

Legislative Appropriations Request

For Fiscal Year 2016 and 2017

**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, 2014**

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UH System Overview and Goals

As the global economy becomes increasingly driven by the creation of new knowledge and technological innovation, success for the Houston metropolitan area and Texas 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 prepared 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 undergraduate and master's university located in Southeast Houston with close ties to NASA's Johnson Space Center and regional community colleges. 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 seeking to become a residential, destination university in the Coastal Bend region of Texas. The UH System Administration is responsible for coordinating the operations of the universities, as well as providing select centralized services (e.g. general counsel, board of regents, auditing).

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. Enrollment has exceeded 65,000 students and research expenditures have surpassed \$130 million. In addition, total degrees awarded reached a record high of 14,545 in 2013. Among universities nationwide, the UH System remains a model of diversity and a reflection of the region it serves. Our student body is 14% African-American, 15% Asian, 28% Hispanic, and 31% White. All of the UH System's universities have been designated Hispanic Serving Institutions (HSIs) by the federal government. HSIs are eligible to compete for federal grants designated to increase the participation and success of Hispanics in higher education.

Houston is one of the largest metro regions in the U.S. and its regional gross product has been growing faster than most regions. However, its rate of postsecondary attainment trails the national average: among the 20 largest metros in the U.S., Houston ranks 19th in educational attainment. In addition, accumulation of excess credit hours by college students is a major issue for Texas higher education. Studies conducted by the Texas Higher Education Coordinating Board have shown that students at Texas public universities graduate with an average of 147 credits – 27 more than is needed for the typical 120-hour degree. The CB has also estimated that reducing the number of excess credit hours by 12 would save the state \$15 million and students \$94 million. In order to improve student retention and graduation with minimal excess credit hours, the UH System and four community college partners (Houston Community College, San Jacinto College, Lone Star College, and Wharton County Junior College) are developing the Timely College Completion Initiative: Guided Pathways to Success (GPS). GPS is an integrated system of cohesive strategies that will significantly improve college completion rates and narrow attainment gaps for students, especially among underrepresented, underprepared, and low income students. Essential components of the GPS strategy include presenting students with degree maps, ensuring informed student choices and majors, requiring that prerequisite courses be taken in the recommended sequence, intrusive on-time advising, and requiring at least 30 credit hours of study over an academic year.

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 University of Houston Sugar Land Campus, the UH System at Cinco Ranch, the UH System-Northwest, and the UH-Clear Lake Pearland Campus, all of which enjoy permanent facilities and

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broad community support in the southwestern, western and southern parts of the metropolitan area. Looking beyond the region, our universities are now planning the UH System Global Campus, which will make available to students throughout Texas and the world the 99 degrees and certificates currently available from the UHS universities online. This endeavor represents the UH System's vision to reach the broadest student population possible and to provide students with the educational opportunities needed to enhance their lives and further their careers.

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

UH System Legislative Priorities

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

1. Base Formula Funding

As demands on our universities grow, it is imperative to provide adequate resources for basic educational services through the formulas. Without sufficient base formula funding, universities will not be able to accommodate enrollment demand through course delivery; we will not be able to enhance program quality by recruiting and retaining exceptional faculty members; and we will not be able to enhance student success through academic support services. In short, we will not be able to achieve the goals of "Closing the Gaps." While the statewide formula funding rate for the current biennium was 2% higher than it was for the previous biennium, it was still 12% lower than the rate for the FY 2010-2011 biennium. It is essential to close this gap. For the upcoming biennium, the University of Houston 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.

2. Hazlewood Exemptions

The University of Houston System is dedicated to supporting veterans and their families by expanding opportunities for them to earn a college degree. The Hazlewood Act is a crucial part of this equation. According to the Texas Higher Education Coordinating Board, Hazlewood exemptions statewide have jumped from \$24.6 million in FY 2009 to \$118.4 million in FY 2013. In FY 2013, the UH System universities funded \$8.8 million in Hazlewood exemptions. Absent full state coverage for

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Hazlewood, the UH System universities must fund these exemptions through other institutional resources, including tuition paid by other students. We recommend that the state appropriate resources to cover all Hazlewood exemptions.

3. Funding for Special Items and Exceptional Items

Each year the Legislature funds numerous programs at the UH System universities that fall outside the scope of formula funding. These programs have a tremendous impact on our academic programs, research endeavors and the communities we serve. The UH System recommends continuation of special item funding and consideration of our requests for exceptional item funding. For FY16 and FY17, the UH System is requesting exceptional item funding for the following initiatives that directly support the UHS goals of national competitiveness, student success and community advancement (as described above).

Exceptional Items	Biennial Request
UH System Global Campus	\$2,000,000
Timely College Completion Initiative: Guided Pathways to Success	\$1,572,410
Texas Aerospace Scholars/Technology Outreach Program	\$ 636,000

4. State Funding Programs for Tier One Universities

Combined, the Research Development Fund, Texas Competitive Knowledge Fund, Texas Research Incentive Program, and National Research University Fund constitute an innovative and powerful tool for developing more nationally-competitive Tier One research universities. They are of critical importance to the continued growth of Texas' economy and advancement in significant areas of research and industry. They are also the primary resources through which the University of Houston and other universities not supported by the Public University Fund pursue their national competitiveness/Tier One goals. The UH System recommends increased appropriations to each of these funds.

5. Funding for Capital Construction Projects

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 enrollment and the number of faculty at our institutions grow, so too does the need for expanded and better infrastructure. Funding capital construction projects either through direct appropriation or through tuition revenue bonds is vital for addressing some of these needs. As part of the FY16-FY17 LAR, the University of Houston System has requested capital project funding for the following project:

- UH System at Cinco Ranch Building and Land Purchase (\$58,540,000)

Through this project, the University of Houston System would purchase land and construct a new academic building (60,000 square feet) in the West Houston/Katy region. This project is part of a major UHS effort to expand academic programs to address the workforce needs in the area. Currently, students in West Houston and the Katy area have the opportunity to complete over 20 undergraduate degrees and over 12 graduate degrees in high-demand fields in Business, Education, and Nursing. The campus includes 20 classrooms, advising offices and an electronic resource center. The UH System partners closely with growing area community colleges that provide freshman and sophomore level coursework prior to transferring into one of the undergraduate degree programs offered at the Cinco Ranch campus. The additional space provided by this new building is crucial to the expansion of degree programs that are needed to serve the rapidly growing population of West Houston/Katy.

6. 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

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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.

7. Higher Education Assistance Fund (HEAF)

HEAF funding is essential to Texas universities for the purposes of capital construction, improvements, repair and rehabilitation, and the acquisition of equipment. Given the growth at Texas universities, their need for expanded facilities, and increasing construction costs, the UH System recommends that the Legislature re-authorize HEAF for the next ten years with a 50% increase (from \$262.5 million to \$393.75 million). This increment is consistent with increases for the past two ten-year allocation cycles.

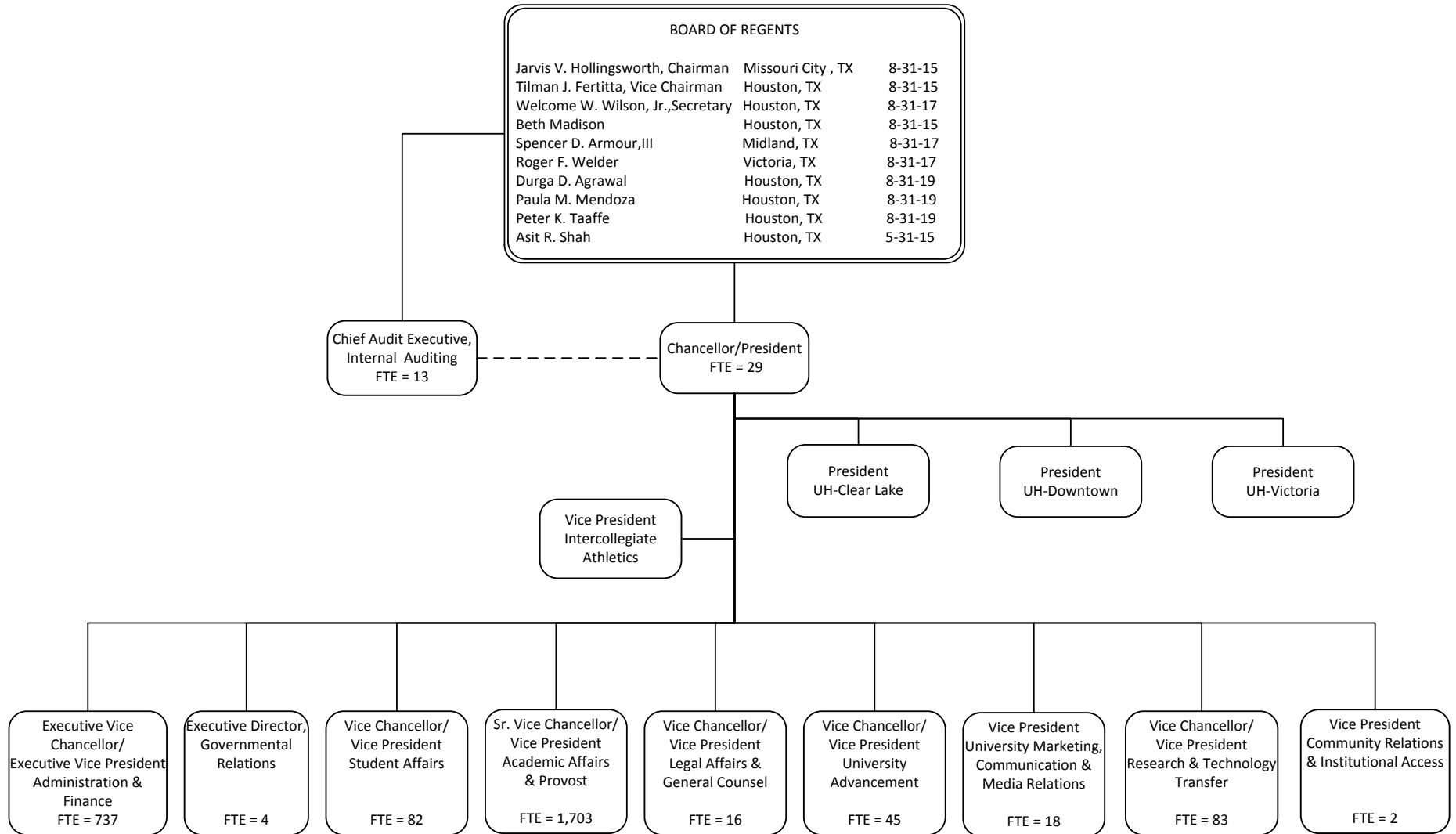
Approach to 10 Percent Base Reduction

As requested, the UH System Administration has developed a scenario through which 10 percent of base resources has been reduced from line item funding. For the UHSA this totaled \$427,392, 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.

Effective Management of Resources and Accountability

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 and accountability, which our institutions strive to achieve. When Chancellor Khator arrived at the UH System in 2008, one of her first initiatives was to develop progress cards for each of the UH System universities that evaluate performance on metrics pertaining to the system's three goals of student success, national competitiveness, and community advancement. These progress cards are reviewed annually by the Board of Regents and guide the budget decisions made by our universities. Proposed investments that align with institutional goals and are justified in terms of performance are supported, whereas those that do not meet this standard are not funded.

University of Houston System/University of Houston



FTE is budgeted FY2015 from Appropriated Funds; UH= 2,669 FTE, UHSA= 63 FTE, TOTAL= 2,732 FTE

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2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
1 Provide Instructional and Operations Support					
1 Provide Instructional and Operations Support					
11 SYSTEM OFFICE OPERATIONS	1,424,999	1,425,000	1,425,000	1,425,000	1,425,000
TOTAL, GOAL 1	\$1,424,999	\$1,425,000	\$1,425,000	\$1,425,000	\$1,425,000
2 Provide Infrastructure Support					
1 Provide Operation and Maintenance of E&G Space					
1 UH TUITION REVENUE BOND RETIREMENT	10,280,026	9,867,018	9,888,579	9,852,540	9,862,193
2 UH CLEAR LAKE REV BOND RETIREMENT	2,775,266	2,780,228	2,782,413	2,788,207	2,793,602
3 UH DOWNTOWN REVENUE BOND RETIREMENT	6,044,321	5,904,401	6,048,562	5,957,037	5,959,795
4 UH VICTORIA REVENUE BOND RETIREMENT	3,749,594	3,908,423	3,754,141	3,757,555	3,755,364
TOTAL, GOAL 2	\$22,849,207	\$22,460,070	\$22,473,695	\$22,355,339	\$22,370,954
3 Provide Special Item Support					
3 Public Service Special Item					

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
1 NASA PROGRAMS	586,961	711,961	711,961	711,961	711,961
<u>5</u> <i>Exceptional Item Request</i>					
1 EXCEPTIONAL ITEM REQUEST	0	0	0	0	0
TOTAL, GOAL 3	\$586,961	\$711,961	\$711,961	\$711,961	\$711,961
TOTAL, AGENCY STRATEGY REQUEST	\$24,861,167	\$24,597,031	\$24,610,656	\$24,492,300	\$24,507,915
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$24,861,167	\$24,597,031	\$24,610,656	\$24,492,300	\$24,507,915
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	24,861,167	24,597,031	24,610,656	24,492,300	24,507,915
SUBTOTAL	\$24,861,167	\$24,597,031	\$24,610,656	\$24,492,300	\$24,507,915
TOTAL, METHOD OF FINANCING	\$24,861,167	\$24,597,031	\$24,610,656	\$24,492,300	\$24,507,915

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

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

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Agency code: 783		Agency name: University of Houston System Administration				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE</u>						
<u>1</u> General Revenue Fund						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2012-13 GAA)						
		\$25,693,318	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2014-15 GAA)						
		\$0	\$24,604,133	\$24,610,656	\$0	\$0
Regular						
		\$0	\$0	\$0	\$24,492,300	\$24,507,915
<i>LAPSED APPROPRIATIONS</i>						
Tuition Revenue Bond Services						
		\$(832,151)	\$(7,102)	\$0	\$0	\$0
TOTAL,	General Revenue Fund	\$24,861,167	\$24,597,031	\$24,610,656	\$24,492,300	\$24,507,915
TOTAL, ALL	GENERAL REVENUE	\$24,861,167	\$24,597,031	\$24,610,656	\$24,492,300	\$24,507,915

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

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Agency code: 783	Agency name: University of Houston System Administration				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
GRAND TOTAL	\$24,861,167	\$24,597,030	\$24,610,656	\$24,492,300	\$24,507,915

FULL-TIME-EQUIVALENT POSITIONS

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)	98.5	0.0	0.0	0.0	0.0
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Regular Appropriations from MOF Table (2014-15 GAA)	0.0	71.5	71.5	62.8	62.8
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UNAUTHORIZED NUMBER OVER (BELOW) CAP

Unauthorized Number	(38.4)	(13.7)	(8.7)	0.0	0.0
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TOTAL, ADJUSTED FTES	60.1	57.8	62.8	62.8	62.8
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NUMBER OF 100% FEDERALLY FUNDED FTES

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

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OBJECT OF EXPENSE	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$1,381,120	\$1,414,307	\$1,414,103	\$1,414,103	\$1,414,103
1002 OTHER PERSONNEL COSTS	\$17,947	\$30	\$30	\$30	\$30
1005 FACULTY SALARIES	\$13,289	\$0	\$0	\$0	\$0
2008 DEBT SERVICE	\$14,447,891	\$14,727,558	\$14,198,362	\$15,072,878	\$14,030,641
2009 OTHER OPERATING EXPENSE	\$8,531,351	\$7,985,567	\$8,528,592	\$7,535,720	\$8,593,572
3001 CLIENT SERVICES	\$469,569	\$469,569	\$469,569	\$469,569	\$469,569
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$24,861,167	\$24,597,031	\$24,610,656	\$24,492,300	\$24,507,915
OOE Total (Riders)					
Grand Total	\$24,861,167	\$24,597,031	\$24,610,656	\$24,492,300	\$24,507,915

2.E. Summary of Exceptional Items Request
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DATE: 10/17/2014
 TIME : 1:50:06PM

Agency code: 783

Agency name: University of Houston System Administration

Priority	Item	2016			2017			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	UH System Global Campus	\$2,000,000	\$2,000,000	10.0	\$2,000,000	\$2,000,000	10.0	\$4,000,000	\$4,000,000
2	Timely College Completion Project	\$786,205	\$786,205	5.0	\$786,205	\$786,205	5.0	\$1,572,410	\$1,572,410
3	Tuition Revenue Bond Retirement	\$5,103,784	\$5,103,784		\$5,103,784	\$5,103,784		\$10,207,568	\$10,207,568
4	Texas Aerospace Scholars (TAS)	\$317,608	\$317,608	0.0	\$317,608	\$317,608	0.0	\$635,216	\$635,216
Total, Exceptional Items Request		\$8,207,597	\$8,207,597	15.0	\$8,207,597	\$8,207,597	15.0	\$16,415,194	\$16,415,194

Method of Financing

General Revenue	\$8,207,597	\$8,207,597		\$8,207,597	\$8,207,597		\$16,415,194	\$16,415,194
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$8,207,597	\$8,207,597		\$8,207,597	\$8,207,597		\$16,415,194	\$16,415,194

Full Time Equivalent Positions

15.0

15.0

Number of 100% Federally Funded FTEs

2.F. Summary of Total Request by Strategy
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DATE : 10/17/2014

TIME : 1:50:08PM

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

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
1 Provide Instructional and Operations Support						
1 <i>Provide Instructional and Operations Support</i>						
11 SYSTEM OFFICE OPERATIONS	\$1,425,000	\$1,425,000	\$0	\$0	\$1,425,000	\$1,425,000
TOTAL, GOAL 1	\$1,425,000	\$1,425,000	\$0	\$0	\$1,425,000	\$1,425,000
2 Provide Infrastructure Support						
1 <i>Provide Operation and Maintenance of E&G Space</i>						
1 UH TUITION REVENUE BOND RETIREMENT	9,852,540	9,862,193	0	0	9,852,540	9,862,193
2 UH CLEAR LAKE REV BOND RETIREMENT	2,788,207	2,793,602	0	0	2,788,207	2,793,602
3 UH DOWNTOWN REVENUE BOND RETIREMENT	5,957,037	5,959,795	0	0	5,957,037	5,959,795
4 UH VICTORIA REVENUE BOND RETIREMENT	3,757,555	3,755,364	0	0	3,757,555	3,755,364
TOTAL, GOAL 2	\$22,355,339	\$22,370,954	\$0	\$0	\$22,355,339	\$22,370,954

2.F. Summary of Total Request by Strategy
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DATE : 10/17/2014

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Agency code: 783		Agency name: University of Houston System Administration				
Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
3 Provide Special Item Support						
3 <i>Public Service Special Item</i>						
1 NASA PROGRAMS	\$711,961	\$711,961	\$317,608	\$317,608	\$1,029,569	\$1,029,569
5 <i>Exceptional Item Request</i>						
1 EXCEPTIONAL ITEM REQUEST	0	0	7,889,989	7,889,989	7,889,989	7,889,989
TOTAL, GOAL 3	\$711,961	\$711,961	\$8,207,597	\$8,207,597	\$8,919,558	\$8,919,558
TOTAL, AGENCY STRATEGY REQUEST	\$24,492,300	\$24,507,915	\$8,207,597	\$8,207,597	\$32,699,897	\$32,715,512
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$24,492,300	\$24,507,915	\$8,207,597	\$8,207,597	\$32,699,897	\$32,715,512

2.F. Summary of Total Request by Strategy
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DATE : 10/17/2014

TIME : 1:50:08PM

Agency code: 783	Agency name: University of Houston System Administration					
Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
General Revenue Funds:						
1 General Revenue Fund	\$24,492,300	\$24,507,915	\$8,207,597	\$8,207,597	\$32,699,897	\$32,715,512
	\$24,492,300	\$24,507,915	\$8,207,597	\$8,207,597	\$32,699,897	\$32,715,512
TOTAL, METHOD OF FINANCING	\$24,492,300	\$24,507,915	\$8,207,597	\$8,207,597	\$32,699,897	\$32,715,512
FULL TIME EQUIVALENT POSITIONS	62.8	62.8	15.0	15.0	77.8	77.8

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

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,381,120	\$1,414,307	\$1,414,103	\$1,414,103	\$1,414,103
1002	OTHER PERSONNEL COSTS	\$17,947	\$30	\$30	\$30	\$30
1005	FACULTY SALARIES	\$13,289	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$12,643	\$10,663	\$10,867	\$10,867	\$10,867
TOTAL, OBJECT OF EXPENSE		\$1,424,999	\$1,425,000	\$1,425,000	\$1,425,000	\$1,425,000
Method of Financing:						
1	General Revenue Fund	\$1,424,999	\$1,425,000	\$1,425,000	\$1,425,000	\$1,425,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,424,999	\$1,425,000	\$1,425,000	\$1,425,000	\$1,425,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,425,000	\$1,425,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,424,999	\$1,425,000	\$1,425,000	\$1,425,000	\$1,425,000
FULL TIME EQUIVALENT POSITIONS:		60.1	57.8	62.8	62.8	62.8
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 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: 02	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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Established by Acts 1977, 65th Legislature, as codified in Section 111.20 of the Texas Education Code, the University of Houston System Administration provides leadership, coordination, support and some centralized services for the four universities in the UH System. The UH System’s mission is to serve the full range of educational and research needs of Houston, the Gulf Coast Region and the State of Texas with programs of highest quality and efficiency.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The rapid demographic changes facing Houston and Texas present both social and economic challenges for the state and its public universities. The University of Houston System is the largest single source of professional and technical talent for the Gulf Coast Region, providing the intellectual as well as the research, technological and cultural base for the area. The UH System contributes greatly to the economic future of the state by preparing the workforce with academic programs serving all populations in the region and expanding the research and technology base.

The role of the UH System Administration has been reviewed by the Board of Regents to ensure the greatest responsiveness, effectiveness and efficiency of services to the community and the four universities. The Board has combined the top two positions in the System, the Chancellor and the President of the University of Houston, into a single Chief Executive to effect greater cooperation, coordination and efficiency. This 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.

783 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:	1	University of Houston Tuition Revenue Bond Retirement	Service:	10	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2008	DEBT SERVICE	\$6,700,901	\$6,486,812	\$5,785,576	\$6,151,957	\$5,623,887
2009	OTHER OPERATING EXPENSE	\$3,579,125	\$3,380,206	\$4,103,003	\$3,700,583	\$4,238,306
TOTAL, OBJECT OF EXPENSE		\$10,280,026	\$9,867,018	\$9,888,579	\$9,852,540	\$9,862,193
Method of Financing:						
1	General Revenue Fund	\$10,280,026	\$9,867,018	\$9,888,579	\$9,852,540	\$9,862,193
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$10,280,026	\$9,867,018	\$9,888,579	\$9,852,540	\$9,862,193
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$9,852,540	\$9,862,193
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$10,280,026	\$9,867,018	\$9,888,579	\$9,852,540	\$9,862,193
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 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:	2	University of Houston Clear Lake Tuition Revenue Bond Retirement	Service:	10	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2008	DEBT SERVICE	\$1,665,437	\$1,729,147	\$1,814,284	\$1,907,072	\$2,006,220
2009	OTHER OPERATING EXPENSE	\$1,109,829	\$1,051,081	\$968,129	\$881,135	\$787,382
TOTAL, OBJECT OF EXPENSE		\$2,775,266	\$2,780,228	\$2,782,413	\$2,788,207	\$2,793,602
Method of Financing:						
1	General Revenue Fund	\$2,775,266	\$2,780,228	\$2,782,413	\$2,788,207	\$2,793,602
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,775,266	\$2,780,228	\$2,782,413	\$2,788,207	\$2,793,602
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,788,207	\$2,793,602
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,775,266	\$2,780,228	\$2,782,413	\$2,788,207	\$2,793,602
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 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: 3 University of Houston Downtown Tuition Revenue Bond Retirement Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2008	DEBT SERVICE	\$3,914,591	\$4,154,915	\$4,310,614	\$4,489,822	\$4,069,082
2009	OTHER OPERATING EXPENSE	\$2,129,730	\$1,749,486	\$1,737,948	\$1,467,215	\$1,890,713
TOTAL, OBJECT OF EXPENSE		\$6,044,321	\$5,904,401	\$6,048,562	\$5,957,037	\$5,959,795
Method of Financing:						
1	General Revenue Fund	\$6,044,321	\$5,904,401	\$6,048,562	\$5,957,037	\$5,959,795
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$6,044,321	\$5,904,401	\$6,048,562	\$5,957,037	\$5,959,795
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$5,957,037	\$5,959,795
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$6,044,321	\$5,904,401	\$6,048,562	\$5,957,037	\$5,959,795

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

783 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:	4	University of Houston Victoria Tuition Revenue Bond Retirement	Service: 10	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2008	DEBT SERVICE	\$2,166,962	\$2,356,684	\$2,287,888	\$2,524,027	\$2,331,452
2009	OTHER OPERATING EXPENSE	\$1,582,632	\$1,551,739	\$1,466,253	\$1,233,528	\$1,423,912
TOTAL, OBJECT OF EXPENSE		\$3,749,594	\$3,908,423	\$3,754,141	\$3,757,555	\$3,755,364
Method of Financing:						
1	General Revenue Fund	\$3,749,594	\$3,908,423	\$3,754,141	\$3,757,555	\$3,755,364
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,749,594	\$3,908,423	\$3,754,141	\$3,757,555	\$3,755,364
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,757,555	\$3,755,364
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,749,594	\$3,908,423	\$3,754,141	\$3,757,555	\$3,755,364
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 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:	19	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$117,392	\$242,392	\$242,392	\$242,392	\$242,392
3001	CLIENT SERVICES	\$469,569	\$469,569	\$469,569	\$469,569	\$469,569
TOTAL, OBJECT OF EXPENSE		\$586,961	\$711,961	\$711,961	\$711,961	\$711,961
Method of Financing:						
1	General Revenue Fund	\$586,961	\$711,961	\$711,961	\$711,961	\$711,961
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$586,961	\$711,961	\$711,961	\$711,961	\$711,961
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$711,961	\$711,961
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$586,961	\$711,961	\$711,961	\$711,961	\$711,961
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

783 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:	19	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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Texas Aerospace Scholars (TAS): The TAS programs provide online opportunities and onsite experiences at NASA Johnson Space Center (JSC) for students and teachers from across the state of Texas. Since 1999, more than 10,000 Texans have participated in the programs and have explored career opportunities in science, technology, engineering and math (STEM). High school juniors explore opportunities in STEM academic fields by completing 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 and 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 NASA engineers and scientists. The TAS Internship focuses on strengthening the STEM pipeline by offering semester-long internships to TAS student alumni.

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

783 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:	19	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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The Texas Aerospace Scholars (TAS) initiative harnesses the excitement of human space exploration to inspire Texas students across the state to pursue careers and degrees in science, technology, engineering and math. TAS will:

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

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

Economic impact includes:

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

3.A. Strategy Request

10/17/2014 2:31:42PM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$24,861,167	\$24,597,031	\$24,610,656	\$24,492,300	\$24,507,915
METHODS OF FINANCE (INCLUDING RIDERS):				\$24,492,300	\$24,507,915
METHODS OF FINANCE (EXCLUDING RIDERS):	\$24,861,167	\$24,597,031	\$24,610,656	\$24,492,300	\$24,507,915
FULL TIME EQUIVALENT POSITIONS:	60.1	57.8	62.8	62.8	62.8

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/17/2014
 TIME: 1:50:09PM

Agency code: 783

Agency name: University of Houston System Administration

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: UH System Global Campus		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	800,000	800,000
2009	OTHER OPERATING EXPENSE	1,100,000	1,100,000
5000	CAPITAL EXPENDITURES	100,000	100,000
	TOTAL, OBJECT OF EXPENSE	\$2,000,000	\$2,000,000
METHOD OF FINANCING:			
1	General Revenue Fund	2,000,000	2,000,000
	TOTAL, METHOD OF FINANCING	\$2,000,000	\$2,000,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		10.00	10.00

DESCRIPTION / JUSTIFICATION:

The University of Houston System requests start-up funding to create the UH System Global Campus. Currently, the University of Houston System institutions offer 99 online accredited degree and certificate programs that help students complete an undergraduate degree, seek a master's degree, or earn a certification for career development. Funding for the UHS Global Campus would enhance UHS's role in making online education even more accessible on a local, national, and international level for students seeking academic degrees and improvement in their professional skills. Funds would be used to hire the instructional designers, marketing professionals, and admissions officers needed to launch the campus; develop and operate the web-based systems need to operate the campus; provide student services; and establish four new programs per year. Funding would be needed only until the UHS Global Campus is financially viable.

EXTERNAL/INTERNAL FACTORS:

Demand for online education has increased significantly as working adults and younger students are turning to E-learning for both academic and workforce programs. The UH System Global Campus will assist the UH System actualize its vision to reach the broadest student population possible and to provide students with flexible educational opportunities needed to enhance their lives and further their careers. According to a recent report from the Houston Business Journal, the Houston region is expected to have 296,000 job openings in the "middle skills" occupations within the next three years in the following major areas: manufacturing, construction, health care, oil and gas, petrochemical, ports and maritime, and utilities. Moreover, according to a study by the McKinsey Global Institute, the need for professionals capable of understanding and analyzing data is continually increasing and will result in a shortage of 140,000 to 190,000 people with advanced analytical skills, and 1.5 million managers and analysts with the skills to analyze data to make effective decisions. The UHS Global Campus will help address these needs in Houston, the state and beyond.

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/17/2014
 TIME: 1:50:09PM

Agency code: 783

Agency name:
University of Houston System Administration

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Timely College Completion Project: Guided Pathways to Success		
	Item Priority: 2		
	Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	386,250	386,250
1002	OTHER PERSONNEL COSTS	92,955	92,955
2009	OTHER OPERATING EXPENSE	307,000	307,000
TOTAL, OBJECT OF EXPENSE		\$786,205	\$786,205
METHOD OF FINANCING:			
1	General Revenue Fund	786,205	786,205
TOTAL, METHOD OF FINANCING		\$786,205	\$786,205
FULL-TIME EQUIVALENT POSITIONS (FTE):		5.00	5.00

DESCRIPTION / JUSTIFICATION:

The University of Houston System requests start-up funding for launching the Timely College Completion Project in partnership with area community colleges. This initiative will implement Guided Pathways to Success (GPS), a program designed to improve student retention and graduation in four years with minimal excess credit hours. GPS is an integrated system of strategies that will significantly improve college completion rates and narrow attainment gaps for students, especially among underrepresented, underprepared, and low income students. Essential components of the GPS strategy include presenting students with degree maps, ensuring informed student choices and majors, requiring that prerequisite courses be taken in the recommended sequence, intrusive on-time advising, and requiring at least 30 credit hours of study over an academic year. In addition, UH System will deploy a coaching model designed to enhance the early student experience, while simultaneously setting the students up for long-term success.

The GPS program will be implemented at UH, UH-Clear Lake, and UH-Downtown in partnership with the four major community colleges in the Houston area: Houston Community College, Lone Star College System, San Jacinto College District, and Wharton County Junior College. As part of this project, a comprehensive evaluation will be conducted to analyze the effectiveness of the strategies utilized to promote student success. The results will be shared with other Texas universities and community colleges facing similar concerns.

EXTERNAL/INTERNAL FACTORS:

4.A. Exceptional Item Request Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/17/2014
TIME: 1:50:09PM

Agency code: 783

Agency name:

University of Houston System Administration

CODE	DESCRIPTION	Excp 2016	Excp 2017
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Houston is one of the largest metropolitan regions in the U.S., but its rate of postsecondary attainment trails the national average: among the 20 largest metropolitan areas, Houston ranks 19th in educational attainment. Increasing completion rates at the UH System through GPS will significantly increase overall attainment rates in the region.

In addition, six-year graduation rates statewide are lower than the national average (49% versus 56%), while students at Texas public universities graduate on average with more than 140 credit hours – twenty more than the traditional 120-hour degree requires. According to a report from The Higher Education Coordinating Board, university students in the year 2011 took an average of 147 SCH to complete a 120 SCH Bachelor’s degree. Given this average, THECB estimated that the state could have saved approximately \$15 million and the students could have saved approximately \$94 million by reducing accumulated SCH by 12 hours. Implementation of the GPS program will yield strategies that improve student performance in these areas.

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/17/2014
 TIME: 1:50:09PM

Agency code: 783

Agency name:
University of Houston System Administration

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Tuition Revenue Bond Retirement Item Priority: 3 Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request		
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	5,103,784	5,103,784
TOTAL, OBJECT OF EXPENSE		5,103,784	5,103,784
METHOD OF FINANCING:			
1	General Revenue Fund	5,103,784	5,103,784
TOTAL, METHOD OF FINANCING		5,103,784	5,103,784

DESCRIPTION / JUSTIFICATION:

While the principal and interest debt service for new tuition revenue bonds is being requested here, any amounts appropriated should be at UH System Administration. Interest rate assumptions used for Debt Service Estimates at 6% for 20 years as provided by Texas Public Finance Authority.

EXTERNAL/INTERNAL FACTORS:

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 enrollment and the number of faculty at our institutions grow, so too does the need for expanded and better infrastructure. Funding capital construction projects either through direct appropriation or through tuition revenue bonds are vital for addressing some of these needs.

4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/17/2014
 TIME: 1:50:09PM

Agency code: 783

Agency name:
University of Houston System Administration

CODE	DESCRIPTION		Excp 2016	Excp 2017
	Item Name:	Texas Aerospace Scholars/Technology Outreach Program		
	Item Priority:	4		
	Includes Funding for the Following Strategy or Strategies:	03-03-01 High School Cooperative Education Program w/NASA & Tech Outreach Pgm		
OBJECTS OF EXPENSE:				
1001	SALARIES AND WAGES		60,000	60,000
2009	OTHER OPERATING EXPENSE		257,608	257,608
TOTAL, OBJECT OF EXPENSE			\$317,608	\$317,608
METHOD OF FINANCING:				
1	General Revenue Fund		317,608	317,608
TOTAL, METHOD OF FINANCING			\$317,608	\$317,608

DESCRIPTION / JUSTIFICATION:

Texas Aerospace Scholars (TAS) Exceptional item funding will allow the continuation of a Community College pilot program (AgCAS) that highlights the STEM components of agriculture and machinery using curriculum that showcases how and why agriculture is critical to future deep space exploration. Exceptional item funding will provide summer internship opportunities at NASA for recent High School Aerospace Scholars graduating from high school thus immersing them into technical and research areas. Exceptional item funding will also increase the number of participants in the Texas Aerospace Scholars program and increase recruitment efforts to reach districts within Texas that have low participation in TAS, especially underrepresented schools.

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

EXTERNAL/INTERNAL FACTORS:

4.A. Exceptional Item Request Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/17/2014**
TIME: **1:50:09PM**

Agency code: **783**

Agency name:

University of Houston System Administration

CODE	DESCRIPTION	Excp 2016	Excp 2017
	<p>Texas Aerospace Scholars: Funding the existing pilot program AgCAS increases the focus of STEM in agriculture for the state of Texas. Among the states, Texas is ranked #1 for total livestock and livestock product receipts and #2 for total agricultural receipts. In terms of revenue generated, Texas's top five agricultural products are beef cattle and calves, cotton, broilers (young chickens), greenhouse and nursery products, and dairy products. This program encourages community college students already involved in FFA, 4-H, etc., to pursue STEM-related fields associated with agriculture.</p> <p>Providing internships for recently graduated High School Aerospace Scholars continues the momentum of those interested in pursuing a STEM degree and finding a place in the workforce. Immersing students the summer after their HAS experience in a technical or research environment increases the pipeline of pathway internships during undergraduate years.</p> <p>Technology Outreach Program (TOP) will have a positive economic impact on the growth of small business in Texas by accepting additional companies into the program. Technical assistance provided by TOP will result in small businesses incorporating new aerospace technology, producing viable products, acquiring new advocates for the Texas aerospace industry and increasing revenues and employment.</p>		

4.B. Exceptional Items Strategy Allocation Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/17/2014**
 TIME: **1:50:10PM**

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

Code	Description	Excp 2016	Excp 2017
Item Name: UH System Global Campus			
Allocation to Strategy: 3-5-1 Exceptional Item Request			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	800,000	800,000
2009	OTHER OPERATING EXPENSE	1,100,000	1,100,000
5000	CAPITAL EXPENDITURES	100,000	100,000
TOTAL, OBJECT OF EXPENSE		\$2,000,000	\$2,000,000
METHOD OF FINANCING:			
1	General Revenue Fund	2,000,000	2,000,000
TOTAL, METHOD OF FINANCING		\$2,000,000	\$2,000,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		10.0	10.0

4.B. Exceptional Items Strategy Allocation Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/17/2014**
 TIME: **1:50:10PM**

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

Code	Description	Excp 2016	Excp 2017
Item Name:		Timely College Completion Project: Guided Pathways to Success	
Allocation to Strategy:		3-5-1	Exceptional Item Request
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	386,250	386,250
1002	OTHER PERSONNEL COSTS	92,955	92,955
2009	OTHER OPERATING EXPENSE	307,000	307,000
TOTAL, OBJECT OF EXPENSE		\$786,205	\$786,205
METHOD OF FINANCING:			
1	General Revenue Fund	786,205	786,205
TOTAL, METHOD OF FINANCING		\$786,205	\$786,205
FULL-TIME EQUIVALENT POSITIONS (FTE):		5.0	5.0

4.B. Exceptional Items Strategy Allocation Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/17/2014**
 TIME: **1:50:10PM**

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

Code	Description	Excp 2016	Excp 2017
Item Name: Tuition Revenue Bond Retirement			
Allocation to Strategy: 3-5-1 Exceptional Item Request			
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	5,103,784	5,103,784
TOTAL, OBJECT OF EXPENSE		\$5,103,784	\$5,103,784
METHOD OF FINANCING:			
1	General Revenue Fund	5,103,784	5,103,784
TOTAL, METHOD OF FINANCING		\$5,103,784	\$5,103,784

4.B. Exceptional Items Strategy Allocation Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/17/2014**
 TIME: **1:50:10PM**

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

Code	Description	Excp 2016	Excp 2017
Item Name: Texas Aerospace Scholars/Technology Outreach Program			
Allocation to Strategy: 3-3-1 High School Cooperative Education Program w/NASA & Tech Outreach			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	60,000	60,000
2009	OTHER OPERATING EXPENSE	257,608	257,608
TOTAL, OBJECT OF EXPENSE		\$317,608	\$317,608
METHOD OF FINANCING:			
1	General Revenue Fund	317,608	317,608
TOTAL, METHOD OF FINANCING		\$317,608	\$317,608
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/17/2014
TIME: 1:50:10PM

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

CODE DESCRIPTION	Excp 2016	Excp 2017
-------------------------	------------------	------------------

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	60,000	60,000
2009 OTHER OPERATING EXPENSE	257,608	257,608
Total, Objects of Expense	\$317,608	\$317,608

METHOD OF FINANCING:

1 General Revenue Fund	317,608	317,608
Total, Method of Finance	\$317,608	\$317,608

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Texas Aerospace Scholars/Technology Outreach Program

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/17/2014
TIME: 1:50:10PM

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

GOAL: 3 Provide Special Item Support Statewide Goal/Benchmark: 2 - 0
 OBJECTIVE: 5 Exceptional Item Request Service Categories:
 STRATEGY: 1 Exceptional Item Request Service: 19 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2016	Exp 2017
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	1,186,250	1,186,250
1002 OTHER PERSONNEL COSTS	92,955	92,955
2008 DEBT SERVICE	5,103,784	5,103,784
2009 OTHER OPERATING EXPENSE	1,407,000	1,407,000
5000 CAPITAL EXPENDITURES	100,000	100,000
Total, Objects of Expense	\$7,889,989	\$7,889,989

METHOD OF FINANCING:		
1 General Revenue Fund	7,889,989	7,889,989
Total, Method of Finance	\$7,889,989	\$7,889,989

FULL-TIME EQUIVALENT POSITIONS (FTE): 15.0 15.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

UH System Global Campus
 Timely College Completion Project: Guided Pathways to Success
 Tuition Revenue Bond Retirement

6.A. Historically Underutilized Business Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **10/17/2014**
 Time: **1:50:10PM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2012 - 2013 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2012			Total Expenditures FY 2012		HUB Expenditures FY 2013			Total Expenditures FY 2013	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal	% Actual	Diff
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
21.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
32.7%	Special Trade Construction	32.7 %	19.5%	-13.2%	\$46,260	\$237,096	32.7 %	65.5%	32.8%	\$90,910	\$138,890	
23.6%	Professional Services	0.0 %	0.0%	0.0%	\$0	\$0	23.6 %	81.1%	57.5%	\$6,500	\$8,014	
24.6%	Other Services	24.6 %	32.6%	8.0%	\$276,532	\$849,006	24.6 %	2.5%	-22.1%	\$13,304	\$525,813	
21.0%	Commodities	21.0 %	37.3%	16.3%	\$175,130	\$469,688	21.0 %	46.1%	25.1%	\$102,434	\$222,027	
	Total Expenditures		32.0%		\$497,922	\$1,555,790		23.8%		\$213,148	\$894,744	

B. Assessment of Fiscal Year 2012 - 2013 Efforts to Meet HUB Procurement Goals

Attainment:

The University of Houston System Administration attained or exceeded two of three, or 66%, of the applicable statewide HUB procurement goals in FY2012. UH System Administration attained or exceeded three of four, or 75%, of the applicable statewide HUB procurement goals in FY2013. Overall HUB use decreased from 32.0% in FY2012 to 23.8% in FY2013 and HUB expenditures decreased from \$497K to \$213K in the same period.

Applicability:

UH System Administration did not have expenditures in the "Heavy Construction" or "Building Construction" categories in FY2012 or FY2013, and did not have expenditures in the "Professional Services" category in FY2012.

Factors Affecting Attainment:

The decrease in total expenditures and HUB expenditures from FY2012 to FY2013 reflected the move of the Teaching Centers at Sugar Land and Cinco Ranch from UH System Administration to the University of Houston in FY2013. In FY2012, HUB expenditures in the "Special Trade" category were lower than the statewide goal because several contracts were awarded to non-HUB prime contractors following a competitive procurement process, and most of those prime contractors did not utilize subcontractors. However, in FY2013 more contracts were awarded to HUB prime contractors and more non-HUB prime contractors reported payments to HUB subcontractors, which increased HUB usage significantly in Special Trade. In FY2013, "Other Services" expenditures did not meet the statewide goal because of contracts awarded to non-HUB vendors through a competitive process. In FY2012, the Other Services category had the benefit of a large HUB contract for janitorial services at Sugar Land and Cinco Ranch, but not in FY2013 because those Teaching Centers had moved to the University of Houston.

"Good-Faith" Efforts:

The University of Houston System Administration made the following good faith efforts to comply with statewide HUB goals as stated by 34 TAC Section 20.13(c):

6.A. Historically Underutilized Business Supporting Schedule
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- (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 UH System Administration;
- (4) conducted HUB vendor shows in which HUB vendors met with UH System Administration employees to describe their products and services; and (5) encouraged HUB use by listing the departments that utilized HUBs the most in a monthly newsletter distributed to all UHSA administrative employees.

**6.H. Estimate Total Of All Funds Outside the General Appropriations Bill Act Pattern Schedule
2014 - 15 and 2016 - 17 Biennial**

Agency Code: 00783

Agency Name: University of Houston System Administration

	2014-15 Biennium				2016-17 Biennium			
	<u>FY 2014 Revenue</u>	<u>FY 2015 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>	<u>FY 2016 Revenue</u>	<u>FY 2017 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 24,534,133	\$ 24,540,656	\$ 49,074,789		\$ 24,540,656	\$ 24,540,656	\$ 49,081,312	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Endowment and Interest Income	-	-	-		-	-	-	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>24,534,133</u>	<u>24,540,656</u>	<u>49,074,789</u>	<u>71.7%</u>	<u>24,540,656</u>	<u>24,540,656</u>	<u>49,081,312</u>	<u>72.3%</u>
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	\$ 1,377,324	\$ 1,377,324	\$ 2,754,648		\$ 1,377,324	\$ 1,377,324	\$ 2,754,648	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Total	<u>1,377,324</u>	<u>1,377,324</u>	<u>2,754,648</u>	<u>4.0%</u>	<u>1,377,324</u>	<u>1,377,324</u>	<u>2,754,648</u>	<u>4.1%</u>
NON-APPROPRIATED SOURCES								
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Federal Grants and Contracts	-	-	-		-	-	-	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	-	-	-		-	-	-	
Endowment and Interest Income	1,505,804	1,598,598	3,104,402		1,598,598	1,598,598	3,197,196	
Sales and Services of Educational Activities (net)	7,029,777	6,445,119	13,474,896		6,445,119	6,445,119	12,890,238	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>8,535,581</u>	<u>8,043,717</u>	<u>16,579,298</u>	<u>24.2%</u>	<u>8,043,717</u>	<u>8,043,717</u>	<u>16,087,434</u>	<u>23.7%</u>
TOTAL SOURCES	<u>\$ 34,447,038</u>	<u>\$ 33,961,697</u>	<u>\$ 68,408,735</u>	<u>100.0%</u>	<u>\$ 33,961,697</u>	<u>\$ 33,961,697</u>	<u>\$ 67,923,394</u>	<u>100.0%</u>

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 10/17/2014

Time: 1:50:18PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$142,500	\$142,500	\$285,000
General Revenue Funds Total	\$0	\$0	\$0	\$142,500	\$142,500	\$285,000
Item Total	\$0	\$0	\$0	\$142,500	\$142,500	\$285,000

FTE Reductions (From FY 2016 and FY 2017 Base Request)

2 NASA and Technology Outreach Program

Category: Programs - Service Reductions (Other)

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

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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$71,196	\$71,196	\$142,392
General Revenue Funds Total	\$0	\$0	\$0	\$71,196	\$71,196	\$142,392
Item Total	\$0	\$0	\$0	\$71,196	\$71,196	\$142,392

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 10/17/2014

Time: 1:50:18PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
FTE Reductions (From FY 2016 and FY 2017 Base Request)							
AGENCY TOTALS							
General Revenue Total				\$213,696	\$213,696	\$427,392	\$427,392
Agency Grand Total	\$0	\$0	\$0	\$213,696	\$213,696	\$427,392	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2016 and FY 2017 Base Request)							

8. Summary of Requests for Capital Project Financing

Agency Code: 783		Agency: University of Houston System Administration		Prepared by: Margie Hattenbach								
Date: 07/30/2014			Amount Requested									
Project ID #	Capital Expenditure Category	Project Description	Project Category				2016-17 Total Amount Requested	MOF Code #	MOF Requested	2016-17 Estimated Debt Service (If Applicable)	Debt Service MOF Code #	Debt Service MOF Requested
			New Construction	Health & Safety	Deferred Maintenance	Maintenance						
1A	7341	Cinco Ranch Building	\$ 36,540,000				\$ 36,540,000	GR 001	Tuition Revenue Bond	\$ 6,371,447	GR 001	General Revenue Fund
1B	7345	Cinco Ranch Land Purchase	\$ 22,000,000				\$ 22,000,000	GR 001	Tuition Revenue Bond	\$ 3,836,121	GR 001	General Revenue Fund

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	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
GR & GR-D Percentages					
GR %	100.00%				
GR-D %	0.00%				
Total Percentage	100.00%				
FULL TIME ACTIVES					
1a Employee Only	31	31	0	31	1
2a Employee and Children	12	12	0	12	0
3a Employee and Spouse	5	5	0	5	0
4a Employee and Family	4	4	0	4	0
5a Eligible, Opt Out	1	1	0	1	0
6a Eligible, Not Enrolled	5	5	0	5	0
Total for This Section	58	58	0	58	1
PART TIME ACTIVES					
1b Employee Only	0	0	0	0	0
2b Employee and Children	0	0	0	0	0
3b Employee and Spouse	0	0	0	0	0
4b Employee and Family	0	0	0	0	0
5b Eligible, Opt Out	0	0	0	0	0
6b Eligible, Not Enrolled	1	1	0	1	0
Total for This Section	1	1	0	1	0
Total Active Enrollment	59	59	0	59	1

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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	31	31	0	31	1
2e Employee and Children	12	12	0	12	0
3e Employee and Spouse	5	5	0	5	0
4e Employee and Family	4	4	0	4	0
5e Eligible, Opt Out	1	1	0	1	0
6e Eligible, Not Enrolled	5	5	0	5	0
Total for This Section	58	58	0	58	1

783 University of Houston System Administration

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	31	31	0	31	1
2f Employee and Children	12	12	0	12	0
3f Employee and Spouse	5	5	0	5	0
4f Employee and Family	4	4	0	4	0
5f Eligible, Opt Out	1	1	0	1	0
6f Eligible, Not Enrolled	6	6	0	6	0
Total for This Section	59	59	0	59	1

Schedule 4: Computation of OASI
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Agency 783 University of Houston System Administration

Proportionality Percentage Based on Comptroller Accounting Policy Statement #011, Exhibit 2	2013		2014		2015		2016		2017	
	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>	<u>% to Total</u>	<u>Allocation of OASI</u>
General Revenue (% to Total)	100.0000	\$369,985	100.0000	\$359,981	100.0000	\$396,600	100.0000	\$396,600	100.0000	\$396,600
Other Educational and General Funds (% to Total)	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0
Health-Related Institutions Patient Income (% to Total)	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0
Grand Total, OASI (100%)	100.0000	\$369,985	100.0000	\$359,981	100.0000	\$396,600	100.0000	\$396,600	100.0000	\$396,600

Schedule 5: Calculation of Retirement Proportionality and ORP Differential

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Description	Act 2013	Act 2014	Bud 2015	Est 2016	Est 2017
Proportionality Amounts					
Gross Educational and General Payroll - Subject To TRS Retirement	3,816,583	3,660,515	3,998,779	3,998,779	3,998,779
Employer Contribution to TRS Retirement Programs	228,995	248,915	271,917	271,917	271,917
Gross Educational and General Payroll - Subject To ORP Retirement	2,195,200	1,894,167	1,787,879	1,787,879	1,787,879
Employer Contribution to ORP Retirement Programs	131,712	125,015	118,000	118,000	118,000
Proportionality Percentage					
General Revenue	100.0000 %	100.0000 %	100.0000 %	100.0000 %	100.0000 %
Other Educational and General Income	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Health-related Institutions Patient Income	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Proportional Contribution					
Other Educational and General Proportional Contribution (Other E&G percentage x Total Employer Contribution to Retirement Programs)	0	0	0	0	0
HRI Patient Income Proportional Contribution (HRI Patient Income percentage x Total Employer Contribution To Retirement Programs)	0	0	0	0	0
Differential					
Gross Payroll Subject to Differential - Optional Retirement Program	1,072,320	684,737	1,526,316	1,526,316	1,526,316
Total Differential	26,808	13,010	29,000	29,000	29,000

Schedule 7: Personnel
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Date: 10/17/2014
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Agency code: **783** Agency name: **Univ of Houston Sys Admin**

	Actual 2013	Actual 2014	Budgeted 2015	Estimated 2016	Estimated 2017
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Faculty Employees	60.1	57.8	62.8	62.8	62.8
Subtotal, Directly Appropriated Funds	60.1	57.8	62.8	62.8	62.8
Non Appropriated Funds Employees	3.3	1.6	3.5	3.5	3.5
Subtotal, Other Funds & Non-Appropriated	3.3	1.6	3.5	3.5	3.5
GRAND TOTAL	63.4	59.4	66.3	66.3	66.3

Part B.
Personnel Headcount

Directly Appropriated Funds (Bill Pattern)

Educational and General Funds Faculty Employees	64.0	59.0	63.0	63.0	63.0
Subtotal, Directly Appropriated Funds	64.0	59.0	63.0	63.0	63.0
Non Appropriated Funds Employees	3.0	3.0	4.0	4.0	4.0
Subtotal, Non-Appropriated	3.0	3.0	4.0	4.0	4.0
GRAND TOTAL	67.0	62.0	67.0	67.0	67.0

Schedule 7: Personnel
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 Time: 1:50:13PM

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

	Actual 2013	Actual 2014	Budgeted 2015	Estimated 2016	Estimated 2017
PART C.					
Salaries					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Faculty Employees	\$6,236,313	\$6,068,637	\$6,442,971	\$6,442,971	\$6,442,971
Subtotal, Directly Appropriated Funds	\$6,236,313	\$6,068,637	\$6,442,971	\$6,442,971	\$6,442,971
Non Appropriated Funds Employees	\$892,507	\$915,811	\$686,666	\$686,666	\$686,666
Subtotal, Non-Appropriated	\$892,507	\$915,811	\$686,666	\$686,666	\$686,666
GRAND TOTAL	\$7,128,820	\$6,984,448	\$7,129,637	\$7,129,637	\$7,129,637

Agency 783 University of Houston System Administration

Project Priority:	Project Code:	Tuition Revenue Bond Request	Total Project Cost	Cost Per Total Gross Square Feet
1	1	\$ 58,540,000	\$ 58,540,000	\$ 609
Name of Proposed Facility:		Project Type:		
UHS Cinco Ranch Building and Land Purchase		New Construction		
Location of Facility:		Type of Facility:		
West Houston/Katy region		Academic		
Project Start Date:		Project Completion Date:		
01/01/2017		01/01/2019		
Gross Square Feet:	Net Assignable Square Feet in Project			
60,000	39,000			

Project Description

Through this project, the University of Houston would purchase land and construct a new academic building (60,000 square feet) in the West Houston/Katy region. This project is part of a major UHS effort to expand academic programs to address the workforce needs in the region. Currently, students in West Houston and the Katy area have the opportunity to complete over 20 undergraduate degrees and over 12 graduate degrees in high-demand fields in Business, Education, and Nursing. The campus includes 20 classrooms, advising offices and an electronic resource center. The UH System partners closely with growing area community colleges that provide freshman and sophomore level coursework prior to transferring into one of the undergraduate degree programs offered at the Cinco Ranch campus. The additional space provided by this new building is crucial to the expansion of degree programs that are needed to serve the rapidly growing population of West Houston/Katy.

Schedule 8C: Revenue Capacity for Tuition Revenue Bond Projects

DATE: 10/17/2014
TIME: 1:50:17PM

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Agency Code: 783

Agency Name: University of Houston System Administration

	Act 2013	Act 2014	Bud 2015	Est 2016	Est 2017
Gross Tuition	\$141,878,596	\$149,969,924	\$142,173,873	\$146,373,244	\$149,219,602
Less: Remissions and Exemptions	(22,160,403)	(26,599,660)	(26,236,986)	(27,370,949)	(27,907,240)
Less: Refunds	0	0	0	0	0
Less: Installment Payment Forfeits	0	0	0	0	0
Less: Tuition rebates for certain undergraduates (TX. Educ. Code Ann. Sec. 54.0065)	(89,000)	(150,000)	(110,090)	(112,600)	(115,300)
Plus: Tuition waived for students 55 years or older (TX. Educ. Code Ann. Sec. 54.013)	11,817	10,555	10,509	10,700	11,000
Plus: Tuition waived for Texas Grant Recipients (TX. Educ. Code Ann. Sec. 56.307)	0	0	0	0	0
Subtotal	\$119,641,010	\$123,230,819	\$115,837,306	\$118,900,395	\$121,208,062
Less: Transfer of Funds for Texas Public Education Grants Program (TX. Educ. Code Ann. Sec. 56c) and for Emergency Loans (TX. Educ. Code Ann. Sec. 56d)	(11,335,758)	(11,244,712)	(11,881,960)	(12,167,906)	(12,395,011)
Less: Transfer of Funds (2%) for Physician Loans (Medical School)	0	0	0	0	0
Less: Statutory Tuition (TX. Educ. Code Ann. Sec. 54.051) Set aside for Doctoral Incentive Loan Repayment Program (TX. Educ. Code Ann. Sec. 56.095)	(59,582)	(69,206)	(65,064)	(66,600)	(68,100)
Less: Other Authorized Deductions	0	0	0	0	0
Total Net Tuition Available to Pledge for Tuition Revenue Bonds	\$108,245,670	\$111,916,901	\$103,890,282	\$106,665,889	\$108,744,951
Debt Service on Existing Tuition Revenue Bonds	(22,854,962)	(22,460,069)	(22,350,562)	(22,355,339)	(22,370,952)
Estimated Debt Service for Authorized but Unissued Tuition Revenue Bonds	0	0	0	0	0
Subtotal, Debt Service on Existing Authorizations	\$(22,854,962)	\$(22,460,069)	\$(22,350,562)	\$(22,355,339)	\$(22,370,952)
TOTAL TUITION AVAILABLE FOR NEW AUTHORIZATIONS	\$85,390,708	\$89,456,832	\$81,539,720	\$84,310,550	\$86,373,999
Debt Capacity Available for New Authorizations	\$979,424,694	\$1,026,062,816	\$935,254,165	\$967,035,366	\$990,702,941

Schedule 8D: Tuition Revenue Bonds Request by Project
84th Regular Session, Agency Submission, Version 1

Agency Code: **783**

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

Original Bond Issue	Refunded by Bond Issue	Component	Project Name	Authorization Year	Estimated Final Payment Date	Requested Amount 2016	Requested Amount 2017	Total FY16-17 Biennium	
University of Houston									
2004	NA	UH	Tropical Storm Allison Repairs	2003	2/15/2018	\$ 1,512,525.00	\$ 1,512,450.00	\$ 3,024,975.00	
2009	NA	UH	Renovate Science Labs	2006	2/15/2028	4,137,250.00	4,139,500.00	8,276,750.00	
1999	2009A	UH	Refund Series 1999 bonds	1997	2/15/2019	861,276.69	861,591.60	1,722,868.29	
2002A	2011A	UH	Refund Series 2002A Bonds Issued to Construct a Science & Engineering Bldg.	2001	2/15/2022	3,341,487.77	3,348,651.13	6,690,138.90	
						Subtotal - UH	\$ 9,852,539.46	\$ 9,862,192.73	\$ 19,714,732.19
Univeristy of Houston - Downtown									
2006	NA	UHD	Construct an Academic Bldg. (Shea Street)	2006	2/15/2026	2,237,124.38	1,597,336.88	3,834,461.26	
1999	2009A	UHD	Refund Series 1999 bonds	1997	2/15/2019	538,208.19	538,404.98	1,076,613.17	
2002A	2011A	UHD	Refund Series 2002A Bonds Issued to Construct an Academic Bldg. (Commerce St.)	2001	2/15/2022	1,194,289.75	1,196,850.02	2,391,139.77	
1995	2013A	UHD	Partial Refund - Series 2003 Bonds which Refunded the 1995 Bonds Issued to Construct an Academic Bldg.	1993	2/15/2017	1,796,750.00	1,809,125.00	3,605,875.00	
2006	2013A	UHD	Partial Refund - Series 2006 Bonds Issued to Construct an Academic Bldg. (Shea Street)	2006	2/15/2022	190,665.00	818,077.50	1,008,742.50	
						Subtotal - UHD	5,957,037.32	5,959,794.38	11,916,831.70
University of Houston - Clear Lake									
2009	NA	UHCL	Renovation and Addition to the Arbor Bldg.	2006	2/15/2028	761,700.00	762,750.00	1,524,450.00	
2002A	2011A	UHCL	Refund Series 2002A Bonds Issued to Construct a Student Services Bldg.	2001	2/15/2022	2,026,507.28	2,030,851.63	4,057,358.91	
						Subtotal - UHCL	\$ 2,788,207.28	\$ 2,793,601.63	\$ 5,581,808.91
University of Houston - Victoria									
1997	2006	UHV	Purchase an Academic Bldg. & land from Victoria College	1995	2/15/2017	406,375.00	240,875.00	647,250.00	
2008	NA	UHV	Fund Allied Health Facilities	2006	2/15/2028	127,675.00	124,525.00	252,200.00	
2008	NA	UHV	Fund Regional Economic Development	2006	2/15/2028	465,250.00	463,800.00	929,050.00	
2008	NA	UHV	Construct an Academic Bldg. at the UH System Center at Sugar Land	2006	2/15/2028	1,571,812.50	1,573,212.50	3,145,025.00	
1999	2009A	UHV	Refund Series 1999 bonds	1995 & 1997	2/15/2019	993,615.12	993,978.42	1,987,593.54	
2002A	2011A	UHV	Refund Series 2002A Bonds Issued to Construct an Academic Bldg.	2001	2/15/2022	184,327.68	184,722.83	369,050.51	
2006	2013A	UHV	Partial Refund - Series 2006 Bonds which Refunded the 1997 Bonds Issued to Purchase an Academic Bldg. & land from Victoria College	1995	2/15/2017	8,500.00	174,250.00	182,750.00	
						Subtotal - UHV	3,757,555.30	3,755,363.75	7,512,919.05
						Total	\$ 22,355,339.36	\$ 22,370,952.49	\$ 44,726,291.85
						Total by Component			
						UH	\$ 9,852,539.46	\$ 9,862,192.73	\$ 19,714,732.19
						UHCL	2,788,207.28	2,793,601.63	5,581,808.91
						UHD	5,957,037.32	5,959,794.38	11,916,831.70
						UHV	3,757,555.30	3,755,363.75	7,512,919.05
						Total	\$ 22,355,339.36	\$ 22,370,952.49	\$ 44,726,291.85

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

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

(2) Mission of Special Item:

The Texas Aerospace Scholars (TAS) programs harness the excitement of human space exploration to inspire Texas students to consider and pursue 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:

High School Aerospace Scholars: Overall, more than 7700 high school juniors, representing 100% of the legislative districts have participated. In 2014, legislators nominated 555 juniors to participate. Students have indicated an interest in STEM degrees as a result of participating. The ratio of other revenue to State funds is 2:1.

Middle School Aerospace Scholars: More than 640 teachers from 100% of Texas Education Service Centers have participated in educational professional development events and a weeklong workshop at JSC. Teachers discover innovative ways to integrate NASA instructional materials across disciplines.

Community College Aerospace Scholars: More than 2000 students representing 88% of the college districts have participated. Of these, over 40% were from underrepresented populations. TAS Internships provide a technical semester position at JSC for TAS alumni. To date, 71 students have participated. This is a key component to the workforce pipeline.

The Technology Outreach Program (TOP) transfers NASA/JSC scientific and engineering expertise to meet Texas small business' technology requirements fostering economic retention/ expansion. Since 1999, TOP has helped 800 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 3:1.

(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 larger numbers of underrepresented populations in Texas; further, it plans to 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: a more effective orthopedic device for treating dysphagia due to improved sensor system; an improved restaurant flatware loss prevention device due to innovative magnetic detection system; an improved industrial safety device due to an innovative nitrogen outflow detection system; an innovative nationally marketed hair care device due to results of engineering analysis; and improved access to technology for disabled persons due to improved smartphone accessibility.

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

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

(5) Formula Funding:

N/A

(6) Non-general Revenue Sources of Funding:

Texas Aerospace Scholars (TAS) anticipates continued annual contributions of \$10,000 from the local Rotary and \$150,000 from the Houston Livestock Show and Rodeo. 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 by providing 2.5 FTE civil servants, over 2,000 hours of subject matter experts (=1 FTE), facilities, transportation, photography, and printing materials valued at \$665,000 per year. The center also allots 190,000 of its discretionary budget toward the program.

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

(7) 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 15-year investment in education opportunities throughout Texas and with all segments of demographics to encourage more students to pursue education to prepare for STEM careers.

Lessening Texas' commitment and awareness of the value in STEM careers.

Widening the gap between Texas' need for a high-tech workforce and the lack of graduates pursuing STEM degrees.

Technology Outreach Program (TOP) Economic impacts include:

Small businesses and entrepreneurs not being assisted by the program and new inventions not being taken to market.

Small businesses that may have participated in the program will not expand or be created in Texas.

Program will no longer provide the opportunity for the Legislature's commitment to expand companies, create new companies and growth, and assist small businesses in establishing Texas as the high tech region.
