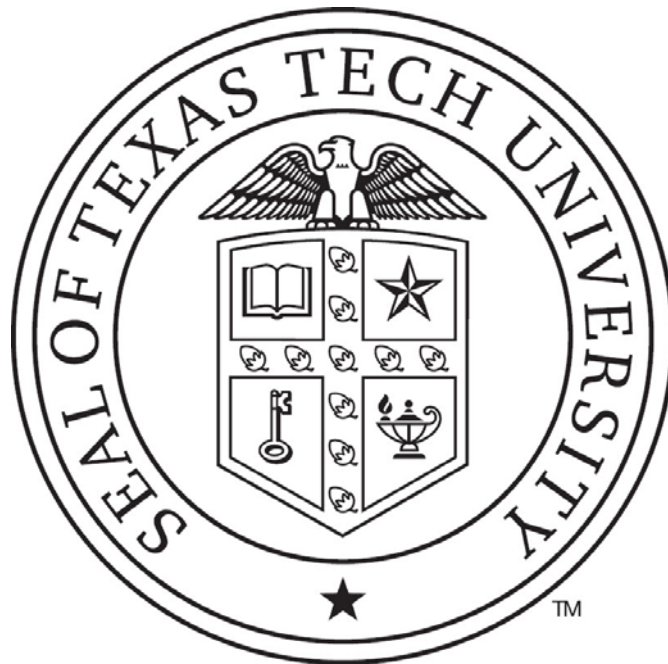


TEXAS TECH UNIVERSITY



SUMMARY OPERATING BUDGET FISCAL YEAR 2016



TEXAS TECH UNIVERSITY

Noel A. Sloan
Vice President for Administration & Finance
Chief Financial Officer

July 17, 2015

Members of the Board of Regents and Chancellor
Texas Tech University
Lubbock, Texas 79409

Dear Members of the Board and Chancellor Duncan,

Pursuant to Section 07.04.3(b), *Regents' Rules*, a written certification by the chief fiscal officer that funds are available is required for any budget prior to approval by the Board of Regents.

I certify that the Fiscal Year 2016 Texas Tech University Operating Budget is within the total funds anticipated to be available to Texas Tech University for operations.

The total estimated expenditures of \$899,338,369 is funded by estimated income of \$884,217,581 and use of prior year fund balances of \$15,120,788.

In conclusion, I recommend approval of the Fiscal Year 2016 Operating Budget for Texas Tech University.

Sincerely,

A handwritten signature in black ink that reads "Noel Sloan".

Noel Sloan
Vice President for Administration and Finance and CFO

xc: President M. Duane Nellis

**TEXAS TECH UNIVERSITY
FY 2016 SUMMARY OPERATING BUDGET
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TEXAS TECH UNIVERSITY SUMMARY OPERATING BUDGET FUND DEFINITIONS

EDUCATIONAL AND GENERAL FUNDS:

Funds comprised of tax (General Revenue) funds in the state treasury and funds generated locally (Other E & G) by the University from students and other sources.

Appropriated

General Revenue and Higher Education Assistance Funds from the state treasury for administration, institutional expense, instruction and departmental research, physical plant operation, and other items related to instruction.

Other Educational and General Funds

Funds generated locally by the University and reappropriated by the state (e.g. tuition, fees, interest earnings, etc.) to be used for administration, institutional expense, instruction and departmental research, physical plant operation, and other items related to instruction.

NATIONAL RESEARCH UNIVERSITY FUNDS (NRUF)

This funding may only be used to increase the research capacity at Texas Tech University by providing faculty salaries, equipment, fellowships, and other research related activities.

DESIGNATED FUNDS:

Unrestricted funds that are internally allocated for specific purposes (e.g. designated tuition, student fees, indirect costs, etc.).

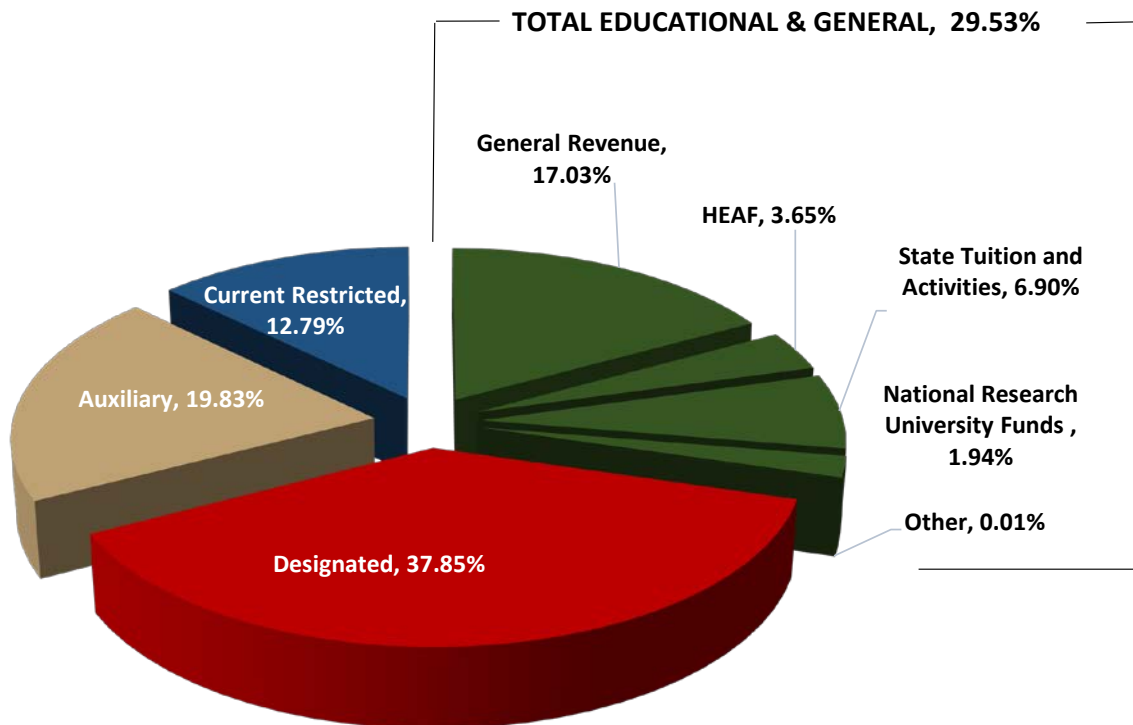
AUXILIARY FUNDS:

Funds used to provide services for students, faculty, and staff which generally charge a fee directly related to the cost of the service provided (e.g. athletics, residence halls, hospitality services, traffic & parking, etc.). No appropriated funds can be used to support auxiliary operations.

CURRENT RESTRICTED FUNDS:

Funds available for current purposes, the use of which is restricted by the donor/grantor to be utilized as stipulated by the funding source (e.g. research grants, scholarships, earnings from endowments, etc.).

**TEXAS TECH UNIVERSITY
FY 2016
SUMMARY OPERATING BUDGET
SOURCE OF FUNDS**



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TEXAS TECH UNIVERSITY
EDUCATIONAL AND GENERAL FUNDS

**TEXAS TECH UNIVERSITY
EDUCATIONAL AND GENERAL FUNDS
INCOME BUDGET**

ITEM	FY 2015	FY 2016
STATE APPROPRIATIONS		
GENERAL REVENUE	\$145,167,896	\$153,166,025
HIGHER EDUCATION FUND	23,936,088	32,817,206
STATE APPROPRIATIONS	\$169,103,984	\$185,983,231
TUITION AND FEES		
NET TUITION	\$50,000,000	\$54,000,000
GRADUATE TUITION	4,800,000	4,900,000
LAW TUITION	2,880,000	2,564,319
ORGANIZED ACTIVITIES	580,527	607,000
TUITION AND FEES	\$58,260,527	\$62,071,319
OTHER EDUCATIONAL AND GENERAL INCOME		
NATIONAL RESEARCH UNIVERSITY FUND	\$8,815,807	\$9,479,616
MISCELLANEOUS	234,000	83,672
OTHER EDUCATIONAL AND GENERAL INCOME	\$9,049,807	\$9,563,288
TOTAL CURRENT FUNDS REVENUES	\$236,414,318	\$257,617,838
NATIONAL RESEARCH UNIVERSITY FUND - FUND BALANCE	\$2,000,000	\$8,000,000
TOTAL EDUCATIONAL & GENERAL REVENUE	\$238,414,318	\$265,617,838
PERCENT CHANGE		11.41%

**TEXAS TECH UNIVERSITY
EDUCATIONAL AND GENERAL FUNDS
EXPENSE BUDGET**

ITEM	FY 2015	FY 2016
FACULTY SALARIES	\$97,221,781	\$109,180,270
DEPARTMENTAL OPERATING SALARIES	14,719,001	16,209,680
INSTRUCTIONAL ADMINISTRATION	8,239,248	8,505,756
ACADEMIC OPERATIONS SUPPORT	4,742,144	5,045,050
STUDENT SERVICES	1,439,359	1,463,989
PHYSICAL PLANT	8,027,200	8,398,353
INSTITUTIONAL SUPPORT	11,740,064	9,482,412
EMPLOYEE BENEFITS	13,801,224	14,877,107
SPECIAL ITEMS - EXISTING	6,845,160	6,845,160
CORE RESEARCH SUPPORT FUND	0	11,339,575
COMPETITIVE KNOWLEDGE FUND	6,223,241	0
RESEARCH DEVELOPMENT FUND	5,098,396	0
GRADUATE STUDENT SUPPORT	7,680,000	7,464,319
DEBT SERVICE	9,051,741	7,161,912
TPEG	6,400,000	6,655,000
NATIONAL RESEARCH UNIVERSITY FUND	10,815,807	17,479,616
HEAF	23,936,088	32,817,206
OTHER	2,433,864	2,692,433
TOTAL	<u>\$238,414,318</u>	<u>\$265,617,838</u>
PERCENT CHANGE		11.41%

**TEXAS TECH UNIVERSITY
EDUCATIONAL AND GENERAL FUNDS
SPECIAL ITEMS BUDGET**

ITEM	FY 2015	FY 2016
AGRICULTURAL RESEARCH	\$1,673,371	\$1,673,371
MUSEUMS AND CENTERS	1,523,064	1,523,064
SMALL BUSINESS	1,350,477	1,350,477
ENGINEERING RESEARCH	643,447	643,447
LIBRARY ARCHIVAL SUPPORT	533,756	533,756
HILL COUNTRY EDUCATIONAL NETWORK	454,219	454,219
JUNCTION	258,346	258,346
EMERGING TECHNOLOGIES	237,480	237,480
FINANCIAL RESPONSIBILITY	171,000	171,000
TOTAL	<u><u>\$6,845,160</u></u>	<u><u>\$6,845,160</u></u>
PERCENT CHANGE		0.0%

**TEXAS TECH UNIVERSITY
HIGHER EDUCATION ASSISTANCE FUNDS
CAPITAL FINANCING PLAN**

<u>ITEM</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
PROJECTS			
MAJOR PROJECTS			
CASH AND DEBT SERVICE	\$ 6,124,858	\$ 10,191,382	\$ 11,006,057
FACILITIES ALLOCATION COMMITTEE	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
MINOR AND INTERMEDIATE			
ACADEMICS		\$ 750,000	\$ 1,000,000
LIFE SAFETY		\$ 750,000	\$ 1,000,000
SPACE ALLOCATION COMMITTEE		\$ 250,000	\$ 250,000
DEFERRED MAINTENANCE	\$ 2,100,000	\$ 2,100,000	\$ 2,500,000
TOTAL PROJECTS	<u>\$ 9,724,858</u>	<u>\$ 15,041,382</u>	<u>\$ 16,756,057</u>
EQUIPMENT			
ADMINISTRATIVE UNITS	\$ 150,000	\$ 150,000	\$ 150,000
OPERATIONS DIVISION	\$ 950,000	\$ 950,000	\$ 1,000,000
INFORMATION TECHNOLOGY	\$ 650,000	\$ 650,000	\$ 650,000
ACADEMICS	\$ 3,500,000	\$ 3,500,000	\$ 4,000,000
RESEARCH & START UP PACKAGES	\$ 1,800,000	\$ 6,300,000 *	\$ 5,000,000
TOTAL EQUIPMENT	<u>\$ 7,050,000</u>	<u>\$ 11,550,000</u>	<u>\$ 10,800,000</u>
EMERGENCY RESERVE	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
STRATEGIC INITIATIVES	\$ 5,161,230	\$ 4,725,824	\$ 18,669,752
SYSTEM MOVE	\$ 500,000		
	<u>\$ 7,161,230</u>	<u>\$ 6,225,824</u>	<u>\$ 21,669,752</u>
TOTAL	<u>\$ 23,936,088</u>	<u>\$ 32,817,206</u>	<u>\$ 49,225,809</u>

*FY16 includes \$1.5M Welch grant-match commitment.

**TEXAS TECH UNIVERSITY
EDUCATIONAL AND GENERAL FUNDS
DISTRIBUTION BY METHOD OF FINANCE**

ITEM	General Revenue	GR-Dedicated and NRUF	FY 2016
FACULTY SALARIES	\$86,488,679	\$22,691,591	\$109,180,270
DEPARTMENTAL OPERATING SALARIES	\$12,840,725	\$3,368,955	\$16,209,680
INSTRUCTIONAL ADMINISTRATION	\$6,737,954	\$1,767,802	\$8,505,756
ACADEMIC OPERATIONS SUPPORT	\$3,996,507	\$1,048,543	\$5,045,050
STUDENT SERVICES	\$1,159,719	\$304,270	\$1,463,989
PHYSICAL PLANT	\$6,652,873	\$1,745,480	\$8,398,353
INSTITUTIONAL SUPPORT	\$7,511,552	\$1,970,860	\$9,482,412
EMPLOYEE BENEFITS	\$517,107	\$14,360,000	\$14,877,107
SPECIAL ITEMS - EXISTING	\$6,845,160	\$0	\$6,845,160
CORE RESEARCH SUPPORT FUND	\$11,339,575	\$0	\$11,339,575
GRADUATE STUDENT SUPPORT	\$0	\$7,464,319	\$7,464,319
DEBT SERVICE	\$7,161,912	\$0	\$7,161,912
TPEG	\$0	\$6,655,000	\$6,655,000
NATIONAL RESEARCH UNIVERSITY FUND	\$0	\$17,479,616	\$17,479,616
HEAF	\$32,817,206	\$0	\$32,817,206
OTHER	\$1,914,261	\$778,172	\$2,692,433
TOTAL	\$185,983,231	\$79,634,607	\$265,617,838

This Schedule Complies with Article III, Section 6 of the General Appropriations Act.

TEXAS TECH UNIVERSITY
DESIGNATED FUNDS

**TEXAS TECH UNIVERSITY
DESIGNATED FUNDS
INCOME BUDGET**

ITEM	FY 2015	FY 2016
TUITION & FEES:		
DESIGNATED TUITION AND DEREGULATED TUITION	\$108,675,600	\$121,878,040
DESIGNATED TUITION - LAW DEREGULATED TUITION	3,011,040	2,792,704
DESIGNATED TUITION - NEED BASE FINANCIAL AID	13,128,039	14,235,050
LIBRARY USE FEE	21,570,000	22,500,000
ACADEMIC DEPT INSTRUCTIONAL ASSESSMENT FEE	20,261,851	21,897,346
INFORMATION TECHNOLOGY FEE	19,270,000	20,270,000
STUDENT SERVICE FEES	11,181,410	11,745,493
PROGRAM FEES	8,437,331	9,393,761
FINANCIAL AND RECORD SERVICES FEE	8,000,000	8,000,000
CORRESPONDENCE AND EXTENSION FEES	5,646,181	7,363,925
TEXAS PUBLIC EDUCATION GRANT	6,400,000	6,655,000
STUDENT RECREATION CENTER	4,630,750	6,130,750
MEDICAL SERVICES FEE	4,485,000	4,485,000
ENERGY FEE	4,000,000	4,000,000
ONLINE LEARNING AND DISTANCE ED FEE	1,750,000	3,988,540
TRANSPORTATION FEE	3,100,000	3,500,000
ADVISING FEE	3,398,280	3,445,357
SPECIAL INSTRUCTION FEES	2,738,682	3,168,846
OTHER STUDENT FEES	10,556,729	12,117,133
TUITION AND FEES	\$260,240,893	\$287,566,945
OTHER SOURCES:		
TEXAS RESEARCH INCENTIVE PROGRAM	\$0	\$35,008,180
RECOVERY OF INDIRECT COSTS	8,800,000	9,083,063
EDUCATION RELATED BUSINESS ACTIVITY	5,567,039	5,640,633
OTHER MISCELLANEOUS INCOME	4,917,366	4,451,653
OTHER SOURCES	\$19,284,405	\$54,183,529
TOTAL CURRENT DESIGNATED REVENUE	\$279,525,298	\$341,750,474
UTILIZATION OF FUND BALANCE	\$12,047,097	\$5,304,043
SALES & SERVICES/SHARED SERVICES	\$3,782,146	\$0
TOTAL DESIGNATED REVENUE	\$295,354,541	\$347,054,517
PERCENT CHANGE		17.50%

**TEXAS TECH UNIVERSITY
DESIGNATED FUNDS
EXPENSE BUDGET**

ITEM	FY 2015	FY 2016
ACADEMIC SUPPORT		
LIBRARY SUPPORT	\$21,630,000	\$22,560,000
ACADEMIC DEPT INSTRUCTIONAL ASSESSMENT FEE	20,286,851	21,900,244
INFORMATION TECHNOLOGY	20,764,532	21,752,000
CORRESPONDENCE AND EXTENSION STUDIES	6,190,108	7,423,925
TEXAS PUBLIC EDUCATION GRANT	6,400,000	6,655,000
EDUCATION RELATED BUSINESS ACTIVITY	5,840,616	5,842,880
ONLINE LEARNING AND DISTANCE ED FEE	1,750,000	3,988,540
SPECIAL INSTRUCTION FEES	2,767,815	3,326,193
OTHER ACADEMIC SUPPORT	18,368,461	20,192,660
ACADEMIC SUPPORT	\$103,998,383	\$113,641,442
DESIGNATED TUITION SUPPORT & DEREGULATED TUITION		
DEPARTMENTAL OPERATING EXPENSE	\$24,375,296	\$30,147,025
FACULTY SALARIES	30,316,001	26,321,965
STUDENT INITIATIVES AND OTHER	20,571,733	22,144,357
PRESIDENT'S SCHOLARSHIP FUND	14,273,998	18,765,749
UTILITIES	14,834,736	14,834,736
NEED BASE FINANCIAL AID	13,128,039	14,235,050
INSTITUTIONAL TUITION TRANSFERS	8,909,946	8,820,455
LAW DEREGULATED EXPENSE	3,011,040	3,258,366
GRADUATE SUPPORT AND SCHOLARSHIPS	2,000,000	2,000,000
INSTITUTIONAL TUITION SUPPORT	\$131,420,789	\$140,527,703
STUDENT SERVICE SUPPORT		
STUDENT SERVICE ACTIVITIES	\$13,404,575	\$13,870,493
STUDENT RECREATIONAL CENTER	4,630,750	6,130,750
STUDENT HEALTH CENTER	4,614,769	4,614,769
ADVISING ACTIVITIES	3,444,080	3,504,957
OTHER STUDENT SUPPORT ACTIVITIES	16,485,957	17,361,660
STUDENT SERVICE SUPPORT	\$42,580,131	\$45,482,629
OTHER INSTITUTIONAL SUPPORT		
TEXAS RESEARCH INCENTIVE PROGRAM	\$0	\$35,008,180
RECOVERY OF INDIRECT COSTS	\$8,800,000	\$9,083,063
ALL OTHER INSTITUTIONAL SUPPORT	\$3,293,024	\$3,311,500
OTHER INSTITUTIONAL SUPPORT	\$12,093,024	\$47,402,743
SALES & SERVICES/SHARED SERVICES	\$5,262,214	\$0
TOTAL	\$295,354,541	\$347,054,517
PERCENT CHANGE		17.50%

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TEXAS TECH UNIVERSITY
SERVICE DEPARTMENTS

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**TEXAS TECH UNIVERSITY
SERVICE DEPARTMENTS
INCOME AND EXPENSE BUDGET**

ITEM	FY 2015	FY 2016
REVENUE BUDGET		
SALES & SERVICES	\$53,855,945	\$61,480,026
SHARED SERVICES		\$8,693,603
UTILIZATION OF FUND BALANCE		1,456,269
TOTAL SALES & SERVICES REVENUE	<u>\$53,855,945</u>	<u>\$71,629,898</u>
EXPENSE BUDGET		
SALES AND SERVICES - INTERNAL DEPARTMENTS	\$53,855,945	\$59,038,350
SHARED SERVICES		8,693,603
STAFF BENEFITS		3,897,945
TOTAL SALES & SERVICES EXPENSE	<u>\$53,855,945</u>	<u>\$71,629,898</u>
PERCENT CHANGE		33.00%

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TEXAS TECH UNIVERSITY
AUXILIARY FUNDS

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**TEXAS TECH UNIVERSITY
AUXILIARY FUNDS
INCOME AND EXPENSE BUDGET**

ITEM	FY 2015	FY 2016
REVENUE BUDGET		
INTERCOLLEGIATE ATHLETICS	\$76,399,881	\$76,102,201
HOSPITALITY SERVICES	35,978,650	39,353,650
RESIDENCE HALLS	39,000,000	39,000,000
STUDENT UNION	6,979,254	7,810,137
TRAFFIC AND PARKING / GARAGE OPERATION	5,478,000	5,478,000
OTHER SALES AND SERVICE	8,133,317	8,760,281
TOTAL CURRENT AUXILIARY REVENUE	<u>\$171,969,102</u>	<u>\$176,504,269</u>
UTILIZATION OF FUND BALANCE	\$779,764	\$1,816,745
TOTAL AUXILIARY REVENUE	<u>\$172,748,866</u>	<u>\$178,321,014</u>
EXPENSE BUDGET		
INTERCOLLEGIATE ATHLETICS	\$76,399,881	\$76,102,201
HOSPITALITY SERVICES	35,978,650	39,353,650
RESIDENCE HALLS	39,000,000	39,000,000
STUDENT UNION	6,979,254	7,810,137
TRAFFIC & PARKING/GARAGE OPERATION	5,663,736	6,923,762
OTHER SALES AND SERVICE	8,727,345	9,131,264
TOTAL AUXILIARY EXPENSE	<u>\$172,748,866</u>	<u>\$178,321,014</u>
PERCENT CHANGE		3.23%

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TEXAS TECH UNIVERSITY
CURRENT RESTRICTED FUNDS

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**TEXAS TECH UNIVERSITY
CURRENT RESTRICTED FUNDS
INCOME AND EXPENSE BUDGETS**

ITEM	FY 2015	FY 2016
SOURCES OF FUNDS		
FEDERAL PROGRAMS	\$51,330,000	\$61,644,000
STATE PROGRAMS	4,120,000	4,459,000
PRIVATE	39,542,000	42,674,000
ALL OTHER	5,008,000	6,223,000
TOTAL FUNDS FROM ALL SOURCES	<u>\$100,000,000</u>	<u>\$115,000,000</u>

DISTRIBUTION BY COLLEGE OR AREA:

ADMINISTRATIVE AND OTHER	\$23,830,000	\$26,749,000
AGRICULTURAL SCIENCES	10,633,000	12,014,000
ARCHITECTURE	402,000	281,000
ARTS AND SCIENCES	9,026,000	10,278,000
EDUCATION	3,803,000	4,113,000
ENGINEERING	13,699,000	17,489,000
FEDERAL FINANCIAL AID	28,867,000	33,388,000
HUMAN SCIENCES	4,572,000	4,460,000
MASS COMMUNICATIONS	321,000	365,000
MULTIDISCIPLINARY RESEARCH CENTER AND INSTITUTE	177,000	544,000
RAWLS COLLEGE OF BUSINESS	2,618,000	3,401,000
SCHOOL OF LAW	1,199,000	1,120,000
VISUAL AND PERFORMING ARTS	853,000	798,000
TOTAL DISTRIBUTION TO ALL COLLEGES AND AREAS	<u>\$100,000,000</u>	<u>\$115,000,000</u>

PERCENT CHANGE

15.00%

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**TEXAS TECH UNIVERSITY
SUMMARY OPERATING BUDGET
FISCAL YEAR 2016**

FUND	SOURCE OF FUNDS		ESTIMATED EXPENSE
	ESTIMATED INCOME	OTHER SOURCES	
EDUCATIONAL & GENERAL LESS TRANSFER TO DESIGNATED - TPEG	\$257,617,838	\$8,000,000	\$265,617,838 (6,655,000)
AUXILIARY	176,504,269	1,816,745	178,321,014
CURRENT RESTRICTED	115,000,000	0	115,000,000
DESIGNATED LESS TRANSFER FROM EDUCATIONAL & GENERAL - TPEG	341,750,474 (6,655,000)	5,304,043	347,054,517
TOTAL	\$884,217,581	\$15,120,788	\$899,338,369

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**TECH TECH UNIVERSITY
BUDGET COMPARISON
FISCAL YEAR 2016 vs FISCAL YEAR 2015**

FUND	FY 2015	FY 2016	Inc/(Dec)
EDUCATIONAL & GENERAL	\$238,414,318	\$265,617,838	\$27,203,520
LESS TRANSFER TO DESIGNATED - TPEG	(6,400,000)	(6,655,000)	(255,000)
DESIGNATED			
ACADEMIC SUPPORT	103,998,383	113,641,442	9,643,059
INSTITUTIONAL TUITION SUPPORT	131,420,789	140,527,703	9,106,914
STUDENT SERVICE SUPPORT	42,580,131	45,482,629	2,902,498
OTHER INSTITUTIONAL SUPPORT	12,093,024	47,402,743	35,309,719
SALES & SERVICES - SHARED SERVICES	5,262,214	0	(5,262,214)
AUXILIARY	172,748,866	178,321,014	5,572,148
CURRENT RESTRICTED	100,000,000	115,000,000	15,000,000
TOTAL	<u>\$800,117,725</u>	<u>\$899,338,369</u>	<u>\$99,220,644</u>