTAL SOURCES</b>	<b>\$ 209,356,491</b>	<b>\$ 205,485,034</b>	<b>\$ 414,841,526</b>	<b>100.0%</b>	<b>\$ 168,844,570</b>	<b>\$ 168,840,546</b>	<b>\$ 337,685,116</b>	<b>100.0%</b>



# 6A

## HUB Reporting Schedule

Shows to what extent the Institution has made “good faith” efforts to comply with HUB rules (your Procurement office is key in this process)

- Part A shows \$ expenditures and % of HUB activity for the previous 2 fiscal years and is broken down by 6 categories of spending
  - Data is from the Comptroller of Public Accounts reporting (comparing HUB goals to actual attainment)
- Part B allows for each agency/institution of higher education to provide a narrative of their respective efforts in meeting their HUB Procurement Goals
  - The information is used as a scorecard for each agency as to how well they are meeting their HUB goals in each procurement category and what factors affect the outcomes
- ▶ Part C allows asks for a narrative regarding the institution’s efforts to increase HUB participation.

## 6J

# Summary of Behavioral Health Funding

- Use Excel template.
- Informational schedule that provides summary and budgetary information for mental health or substance abuse treatment programs.
- Institutions identified as receiving behavioral health appropriations in Art. IX, Sec. 10.04, are required to complete this schedule as well as any institutions who are requesting behavioral health-related appropriations for the 2026-27 biennium.
- Institutions should identify expenditures in the 2024-25 base, the 2026-27 baseline request, and exceptional items as either expenditures/requests for mental health services or substance abuse services.

# 6K

## Budgetary Impacts Related to Recently Enacted State Legislation

- Informational schedule that provides information about agency costs and savings resulting from the implementation of new state legislation enacted by the Eighty-eighth Legislature, 2023.
- Information reported in this schedule should be consistent with reporting provided to the Comptroller of Public Accounts by September 30th of each year pursuant to Government Code, Sec. 403.0147
- Most institutions will not have any information to submit but consult your system office if you have questions.

# Higher Ed Schedule 2 Selected Educational, General & Other Funds

- Include transfers from the THECB
  - Texas College Work Study, Professional Nursing Shortage Reduction Program, Fifth Year Accounting Scholarship, Texas Grants, B-on-Time Program, Incentive Funding, etc.
- Include transfers for Group Insurance (UT and TAMU)
  - Report amounts in appropriation bill unless the System Office has reallocated funding in which case the institution should report the revised amount
- Include AUF transfers (TAMU System Administration, PVAMU, TAMU, TAMU HSC, UT Austin and UT System Administration)
- Include transfers for Hazlewood and Texas University Fund (TUF)
- Higher Education Fund (HEF) funds used for E&G equipment (not for capital projects)

## For Informational Purposes Only:

- Include Gross Designated Tuition
- Include Indirect Cost Recovery
- Include Correctional Managed Care Contracts
- Estimate these items for all years through 2025

**Schedule 2: Selected Educational, General and Other Funds**  
 88th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

10/19/2022 1:47:58PM

# Higher Ed Schedule 2

730 University of Houston					
	Act 2021	Act 2022	Bud 2023	Est 2024	Est 2025
<b>General Revenue Transfers</b>					
Transfer from Coordinating Board for Texas College Work Study Program (2021, 2022, 2023)	134,253	198,698	224,329	0	0
Transfer from Coordinating Board for Professional Nursing Shortage Reduction Program	125,344	525,127	175,000	0	0
Transfer of GR Group Insurance Premium from Comptroller (UT and TAMU Components only)	0	0	0	0	0
Less: Transfer to Other Institutions	0	0	0	0	0
Less: Transfer to Department of Health, Disproportionate Share - State-Owned Hospitals (2021, 2022, 2023)	0	0	0	0	0
<b>Other (Itemize)</b>					
National Research & University Fund	6,369,141	7,155,702	6,260,000	0	0
License Plate Scholarship	3,349	3,349	3,349	0	0
Texas Veterans Commission funding for Hazlewood Reimbursement - TVC	572,343	584,572	596,000	0	0
Other: Fifth Year Accounting Scholarship	75,000	76,000	76,000	0	0
Texas Grants	24,260,123	30,836,820	31,382,095	0	0
B-on-Time Program	0	0	0	0	0
Texas Research Incentive Program	0	0	0	0	0
Less: Transfer to System Administration	0	0	0	0	0
GME Expansion	0	0	0	0	0
<b>Subtotal, General Revenue Transfers</b>	<b>31,539,553</b>	<b>39,380,268</b>	<b>38,716,773</b>	<b>0</b>	<b>0</b>
<b>General Revenue HEF</b>					
Transfer from Available University Funds (UT, A&M and Prairie View A&M Only)	54,514,004	54,514,004	54,514,004	54,514,004	54,514,004
Transfer from Available University Funds (UT, A&M and Prairie View A&M Only)	0	0	0	0	0
<b>Other Additions (Itemize)</b>					
Increase Capital Projects - Educational and General Funds	0	0	0	0	0
Transfer from Department of Health, Disproportionate Share - State-owned Hospitals (2021, 2022, 2023)	0	0	0	0	0
Transfers from Other Funds, e.g., Designated funds transferred for educational and general activities (Itemize)	0	0	0	0	0
Other (Itemize)					

# Higher Ed Schedule 2

**Schedule 2: Selected Educational, General and Other Funds**  
88th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

10/19/2022 1:47:58PM

<b>730 University of Houston</b>					
	<b>Act 2021</b>	<b>Act 2022</b>	<b>Bud 2023</b>	<b>Est 2024</b>	<b>Est 2025</b>
Gross Designated Tuition (Sec. 54.0513)	331,176,792	341,936,048	341,821,057	341,821,057	341,821,057
Indirect Cost Recovery (Sec. 145.001(d))	23,987,127	20,010,530	23,791,039	24,386,103	24,981,167
Correctional Managed Care Contracts	0	0	0	0	0

# Schedule 6 Constitutional Capital Funding

- Schedule should include only activities related to Permanent University Fund (PUF) Bonds, Higher Education Fund (HEF) Bonds and/or HEF allocations
- Verify that the HEF appropriations agree to the amounts in Education Code Section 62.021.
- CCAPs and CCAP debt service are not included in the schedule

## **Schedule 7 Personnel**

- See base rec section.
- FTE on Schedule 7 should tie to those FTEs allocated in Schedule 3A and Schedule 2B Summary of Request by Method of Finance.



# Schedule 9

## Non-formula Items Information

- Provides additional information on bill pattern non-formula support items
- Include ALL existing non-formula support items AND requested exceptional items
- Coordinate with subject matter experts for the best and most up-to-date information about each item
- Additional requirements:
  - Permanent or temporary funding (include time frame)
  - Benchmarks and performance reviews

# CONSISTENCY IN REPORTING

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# Consistency Standards

The following consistency standards were agreed upon by the TASSCUBO Budget Committee on May 25, 2012. The intent of these standards is to simplify the LAR process.

# Consistency Standards

## Administrator's Statement

- Based on the LAR instructions, Board member information is only required by systems and independent institutions
- Systems and independent institutions should include a statement similar to the following in the Administrator's statement
  - *The Texas Tech University System is governed by a Board of Regents. The current members of the Board of Regents are included in the Organizational Chart*
- Do not include the Board of Regents in the Administrator's statement. Include in the Organizational Chart

# Consistency Standards

## Organizational Chart

- All institutions would include the chain of command from the Board of Regents to the Vice President level of the institution (i.e., Board of Regents, Chancellor, President, Vice President/Provost). For some Health-Related Institutions, Deans would be included if they report directly to the President and not to a Provost.
- Positions below a Vice President Level should be excluded
- Detailed Board of Regent information would be provided if required by the institution

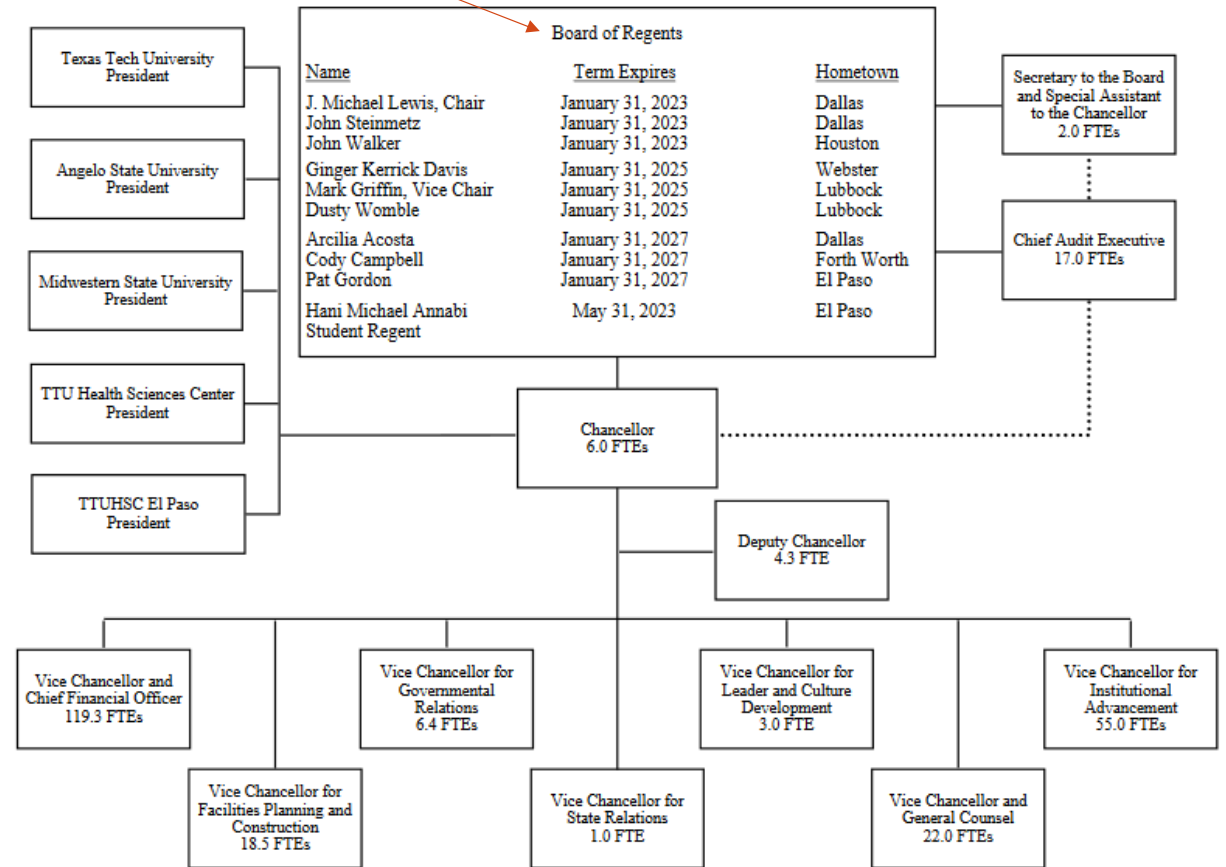
# Consistency Standards

Only System Offices include. Board of Regents information

## Texas Tech University System Administration FY 2023 Budget

Total FTEs — 254.4

← Total FTEs should tie to Schedule 7



# Consistency Standards

## Omitted Schedules

- A list of Schedules not included in the LAR should be included right after the Table of Contents
- Institutions should not insert blank pages for the schedules that are omitted if they are included on this list
- These could vary by institution

### Schedules Not Included

Agency Code	Agency Name:	Prepared By:	Date:
711	Texas A&M University		

For the schedules identified below, the Texas A&M University administration either has no information to report or the schedule is not applicable. Accordingly, these schedules have been excluded from the Texas A&M University Legislative Appropriations Request for the 2024-2025 biennium.

Number	Name
	Administrator's Statement Exhibit
3B.	Rider Revisions and Additions Requests
3C.	Rider Appropriations and Unexpended Balances Request
5. A-E	Capital Budget
6C.	Federal Funds Supporting Schedule
6D.	Federal Funds Tracking Schedule
6E.	Estimated Revenue Collections Supporting Schedule
6F.	Advisory Committee Supporting Schedule
6G.	Homeland Security Funding Schedule
6K.	Budgetary Impacts Related to Recently Enacted Legislation
7	Administrative and Support Costs
Schedule 8	Summary of Requests for Facilities-Related Projects
Schedule 3A	Staff Group Insurance Data Elements (ERS)
Schedule 3C	Group Health Insurance Data Elements
Schedule 8A	CCAP Revenue Bond Projects
Schedule 8B	CCAP Revenue Bond Issuance History

## **Consistency Standards**

### **Schedule 3A Strategy Request Formula and Other Common Strategies**

The following language should be included in the strategy description and justification section for formula funded and other common strategies. Do not include language in the Internal/External factors section.



# Consistency Standards

## Schedule 3A Strategy Request General Academic Institutions

### Instruction and Operations Formula

- The Instruction and Operations Formula provides funding for faculty salaries, departmental operating expense, library, instructional administration, research enhancement, student services and institutional support.
- The funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour is established by the Legislature each biennium.

### Teaching Experience Supplement

- The Teaching Experience Supplement formula provides an additional weight of 10 percent to lower and upper division semester credit hours taught by tenured and tenure-track faculty.

### Infrastructure Support Formula

- The Infrastructure Support formula distributes funding associated with plant-related formulas and utilities. This formula is driven by the predicted square feet for universities' educational and general activities produced by the Coordinating Board Space Projection Model.
- The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater, and thermal energy.

# Consistency Standards

## Schedule 3A Strategy Request General Academic Institutions

### Texas Research University Fund

- The Texas Research University Fund provides funding to The University of Texas at Austin and Texas A&M University to support faculty to ensure excellence in instruction and research.
- A legislatively determined amount of funding is allocated based on each institution's average research expenditures for the previous three-year period as reported to the Higher Education Coordinating Board.

### Texas Comprehensive Research Fund

- The Texas Comprehensive Research Fund provides funding to promote increased research capacity at eligible general academic teaching institutions including those other than The University of Texas at Austin, Texas A&M University and institutions of higher education eligible for appropriations through the National Research Support Fund or the Texas University Fund.
- Funding is to be expended for the support and maintenance of educational and general activities, including research and student services, that promote increased research capacity.
- A legislatively determined amount of funding is allocated proportionate to the average amount of federal and private research funds the institution spends per state fiscal year during the preceding three state fiscal years as compared to the average amount of those funds all eligible institutions spend per state fiscal year during that period.

# Consistency Standards

## Schedule 3A Strategy Request General Academic Institutions

### Core Research Support Fund

- The Core Research Support Fund is established to provide funding to promote increased research capacity at those institutions designated as an emerging research university under the Higher Education Coordinating Board's (THECB) accountability system.
- Funding is to be expended for the support and maintenance of educational and general activities, including research and student services, that promote increased research capacity.
- A legislatively determined amount of funding is appropriated to eligible institutions as follows: (1) 50 percent based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years as reported to THECB; and (2) 50 percent based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years as reported to THECB.

# Consistency Standards

## Schedule 3A Strategy Request Health Related Institutions

### Instruction and Operations Formula

- The Instruction and Operations Formula provides funding for faculty salaries, departmental operating expense, library, instructional administration, student services and institutional support. *(Insert one of the following sentences here based on the strategy.)*
  - The formula for this strategy is based on weighted medical student headcounts.
  - The formula for this strategy is based on weighted dental student headcounts.
  - The formula for this strategy is based on weighted biomedical student full time equivalent.
  - The formula for this strategy is based on weighted nursing student full time equivalent.
  - The formula for this strategy is based on weighted pharmacy student full time equivalent.
  - The formula for this strategy is based on weighted public health student full time equivalent.
  - The formula for this strategy is based on weighted allied health student full time equivalent.
  - The formula for this strategy is based on weighted biomedical informatics student full time equivalent.
- The rate per weighted student headcount or full time equivalent is established by the Legislature each biennium.

# Consistency Standards

## Schedule 3A Strategy Request Health Related Institutions

### Infrastructure Support Formula

- The Infrastructure Support formula distributes funding associated with plant support and utilities. This formula is driven by the predicted square feet for health related institutions produced by the Coordinating Board Space Projection Model.
- Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at the institution is included in the total funding for hospital and patient care activities. (This paragraph would only be included for UTMB, UTMD Anderson and UTHSC Tyler).

### Research Enhancement

- The Research Enhancement formula allocates a fixed amount per year to each institution in addition to a legislatively determined percentage of the research expenditures as reported to the Texas Higher Education Coordinating Board. These funds are used to support the research activities of the institution.

### Graduate Medical Education

- The Graduate Medical Education formula allocates funding based on the number of medical residents. These funds shall be used to increase the number of resident slots in the State of Texas as well as for faculty costs related to GME.

# Consistency Standards

## Schedule 3A Strategy Request Health Related Institutions

### Dental Loans

*For institutions with Dental Schools add:* Section 61.910 of the Texas Education Code requires that 2% of the resident dental school tuition be transferred for repayment of student loans of dentists subject to eligibility determinations established by the Texas Higher Education Coordinating Board. This amount is also reported in the Medical Loans strategy.

### Permanent Health Fund for Higher Education (Education Code, Section 63.001)

- This strategy includes the institution's allocation of the Permanent Health Fund for Higher Education established by Section 63.001 of the Texas Education Code. The purpose of these funds includes medical research, health education, treatment programs, or state matching funds for the eminent scholars fund program research activities of the institution.

### Other Permanent Health Funds (Education Code, Section 63.101)

- Funding for this strategy is derived from annual distributions of this institution's permanent endowment fund established Section 63.101 of the Texas Education Code. These are appropriated for research and other programs that are conducted by the institution and that benefit the public health or for state matching funds for the eminent scholars fund program.
- *Note: UTHSC San Antonio, UTEP, TTUHSC El Paso, TTUHSC (not El Paso) and TAMU HSC have additional purposes in Sec. 63.102(c) that should be added as appropriate.*

# Consistency Standards

## Schedule 3A Strategy Request All Institutions

### Staff Group Insurance

- This strategy is to provide proportional share of staff group insurance premiums paid from Other Educational and General funds

### Workers Compensation

- The strategy funds the Worker's Compensation payments related to Educational and General funds.

### Texas Public Education Grants

- This strategy represents tuition set aside for the Texas Public Education Grants program as required by Section 56.033 of the Texas Education Code.

### Non-Formula Support Items

*The mission statement from Higher Education Schedule 9 should be used as strategy description and justification on Schedules 3A. In the Internal and External Factors Section, use the following statement:*

- Additional information for this strategy is available in Schedule 9, non-formula Item Information.

*Schedule 9, non-formula item Information should be considered the primary schedule for all continuing non-formula support item requests*

# LAST STEPS

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## What next?

- If offered, attend an ABEST training
- ABEST Access - (Get Your Access NOW)
  - Go To Legislative Budget Board web site.  
<http://www.lbb.state.tx.us/>
  - Look under AGENCIES PORTAL
  - Under “LOGON INFORMATION”
    - Click: Agency Logon Request Form
- The LAR will include a lot of ABEST reports. Data will be entered into various data-entry screens, using instructions in Preparing and Submitting Legislative Appropriation Requests (LARs) in ABEST.

## What next?

### What should I do now?

- Determine which schedules apply
- Determine who is responsible for which schedules
- Make the assignments, send out the info, and set deadlines (*keep in mind review and approval time within your institution and system*)
- Order all necessary reports from Accounting, Payroll, Human Resources, etc.

## What next?

Ensure someone is working on/reviewing:

- Administrator's Statement
- Performance Measures
- Strategy/Exceptional Item Description and Justification
- External/Internal Factors Impacting Strategy/Exceptional Item
- Non-formula Information (Schedule 9)

## What next?

Determine best order to work the budget/finance office schedules

- Schedule 7 – Personnel (FTE)
- Schedule 4 – Computation of OASI
- Schedule 5 – Calculation of Retirement Proportionality and ORP Differential
- Schedule 1A & 1B (HRIs) – Other Educational and General Income
- Schedule 2 – Grand Total Educational, General and Other Funds
- 3.A. Strategy Request – OOE, MOF, and FTE
- 4.A. Exceptional Item Request Schedule
- Everything else
- 2.B. Summary of Base Request by Method of Finance

## What next?

You will get through this.

Use your resources right here in this room.

- Ask questions
- When in doubt, ask
- Have a question, ask

Remember that if you are confused about something, it's possible that others are too.