

Legislative Appropriations Request

For Fiscal Year 2010 and 2011

**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 15, 2008**

Table of Contents

| | <u>Page</u> |
|--|-------------|
| Administrator’s Statement | 1 |
| UHS/UH Organizational Chart | 4 |
| Summaries of Request | |
| Base Request by Strategy | 5 |
| Base Request by Method of Finance | 6 |
| Base Request by Object of Expense | 7 |
| Exceptional Item Request | 8 |
| Total Request by Strategy | 9 |
| Strategy Requests | |
| Instructional and Operations Support | |
| System Office Operations | 11 |
| Public Service Special Item Support | |
| High School Cooperative Education Program w/NASA & Technology Outreach Program | 13 |
| Exceptional Item Request | |
| High School Cooperative Education Program w/NASA & Technology Outreach Program | 16 |
| Historically Underutilized Business Supporting Schedule..... | 18 |
| Estimated Total of all Funds outside the General Appropriations Bill Act Patten Schedule..... | 19 |
| 10 Percent Biennial Base Reduction Options Schedule..... | 20 |

Page

Supporting Schedules

| | | |
|--------------|--|----|
| Schedule 2 | Grand Total, Educational, General and Patient Funds..... | 21 |
| Schedule 3A | Staff Group Insurance Data Elements | 23 |
| Schedule 4 | Computation of OASI | 26 |
| Schedule 5 | Calculation of Retirement Proportionality and ORP Differential | 27 |
| Schedule 8 | Personnel | 28 |
| Schedule 10C | Revenue Capacity for Tuition Revenue Bond Projects | 29 |
| Schedule 11 | Special Item..... | 31 |

ADMINISTRATOR'S STATEMENT
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/15/2008**
TIME: **12:11:53PM**
PAGE: **1 of 3**

Agency code: **783**

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

University of Houston System Administration
Administrator's Statement

As the global economy becomes increasingly driven by the creation of new knowledge and technological innovation, success for the Houston metropolitan area depends increasingly on the existence of a highly-skilled, 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 must play a primary role in meeting these needs. In short, we must expand access to our universities to all qualified students; we must ensure their success by the completion of a degree; we must deliver programs that correspond to workforce needs; we must conduct research that is relevant to industry and society; and we must do it all with limited resources and in a way that demonstrates accountability to our students and the people of Texas.

To fulfill these mandates, the UH System has four universities – the University of Houston, UH-Clear Lake, UH-Downtown, and UH-Victoria. The University of Houston is the system's comprehensive research university, offering programs from the baccalaureate through the doctorate. UH-Clear Lake and UH-Victoria are upper-level/master's universities located in Southeast Houston and Victoria (although UHV has a large presence in Southwest Houston and reaches many students in Houston and beyond through extensive online programs). And UH-Downtown is a predominantly undergraduate institution with a limited but growing number of master's programs. 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).

In meeting the needs of the Houston metropolitan area, the UH System is making significant progress. Over the past five years, enrollment system-wide has increased from 54,907 to 56,762 (3.4%) and the number of degrees awarded has increased from 9,536 to 11,735 (23.1%). In addition, last year research awards system-wide were \$95.9 million. Among universities nationwide, the UH System remains a model of diversity and a reflection of the city it serves. In fall 2007, the UH System student body was 15.8% African-American, 15.3% Asian, 22.5% Hispanic, and 38.3% white.

The UH System is also aggressively expanding access to its degree programs through off-campus centers. The pattern of population growth in Houston over the past 20 years has been away from the center of the city in favor of the surrounding suburbs, particularly in the region's "western hemisphere." Unfortunately, as a result of distance, traffic, work and family responsibilities, students who live in these areas often find it difficult if not impossible to pursue a college education at our universities' main campuses, which, in the case of UH and UH-Downtown, are centrally located. To meet the needs of these students we have developed the UH System at Sugar Land and Cinco Ranch, both of which enjoy permanent facilities and broad community support in the southwestern and western parts of the metropolitan area. UH-Clear Lake has also begun to offer programs in Pearland, a high-growth community in the southern part of the region. What remains underserved is Northwest Houston, an area with a population of 1.4 million people (larger than the city of San Antonio) and no permanent university in the region. Currently, the UH System is engaged in discussions with other universities in close geographic proximity to Northwest Houston as to how the area's needs for baccalaureate and master's level education can best be met. We anticipate program delivery as early as fall 2009.

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. In May of this year, at the conclusion of Dr. Renu Khator's first 100 days as UH System Chancellor, a planning retreat was held with the UH System Board of Regents to discuss the future direction of the UHS universities. An important outcome of the retreat was the establishment of the following three UH System goals:

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

ADMINISTRATOR'S STATEMENT
81st Regular Session, Agency Submission, Version 1
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DATE: **8/15/2008**
TIME: **12:11:53PM**
PAGE: **2 of 3**

Agency code: **783**

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

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.

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.

In addition to guiding UH System planning in the coming years, these goals also further the state's goals for higher education identified in "Closing the Gaps."

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. By 2015, demographic forecasts predict the Houston metropolitan area will add another 1.4 million persons. Accommodating a corresponding level of enrollment growth at our universities will require tremendous investments in faculty, staff, facilities and other infrastructure. Therefore, we ask that the Legislature consider the items listed below as areas of critical concern to the University of Houston System:

1. Base Formula Funding

As demands on our universities grow, it is imperative to provide adequate resources for basic educational services through the formulas. The University of Houston makes the following specific recommendations with regard to formula funding:

- To maintain the current level of services, adopt the Formula Advisory Committee's recommendation of increasing base formula funding by \$478 billion (which covers the costs of inflation and enrollment growth).
- Keep base formula funding separate from incentive formula funding, in order to ensure that universities have the predictability and consistency needed (in terms of base resources) to plan for, budget and operate their institutions effectively.
- Continue to calculate semester credit hours for base formula purposes on the basis of courses in which students enroll rather than courses they complete. Using the "courses completed" model would cause a major redistribution of resources away from institutions with the greatest need of financial support to enhance student success and timely graduation.

2. 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.

3. Research Development Fund and Texas Competitive Knowledge Fund

The Research Development Fund and the Texas Competitive Knowledge Fund 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 funds its goal of becoming the state's third

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DATE: **8/15/2008**
TIME: **12:11:53PM**
PAGE: **3 of 3**

Agency code: **783**

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

tier-one university. We therefore recommend increased appropriations to both of these funds.

4. Tuition Revenue Bonds

Maintaining quality in our classrooms, laboratories, libraries and equipment is critical to achieving the UH System's goals of academic and research excellence. And as the number of students and faculty at our institutions grow, so too does the need for expanded and better infrastructure. Tuition revenue bonds are vital for addressing these needs.

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.

Approach to 10 Percent Base Reduction

As requested, the UH System Administration has developed a scenario through which 10 percent of base resources has been reduced from designated groups of funds. For the UHSA this totaled \$520,745, the loss of which would have a significant negative impact on our ability to support the UH universities in achieving their goals, as well as those identified in "Closing the Gaps." Due to the small size of the UHSA appropriation, the most effective way to cut our appropriation was across the board, to prevent unsustainable harm to any of our system offices and programs.

Finally, while we believe that increased funding for higher education and the University of Houston is important to the future of Texas, we also realize that universities must be good stewards of the dollars with which they are entrusted. The University of Houston System is committed to this principle. Accomplishing our goals, we believe, is predicated on effective management of resources, which our institutions strive to achieve.

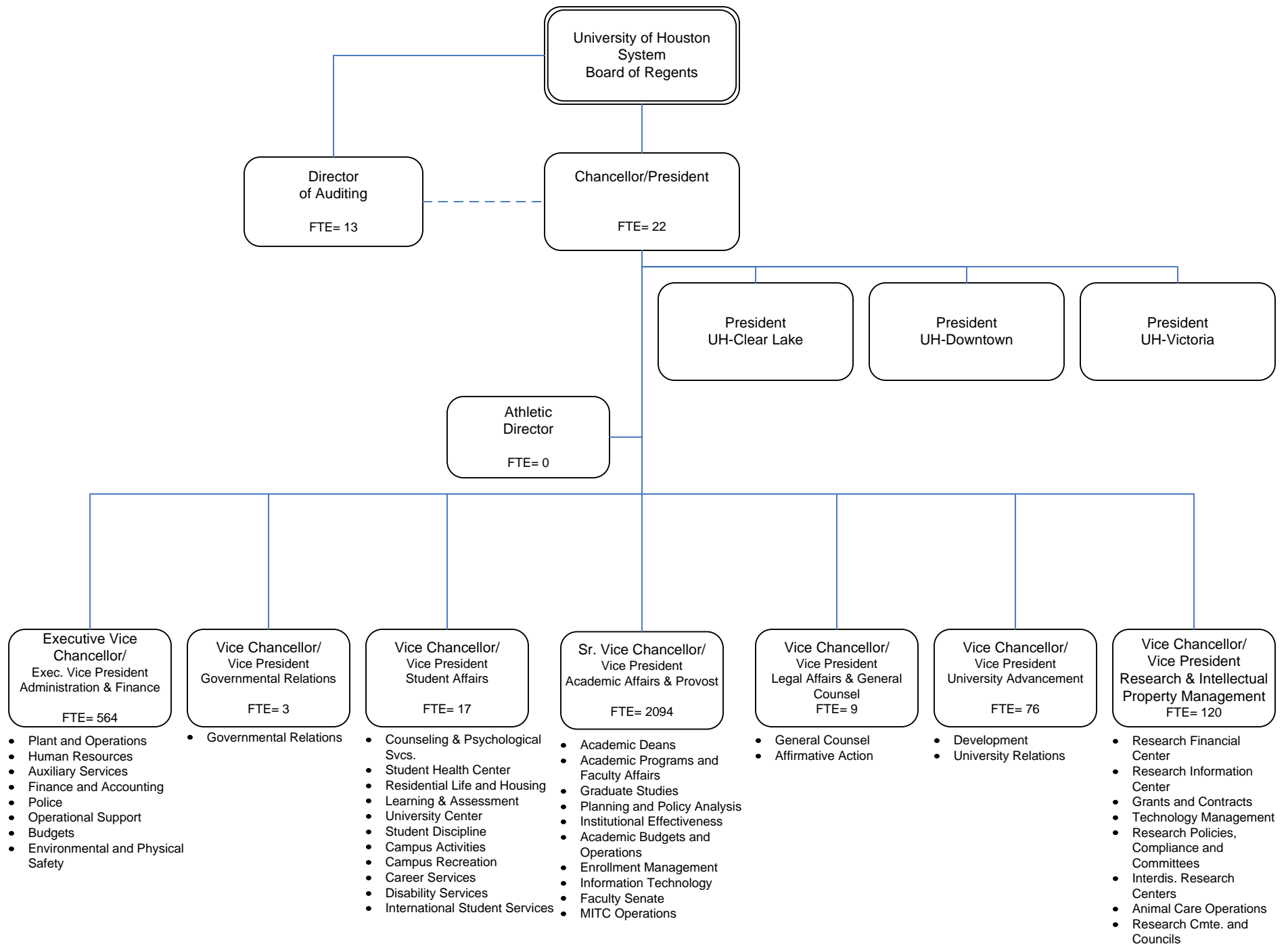
| Board Members | Term Expires | Hometown |
|--------------------|-----------------|----------|
| Dennis D. Golden | August 31, 2009 | Carthage |
| Lynden B. Rose | August 31, 2009 | Houston |
| Calvin W. Stephens | August 31, 2009 | Dallas |

| | | |
|-----------------------|-----------------|---------|
| Carroll Robertson Ray | August 31, 2011 | Houston |
| Welcome W. Wilson | August 31, 2011 | Houston |
| Jim P. Wise | August 31, 2011 | Houston |

| | | |
|------------------|-----------------|---------------|
| Nelda Luce Blair | August 31, 2013 | The Woodlands |
| Jacob Monty | August 31, 2013 | Houston |
| Mica Mosbacher | August 31, 2013 | Houston |

| | | |
|-----------------------------------|--------------|---------|
| Tamara K. Goodwin, Student Regent | May 31, 2009 | Houston |
|-----------------------------------|--------------|---------|

University of Houston System/University of Houston



FY2007 Total Appropriated Funds; UH= 2795 FTE, UHSA= 63 FTE, TOTAL= 2858 FTE

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/15/2008**
TIME: **12:15:00PM**

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

| Goal / Objective / STRATEGY | | Exp 2007 | Est 2008 | Bud 2009 | Req 2010 | Req 2011 |
|--|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1 | Provide Instructional and Operations Support | | | | | |
| 1 | <i>Provide Instructional and Operations Support</i> | | | | | |
| 11 | SYSTEM OFFICE OPERATIONS | 1,764,822 | 1,761,563 | 1,764,651 | 1,763,107 | 1,763,107 |
| TOTAL, GOAL | 1 | \$1,764,822 | \$1,761,563 | \$1,764,651 | \$1,763,107 | \$1,763,107 |
| 3 | Provide Special Item Support | | | | | |
| 3 | <i>Public Service Special Item</i> | | | | | |
| 1 | NASA PROGRAMS | 579,736 | 840,617 | 840,617 | 840,617 | 840,617 |
| TOTAL, GOAL | 3 | \$579,736 | \$840,617 | \$840,617 | \$840,617 | \$840,617 |
| TOTAL, AGENCY STRATEGY REQUEST | | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |
| TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST* | | | | | \$0 | \$0 |
| GRAND TOTAL, AGENCY REQUEST | | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |
| <u>METHOD OF FINANCING:</u> | | | | | | |
| General Revenue Funds: | | | | | | |
| 1 | General Revenue Fund | 2,344,558 | 2,602,180 | 2,605,268 | 2,603,724 | 2,603,724 |
| SUBTOTAL | | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |
| TOTAL, METHOD OF FINANCING | | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |

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

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

81st Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/16/200**TIME: **9:47:49A**

| Agency code: | 783 | Agency name: | University of Houston System Administration | | |
|--|--------------------|--------------------|--|--------------------|--------------------|
| METHOD OF FINANCING | Exp 2007 | Est 2008 | Bud 2009 | Req 2010 | Req 2011 |
| <u>GENERAL REVENUE</u> | | | | | |
| <u>1</u> General Revenue Fund | | | | | |
| <i>REGULAR APPROPRIATIONS</i> | | | | | |
| HB 1, 80th Legislature, Art III, Sec 54, Regular Session | | | | | |
| | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |
| HB 1, 80th Legislature, Art III, Sec 54, Regular Session | | | | | |
| | \$0 | \$473,787 | \$0 | \$0 | \$0 |
| HB 1, 80th Legislature, Art III, Sec 54, Regular Session Governor Veto | | | | | |
| | \$0 | \$(473,787) | \$0 | \$0 | \$0 |
| TOTAL, General Revenue Fund | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |
| TOTAL, ALL GENERAL REVENUE | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |
| GRAND TOTAL | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |

FULL-TIME-EQUIVALENT POSITIONS

| | | | | | |
|---|-------------|-------------|--------------|--------------|--------------|
| <i>REGULAR APPROPRIATIONS</i> | | | | | |
| Regular Appropriations from Bill Pattern | 81.8 | 71.0 | 108.5 | 108.5 | 108.5 |
| <i>UNAUTHORIZED NUMBER OVER (BELOW) CAP</i> | | | | | |
| Unauthorized Number over (below) cap | (18.4) | (7.0) | 0.0 | 0.0 | 0.0 |
| TOTAL, ADJUSTED FTES | 63.4 | 64.0 | 108.5 | 108.5 | 108.5 |

2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)DATE: **8/15/2008**
TIME: **12:20:29PM**

| Agency code: | 783 | Agency name: | University of Houston System Administration | | |
|-------------------------------------|--------------------|--------------------|--|--------------------|--------------------|
| OBJECT OF EXPENSE | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
| 1001 SALARIES AND WAGES | \$1,723,336 | \$1,710,046 | \$1,713,134 | \$1,713,107 | \$1,713,107 |
| 1002 OTHER PERSONNEL COSTS | \$28,615 | \$25,934 | \$25,934 | \$25,000 | \$25,000 |
| 2009 OTHER OPERATING EXPENSE | \$108,113 | \$163,583 | \$192,547 | \$191,964 | \$191,964 |
| 3001 CLIENT SERVICES | \$484,494 | \$702,617 | \$673,653 | \$673,653 | \$673,653 |
| OOE Total (Excluding Riders) | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |
| OOE Total (Riders) | | | | | |
| Grand Total | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/15/2008

TIME : 12:22:05PM

Agency code: **783**

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

| Priority | Item | 2010 | | | 2011 | | | Biennium | |
|---|--------------------------------|---------------------------|-----------------|------|------------------------|-----------------|------|------------------------|------------------|
| | | GR and GR/GR Dedicated | All Funds | FTEs | GR and GR Dedicated | All Funds | FTEs | GR and GR Dedicated | All Funds |
| 1 | Texas Aerospace Scholars (TAS) | \$84,061 | \$84,061 | | \$84,061 | \$84,061 | | \$168,122 | \$168,122 |
| Total, Exceptional Items Request | | \$84,061 | \$84,061 | | \$84,061 | \$84,061 | | \$168,122 | \$168,122 |
| | | | | | | | | | |
| Method of Financing | | | | | | | | | |
| | General Revenue | \$84,061 | \$84,061 | | \$84,061 | \$84,061 | | \$168,122 | \$168,122 |
| | General Revenue - Dedicated | | | | | | | | |
| | Federal Funds | | | | | | | | |
| | Other Funds | | | | | | | | |
| | | \$84,061 | \$84,061 | | \$84,061 | \$84,061 | | \$168,122 | \$168,122 |

Full Time Equivalent Positions

Number of 100% Federally Funded FTEs

0.0

0.0

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/15/2008

TIME : 12:24:12PM

| Agency code: 783 | | Agency name: University of Houston System Administration | | | | |
|--|--------------------|--|---------------------|---------------------|-----------------------|-----------------------|
| Goal/Objective/STRATEGY | Base 2010 | Base 2011 | Exceptional 2010 | Exceptional 2011 | Total Request 2010 | Total Request 2011 |
| 1 Provide Instructional and Operations Support | | | | | | |
| 1 <i>Provide Instructional and Operations Support</i> | | | | | | |
| 11 SYSTEM OFFICE OPERATIONS | \$1,763,107 | \$1,763,107 | \$0 | \$0 | \$1,763,107 | \$1,763,107 |
| TOTAL, GOAL 1 | \$1,763,107 | \$1,763,107 | \$0 | \$0 | \$1,763,107 | \$1,763,107 |
| 3 Provide Special Item Support | | | | | | |
| 3 <i>Public Service Special Item</i> | | | | | | |
| 1 NASA PROGRAMS | 840,617 | 840,617 | 84,061 | 84,061 | 924,678 | 924,678 |
| TOTAL, GOAL 3 | \$840,617 | \$840,617 | \$84,061 | \$84,061 | \$924,678 | \$924,678 |
| TOTAL, AGENCY STRATEGY REQUEST | \$2,603,724 | \$2,603,724 | \$84,061 | \$84,061 | \$2,687,785 | \$2,687,785 |
| TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST | | | | | | |
| GRAND TOTAL, AGENCY REQUEST | \$2,603,724 | \$2,603,724 | \$84,061 | \$84,061 | \$2,687,785 | \$2,687,785 |

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/16/2008

TIME : 9:49:59AM

| Agency code: 783 | | Agency name: University of Houston System Administration | | | | |
|---------------------------------------|--------------------|--|---------------------|---------------------|-----------------------|-----------------------|
| Goal/Objective/STRATEGY | Base 2010 | Base 2011 | Exceptional 2010 | Exceptional 2011 | Total Request 2010 | Total Request 2011 |
| General Revenue Funds: | | | | | | |
| 1 General Revenue Fund | \$2,603,724 | \$2,603,724 | \$84,061 | \$84,061 | \$2,687,785 | \$2,687,785 |
| | \$2,603,724 | \$2,603,724 | \$84,061 | \$84,061 | \$2,687,785 | \$2,687,785 |
| TOTAL, METHOD OF FINANCING | \$2,603,724 | \$2,603,724 | \$84,061 | \$84,061 | \$2,687,785 | \$2,687,785 |
| FULL TIME EQUIVALENT POSITIONS | 108.5 | 108.5 | 0.0 | 0.0 | 108.5 | 108.5 |

3.A. STRATEGY REQUEST
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/16/2008
TIME: 9:50:23AM

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

GOAL: 1 Provide Instructional and Operations Support Statewide Goal/Benchmark: 2 0
OBJECTIVE: 1 Provide Instructional and Operations Support Service Categories:
STRATEGY: 11 System Office Operations Service: 19 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Objects of Expense: | | | | | | |
| 1001 | SALARIES AND WAGES | \$1,723,336 | \$1,710,046 | \$1,713,134 | \$1,713,107 | \$1,713,107 |
| 1002 | OTHER PERSONNEL COSTS | \$28,615 | \$25,934 | \$25,934 | \$25,000 | \$25,000 |
| 2009 | OTHER OPERATING EXPENSE | \$12,871 | \$25,583 | \$25,583 | \$25,000 | \$25,000 |
| TOTAL, OBJECT OF EXPENSE | | \$1,764,822 | \$1,761,563 | \$1,764,651 | \$1,763,107 | \$1,763,107 |
| Method of Financing: | | | | | | |
| 1 | General Revenue Fund | \$1,764,822 | \$1,761,563 | \$1,764,651 | \$1,763,107 | \$1,763,107 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$1,764,822 | \$1,761,563 | \$1,764,651 | \$1,763,107 | \$1,763,107 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$1,763,107 | \$1,763,107 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$1,764,822 | \$1,761,563 | \$1,764,651 | \$1,763,107 | \$1,763,107 |
| FULL TIME EQUIVALENT POSITIONS: | | 63.4 | 64.0 | 108.5 | 108.5 | 108.5 |

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:

3.A. STRATEGY REQUEST
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/15/2008
TIME: 12:25:53PM

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

| | | | | | |
|------------|----|--|---------------------------|----|---------------------------|
| GOAL: | 1 | Provide Instructional and Operations Support | Statewide Goal/Benchmark: | 2 | 0 |
| OBJECTIVE: | 1 | Provide Instructional and Operations Support | Service Categories: | | |
| STRATEGY: | 11 | System Office Operations | Service: | 19 | Income: A.2 Age: B.3 |

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|------|-------------|----------|----------|----------|---------|---------|
|------|-------------|----------|----------|----------|---------|---------|

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 new 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
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/15/2008
TIME: 12:25:53PM

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

GOAL: 3 Provide Special Item Support Statewide Goal/Benchmark: 2 0
OBJECTIVE: 3 Public Service Special Item Service Categories:
STRATEGY: 1 High School Cooperative Education Program w/NASA & Tech Outreach Pgm Service: NA Income: NA Age: NA

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|-------------------------|------------------|------------------|------------------|------------------|------------------|
| Objects of Expense: | | | | | | |
| 2009 | OTHER OPERATING EXPENSE | \$95,242 | \$138,000 | \$166,964 | \$166,964 | \$166,964 |
| 3001 | CLIENT SERVICES | \$484,494 | \$702,617 | \$673,653 | \$673,653 | \$673,653 |
| TOTAL, OBJECT OF EXPENSE | | \$579,736 | \$840,617 | \$840,617 | \$840,617 | \$840,617 |
| Method of Financing: | | | | | | |
| 1 | General Revenue Fund | \$579,736 | \$840,617 | \$840,617 | \$840,617 | \$840,617 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$579,736 | \$840,617 | \$840,617 | \$840,617 | \$840,617 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$840,617 | \$840,617 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$579,736 | \$840,617 | \$840,617 | \$840,617 | \$840,617 |

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

Texas Aerospace Scholars (TAS) The TAS programs provide distance learning opportunities and onsite experiences at the NASA JSC for students and teachers from across the state of Texas. Since 1999, more than 6000 Texans have participated in the programs and have explored career opportunities available to them in science, technology, engineering, and mathematics (STEM). High school juniors explore opportunities in STEM academic degrees and careers by completing interactive on-line modules and travel to NASA in Houston for a one-week summer experience. Middle school educator participants learn innovative ways to integrate existing NASA instructional materials across various disciplines that align with state/national standards. The community college program challenges student teams to compete on an aerospace related project for a potential NASA contract. Participation includes web-based assignments and onsite activities where students interact with engineers, scientists and astronauts. The TAS Internship focus on strengthening the STEM workforce pipeline by offering semester-long internships to TAS student alumni.

Technology Outreach Program (TOP) TOP transfers NASA/ Johnson Space Center scientific and engineering expertise to meet innovative Texas small business' technology requirements that foster economic retention and expansion. Since 1999, TOP has helped 600 small businesses solve technical challenges facing their business. TOP assistance has resulted in new products, job creation, increased sales, retention of jobs and new capital investment.

3.A. STRATEGY REQUEST
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/15/2008
TIME: 12:25:53PM

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

| | | | | | |
|------------|---|--|---------------------------|----|-----------------------|
| GOAL: | 3 | Provide Special Item Support | Statewide Goal/Benchmark: | 2 | 0 |
| OBJECTIVE: | 3 | Public Service Special Item | Service Categories: | | |
| STRATEGY: | 1 | High School Cooperative Education Program w/NASA & Tech Outreach Pgm | Service: | NA | Income: NA Age: NA |

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|------|-------------|----------|----------|----------|---------|---------|
|------|-------------|----------|----------|----------|---------|---------|

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The Texas Aerospace Scholars (TAS) initiative harnesses the excitement of human space exploration to Texas students across the state to encourage these students to pursue careers and degrees in math, science, and engineering. TAS will:

- Increase the number of Texans with high-tech skills
- Promote economic development through the creation of an increased technical workforce
- Provide access to a 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
- Provide high-visibility to the Legislature's commitment to math, science, and engineering education

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

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

3.A. STRATEGY REQUEST
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/16/2008
TIME: 9:50:23AM

SUMMARY TOTALS:

| | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| OBJECTS OF EXPENSE: | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |
| METHODS OF FINANCE (INCLUDING RIDERS): | | | | \$2,603,724 | \$2,603,724 |
| METHODS OF FINANCE (EXCLUDING RIDERS): | \$2,344,558 | \$2,602,180 | \$2,605,268 | \$2,603,724 | \$2,603,724 |
| FULL TIME EQUIVALENT POSITIONS: | 63.4 | 64.0 | 108.5 | 108.5 | 108.5 |

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/15/2008**
TIME: **12:27:29PM**

Agency code: **783**

Agency name:

University of Houston System Administration

| CODE | DESCRIPTION | Excp 2010 | Excp 2011 |
|------|-------------|-----------|-----------|
|------|-------------|-----------|-----------|

Item Name: Texas Aerospace Scholars (TAS)

Item Priority: 1

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 | 26,890 | 26,890 |
| 3001 | CLIENT SERVICES | 57,171 | 57,171 |
| TOTAL, OBJECT OF EXPENSE | | \$84,061 | \$84,061 |

METHOD OF FINANCING:

| | | | |
|-----------------------------------|----------------------|-----------------|-----------------|
| 1 | General Revenue Fund | 84,061 | 84,061 |
| TOTAL, METHOD OF FINANCING | | \$84,061 | \$84,061 |

DESCRIPTION / JUSTIFICATION:

Texas Aerospace Scholars (TAS) initiative harnesses the excitement of human space exploration for Texas students and educators across the state to encourage students to pursue careers and degrees in math, science, and engineering as only NASA can. Exceptional item funding will be used to: expand existing programs to increase school district participation in TAS, target underrepresented, underserved and rural populations across the state; provide a unique academic experience for teachers and their students to successfully propose, design, fabricate, fly and evaluate a reduced gravity investigation of their choice; and continue to identify partners to leverage Texas' investment in TAS. Technology Outreach Program (TOP) was created to increase public awareness of NASA technology and make the technology more accessible to the public sector's use generating positive economic impact on the State. Exceptional item funding would enable the aggressive expansion of TOP throughout the state to benefit Texas small businesses and inventors.

EXTERNAL/INTERNAL FACTORS:

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/15/2008**
TIME: **12:27:29PM**

Agency code: **783**

Agency name:

University of Houston System Administration

| CODE | DESCRIPTION | Excp 2010 | Excp 2011 |
|-------------|--------------------|------------------|------------------|
|-------------|--------------------|------------------|------------------|

The TAS initiative harnesses the excitement of human space exploration to Texas students across the state to encourage these students to pursue careers and degrees in math, science, and engineering.

TOP uses space technology to assist small businesses through out the state.

TAS and TOP will:

- Increase the number of Texans with high-tech skills
- Promote economic development through the creation of an increased technical workforce
- Provide access to a unique educational opportunity to students from rural communities, inner cities, and border regions
- Ensure Texas' future growth and prosperity and continued world leadership in technology
- Provide high-visibility to the Legislature's commitment to math, science, and engineering education
- Expand to the underserved areas in Texas
- TOP provides opportunities for the transfer of technology developed through human space exploration

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/15/2008
Time: 12:30:26PM

Agency Code: 783 Agency: University of Houston System Administration

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS**A. Fiscal Year 2006 - 2007 HUB Expenditure Information**

| Statewide HUB Goals | Procurement Category | HUB Expenditures FY 2006 | | | Total Expenditures FY 2006 | HUB Expenditures FY 2007 | | | Total Expenditures FY 2007 |
|------------------------|----------------------------|--------------------------|--------------|--------------------|-------------------------------|--------------------------|--------------|--------------------|-------------------------------|
| | | % Goal | % Actual | Actual \$ | | % Goal | % Actual | Actual \$ | |
| 11.9% | Heavy Construction | 0.0 % | 0.0% | \$0 | \$0 | 0.0 % | 0.0% | \$0 | \$0 |
| 26.1% | Building Construction | 16.1 % | 16.2% | \$18,329 | \$113,460 | 4.0 % | 4.0% | \$50,783 | \$1,261,087 |
| 57.2% | Special Trade Construction | 5.7 % | 5.7% | \$25,816 | \$451,995 | 22.0 % | 22.0% | \$10,138 | \$46,015 |
| 20.0% | Professional Services | 0.0 % | 0.0% | \$0 | \$34,452 | 0.0 % | 0.0% | \$0 | \$30,212 |
| 33.0% | Other Services | 10.0 % | 10.1% | \$396,679 | \$3,944,453 | 17.8 % | 17.8% | \$1,151,331 | \$6,462,849 |
| 12.6% | Commodities | 83.6 % | 83.7% | \$2,028,445 | \$2,423,755 | 62.8 % | 62.8% | \$469,513 | \$747,223 |
| | Total Expenditures | | 35.4% | \$2,469,269 | \$6,968,115 | | 19.7% | \$1,681,765 | \$8,547,386 |

B. Assessment of Fiscal Year 2006 - 2007 Efforts to Meet HUB Procurement Goals**Attainment:**

The Agency exceeded one of five applicable goals in FY2006.
The Agency exceeded one of five applicable goals in FY2007.

Applicability:

"Heavy Construction" does not apply for FY2006 or FY2007.

Factors Affecting Attainment:

UH System Administration continues to make a concerted effort to increase the use of HUB prime contractors and encourage prime contractors to utilize HUB subcontractors in construction and renovation projects. However, one of the prime contractors paid in FY2007 was a minority-owned business but was not a state certified HUB at that time, though they are state certified now. Had they been state certified, the HUB use for Building Construction would have been 86.1% instead of 4.02% in FY2007. The University implemented procedures to increase HUB expenditures for office supplies and computer products, which helped to improve our percentage of HUB utilization in Commodity Purchasing. If non-certified minority and women-owned businesses were included in the above numbers, the overall HUB utilization for UH System Administration would have been 36.66% in FY2006 and 31.93% in FY2007, which is a more accurate depiction of our efforts to contract with minority and women-owned businesses.

"Good-Faith" Efforts:

The University made the following good faith efforts to comply with statewide goals as stated by 1 TAC Section 111.13c:
Sponsored and/or participated in UH HUB Vendor Fair, the City of Houston - Government Procurement Connection (GPC) EXPO, Houston Minority Business Council (HMBC) EXPO, Women Business Enterprise Alliance (WBEA) EXPO, UH Clear Lake HUB Vendor Fair, UH Downtown HUB Vendor Fair, MEDWEEK Conference – Houston, TX, UT Health Science Center HUB Vendor Fair, MD Anderson HUB Vendor Fair, UT Austin and UT System HUB Vendor Fair, and the TAMACC'S Annual Convention.
Attended quarterly Texas Universities HUB Coordinators Alliance (TUHCA) meetings, the Central/Gulf Coast Region Chapter, and quarterly HUB Discussion Group meetings in Austin, TX. Attended quarterly HMBC and WBEA Networking Forums, and monthly Greater Houston Business Procurement Forums. Served as an active member of HMBC on the Supplier Diversity Action Committee and the Mentor Protégé Committee.

**6.H. Estimated Total Of All Funds Outside the General Appropriations Bill Act Pattern Schedule
2008-09 and 2010-11 Biennia**

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

| | 2008 - 2009 Biennium | | | | 2010 - 2011 Biennium | | | |
|--|----------------------------|----------------------------|---------------------------|-----------------------------|----------------------------|----------------------------|---------------------------|-----------------------------|
| | <u>FY 2008 Revenue</u> | <u>FY 2009 Revenue</u> | <u>Biennium Total</u> | <u>Percent of Total</u> | <u>FY 2010 Revenue</u> | <u>FY 2011 Revenue</u> | <u>Biennium Total</u> | <u>Percent of Total</u> |
| APPROPRIATED SOURCES (INSIDE THE GAA) | | | | | | | | |
| State Appropriations | \$ 3,915,180 | \$ 3,435,268 | \$ 7,350,448 | | \$ 3,435,268 | \$ 3,435,268 | \$ 6,870,536 | |
| State Grants and Contracts | | | - | | | | - | |
| Research Excellence Funds (RDF) | | | - | | | | - | |
| Higher Education Assistance Funds | | | - | | | | - | |
| Available University Fund | | | - | | | | - | |
| Tuition and Fees (net of Discounts and Allowances) | | | - | | | | - | |
| Federal Grants and Contracts | | | - | | | | - | |
| Endowment and Interest Income | | | - | | | | - | |
| Local Government Grants and Contracts | | | - | | | | - | |
| Private Gifts and Grants | | | - | | | | - | |
| Sales and Services of Educational Activities (net) | | | - | | | | - | |
| Sales and Services of Hospitals (net) | | | - | | | | - | |
| Other Income | | | - | | | | - | |
| Total | <u>3,915,180</u> | <u>3,435,268</u> | <u>7,350,448</u> | <u>26.8%</u> | <u>3,435,268</u> | <u>3,435,268</u> | <u>6,870,536</u> | <u>24.4%</u> |
| NON-APPROPRIATED SOURCES (OUTSIDE THE GAA) | | | | | | | | |
| State Grants and Contracts | | | - | | | | - | |
| Tuition and Fees (net of Discounts and Allowances) | | | - | | | | - | |
| Federal Grants and Contracts | | | - | | | | - | |
| Endowment and Interest Income | 2,929,634 | 3,111,857 | 6,041,491 | | 3,111,857 | 3,111,857 | 6,223,714 | |
| Local Government Grants and Contracts | | | - | | | | - | |
| Private Gifts and Grants | 50,000 | 50,000 | 100,000 | | 50,000 | 50,000 | 100,000 | |
| Sales and Services of Educational Activities (net) | 6,358,251 | 7,408,928 | 13,767,179 | | 7,408,928 | 7,408,928 | 14,817,856 | |
| Sales and Services of Hospitals (net) | | | - | | - | - | - | |
| Professional Fees (net) | | | - | | - | - | - | |
| Auxiliary Enterprises (net) | | | - | | - | - | - | |
| Other Income | 100,000 | 50,000 | 150,000 | | 50,000 | 50,000 | 100,000 | |
| Total | <u>9,437,885</u> | <u>10,620,785</u> | <u>20,058,670</u> | <u>73.2%</u> | <u>10,620,785</u> | <u>10,620,785</u> | <u>21,241,570</u> | <u>75.6%</u> |
| TOTAL SOURCES | <u>\$ 13,353,065</u> | <u>\$ 14,056,053</u> | <u>\$ 27,409,118</u> | <u>100.0%</u> | <u>\$ 14,056,053</u> | <u>\$ 14,056,053</u> | <u>\$ 28,112,106</u> | <u>100.0%</u> |

6.I. 10 Percent Biennial Base Reduction Options Schedule

Approved Reduction Amount

\$520,745

Approved Base here refers to approved 2008-09 base AFTER policy letter exceptions have been excluded.

| Agency Code: 783 | | | Agency Name: University of Houston System Administration | | | | | | | | |
|-----------------------------------|----------------|-------------------------|--|--------------|---------|-------|------------|--|-------|---------------------|---|
| Rank | Reduction Item | | Biennial Application of 10% Percent Reduction | | | | | FTE Reductions (FY 2010-11 Base Request Compared to Budgeted 2009) | | Revenue Impact? Y/N | Cumulative GR-related reduction as a % of Approved Base |
| | Strat | Name | GR | GR-Dedicated | Federal | Other | All Funds | FY 08 | FY 09 | | |
| 1 | B.1.1 | NASA Programs | \$ 168,124 | | | | \$ 168,124 | | | N | 3.2% |
| 2 | A.1.1 | System Office Operation | 352,621 | | | | 352,621 | | | N | 10.0% |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
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| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Agency Biennial Total | | | \$ 520,745 | \$ - | \$ - | \$ - | \$ 520,745 | 0.0 | 0.0 | | 10.0% |
| Agency Biennial Total (GR + GR-D) | | | | \$ 520,745 | | | | | | | |

Rank / Name

Explanation of Impact to Programs and Revenue Collections

1 Reduction of NASA Programs by 10%

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.

2 Reduction of System Office Operation by 10%

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.

Schedule 2: Grand Total Educational, General and Other Funds

DATE: 8/15/2008

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 12:32:42PM

PAGE: 1 of 2

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

| | Act 2007 | Act 2008 | Bud 2009 | Est 2010 | Est 2011 |
|---|------------------|------------------|------------------|------------------|------------------|
| Balances as of Beginning of Fiscal Year | | | | | |
| Encumbered and Obligated | 722 | 27,508 | 347,477 | 0 | 0 |
| Unencumbered and Unobligated | 0 | 0 | 0 | 0 | 0 |
| Capital Projects - Legislative Appropriations | 0 | 0 | 0 | 0 | 0 |
| Capital Projects - Other Educational and General Funds | 0 | 0 | 0 | 0 | 0 |
| General Revenue Appropriations | | | | | |
| Direct Appropriations | 2,344,558 | 2,602,180 | 2,605,268 | 2,341,962 | 2,344,741 |
| Less: Transfer Sec. 9-5.09(c), Expenditures for Commercial Air Travel (2007) | 0 | 0 | 0 | 0 | 0 |
| Transfer from Office of the Governor Deficiency and Emergency Grants | 0 | 0 | 0 | 0 | 0 |
| Less: General Revenue Appropriations Lapsed | 0 | 0 | 0 | 0 | 0 |
| Plus: Additional General Revenue through Budget Execution | 0 | 0 | 0 | 0 | 0 |
| Other (Itemize) | | | | | |
| Subtotal, General Revenue Appropriations | 2,344,558 | 2,602,180 | 2,605,268 | 2,341,962 | 2,344,741 |
| Other Educational and General Income | 0 | 0 | 0 | 0 | 0 |
| Other Appropriated Funds Income | | | | | |
| Health-related Institutions Patient Income (medical, dental, other) | 0 | 0 | 0 | 0 | 0 |
| Interagency contracts | 0 | 0 | 0 | 0 | 0 |
| Tobacco - Related Funds | 0 | 0 | 0 | 0 | 0 |
| Other (Itemize) | | | | | |
| TOTAL, EDUCATIONAL AND GENERAL APPROPRIATIONS | 2,344,558 | 2,602,180 | 2,605,268 | 2,341,962 | 2,344,741 |
| General Revenue Transfers | | | | | |
| Transfer from Coordinating Board for Advanced Research Program | 0 | 0 | 0 | 0 | 0 |
| Transfer from Coordinating Board for Texas College Work Study Program (2007, 2008, 2009) | 0 | 0 | 0 | 0 | 0 |
| Transfer from Coordinating Board for the Cancer Registry (2007) | 0 | 0 | 0 | 0 | 0 |
| Transfer from Coordinating Board for Professional Nursing Shortage Reduction Program | 0 | 0 | 0 | 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 (2007, 2008, 2009) | 0 | 0 | 0 | 0 | 0 |

Schedule 2: Grand Total Educational, General and Other Funds

DATE: 8/15/2008

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 12:32:42PM

PAGE: 2 of 2

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

| | Act 2007 | Act 2008 | Bud 2009 | Est 2010 | Est 2011 |
|---|------------------|------------------|------------------|------------------|------------------|
| Other (Itemize) | | | | | |
| Other: Fifth Year Accounting Scholarship | 0 | 0 | 0 | 0 | 0 |
| Texas Grants | 0 | 0 | 0 | 0 | 0 |
| Less: Transfer to System Administration | 0 | 0 | 0 | 0 | 0 |
| B-on-Time Program | 0 | 0 | 0 | 0 | 0 |
| Subtotal, General Revenue Transfers | 0 | 0 | 0 | 0 | 0 |
| General Revenue HEF for Operating Expenses | 0 | 0 | 0 | 0 | 0 |
| Transfer from Available University Funds (UT, A&M and Prairie View A&M Only) | 0 | 0 | 0 | 0 | 0 |
| Other Additions (Itemize) | | | | | |
| Increase Capital Projects - Educational and General Funds | 0 | 0 | 0 | 0 | 0 |
| Transfer from Department of Health, Disproportionate Share - State-owned Hospitals (2007, 2008, 2009) | 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) | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 |
| Other Deductions (Itemize) | | | | | |
| Decrease Capital Projects - Educational and General Funds | 0 | 0 | 0 | 0 | 0 |
| Other (Itemize) | | | | | |
| Total Funds | 2,345,280 | 2,629,688 | 2,952,745 | 2,341,962 | 2,344,741 |
| Less: Balances as of End of Fiscal Year | | | | | |
| Encumbered and Obligated | 0 | 0 | 0 | 0 | 0 |
| Unencumbered and Unobligated | (27,508) | (347,477) | 0 | 0 | 0 |
| Capital Projects - Legislative Appropriations | 0 | 0 | 0 | 0 | 0 |
| Capital Projects - Other Educational and General Funds | 0 | 0 | 0 | 0 | 0 |
| Grand Total, Educational, General and Other Funds | 2,317,772 | 2,282,211 | 2,952,745 | 2,341,962 | 2,344,741 |
| Designated Tuition (Sec. 54.0513) | 0 | 0 | 0 | 0 | 0 |
| Indirect Cost Recovery (Sec. 145.001(d)) | 0 | 0 | 0 | 0 | 0 |

Schedule 3A: Staff Group Insurance Data Elements (ERS)
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **10/16/2008**
Time: **9:51:14AM**
Page: **1** of **3**

Agency Code: **783** Agency Code: **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 % | 0.00% |
| Total Percentage | 100.00% |

FULL TIME ACTIVES

| | | | | | |
|-------------------------------|------------|------------|----------|------------|----------|
| 1a Employee Only | 60 | 60 | 0 | 60 | 2 |
| 2a Employee and Children | 17 | 17 | 0 | 17 | 0 |
| 3a Employee and Spouse | 12 | 12 | 0 | 12 | 0 |
| 4a Employee and Family | 13 | 13 | 0 | 13 | 0 |
| 5a Eligible, Opt Out | 0 | 0 | 0 | 0 | 0 |
| 6a Eligible, Not Enrolled | 8 | 8 | 0 | 8 | 1 |
| Total for This Section | 110 | 110 | 0 | 110 | 3 |

PART TIME ACTIVES

| | | | | | |
|------------------------------------|----------------|----------------|--------------|----------------|--------------|
| 1b Employee Only | 2 | 2 | 0 | 2 | 0 |
| 2b Employee and Children | 0 | 0 | 0 | 0 | 0 |
| 3b Employee and Spouse | 0 | 0 | 0 | 0 | 0 |
| 4b Employee and Family | 0 | 0 | 0 | 0 | 0 |
| 5b Eligible, Opt Out | 0 | 0 | 0 | 0 | 0 |
| 6b Eligible, Not Enrolled | 7 | 7 | 0 | 7 | 1 |
| Total for This Section | 9 | 9 | 0 | 9 | 1 |
| Total Active Enrollment | 119 | 119 | 0 | 119 | 4 |

Schedule 3A: Staff Group Insurance Data Elements (ERS)

81st Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/16/2008

Time: 9:51:14AM

Page: 2 of 3

Agency Code: 783

Agency Code: 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 | 60 | 60 | 0 | 60 | 2 |
| 2e Employee and Children | 17 | 17 | 0 | 17 | 0 |
| 3e Employee and Spouse | 12 | 12 | 0 | 12 | 0 |
| 4e Employee and Family | 13 | 13 | 0 | 13 | 0 |
| 5e Eligible, Opt Out | 0 | 0 | 0 | 0 | 0 |
| 6e Eligible, Not Enrolled | 8 | 8 | 0 | 8 | 1 |
| Total for This Section | 110 | 110 | 0 | 110 | 3 |

Schedule 3A: Staff Group Insurance Data Elements (ERS)81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)Date: **10/16/2008**Time: **9:51:14AM**Page: **3** of **3**Agency Code: **783**Agency Code: **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 | 62 | 62 | 0 | 62 | 2 |
| 2f Employee and Children | 17 | 17 | 0 | 17 | 0 |
| 3f Employee and Spouse | 12 | 12 | 0 | 12 | 0 |
| 4f Employee and Family | 13 | 13 | 0 | 13 | 0 |
| 5f Eligible, Opt Out | 0 | 0 | 0 | 0 | 0 |
| 6f Eligible, Not Enrolled | 15 | 15 | 0 | 15 | 2 |
| Total for This Section | 119 | 119 | 0 | 119 | 4 |

SCHEDULE 4: COMPUTATION OF OASI
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **10/16/2008**
Time: **9:51:46AM**
Page: **1 of 1**

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

| | Actual Salaries & Wages 2007 | Actual Salaries & Wages 2008 | Budgeted Salaries & Wages 2009 | Estimated Salaries & Wages 2010 | Estimated Salaries & Wages 2011 |
|---|---|---|---|--|--|
| Gross Educational & General Payroll - Subject to OASI | \$6,016,601 | \$6,483,232 | \$8,544,841 | \$8,544,841 | \$8,544,841 |
| FTE Employees - Subject to OASI | 63.4 | 64.0 | 108.5 | 108.5 | 108.5 |
| Average Salary (Gross Payroll / FTE Employees) | \$94,899 | \$101,301 | \$78,754 | \$78,754 | \$78,754 |
| Employer OASI Rate 7.65% x Average Salary | \$7,260 | \$7,750 | \$6,025 | \$6,025 | \$6,025 |
| x FTE Employees | 63.4 | 64.0 | 108.5 | 108.5 | 108.5 |
| Grand Total, OASI | \$460,284 | \$496,000 | \$653,713 | \$653,713 | \$653,713 |

| Proportionality Percentage Based on Comptroller Accounting Policy Statement #011, Exhibit 2 | % to Total | Allocation of OASI | % to Total | Allocation of OASI | % to Total | Allocation of OASI | % to Total | Allocation of OASI | % to Total | Allocation of OASI |
|--|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|
| General Revenue (% to Total) | 1.0000 | \$460,284 | 1.0000 | \$496,000 | 1.0000 | \$653,713 | 1.0000 | \$653,713 | 1.0000 | \$653,713 |
| 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%) | 1.0000 | \$460,284 | 1.0000 | \$496,000 | 1.0000 | \$653,713 | 1.0000 | \$653,713 | 1.0000 | \$653,713 |

SCHEDULE 5: CALCULATION OF RETIREMENT PROPORTIONALITY AND ORP DIFFERENTIAL

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/16/2008**

TIME: **9:52:16AM**

PAGE: **1 of 1**

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

| Description | Act 2007 | Act 2008 | Bud 2009 | Est 2010 | Est 2011 |
|--|---------------|---------------|---------------|---------------|---------------|
| Proportionality Amounts | | | | | |
| Gross Educational and General Payroll - Subject to Retirement | 6,649,183 | 7,134,680 | 7,656,292 | 7,656,292 | 7,656,292 |
| Employer Contribution to Retirement Programs | 398,951 | 469,462 | 503,784 | 503,784 | 503,784 |
| Proportionality Percentage | | | | | |
| General Revenue | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % |
| Other Educational and General Income | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Health-related Institutions Patient Income | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| 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 | | | | | |
| Gross Payroll Subject to Differential - Optional Retirement Program | 2,424,622 | 2,867,808 | 2,739,726 | 2,739,726 | 2,739,726 |
| Total Differential | 31,763 | 20,935 | 20,000 | 20,000 | 20,000 |

Schedule 8: PERSONNEL
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/16/2008**
TIME: **9:52:53AM**
PAGE: **1 of 1**

Agency code: **783** Agency name: **UNIV OF HOUSTON SYS ADMIN**

| | Actual 2007 | Actual 2008 | Budgeted 2009 | Estimated 2010 | Estimated 2011 |
|-----------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Part A. | | | | | |
| FTE Postions | | | | | |
| E & G Non-Faculty Employees | 63.4 | 64.0 | 108.5 | 108.5 | 108.5 |
| SUBTOTAL, E&G | 63.4 | 64.0 | 108.5 | 108.5 | 108.5 |
| Other Funds Employees | 25.0 | 26.0 | 32.0 | 32.0 | 32.0 |
| SUBTOTAL, NON-APPROPRIATED | 25.0 | 26.0 | 32.0 | 32.0 | 32.0 |
| GRAND TOTAL | 88.4 | 90.0 | 140.5 | 140.5 | 140.5 |
| Part B. | | | | | |
| Personnel Headcount | | | | | |
| E & G Non-Faculty Employees | 66 | 65 | 114 | 114 | 114 |
| SUBTOTAL, E&G | 66 | 65 | 114 | 114 | 114 |
| Other Funds Employees | 28 | 31 | 33 | 33 | 33 |
| SUBTOTAL, NON-APPROPRIATED | 28 | 31 | 33 | 33 | 33 |
| GRAND TOTAL | 94 | 96 | 147 | 147 | 147 |
| PART C. | | | | | |
| Salaries | | | | | |
| E & G Non-Faculty Employees | \$5,626,330 | \$5,991,716 | \$7,656,282 | \$7,656,282 | \$7,656,282 |
| SUBTOTAL, E&G | \$5,626,330 | \$5,991,716 | \$7,656,282 | \$7,656,282 | \$7,656,282 |
| Other Funds Employees | \$2,240,372 | \$2,378,899 | \$2,674,025 | \$2,674,025 | \$2,674,025 |
| SUBTOTAL, NON-APPROPRIATED | \$2,240,372 | \$2,378,899 | \$2,674,025 | \$2,674,025 | \$2,674,025 |
| GRAND TOTAL | \$7,866,702 | \$8,370,615 | \$10,330,307 | \$10,330,307 | \$10,330,307 |

Schedule 10C: Revenue Capacity for Tuition Revenue Bond Projects

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/15/2008
TIME: 12:39:02PM
PAGE: 1 of 2

Agency Code: **783**

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

| | Act 2007 | Act 2008 | Bud 2009 | Est 2010 | Est 2011 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Gross Tuition | \$107,589,675 | \$111,794,493 | \$113,232,030 | \$113,907,287 | \$114,601,479 |
| Less: Remissions and Exemptions | (14,553,058) | (15,550,461) | (15,317,543) | (15,365,599) | (15,403,182) |
| Less: Refunds | (235,543) | (251,629) | (296,656) | (304,095) | (311,743) |
| Less: Installment Payment Forfeits | (253,614) | (394,377) | (429,855) | (440,081) | (450,590) |
| Less: Board Authorized Tuition Increases (TX. Educ. Code Ann. Sec. 54.008) | (18,405,620) | (17,992,042) | (17,506,299) | (17,547,552) | (17,589,120) |
| Less: Statutory Tuition Increases (TX. Educ. Code Ann. Sec. 54.0512) (2005, 2006, 2007) | (711,395) | 0 | (740,846) | (742,366) | (745,366) |
| Less: Tuition increases charged to doctoral students with hours in excess of 100 (TX. Educ. Code Ann. Sec. 54.012) | (26,159) | (25,000) | (25,000) | (25,000) | (25,000) |
| Less: Tuition increases charged to undergraduate students with excessive hours above degree requirements. (TX. Educ. Code Ann. Sec. 61.0595) | (301,770) | (401,260) | (351,530) | (355,000) | (360,000) |
| Less: Tuition rebates for certain undergraduates (TX. Educ. Code Ann. Sec. 54.0065) | (51,000) | (50,000) | (56,500) | (56,500) | (56,500) |
| Plus: Tuition waived for students 55 years or older (TX. Educ. Code Ann. Sec. 54.0013) | 27,886 | 30,000 | 30,400 | 30,400 | 30,400 |
| Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307) | 0 | 0 | 0 | 0 | 0 |
| Subtotal | \$73,079,402 | \$77,159,724 | \$78,538,201 | \$79,101,494 | \$79,690,378 |
| Less: Transfer of Tuition to Retirement of Indebtedness: 1) Skiles Act | (598,625) | (672,229) | (695,865) | (700,985) | (706,249) |
| Less: Transfer of Funds for Texas Public Education Grants Program (TX. Educ. Code Ann. Sec. 56c) and for Emergency Loans (TX. Educ. Code Ann. Sec. 56d) | (9,250,206) | (9,593,640) | (9,866,872) | (9,941,673) | (10,018,388) |
| Less: Transfer of Funds (2%) for Emergency Loans (Medical School) | 0 | 0 | 0 | 0 | 0 |
| Less: Transfer of Funds for Repayment of Student Loans of Physicians (TX. Educ. Code Ann. Sec. 61.539) | 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) | 0 | 0 | 0 | 0 | 0 |
| Less: Other Authorized Deductions | (30,534) | (40,508) | (40,508) | (40,508) | (40,508) |
| Total Net Tuition Available to Pledge for Tuition Revenue Bonds | \$63,200,037 | \$66,853,347 | \$67,934,956 | \$68,418,328 | \$68,925,233 |

Schedule 10C: Revenue Capacity for Tuition Revenue Bond Projects81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)DATE: 8/15/2008
TIME: 12:39:02PM
PAGE: 2 of 2

Agency Code: 783

Agency Name: University of Houston System Administration

| | Act 2007 | Act 2008 | Bud 2009 | Est 2010 | Est 2011 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt Service on Existing Tuition Revenue Bonds | \$(14,402,372) | \$(23,591,044) | \$(19,688,139) | \$(19,297,268) | \$(19,264,566) |
| Estimated Debt Service for Authorized but Unissued Tuition Revenue Bonds | 0 | 0 | (6,169,581) | (5,960,808) | (5,960,808) |
| Subtotal, Debt Service on Existing Authorizations | \$(14,402,372) | \$(23,591,044) | \$(25,857,720) | \$(25,258,076) | \$(25,225,374) |
| TOTAL TUITION AVAILABLE FOR NEW AUTHORIZATIONS | \$48,797,665 | \$43,262,303 | \$42,077,236 | \$43,160,252 | \$43,699,859 |
| Debt Capacity Available for New Authorizations | \$559,705,373 | \$496,215,173 | \$553,387,190 | \$495,044,690 | \$501,233,940 |

SCHEDULE 11: SPECIAL ITEM INFORMATION
81ST REGULAR SESSION
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/15/2008**
Time: **12:39:58PM**
Page: **1 of 2**

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

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

(1) Year Special Item: 2000

(2) Mission of Special Item:

Texas Aerospace Scholars/Technology Outreach Program

The Texas Aerospace Scholars (TAS) programs harness the excitement of human space exploration to inspire Texas students to consider and pursue degrees and careers in science, technology, engineering and mathematics (STEM)...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 facilitate incorporating technology into the small business process to produce a viable product, serve as an advocate for the aerospace industry and realize the positive economic impact to small business through new contracts, increased revenues, increased employment, and/or overall company growth due to TOP technical assistance.

(3) (a) Major Accomplishments to Date:

TAS: Since 1999, more than 4050 juniors, representing 100% of legislative districts, have participated. In 2007, legislators nominated 527 juniors to participate. Students have indicated an interest in high-tech degrees as a result. The ratio of other revenue to State funds is 2:1.

Middle School Aerospace Scholars: Since 2002 over 550 teachers from 100% of Education Service Centers have participated in distance learning events and a weeklong workshop at JSC. Teachers discover innovative ways to integrate NASA instructional materials across disciplines that support standards.

Community College Aerospace Scholars targets college students interested in STEM fields. More than 1350 students representing over 80% of the college districts have participated. Over 40% were from underrepresented populations.

TAS Internship provides a technical 1 semester position at JSC for high potential TAS student alumni. To date 15 students have participated.

TOP transfers NASA/JSC scientific and engineering expertise to meet Texas small business' technology requirements fostering economic retention /expansion. Since 1999, TOP has helped 600 small businesses solve their technical challenges. TOP assistance impacts increased sales, retention and new employment opportunities for small businesses in Texas.

Aerospace contractor's commitment of free engineering support is leveraged with TOP state funds at a ratio of 15:1.

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

Texas Aerospace Scholars (TAS) plans to continue expanding 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; provide a unique academic experience for teachers and their students to successfully propose, design, fabricate, fly and evaluate a reduced gravity investigation of their choice; and continue to identify partners to leverage NASA and Texas' investment in our youth.

Technology Outreach Program (TOP) expects significant economic growth in the following fields due to TOP assistance in the development of: ground transportation through more efficient long-bed trailer designs; medical treatment of skin disorders like acne; air transport of combustibles in safer fire proof containers; energy production through more efficient hydroelectric generation designs; food industry by development of healthy, low-fat foods; personal safety through low-cost solar-powered flashlight designs; emergency management technology with innovative tools to efficiently remove damaged telephone poles; recreation industry by novel docking systems for watercraft; retail industry with an innovative device to prevent drive offs after fueling vehicle; and hospital emergency room technology through the development of collection device for bodily fluids and waste. TOP will continue to expand throughout Texas to benefit small businesses and inventors.

(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

SCHEDULE 11: SPECIAL ITEM INFORMATION
81ST REGULAR SESSION
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/15/2008**
Time: **12:39:58PM**
Page: **2 of 2**

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

(5) Non-general Revenue Sources of Funding:

Fiscal Years:

2008

2009

2010

2011

Texas Aerospace Scholars (TAS) anticipates continued annual contributions of \$20,000 from the local Rotary and \$50,000 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 similar 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 the programs for students and teachers.

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 State of Florida also contributed to assist in development of the statewide program. The aerospace industry and NASA provide engineers at no cost to small businesses. Leveraging these various funding sources and services maximizes the return to the state and small businesses.

(6) 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 investment in education opportunities throughout Texas and with all segments of demographics to encourage more students to pursue education to prepare for high-tech 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 and inventors that may have benefited will not expand or be created in Texas.
 - . TOP will be limited in the number of businesses it will be able to assist and the program will remain limited to the Bay Area Houston area.
 - . Program provides the opportunity for the Legislature's commitment to expand companies, create new companies and growth, and assist small businesses in establishing Texas as the high tech region.
-