



# **2018–19 Legislative Appropriation Request**

**Detailed Instructions  
for Institutions of Higher Education  
for the Biennium Beginning September 1, 2017**

**LEGISLATIVE BUDGET BOARD  
GOVERNOR'S OFFICE, BUDGET DIVISION**

**JUNE 2016**

# CONTENTS

WHAT'S NEW .....	1
STATEMENT, CHART, AND CERTIFICATION.....	2
SCHEDULE 1.A. OTHER EDUCATIONAL AND GENERAL INCOME .....	4
SCHEDULE 1.B. HEALTH RELATED INSTITUTIONS PATIENT INCOME .....	6
SCHEDULE 2. SELECTED EDUCATIONAL, GENERAL, AND OTHER FUNDS.....	7
SCHEDULES 3.A., 3.B., AND 3.D. GROUP HEALTH INSURANCE DATA ELEMENTS .....	8
SCHEDULE 3.C. GROUP HEALTH INSURANCE DATA ELEMENTS .....	10
SCHEDULE 4. COMPUTATION OF OASI .....	11
SCHEDULE 5. CALCULATION OF RETIREMENT PROPORTIONALITY AND ORP DIFFERENTIAL .....	12
SCHEDULE 6. CONSTITUTIONAL CAPITAL FUNDING .....	14
SCHEDULE 7. PERSONNEL .....	15
SCHEDULE 8.A. PROPOSED TUITION REVENUE BOND PROJECTS .....	17
SCHEDULE 8.B. TUITION REVENUE BOND ISSUANCE HISTORY .....	18
SCHEDULE 8.C. REVENUE CAPACITY FOR TUITION REVENUE BOND PROJECTS .....	19
SCHEDULE 8.D. TUITION REVENUE BOND REQUEST BY PROJECT .....	20
SCHEDULE 9. SPECIAL ITEM INFORMATION .....	21

Agencies and institutions of higher education must refer to the *2018–19 Legislative Appropriation Request (LAR) Detailed Instructions* (June 2016) for general budget instructions and the *LAR Submission Schedule* (June 2016) for due dates, both of which are available on the Legislative Budget Board (LBB) website at [www.lbb.state.tx.us/AgenciesPortal.aspx](http://www.lbb.state.tx.us/AgenciesPortal.aspx) → Instructions → Legislative Appropriations Request.

## WHAT'S NEW

### SUBMISSIONS

- Institutions of higher education should continue to submit two bound paper copies of the October Legislative Appropriation Request (LAR) submission to the Legislative Budget Board (LBB) and the Office of the Governor, Budget Division.
- Instructions for Administrator's Statement, Organization Chart, and Dual Submission certification have been included in the instructions. Institutions of higher education must continue to submit these as required. The Certification of Dual LAR Submission Template must be included in the PDF submission that is submitted via the Document Submissions application.

### NEW SCHEDULES AND MODIFICATIONS

- Schedule 1.A. has been modified with the following changes:
  - in the Transfer of Funds (2%) for Physician Loans (Medical School) section, the word Physician has been changed to Physician/Dental;
- Schedule 1.B., for health related institutions, includes a new row for institutions to show interest income from funds in local depositories from patient care;
- Schedules 3.A. and 3.B. have been modified with the following changes:
  - in the GR & GR–D Percentages section, GR–D% has been changed to GR–D/Other%;
- Schedule 5. has been modified with the following changes:
  - Gross Payroll Subject to Differential – Optional Retirement Program will no longer have a default differential calculation of 2.5%; institutions must now enter this percentage; and
  - the character limits in the Automated Budget and Evaluation System of Texas (ABEST) for proportionality percentage have been increased from two decimal places to four so the amounts can match those reported in Schedule 4.; and
- Schedule 9. has been modified with the following changes:
  - institutions of higher education are required to complete Schedule 9. Special Item Information Schedule for new special item requests; institutions should continue to enter new special item exceptional item requests in the main Schedule 4.A. Exceptional Item Request Schedule; and
  - Schedule 9. has been modified to require institutions to indicate if existing and newly requested special items are transitional or startup funding.

# STATEMENT, CHART, AND CERTIFICATION

## ADMINISTRATOR'S STATEMENT

The Legislative Appropriations Request (LAR) is divided into parts identified by numbers and capital letters. Part 1 includes the Administrator's Statement, an organizational chart, and Certification of Dual Submissions.

The agency administrator and/or governing board must include a statement in the LAR. The administrator's statement must be entered into the Automated Budget and Evaluation System of Texas (ABEST). See *Preparing and Submitting Legislative Appropriations Request in ABEST*, June 2016, available on the LBB website at [www.lbb.state.tx.us/AgenciesPortal.aspx](http://www.lbb.state.tx.us/AgenciesPortal.aspx) → Instructions → Legislative Appropriations Request. Available space in the ABEST entry area permits a maximum of 30,000 characters. Graphics such as charts or tables are not permitted. This statement must include the names, terms of office, and hometowns of the members of the governing board. The statement must explain issues fundamental to the budget request, including the following:

- significant changes in policy;
- significant changes in provision of service (e.g., client population, cost, efficiencies, technology, privatization, etc.);
- significant externalities (e.g., population changes, court orders, federal mandates, service demands, etc.);
- purpose of any new funding being requested (e.g., comply with federal or state law requirements, resolve unforeseen budget problems, expand existing or develop new programs);
- brief narrative summary explaining the approach the agency took in preparing the 10 percent General Revenue Funds and General Revenue–Dedicated Funds base reduction options and assessing the overall effects of various reduction options. See Part 6.I., 10 Percent Biennial Base Reduction Options Schedule, for more information on reduction options; and

The administrator's statement should address exempt positions at the agency: requests to change existing positions' titles, authorized salary levels, or group numbers; requests for new exempt positions; or requests for additional funding to increase exempt position salaries. The administrator's statement should describe the agency's statutory authority to conduct background checks, and actual agency practices or procedures regarding background checks. The administrator's statement also should address any plans to transition to the statewide enterprise resource planning system, referred to as the Centralized Accounting and Payroll/Personnel System (CAPPS). If the Comptroller of Public Accounts (CPA) has identified the agency to transition to CAPPS during the 2018–19 biennium, the agency should determine and coordinate funding requests with the CPA (see Parts 4 and 5.A. of these instructions for additional information) and should work with the agency's LBB analyst to address those requests.

## ORGANIZATIONAL CHART

Provide an organizational chart that reflects the management structure of the agency. The organizational chart is not generated in ABEST. Although the organizational chart has no standard format, at a minimum, identify the following:

- oversight boards or commissions (Article II agencies should include the Texas Health and Human Services Executive Commissioner and agency councils);
- all functional units of the agency (with a brief description of each function);
- each management position by title; and
- the number of full-time-equivalent (FTE) positions directly supervised by that position.

## CERTIFICATION OF DUAL SUBMISSIONS

The LAR is submitted electronically, both through ABEST and as a PDF document. The request submitted in ABEST is the official submission. A certification of the content of the dual submissions, and assurance that the ABEST submission and the PDF document are one and the same, shall be submitted as part of the PDF document. If there is a discrepancy between the ABEST submission and the PDF document, the ABEST submission will be presumed correct. The certification form is

available on the LBB website at [www.lbb.state.tx.us/AgenciesPortal.aspx](http://www.lbb.state.tx.us/AgenciesPortal.aspx) → Instructions → Legislative Appropriations Request → Certification Form for Certification of Dual LAR Submission Template.

If an office is headed by an elected official, the first assistant may sign for the elected official.

# SCHEDULE 1.A. OTHER EDUCATIONAL AND GENERAL INCOME

The Other Educational and General Income Schedule provides detail on actual and estimated Other Educational and General Income (Other E&G Income) for fiscal years 2015 to 2019. This information is used to calculate the estimated appropriations for Other E&G Income.

## GENERAL INFORMATION

All general academic and health related institutions, Lamar State Colleges, and Texas State Technical Colleges must complete this form.

Institutions must provide updated information for 2016 after the end of the fiscal year.

### IMPORTANT

- Report all estimated Other Education and General Income for fiscal years 2018 and 2019. Do not limit the amounts reported on this schedule to amounts for fiscal years 2016 and 2017.
- Report Indirect Cost Recovery as an informational item on Schedule 2.
- Clarifications for health-related institutions: 2018–19 biennial estimated tuition and fees is based on projected student count for fiscal years 2016 and 2017.

## COMPLETING THE FORM

The following items correspond to items in the schedule and represent key elements in completing the form:

- exclude designated tuition pursuant to the Texas Education Code, Section 54.0513, from gross tuition;
- reconcile waivers and exemptions to amounts reported in the Supplemental Report submitted to the Texas Higher Education Coordinating Board (THECB) as specified in the Eighty-fourth Legislature, General Appropriations Act (GAA), 2016–17 Biennium, Article III, Special Provisions Relating Only to State Agencies of Higher Education, Section 44; reconcile waivers and exemptions of statutory tuition to amounts reported in THECB's Integrated Fiscal Reporting System (IFRS); separate lines are shown for resident and nonresident waivers and exemptions;
- report tuition exemption amounts pursuant to the Texas Education Code, Section 54.341 (Hazlewood Exemption);
- report board-authorized tuition income (differential tuition charged to graduate students) charged pursuant to the Texas Education Code, Section 54.008, less any waivers or exemptions;
- report tuition increases charged to doctoral students with excess hours for all years;
- report tuition increases charged to undergraduate students with more than 45 hours more than degree requirements or to students who enroll for the first time in fall 2008 or thereafter with more than 30 hours more than degree requirements;
- report tuition rebated for certain undergraduates;
- report tuition waived for students ages 55 and older;
- report tuition for repeated or excessive hours;
- report waived tuition amounts for Towards EXcellence, Access, and Success (TEXAS) Grant Program recipients;
- reconcile amounts reported for transfers for Texas Public Education Grants (TPEG) to amounts reported in the strategy request for TPEG;
- reconcile amounts reported for the federal Old-Age and Survivors Insurance (OASI) program to amounts reported on Schedule 4. for Other Education and General Funds, OASI;

- report only contributions for proportionality; exclude Optional Retirement Program differential; reconcile to amounts reported on Schedule 5.;
- report amounts of staff group insurance premiums paid from Other Education and General Funds; reconcile amounts to the amounts reported in the strategy request for staff group insurance;
- for universities, the amount should reconcile to the amount reported in the Staff Group Insurance strategy. For health-related institutions, the Staff Group Insurance strategy should reconcile to the amount reported in Schedule 1.A. plus the amount reported in Schedule 1.B.; and
- reconcile amounts reported for organized activities to amounts reported in the strategy request for organized activities.

#### CHECKLIST ITEMS

- Does the sum of gross tuition less refunds and installment payment forfeits, plus student teaching fees, special course fees, and laboratory fees equal the amount of total tuition and fees reported in the Supplemental Report submitted to the Texas Higher Education Coordinating Board, as specified in the 2016–17 GAA, Article III, Special Provisions Relating Only to State Agencies of Higher Education, Section 44?
- Does gross tuition exclude amounts for designated tuition?
- Does board-authorized (graduate differential) tuition charged pursuant to the Texas Education Code, Section 54.008, exclude waivers and exemptions?
- Are tuition increases charged to undergraduate students with excess hours reported for fiscal years 2015 to 2019?
- Does the federal Old-Age and Survivors Insurance (OASI) equal the amounts reported for Other Educational and General Funds, OASI, reported on Schedule 4.?
- Do Teacher Retirement System and Optional Retirement Program proportionality for Education and General Funds equal the Other Educational and General Proportional Contribution reported in Schedule 5. and exclude Optional Retirement Program differential?
- Do amounts reported for organized activities equal amounts reported in the strategy request for organized activities?
- Does the amount for Texas Public Education Grants equal the strategy request?
- Does staff group insurance equal the strategy request? For health related institutions, the amount reported for staff group insurance in Schedule 1.A. plus the amount reported in Schedule 1.B. should reconcile to the amount in the Staff Group Insurance strategy.

NOTE: The Schedule 1.A. example may not reconcile to the example in Appendix 2.B.

# **SCHEDULE 1.B. HEALTH RELATED INSTITUTIONS PATIENT INCOME**

The Health Related Institutions Patient Income Schedule provides detail on patient income collected at institutions that operate a hospital or dental clinic. The information is used to calculate the estimated revenue from patient income to the institution.

## **GENERAL INFORMATION**

Health related institutions that generate patient income and receive General Revenue Funds for hospital operations, or health related institutions that receive patient income from clinic operations complete Schedule 1.B.

Institutions must provide updated information for fiscal year 2016 after the end of the fiscal year.

## **COMPLETING THE FORM**

The following items correspond to the numbered items in Schedule 1.B.:

- report patient income net discount and allowances from hospital or clinic operations; fiscal year 2015 amounts should reconcile to the amount reported in the annual financial report (AFR); fiscal year 2016 should estimate the amount to be reported in the AFR; a new row has been added to the entry form to enable institutions to show interest income from funds in local depositories from patient care;
- reconcile amounts for OASI to amounts reported on Schedule 4. Health Related Institutions (HRI) Patient Income, Allocation of OASI;
- report only contributions for proportionality; exclude Optional Retirement Program differential; amounts reported should reconcile to amounts reported on Schedule 5. HRI Patient Income Proportional Contribution; and
- report staff group insurance premiums paid from HRI Patient Income; the amount reported for staff group insurance in Schedule 1.B. plus the amount reported in Schedule 1.A. should reconcile to the amount in the Staff Group Insurance strategy.



## SCHEDULE 2. SELECTED EDUCATIONAL, GENERAL, AND OTHER FUNDS

The Selected Educational, General, and Other Funds schedule summarizes educational, general, and other funds, and includes funding sources not reflected in Schedules 1.A. or 1.B. or the Summary of Request.

### GENERAL INFORMATION

All general academic and health related institutions, Lamar State Colleges, and Texas State Technical Colleges complete this form.

#### IMPORTANT

Report Indirect Cost Recovery as Item 3.

### COMPLETING THE FORM

The following items correspond to the numbered items in Schedule 2.:

- provides information on the following General Revenue Funds transfers that are no longer reported in Schedule 1.A.: (1) transfers from the Texas Higher Education Coordinating Board; and (2) transfers for group insurance to The University of Texas and Texas A&M University institutions;
- only The University of Texas at Austin, Texas A&M University, Prairie View A&M University, The University of Texas System and Texas A&M University System should report transfers from the Available University Fund;
- Gross Designated Tuition is for informational purposes only and should not be included in the total for Schedule 2.; and
- Indirect Cost Recovery is reported for informational purposes only and should not be included in the total for Schedule 2.

# SCHEDULES 3.A., 3.B., AND 3.D. GROUP HEALTH INSURANCE DATA ELEMENTS

The purpose of the various group health insurance data elements schedules is to provide the data needed to calculate Higher Education Employees Group Insurance and staff group insurance appropriations.

## GENERAL INFORMATION

The Group Health Insurance Data Elements schedules consist of the following three components:

- Schedule 3.A. should be completed by institutions participating in the Employees Retirement System's (ERS) Group Benefits Program;
- Schedule 3.B. should be completed by components of The University of Texas and Texas A&M Systems; and
- Schedule 3.D. Supplemental should be completed by institutions listed in the Key Elements and Issues section.

All institutions should report the employee group health insurance data elements by method of finance. ERS administers the allocation of group health insurance appropriations for institutions participating in ERS, and The University of Texas and Texas A&M System offices administer the group health insurance allocations for their component institutions and system offices.

### IMPORTANT

Enter the institution's best estimate of the General Revenue Funds and General Revenue–Dedicated Funds proportionality that is likely to be reported in the institution's fiscal year 2016 Accounting Policy Statement 011 report.

## KEY ELEMENTS AND ISSUES

Reported enrollment numbers should represent the institution's best estimate of actual enrollment as of December 1, 2016. Proportionality requires employee benefits to be paid from the same revenue source as salaries. To this end, each institution's enrollment method of finance must be based on the estimated proportionality likely to be reported in the institution's fiscal year 2016 Accounting Policy Statement 011 submission.

The estimated enrollment numbers submitted in the LAR will be updated with actual numbers after the census date. For the updated enrollment count, the method of financing for group health insurance premiums must be based on the proportionality reported in the institution's fiscal year 2016 Accounting Policy Statement 011 submission.

Certain eligible full-time and part-time employees of institutions insured within the Employees Retirement System (ERS) Group Benefits Program have the option to opt out of the program in exchange for a monthly amount. This schedule requires institutions to report these employees separately. The opt-out data reported by the institution should be cross-referenced with ERS data files to ensure accuracy.

The unshaded columns in Schedules 3.A. and 3.B. represent the two basic fund categories from which higher education employees can be paid:

- Educational and General Funds – employees whose salaries and wages are paid from general revenue funds and other educational and general funds appropriated to the institution; and
- Noneducational and General Funds – employees whose salaries and wages are paid from noneducational and general funds appropriated to the institution and from all other funds not appropriated by the General Appropriations Act. This category includes employees whose salaries and wages are paid from the Available University Fund and Indirect Cost Recovery funds.

Specific institutions must complete Schedule 3.D. Supplemental to include the following groups of employees:

- The University of Texas Medical Branch at Galveston – Texas Department of Criminal Justice and Texas Juvenile Justice Department Correctional Managed Health Care employees;

- The University of Texas Health Science Center at Houston – Harris County Psychiatric Center employees;
- Texas Tech University Health Sciences Center – Texas Department of Criminal Justice Correctional Managed Health Care Employees;
- institutions of higher education with an active contract for Correctional Managed Health Care with the Texas Department of Criminal Justice; and
- Texas Forest Service – employees funded through appropriations from the General Revenue Funds – Insurance Companies Maintenance Tax.

The University of Texas and Texas A&M systems institutions should include retired employees in Schedule 3.B. ERS will provide the LBB and Office of the Governor, Budget Division, with the number of retirees in each benefit category for all ERS participating institutions.

#### **DATA ENTRY**

Enter the institution's best estimate of the General Revenue Funds and General Revenue–Dedicated Funds proportionality likely to be reported in the institution's fiscal year 2016 Accounting Policy Statement 011 report in the fields marked GR and GR–D/Other.

In the E&G Enrollment column in Sections I and II (lines 1A through 6B), enter the total number of full-time and part-time active employees, including student employees, whose salaries are paid from educational and general funds enrolled in each benefit category. For this schedule, part-time employees are defined as those eligible employees that work fewer than 30 hours per week.

In the Local Non-E&G column in Sections I and II enter the total number of full time and part time active employees, including student employees, whose salaries are paid from noneducational and general funds, including employees whose salaries and wages are paid from the Available University Fund and Indirect Cost Recovery funds, enrolled in each benefit category. For this schedule, part-time employees are defined as those eligible employees that work fewer than 30 hours per week.

In Sections III and IV (lines 1C through 6D), institutions within The University of Texas and Texas A&M University systems must enter the total number of retirees in the appropriate columns, applying the same criterion used to determine whether an active enrollee is categorized as either educational and general or noneducational and general.

Verify that totals calculated include all eligible employees and retirees.

#### **CHECKLIST ITEMS**

- Does the number of employees represent an estimate of employees expected to be on the payroll as of December 1, 2016?
- Does the reported proportionality used in this schedule accurately reflect the estimated proportionality likely to be reported in the institution's fiscal year 2016 Accounting Policy Statement 011 submission?
- Does the total number of employees equal the total number of eligible employees and retirees?

## SCHEDULE 3.C. GROUP HEALTH INSURANCE DATA ELEMENTS

The purpose of the group health insurance data elements schedules is to provide the data needed to calculate Higher Education Employees Group Insurance for public community and junior colleges.

### GENERAL INFORMATION

All public community and junior colleges should report their employee group health insurance data. ERS administers the allocation of group health insurance appropriations for institutions participating in ERS.

### KEY ELEMENTS AND ISSUES

Reported active employee enrollment numbers should represent the community college district's best estimate of actual enrollment as of December 1, 2016.

The estimated enrollment numbers submitted in the LAR will be updated with actual numbers after the census date.

Certain eligible full time and part time employees of institutions insured within the Employee Retirement System (ERS) Group Benefits Program have the option to opt out of the program in exchange for a monthly amount. This schedule requires districts to report these employees separately. The opt-out data reported by the institution should be cross-referenced with ERS data files to ensure accuracy.

ERS will provide the LBB and the Office of the Governor, Budget Division, with the number of retirees in each benefit category for all public community colleges participating in ERS' Group Benefits Program.

### DATA ENTRY

Steps for entering Schedule 3.C. include the following:

1. In the Total I&A Enrollment column, enter the total number of full-time and part-time active employees eligible to receive health benefits working in instructional and administrative positions that are enrolled in each benefit category. For this schedule, part-time employees are defined as those eligible employees that work less than 30 hours per week; and
2. In the Local Non-I&A column, enter the total number of full-time and part-time active employees eligible to receive health benefits working in positions other than instructional and administration that are enrolled in each benefit category. For this schedule, part-time employees are defined as those eligible employees that work less than 30 hours per week.

#### CHECKLIST ITEM

- Does the total number of employees represent your district's best estimate of employees expected to be on the payroll as of December 1, 2016?

## SCHEDULE 4. COMPUTATION OF OASI

The Computation of OASI schedule provides detail for actual and estimated federal Old-Age and Survivors Insurance (OASI) for fiscal years 2015 to 2019. This information is used to calculate the amount to be deducted from the Other Educational and General Income Estimates.

### GENERAL INFORMATION

All general academic and health related institutions, Lamar State Colleges, Texas State Technical Colleges, and Texas A&M System agencies must complete this form.

#### IMPORTANT

The methodology used to calculate the Other E&G percentage must be consistent with Comptroller Accounting Policy Statement 011, Exhibit 2.

For purposes of Legislative Appropriations Request (LAR) completion only, the Accounting Policy Statement 011 submission should be revised to exclude Indirect Cost Recovery funds from the calculation of proportionality for fiscal year 2015.

### COMPLETING THE FORM

This form requires the following:

- enter the total OASI from fiscal years 2015 to 2019;
- include percentages for proportionality for General Revenue, Other E&G, and health related institutions patient income; the methodology used to calculate the percentages must be consistent with Comptroller Accounting Policy Statement 011, Exhibit 2;
- for the Legislative Appropriations Request (LAR) completion only, the Accounting Policy Statement 011 submission should be revised to exclude Indirect Cost Recovery funds from the calculation of proportionality for fiscal year 2015;
- the sum of the percentages must equal 100 percent; and
- the total OASI will be multiplied by the proportionality percentage to calculate the allocation of total OASI.

#### CHECKLIST ITEMS

- Does the amount for Allocation of Total OASI for Other Educational and General Funds equal the Schedule 1.A. reduction of income for OASI for fiscal years 2015 to 2019?
- Does the amount for Allocation of OASI for General Revenue Funds equal the amounts reported for OASI matching in the annual financial report for fiscal years 2015 and 2016?
- Does General Revenue Funds proportionality equal the Schedule 5. General Revenue Funds proportionality percentage?

# SCHEDULE 5. CALCULATION OF RETIREMENT PROPORTIONALITY AND ORP DIFFERENTIAL

The Calculation of Retirement Proportionality and ORP Differential schedule provides detail for actual and estimated proportionality and Optional Retirement Program (ORP) differential for fiscal years 2015 to 2019.

## GENERAL INFORMATION

All general academic and health related institutions, Lamar State Colleges, Texas State Technical Colleges, and Texas A&M System agencies shall complete this form.

## PROPORTIONALITY

Proportionality is the employer's share of retirement benefits. Proportionality includes amounts paid to the Teacher Retirement System (TRS) and the Optional Retirement Program (ORP). Up to 6.8 percent of the employer's TRS salary amount and 6.6 percent of the ORP salary amount are paid from Other Educational and General Income (Other E&G) The Seventy-fourth Legislature, 1995, mandated that higher education institutions fund retirement benefits in the same relationship as total Educational and General (E&G) appropriated funds. For example, if Other E&G appropriations for fiscal year 2016 equaled 20.0 percent of its total appropriations, then the institution must fund 20.0 percent of its E&G retirement benefits from Other E&G Funds.

## ORP DIFFERENTIAL

ORP Differential is the institution's share of retirement benefits from 6.0 percent to 7.31 percent (1.31 percent) of salary amounts paid to ORP for eligible employees hired before September 1, 1995. The Seventy-fourth Legislature, 1995, limited the employer's share of retirement benefits paid to ORP to the same rate paid to members of TRS for all employees hired after September 1, 1995. The Eighty-third Legislature, Regular Session, 2013, changed the ORP state contribution rate to 6.6 percent for each year of the 2016–17 biennium.

### IMPORTANT

- The methodology used to calculate the Other E&G percentage must be consistent with Comptroller Accounting Policy Statement 011, Exhibit 2.
- The rate used to calculate the employer's contribution for retirement benefits is 6.8 percent for TRS and 6.6 percent for ORP. All amounts for retirement benefits paid above 6.6 percent are included in the ORP differential calculation regardless of the source of funds.

## COMPLETING THE FORM

The following items correspond to items on the schedule and represent key elements in completing the form:

- multiply the Gross E&G Payroll Amount subject to TRS retirement by 6.8 percent to calculate the employer contribution to retirement programs;
- multiply the Gross E&G Payroll Amount subject to ORP retirement by 6.6 percent to calculate the employer contribution to retirement programs (6.0 percent for 2015);
- include percentages for proportionality percentages for General Revenue, Other E&G, and Health Related Institutions Patient Income; the percentage should be calculated in accordance with the Comptroller Accounting Policy Statement 011, Exhibit 2, and the sum of the percentages must equal 100 percent;
- include gross E&G Payroll for employees participating in the ORP before September 1, 1995; and
- multiply the gross payroll subject to ORP differential by 1.9 percent to calculate the total differential (use 2.5 percent for 2015).

**CHECKLIST ITEMS**

- Does the Other Educational and General Proportional Contribution equal the TRS and ORP proportionality for Other E&G Funds reported on Schedule 1.A. and exclude Optional Retirement Program differential?
  
- Does the General Revenue Funds proportionality percentage equal the Schedule 4. General Revenue Funds proportionality percentage?

## **SCHEDULE 6. CONSTITUTIONAL CAPITAL FUNDING**

The Constitutional Capital Funding schedule provides information on Permanent University Fund (PUF) and Higher Education Fund (HEF) bond proceeds and debt service.

### **GENERAL INFORMATION**

All general academic and health related institutions, Lamar State Colleges, Texas State Technical Colleges, and Texas A&M System agencies must complete this form.

PUF-eligible institutions must provide the bond proceeds allocated to the institution each year and the corresponding project allocation of those proceeds.

HEF-eligible institutions must provide the HEF General Revenue allocation received by the institution each year and the corresponding project allocation of those funds. For fiscal years 2018 and 2019, assume the fiscal years 2013 to 2017 HEF allocation amounts continue for the purposes of this schedule. Debt service should include any debt service paid with HEF allocations, including HEF-backed bonds or revenue financing system debt.



# SCHEDULE 7. PERSONNEL

The schedule provides detail on full-time-equivalent (FTE) positions and headcount positions paid from appropriated funds and other funds. This information is used to calculate recommendations for FTE positions.

## GENERAL INFORMATION

This form provides information on FTE position and personnel headcount at institutions of higher education in addition to the information included in the strategy request.

All general academic and health related institutions, Lamar State Colleges, Texas State Technical Colleges, and Texas A&M System agencies must complete this form.

### IMPORTANT

This form includes:

- a definition of faculty and nonfaculty; and
- the method for reporting nine-month faculty appointments paid across 12 months.

## DATA ENTRY

Part A includes the number of FTE positions, Part B includes the personnel headcount, and Part C includes salary information.

### FACULTY AND NONFACULTY

The number of FTE positions identified as faculty should correspond to the Texas Higher Education Coordinating Board (THECB) categories 1 to 5 in the CBM 008 Faculty Report. Positions reported for Category 6, Teaching Assistant, should be included as nonfaculty.

Calculations of faculty FTE positions should be based on the following considerations:

- if a faculty member works for nine months and is paid across nine months (receives no salary, but receives benefits during summer semester), the employee's FTE hours count for the first three quarters of the fiscal year;
- if a faculty member works for nine months and is paid across nine months (receives no salary or benefits during summer semester), the employee's FTE hours count for first the three quarters of the fiscal year;
- if a faculty member works for nine months and is paid across 12 months (receives salary and benefits during summer semester), the employee's FTE hours count for the first three quarters of the fiscal year; or
- if a faculty member works for 12 months (receives salary and benefits during summer semester), the employee's FTE hours count for all four quarters of the fiscal year.

### SUBTOTAL, DIRECT APPROPRIATIONS

This category should include only FTE positions paid from funds directly appropriated to the institution.

### OTHER APPROPRIATIONS

The FTE positions in this category should reflect any other positions paid from funds appropriated elsewhere in the General Appropriations Act (GAA). Examples include positions paid from the Coordinating Board Advanced Research Program grants, from transfers from the Coordinating Board for incentive funding, or from AUF or HEF funds.

### SUBTOTAL, ALL APPROPRIATED

The FTE positions in this category should equal all positions appropriated in the GAA (E&G Faculty, Nonfaculty, and Other Appropriations) and should equal the positions reported in the State Auditor's quarterly report for appropriated funds.

### CONTRACT EMPLOYEES

The FTE positions in this category include only those employees paid: (1) by The University of Texas Medical Branch at Galveston and Texas Tech University Health Sciences Center for services provided in accordance with the correctional managed healthcare contract; and (2) by the University of Texas Health Science Center at Houston for services provided in accordance with the contract associated with operating the Harris County Psychiatric Center.

**NONAPPROPRIATED FUNDS EMPLOYEES**

The FTE positions in this category include all other institution positions.

**GRAND TOTAL**

The total FTE positions in this summation should equal the total positions reported in the State Auditor's quarterly report, adjusted for the change in nine-month and 12-month faculty reporting.

**CHECKLIST ITEM**

- Does the Subtotal, Appropriated FTE Positions equal the number of positions shown in the Summary of Request for fiscal years 2015 to 2017?

## SCHEDULE 8.A. PROPOSED TUITION REVENUE BOND PROJECTS

This series of schedules and forms related to tuition revenue bond projects will provide the Legislature and Governor with information to evaluate proposed tuition revenue bond projects.

### GENERAL INFORMATION

The Legislature periodically provides authority to institutions of higher education to issue tuition revenue bonds for major construction and renovation projects on their campuses. To assist the Legislature in reviewing any requests for tuition revenue bond projects, the Legislative Appropriations Request (LAR) will provide a formal request process for tuition revenue bond projects.

Each institution seeking tuition revenue bond authority must provide information on each proposed project for which tuition revenue bond funding is being requested. Each issuing entity (system offices for those components within systems, and independent institutions for those that issue their own bonds or go through the Texas Public Finance Authority) must approve and prioritize the requests. The total of all requests for each issuing entity cannot exceed 100 percent of the total debt capacity for tuition revenue bonds as calculated on Schedule 8.C. Revenue Capacity for Tuition Revenue Bond Projects. In addition, each issuing entity must complete information on tuition revenue bond capacity and tuition revenue bond issuance history.

Projects related to auxiliary functions of institutions will not be considered and should not be included.

Each institution proposing tuition revenue bond projects must also complete Schedule 8.B. Tuition Revenue Bond Issuance History. This form provides a history of each institution's tuition revenue bond issuance.

Each system office that has one or more components proposing tuition revenue bond projects and each independent institution must also complete Schedule 8.C. Revenue Bond Capacity. This form provides information on revenue pledged for tuition revenue bonds and to determine the amount of additional capacity that exists.

### IMPORTANT

- Each institution must complete a Schedule 8.B. Tuition Revenue Bond Issuance History; and
- each issuing entity must complete a Schedule 8.C. Revenue Capacity for Tuition Revenue Bond Projects.

## **SCHEDULE 8.B. TUITION REVENUE BOND ISSUANCE HISTORY**

The Tuition Revenue Bond Issuance History Schedule provides a history of each system's or institution's tuition revenue bond issuance.

### **GENERAL INFORMATION**

Each issuing entity (each system office for those components within systems, and each independent institution for those that issue their own bonds or issue bonds through the Texas Public Finance Authority) that is responsible for the issuance of tuition revenue bond projects will complete this form. System offices that issue bonds system wide for all components should complete the form for each component institution that previously has been authorized tuition revenue bond projects.

### **DATA ENTRY**

Report information on all tuition revenue bonds authorized since fiscal year 1971. Provide subtotals for each set of tuition revenue bonds by authorization date.

# **SCHEDULE 8.C. REVENUE CAPACITY FOR TUITION REVENUE BOND PROJECTS**

The schedule provides information on revenue pledged for tuition revenue bonds and the amount of additional capacity.

## **GENERAL INFORMATION**

Each issuing entity (each system office for those components within systems, and each independent institution for those that issue their own bonds or issue bonds through the Texas Public Finance Authority) that is responsible for the issuance of tuition revenue bond projects will complete this form. System offices that issue bonds system wide for all components should complete the form based on system wide revenue.

## **COMPLETING THE FORM**

1. On line 1, detail the components of appropriated tuition used by your institution or system to calculate available tuition. For example, list gross tuition less waivers and exemptions and Texas Public Education Grant set-asides. Amounts should reconcile to tuition amounts reported on Schedule 1.A.;
2. On line 4, add lines 2 and 3;
3. On line 5, subtract line 4 from line 1; and
4. On line 6, base calculations on tuition available for new authorizations (line 5). For this estimate, use assumptions that reflect the terms with which your institution or system is likely to issue bonds. For each issuing entity, the total of all projects requested cannot exceed 100 percent of this amount.

## SCHEDULE 8.D. TUITION REVENUE BOND REQUEST BY PROJECT

The Tuition Revenue Bond Request by Project Schedule will provide the Legislature and Governor information to evaluate tuition revenue bond debt service reimbursement requests.

### GENERAL INFORMATION

To assist the Legislature in reviewing requests for tuition revenue bond debt service, each institution requesting appropriations for tuition revenue bond debt service must provide information on each project for which debt service reimbursement is being requested.

Each institution requesting tuition revenue bond debt service appropriations in Schedule 3.A. Strategy Request should fill out Schedule 8.D.

The total requested amount in Schedule 8.D. should reconcile to the amount of tuition revenue bond debt service requested in Schedule 3.A. Strategy Request for Strategy B.1.2.

Authorization year information should reconcile to information in Schedule 8.B.

An estimated final payment date should be entered for each project.

Requested amounts for tuition revenue bond debt service associated with bonds that have already been issued should be able to be substantiated through bond documents and related debt service schedules. Requested amounts for tuition revenue bond debt service for debt service that has been authorized but not issued should be based on the assumptions of institution or system office staff and their advisors.

### IMPORTANT

- Each institution requesting tuition revenue bond debt service must complete a Schedule 8.D. Tuition Revenue Bond Request by Project; and
- the total requested amount in Schedule 8.D. should reconcile to the amount of tuition revenue bond debt service requested in Schedule 3.A. Strategy Request for Strategy B.1.2.

## SCHEDULE 9. SPECIAL ITEM INFORMATION

The Special Item Information Schedule provides additional information for each existing and newly requested special item. The schedule includes information such as the amount and year the special item first received funding and note if the special item generates formula funding.

### GENERAL INFORMATION

General academic and health related institutions, public community and junior colleges, Lamar State Colleges, and Texas State Technical Colleges requesting funds for existing special items and new special item exceptional item requests should complete this form. Include all appropriated strategies shown in the Special Item Support Goal in the 2016–17 General Appropriations Act. Following existing special items, complete the schedule for newly requested special items. Institutions should still complete Schedule 4.A. Exceptional Item Request Schedule for each new special item request.

### COMPLETING THE FORM

Steps include the following:

- list the fiscal year the program or project was first funded with special item appropriations and the amount of funding the program or project received that year; for new special item requests, enter 2018 and the requested first-year funding;
- briefly describe the mission of the program or project;
- indicate whether the special item is transition or startup funding;
- describe the major accomplishments of the special item to date and those expected during the next two years;
- if the special item existed before receiving special item appropriations, list the year it was established and describe how it was funded;
- if the special item is eligible to be funded through the formulas, indicate the formula amount which may be applied and the effective date(s); complete this step for all applicable items, including all program development, enhancement, or startup items;
- list all nongeneral revenue sources of funding and amounts for each year of the 2016–17 biennium for this special item and projections for the 2018–19 biennium; and
- describe the consequences of reducing or not funding this item; list other sources of funds that would be available to continue the program or project.

Institutions are required to fill out the Special Item Information Schedule for new and existing special items. Information for new special items should also be included in Schedule 4.A. Exceptional Item Request.