

Legislative Appropriations Request

For Fiscal Year 2012 and 2013

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

by

University of Houston System Administration

**Date of Resubmission
October 18, 2010**

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ADMINISTRATOR'S STATEMENT
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/18/2010**
TIME: **3:34:24PM**
PAGE: **1 of 4**

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 is an upper-level/master's university located in Southeast Houston with close ties to NASA's Johnson Space Center and regional community colleges (from which the university draws most of its students). UH-Downtown – Houston's second largest university after UH – is a predominantly undergraduate institution with a limited but growing number of master's programs. UH-Victoria is an undergraduate and master's-level institution that, for the first time this fall, is enrolling freshmen and sophomores as it seeks to become a destination university in the Coastal Bend region of Texas. UHV also has a large presence in Southwest Houston and reaches many students in Houston and beyond through extensive online 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. During the current biennium, the system has achieved significant milestones in both enrollment and research. For the first time, enrollment has exceeded 60,000 students and research expenditures have surpassed \$100 million. In addition, total degrees awarded reached a record high last year of 12,524. Among universities nationwide, the UH System remains a model of diversity and a reflection of the city it serves. Our student body is 16% African-American, 15.3% Asian, 24% Hispanic, and 36% 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 also delivers programs in Pearland, a high-growth community in the southern part of the region, and is opening this fall a brand new permanent facility in partnership with the City of Pearland. 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. To address the needs of this region, the UH System has formed a partnership with Lone Star College, through which UH and UH-Downtown have begun delivering upper level programs on one of LSC's campuses. Program offerings are limited at this time but will expand during the upcoming biennium.

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. Over the past two years, Chancellor Renu Khator and the Board of Regents have led a comprehensive strategic planning process through which new mission statements, goals, principles and accountability measures have been developed for the system and its universities. In addition, the universities have developed enrollment

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

and research projections for 2020 and are in the process of developing academic and facilities master plans. Upon completion, these plans will identify the programs, faculty, staff and infrastructure needed to achieve the 2020 enrollment and research projections, as well as the resources needed to get there. The UHS universities are also working collaboratively on four system-wide initiatives in health, global outreach, and student and faculty pathways that have been identified during this strategic planning process. Central to all of these planning activities are the UH System's new goals – student access and success, national competitiveness, and community advancement – all of which further the state's goals for higher education identified in "Closing the Gaps," as well as the social and economic well-being of the Houston metropolitan area.

1. Student Access and Success

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

2. National Competitiveness

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

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.

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. We do so, however, with full recognition of the unprecedented budget deficits the state is facing and the difficult decisions that lie ahead. We hope that in making budgetary decisions the Legislature will give strong consideration to the UH System's priorities, given the importance of higher education to the future of Texas.

1. Base Formula Funding

As demands on our universities grow, it is imperative to provide adequate resources for basic educational services through the formulas. Without sufficient base formula funding universities will not be able to accommodate enrollment demand through course delivery; we will not be able to enhance program quality by recruiting and retaining exceptional faculty members; and we will not be able to enhance student success through academic support services. In short, we will not be able to achieve the goals of "Closing the Gaps." The UH System encourages the Legislature to provide sufficient funding for the formula so that it covers at least current services (growth plus inflation) at the state's universities. The UH System also recommends that the state maintain its practice of providing lump sum funding for higher education. Doing so is essential to maintaining institutional flexibility in these difficult economic times.

2. Return of FY10-11 Five Percent State Reduction

The resources returned to the state through the 5% budget reduction are essential to the UH System's ability to achieve its own goals, as well as those identified in "Closing the Gaps." Therefore, on behalf of its institutions, the UH System has submitted an exceptional item request for the re-appropriation of these resources, which represent \$22 million in funding and approximately 144 faculty and staff positions. It is important to note that higher education's share of the reduction was

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disproportionate relative to other state agencies (some of which were exempted). The UH System believes that all state agencies should be treated equally in these matters.

3. Funding for Special Items and Exceptional Items

Each year the Legislature funds numerous programs at the UH System universities that fall outside the scope of formula funding. These programs have a tremendous impact on our academic programs, research endeavors and the communities we serve. The UH System recommends continuation of special item funding and consideration of our requests for exceptional item funding.

3. Research Development Fund, Texas Competitive Knowledge Fund, and Texas Research Incentive Program

The Research Development Fund, Texas Competitive Knowledge Fund, and Texas Research Incentive Program 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 tier-one university. We therefore recommend increased appropriations to 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 \$539,717, the loss of which would have a significant negative impact on our ability to support the UHSA 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 System 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
Nandita V. Berry	August 31, 2015	Houston
Tilman J. Fertitta	August 31, 2015	Houston

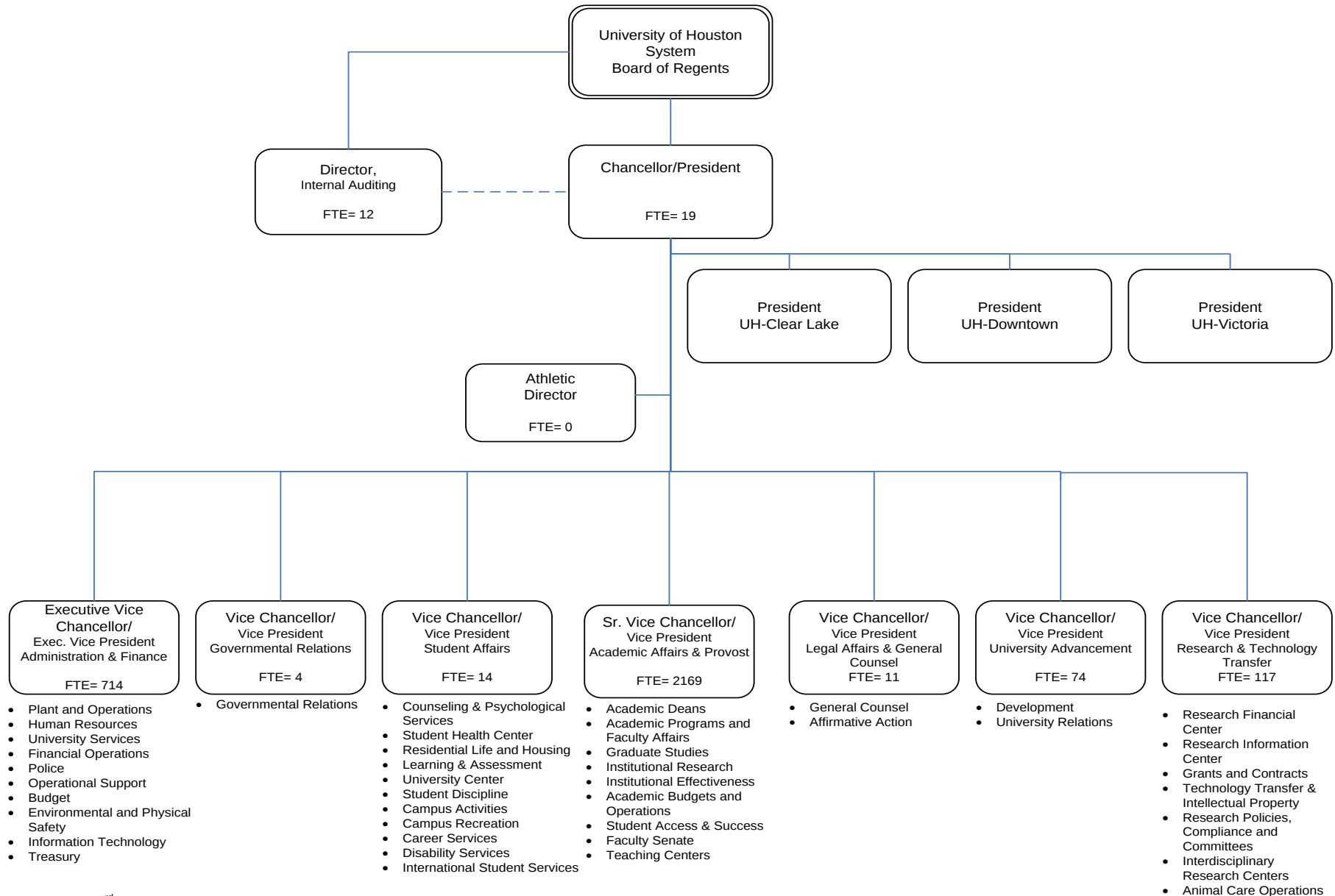
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Jarvis V. Hollingsworth	August 31, 2015	Sugar Land
Carroll Robertson Ray	August 31, 2011	Houston
Welcome W. Wilson	August 31, 2011	Houston
Jim P. Wise	August 31, 2011	Houston
Nelda Luce Blair	August 31, 2013	The Woodlands
Jacob Monty	August 31, 2013	Houston
Mica Mosbacher	August 31, 2013	Houston
Andrew Cobos (Student Regent)	May 31, 2011	El Paso

University of Houston System/University of Houston



FTE is as of 3rd quarter FY2010 from Appropriated Funds; UH= 3036 FTE, UHSA= 98 FTE, TOTAL= 3134 FTE

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2.A. SUMMARY OF BASE REQUEST BY STRATEGY
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/19/2010**
TIME: **10:20:18AM**

Agency code: **783**

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

Goal / Objective / STRATEGY	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
<u>1</u> Provide Instructional and Operations Support					
<u>1</u> <i>Provide Instructional and Operations Support</i>					
11 SYSTEM OFFICE OPERATIONS	1,764,651	1,944,031	1,855,969	1,900,000	1,900,000
TOTAL, GOAL 1	\$1,764,651	\$1,944,031	\$1,855,969	\$1,900,000	\$1,900,000
<u>2</u> Provide Infrastructure Support					
<u>1</u> <i>Provide Operation and Maintenance of E&G Space</i>					
6 NATURAL DISASTER REIMBURSEMENT	0	0	7,339,000	0	0
TOTAL, GOAL 2	\$0	\$0	\$7,339,000	\$0	\$0
<u>3</u> Provide Special Item Support					
<u>3</u> <i>Public Service Special Item</i>					
1 NASA PROGRAMS	840,617	798,586	798,586	798,586	798,586
<u>5</u> <i>Exceptional Item Request</i>					
1 EXCEPTIONAL ITEM REQUEST	0	0	0	0	0
TOTAL, GOAL 3	\$840,617	\$798,586	\$798,586	\$798,586	\$798,586
TOTAL, AGENCY STRATEGY REQUEST	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/19/2010**
TIME: **10:20:18AM**

Agency code: **783**

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

Goal / Objective / STRATEGY	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	2,605,268	2,742,617	9,993,555	2,698,586	2,698,586
SUBTOTAL	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586
TOTAL, METHOD OF FINANCING	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586

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

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/19/2010**
TIME: **10:20:27AM**

Agency code: **783**

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

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
<u>GENERAL REVENUE</u>					
<u>I</u> General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2008-09 GAA)					
	\$2,605,268	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2010-11 GAA)					
	\$0	\$2,840,617	\$2,840,617	\$2,698,586	\$2,698,586
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>					
HB 4586, Sec 55, Natural Disasters					
	\$7,339,000	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Five Percent Reduction (2010-11 Biennium)					
	\$0	\$(98,000)	\$(186,062)	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>					
HB 4586, Sec 55, Natural Disasters					
	\$(7,339,000)	\$7,339,000	\$0	\$0	\$0
HB 4586, Sec 55, Natural Disasters					
	\$0	\$(7,339,000)	\$7,339,000	\$0	\$0
TOTAL, General Revenue Fund	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/19/2010**
TIME: **10:20:30AM**

Agency code: **783**

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

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
TOTAL, ALL GENERAL REVENUE	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586
GRAND TOTAL	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586

FULL-TIME-EQUIVALENT POSITIONS

REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2008-09 GAA)	71.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2010-11 GAA)	0.0	64.0	64.0	64.0	64.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Unathorized Amount Over (Below) Cap	23.3	34.5	39.0	39.0	39.0
TOTAL, ADJUSTED FTES	94.3	98.5	103.0	103.0	103.0
NUMBER OF 100% FEDERALLY FUNDED FTES	0.0	0.0	0.0	0.0	0.0

2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/19/2010**
TIME: **10:20:36AM**

Agency code: 783	Agency name: University of Houston System Administration				
OBJECT OF EXPENSE	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
1001 SALARIES AND WAGES	\$1,729,179	\$1,899,571	\$1,811,509	\$1,855,540	\$1,855,540
1002 OTHER PERSONNEL COSTS	\$25,620	\$34,390	\$34,390	\$34,390	\$34,390
1005 FACULTY SALARIES	\$0	\$0	\$0	\$0	\$0
2004 UTILITIES	\$0	\$0	\$0	\$0	\$0
2005 TRAVEL	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$147,852	\$177,034	\$7,516,034	\$177,034	\$177,034
3001 CLIENT SERVICES	\$702,617	\$631,622	\$631,622	\$631,622	\$631,622
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586
OOE Total (Riders)					
Grand Total	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2010

TIME : 2:14:54PM

Agency code: 783

Agency name: University of Houston System Administration

Priority	Item	2012			2013			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Complex Systems Research Cluster	\$22,008,856	\$22,008,856	144.0	\$0	\$0	0.0	\$22,008,856	\$22,008,856
Total, Exceptional Items Request		\$22,008,856	\$22,008,856	144.0	\$0	\$0	0.0	\$22,008,856	\$22,008,856
Method of Financing									
	General Revenue	\$22,008,856	\$22,008,856		\$0	\$0		\$22,008,856	\$22,008,856
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$22,008,856	\$22,008,856		\$0	\$0		\$22,008,856	\$22,008,856
Full Time Equivalent Positions				144.0				0.0	
Number of 100% Federally Funded FTEs				0.0				0.0	

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/18/2010
TIME : 2:15:30PM

Agency code:	783	Agency name:	University of Houston System Administration			
Goal/Objective/STRATEGY	Base 2012	Base 2013	Exceptional 2012	Exceptional 2013	Total Request 2012	Total Request 2013
1 Provide Instructional and Operations Support						
1 <i>Provide Instructional and Operations Support</i>						
11 SYSTEM OFFICE OPERATIONS	\$1,900,000	\$1,900,000	\$0	\$0	\$1,900,000	\$1,900,000
TOTAL, GOAL 1	\$1,900,000	\$1,900,000	\$0	\$0	\$1,900,000	\$1,900,000
2 Provide Infrastructure Support						
1 <i>Provide Operation and Maintenance of E&G Space</i>						
6 NATURAL DISASTER REIMBURSEMENT	0	0	0	0	0	0
TOTAL, GOAL 2	\$0	\$0	\$0	\$0	\$0	\$0
3 Provide Special Item Support						
3 <i>Public Service Special Item</i>						
1 NASA PROGRAMS	798,586	798,586	0	0	798,586	798,586
5 <i>Exceptional Item Request</i>						
1 EXCEPTIONAL ITEM REQUEST	0	0	22,008,856	0	22,008,856	0
TOTAL, GOAL 3	\$798,586	\$798,586	\$22,008,856	\$0	\$22,807,442	\$798,586
TOTAL, AGENCY STRATEGY REQUEST	\$2,698,586	\$2,698,586	\$22,008,856	\$0	\$24,707,442	\$2,698,586
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$2,698,586	\$2,698,586	\$22,008,856	\$0	\$24,707,442	\$2,698,586

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/21/2010
TIME :

Agency code: 783		Agency name: University of Houston System Administration					
Goal/Objective/STRATEGY		Base 2012	Base 2013	Exceptional 2012	Exceptional 2013	Total Request 2012	Total Request 2013
General Revenue Funds:							
1 General Revenue Fund		\$2,698,586	\$2,698,586	\$22,008,856	\$0	\$24,707,442	\$2,698,586
		\$2,698,586	\$2,698,586	\$22,008,856	\$0	\$24,707,442	\$2,698,586
TOTAL, METHOD OF FINANCING		\$2,698,586	\$2,698,586	\$22,008,856	\$0	\$24,707,442	\$2,698,586
FULL TIME EQUIVALENT POSITIONS		103.0	103.0	144.0	0.0	247.0	103.0

3.A. STRATEGY REQUEST
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/21/2010
TIME: 7:52:27AM

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 2009	Est 2010	Bud 2011	BL 2012	BL 2013
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,729,179	\$1,899,571	\$1,811,509	\$1,855,540	\$1,855,540
1002	OTHER PERSONNEL COSTS	\$25,620	\$34,390	\$34,390	\$34,390	\$34,390
2009	OTHER OPERATING EXPENSE	\$9,852	\$10,070	\$10,070	\$10,070	\$10,070
TOTAL, OBJECT OF EXPENSE		\$1,764,651	\$1,944,031	\$1,855,969	\$1,900,000	\$1,900,000
Method of Financing:						
1	General Revenue Fund	\$1,764,651	\$1,944,031	\$1,855,969	\$1,900,000	\$1,900,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,764,651	\$1,944,031	\$1,855,969	\$1,900,000	\$1,900,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,900,000	\$1,900,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,764,651	\$1,944,031	\$1,855,969	\$1,900,000	\$1,900,000
FULL TIME EQUIVALENT POSITIONS:		94.3	98.5	103.0	103.0	103.0

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
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2010
TIME: 2:16:01PM

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 2009	Est 2010	Bud 2011	BL 2012	BL 2013
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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
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/19/2010
TIME: 10:20:55AM

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

GOAL: 2 Provide Infrastructure Support Statewide Goal/Benchmark: 2 0
OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space Service Categories:
STRATEGY: 6 Natural Disaster Reimbursement Service: NA Income: NA Age: NA

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$7,339,000	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$7,339,000	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$0	\$0	\$7,339,000	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$7,339,000	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$7,339,000	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						
EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:						

3.A. STRATEGY REQUEST
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2010
TIME: 2:16:01PM

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 2009	Est 2010	Bud 2011	BL 2012	BL 2013
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$138,000	\$166,964	\$166,964	\$166,964	\$166,964
3001	CLIENT SERVICES	\$702,617	\$631,622	\$631,622	\$631,622	\$631,622
TOTAL, OBJECT OF EXPENSE		\$840,617	\$798,586	\$798,586	\$798,586	\$798,586

Method of Financing:

1	General Revenue Fund	\$840,617	\$798,586	\$798,586	\$798,586	\$798,586
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$840,617	\$798,586	\$798,586	\$798,586	\$798,586

TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$798,586	\$798,586
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TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)					\$798,586	\$798,586
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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 9100 Texans have participated in the programs and have explored career opportunities in science, technology, engineering and math (STEM). High school juniors explore opportunities in STEM academic fields by completing on-line modules and travel to JSC for a one-week summer experience. Middle school educators learn innovative ways to integrate NASA instructional materials across various disciplines that align with state/national standards. The community college program challenges student teams to compete on an aerospace project for a simulated NASA contract. Participation includes web-based assignments and onsite activities where students interact with engineers, scientists and astronauts. The TAS Internship focuses on strengthening the STEM pipeline by offering semester-long internships to TAS student alumni.

Technology Outreach Program (TOP) TOP transfers NASA/Johnson Space Center scientific and engineering expertise to meet innovative Texas small business' technology requirements that foster economic expansion. Since 1999, TOP has helped over 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
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2010
TIME: 2:16:01PM

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 2009	Est 2010	Bud 2011	BL 2012	BL 2013
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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 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
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/19/2010
TIME: 10:20:55AM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586
METHODS OF FINANCE (INCLUDING RIDERS):				\$2,698,586	\$2,698,586
METHODS OF FINANCE (EXCLUDING RIDERS):	\$2,605,268	\$2,742,617	\$9,993,555	\$2,698,586	\$2,698,586
FULL TIME EQUIVALENT POSITIONS:	94.3	98.5	103.0	103.0	103.0

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/18/2010**
TIME: **2:16:35PM**

Agency code: **783**

Agency name:

University of Houston System Administration

CODE	DESCRIPTION	Excp 2012	Excp 2013
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Item Name: Tier-One Initiative - Complex Systems Research Cluster

Item Priority: 1

Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	8,880,390	0
1005	FACULTY SALARIES	5,585,589	0
2004	UTILITIES	500,000	0
2005	TRAVEL	1,627,000	0
2009	OTHER OPERATING EXPENSE	5,026,877	0
5000	CAPITAL EXPENDITURES	389,000	0
TOTAL, OBJECT OF EXPENSE		\$22,008,856	\$0

METHOD OF FINANCING:

1	General Revenue Fund	22,008,856	0
TOTAL, METHOD OF FINANCING		\$22,008,856	\$0

FULL-TIME EQUIVALENT POSITIONS (FTE):

	144.00	0.00
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DESCRIPTION / JUSTIFICATION:

On behalf of its institutions, the UH System Administration requests \$22,008,856 to recover the 5% reduction for FY10 and FY11 required by the state. These resources are essential to the effective operations of our universities in terms of providing access to students, ensuring their completion of a degree, increasing research and scholarly productivity, and positively impacting the community. In implementing these reductions, the UHS institutions utilized several cost savings strategies (e.g., travel reductions, utilities savings), the funding for which, if recovered, would be reallocated to high priorities. At the same time, the majority of the reductions had to be taken from core operations (e.g., program funding, staff and faculty positions) and need to be recovered in order to fulfill the missions and goals of the universities.

EXTERNAL/INTERNAL FACTORS:

The future success of Texas is dependent upon a well-educated populace, a highly-skilled workforce, and a research base that facilitates economic development. Recognizing this, the state's plan for higher education, "Closing the Gaps," has identified very ambitious goals for the state's universities that will require a significant investment of resources if they are to be achieved. The resources reduced through the 5% state reduction are essential to achieving these goals. Their return would place the UH System in the best possible position to move forward in fulfilling the state's needs for higher education.

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/20/2010

Time: 1:24:45PM

Agency Code: 783 Agency: University of Houston System Administration

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2008 - 2009 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	<u>HUB Expenditures FY 2008</u>				Total Expenditures FY 2008	<u>HUB Expenditures FY 2009</u>				Total Expenditures FY 2009
		% Goal	% Actual	Diff	Actual \$		% Goal	% Actual	Diff	Actual \$	
11.9%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0
26.1%	Building Construction	7.2 %	33.3%	26.1%	\$6,291,530	\$18,890,662	31.1 %	57.2%	26.1%	\$6,213,652	\$10,853,862
57.2%	Special Trade Construction	(28.7)%	28.5%	57.2%	\$80,591	\$282,373	(46.8)%	10.4%	57.2%	\$33,741	\$323,358
20.0%	Professional Services	(20.0)%	0.0%	20.0%	\$0	\$28,363	(20.0)%	0.0%	20.0%	\$0	\$12,500
33.0%	Other Services	(1.8)%	31.2%	33.0%	\$823,187	\$2,635,986	0.3 %	33.3%	33.0%	\$682,392	\$2,047,840
12.6%	Commodities	33.9 %	46.6%	12.7%	\$272,327	\$584,873	38.7 %	51.4%	12.7%	\$355,933	\$692,781
	Total Expenditures		33.3%		\$7,467,635	\$22,422,257		52.3%		\$7,285,718	\$13,930,341

B. Assessment of Fiscal Year 2008 - 2009 Efforts to Meet HUB Procurement Goals**Attainment:**

The University of Houston System Administration attained or exceeded two of five, or 40%, of the applicable statewide HUB procurement goals in FY2008. The University of Houston System Administration attained or exceeded three of five, or 60%, of the applicable statewide HUB procurement goals in FY2009. Overall HUB use increased from 33.3% in FY2008 to 52.3% in FY2009, primarily due HUB subcontracting on a construction project for the UHS Sugar Land Teaching Facility.

Applicability:

The University of Houston System Administration did not have expenditures in the "Heavy Construction" category in FY2008 or FY2009.

Factors Affecting Attainment:

In both FY2008 and FY2009, HUB expenditures in the "Special Trade" category were less than the statewide goal because of mandatory payments to Fort Bend County for levee improvements associated with the UHS Sugar Land Teaching Facility. In both FY2008 and FY2009, HUB expenditures in the "Professional Services" category were zero because only one professional services vendor was used both years in the specialized field of indirect cost analysis. In FY2008, HUB expenditures in the "Other Services" category were less than the statewide goal because one vendor's HUB certification had expired the previous fiscal year, which was later renewed in FY2009. Had that vendor's HUB certification been active in FY2008, HUB use would have been 38.2% in the "Other Services" category, or 5.2% above the state's goal.

"Good-Faith" Efforts:

The University of Houston made the following good faith efforts to comply with statewide HUB goals as stated by 34 TAC Section 20.13(c): (1) required a HUB Subcontracting Plan for all contracts over \$100,000; (2) sought bids from at least two HUB vendors on competitively bid contracts over \$5,000; (3) assisted minority and women-owned businesses with HUB certification, as well as provided information on how to do business with the University of Houston; (4) conducted HUB vendor shows in which HUB vendors met with University of Houston employees to describe their products and services; (5) encouraged HUB use by listing the departments that utilized HUBs the most in a monthly newsletter distributed to all University of Houston administrative employees ; and (6) sought and obtained HUB participation from

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **10/20/2010**

Time: **1:24:42PM**

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

vendors in expenditure categories that are not even included in the Comptroller's HUB report, such as electricity.

**6.H. Estimated Total Of All Funds Outside the General Appropriations Bill Act Pattern Schedule
2010-11 and 2012-13 Biennia**

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

	2010 - 2011 Biennium				2012 - 2013 Biennium			
	<u>FY 2010 Revenue</u>	<u>FY 2011 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>	<u>FY 2012 Revenue</u>	<u>FY 2013 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>
APPROPRIATED SOURCES (INSIDE THE GAA)								
State Appropriations	\$ 3,670,617	\$ 3,670,617	\$ 7,341,234		\$ 3,670,617	\$ 3,670,617	\$ 7,341,234	
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>3,670,617</u>	<u>3,670,617</u>	<u>7,341,234</u>	<u>30.1%</u>	<u>3,670,617</u>	<u>3,670,617</u>	<u>7,341,234</u>	<u>29.4%</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	1,597,880	1,418,317	3,016,197		1,418,317	1,418,317	2,836,634	
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)	6,563,986	7,354,143	13,918,129		7,354,143	7,354,143	14,708,286	
Sales and Services of Hospitals (net)			-		-	-	-	
Professional Fees (net)			-		-	-	-	
Auxiliary Enterprises (net)			-		-	-	-	
Other Income	<u>25,000</u>	<u>-</u>	<u>25,000</u>		<u>-</u>	<u>-</u>	<u>-</u>	
Total	<u>8,236,866</u>	<u>8,822,460</u>	<u>17,059,326</u>	<u>69.9%</u>	<u>8,822,460</u>	<u>8,822,460</u>	<u>17,644,920</u>	<u>70.6%</u>
TOTAL SOURCES	<u><u>\$11,907,483</u></u>	<u><u>\$12,493,077</u></u>	<u><u>\$24,400,560</u></u>	<u><u>100.0%</u></u>	<u><u>\$12,493,077</u></u>	<u><u>\$12,493,077</u></u>	<u><u>\$24,986,154</u></u>	<u><u>100.0%</u></u>

6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/18/2010
Time: 2:19:34PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
1 System Office Operations							
Category: Administrative - Operating Expenses							
Item Comment: The UH System Administration is responsible for coordinating the operations of the UHS universities - including system-wide planning to meet the state's higher education goals - as well as providing select centralized services (e.g., general counsel, board of regents, auditing). The 10% reduction would limit our ability to provide these services.							
Strategy: 1-1-11 System Office Operations							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000	
General Revenue Funds Total	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000	
Item Total	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000	
FTE Reductions (From FY 2012 and FY 2013 Base Request)							
2 NASA and Technology Outreach Program							
Category: Programs - Service Reductions (Other)							
Item Comment: Special item funding is used to support two programs at the Johnson Space Center: the Aerospace Scholars program, which provides science and technology learning opportunities to public school and community college students in Texas, and the Technology Outreach Program, which supports the development of new science and engineering companies and the commercialization of technologies. Reduced funding would limit the operations of these programs and, therefore, the state's ability to improve the quality of PK-16 education, encourage more students to enter careers in science and technology, and enhance economic development through the creation of new companies and technologies.							
Strategy: 3-3-1 High School Cooperative Education Program w/NASA & Tech Outreach Pgm							
<u>General Revenue Funds</u>							
1 General Revenue Fund	\$0	\$0	\$0	\$39,929	\$39,929	\$79,858	
General Revenue Funds Total	\$0	\$0	\$0	\$39,929	\$39,929	\$79,858	
Item Total	\$0	\$0	\$0	\$39,929	\$39,929	\$79,858	
FTE Reductions (From FY 2012 and FY 2013 Base Request)							

6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS
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Agency code: **783** Agency name: **University of Houston System Administration**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	

3 System Office Operations

Category: Administrative - Operating Expenses

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

Strategy: 1-1-11 System Office Operations

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000
General Revenue Funds Total	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000
Item Total	\$0	\$0	\$0	\$95,000	\$95,000	\$190,000

FTE Reductions (From FY 2012 and FY 2013 Base Request)

4 NASA and Technology Outreach Program

Category: Programs - Service Reductions (Other)

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

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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$39,929	\$39,930	\$79,859
General Revenue Funds Total	\$0	\$0	\$0	\$39,929	\$39,930	\$79,859
Item Total	\$0	\$0	\$0	\$39,929	\$39,930	\$79,859

FTE Reductions (From FY 2012 and FY 2013 Base Request)

6.I 10 PERCENT BIENNIAL BASE REDUCTION OPTIONS
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Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/18/2010
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Agency code: **783** Agency name: **University of Houston System Administration**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2012	2013	Biennial Total	2012	2013	Biennial Total	
AGENCY TOTALS							
General Revenue Total				\$269,858	\$269,859	\$539,717	\$539,717
Agency Grand Total	\$0	\$0	\$0	\$269,858	\$269,859	\$539,717	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2012 and FY 2013 Base Request)							

Schedule 2: Grand Total Educational, General and Other Funds

DATE: 10/19/2010

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Automated Budget and Evaluation System of Texas (ABEST)

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

	Act 2009	Act 2010	Bud 2011	Est 2012	Est 2013
Balances as of Beginning of Fiscal Year					
Encumbered and Obligated	651,989	16,705	214,050	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	2,605,268	2,698,586	2,698,586	2,698,586	2,698,586
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
Less: ARRA Formula Swap	0	0	0	0	0
Other (Itemize)					
Subtotal, General Revenue Appropriations	2,605,268	2,698,586	2,698,586	2,698,586	2,698,586
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
ARRA Formula Swap	0	0	0	0	0
Other (Itemize)					
HB4586, Sec 55, Natural Disaster Reimbursement	7,339,000	0	0	0	0
UB - HB4586, Sec 55, Natural Disaster Reimb	(7,339,000)	7,339,000	0	0	0
UB - HB4586, Sec 55, Natural Disaster Reimb	0	(7,339,000)	7,339,000	0	0
TOTAL, EDUCATIONAL AND GENERAL APPROPRIATIONS	2,605,268	2,698,586	10,037,586	2,698,586	2,698,586
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 (2009, 2010, 2011)	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

Schedule 2: Grand Total Educational, General and Other Funds

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Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/19/2010

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

	Act 2009	Act 2010	Bud 2011	Est 2012	Est 2013
Less: Transfer to Department of Health, Disproportionate Share - State-Owned Hospitals (2009, 2010, 2011)	0	0	0	0	0
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 (2009, 2010, 2011)	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
Transfers from Other Funds, e.g., Designated funds transferred for educational and general activities (Itemize)	0	0	0	0	0
Transfer from Coordinating Board for Incentive Funding	0	0	0	0	0
ARRA Article XII Section 25 Special Item Appropriations	0	0	0	0	0
Other (Itemize)					
Other Deductions (Itemize)					
Decrease Capital Projects - Educational and General Funds	0	0	0	0	0
Other (Itemize)					
Total Funds	3,257,257	2,715,291	10,251,636	2,698,586	2,698,586
Less: Balances as of End of Fiscal Year					
Encumbered and Obligated	0	0	0	0	0
Unencumbered and Unobligated	(16,705)	(214,050)	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	3,240,552	2,501,241	10,251,636	2,698,586	2,698,586
Designated Tuition (Sec. 54.0513)	0	0	0	0	0

Schedule 3A: Staff Group Insurance Data Elements (ERS)
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Date: 8/18/2010
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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	57	57	0	57	3
2a Employee and Children	12	12	0	12	0
3a Employee and Spouse	8	8	0	8	0
4a Employee and Family	16	16	0	16	0
5a Eligible, Opt Out	0	0	0	0	0
6a Eligible, Not Enrolled	1	1	0	1	0
Total for This Section	94	94	0	94	3
PART TIME ACTIVES					
1b Employee Only	3	3	0	3	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	4	4	0	4	1
Total for This Section	7	7	0	7	1
Total Active Enrollment	101	101	0	101	4

Schedule 3A: Staff Group Insurance Data Elements (ERS)
82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
FULL TIME RETIREES by ERS					
1c Employee Only	0	0	0	0	0
2c Employee and Children	0	0	0	0	0
3c Employee and Spouse	0	0	0	0	0
4c Employee and Family	0	0	0	0	0
5c Eligible, Opt Out	0	0	0	0	0
6c Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
PART TIME RETIREES by ERS					
1d Employee Only	0	0	0	0	0
2d Employee and Children	0	0	0	0	0
3d Employee and Spouse	0	0	0	0	0
4d Employee and Family	0	0	0	0	0
5d Eligible, Opt Out	0	0	0	0	0
6d Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
Total Retirees Enrollment	0	0	0	0	0
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	57	57	0	57	3
2e Employee and Children	12	12	0	12	0
3e Employee and Spouse	8	8	0	8	0
4e Employee and Family	16	16	0	16	0
5e Eligible, Opt Out	0	0	0	0	0
6e Eligible, Not Enrolled	1	1	0	1	0
Total for This Section	94	94	0	94	3

Schedule 3A: Staff Group Insurance Data Elements (ERS)
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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	60	60	0	60	3
2f Employee and Children	12	12	0	12	0
3f Employee and Spouse	8	8	0	8	0
4f Employee and Family	16	16	0	16	0
5f Eligible, Opt Out	0	0	0	0	0
6f Eligible, Not Enrolled	5	5	0	5	1
Total for This Section	101	101	0	101	4

SCHEDULE 4: COMPUTATION OF OASI
82nd Regular Session, Agency Submission, Version 1
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Agency Code: **783** Agency: **University of Houston System Administration**

	Actual Salaries & Wages 2009	Actual Salaries & Wages 2010	Budgeted Salaries & Wages 2011	Estimated Salaries & Wages 2012	Estimated Salaries & Wages 2013
Gross Educational & General Payroll - Subject to OASI	\$6,132,758	\$6,304,261	\$6,789,765	\$6,789,765	\$6,789,765
FTE Employees - Subject to OASI	94.3	98.5	103.0	103.0	103.0
Average Salary (Gross Payroll / FTE Employees)	\$65,035	\$64,003	\$65,920	\$65,920	\$65,920
Employer OASI Rate 7.65% x Average Salary	\$4,975	\$4,896	\$5,043	\$5,043	\$5,043
x FTE Employees	94.3	98.5	103.0	103.0	103.0
Grand Total, OASI	\$469,143	\$482,256	\$519,429	\$519,429	\$519,429

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	\$469,143	1.0000	\$482,256	1.0000	\$519,429	1.0000	\$519,429	1.0000	\$519,429
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	\$469,143	1.0000	\$482,256	1.0000	\$519,429	1.0000	\$519,429	1.0000	\$519,429

SCHEDULE 5: CALCULATION OF RETIREMENT PROPORTIONALITY AND ORP DIFFERENTIAL

82nd Regular Session, Agency Submission, Version 1

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

Description	Act 2009	Act 2010	Bud 2011	Est 2012	Est 2013
Proportionality Amounts					
Gross Educational and General Payroll - Subject To Retirement	8,353,131	7,323,483	6,922,882	6,922,882	6,922,882
Employer Contribution to TRS Retirement Programs	376,845	313,442	325,000	325,000	325,000
Employer Contribution to ORP Retirement Programs	172,791	166,772	130,000	130,000	130,000
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	2,154,384	1,957,142	2,747,253	2,747,253	2,747,253
Total Differential	15,727	17,810	25,000	25,000	25,000

Schedule 8: PERSONNEL
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Agency code: **783** Agency name: **UNIV OF HOUSTON SYS ADMIN**

	Actual 2009	Actual 2010	Budgeted 2011	Estimated 2012	Estimated 2013
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	94.3	98.5	103.0	103.0	103.0
Subtotal, Directly Appropriated Funds	94.3	98.5	103.0	103.0	103.0
Non Appropriated Funds Employees	25.2	8.3	9.0	9.0	9.0
Subtotal, Non-Appropriated	25.2	8.3	9.0	9.0	9.0
GRAND TOTAL	119.5	106.8	112.0	112.0	112.0
Part B.					
Personnel Headcount					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	109.0	108.0	106.0	106.0	106.0
Subtotal, Directly Appropriated Funds	109.0	108.0	106.0	106.0	106.0
Non Appropriated Funds Employees	26.0	12.0	11.0	11.0	11.0
Subtotal, Non-Appropriated	26.0	12.0	11.0	11.0	11.0
GRAND TOTAL	135.0	120.0	117.0	117.0	117.0

Schedule 8: PERSONNEL
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Agency code: **783** Agency name: **UNIV OF HOUSTON SYS ADMIN**

	Actual 2009	Actual 2010	Budgeted 2011	Estimated 2012	Estimated 2013
PART C.					
Salaries					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Non-Faculty Employees	\$7,320,656	\$7,543,908	\$7,649,256	\$7,649,256	\$7,649,256
Subtotal, Directly Appropriated Funds	\$7,320,656	\$7,543,908	\$7,649,256	\$7,649,256	\$7,649,256
Non Appropriated Funds Employees	\$2,411,871	\$1,018,318	\$879,379	\$879,379	\$879,379
Subtotal, Non-Appropriated	\$2,411,871	\$1,018,318	\$879,379	\$879,379	\$879,379
GRAND TOTAL	\$9,732,527	\$8,562,226	\$8,528,635	\$8,528,635	\$8,528,635

Schedule 10C: Revenue Capacity for Tuition Revenue Bond Projects

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Agency Code: 783

Agency Name: University of Houston System Administration

	Act 2009	Act 2010	Bud 2011	Est 2012	Est 2013
Gross Tuition	\$117,334,702	\$122,393,559	\$122,258,986	\$122,258,986	\$122,258,986
Less: Remissions and Exemptions	(15,687,943)	(16,423,269)	(15,119,025)	(15,119,025)	(15,119,025)
Less: Refunds	(168,139)	(148,753)	(139,922)	(139,922)	(139,922)
Less: Installment Payment Forfeits	(106,599)	(104,296)	(257,656)	(257,656)	(257,656)
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	\$101,372,021	\$105,717,241	\$106,742,383	\$106,742,383	\$106,742,383
Less: Transfer of Tuition to Retirement of Indebtedness: 1) Skiles Act	(42,970)	0	0	0	0
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)	(10,019,461)	(10,460,224)	(10,899,807)	(10,899,807)	(10,899,807)
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)	(45,502)	(12,000)	(12,000)	(12,000)	(12,000)
Less: Other Authorized Deductions	0	0	0	0	0
Total Net Tuition Available to Pledge for Tuition Revenue Bonds	\$91,264,088	\$95,245,017	\$95,830,576	\$95,830,576	\$95,830,576
Debt Service on Existing Tuition Revenue Bonds	(25,828,130)	(24,009,705)	(18,207,429)	(18,193,310)	(17,914,816)
Estimated Debt Service for Authorized but Unissued Tuition Revenue Bonds	0	0	(5,769,510)	(5,769,873)	(5,766,541)
Subtotal, Debt Service on Existing Authorizations	\$(25,828,130)	\$(24,009,705)	\$(23,976,939)	\$(23,963,183)	\$(23,681,357)
TOTAL TUITION AVAILABLE FOR NEW AUTHORIZATIONS	\$65,435,958	\$71,235,312	\$71,853,637	\$71,867,393	\$72,149,219
Debt Capacity Available for New Authorizations	\$721,006,577	\$784,906,802	\$791,719,820	\$791,871,391	\$794,976,692

SCHEDULE 11: SPECIAL ITEM INFORMATION
82ND REGULAR SESSION
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/18/2010**
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Agency Code: **783** Agency: **University of Houston System Administration**

Special Item: **1** **Texas Aerospace Scholars/Technology Outreach Program**

(1) Year Special Item: 2000

(2) Mission of Special Item:

The Texas Aerospace Scholars (TAS) programs harness the excitement of human space exploration to inspire Texas students to consider and pursue 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 incorporate technology into the small business processes to produce viable products, 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:

More than 6000 juniors, representing 100% of the legislative districts, have participated in High School Aerospace Scholars. In 2009, legislators nominated 1300 juniors to participate. Students have indicated an interest in STEM degrees as a result of participating. The ratio of other revenue to State funds is 2:1.

Middle School Aerospace Scholars. 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.

More than 1550 students representing 84% of the college districts have participated in Community College Aerospace Scholars. Of these over 40% were from underrepresented populations. In 2010, 125 students and 45 faculty participated in a competitive "real world" experience at JSC.

TAS Internship provides a technical semester position at JSC for TAS alumni. To date, 32 students have participated.

The Technology Outreach Program (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 contractors' 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; and continue to identify partners to leverage NASA and Texas' investment in our youth.

Technology Outreach Program (TOP) expects significant economic growth due to TOP assistance in the development of: energy efficiency through a novel vertical wind generator; hurricane resistant solar hot water heaters; advanced swimming pool safety device to prevent injury or death to children; improved portable medical oxygen generators for home use; novel application of metal detection to prevent significant losses of restaurant silverware; and longer lasting roads due to innovative sealant for concrete and asphalt surfaces. 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.

(5) Non-general Revenue Sources of Funding:

Texas Aerospace Scholars (TAS) anticipates continued annual contributions of \$10,000 from the local Rotary and \$100,000 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,

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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. JSC provides support for the program through facilities, transportation, photography, and printing materials valued at \$120,000 per year.

Technology Outreach Program (TOP) received donations, goods and services through the Bay Area Houston Economic Partnership (BAHEP), aerospace members and local colleges and universities, to implement the program in the local BAHEP region, along with NASA JSC to implement the local program. The aerospace industry and NASA provide engineers at no cost to small businesses. Leveraging these various funding sources and services maximizes the return to the state and small businesses. The donated engineering time equates to \$292,500 worth of engineering assistance. 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 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 region.

- 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.

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

Date: **10/19/2010**
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Agency Code: **783** Agency: **University of Houston System Administration**

Special Item: 2 Tier-One Initiative-Complex Systems Resaerch Cluster

(1) Year Special Item: 2012

(2) Mission of Special Item:

On behalf of its institutions, the UH System Administration requests \$22,008,856 to recover the 5% reduction for FY10 and FY11 required by the state. These resources are essential to the effective operations of our universities in terms of providing access to students, ensuring their completion of a degree, increasing research and scholarly productivity, and positively impacting the community.

(3) (a) Major Accomplishments to Date:

In implementing these reductions, the UHS institutions utilized several cost savings strategies (e.g., travel reductions and utilities savings), the funding for which, if recovered, would be reallocated to high priorities. At the same time, the majority of the reductions had to be taken from core operations (e.g., program funding and staff and faculty positions) and need to be recovered in order to fulfill the missions and goals of the universities.

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

The future success of Texas is dependent upon a well-educated populace, a highly-skilled workforce, and a research base that facilitates economic development. Recognizing this, the state's plan for higher education, "Closing the Gaps," has identified very ambitious goals for the state's universities that will require a significant investment of resources if they are to be achieved.

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

(5) Non-general Revenue Sources of Funding:

(6) Consequences of Not Funding:

The resources reduced through the 5% state reduction are essential to achieving these goals. Their return would place the UH System in the best possible position to move forward in fulfilling the state's needs for higher education.
