



# **The University of Texas System**

**FY 2006**

**Operating Budget Summaries  
and  
Reserve Allocations for  
Library, Equipment, Repair and Rehabilitation**

**August 2005**

**THE UNIVERSITY OF TEXAS SYSTEM**  
*Operating Budget Summaries and Reserve Allocations for  
Library, Equipment, Repair and Rehabilitation*

For Fiscal Year Ending August 31, 2006

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# SECTION 1

## OPERATING BUDGET SUMMARIES

# **The University of Texas System Operating Budget Highlights**

**For the Year Ending August 31, 2006**

## **Introduction**

The University of Texas System (the “System”) is one of the largest institutions of higher education in the country and one of the largest employers in Texas. Every year, the System’s nine academic campuses educate one-third of Texas’ college students and its six health-related campuses educate three-quarters of Texas’ health professional students.

The effect of the System’s expenditures on the Texas economy is profound. The State Comptroller of Public Accounts estimates that every \$1 spent generates as much as \$5 in additional economic activity.

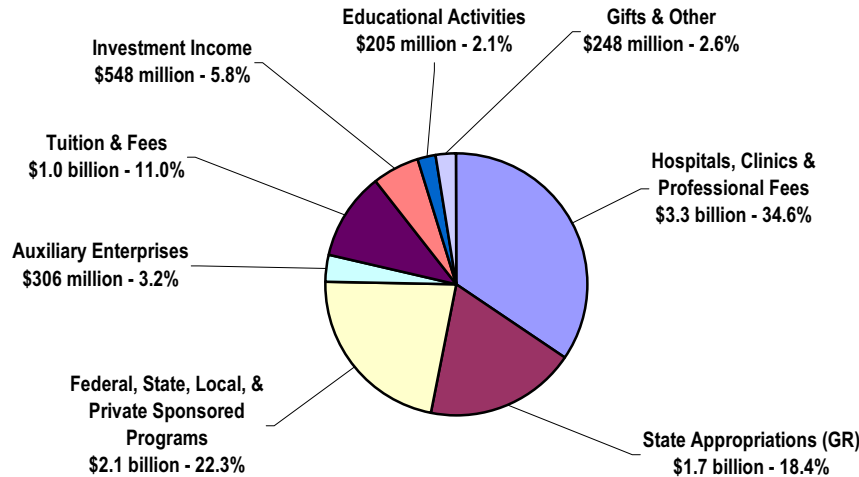
The operating budget provides a wide range of services for Texans. Beyond the primary mission of higher education and research, over \$1 billion in health care is provided for the uninsured and underinsured, several initiatives are supported to improve K-12 education in the public schools, and technologies generated that create new businesses.

All of the System’s work revolves around people – the students served, the faculty recruited and retained, and the staff that makes the work of teachers, physicians and researchers possible. As an educational institution, the System is part of a uniquely labor-intensive industry – one that requires nothing less than the best from all individuals involved.

For the 2006 fiscal year, changes in the operating budget are driven by three important factors: enrollment growth and the attendant increased instructional costs, increased federally sponsored programs including research and financial aid, and increased patient care.

## Revenues

### Where the Money Comes From (\$9.5 billion)



Revenues included in the operating budget summary include both operating and nonoperating revenues used to finance the operating budget. Combined revenues for FY 2006 are \$9.5 billion, up 9.6% or \$829 million from FY 2005. Significant areas of growth include **Sales and Services of Hospital Activities** (14.6%, \$315 million), **Federal Sponsored Programs** (6.5%, \$80 million), **Local and Private Sponsored Programs** (16.1%, \$86 million), and budgeted **State Appropriations** (8.6%, \$138 million).

**Sales and Services of Hospital Activities** primarily include income generated from patient care at the System's hospitals. Continued growth in patient care activities at U. T. M. D. Anderson Cancer Center (\$171 million) is largely responsible for this increase. A contributing factor to this growth (\$99 million) is the inclusion of a full year's activity for the two hospitals acquired by U. T. Southwestern Medical Center at Dallas during FY 2005. To enhance comparability, the 2005 budget totals have been adjusted to include the eight months of expected activity for these hospitals occurring during that fiscal year. The increase primarily results from the four additional months of activity.

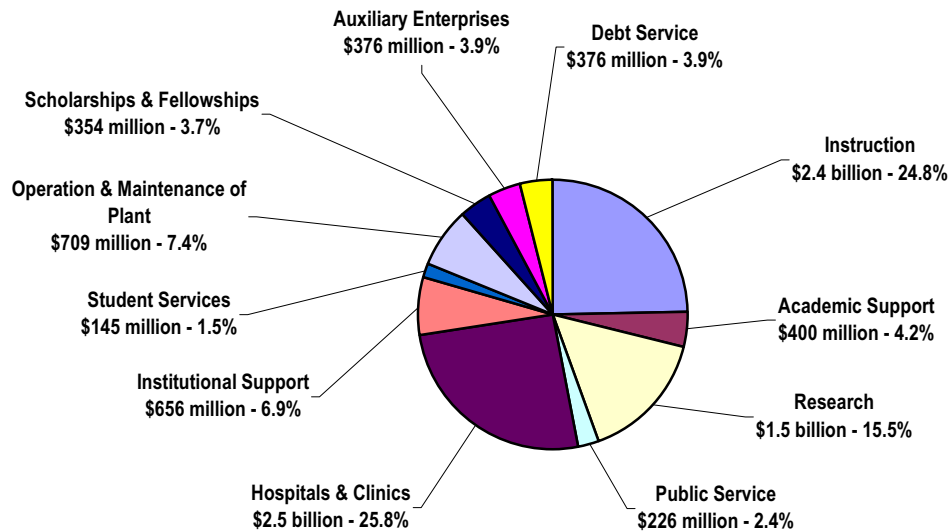
Growth in **Federal Sponsored Programs** principally results from increased research activities and related indirect cost overhead recoveries at several institutions along with growth in student financial aid such as Pell Grants. The largest increases are at U. T. Austin (\$12 million), U. T. Southwestern Medical Center at Dallas (\$22 million), and U. T. Medical Branch at Galveston (\$13 million).

Growth in **Local and Private Sponsored Programs** largely occurs as a result of increasing contract revenues associated with providing health care services. The most significant increases are at U. T. Southwestern Medical Center at Dallas (\$20 million), U. T. Health Science Center at Houston (\$19 million) and U. T. Health Science Center at San Antonio (\$21 million).

Budgeted **State Appropriations** increased by \$138 million or 8.6% over 2005 levels largely as a result of funding provided for enrollment growth and several new initiatives funded at health-related institutions. For FY 2006, General Revenue is 18.2% of the total expenditure budget as compared to 18.8% of the 2005 expenditure budget.

## Expenditures

### Where the Money Goes (\$9.6 billion)



Expenditures reflected in the operating budget include all operational functions and limited nonoperating expenses and transfers made to fund debt service principal and interest. Combined expenditures for FY 2006 are \$9.6 billion, up 10.1% or \$874 million from FY 2005. Significant functional areas of growth include **Instruction** (7.9%, \$173 million), **Research** (10.9%, \$146 million) and **Hospitals and Clinics** (10.9%, \$243 million).

Overall growth in **Instruction** expenditures is primarily associated with new faculty and staff positions required to sustain services for increases in enrollment and patient levels. Additionally, there will be merit salary increases awarded at most U. T. institutions.

Growth in **Research** expenditures results from a continued commitment by U. T. institutions to developing research activities. The largest increases occurred at U. T. Austin (\$13 million), U. T. Dallas (\$17 million), U. T. Southwestern Medical Center at Dallas (\$22 million), U. T. Medical Branch at Galveston (\$15 million) and U. T. M. D. Anderson Cancer Center (\$42 million).

**Hospital and Clinics** expenditures increased due largely to growth in patient care expenditures at U. T. Southwestern Medical Center at Dallas (\$95 million) and U. T. M. D. Anderson Cancer Center (\$115 million).

## Resources

### **Background**

The University of Texas System (the System) has adopted Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – Management’s Discussion and Analysis – for Public Colleges and Universities*, as amended by GASB Statements No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the entity as a whole. Previously, financial statements focused on the accountability of individual fund groups rather than on the entity as a whole.

The System Operating Budget focuses on sources and uses of funds in select fund groups rather than on operating results of the entity as a whole. Several differences exist between the budget and the financial reporting presentation at year-end. For example, information has historically been presented separately in the budget for all reported fund groups, whereas the financial reporting presentation combines the activities of all funds. Additionally, budgeted tuition and fee income paid from institutional scholarship funds is not discounted. Further, capital outlay from operating funds and debt service principal repayments are included in budgeted expenditure totals. Finally, depreciation is not directly budgeted as an expenditure since it does not require a use of funds; however, depreciation has been addressed in the *Comparison of the Fiscal Year 2006 Combined Operating Budget to Statement of Revenues, Expenses and Changes in Net Assets*, as discussed below.

In an effort to have the System Operating Budget more closely reflect the entity-wide focus of the financial reporting model, the presentation of the budget summary combines all reported funds and is structured to resemble the Statement of Revenues, Expenses and Changes in Net Assets (SRECNA) included in the System’s Annual Financial Report.

In addition to the budget summary, the *Comparison of the Fiscal Year 2006 Combined Operating Budget to Statement of Revenues, Expenses and Changes in Net Assets* helps to address the differences between budget and financial reporting. This schedule makes adjustments to operating budget totals to provide for differences in the budget and financial reporting models. Major adjustments necessary include:

- Recording of an adjustment to discount tuition and related scholarship/fellowship activities in accordance with GASB rules. Tuition and fee income paid from institutional scholarship funds is not discounted in the budget. This departure from the year-end financial statements occurs because scholarships and tuition are often in different fund groups within the records of an institution and represent a source of funding in one fund group and a use of funds in the other.
- Elimination of capital outlay budgeted in the expenditure line items. Capital outlay from operating funds and debt service principal repayments are included as a use of funds in the budget, while they are balance sheet transactions in the financial statements.
- Inclusion of depreciation expense not budgeted. Significant portions of the operating resources of the System are held in the State Treasury. Depreciation does not represent a use of funds that can be drawn from the Treasury and as a result are not budgeted as an expenditure since it does not require a use of funds.
- Inclusion of all other fund groups not budgeted. This includes loan, endowment, annuity and life income funds and unbudgeted plant fund activity.
- Any other adjustments as necessary to reflect SRECNA activity.

Actual 2004 and projected 2005 SRECNA activity are presented for comparative purposes.

## **Adjustments to FY 2005 Budget Totals**

Budget totals for 2005 have been adjusted to reflect \$184,735,290 of revenue and \$184,152,115 of expenditures associated the acquisition and operation of two hospitals by U. T. Southwestern Medical Center at Dallas beginning. Operations began January 1, 2005 and an amendment to the 2005 budget was approved by the Board of Regents at their February 2005 meeting. In certain situations, reclassifications have been made between line items to enhance comparability with the FY 2006 presentation.

## **Glossary of Terms**

### **Operating Revenues:**

**TUITION AND FEES** – All student tuition and fee revenues earned at the U. T. component institution for educational purposes.

**SPONSORED PROGRAMS** – Funding received from local, state and federal governments or private agencies, organizations or individuals. Includes amounts received for services performed on grants, contracts, and agreements from these entities for current operations. This also includes indirect cost recoveries and pass-through federal and state grants.

**NET SALES AND SERVICES OF EDUCATIONAL ACTIVITIES** – Revenues that are related to the conduct of instruction, research, and public service and revenues from activities that exist to provide an instructional and laboratory experience for students that create goods and services that may be sold. Examples include revenues received from activities such as performing arts, continuing education, charter schools, the University Interscholastic League, trademarks programs and sports camps.

**NET SALES AND SERVICES OF HOSPITALS AND CLINICS** – Revenues (net of discounts, allowances, and bad debt expense) generated from U.T. health institutions' daily patient care, special or other services, as well as revenues from health clinics that are part of a hospital.

**NET PROFESSIONAL FEES** – Revenues (net of discounts, allowances, and bad debt expense) derived from the fees charged by the professional staffs at U.T. health institutions as part of the Medical Practice Plans. Examples of such fees include doctor's fees for clinic visits, medical and dental procedures, professional opinions, and anatomical procedures, such as analysis of specimens after a surgical procedure, etc.

**NET AUXILIARY ENTERPRISES** – Revenues derived from a service to students, faculty, or staff in which a fee is charged that is directly related to, although not necessarily equal to the cost of the service (e.g., bookstores, dormitories, dining halls, snack bars, inter-collegiate athletic programs, etc.).

**OTHER OPERATING REVENUES** – Other revenues generated from sales or services provided to meet current fiscal year operating expenses, which are not included in the preceding categories.

### **Operating Expenses:**

**INSTRUCTION & ACADEMIC SUPPORT** – Expenditures for salaries, wages, and all other costs related to those engaged in the teaching function including the operating cost of instructional departments. This would include the salaries of faculty, teaching assistants, lecturers and teaching equipment. Library materials and related salaries are also included.

**RESEARCH** – Expenditures for salaries and wages and other cost associated with the support of research conducted by faculty members.



**PUBLIC SERVICE** – Expenditures for activities providing noninstructional services beneficial to individuals and groups external to the institution (e.g. conferences, institutes such as the Institute for Texan Cultures, museums like the Texas Memorial Museum, general advisory services, reference bureaus, radio and television).

**HOSPITALS AND CLINICS** – Expenditures of U. T. health-related institutions with teaching hospital affiliations for costs associated with providing patient care and operating the entity (i.e., labs, pharmacies, personnel salaries, etc.)

**INSTITUTIONAL SUPPORT** – Expenditures for central executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming, and legal services; fiscal operations, including the investment office; administrative data processing; space management; employee personnel and records; logistical activities that provide procurement, storerooms, safety, security, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fund raising.

**STUDENT SERVICES** – Expenditures for offices of admissions and of the registrar and activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program.

**OPERATION AND MAINTENANCE OF PLANT** – Expenditures of current operating funds for the operation and maintenance of the physical plant. It includes all expenditures for operations established to provide services and maintenance related to grounds and facilities. Also included are utilities, fire protection, property insurance, and similar items. Specifically included are: salaries, wages, supplies materials and other expenses necessary to keep each building in good repair and usable condition. Also includes expenses necessary to keep the buildings in a clean and sanitary condition, provide upkeep of all lands designated as campus proper (improved and unimproved) not occupied by actual buildings. *O&M of Plant* also includes funds referred to as *Educational and General Capital Projects* that are used for major repair, rehabilitation, and renovation of existing buildings and facilities, as well as funds to supplement major capital projects.

**SCHOLARSHIPS & FELLOWSHIPS** – Expenditures for scholarships and fellowships in the form of grants to students resulting from selection by the institution or from an entitlement program.

**AUXILIARY ENTERPRISES** – Expenditures of essentially self-supporting component institution enterprises (e.g., bookstores, dormitories, inter-collegiate athletic programs, etc.)

**Nonoperating Revenues (Expenses):**

**STATE APPROPRIATIONS & HEAF** – Appropriations from the State General Revenue Fund, which supplement the U. T. component institutional revenue in meeting operating expenses, such as faculty salaries, utilities, and institutional support. Also includes Higher Education Assistance Funds (HEAF), which is a source of state appropriated general revenue to U. T. Brownsville and U. T. Pan American. HEAF is appropriated for construction, library and equipment expenses for Texas public universities that do not benefit from the Permanent University Fund (PUF) bond proceeds. Within the *Comparison of the Fiscal Year 2006 Combined Operating Budget to Statement of Revenues, Expenses and Changes in Net Assets*, HEAF revenues are reclassified to Capital Appropriations, Gifts and Sponsored Programs in accordance with accounting rules promulgated by the State Comptroller's Office.

**GIFTS IN SUPPORT OF OPERATIONS** – Consist of public and private gifts used in current operations, excluding gifts for capital acquisition and endowment gifts.

NET INVESTMENT INCOME – Interest and dividend income, Long Term Fund and Permanent Health Fund distributions paid from current year income and patent and royalty income. Distributions from the Permanent University Fund are also included for budget purposes.

NET INC./ (DEC.) IN FAIR VALUE OF INVESTMENTS – Unrealized gains or losses on investment assets of the System.

INTEREST EXPENSE – Interest expense associated with bond and note borrowings utilized to finance capital improvement projects. System Administration reports all interest expense as the debt legally belongs to the Board of Regents.

OTHER NONOPERATING REVENUES (EXPENSES) – Revenues and expenses not directly associated with the primary missions of System components and not included in another category.

**Transfers And Other:**

CAPITAL APPROPRIATIONS, GIFTS AND SPONSORED PROGRAMS – Includes appropriations from the State such as HEAF along with gifts and support for capital projects of the System that are not used for operations.

ADDITIONS TO PERMANENT ENDOWMENTS – Gifts and other additions to the corpus of permanent endowments including the Permanent University Fund. These funds are not available to be expended for operational purposes.

AUF TRANSFERS RECEIVED (MADE) – Transfers made from U. T. System Administration's Available University Fund primarily used to finance excellence at U. T. Austin and general administration at U. T. System Administration.

TRANSFERS FROM (TO) UNEXPENDED PLANT – Transfers made from operating funds to unexpended plant funds to finance capital outlays.

TRANSFERS FOR DEBT SERVICE – Reflects debt service activity at all components and U. T. System Administration and includes both the principal and interest portions of mandatory debt service transfers under the Revenue Financing System, Tuition Revenue bond and Permanent University Fund (PUF) bond programs. The principal portion is eliminated as this is a balance sheet transaction at year-end.

OTHER – Includes all interfund transfers and other activity not categorized elsewhere. Within the *Comparison of the Fiscal Year 2006 Combined Operating Budget to Statement of Revenues, Expenses and Changes in Net Assets*, this total also includes the distribution to Texas A&M University System for their annual one-third participation in the Permanent University Fund endowment.

**The University of Texas System  
Operating Budget  
Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 971,813,222	1,038,271,196	66,457,974	6.8%
Federal Sponsored Programs	1,245,261,481	1,325,749,097	80,487,616	6.5%
State Sponsored Programs	162,970,378	170,826,209	7,855,831	4.8%
Local and Private Sponsored Programs	533,151,265	618,765,476	85,614,211	16.1%
Net Sales and Services of Educational Activities	183,425,072	204,674,201	21,249,129	11.6%
Net Sales and Services of Hospital and Clinics	2,149,772,261	2,464,394,113	314,621,852	14.6%
Net Professional Fees	794,172,774	811,342,535	17,169,761	2.2%
Net Auxiliary Enterprises	283,873,578	306,462,407	22,588,829	8.0%
Other Operating Revenues	80,830,488	73,898,325	(6,932,163)	-8.6%
<b>Total Operating Revenues</b>	<b>6,405,270,519</b>	<b>7,014,383,559</b>	<b>609,113,040</b>	<b>9.5%</b>
<b>Operating Expenses:</b>				
Instruction	2,192,829,905	2,365,879,516	173,049,611	7.9%
Academic Support	360,394,437	399,727,561	39,333,124	10.9%
Research	1,338,740,593	1,484,757,059	146,016,466	10.9%
Public Service	214,413,390	225,734,086	11,320,696	5.3%
Hospitals and Clinics	2,223,465,208	2,466,605,909	243,140,701	10.9%
Institutional Support	614,566,373	655,803,586	41,237,213	6.7%
Student Services	134,227,126	144,845,224	10,618,098	7.9%
Operations and Maintenance of Plant	614,294,717	709,220,308	94,925,591	15.5%
Scholarships and Fellowships	310,847,713	354,290,782	43,443,069	14.0%
Auxiliary Enterprises	353,718,196	375,813,787	22,095,591	6.2%
<b>Total Operating Expenses</b>	<b>8,357,497,658</b>	<b>9,182,677,818</b>	<b>825,180,160</b>	<b>9.9%</b>
<b>Operating Surplus/Deficit</b>	<b>(1,952,227,139)</b>	<b>(2,168,294,259)</b>	<b>(216,067,120)</b>	<b>11.1%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	1,600,872,365	1,739,314,777	138,442,412	8.6%
Gifts in Support of Operations	135,450,877	171,690,940	36,240,063	26.8%
Net Investment Income	501,163,877	547,739,202	46,575,325	9.3%
Other Non-Operating Revenue	3,837,655	2,837,655	(1,000,000)	-26.1%
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>2,241,324,774</b>	<b>2,461,582,574</b>	<b>220,257,800</b>	<b>9.8%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	134,074,420	142,175,141	8,100,721	6.0%
AUF Transfers (Made)	(134,074,420)	(142,175,141)	(8,100,721)	6.0%
Transfers From (To) Unexpended Plant	(17,720,000)	-	17,720,000	-100.0%
Transfers for Debt Service	(327,329,364)	(376,213,237)	(48,883,873)	14.9%
Other Additions and Transfers	135,707,260	143,217,859	7,510,599	5.5%
Other Deductions and Transfers	(161,062,569)	(160,175,366)	887,203	-0.6%
<b>Total Transfers and Other</b>	<b>(370,404,673)</b>	<b>(393,170,744)</b>	<b>(22,766,071)</b>	<b>6.1%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (81,307,038)</b>	<b>(99,882,429)</b>	<b>(18,575,391)</b>	<b>22.8%</b>
<b>Total Revenues</b>				
<b>Total Expenses and Debt Service Transfers</b>	<b>\$ 8,646,595,293</b>	<b>9,475,966,133</b>	<b>829,370,840</b>	<b>9.6%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>(8,684,827,022)</b>	<b>(9,558,891,055)</b>	<b>(874,064,033)</b>	<b>10.1%</b>
	<b>\$ (38,231,729)</b>	<b>(82,924,922)</b>	<b>(44,693,193)</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas System**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
		<b>Operating Revenues:</b>			
\$ 675,107,346	801,872,334	Net Tuition and Fees	1,038,271,196	(177,132,774)	861,138,422
1,238,643,241	1,299,032,187	Federal Sponsored Programs	1,325,749,097	40,108,979	1,365,858,076
157,719,874	153,199,182	State Sponsored Programs	170,826,209	(6,481,780)	164,344,429
520,437,333	554,792,870	Local and Private Sponsored Programs	618,765,476	(26,523,161)	592,242,315
224,277,628	225,562,472	Net Sales and Services of Educational Activities	204,674,201	18,174,067	222,848,268
1,889,354,852	2,242,248,141	Net Sales and Services of Hospitals and Clinics	2,464,394,113	60,602,096	2,524,996,209
701,117,289	762,298,479	Net Professional Fees	811,342,535	(2,432,276)	808,910,259
244,642,716	281,920,543	Net Auxiliary Enterprises	306,462,407	(20,042,131)	286,420,276
69,133,593	92,689,038	Other Operating Revenues	73,898,325	6,343,175	80,241,500
5,720,433,872	6,413,615,246	Total Operating Revenues	7,014,383,559	(107,383,805)	6,906,999,754
		<b>Operating Expenses:</b>			
1,909,495,081	2,086,585,891	Instruction	2,365,879,516	(147,588,044)	2,218,291,472
255,753,380	534,959,640	Academic Support	399,727,561	(98,864,626)	300,862,935
1,216,146,781	1,159,828,785	Research	1,484,757,059	(37,486,462)	1,447,270,597
209,084,466	317,613,139	Public Service	225,734,086	(3,027,075)	222,707,011
2,044,783,157	2,219,083,713	Hospitals and Clinics	2,466,605,909	180,339,266	2,646,945,175
538,978,113	576,457,922	Institutional Support	655,803,586	3,260,384	659,063,970
123,292,366	182,286,789	Student Services	144,845,224	(2,866,740)	141,978,484
432,901,316	472,414,364	Operations and Maintenance of Plant	709,220,308	(208,303,240)	500,917,068
200,033,858	224,460,577	Scholarships and Fellowships	354,290,782	(119,709,083)	234,581,699
289,905,834	315,341,410	Auxiliary Enterprises	375,813,787	(39,842,068)	335,971,719
372,830,151	429,006,541	Depreciation and Amortization	-	456,470,927	456,470,927
7,593,204,503	8,518,038,771	Total Operating Expenses	9,182,677,818	(17,616,761)	9,165,061,057
(1,872,770,631)	(2,104,423,525)	<b>Operating Surplus/Deficit</b>	(2,168,294,259)	(89,767,044)	(2,258,061,303)
		<b>Nonoperating Revenues (Expenses):</b>			
1,578,061,771	1,606,232,998	State Appropriations	1,739,314,777	(11,185,901)	1,728,128,876
181,915,115	250,933,117	Gifts in Support of Operations	171,690,940	61,744,913	233,435,853
1,639,331,944	1,388,599,387	Net Investment Income	547,739,202	450,815,399	998,554,601
147,641,257	726,252,496	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
(90,945,331)	(124,755,000)	Interest Expense	-	(125,000,000)	(125,000,000)
26,010,350	(4,807,639)	Other	2,837,655	1,300,000	4,137,655
3,482,015,106	3,842,455,359	<b>Net Non-Operating Revenue/(Expenses)</b>	2,461,582,574	377,674,411	2,839,256,985
		<b>Transfers and Other:</b>			
91,231,163	103,521,380	Capital Approp., Gifts and Sponsored Programs	-	119,335,658	119,335,658
214,313,362	112,734,358	Additions to Permanent Endowments	-	84,324,168	84,324,168
-	-	Transfers for Debt Service	(376,213,237)	376,213,237	-
(120,839,352)	(97,033,425)	Other	(16,957,507)	(101,851,096)	(118,808,603)
184,705,173	119,222,313	Total Transfers and Other	(393,170,744)	478,021,967	84,851,223
\$ 1,793,949,648	1,857,254,147	<b>Change in Net Assets</b>	(99,882,429)	765,929,334	666,046,905

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas System Academic Components**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 915,254,618	975,278,903	60,024,285	6.6%
Federal Sponsored Programs	517,039,080	547,582,861	30,543,781	5.9%
State Sponsored Programs	94,224,281	107,860,699	13,636,418	14.5%
Local and Private Sponsored Programs	106,195,461	126,571,491	20,376,030	19.2%
Net Sales and Services of Educational Activities	129,300,992	145,403,706	16,102,714	12.5%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	216,507,969	224,155,975	7,648,006	3.5%
Other Operating Revenues	8,746,931	8,381,318	(365,613)	-4.2%
<b>Total Operating Revenues</b>	<b>1,987,269,332</b>	<b>2,135,234,953</b>	<b>147,965,621</b>	<b>7.4%</b>
<b>Operating Expenses:</b>				
Instruction	888,273,839	954,693,381	66,419,542	7.5%
Academic Support	283,721,628	313,917,687	30,196,059	10.6%
Research	498,927,641	548,846,192	49,918,551	10.0%
Public Service	89,619,753	97,531,112	7,911,359	8.8%
Hospitals and Clinics	-	-	-	-
Institutional Support	236,616,882	240,754,444	4,137,562	1.7%
Student Services	121,644,266	130,938,209	9,293,943	7.6%
Operations and Maintenance of Plant	207,978,437	236,820,822	28,842,385	13.9%
Scholarships and Fellowships	300,788,429	343,571,473	42,783,044	14.2%
Auxiliary Enterprises	294,201,175	302,468,652	8,267,477	2.8%
<b>Total Operating Expenses</b>	<b>2,921,772,050</b>	<b>3,169,541,972</b>	<b>247,769,922</b>	<b>8.5%</b>
<b>Operating Surplus/Deficit</b>	<b>(934,502,718)</b>	<b>(1,034,307,019)</b>	<b>(99,804,301)</b>	<b>10.7%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	737,139,763	801,481,934	64,342,171	8.7%
Gifts in Support of Operations	45,400,587	45,953,831	553,244	1.2%
Net Investment Income	135,721,401	154,450,442	18,729,041	13.8%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>918,261,751</b>	<b>1,001,886,207</b>	<b>83,624,456</b>	<b>9.1%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	106,335,000	112,480,000	6,145,000	5.8%
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	280,000	-	(280,000)	-100.0%
Transfers for Debt Service	(105,330,508)	(105,187,534)	142,974	-0.1%
Other Additions and Transfers	83,789,289	84,470,478	681,189	0.8%
Other Deductions and Transfers	(110,832,598)	(101,953,589)	8,879,009	-8.0%
<b>Total Transfers and Other</b>	<b>(25,758,817)</b>	<b>(10,190,645)</b>	<b>15,568,172</b>	<b>-60.4%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (41,999,784)</b>	<b>(42,611,457)</b>	<b>(611,673)</b>	<b>1.5%</b>
<b>Total Revenues</b>				
<b>Total Expenses and Debt Service Transfers</b>	<b>\$ 2,905,531,083</b>	<b>3,137,121,160</b>	<b>231,590,077</b>	<b>8.0%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>(3,027,102,558)</b>	<b>(3,274,729,506)</b>	<b>(247,626,948)</b>	<b>8.2%</b>
	<b>\$ (121,571,475)</b>	<b>(137,608,346)</b>	<b>(16,036,871)</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas System Health Components  
Operating Budget  
Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 56,558,604	62,992,293	6,433,689	11.4%
Federal Sponsored Programs	717,780,422	767,313,680	49,533,258	6.9%
State Sponsored Programs	68,675,897	59,592,995	(9,082,902)	-13.2%
Local and Private Sponsored Programs	426,087,304	491,332,425	65,245,121	15.3%
Net Sales and Services of Educational Activities	52,628,765	57,310,090	4,681,325	8.9%
Net Sales and Services of Hospital and Clinics	2,149,772,261	2,464,394,113	314,621,852	14.6%
Net Professional Fees	794,172,774	811,342,535	17,169,761	2.2%
Net Auxiliary Enterprises	67,365,609	82,306,432	14,940,823	22.2%
Other Operating Revenues	72,083,557	65,517,007	(6,566,550)	-9.1%
<b>Total Operating Revenues</b>	<b>4,405,125,193</b>	<b>4,862,101,570</b>	<b>456,976,377</b>	<b>10.4%</b>
<b>Operating Expenses:</b>				
Instruction	1,294,119,642	1,400,100,362	105,980,720	8.2%
Academic Support	76,672,809	85,809,874	9,137,065	11.9%
Research	839,812,952	935,060,867	95,247,915	11.3%
Public Service	124,793,637	128,202,974	3,409,337	2.7%
Hospitals and Clinics	2,223,465,208	2,466,605,909	243,140,701	10.9%
Institutional Support	341,976,729	376,467,740	34,491,011	10.1%
Student Services	12,582,860	13,907,015	1,324,155	10.5%
Operations and Maintenance of Plant	406,316,280	472,399,486	66,083,206	16.3%
Scholarships and Fellowships	10,059,284	10,719,309	660,025	6.6%
Auxiliary Enterprises	59,517,021	73,345,135	13,828,114	23.2%
<b>Total Operating Expenses</b>	<b>5,389,316,422</b>	<b>5,962,618,671</b>	<b>573,302,249</b>	<b>10.6%</b>
<b>Operating Surplus/Deficit</b>	<b>(984,191,229)</b>	<b>(1,100,517,101)</b>	<b>(116,325,872)</b>	<b>11.8%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	862,733,621	937,002,853	74,269,232	8.6%
Gifts in Support of Operations	89,525,290	125,189,634	35,664,344	39.8%
Net Investment Income	128,430,032	142,002,923	13,572,891	10.6%
Other Non-Operating Revenue	3,837,655	2,837,655	(1,000,000)	-26.1%
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>1,084,526,598</b>	<b>1,207,033,065</b>	<b>122,506,467</b>	<b>11.3%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	(18,000,000)	-	18,000,000	-100.0%
Transfers for Debt Service	(129,292,393)	(156,929,872)	(27,637,479)	21.4%
Other Additions and Transfers	51,467,971	58,173,777	6,705,806	13.0%
Other Deductions and Transfers	(49,115,971)	(57,128,777)	(8,012,806)	16.3%
<b>Total Transfers and Other</b>	<b>(144,940,393)</b>	<b>(155,884,872)</b>	<b>(10,944,479)</b>	<b>7.6%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (44,605,024)</b>	<b>(49,368,908)</b>	<b>(4,763,884)</b>	<b>0</b>
<b>Total Revenues</b>				
<b>Total Expenses and Debt Service Transfers</b>	<b>\$ 5,489,651,791</b>	<b>6,069,134,635</b>	<b>579,482,844</b>	<b>10.6%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>(5,518,608,815)</b>	<b>(6,119,548,543)</b>	<b>(600,939,728)</b>	<b>10.9%</b>
	<b>\$ (28,957,024)</b>	<b>(50,413,908)</b>	<b>(21,456,884)</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

# **THE UNIVERSITY OF TEXAS**

## **SYSTEM ADMINISTRATION**



**The University of Texas System Administration  
Operating Budget Highlights  
For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

The FY 2006 operating budget allows the System Administration to continue to fulfill its mission to lead and serve our academic and health institutions to create and sustain excellence in educational opportunities, research and health care. To that end, areas of emphasis in the budget include continued expansion of the research and technology transfer function, renewed pursuit of the management contract for the Los Alamos National Laboratory, and an arrangement to provide services to Sandia National Laboratories. Also within the budget, the System's Institute for Public School Initiatives (IPSI) continues expansion of its goal of addressing issues such as student performance, high school graduation rates, reading proficiency, and college enrollment rates and is aggressively pursuing additional grant funding. Special funding has been made available for the Executive Vice Chancellor for Academic and Health Affairs and the Vice Chancellor for Research to support several new initiatives such as improving graduation rates, enhancing the junior faculty experience, research transfer technology, Chancellor's Fellows, and symposia. Finally, the budget reflects continued investment in existing staff through a 3% merit pool, equity adjustments, the state-mandated increase in longevity pay and increases in other staff benefits.

**Revenue**

Growth in budgeted revenues is largely driven by a \$13.7 million increase in the distribution to the Available University Fund (AUF) from the Permanent University Fund (PUF). This increase makes up the largest portion of the \$14.3 or 6.0% increase in Net Investment Income. Other amounts contributing to the growth in net investment income include \$250,000 of projected income from a newly created endowment supporting educational and research purposes.

The increase in State Sponsored Programs over 2005 reflects the anticipated receipt of funds supporting the Joint Admission Medical Program (JAMP) for the 2006-07 biennium. The program receives funding in the first fiscal year of each biennium that is intended to cover both years' expenses. In the second year of a biennium, JAMP does not receive income and instead relies upon balances received in the prior year.

Increases in Sales and Services of Educational Activities primarily result from activities associated with University Lands.

**Expenditures**

Expenditures of System Administration have increased 18.3% or \$25.5 million. When expenditures associated with PUF debt service are excluded, the increase over FY 2005 is 8.9%. PUF debt service has grown \$1.4 million (23.1%) largely reflecting the budgeting of debt service for future bond issuances.

An area of growth includes Instruction, where IPSI continues the Texas Reading First Initiative, a federally funded grant awarded through the Texas Education Agency, along with other privately funded initiatives.

For the first time, the System Administration budget has included a research function. This total reflects the contract activities providing services to Sandia National Laboratories. The System will develop, perform, and be accountable for the peer review process of the Sandia Assurance System for Science, Technology, and Engineering.

Finally, Institutional Support functions have grown 7.3%. Within this category, General Administration activities funded by the AUF are up approximately 5% excluding the Los Alamos initiative in part as a result of the change in funding source to AUF for a portion of the Office of the Board of Regents and additional staffing for the aforementioned research and technology transfer function. Also contributing are the System's merit policy, miscellaneous minor compensation and staffing adjustments and targeted increases in maintenance, operations and equipment and travel funds.



**The University of Texas System Administration**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	FY 2005 Adjusted Budget	FY 2006 Operating Budget	Budget Increases (Decreases) From 2005 to 2006	
			Amount	Percent
<b>Operating Revenues:</b>				
Tuition and Fees	\$ -	-	-	-
Federal Sponsored Programs	10,441,979	10,852,556	410,577	3.9%
State Sponsored Programs	70,200	3,372,515	3,302,315	4704.2%
Local and Private Sponsored Programs	868,500	861,560	(6,940)	-0.8%
Net Sales and Services of Educational Activities	1,495,315	1,960,405	465,090	31.1%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	-	-	-	-
Other Operating Revenues	-	-	-	-
Total Operating Revenues	<u>12,875,994</u>	<u>17,047,036</u>	<u>4,171,042</u>	<u>32.4%</u>
<b>Operating Expenses:</b>				
Instruction	10,436,424	11,085,773	649,349	6.2%
Academic Support	-	-	-	-
Research	-	850,000	850,000	-
Public Service	-	-	-	-
Hospitals and Clinics	-	-	-	-
Institutional Support	35,972,762	38,581,402	2,608,640	7.3%
Student Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Scholarships and Fellowships	-	-	-	-
Auxiliary Enterprises	-	-	-	-
Total Operating Expenses	<u>46,409,186</u>	<u>50,517,175</u>	<u>4,107,989</u>	<u>8.9%</u>
<b>Operating Surplus/Deficit</b>	<u>(33,533,192)</u>	<u>(33,470,139)</u>	<u>63,053</u>	<u>-0.2%</u>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	998,981	829,990	(168,991)	-16.9%
Gifts in Support of Operations	525,000	547,475	22,475	4.3%
Net Investment Income	237,012,444	251,285,837	14,273,393	6.0%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	<u>238,536,425</u>	<u>252,663,302</u>	<u>14,126,877</u>	<u>5.9%</u>
<b>Transfers and Other:</b>				
AUF Transfers Received	27,739,420	29,695,141	1,955,721	7.1%
AUF Transfers (Made)	(134,074,420)	(142,175,141)	(8,100,721)	6.0%
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(92,706,463)	(114,095,831)	(21,389,368)	23.1%
Other Additions and Transfers	450,000	573,604	123,604	27.5%
Other Deductions and Transfers	(1,114,000)	(1,093,000)	21,000	-1.9%
Total Transfers and Other	<u>(199,705,463)</u>	<u>(227,095,227)</u>	<u>(27,389,764)</u>	<u>13.7%</u>
<b>Surplus/(Deficit)</b>	<u>\$ 5,297,770</u>	<u>(7,902,064)</u>	<u>(13,199,834)</u>	<u>-249.2%</u>
Total Revenues	\$ 251,412,419	269,710,338	18,297,919	7.3%
Total Expenses and Debt Service Transfers	<u>(139,115,649)</u>	<u>(164,613,006)</u>	<u>(25,497,357)</u>	<u>18.3%</u>
Excess (Deficiency) of Revenue over Expenses	\$ 112,296,770	105,097,332	(7,199,438)	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas System Administration**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ -	-	Net Tuition and Fees	-	-	-
3,542,490	5,975,000	Federal Sponsored Programs	10,852,556	-	10,852,556
3,761,588	1,264,860	State Sponsored Programs	3,372,515	-	3,372,515
1,151,500	1,737,250	Local and Private Sponsored Programs	861,560	-	861,560
4,728,244	9,000,000	Net Sales and Services of Educational Activities	1,960,405	4,948,224	6,908,629
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
-	-	Net Professional Fees	-	-	-
-	-	Net Auxiliary Enterprises	-	-	-
(17,183,903)	-	Other Operating Revenues	-	-	-
(4,000,081)	17,977,110	Total Operating Revenues	17,047,036	4,948,224	21,995,260
<b>Operating Expenses:</b>					
4,023,189	9,500,000	Instruction	11,085,773	-	11,085,773
-	-	Academic Support	-	-	-
-	-	Research	850,000	-	850,000
-	-	Public Service	-	-	-
-	-	Hospitals and Clinics	-	-	-
45,764,054	47,100,000	Institutional Support	38,581,402	9,418,598	48,000,000
-	-	Student Services	-	-	-
-	-	Operations and Maintenance of Plant	-	-	-
-	-	Scholarships and Fellowships	-	-	-
-	-	Auxiliary Enterprises	-	-	-
1,607,386	3,339,000	Depreciation and Amortization	-	-	-
51,394,629	59,939,000	Total Operating Expenses	50,517,175	9,418,598	59,935,773
(55,394,710)	(41,961,890)	<b>Operating Surplus/Deficit</b>	(33,470,139)	(4,470,374)	(37,940,513)
<b>Nonoperating Revenues (Expenses):</b>					
6,057,411	6,458,500	State Appropriations	829,990	-	829,990
1,141,315	1,271,000	Gifts in Support of Operations	547,475	-	547,475
1,348,033,989	1,083,500,000	Net Investment Income	251,285,837	448,714,163	700,000,000
122,533,786	465,900,000	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
(88,898,802)	(124,755,000)	Interest Expense	-	(125,000,000)	(125,000,000)
20,328,876	(4,225,700)	Other	-	-	-
1,409,196,575	1,428,148,800	<b>Net Non-Operating Revenue/(Expenses)</b>	252,663,302	323,714,163	576,377,465
<b>Transfers and Other:</b>					
-	-	Capital Approp., Gifts and Sponsored Programs	-	-	-
204,133,255	99,219,000	Additions to Permanent Endowments	-	110,000,000	110,000,000
200,563,416	221,841,481	Transfers for Debt Service	(114,095,831)	392,832,779	278,736,948
(421,509,892)	(727,962,000)	Other	(112,999,396)	(600,000,000)	(712,999,396)
(16,813,221)	(406,901,519)	Total Transfers and Other	(227,095,227)	(97,167,221)	(324,262,448)
\$ 1,336,988,644	979,285,391	<b>Change in Net Assets</b>	(7,902,064)	222,076,568	214,174,504

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

# **THE UNIVERSITY OF TEXAS**

## **AT ARLINGTON**



**The University of Texas at Arlington**  
**Operating Budget Highlights**  
**For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

The University of Texas at Arlington's FY 2006 Operating Budget addresses the university's major goals, initiatives and strategies including: 1) funding of a merit policy designed to retain the university's high quality faculty and staff as well as a one-time cash excellence award program for productive faculty, 2) increasing the number of tenure and tenure track faculty to improve the faculty/student ratios in many of the colleges and schools as well as to increase the amount of funded federal, state, and local and private grants received by the university, 3) improving the university's information technology operations with PeopleSoft's Student Information System, and by relocating IT operations to a new high security and state of the art U. T. Arlington Computer Center Building, 4) providing for additional Graduate Research assistance, increased graduate and undergraduate merit and need based scholarships, creating a new tuition credit program for students who graduate on time while maintaining an acceptable grade-point average, 5) providing for increased utility costs associated with the university new chemistry and physics building and other new educational facilities, 6) increasing the university's communications and marketing efforts and its development initiatives, and 7) preparing for the upcoming Southern Association of Colleges and Schools review and re-accreditation processes.

**Revenue**

Revenue growth of 5.9% over FY 2005 is reflected in the FY 2006 Operating Budget. The FY 2006 revenue growth is due to: 1) a tuition and fee estimated revenue increase of \$1.8 million, generated from a 4.95% increase in tuition and fee rates for a 15 semester credit hour load, 2) state appropriations increase of \$6.3 million, 3) federal, state and local and private grants increase of \$7.3 million due to the addition of new research faculty, 4) income from net sales and services of educational activities increasing \$1.4 million due to the expansion of U. T. Arlington's continuing education programs and its English Language Institute, and 5) auxiliary enterprise incomes increase of \$1.1 million with the completion and occupancy of new campus student dormitories.

**Expenditures**

Expenditures in the FY 2006 Operating Budget are expected to increase 7.5% over FY 2005. This increase encompasses a 3% faculty and staff merit policy and a faculty one-time cash excellence award program totaling \$4.3 million, 31 new faculty across the university's academic programs at a cost of \$2.3 million, new grant and contract expenditures of about \$7.3 million, upgrading the university information technology operations and headquarters at a cost of \$1.2 million, utility costs associated with the university's new chemistry and physics building and other new educational buildings at a cost of \$1.1 million, the university's expanded communications and marketing efforts and its development initiatives of \$1.1 million and Graduate Research assistance, graduate and undergraduate merit and need based scholarships, and the implementation of a new tuition credit program for students who graduate on time while maintaining an acceptable GPA at a cost of \$863,000.

**The University of Texas at Arlington**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 135,351,203	137,141,519	1,790,316	1.3%
Federal Sponsored Programs	31,091,693	36,346,834	5,255,141	16.9%
State Sponsored Programs	8,064,247	5,428,436	(2,635,811)	-32.7%
Local and Private Sponsored Programs	4,070,761	8,753,943	4,683,182	115.0%
Net Sales and Services of Educational Activities	5,605,170	7,003,194	1,398,024	24.9%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	18,911,418	19,997,865	1,086,447	5.7%
Other Operating Revenues	5,981,296	3,911,500	(2,069,796)	-34.6%
<b>Total Operating Revenues</b>	<b>209,075,788</b>	<b>218,583,291</b>	<b>9,507,503</b>	<b>4.5%</b>
<b>Operating Expenses:</b>				
Instruction	106,451,935	115,116,017	8,664,082	8.1%
Academic Support	26,279,593	30,940,168	4,660,575	17.7%
Research	23,297,170	31,138,715	7,841,545	33.7%
Public Service	5,118,769	5,970,581	851,812	16.6%
Hospitals and Clinics	-	-	-	-
Institutional Support	29,291,083	22,389,818	(6,901,265)	-23.6%
Student Services	18,273,425	19,042,570	769,145	4.2%
Operations and Maintenance of Plant	23,984,993	26,914,784	2,929,791	12.2%
Scholarships and Fellowships	32,312,990	35,208,792	2,895,802	9.0%
Auxiliary Enterprises	29,373,972	31,272,661	1,898,689	6.5%
<b>Total Operating Expenses</b>	<b>294,383,930</b>	<b>317,994,106</b>	<b>23,610,176</b>	<b>8.0%</b>
<b>Operating Surplus/Deficit</b>	<b>(85,308,142)</b>	<b>(99,410,815)</b>	<b>(14,102,673)</b>	<b>16.5%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	96,904,459	103,160,172	6,255,713	6.5%
Gifts in Support of Operations	224,915	403,670	178,755	79.5%
Net Investment Income	3,115,856	5,547,210	2,431,354	78.0%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>100,245,230</b>	<b>109,111,052</b>	<b>8,865,822</b>	<b>8.8%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	280,000	-	(280,000)	-100.0%
Transfers for Debt Service	(16,261,425)	(15,994,324)	267,101	-1.6%
Other Additions and Transfers	12,304,089	17,365,435	5,061,346	41.1%
Other Deductions and Transfers	(12,453,598)	(17,063,821)	(4,610,223)	37.0%
<b>Total Transfers and Other</b>	<b>(16,130,934)</b>	<b>(15,692,710)</b>	<b>438,224</b>	<b>-2.7%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (1,193,846)</b>	<b>(5,992,473)</b>	<b>(4,798,627)</b>	<b>401.9%</b>
<b>Total Revenues</b>	<b>\$ 309,321,018</b>	<b>327,694,343</b>	<b>18,373,325</b>	<b>5.9%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(310,645,355)</b>	<b>(333,988,430)</b>	<b>(23,343,075)</b>	<b>7.5%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (1,324,337)</b>	<b>(6,294,087)</b>	<b>(4,969,750)</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at Arlington**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 97,306,050	102,816,040	Net Tuition and Fees	137,141,519	(22,436,352)	114,705,167
31,093,619	31,091,693	Federal Sponsored Programs	36,346,834	-	36,346,834
6,605,307	8,064,247	State Sponsored Programs	5,428,436	-	5,428,436
3,817,446	4,070,761	Local and Private Sponsored Programs	8,753,943	-	8,753,943
5,814,417	5,825,331	Net Sales and Services of Educational Activities	7,003,194	-	7,003,194
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
-	-	Net Professional Fees	-	-	-
18,593,924	22,659,121	Net Auxiliary Enterprises	19,997,865	-	19,997,865
4,813,593	5,430,660	Other Operating Revenues	3,911,500	-	3,911,500
168,044,356	179,957,853	Total Operating Revenues	218,583,291	(22,436,352)	196,146,939
<b>Operating Expenses:</b>					
88,789,529	105,284,299	Instruction	115,116,017	-	115,116,017
21,177,608	24,935,755	Academic Support	30,940,168	(4,434,562)	26,505,606
16,860,274	27,706,394	Research	31,138,715	-	31,138,715
8,377,464	5,541,279	Public Service	5,970,581	-	5,970,581
-	-	Hospitals and Clinics	-	-	-
20,054,177	20,394,476	Institutional Support	22,389,818	-	22,389,818
16,470,736	17,623,837	Student Services	19,042,570	-	19,042,570
20,591,937	24,935,755	Operations and Maintenance of Plant	26,914,784	-	26,914,784
11,514,045	11,853,199	Scholarships and Fellowships	35,208,792	(22,436,352)	12,772,440
28,186,221	27,706,394	Auxiliary Enterprises	31,272,661	-	31,272,661
12,150,617	11,082,558	Depreciation and Amortization	-	13,305,602	13,305,602
244,172,608	277,063,946	Total Operating Expenses	317,994,106	(13,565,312)	304,428,794
(76,128,252)	(97,106,093)	<b>Operating Surplus/Deficit</b>	(99,410,815)	(8,871,040)	(108,281,855)
<b>Nonoperating Revenues (Expenses):</b>					
96,766,632	98,313,831	State Appropriations	103,160,172	-	103,160,172
1,898,447	2,272,021	Gifts in Support of Operations	403,670	-	403,670
3,626,176	3,924,629	Net Investment Income	5,547,210	-	5,547,210
3,215,570	2,950,190	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(652,517)	(758,500)	Other	-	-	-
104,854,308	106,702,171	<b>Net Non-Operating Revenue/(Expenses)</b>	109,111,052	-	109,111,052
<b>Transfers and Other:</b>					
294,796	325,500	Capital Approp., Gifts and Sponsored Programs	-	332,010	332,010
527,978	765,000	Additions to Permanent Endowments	-	730,300	730,300
(18,424,762)	(16,261,425)	Transfers for Debt Service	(15,994,324)	-	(15,994,324)
68,515,278	41,550,500	Other	301,614	42,381,510	42,683,124
50,913,290	26,379,575	Total Transfers and Other	(15,692,710)	43,443,820	27,751,110
<b>\$ 79,639,346</b>	<b>35,975,653</b>	<b>Change in Net Assets</b>	<b>(5,992,473)</b>	<b>34,572,780</b>	<b>28,580,307</b>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

# **THE UNIVERSITY OF TEXAS**

## **AT AUSTIN**



**The University of Texas Austin  
Operating Budget Highlights  
For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

The major goals addressed by the FY 2006 budget are 1) continue the faculty expansion, 2) support a competitive compensation plan aimed at the recruitment and retention of top talent, and 3) support academic initiatives critical to the future.

We are able to continue the faculty expansion (300 new faculty over a ten year period) to reduce the faculty/student ratio by providing funds for thirty new faculty in FY 2006-07. Additionally, we are providing a 3% merit salary pool for faculty and staff.

The Blanton Museum will be opening in the spring of 2006 and funds have been provided to ensure its success. Within the University community, the Blanton is an essential teaching resource across disciplines, a catalyst for exchange and collaboration among many departments and entities on campus, and a magnet for campus intellectual and social life. In addition, the Museum provides a training ground for the next generation of museum professionals, from curators and directors to educators and conservators.

Although continuing to build recurring funding for repair and renovation of facilities is one of our foremost goals, we were unable to expand the funding for these projects.

Faculty recruitment and retention in the sciences and engineering has emerged as a major challenge. The replacement of the existing Experimental Sciences Building with a modern facility is a major factor in our ability to successfully compete with other institutions for these talented faculty, and the funding for the project has not yet been identified.

**Revenue**

The University has increased revenue by about 5% over FY 2005. A flat rate tuition policy was implemented for all undergraduate students, and tuition was increased by 4.75% for full-load students under this new structure. All existing fees were rolled into the flat rate and were not increased individually.

State appropriations (including fringe benefits) increased by about \$9.3 million, a 3.2% increase over FY 2005 appropriated funds. Since fringe benefits and special item funding for the Bureau of Economic Geology are dedicated to these purposes, the University actually had an increase of about \$7.1 million, or 2.5% in available appropriated funds to use for the FY 2006 budget.

Federal sponsored research program support increased by about 4%.

**Expenditures**

Expenditures for FY 2006 are expected to increase by about 5.4% due to a 3% merit salary increase policy, the addition of thirty new faculty members, and operating/maintenance expense increases necessary for the opening of the Blanton Art Museum, the Neural and Molecular Science building and the newly renovated Benedict/Mezes building.

The University's Tuition Policy Advisory Committee chose to continue the scholarship program that would provide scholarships to pay for 50% to 100% of the tuition increase for all students with family incomes of \$80,000 or less.

Utility costs have increased substantially due to rising natural gas prices, therefore \$10 million was dedicated to the utility budget.



**The University of Texas at Austin**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	FY 2005 Adjusted Budget	FY 2006 Operating Budget	Budget Increases (Decreases) From 2005 to 2006	
			Amount	Percent
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 388,268,877	409,538,137	21,269,260	5.5%
Federal Sponsored Programs	277,736,154	290,205,464	12,469,310	4.5%
State Sponsored Programs	49,324,089	40,686,113	(8,637,976)	-17.5%
Local and Private Sponsored Programs	60,704,899	66,489,723	5,784,824	9.5%
Net Sales and Services of Educational Activities	101,333,137	115,429,488	14,096,351	13.9%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	141,233,328	147,102,674	5,869,346	4.2%
Other Operating Revenues	100,000	1,904,120	1,804,120	1804.1%
Total Operating Revenues	1,018,700,484	1,071,355,719	52,655,235	5.2%
<b>Operating Expenses:</b>				
Instruction	413,257,681	437,848,293	24,590,612	6.0%
Academic Support	169,949,988	183,141,586	13,191,598	7.8%
Research	383,681,823	396,303,735	12,621,912	3.3%
Public Service	43,029,889	49,834,359	6,804,470	15.8%
Hospitals and Clinics	-	-	-	-
Institutional Support	99,819,487	92,124,159	(7,695,328)	-7.7%
Student Services	42,160,876	44,511,558	2,350,682	5.6%
Operations and Maintenance of Plant	106,371,778	119,294,802	12,923,024	12.1%
Scholarships and Fellowships	90,813,347	112,742,923	21,929,576	24.1%
Auxiliary Enterprises	182,167,935	181,534,151	(633,784)	-0.3%
Total Operating Expenses	1,531,252,804	1,617,335,566	86,082,762	5.6%
<b>Operating Surplus/Deficit</b>	(512,552,320)	(545,979,847)	(33,427,527)	6.5%
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	291,910,391	301,206,911	9,296,520	3.2%
Gifts in Support of Operations	32,354,010	31,203,651	(1,150,359)	-3.6%
Net Investment Income	113,470,448	126,592,904	13,122,456	11.6%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	437,734,849	459,003,466	21,268,617	4.9%
<b>Transfers and Other:</b>				
AUF Transfers Received	106,335,000	112,480,000	6,145,000	5.8%
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(36,273,830)	(34,803,057)	1,470,773	-4.1%
Other Additions and Transfers	-	-	-	-
Other Deductions and Transfers	(21,240,860)	(17,241,573)	3,999,287	-18.8%
Total Transfers and Other	48,820,310	60,435,370	11,615,060	23.8%
<b>Surplus/(Deficit)</b>	\$ (25,997,161)	(26,541,011)	(543,850)	2.1%
Total Revenues	\$ 1,456,435,333	1,530,359,185	73,923,852	5.1%
Total Expenses and Debt Service Transfers	(1,567,526,634)	(1,652,138,623)	(84,611,989)	5.4%
Excess (Deficiency) of Revenue over Expenses	\$ (111,091,301)	(121,779,438)	(10,688,137)	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at Austin**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 276,936,502	338,381,381	Net Tuition and Fees	409,538,137	(58,917,811)	350,620,326
287,970,662	300,811,290	Federal Sponsored Programs	290,205,464	19,630,165	309,835,629
38,799,698	42,820,272	State Sponsored Programs	40,686,113	3,418,767	44,104,880
56,861,455	62,753,658	Local and Private Sponsored Programs	66,489,723	(1,853,455)	64,636,268
107,023,950	110,896,004	Net Sales and Services of Educational Activities	115,429,488	(1,206,604)	114,222,884
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
-	-	Net Professional Fees	-	-	-
133,421,133	135,456,722	Net Auxiliary Enterprises	147,102,674	(7,582,251)	139,520,423
2,728,166	3,200,525	Other Operating Revenues	1,904,120	1,392,421	3,296,541
903,741,566	994,319,852	Total Operating Revenues	1,071,355,719	(45,118,768)	1,026,236,951
<b>Operating Expenses:</b>					
411,589,496	452,360,791	Instruction	437,848,293	28,083,322	465,931,615
96,914,316	104,918,372	Academic Support	183,141,586	(75,075,663)	108,065,923
309,125,593	343,020,000	Research	396,303,735	(42,993,135)	353,310,600
42,409,204	45,678,497	Public Service	49,834,359	(2,785,507)	47,048,852
-	-	Hospitals and Clinics	-	-	-
71,634,766	74,596,154	Institutional Support	92,124,159	(15,290,120)	76,834,039
37,207,803	41,473,484	Student Services	44,511,558	(1,793,870)	42,717,688
108,868,297	114,683,734	Operations and Maintenance of Plant	119,294,802	(1,170,556)	118,124,246
67,592,680	76,604,459	Scholarships and Fellowships	112,742,923	(20,817,572)	91,925,351
148,979,168	153,513,851	Auxiliary Enterprises	181,534,151	(23,414,884)	158,119,267
82,601,677	84,439,494	Depreciation and Amortization	-	86,972,679	86,972,679
1,376,923,000	1,491,288,836	Total Operating Expenses	1,617,335,566	(68,285,306)	1,549,050,260
(473,181,434)	(496,968,984)	<b>Operating Surplus/Deficit</b>	(545,979,847)	23,166,538	(522,813,309)
<b>Nonoperating Revenues (Expenses):</b>					
287,669,299	291,434,556	State Appropriations	301,206,911	-	301,206,911
60,116,905	79,291,868	Gifts in Support of Operations	31,203,651	50,466,973	81,670,624
100,105,905	112,881,486	Net Investment Income	126,592,904	(10,324,973)	116,267,931
146,536,199	183,992,870	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
(1,612,994)	-	Interest Expense	-	-	-
1,533,538	958,680	Other	-	1,000,000	1,000,000
594,348,852	668,559,460	<b>Net Non-Operating Revenue/(Expenses)</b>	459,003,466	41,142,000	500,145,466
<b>Transfers and Other:</b>					
19,983,346	16,379,017	Capital Approp., Gifts and Sponsored Programs	-	10,000,000	10,000,000
122,176,232	63,335,240	Additions to Permanent Endowments	-	50,000,000	50,000,000
(42,842,090)	(42,313,156)	Transfers for Debt Service	(34,803,057)	(11,526,376)	(46,329,433)
143,955,747	207,246,488	Other	95,238,427	54,761,573	150,000,000
243,273,235	244,647,589	Total Transfers and Other	60,435,370	103,235,197	163,670,567
<b>\$ 364,440,653</b>	<b>416,238,065</b>	<b>Change in Net Assets</b>	<b>(26,541,011)</b>	<b>167,543,735</b>	<b>141,002,724</b>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at Austin**  
**Application of Available University Fund (AUF)**  
**Recommended Budget 2005-06**

The mission of The University of Texas at Austin is excellence in teaching, research, and service and all sources of funds (appropriated, AUF, tuition, grants, and gifts) are expended to this end.

Specifically, the AUF provides the margin of excellence that permits UT Austin to achieve and maintain its place as one of the premier public institutions of higher education in the nation. This margin of excellence is demonstrated in the following ways:

<b>Excellence in Mission:</b>	<b>\$</b>	<b>56,113,595</b>
Instructional Excellence		
Enhanced Academic Programs	\$	5,709,768
Academic initiatives at the college and departmental level enhanced by the AUF include curriculum innovation, development of new degree programs, interdisciplinary program planning and coordination, honors programs, internship programs, academic technology and facility support, K-12 and community outreach activities, and continuing education.		
Instructional Program Services		2,215,184
These services include college computing services, instructional and technology enhanced teaching support, provision of Web-based student-faculty communication platforms, teaching effectiveness services, credit by examination, new and experienced faculty training, assessment methods, student course-instructor evaluations, and coordination of University-wide K-12 activities.		
Instructional Initiatives and Programs		1,619,438
These initiatives include providing students with visiting lectures, and specialized centers for bilingual education, education technology, science education, clinical legal, pharmacy and nursing experiences, student education field experience, fine arts productions, and the master teacher institute.		
Academic Infrastructure (Libraries, Instructional Technology)		22,692,813
Instructional technology services include providing access to computing, voice and data networks, internet, and email. Library services include access to comprehensive print and digital resources supporting all disciplines, and access to specialized collections within the Humanities Research Center, the Benson Latin American Collection and the Law Library.		

<p>Student Programs and Services</p> <p>These services encompass new student orientation, welcoming and mentoring programs, student organizations, campus and community involvement, Greek life, services for students with disabilities, student governance, judicial services and volunteer and service learning, the University Honors Center, and study abroad programs.</p>	3,108,861	
<p>Research Excellence</p> <p>Research Competitiveness</p> <p>Support is provided for the critical research infrastructure required for faculty to be competitive for federal, state, and private sector research grant funding, to meet the ever increasing regulatory and compliance requirements associated with this external funding, to provide specialized services for areas such as animal care and high performance computing, to support the UT Press, and to help support research centers and institutes targeting areas critical to the economic development of Texas and the nation.</p>	16,156,889	
<p>Outreach Excellence</p> <p>Academic Program/Community Interface</p> <p>These programs help define and characterize the role of a flagship institution within the larger community and include such units as:</p> <p>KUT Radio, Performing Arts Center, Blanton Museum, Texas Memorial Museum, and Winedale Historical Center.</p>	4,610,642	
<p><b>Recruitment and Retention of Talent:</b></p> <p>Faculty</p> <p>The faculty development program and the recruitment and start-up package funds will enable UT Austin to add 300 new faculty positions over a ten year period to lower the student/faculty ratio. Lowering this ratio will improve undergraduate educational programs and will increase institutional adaptability, which are major institutional goals for this decade. Steady progress must be made annually to achieve these goals.</p>	6,598,714	<b>40,669,018</b>
<p>K-12 Outreach and Undergraduate Students</p> <p>The University Outreach centers provide an intensive college preparatory program for under-represented students beginning in eighth grade and continuing through high school. The purpose is to increase the number of educationally disadvantaged students who graduate from Texas high schools prepared to matriculate and be successful in Texas colleges and universities. Funds for various scholarship and retention programs (Gateway, National merit scholarships, Multicultural Information Center, etc.) help insure the quality and diversity of students.</p>	14,054,416	

Graduate Students

20,015,888

The intellectual and research accomplishments of the University depend critically on our ability to recruit and retain the very best graduate students from across the nation. These funds provide the scholarships, fellowships and infrastructure support necessary for UT Austin to compete with its peer institutions for these excellent students.

**Institutional Accountability and Enhanced Connections to the Public**

**13,870,369**

Institutional accountability programs and offices are dedicated to providing support services for excellence in teaching, research, and public service. Development efforts expand private support by presenting evidence of the University's distinctive character, valuable service, and efficient management. Public Affairs has leadership responsibility for the institution's interaction with the media and with the public at large. The Office of Institutional Research provides information and analytical support to university decision makers and submits numerous reports to the Texas Higher Education Coordinating Board and the Department of Education. Employee and Campus Services is dedicated to enhancing the development and delivery of most supporting services for on-campus clients, including public and environmental safety and the integrity of the physical infrastructure of the campus.

**UT System**

**1,827,018**

The UT System Office of Telecommunication Services and the Network Bandwidth were established by the UT System Board of Regents to provide component institutions with inter-institutional voice, video, and computer communications in support of their missions of instruction and research. These services are managed by UT Austin, and therefore, appear in UT Austin's budget.

UT Austin AUF Budget

**\$ 112,480,000**

## Details

### **Excellence in Mission**

#### **Instructional Excellence**

Enhanced Academic Programs		\$	5,709,768
Colleges and Schools	\$	4,662,834	
Academic Departments and Centers		1,046,934	

Instructional Program Services			2,215,184
College computing services		462,380	
Division of Instructional Innovation and Assessment		1,752,804	

Instructional Initiatives and Programs			1,619,438
Visiting Lecturers and Academic development		271,855	
Bilingual education		68,888	
Education Learning Technology Center		484,593	
Science Education Center		86,729	
Education student field experience		58,467	
Fine Arts ensembles, projects & opera production		56,300	
Clinical legal education		119,289	
E-outreach		147,397	
Master Teacher Institute		310,232	
Nursing learning center		15,688	

Academic Infrastructure			22,692,813
Instructional Technology:		4,253,468	
computing, network, internet, email, etc			
Libraries: general library, Benson, Law, HRC		18,439,345	

Student Programs and Services			3,108,861
University Honors Center		78,756	
Dean of Students		1,999,678	
Deaf interpreters		327,883	
Mathematics lab		190,700	
Study abroad		484,825	
International exchange program		27,019	

#### **Research Excellence**

Research Competitiveness			16,156,889
Research grant infrastructure, compliance and support			
VP Research		1,211,629	
Compliance		400,513	
Research grants		100,000	
Pickle Research Center commons and transportation		190,669	
Animal Resources Center		372,108	
Texas Advanced Computing Center		3,141,057	
		<u>5,415,976</u>	

Research Initiatives	
National Center for Educational Accountability	568,990
UT Press	1,098,156
Organized Research Units	4,702,843
Institute for Computational Engineering and Science	100,000
Institute for Cellular and Molecular Biology	2,702,275
Institute for Geophysics	829,487
Marine Science Institute	739,162
	<u>10,740,913</u>

**Outreach Excellence**

**4,610,642**

Academic Program/Community Interface	
KUT	344,449
Performing Arts Center	2,314,733
Blanton Museum	752,103
Texas Memorial Museum	1,054,104
Winedale	145,253

**Recruitment and Retention of Talent:**

**40,669,018**

Initiatives to ensure quality and diversity	
Faculty	
Faculty development program	2,390,186
Recruitment start-up package, special equipment	4,208,528
	<u>6,598,714</u>

Undergraduate Students	
Admission	1,927,049
Registrar	1,754,115
Freshman admissions center	744,059
Outreach centers	1,123,452
Multicultural information center	144,170
National merit scholarships	1,692,599
Tuition and fees scholarship	69,129
Gateway	285,965
Student retention programs	287,381
Community college student recruitment	206,969
Student services programs	1,918,274
Recruitment and retention programs	187,320
Former student records	326,421
Alumni volunteer network	118,344
Houston satellite office	229,573
Student financial services	3,039,596
	<u>14,054,416</u>

Graduate Students	
Dean of Graduate Studies	176,456
English Proficiency	135,000
Graduate fellowships	3,321,598
Tuition Benefits - Teaching Asst/Asst Instructor	14,097,200
Special graduate fellowships	750,000
Outreach fellowships	832,500
Graduate research fellowships	50,000
ICMB graduate student recruitment	105,000
Graduate and international admissions	303,134
LBJ scholarships	225,000
Liberal Arts - History - Brands Graduate Fellows	20,000
	<u>20,015,888</u>

**Institutional Accountability and  
Enhanced Connections to the Public**

**13,870,369**

Office of Institutional Research	867,636
Public affairs and Special Events (commencement, etc)	1,882,322
VP for Employee and Campus Services	903,429
Equal Employment Opportunity	276,618
Employee training	210,356
Employee Communications	175,482
Development - support for scholarships, facilities, research, academic programs, faculty endowments, etc.	9,365,355
General faculty office	189,171

**UT System**

**1,827,018**

Information Technology Network Bandwidth	160,000
Telecomm office and infrastructure - UT System Support	900,000
Telecomm office and infrastructure - UT Austin Support	397,201
Technology assessments	369,817

**TOTAL**

**\$ 112,480,000**



# **THE UNIVERSITY OF TEXAS**

## **AT BROWNSVILLE**



**The University of Texas at Brownsville  
Operating Budget Highlights  
For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

The goals addressed by the FY 2006 budget include maintaining adequate faculty salaries, adding faculty to address enrollment growth, funding new academic programs, funding support personnel to support the growth and increasing student retention, and compressing time to graduation.

**Revenue**

Revenues are expected to grow by \$18.8 million for FY 2006. This increase represents the most significant increase to available funding in the last eight years. Tuition and fees are projected to increase by \$2.7 million as a result of a 6% increase in enrollment, plus a \$2 increase in statutory and \$6 increase in designated tuition. State appropriations are projected to increase by \$6.5 million in general revenue and HEAF funding. Local and private sponsored programs are expected to increase by \$8.8 million primarily due to increases in the contract with Texas Southmost College. State sponsored programs totaling \$.3 million and increases to Pell Grants in the amount of \$2.1 million account for most of the remaining increases to available funding.

**Expenditures**

The FY 2006 budget will add \$19.0 million dollars for expenditures in the following areas:

The primary goal of the FY 2006 budget added 33.5 new faculty lines and additional summer faculty and overload dollars totaling \$4.3 million. \$.9 million provided increases to faculty salaries and \$2.7 million was added in academic and program support. An additional \$800,000 was added to fund equipment needs for instruction for a total of \$8.7 million in instruction and academic support.

Research has been budgeted to increase due to new grants that are classified as research and public service. Contracts with the RAHC, and grants such as the RIMI, SCORE and HEP grants have been added to fund new projects in FY 2006.

An additional \$2.3 million has been added to support the maintenance of campus facilities and 5 FTEs have been added to support the campus growth. Also \$3.5 million has been budgeted in auxiliary enterprises to fund the new Wellness Recreation Center and expand the Student Medical Services Program. An additional \$2.1 million will be expended for Pell Grants.

The remaining funds will add security personnel, enrollment management support personnel, and institutional support personnel. Additional dollars will add new programs such as the department for Multicultural Student Services and LAMP program.

Funds have also been added to provide a 4% increase to staff salaries for base merit, exceptional merit and market adjustments.

In FY 2005, \$725,000 in fund balance was utilized to fund initiatives. In FY 2006, we are expecting to utilize the same amount of dollars to fund initiatives in the Education and General Fund plus an additional \$133,000 in the Designated Fund. The use of fund balance has proven to be an effective way of accommodating the growth in our student population and has allowed us to address needs in the most prudent way.

The FY 2006 Expenditure Budget increased by 18.7%, added 33.5 faculty lines, the most in the last five years and addressed the most critical needs presented by all of the units on campus. Enrollment growth in past fiscal years outpaced our ability to add required faculty and necessary support personnel. The FY 2006 Budget will allow us to maintain the advances made in prior years and support the growth that will surely come. The need for facilities as well as the need for additional faculty will be the challenges that we must overcome in order to support the needs of our community and the growth in student population.

**The University of Texas at Brownsville**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 10,146,244	12,838,902	2,692,658	26.5%
Federal Sponsored Programs	26,003,812	28,259,661	2,255,849	8.7%
State Sponsored Programs	2,377,392	2,705,122	327,730	13.8%
Local and Private Sponsored Programs	33,963,787	42,736,857	8,773,070	25.8%
Net Sales and Services of Educational Activities	576,220	659,220	83,000	14.4%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	3,748,779	1,976,457	(1,772,322)	-47.3%
Other Operating Revenues	13,524	13,524	-	0.0%
<b>Total Operating Revenues</b>	<b>76,829,758</b>	<b>89,189,743</b>	<b>12,359,985</b>	<b>16.1%</b>
<b>Operating Expenses:</b>				
Instruction	28,694,379	36,526,292	7,831,913	27.3%
Academic Support	10,680,243	11,567,286	887,043	8.3%
Research	4,316,388	5,091,411	775,023	18.0%
Public Service	2,413,648	3,165,678	752,030	31.2%
Hospitals and Clinics	-	-	-	-
Institutional Support	11,068,525	12,469,618	1,401,093	12.7%
Student Services	8,078,702	6,521,182	(1,557,520)	-19.3%
Operations and Maintenance of Plant	6,281,444	8,613,286	2,331,842	37.1%
Scholarships and Fellowships	21,686,534	24,081,745	2,395,211	11.0%
Auxiliary Enterprises	4,735,721	8,189,498	3,453,777	72.9%
<b>Total Operating Expenses</b>	<b>97,955,584</b>	<b>116,225,996</b>	<b>18,270,412</b>	<b>18.7%</b>
<b>Operating Surplus/Deficit</b>	<b>(21,125,826)</b>	<b>(27,036,253)</b>	<b>(5,910,427)</b>	<b>28.0%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	23,646,078	30,152,033	6,505,955	27.5%
Gifts in Support of Operations	37,000	-	(37,000)	-100.0%
Net Investment Income	229,659	229,659	-	0.0%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>23,912,737</b>	<b>30,381,692</b>	<b>6,468,955</b>	<b>27.1%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(3,511,911)	(4,203,299)	(691,388)	19.7%
Other Additions and Transfers	-	-	-	-
Other Deductions and Transfers	-	-	-	-
<b>Total Transfers and Other</b>	<b>(3,511,911)</b>	<b>(4,203,299)</b>	<b>(691,388)</b>	<b>19.7%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (725,000)</b>	<b>(857,860)</b>	<b>(132,860)</b>	<b>18.3%</b>
<b>Total Revenues</b>	<b>\$ 100,742,495</b>	<b>119,571,435</b>	<b>18,828,940</b>	<b>18.7%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(101,467,495)</b>	<b>(120,429,295)</b>	<b>(18,961,800)</b>	<b>18.7%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (725,000)</b>	<b>(857,860)</b>	<b>(132,860)</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at Brownsville**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 6,271,516	9,033,447	Net Tuition and Fees	12,838,902	(2,359,724)	10,479,178
28,593,434	29,070,321	Federal Sponsored Programs	28,259,661	-	28,259,661
2,089,500	2,639,636	State Sponsored Programs	2,705,122	-	2,705,122
36,891,102	38,083,579	Local and Private Sponsored Programs	42,736,857	-	42,736,857
1,642,038	675,711	Net Sales and Services of Educational Activities	659,220	-	659,220
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
-	-	Net Professional Fees	-	-	-
574,182	1,935,446	Net Auxiliary Enterprises	1,976,457	-	1,976,457
17,089	12,027	Other Operating Revenues	13,524	-	13,524
<u>76,078,861</u>	<u>81,450,167</u>	<b>Total Operating Revenues</b>	<u>89,189,743</u>	<u>(2,359,724)</u>	<u>86,830,019</u>
<b>Operating Expenses:</b>					
29,943,673	31,621,240	Instruction	36,526,292	(1,090,912)	35,435,380
7,556,430	8,160,320	Academic Support	11,567,286	(371,664)	11,195,622
2,325,249	3,060,120	Research	5,091,411	(250,024)	4,841,387
3,514,744	3,060,120	Public Service	3,165,678	(13,820)	3,151,858
-	-	Hospitals and Clinics	-	-	-
9,714,786	7,140,280	Institutional Support	12,469,618	(1,855,667)	10,613,951
6,758,620	10,200,400	Student Services	6,521,182	83,275	6,604,457
7,512,685	8,160,320	Operations and Maintenance of Plant	8,613,286	-	8,613,286
23,840,948	24,480,960	Scholarships and Fellowships	24,081,745	(2,359,724)	21,722,021
3,522,603	3,060,120	Auxiliary Enterprises	8,189,498	-	8,189,498
2,932,649	3,060,119	Depreciation and Amortization	-	3,396,732	3,396,732
<u>97,622,387</u>	<u>102,003,999</u>	<b>Total Operating Expenses</b>	<u>116,225,996</u>	<u>(2,461,804)</u>	<u>113,764,192</u>
<u>(21,543,526)</u>	<u>(20,553,832)</u>	<b>Operating Surplus/Deficit</b>	<u>(27,036,253)</u>	<u>102,080</u>	<u>(26,934,173)</u>
<b>Nonoperating Revenues (Expenses):</b>					
23,626,487	24,062,568	State Appropriations	30,152,033	(2,791,194)	27,360,839
70,900	-	Gifts in Support of Operations	-	-	-
845,000	236,573	Net Investment Income	229,659	-	229,659
467,730	200,000	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(4,412)	-	Other	-	-	-
<u>25,005,705</u>	<u>24,499,141</u>	<b>Net Non-Operating Revenue/(Expenses)</b>	<u>30,381,692</u>	<u>(2,791,194)</u>	<u>27,590,498</u>
<b>Transfers and Other:</b>					
1,410,471	1,050,580	Capital Approp., Gifts and Sponsored Programs	-	2,791,194	2,791,194
520,760	-	Additions to Permanent Endowments	-	-	-
(3,511,911)	(3,517,692)	Transfers for Debt Service	(4,203,299)	-	(4,203,299)
1,133,175	-	Other	-	3,573,419	3,573,419
<u>(447,505)</u>	<u>(2,467,112)</u>	<b>Total Transfers and Other</b>	<u>(4,203,299)</u>	<u>6,364,613</u>	<u>2,161,314</u>
<u>\$ 3,014,674</u>	<u>1,478,197</u>	<b>Change in Net Assets</b>	<u>(857,860)</u>	<u>3,675,499</u>	<u>2,817,639</u>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

# **THE UNIVERSITY OF TEXAS**

## **AT DALLAS**



**The University of Texas at Dallas  
Operating Budget Highlights  
For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

Major goals addressed by FY 2006 budget for The University of Texas at Dallas are:

- Continued fulfillment of the institutional commitment to Project Emmitt in terms of increased strength in the ranks of faculty and graduate students in engineering and science research and education.
- Sustaining a competitive salary structure to retain and attract superior faculty, staff and graduate students.
- Reversing the negative trend in student/faculty ratios.
- Strengthening the staffing and infrastructure of university business operations.
- Addressing major deferred maintenance of campus physical infrastructure.

**Revenue**

Revenue growth of 17% over FY 2005 budget due to the following:

- Rate increase in mandatory tuition and fees to generate 5% increase in revenues over anticipated actual FY 2005 revenues.
- Anticipated increases in semester credit hour and head count enrollment of 4%.
- Increases in State Appropriations of \$6.3 million, including an increase in funding for Tuition Revenue Bond debt service of \$1.1 million and a \$3.5 million increase in formula funding.
- Final increment of Project Emmitt Funding from Texas Enterprise Fund of \$25 million.

**Expenditures**

Primary factors contributing to an anticipated 14% growth in expenditures are as follows:

- A program of merit salary increases for faculty and staff allocated from a pool of 3% of current salary expenditures.
- Addition of 18 FTE tenure-system faculty in support of Project Emmitt commitment, at cost of \$1.8 million.
- Addition of 15 tenure-system faculty in support of meeting enrollment increases with proportional faculty increases, at cost of \$1.6 million.
- Additional undergraduate and scholarship assistance.
- Strengthening of business and student affairs operations, at cost of \$0.5 million.
- Funding of \$250,000 budgeted to provide funding for critical minor deferred maintenance program--first installment toward addressing critical infrastructure needs estimated to be \$23 million.

**The University of Texas at Dallas**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 94,293,843	98,998,476	4,704,633	5.0%
Federal Sponsored Programs	24,443,984	25,287,451	843,467	3.5%
State Sponsored Programs	6,608,237	27,330,724	20,722,487	313.6%
Local and Private Sponsored Programs	4,372,152	4,721,795	349,643	8.0%
Net Sales and Services of Educational Activities	6,617,265	6,937,764	320,499	4.8%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	5,553,100	5,676,500	123,400	2.2%
Other Operating Revenues	2,174,991	2,056,421	(118,570)	-5.5%
<b>Total Operating Revenues</b>	<b>144,063,572</b>	<b>171,009,131</b>	<b>26,945,559</b>	<b>18.7%</b>
<b>Operating Expenses:</b>				
Instruction	82,450,638	89,238,974	6,788,336	8.2%
Academic Support	19,059,366	23,576,771	4,517,405	23.7%
Research	40,759,564	57,314,149	16,554,585	40.6%
Public Service	4,659,039	5,843,722	1,184,683	25.4%
Hospitals and Clinics	-	-	-	-
Institutional Support	17,325,093	19,409,373	2,084,280	12.0%
Student Services	7,606,075	8,683,362	1,077,287	14.2%
Operations and Maintenance of Plant	13,039,858	12,567,544	(472,314)	-3.6%
Scholarships and Fellowships	28,723,766	29,475,677	751,911	2.6%
Auxiliary Enterprises	11,846,519	12,075,260	228,741	1.9%
<b>Total Operating Expenses</b>	<b>225,469,918</b>	<b>258,184,832</b>	<b>32,714,914</b>	<b>14.5%</b>
<b>Operating Surplus/Deficit</b>	<b>(81,406,346)</b>	<b>(87,175,701)</b>	<b>(5,769,355)</b>	<b>7.1%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	65,390,384	71,699,334	6,308,950	9.6%
Gifts in Support of Operations	3,443,405	6,899,468	3,456,063	100.4%
Net Investment Income	7,831,236	8,662,649	831,413	10.6%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>76,665,025</b>	<b>87,261,451</b>	<b>10,596,426</b>	<b>13.8%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(6,311,169)	(6,635,863)	(324,694)	5.1%
Other Additions and Transfers	7,695,461	4,276,029	(3,419,432)	-44.4%
Other Deductions and Transfers	(7,916,461)	(3,606,029)	4,310,432	-54.4%
<b>Total Transfers and Other</b>	<b>(6,532,169)</b>	<b>(5,965,863)</b>	<b>566,306</b>	<b>-8.7%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (11,273,490)</b>	<b>(5,880,113)</b>	<b>5,393,377</b>	<b>-47.8%</b>
<b>Total Revenues</b>	<b>\$ 220,728,597</b>	<b>258,270,582</b>	<b>37,541,985</b>	<b>17.0%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(231,781,087)</b>	<b>(264,820,695)</b>	<b>(33,039,608)</b>	<b>14.3%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (11,052,490)</b>	<b>(6,550,113)</b>	<b>4,502,377</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at Dallas**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 63,160,827	73,008,000	Net Tuition and Fees	98,998,476	(17,415,154)	81,583,322
22,157,578	23,088,070	Federal Sponsored Programs	25,287,451	-	25,287,451
24,673,759	6,250,400	State Sponsored Programs	27,330,724	-	27,330,724
3,728,685	4,845,000	Local and Private Sponsored Programs	4,721,795	-	4,721,795
4,383,170	5,802,408	Net Sales and Services of Educational Activities	6,937,764	-	6,937,764
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
-	-	Net Professional Fees	-	-	-
5,008,535	6,193,944	Net Auxiliary Enterprises	5,676,500	-	5,676,500
2,295,113	3,423,584	Other Operating Revenues	2,056,421	100,000	2,156,421
<u>125,407,667</u>	<u>122,611,406</u>	<b>Total Operating Revenues</b>	<u>171,009,131</u>	<u>(17,315,154)</u>	<u>153,693,977</u>
<b>Operating Expenses:</b>					
70,865,373	81,009,489	Instruction	89,238,974	(309,211)	88,929,763
15,692,955	16,855,552	Academic Support	23,576,771	(7,695,980)	15,880,791
25,409,681	32,586,434	Research	57,314,149	(8,594,252)	48,719,897
5,084,647	5,710,473	Public Service	5,843,722	(2,500)	5,841,222
-	-	Hospitals and Clinics	-	-	-
13,447,260	16,873,408	Institutional Support	19,409,373	(1,892,490)	17,516,883
6,461,627	8,176,243	Student Services	8,683,362	56,848	8,740,210
12,073,990	13,243,785	Operations and Maintenance of Plant	12,567,544	(200,000)	12,367,544
10,714,849	12,688,929	Scholarships and Fellowships	29,475,677	(17,415,154)	12,060,523
10,818,372	11,296,063	Auxiliary Enterprises	12,075,260	(33,468)	12,041,792
11,841,243	14,753,674	Depreciation and Amortization	-	16,155,273	16,155,273
<u>182,409,997</u>	<u>213,194,050</u>	<b>Total Operating Expenses</b>	<u>258,184,832</u>	<u>(19,930,934)</u>	<u>238,253,898</u>
<u>(57,002,330)</u>	<u>(90,582,644)</u>	<b>Operating Surplus/Deficit</b>	<u>(87,175,701)</u>	<u>2,615,780</u>	<u>(84,559,921)</u>
<b>Nonoperating Revenues (Expenses):</b>					
63,902,158	64,359,964	State Appropriations	71,699,334	-	71,699,334
5,164,398	5,444,461	Gifts in Support of Operations	6,899,468	-	6,899,468
8,672,228	9,597,323	Net Investment Income	8,662,649	-	8,662,649
11,283,141	12,100,000	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(657,502)	1,100,000	Other	-	-	-
<u>88,364,423</u>	<u>92,601,748</u>	<b>Net Non-Operating Revenue/(Expenses)</b>	<u>87,261,451</u>	<u>-</u>	<u>87,261,451</u>
<b>Transfers and Other:</b>					
5,204,255	2,500,000	Capital Approp., Gifts and Sponsored Programs	-	-	-
1,762,990	9,608,395	Additions to Permanent Endowments	-	1,000,000	1,000,000
(5,777,142)	(5,122,388)	Transfers for Debt Service	(6,635,863)	-	(6,635,863)
35,149,802	40,396,735	Other	670,000	87,100,000	87,770,000
<u>36,339,905</u>	<u>47,382,742</u>	<b>Total Transfers and Other</b>	<u>(5,965,863)</u>	<u>88,100,000</u>	<u>82,134,137</u>
<u>\$ 67,701,998</u>	<u>49,401,846</u>	<b>Change in Net Assets</b>	<u>(5,880,113)</u>	<u>90,715,780</u>	<u>84,835,667</u>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



# **THE UNIVERSITY OF TEXAS**

## **AT EL PASO**



**The University of Texas at El Paso  
Operating Budget Highlights  
For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

The FY 2006 Operating Budget for U. T. El Paso addressed many key issues for the University. First and foremost, a total of \$1.4 million was added to the faculty salary base for additional faculty lines in critical areas and for market adjustments in highly competitive fields. This will help to maintain our current student to faculty ratio, currently at 21 for fiscal year 2004 (most recent data available from THECB). The University also maintained competitive salary levels for both faculty and staff by providing for an average merit increase of 3%, costing approximately \$2.4 million. The University also addressed the 90 day waiting periods for both insurance benefits and TRS/ORP contributions by setting aside \$450,000. These are key issues in the recruitment of new faculty and will allow the University to remain competitive in its recruitment efforts. Academic departments have been allocated an additional \$250,000 for maintenance and operations accounts. This increase was needed to help offset costs associated with increased enrollments, increased number of faculty, and inflationary pressures. Additionally, as committed to the students during the fee increase proposal, Technology Fee funds will be used to complete the campus wireless network, develop a comprehensive renewal plan for computer software and equipment, and absorb certain infrastructure support costs. The budget also includes the reorganization of various University administration units to include: Vice-President for Information Resources and Planning, Vice-President for Health Affairs, and changes within the Provost Office.

**Revenue**

Total revenues increased by 5.3% over FY 2005. This growth is due to an increase in tuition and fee revenue of approximately \$6.1 million, an 8.5% increase, resulting from a \$2 per semester credit hour (SCH) increase in statutory tuition, \$3 per SCH increase in designated tuition, and a \$3 increase in the Technology Fee, coupled with anticipated enrollment growth of 2%. Increases in parking fees account for \$350,000 of the overall increase. Increases in differential tuition for the Colleges Education and Liberal Arts, the new "Third Attempt" fee, and various miscellaneous fees that were added to the operating budget also contributed to this overall increase.

State appropriations increased by 7.5% to \$76.9 million, including appropriations for staff benefits, for FY 2006. Also included in this figure is approximately \$1.8 million appropriated for the Research Development Fund.

Federal sponsored programs are expected to increase by 6.1% to approximately \$64.3 million, including an increase in indirect cost recoveries of \$500,000 to \$5.1 million. Net investment income is expected to grow by 2.6% to approximately \$4.6 million for FY 2006.

**Expenditures**

Total budgeted expenditures for FY 2006 are expected to increase by 7.2% to approximately \$262 million. Approximately \$2.4 million has been set aside for faculty and staff merit increases. The University adopted the following salary policy for FY 2006: Faculty – A pool of funds equivalent to 3% of the faculty salary budget will be set aside to provide merit-based salary increases; Classified and Administrative and Professional Staff – All staff members earning \$30,000 or less will receive a \$900 per year increase. All other staff will be eligible for a merit-based salary increase. Merit pools, based on 3% of budgeted salaries and adjusted to include funding for the minimum increase, has been set aside for these increases. Approximately 43 faculty FTEs were added during this budget cycle to address increases in enrollment and needs in critical areas. Corresponding increases in staff benefits resulting from the merit increases and new positions total approximately \$800,000. Additionally, \$300,000 has been set aside for the increased longevity benefits as approved by the Legislature. In addition, \$1.8 million has been set aside to fund various research efforts across campus.

The reorganization of various University administrative units increased expenditures by approximately \$682,000 for FY 2006. Additional increases include \$450,000 to supplement health insurance and retirement contributions during an employee's first 90 days, \$250,000 for increases in maintenance and operations accounts for academic departments, and \$400,000 to cover increases that are driven by fluctuations in the energy market and the addition of four new facilities (Academic Services Building, Kelly Hall, Engineering Expansion, and the Biosciences Building).

**The University of Texas at El Paso**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 71,861,174	77,968,650	6,107,476	8.5%
Federal Sponsored Programs	60,612,171	64,287,277	3,675,106	6.1%
State Sponsored Programs	6,951,890	6,951,890	-	0.0%
Local and Private Sponsored Programs	50,000	50,000	-	0.0%
Net Sales and Services of Educational Activities	3,159,771	3,051,315	(108,456)	-3.4%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	25,602,859	24,683,767	(919,092)	-3.6%
Other Operating Revenues	60,000	60,000	-	0.0%
<b>Total Operating Revenues</b>	<b>168,297,865</b>	<b>177,052,899</b>	<b>8,755,034</b>	<b>5.2%</b>
<b>Operating Expenses:</b>				
Instruction	74,125,633	75,406,789	1,281,156	1.7%
Academic Support	10,874,946	12,463,232	1,588,286	14.6%
Research	27,572,303	33,445,480	5,873,177	21.3%
Public Service	9,511,021	8,756,592	(754,429)	-7.9%
Hospitals and Clinics	-	-	-	-
Institutional Support	21,449,175	29,362,915	7,913,740	36.9%
Student Services	10,289,179	10,434,880	145,701	1.4%
Operations and Maintenance of Plant	15,713,383	16,545,153	831,770	5.3%
Scholarships and Fellowships	30,878,272	32,758,275	1,880,003	6.1%
Auxiliary Enterprises	32,926,594	32,116,268	(810,326)	-2.5%
<b>Total Operating Expenses</b>	<b>233,340,506</b>	<b>251,289,584</b>	<b>17,949,078</b>	<b>7.7%</b>
<b>Operating Surplus/Deficit</b>	<b>(65,042,641)</b>	<b>(74,236,685)</b>	<b>(9,194,044)</b>	<b>14.1%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	71,563,448	76,937,638	5,374,190	7.5%
Gifts in Support of Operations	4,646,230	3,473,380	(1,172,850)	-25.2%
Net Investment Income	4,460,000	4,576,118	116,118	2.6%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>80,669,678</b>	<b>84,987,136</b>	<b>4,317,458</b>	<b>5.4%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(10,714,093)	(10,340,481)	373,612	-3.5%
Other Additions and Transfers	18,751,944	20,322,265	1,570,321	8.4%
Other Deductions and Transfers	(22,981,494)	(20,087,265)	2,894,229	-12.6%
<b>Total Transfers and Other</b>	<b>(14,943,643)</b>	<b>(10,105,481)</b>	<b>4,838,162</b>	<b>-32.4%</b>
<b>Surplus/(Deficit)</b>	<b>\$ 683,394</b>	<b>644,970</b>	<b>(38,424)</b>	<b>-5.6%</b>
<b>Total Revenues</b>				
<b>Total Expenses and Debt Service Transfers</b>	<b>\$ 248,967,543</b>	<b>262,040,035</b>	<b>13,072,492</b>	<b>5.3%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>(244,054,599)</b>	<b>(261,630,065)</b>	<b>(17,575,466)</b>	<b>7.2%</b>
	<b>\$ 4,912,944</b>	<b>409,970</b>	<b>(4,502,974)</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at El Paso**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 48,671,281	56,880,952	Net Tuition and Fees	77,968,650	(17,869,902)	60,098,748
59,941,557	57,693,230	Federal Sponsored Programs	64,287,277	(4,176,318)	60,110,959
8,416,538	10,865,814	State Sponsored Programs	6,951,890	4,022,582	10,974,472
5,096,139	5,329,741	Local and Private Sponsored Programs	50,000	5,333,038	5,383,038
3,116,658	2,980,171	Net Sales and Services of Educational Activities	3,051,315	(41,342)	3,009,973
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
-	-	Net Professional Fees	-	-	-
20,747,242	21,427,266	Net Auxiliary Enterprises	24,683,767	(2,613,683)	22,070,084
7,545	60,000	Other Operating Revenues	60,000	600	60,600
145,996,960	155,237,174	Total Operating Revenues	177,052,899	(15,345,025)	161,707,874
<b>Operating Expenses:</b>					
65,324,771	70,632,405	Instruction	75,406,789	(1,973,884)	73,432,905
8,263,198	8,942,353	Academic Support	12,463,232	(3,342,032)	9,121,200
28,458,337	26,677,797	Research	33,445,480	(3,523,793)	29,921,687
7,759,117	5,976,618	Public Service	8,756,592	(2,660,441)	6,096,151
-	-	Hospitals and Clinics	-	-	-
17,335,381	23,250,000	Institutional Support	29,362,915	(5,266,708)	24,096,207
9,966,298	10,568,613	Student Services	10,434,880	(41,720)	10,393,160
16,744,197	18,157,023	Operations and Maintenance of Plant	16,545,153	1,975,011	18,520,164
23,497,082	27,800,000	Scholarships and Fellowships	32,758,275	(3,568,275)	29,190,000
30,689,597	33,386,498	Auxiliary Enterprises	32,116,268	2,271,825	34,388,093
9,111,482	9,339,600	Depreciation and Amortization	-	9,713,184	9,713,184
217,149,460	234,730,907	Total Operating Expenses	251,289,584	(6,416,833)	244,872,751
(71,152,500)	(79,493,733)	<b>Operating Surplus/Deficit</b>	(74,236,685)	(8,928,192)	(83,164,877)
<b>Nonoperating Revenues (Expenses):</b>					
70,534,690	71,563,448	State Appropriations	76,937,638	514,526	77,452,164
6,157,593	5,777,354	Gifts in Support of Operations	3,473,380	1,656,245	5,129,625
6,647,759	6,913,669	Net Investment Income	4,576,118	2,614,098	7,190,216
9,478,969	1,000,000	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(45,713)	50,000	Other	-	50,000	50,000
92,773,298	85,304,471	<b>Net Non-Operating Revenue/(Expenses)</b>	84,987,136	4,834,869	89,822,005
<b>Transfers and Other:</b>					
5,833,715	1,800,000	Capital Approp., Gifts and Sponsored Programs	-	500,000	500,000
1,063,956	1,000,000	Additions to Permanent Endowments	-	1,020,000	1,020,000
(10,350,540)	(7,108,114)	Transfers for Debt Service	(10,340,481)	(5,429)	(10,345,910)
11,037,546	17,450,940	Other	235,000	15,150,000	15,385,000
7,584,677	13,142,826	Total Transfers and Other	(10,105,481)	16,664,571	6,559,090
<b>\$ 29,205,475</b>	<b>18,953,564</b>	<b>Change in Net Assets</b>	<b>644,970</b>	<b>12,571,248</b>	<b>13,216,218</b>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

# THE UNIVERSITY OF TEXAS

## PAN AMERICAN



**The University of Texas – Pan American  
Operating Budget Highlights  
For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by the FY 2006 Budget**

In the FY 2006 budget University of Texas - Pan American seeks to align resources in key areas (identified below) with the institution's three *Compact* goals of (1) Undergraduate Success and Access, (2) Enhancement of graduate education and research and (3) the improvement of organizational effectiveness. (A) Facilitation of timely graduation for efficient use of limited resources during the current period of rapid growth by discouraging the excessive repetition of classes and the establishment of an advisement infrastructure that is aligned with the type of students enrolled. (B) Building of research capacity by reducing the faculty workload from 24 to 18 hours, by returning indirect costs and differential tuition to the colleges in order to establish a cycle of regenerative success and by allocating additional resources for assistantships. (C) Enhancing organizational infrastructure and effectiveness (area of greatest need) by hiring the "right kind" of new faculty to accommodate growth and to help stabilize the faculty/student ratio as workload is reduced; by establishing fair department chair compensation and by returning summer profits to the colleges to encourage optimal scheduling; by enhancing honors activities in order to establish a culture of appropriate rigor in the classroom; in addition, by authorizing new administrative service officer (ASO) positions for the colleges which will allow college administrators and faculty to focus on important matters. Further enhancements include the introduction of appropriate technology to more classrooms, migration to better administrative software applications and the establishment of a campus-wide wireless network. Further organizational effectiveness initiatives include the adjustment of salaries based on merit and on an ongoing compensation study and also by providing a "living wage" adjustment to our lowest-paid colleagues.

**Revenue**

Total revenue is projected to increase by \$28.5 million (15.4%). Tuition and fee increases comprise \$8.7 million of this increase. The statutory tuition rate will increase by \$2 per semester credit hour (SCH) while the designated tuition rate will increase from \$38 to \$46 per SCH. The latter will continue to be capped at 14 hours. Additional changes include a \$10 per SCH increase in the differential tuition rate and a \$25 increase in student parking permits. New fees to be introduced for FY 2006 are the academic advisement fees, the "threepeat" fee, the developmental course repeat fee, and four course-related fees. Enrollment growth is projected to be 4% in both headcount and SCHs. State Appropriations (including HEAF) will increase by \$9.5 million. General Revenue will increase by \$5.2 million, the HEAF allocation will increase by \$2.5 million, and the Employee Group Insurance appropriation will increase by \$1.4 million. A new special item, *Research Development*, was appropriated in the amount of \$216,000. Federal Sponsored Programs are expected to increase by \$3.6 million, primarily from a \$3.2 million increase in Pell Grants. State Sponsored Programs are projected to increase by \$3.9 million, primarily due to an increase in Texas Grants. Auxiliary Enterprises revenue is projected to increase by \$1.7 million. \$895,000 of this is due to increased bookstore, food service, and vending sales, and \$569,000 is expected to be generated from the new child care center.

**Expenditures**

Total expenditures (including debt service) are expected to increase by \$29.0 million (15.4%). A 3% merit pool has been established. An additional 0.5% of salaries will address equity and reclassification adjustments. The total budget for merit, equity, and reclassification changes is \$2.12 million, a \$453,000 increase. Additional faculty will be needed to accommodate enrollment growth and to meet the faculty workload reduction goal. Accordingly, 23 additional faculty positions, totaling \$1.2 million have been included. An additional \$391,000 has been budgeted for assistantships. Additional staff positions (104) totaling \$3.1 million are budgeted throughout the campus. This includes 19 IT positions, 6 academic advisors, 6 counselors, 5 administrative service officers, a high-level development officer, a director of intellectual assets, additional custodians, and other positions to address increased enrollment and building space. To fund initiatives, additional amounts were set aside for faculty workload reduction (\$1 million), department chair supplement (\$200,000), return of indirect cost (\$411,000), honors program enhancement (\$30,000), employee training (\$50,000), distribution of summer profits (\$100,000), distribution of graduate differential tuition (\$165,000), compensation study adjustments (\$150,000), and the "living wage" initiative (\$46,000). Other increases are budgeted for utilities (\$1.4 million) and HEAF expenditures (\$5.8 million). An \$8.4 million increase in scholarships is also included due primarily to the increases in Texas Grants and Pell Grants of \$4.6 million and \$3.2 million, respectively. Debt service will decrease by \$2.6 million largely due to the payoff of the Science Building HEAF debt during FY 2005.

**The University of Texas - Pan American**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 51,372,587	60,095,597	8,723,010	17.0%
Federal Sponsored Programs	40,781,577	44,376,879	3,595,302	8.8%
State Sponsored Programs	11,749,492	15,641,178	3,891,686	33.1%
Local and Private Sponsored Programs	926,502	1,517,647	591,145	63.8%
Net Sales and Services of Educational Activities	5,551,180	5,568,677	17,497	0.3%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	6,336,501	8,046,887	1,710,386	27.0%
Other Operating Revenues	91,700	34,200	(57,500)	-62.7%
<b>Total Operating Revenues</b>	<b>116,809,539</b>	<b>135,281,065</b>	<b>18,471,526</b>	<b>15.8%</b>
<b>Operating Expenses:</b>				
Instruction	67,664,945	74,045,281	6,380,336	9.4%
Academic Support	11,371,060	14,231,303	2,860,243	25.2%
Research	3,187,744	5,053,124	1,865,380	58.5%
Public Service	7,793,254	8,129,078	335,824	4.3%
Hospitals and Clinics	-	-	-	-
Institutional Support	14,289,983	18,896,824	4,606,841	32.2%
Student Services	11,343,482	12,895,751	1,552,269	13.7%
Operations and Maintenance of Plant	11,453,697	15,092,544	3,638,847	31.8%
Scholarships and Fellowships	39,878,746	48,273,774	8,395,028	21.1%
Auxiliary Enterprises	12,614,983	14,607,113	1,992,130	15.8%
<b>Total Operating Expenses</b>	<b>179,597,894</b>	<b>211,224,792</b>	<b>31,626,898</b>	<b>17.6%</b>
<b>Operating Surplus/Deficit</b>	<b>(62,788,355)</b>	<b>(75,943,727)</b>	<b>(13,155,372)</b>	<b>21.0%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	65,324,058	74,837,608	9,513,550	14.6%
Gifts in Support of Operations	1,275,505	1,205,263	(70,242)	-5.5%
Net Investment Income	1,039,099	1,593,993	554,894	53.4%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>67,638,662</b>	<b>77,636,864</b>	<b>9,998,202</b>	<b>14.8%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(9,330,143)	(6,710,004)	2,620,139	-28.1%
Other Additions and Transfers	11,576,692	14,260,614	2,683,922	23.2%
Other Deductions and Transfers	(12,307,982)	(14,920,666)	(2,612,684)	21.2%
<b>Total Transfers and Other</b>	<b>(10,061,433)</b>	<b>(7,370,056)</b>	<b>2,691,377</b>	<b>-26.7%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (5,211,126)</b>	<b>(5,676,919)</b>	<b>(465,793)</b>	<b>8.9%</b>
<b>Total Revenues</b>	<b>\$ 184,448,201</b>	<b>212,917,929</b>	<b>28,469,728</b>	<b>15.4%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(188,928,037)</b>	<b>(217,934,796)</b>	<b>(29,006,759)</b>	<b>15.4%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (4,479,836)</b>	<b>(5,016,867)</b>	<b>(537,031)</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas - Pan American**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 28,881,957	32,587,371	Net Tuition and Fees	60,095,597	(19,377,328)	40,718,269
44,052,046	45,166,172	Federal Sponsored Programs	44,376,879	1,144,968	45,521,847
11,110,312	15,663,777	State Sponsored Programs	15,641,178	(265,773)	15,375,405
1,735,677	1,740,432	Local and Private Sponsored Programs	1,517,647	236,153	1,753,800
5,445,171	5,662,978	Net Sales and Services of Educational Activities	5,568,677	320,820	5,889,497
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
-	-	Net Professional Fees	-	-	-
7,501,652	7,700,000	Net Auxiliary Enterprises	8,046,887	(3,203,363)	4,843,524
1,701,305	1,858,978	Other Operating Revenues	34,200	1,410,472	1,444,672
<u>100,428,120</u>	<u>110,379,708</u>	<b>Total Operating Revenues</b>	<u>135,281,065</u>	<u>(19,734,051)</u>	<u>115,547,014</u>
<b>Operating Expenses:</b>					
58,775,077	65,161,154	Instruction	74,045,281	(3,874,398)	70,170,883
8,057,755	12,162,507	Academic Support	14,231,303	(4,812,833)	9,418,470
3,874,764	4,496,404	Research	5,053,124	(136,393)	4,916,731
7,787,773	8,049,203	Public Service	8,129,078	(2,844)	8,126,234
-	-	Hospitals and Clinics	-	-	-
13,228,926	15,291,537	Institutional Support	18,896,824	(2,178,463)	16,718,361
11,763,484	12,237,244	Student Services	12,895,751	(870,325)	12,025,426
10,898,930	12,821,077	Operations and Maintenance of Plant	15,092,544	(3,171,865)	11,920,679
23,769,315	28,300,710	Scholarships and Fellowships	48,273,774	(19,958,805)	28,314,969
11,689,140	11,979,618	Auxiliary Enterprises	14,607,113	(5,773,944)	8,833,169
7,712,019	6,940,824	Depreciation and Amortization	-	7,079,640	7,079,640
<u>157,557,183</u>	<u>177,440,278</u>	<b>Total Operating Expenses</b>	<u>211,224,792</u>	<u>(33,700,230)</u>	<u>177,524,562</u>
<u>(57,129,063)</u>	<u>(67,060,570)</u>	<b>Operating Surplus/Deficit</b>	<u>(75,943,727)</u>	<u>13,966,179</u>	<u>(61,977,548)</u>
<b>Nonoperating Revenues (Expenses):</b>					
58,790,831	60,270,388	State Appropriations	74,837,608	(8,909,233)	65,928,375
1,311,400	810,743	Gifts in Support of Operations	1,205,263	(378,305)	826,958
2,907,838	2,307,068	Net Investment Income	1,593,993	1,180,575	2,774,568
2,213,753	-	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
(360,613)	-	Interest Expense	-	-	-
(278,079)	138,058	Other	-	250,000	250,000
<u>64,585,130</u>	<u>63,526,257</u>	<b>Net Non-Operating Revenue/(Expenses)</b>	<u>77,636,864</u>	<u>(7,856,963)</u>	<u>69,779,901</u>
<b>Transfers and Other:</b>					
6,139,541	6,140,710	Capital Approp., Gifts and Sponsored Programs	-	8,649,022	8,649,022
88,195	-	Additions to Permanent Endowments	-	-	-
(5,974,271)	(6,004,123)	Transfers for Debt Service	(6,710,004)	-	(6,710,004)
14,736,296	(2,690,392)	Other	(660,052)	37,478,208	36,818,156
<u>14,989,761</u>	<u>(2,553,805)</u>	<b>Total Transfers and Other</b>	<u>(7,370,056)</u>	<u>46,127,230</u>	<u>38,757,174</u>
<u>\$ 22,445,828</u>	<u>(6,088,118)</u>	<b>Change in Net Assets</b>	<u>(5,676,919)</u>	<u>52,236,446</u>	<u>46,559,527</u>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



# **THE UNIVERSITY OF TEXAS**

## **OF THE PERMIAN BASIN**



**The University of Texas of the Permian Basin  
Operating Budget Highlights  
For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

The University of Texas of the Permian Basin remains below the national average for competitive faculty salaries; however, the disparity has been maintained and has not increased. The University has continued to build its student housing infrastructure by building a total of 312 new beds since Fall 2003. This will strengthen the University's efforts to adapt from a commuter school to a traditional campus. Service to students continues to be a priority; part-time faculty has been increased and more class sections have been added with availability on campus and off. In addition, the University is enhancing program quality through accreditations.

**Revenue**

The University of Texas of the Permian Basin has revenue growth of approximately 12.5% due in large part to continued enrollment growth and increased retention; the University experienced an enrollment increase of 8.4% from Fall 2003 to Fall 2004. Designated tuition increased by \$9 per semester credit hour. Auxiliary revenue is projected to increase over 30% with the addition of new beds in Student Housing and average rent increases of 6.1%. State appropriations increased by approximately \$1.5 million.

**Expenditures**

Expenditures for the University of Texas of the Permian Basin have increased by approximately 10.1%. Salary increases were established on the basis of merit, extraordinary merit, and equity. A faculty salary increase pool of 4% of FY 2005 salary was created; a pool of 3% was created for staff. These percentages are based on comparisons of existing salaries versus market salaries for both groups. Fringe benefits have been budgeted at an increase of approximately \$1 million to reflect prior and current year's actual expenses. The University has fully budgeted part-time faculty, summer school faculty salaries, and student wage budgets. Approximately 14 vacant faculty positions are budgeted, some of which are expected to be filled by Fall 2005. The development of the Industrial Technology program continues through gift support for a second faculty member. Budgets have been increased for accreditation efforts, as well as lab and general operating funds. Scholarships for students have increased through tuition increase set-asides.

**The University of Texas of the Permian Basin**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 10,114,914	12,070,454	1,955,540	19.3%
Federal Sponsored Programs	4,668,673	4,828,931	160,258	3.4%
State Sponsored Programs	668,108	663,520	(4,588)	-0.7%
Local and Private Sponsored Programs	75,000	75,000	-	0.0%
Net Sales and Services of Educational Activities	167,882	233,927	66,045	39.3%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	1,336,787	1,755,225	418,438	31.3%
Other Operating Revenues	2,000	2,000	-	0.0%
<b>Total Operating Revenues</b>	<b>17,033,364</b>	<b>19,629,057</b>	<b>2,595,693</b>	<b>15.2%</b>
<b>Operating Expenses:</b>				
Instruction	9,392,123	10,959,559	1,567,436	16.7%
Academic Support	3,075,210	4,468,290	1,393,080	45.3%
Research	1,282,989	1,228,492	(54,497)	-4.2%
Public Service	1,451,665	1,432,372	(19,293)	-1.3%
Hospitals and Clinics	-	-	-	-
Institutional Support	4,182,082	3,267,761	(914,321)	-21.9%
Student Services	1,088,705	1,497,313	408,608	37.5%
Operations and Maintenance of Plant	3,101,408	3,213,414	112,006	3.6%
Scholarships and Fellowships	6,376,646	6,539,092	162,446	2.5%
Auxiliary Enterprises	2,244,436	2,327,589	83,153	3.7%
<b>Total Operating Expenses</b>	<b>32,195,264</b>	<b>34,933,882</b>	<b>2,738,618</b>	<b>8.5%</b>
<b>Operating Surplus/Deficit</b>	<b>(15,161,900)</b>	<b>(15,304,825)</b>	<b>(142,925)</b>	<b>0.9%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	15,666,564	17,142,423	1,475,859	9.4%
Gifts in Support of Operations	362,260	421,735	59,475	16.4%
Net Investment Income	712,772	800,545	87,773	12.3%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>16,741,596</b>	<b>18,364,703</b>	<b>1,623,107</b>	<b>9.7%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(2,254,678)	(2,984,803)	(730,125)	32.4%
Other Additions and Transfers	300,000	-	(300,000)	-100.0%
Other Deductions and Transfers	(300,000)	(25,000)	275,000	-91.7%
<b>Total Transfers and Other</b>	<b>(2,254,678)</b>	<b>(3,009,803)</b>	<b>(755,125)</b>	<b>33.5%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (674,982)</b>	<b>50,075</b>	<b>725,057</b>	<b>-107.4%</b>
<b>Total Revenues</b>	<b>\$ 33,774,960</b>	<b>37,993,760</b>	<b>4,218,800</b>	<b>12.5%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(34,449,942)</b>	<b>(37,918,685)</b>	<b>(3,468,743)</b>	<b>10.1%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (674,982)</b>	<b>75,075</b>	<b>750,057</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas of the Permian Basin**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 5,342,518	8,992,819	Net Tuition and Fees	12,070,454	(2,996,837)	9,073,617
4,532,733	4,881,184	Federal Sponsored Programs	4,828,931	-	4,828,931
423,562	425,097	State Sponsored Programs	663,520	-	663,520
105,500	105,500	Local and Private Sponsored Programs	75,000	-	75,000
313,039	249,080	Net Sales and Services of Educational Activities	233,927	-	233,927
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
-	-	Net Professional Fees	-	-	-
755,397	1,336,787	Net Auxiliary Enterprises	1,755,225	-	1,755,225
236,837	245,217	Other Operating Revenues	2,000	-	2,000
11,709,586	16,235,684	Total Operating Revenues	19,629,057	(2,996,837)	16,632,220
<b>Operating Expenses:</b>					
9,170,453	9,711,040	Instruction	10,959,559	-	10,959,559
3,824,985	4,194,550	Academic Support	4,468,290	-	4,468,290
1,808,967	2,114,032	Research	1,228,492	-	1,228,492
1,369,084	1,660,075	Public Service	1,432,372	-	1,432,372
-	-	Hospitals and Clinics	-	-	-
2,786,030	3,122,355	Institutional Support	3,267,761	-	3,267,761
1,758,819	2,062,279	Student Services	1,497,313	-	1,497,313
4,176,641	4,557,457	Operations and Maintenance of Plant	3,213,414	-	3,213,414
3,301,630	3,654,451	Scholarships and Fellowships	6,539,092	(2,996,837)	3,542,255
2,287,457	2,607,831	Auxiliary Enterprises	2,327,589	-	2,327,589
2,155,730	2,455,728	Depreciation and Amortization	-	2,100,000	2,100,000
32,639,796	36,139,798	Total Operating Expenses	34,933,882	(896,837)	34,037,045
(20,930,210)	(19,904,114)	<b>Operating Surplus/Deficit</b>	(15,304,825)	(2,100,000)	(17,404,825)
<b>Nonoperating Revenues (Expenses):</b>					
15,617,533	15,666,564	State Appropriations	17,142,423	-	17,142,423
993,686	1,343,370	Gifts in Support of Operations	421,735	-	421,735
726,696	1,070,206	Net Investment Income	800,545	-	800,545
1,028,646	1,059,505	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(13,716)	-	Other	-	-	-
18,352,845	19,139,645	<b>Net Non-Operating Revenue/(Expenses)</b>	18,364,703	-	18,364,703
<b>Transfers and Other:</b>					
-	-	Capital Approp., Gifts and Sponsored Programs	-	-	-
1,569,116	155,180	Additions to Permanent Endowments	-	159,835	159,835
(1,882,023)	(1,618,020)	Transfers for Debt Service	(2,984,803)	-	(2,984,803)
17,227,767	11,009,950	Other	(25,000)	6,009,950	5,984,950
16,914,860	9,547,110	Total Transfers and Other	(3,009,803)	6,169,785	3,159,982
\$ 14,337,495	8,782,641	<b>Change in Net Assets</b>	50,075	4,069,785	4,119,860

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

# **THE UNIVERSITY OF TEXAS**

## **AT SAN ANTONIO**



**The University of Texas at San Antonio**  
**Operating Budget Highlights**  
**For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

**Growth** – The 2006 budget allocates over \$6 million in new faculty salaries. Faculty salaries are competitive nationally and reflected in many significant research faculty hires. However, with the continued enrollment increases, the institution continues to have one of the highest student faculty ratios in the State.

**Space** - Over \$1.6 million has been budgeted to increase infrastructure as we commission the BSE Building and West Campus Labs. Additional facility and safety personnel have been added along with an increase in utilities. Space remains one of the most critical issues for the institution. The institution is analyzing possible real estate transactions with major corporations, local municipalities and other governmental bodies. In anticipation of such, we have allocated approximately \$4 million to enhance and leverage other funding we might receive towards major renovations, deferred maintenance, land acquisitions or new facilities.

**Retention and Graduation Rates** - The proposed budget falls short of providing some key student services, as we could not increase our student services and health services fees by 10% as we have in the past, given the 5% limit on overall tuition and mandatory fee increases. U. T. San Antonio has made enhancing the learning environment for students a major priority, with expected increases in student persistence and graduation. Funding of \$250,000 has been provided to increase academic advising, and monies have been allocated to increase supplemental instruction, student success and learning communities courses offered, as well as services within the undergraduate writing center, financial aid staff, and retention staff within the colleges.

**Revenue**

- Total revenue is estimated to increase 8.8% for FY 2006 over FY 2005 budget, with appropriations being up 19%. Enrollment has increased over 6,000 students in the last two years and the trend of rapid growth will continue.
- Increases in mandatory student fees were capped at a 5% increase, but with growth, total tuition and fee revenue is estimated to increase by almost 6%.

**Expenditures**

FY 2006 budget:

- Includes a 3% merit pool for faculty and staff
- Allocates \$6 million for new undergraduate and graduate faculty salaries to address the challenges of rapid growth.
- Includes \$2,000,000 in funding for new staff, including:
  - \$750,000 for graduate student support for new PhD programs.
  - Funding for new Undergraduate Student Persistence Program including a Director and six College Retention Specialists.
  - New staff in critical areas of Business Affairs; Research, University Advancement and Office of Institutional Compliance.
- Over \$1.5 million dollars for needed increases in infrastructure and utilities for new buildings, including over 25 new facilities positions for the Biology, Science, and Engineering Building.
- Provides funding for over 50,000 square feet of departmental and office leased space.
- Provides over \$4 million for deferred maintenance projects for the coming year.
- Provides an additional \$500,000 for basic departmental M&O obligations.
- Includes an increase of \$972,777 in financial aid from the FY 2005 budget, funded with designated tuition to be used to enhance current work-study and B-on-time programs as well as grants and scholarships.

**The University of Texas at San Antonio**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 138,370,119	146,129,463	7,759,344	5.6%
Federal Sponsored Programs	47,411,758	49,297,581	1,885,823	4.0%
State Sponsored Programs	8,064,621	8,027,112	(37,509)	-0.5%
Local and Private Sponsored Programs	2,018,360	2,064,507	46,147	2.3%
Net Sales and Services of Educational Activities	5,696,850	6,158,317	461,467	8.1%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	11,710,695	11,450,499	(260,196)	-2.2%
Other Operating Revenues	323,420	399,553	76,133	23.5%
<b>Total Operating Revenues</b>	<b>213,595,823</b>	<b>223,527,032</b>	<b>9,931,209</b>	<b>4.6%</b>
<b>Operating Expenses:</b>				
Instruction	87,046,834	93,161,286	6,114,452	7.0%
Academic Support	27,195,579	28,076,044	880,465	3.2%
Research	14,038,344	18,417,832	4,379,488	31.2%
Public Service	15,405,351	14,230,683	(1,174,668)	-7.6%
Hospitals and Clinics	-	-	-	-
Institutional Support	33,080,435	34,874,657	1,794,222	5.4%
Student Services	18,985,207	23,272,199	4,286,992	22.6%
Operations and Maintenance of Plant	24,455,813	30,532,644	6,076,831	24.8%
Scholarships and Fellowships	42,339,763	45,834,272	3,494,509	8.3%
Auxiliary Enterprises	15,150,844	15,967,716	816,872	5.4%
<b>Total Operating Expenses</b>	<b>277,698,170</b>	<b>304,367,333</b>	<b>26,669,163</b>	<b>9.6%</b>
<b>Operating Surplus/Deficit</b>	<b>(64,102,347)</b>	<b>(80,840,301)</b>	<b>(16,737,954)</b>	<b>26.1%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	81,165,462	96,862,229	15,696,767	19.3%
Gifts in Support of Operations	2,953,680	2,141,687	(811,993)	-27.5%
Net Investment Income	1,914,000	3,406,760	1,492,760	78.0%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>86,033,142</b>	<b>102,410,676</b>	<b>16,377,534</b>	<b>19.0%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(18,355,873)	(19,345,608)	(989,735)	5.4%
Other Additions and Transfers	29,566,882	24,290,187	(5,276,695)	-17.8%
Other Deductions and Transfers	(30,037,982)	(25,053,287)	4,984,695	-16.6%
<b>Total Transfers and Other</b>	<b>(18,826,973)</b>	<b>(20,108,708)</b>	<b>(1,281,735)</b>	<b>6.8%</b>
<b>Surplus/(Deficit)</b>	<b>\$ 3,103,822</b>	<b>1,461,667</b>	<b>(1,642,155)</b>	<b>-52.9%</b>
<b>Total Revenues</b>				
<b>Total Expenses and Debt Service Transfers</b>	<b>\$ 299,628,965</b>	<b>325,937,708</b>	<b>26,308,743</b>	<b>8.8%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>(296,054,043)</b>	<b>(323,712,941)</b>	<b>(27,658,898)</b>	<b>9.3%</b>
	<b>\$ 3,574,922</b>	<b>2,224,767</b>	<b>(1,350,155)</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at San Antonio**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 88,247,883	109,437,648	Net Tuition and Fees	146,129,463	(25,389,113)	120,740,350
47,498,523	52,434,178	Federal Sponsored Programs	49,297,581	-	49,297,581
7,410,469	9,313,625	State Sponsored Programs	8,027,112	-	8,027,112
1,922,142	1,892,546	Local and Private Sponsored Programs	2,064,507	-	2,064,507
4,982,364	5,969,234	Net Sales and Services of Educational Activities	6,158,317	500,000	6,658,317
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
-	-	Net Professional Fees	-	-	-
4,439,350	13,832,015	Net Auxiliary Enterprises	11,450,499	750,000	12,200,499
1,975,002	1,915,048	Other Operating Revenues	399,553	1,000,000	1,399,553
156,475,733	194,794,294	Total Operating Revenues	223,527,032	(23,139,113)	200,387,919
<b>Operating Expenses:</b>					
76,612,800	83,319,981	Instruction	93,161,286	(1,011,309)	92,149,977
15,425,990	19,474,408	Academic Support	28,076,044	(2,972,295)	25,103,749
12,865,558	17,991,540	Research	18,417,832	(2,347,235)	16,070,597
15,249,367	14,795,217	Public Service	14,230,683	(81,602)	14,149,081
-	-	Hospitals and Clinics	-	-	-
26,510,996	32,206,410	Institutional Support	34,874,657	(1,570,185)	33,304,472
16,208,601	19,160,877	Student Services	23,272,199	(132,927)	23,139,272
20,460,316	23,095,043	Operations and Maintenance of Plant	30,532,644	(114,296)	30,418,348
21,199,945	23,037,890	Scholarships and Fellowships	45,834,272	(25,389,090)	20,445,182
8,816,470	13,592,783	Auxiliary Enterprises	15,967,716	(188,056)	15,779,660
11,443,698	13,270,228	Depreciation and Amortization	-	15,118,333	15,118,333
224,793,741	259,944,377	Total Operating Expenses	304,367,333	(18,688,662)	285,678,671
(68,318,008)	(65,150,083)	<b>Operating Surplus/Deficit</b>	(80,840,301)	(4,450,451)	(85,290,752)
<b>Nonoperating Revenues (Expenses):</b>					
80,227,084	79,998,427	State Appropriations	96,862,229	-	96,862,229
2,420,809	2,725,547	Gifts in Support of Operations	2,141,687	-	2,141,687
4,374,236	5,906,251	Net Investment Income	3,406,760	2,745,040	6,151,800
2,317,139	-	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(2,236,704)	-	Other	-	-	-
87,102,564	88,630,225	<b>Net Non-Operating Revenue/(Expenses)</b>	102,410,676	2,745,040	105,155,716
<b>Transfers and Other:</b>					
863,476	-	Capital Approp., Gifts and Sponsored Programs	-	-	-
1,721,407	2,187,116	Additions to Permanent Endowments	-	2,587,366	2,587,366
(13,447,190)	(14,692,466)	Transfers for Debt Service	(19,345,608)	-	(19,345,608)
44,804,632	56,945,849	Other	(763,100)	3,094,735	2,331,635
33,942,325	44,440,499	Total Transfers and Other	(20,108,708)	5,682,101	(14,426,607)
<b>\$ 52,726,881</b>	<b>67,920,641</b>	<b>Change in Net Assets</b>	<b>1,461,667</b>	<b>3,976,690</b>	<b>5,438,357</b>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



# **THE UNIVERSITY OF TEXAS**

## **AT TYLER**



**The University of Texas at Tyler**  
**Operating Budget Highlights**  
**For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

Critical issues addressed in the FY 2006 budget continue to center around the phenomenal growth rate of U. T. Tyler—15% full-time student equivalents last fall (nearly twice the rate of the next highest U. T. institution), and 19% the previous fall and over 68% during the last five years. We are striving to provide a quality faculty and proper infrastructure to support this growth. Specific goals addressed within this budget include the following:

- Recruiting and retaining high ability students
- Adding 21 new faculty positions to deal with phenomenal past growth and expected growth
- Enhancing Freshman Advising Center and creating Supplemental Instruction program
- Adding Student Learning Communities program
- Beginning new undergraduate programs (e.g., civil & environmental engineering)
- Beginning new doctoral programs (e.g., PH.D. in nursing)
- Increase faculty research by adding first Office of Sponsored Programs
- Increasing information technology infrastructure support substantially
- Offering raises and increased ORP benefits to provide competitive salary environment

**Revenue**

U. T. Tyler's operating revenue increased approximately 21% over FY 2005. This increase is primarily due to enrollment growth, small increases in tuition and fees and additional auxiliary enterprise services for new apartments and the upcoming student residence hall. The FY 2006 budget is based on anticipated enrollment growth of 8%, plus an adjustment for unbudgeted enrollment growth in FY 2002-2005. Tuition and fee increases include \$2 per semester credit hour (SCH) for statutory tuition, \$3 per SCH for Designated Tuition and an increase of \$29 per student each semester in the Basic Computer Access Fee. Auxiliary Enterprises reflects an overall increase of \$1.4 million dollars. Included in this increase are new student apartments and new student residence hall to be opened during FY 2006. Additional revenues of approximately \$400,000 are projected for Sponsored Programs. State appropriations increased a total of 15.3% over FY 2006. Included in this increase are funds for tuition revenue bond repayments, increased appropriations for insurance and other staff benefits and formula funding increases attributable to enrollment growth.

**Expenditures**

U. T. Tyler's operating expenses (including debt service) will increase by 19.1% overall. A significant contribution to this increase is the successful results of extensive recruiting efforts for high quality faculty resulting in 18 new faculty positions and 13 replacement positions totaling \$2,451,000 plus related staff benefits for these new positions. U. T. Tyler also awarded faculty and staff merit raises of 3%, totaling \$590,864 and \$420,944 respectively, plus related increases in staff benefits. Additionally, U. T. Tyler provided an equity pool totaling \$50,000 to address inequitable salary situations among existing faculty and staff. Further expenditure increases were allocated to scholarship programs for \$452,000, additional adjunct and summer course expansions of \$240,000, increase in power plant infrastructure for new buildings of \$292,631 and increased staff support and institutional initiatives such as sponsored research, marketing, supplemental instruction, disability support, information technology services, etc totaling approximately \$861,000. Expenditures in Auxiliary Enterprises for student housing as discussed above increased by approximately \$765,000. Finally, U. T. Tyler believes that our faculty and staff are one of our most important assets and has elected to provide the additional retirement benefits allowable under HB 264. U. T. Tyler will increase their Optional Retirement Program (ORP) employer contribution rate for participants to 8.5% at an estimated annual cost of \$180,000.

**The University of Texas at Tyler**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 15,475,657	20,497,705	5,022,048	32.5%
Federal Sponsored Programs	4,289,258	4,692,783	403,525	9.4%
State Sponsored Programs	416,205	426,604	10,399	2.5%
Local and Private Sponsored Programs	14,000	162,019	148,019	1057.3%
Net Sales and Services of Educational Activities	593,517	361,804	(231,713)	-39.0%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	2,074,502	3,466,101	1,391,599	67.1%
Other Operating Revenues	-	-	-	-
<b>Total Operating Revenues</b>	<b>22,863,139</b>	<b>29,607,016</b>	<b>6,743,877</b>	<b>29.5%</b>
<b>Operating Expenses:</b>				
Instruction	19,189,671	22,390,890	3,201,219	16.7%
Academic Support	5,235,643	5,453,007	217,364	4.2%
Research	791,316	853,254	61,938	7.8%
Public Service	237,117	168,047	(69,070)	-29.1%
Hospitals and Clinics	-	-	-	-
Institutional Support	6,111,019	7,959,319	1,848,300	30.2%
Student Services	3,818,615	4,079,394	260,779	6.8%
Operations and Maintenance of Plant	3,576,063	4,046,651	470,588	13.2%
Scholarships and Fellowships	7,778,365	8,656,923	878,558	11.3%
Auxiliary Enterprises	3,140,171	4,378,396	1,238,225	39.4%
<b>Total Operating Expenses</b>	<b>49,877,980</b>	<b>57,985,881</b>	<b>8,107,901</b>	<b>16.3%</b>
<b>Operating Surplus/Deficit</b>	<b>(27,014,841)</b>	<b>(28,378,865)</b>	<b>(1,364,024)</b>	<b>5.0%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	25,568,919	29,483,586	3,914,667	15.3%
Gifts in Support of Operations	103,582	204,977	101,395	97.9%
Net Investment Income	2,948,331	3,040,604	92,273	3.1%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>28,620,832</b>	<b>32,729,167</b>	<b>4,108,335</b>	<b>14.4%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(2,317,386)	(4,170,095)	(1,852,709)	79.9%
Other Additions and Transfers	3,594,221	3,955,948	361,727	10.1%
Other Deductions and Transfers	(3,594,221)	(3,955,948)	(361,727)	10.1%
<b>Total Transfers and Other</b>	<b>(2,317,386)</b>	<b>(4,170,095)</b>	<b>(1,852,709)</b>	<b>79.9%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (711,395)</b>	<b>180,207</b>	<b>891,602</b>	<b>-125.3%</b>
<b>Total Revenues</b>	<b>\$ 51,483,971</b>	<b>62,336,183</b>	<b>10,852,212</b>	<b>21.1%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(52,195,366)</b>	<b>(62,155,976)</b>	<b>(9,960,610)</b>	<b>19.1%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (711,395)</b>	<b>180,207</b>	<b>891,602</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas at Tyler**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 11,488,294	14,366,694	Net Tuition and Fees	20,497,705	(4,557,274)	15,940,431
4,824,473	4,963,722	Federal Sponsored Programs	4,692,783	-	4,692,783
1,585,928	1,522,307	State Sponsored Programs	426,604	-	426,604
391,127	491,932	Local and Private Sponsored Programs	162,019	-	162,019
579,066	600,540	Net Sales and Services of Educational Activities	361,804	-	361,804
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
-	-	Net Professional Fees	-	-	-
1,077,375	2,072,080	Net Auxiliary Enterprises	3,466,101	-	3,466,101
485,778	126,701	Other Operating Revenues	-	-	-
20,432,041	24,143,976	Total Operating Revenues	29,607,016	(4,557,274)	25,049,742
<b>Operating Expenses:</b>					
17,964,854	20,433,444	Instruction	22,390,890	(15,936)	22,374,954
4,213,198	4,731,080	Academic Support	5,453,007	(54,530)	5,398,477
850,096	668,075	Research	853,254	-	853,254
261,434	345,145	Public Service	168,047	-	168,047
-	-	Hospitals and Clinics	-	-	-
7,787,714	7,695,245	Institutional Support	7,959,319	(79,593)	7,879,726
3,260,786	4,009,251	Student Services	4,079,394	(40,794)	4,038,600
3,936,757	3,739,360	Operations and Maintenance of Plant	4,046,651	-	4,046,651
4,715,486	4,942,726	Scholarships and Fellowships	8,656,923	(4,557,274)	4,099,649
2,496,292	3,861,557	Auxiliary Enterprises	4,378,396	(43,784)	4,334,612
3,497,257	4,787,470	Depreciation and Amortization	-	3,698,107	3,698,107
48,983,874	55,213,353	Total Operating Expenses	57,985,881	(1,093,804)	56,892,077
(28,551,833)	(31,069,377)	<b>Operating Surplus/Deficit</b>	(28,378,865)	(3,463,470)	(31,842,335)
<b>Nonoperating Revenues (Expenses):</b>					
26,104,375	26,076,317	State Appropriations	29,483,586	-	29,483,586
679,825	650,000	Gifts in Support of Operations	204,977	-	204,977
2,695,446	2,820,282	Net Investment Income	3,040,604	-	3,040,604
3,711,976	3,295,874	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(489,673)	-	Other	-	-	-
32,701,949	32,842,473	<b>Net Non-Operating Revenue/(Expenses)</b>	32,729,167	-	32,729,167
<b>Transfers and Other:</b>					
4,060,907	1,664,076	Capital Approp., Gifts and Sponsored Programs	-	3,000,000	3,000,000
880,837	406,317	Additions to Permanent Endowments	-	500,000	500,000
(1,839,006)	(2,019,181)	Transfers for Debt Service	(4,170,095)	-	(4,170,095)
26,704,260	23,673,906	Other	-	12,000,000	12,000,000
29,806,998	23,725,118	Total Transfers and Other	(4,170,095)	15,500,000	11,329,905
\$ 33,957,114	25,498,214	<b>Change in Net Assets</b>	180,207	12,036,530	12,216,737

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**THE UNIVERSITY OF TEXAS**

**SOUTHWESTERN MEDICAL CENTER**

**AT DALLAS**



**The University of Texas Southwestern Medical School at Dallas**  
**Operating Budget Highlights**  
**For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

The major goals addressed in the FY 2006 budget remain consistent with the short-term goals outlined in the University "Compact". These goals include the integration of the Zale Lipshy University Hospital and the St. Paul University Hospital operations into the patient care mission of the University, the development of financial plans designed to maximize the University's financial resources (debt options, private donations, etc.) to support growth in clinical and research functions, the enhancement of the patient care experience through the "clinical transformation project" and the implementation of new infrastructure resources required to support the current and future information and communication needs of the organization.

In addition to the major goals detailed above, several other objectives related to the mission of the University have been incorporated into the FY 2006 budget. Special item funding to support the Metroplex Comprehensive Medical Imaging Center and the Center for Treatment and Research on Sickle Cell Disease was provided by the State. The cost of Graduate Medical Education, which has been fully born by the University in the past, was partially funded by the State through formula funding. This budget provides for new faculty positions and funding for maintaining competitive salaries so that the University can continue to retain and attract preeminent faculty in the areas of instruction, research and patient care and maintain satisfactory faculty / student ratios.

**Revenue**

The FY 2006 budgeted revenue (operating and non-operating) is projected to increase 17.2% over the FY 2005 budget. This increase is partially due to the inclusion of a full year of hospital operating revenue (as opposed to 8 months in FY 2005). The hospital patient volume included in the budget reflects a modest increase that results in a 3.1% increase in net patient revenue. Excluding the hospital related operations, the revenue increase is 11.4% over the previous year and is primarily due to 1) a 26.0% increase in state appropriations, 2) an 9.5% increase in sponsored research and private gift activity and 3) a 10% increase in patient care activity.

The increase in state appropriations is due to 1) new special item funding of \$8.5 million (Metroplex Imaging Center and Center for Sickle Cell Treatment and Research), 2) an increase of \$4.6 million in tuition revenue bond debt service funding and 3) an increase of \$17.1 million from formula funding associated with the increase in enrollment. The increase in government and private gift and grant activity is primarily due to the expansion of the North Campus facility. The increase in the patient care revenue represents growth in patient volume and new programs (i.e. Radiation Oncology MRI facility).

**Expenditures**

The FY 2006 budgeted expense is projected to increase 16.9% over the FY 2005 budget. This increase is partially due to the inclusion of a full year of hospital operating expense (as opposed to 8 months in FY 2005). Excluding the hospital related operations, the expense increase is 9.0% over the previous year and is due to 1) a 36% increase in debt service, 2) an 8.4% increase in research activity related to special item funding and sponsored research/gifts, 3) an 8.3% increase in patient care and instructional activity related to patient care growth and 4) a 24.6% increase in operation and maintenance of plant to support the operating costs associated with the North Campus expansion. The hospital budget reflects a breakeven position including significant capital renovation and aging equipment replacement.

Debt service is increasing due to the North Campus phase IV expansion, the hospital acquisition, new equipment financing and new construction financing (ambulatory surgical center, clean rodent facility).

Funding provided this year has allowed the University to address competitive salary issues related to the faculty thereby allowing us to maintain our excellence in research and patient care objectives. The faculty, on average, will receive a 4.6% merit increase (including market and equity adjustments). The budget provides for an average 3.0% merit increase for Administrative and Professional and classified employees. In addition, new faculty positions have been incorporated into the budget to support new and expanding clinical programs and new research programs.

**The University of Texas Southwestern Medical Center at Dallas**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	FY 2005 Adjusted Budget	FY 2006 Operating Budget	Budget Increases (Decreases) From 2005 to 2006	
			Amount	Percent
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 11,908,494	13,404,287	1,495,793	12.6%
Federal Sponsored Programs	212,629,815	234,765,865	22,136,050	10.4%
State Sponsored Programs	18,311,353	7,573,278	(10,738,075)	-58.6%
Local and Private Sponsored Programs	160,823,593	180,334,113	19,510,520	12.1%
Net Sales and Services of Educational Activities	25,736,625	15,682,628	(10,053,997)	-39.1%
Net Sales and Services of Hospital and Clinics	180,364,347	279,192,234	98,827,887	54.8%
Net Professional Fees	233,220,406	256,440,114	23,219,708	10.0%
Net Auxiliary Enterprises	18,112,044	20,288,684	2,176,640	12.0%
Other Operating Revenues	12,563,067	7,832,832	(4,730,235)	-37.7%
Total Operating Revenues	873,669,744	1,015,514,035	141,844,291	16.2%
<b>Operating Expenses:</b>				
Instruction	391,644,428	424,403,911	32,759,483	8.4%
Academic Support	22,738,683	24,787,135	2,048,452	9.0%
Research	262,934,819	284,896,521	21,961,702	8.4%
Public Service	74,014,917	78,200,681	4,185,764	5.7%
Hospitals and Clinics	178,123,679	273,558,334	95,434,655	53.6%
Institutional Support	49,268,778	49,765,085	496,307	1.0%
Student Services	2,412,371	2,461,193	48,822	2.0%
Operations and Maintenance of Plant	46,673,934	58,161,063	11,487,129	24.6%
Scholarships and Fellowships	1,847,887	2,126,624	278,737	15.1%
Auxiliary Enterprises	17,490,878	20,466,826	2,975,948	17.0%
Total Operating Expenses	1,047,150,374	1,218,827,373	171,676,999	16.4%
<b>Operating Surplus/Deficit</b>	<b>(173,480,630)</b>	<b>(203,313,338)</b>	<b>(29,832,708)</b>	<b>17.2%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	116,314,532	146,557,091	30,242,559	26.0%
Gifts in Support of Operations	31,914,179	41,345,911	9,431,732	29.6%
Net Investment Income	52,462,174	55,772,080	3,309,906	6.3%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	200,690,885	243,675,082	42,984,197	21.4%
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(29,421,719)	(40,012,353)	(10,590,634)	36.0%
Other Additions and Transfers	1,002,484	882,778	(119,706)	-11.9%
Other Deductions and Transfers	(1,002,484)	(882,778)	119,706	-11.9%
Total Transfers and Other	(29,421,719)	(40,012,353)	(10,590,634)	36.0%
<b>Surplus/(Deficit)</b>	<b>\$ (2,211,464)</b>	<b>349,391</b>	<b>2,560,855</b>	<b>-115.8%</b>
Total Revenues	\$ 1,074,360,629	1,259,189,117	184,828,488	17.2%
Total Expenses and Debt Service Transfers	(1,076,572,093)	(1,258,839,726)	(182,267,633)	16.9%
Excess (Deficiency) of Revenue over Expenses	\$ (2,211,464)	349,391	2,560,855	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Southwestern Medical Center at Dallas**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 10,045,790	12,093,294	Net Tuition and Fees	13,404,287	(1,206,390)	12,197,897
207,746,888	217,123,324	Federal Sponsored Programs	234,765,865	-	234,765,865
8,716,873	6,766,871	State Sponsored Programs	7,573,278	-	7,573,278
165,480,804	172,195,800	Local and Private Sponsored Programs	180,334,113	-	180,334,113
24,340,872	25,736,625	Net Sales and Services of Educational Activities	15,682,628	-	15,682,628
-	180,364,347	Net Sales and Services of Hospitals and Clinics	279,192,234	-	279,192,234
206,655,145	236,299,819	Net Professional Fees	256,440,114	-	256,440,114
12,033,664	16,411,879	Net Auxiliary Enterprises	20,288,684	-	20,288,684
23,868,400	12,596,556	Other Operating Revenues	7,832,832	-	7,832,832
658,888,436	879,588,515	Total Operating Revenues	1,015,514,035	(1,206,390)	1,014,307,645
<b>Operating Expenses:</b>					
343,084,177	388,320,142	Instruction	424,403,911	-	424,403,911
21,528,517	274,111,064	Academic Support	24,787,135	-	24,787,135
242,179,477	75,513,295	Research	284,896,521	-	284,896,521
66,716,644	173,377,299	Public Service	78,200,681	-	78,200,681
-	24,367,072	Hospitals and Clinics	273,558,334	-	273,558,334
40,140,524	2,748,021	Institutional Support	49,765,085	-	49,765,085
2,427,900	45,433,089	Student Services	2,461,193	-	2,461,193
41,870,027	47,390,629	Operations and Maintenance of Plant	58,161,063	-	58,161,063
1,944,491	2,200,874	Scholarships and Fellowships	2,126,624	-	2,126,624
10,373,958	18,911,181	Auxiliary Enterprises	20,466,826	-	20,466,826
33,732,752	46,787,048	Depreciation and Amortization	-	51,770,079	51,770,079
803,998,467	1,099,159,714	Total Operating Expenses	1,218,827,373	51,770,079	1,270,597,452
(145,110,031)	(219,571,199)	<b>Operating Surplus/Deficit</b>	(203,313,338)	(52,976,469)	(256,289,807)
<b>Nonoperating Revenues (Expenses):</b>					
116,016,901	113,802,166	State Appropriations	146,557,091	-	146,557,091
39,191,590	39,448,426	Gifts in Support of Operations	41,345,911	-	41,345,911
54,489,142	53,361,683	Net Investment Income	55,772,080	-	55,772,080
50,443,786	-	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(635,868)	(500,000)	Other	-	-	-
259,505,551	206,112,275	<b>Net Non-Operating Revenue/(Expenses)</b>	243,675,082	-	243,675,082
<b>Transfers and Other:</b>					
11,545,428	15,750,000	Capital Approp., Gifts and Sponsored Programs	-	6,759,432	6,759,432
26,392,789	6,133,333	Additions to Permanent Endowments	-	5,826,667	5,826,667
(22,192,400)	(29,652,292)	Transfers for Debt Service	(40,012,353)	-	(40,012,353)
100,280,079	105,000,000	Other	-	78,880,000	78,880,000
116,025,896	97,231,041	Total Transfers and Other	(40,012,353)	91,466,099	51,453,746
<b>\$ 230,421,416</b>	<b>83,772,117</b>	<b>Change in Net Assets</b>	<b>349,391</b>	<b>38,489,630</b>	<b>38,839,021</b>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



# **THE UNIVERSITY OF TEXAS**

## **MEDICAL BRANCH AT GALVESTON**



**The University of Texas Medical Branch at Galveston**  
**Operating Budget Highlights**  
**For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

The FY 2006 budget reflects U. T. Medical Branch at Galveston's commitment to strengthening and growing its academic programs in Galveston and Austin, continued growth of sponsored research activity, and growth in the volume of health care services provided to the various patient groups served by U. T. Medical Branch. The budget for FY 2006 incorporates U. T. Medical Branch's ongoing efforts to manage and reduce costs while enhancing programs and services, increasing revenue, and maintaining competitive salaries.

**Revenue**

Revenue growth of \$98.2 million or 7.8% over FY 2005 is largely due to 1) an increase of \$49.6 million in revenue associated with delivery of health care services, attributable to increases in the volume of correctional care and hospital and physician services provided in Galveston and Austin and associated revenue enhancement initiatives (e.g., contracting, revenue cycle optimization), 2) increases in direct and indirect revenue for Federal, State and Local sponsored programs totaling \$15.2 million, due to the continued growth of sponsored research activity, 3) an increase of \$14.3 million in state appropriations, 4) an increase in investment income of \$6.1 million, and 5) an increase of \$4.3 million in other operating revenue.

**Expenditures**

Expenditures are expected to increase \$97.2 million or 7.7% over FY 2005 largely due to 1) increased expenditures of \$32.3 million associated with the delivery of health care services, primarily related to (a) salary administration (e.g. merit adjustments) and (b) an increase in staffing in nursing services, and (c) expansion of U. T. Medical Branch's clinical activity in Austin, 2) \$17.9 million in increased expenditures for Instruction, reflecting salary administration and expansion of academic programs in Austin, 3) \$15.5 million in increased expenditures in institutional support, largely driven by an increased investment in information technology (e.g., Electronic Medical Record, Financial and Human Capital Management systems) and associated support staff, 4) \$15.4 million in increased expenses associated with the growth of research programs, 5) \$5.8 million in increased expenditures for Academic Support services, 6) an increase in debt service of \$5.5 million, 7) \$3.4 million in increased expenditures for the Operation and Maintenance of Plant, largely driven by increased utility expenses, and 8) an increase of \$1.1 million in expenditures for Scholarships and Fellowships. Overall, the budget reflects increased salary and benefits expense of \$21.4 million associated with merit adjustments of 4% for Staff and Faculty personnel and 3% for Administrative and Professional personnel.

**The University of Texas Medical Branch at Galveston**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 8,758,148	9,032,500	274,352	3.1%
Federal Sponsored Programs	106,237,560	119,327,204	13,089,644	12.3%
State Sponsored Programs	20,642,361	21,177,355	534,994	2.6%
Local and Private Sponsored Programs	44,333,883	45,923,003	1,589,120	3.6%
Net Sales and Services of Educational Activities	1,100,000	1,510,022	410,022	37.3%
Net Sales and Services of Hospital and Clinics	655,680,811	705,244,153	49,563,342	7.6%
Net Professional Fees	103,066,574	110,638,189	7,571,615	7.3%
Net Auxiliary Enterprises	7,022,013	8,358,740	1,336,727	19.0%
Other Operating Revenues	12,833,627	17,089,418	4,255,791	33.2%
<b>Total Operating Revenues</b>	<b>959,674,977</b>	<b>1,038,300,584</b>	<b>78,625,607</b>	<b>8.2%</b>
<b>Operating Expenses:</b>				
Instruction	217,004,188	234,937,710	17,933,522	8.3%
Academic Support	7,308,682	13,062,995	5,754,313	78.7%
Research	100,753,127	116,174,613	15,421,486	15.3%
Public Service	7,541,836	7,914,674	372,838	4.9%
Hospitals and Clinics	777,183,702	809,518,196	32,334,494	4.2%
Institutional Support	81,888,388	97,390,581	15,502,193	18.9%
Student Services	2,994,268	3,265,108	270,840	9.0%
Operations and Maintenance of Plant	46,331,170	49,709,331	3,378,161	7.3%
Scholarships and Fellowships	2,233,704	3,323,747	1,090,043	48.8%
Auxiliary Enterprises	6,288,041	5,964,889	(323,152)	-5.1%
<b>Total Operating Expenses</b>	<b>1,249,527,106</b>	<b>1,341,261,844</b>	<b>91,734,738</b>	<b>7.3%</b>
<b>Operating Surplus/Deficit</b>	<b>(289,852,129)</b>	<b>(302,961,260)</b>	<b>(13,109,131)</b>	<b>4.5%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	274,076,044	288,425,114	14,349,070	5.2%
Gifts in Support of Operations	5,092,974	4,187,477	(905,497)	-17.8%
Net Investment Income	21,697,038	27,781,614	6,084,576	28.0%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>300,866,056</b>	<b>320,394,205</b>	<b>19,528,149</b>	<b>6.5%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(11,414,736)	(16,884,898)	(5,470,162)	47.9%
Other Additions and Transfers	35,237,289	41,226,962	5,989,673	17.0%
Other Deductions and Transfers	(35,237,289)	(41,226,962)	(5,989,673)	17.0%
<b>Total Transfers and Other</b>	<b>(11,414,736)</b>	<b>(16,884,898)</b>	<b>(5,470,162)</b>	<b>47.9%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (400,809)</b>	<b>548,047</b>	<b>948,856</b>	<b>-236.7%</b>
<b>Total Revenues</b>	<b>\$ 1,260,541,033</b>	<b>1,358,694,789</b>	<b>98,153,756</b>	<b>7.8%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(1,260,941,842)</b>	<b>(1,358,146,742)</b>	<b>(97,204,900)</b>	<b>7.7%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (400,809)</b>	<b>548,047</b>	<b>948,856</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Medical Branch at Galveston**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 9,800,738	11,950,437	Net Tuition and Fees	9,032,500	(350,000)	8,682,500
106,847,082	114,756,777	Federal Sponsored Programs	119,327,204	-	119,327,204
29,331,564	31,949,607	State Sponsored Programs	21,177,355	-	21,177,355
37,915,671	48,714,891	Local and Private Sponsored Programs	45,923,003	-	45,923,003
3,137,193	3,124,129	Net Sales and Services of Educational Activities	1,510,022	-	1,510,022
670,514,674	692,902,252	Net Sales and Services of Hospitals and Clinics	705,244,153	40,148,482	745,392,635
98,128,098	106,853,116	Net Professional Fees	110,638,189	-	110,638,189
7,933,336	9,299,217	Net Auxiliary Enterprises	8,358,740	-	8,358,740
17,800,223	18,445,811	Other Operating Revenues	17,089,418	1,236,814	18,326,232
<u>981,408,579</u>	<u>1,037,996,237</u>	<b>Total Operating Revenues</b>	<u>1,038,300,584</u>	<u>41,035,296</u>	<u>1,079,335,880</u>
<b>Operating Expenses:</b>					
214,981,734	227,001,337	Instruction	234,937,710	-	234,937,710
12,070,000	12,974,287	Academic Support	13,062,995	-	13,062,995
106,956,956	116,007,873	Research	116,174,613	-	116,174,613
7,926,994	7,326,539	Public Service	7,914,674	-	7,914,674
814,918,328	833,779,558	Hospitals and Clinics	809,518,196	78,821,454	888,339,650
63,407,969	61,570,629	Institutional Support	97,390,581	(32,391,467)	64,999,114
4,079,779	3,924,779	Student Services	3,265,108	-	3,265,108
26,633,887	26,898,248	Operations and Maintenance of Plant	49,709,331	(22,611,746)	27,097,585
3,171,613	3,733,427	Scholarships and Fellowships	3,323,747	(350,000)	2,973,747
5,930,426	6,742,404	Auxiliary Enterprises	5,964,889	-	5,964,889
47,512,380	49,673,108	Depreciation and Amortization	-	51,898,628	51,898,628
<u>1,307,590,066</u>	<u>1,349,632,189</u>	<b>Total Operating Expenses</b>	<u>1,341,261,844</u>	<u>75,366,869</u>	<u>1,416,628,713</u>
<u>(326,181,487)</u>	<u>(311,635,952)</u>	<b>Operating Surplus/Deficit</b>	<u>(302,961,260)</u>	<u>(34,331,573)</u>	<u>(337,292,833)</u>
<b>Nonoperating Revenues (Expenses):</b>					
275,443,694	279,985,532	State Appropriations	288,425,114	-	288,425,114
5,234,846	4,884,925	Gifts in Support of Operations	4,187,477	-	4,187,477
24,488,805	28,206,764	Net Investment Income	27,781,614	-	27,781,614
27,489,610	27,754,057	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(2,652,248)	(5,475,978)	Other	-	-	-
<u>330,004,707</u>	<u>335,355,300</u>	<b>Net Non-Operating Revenue/(Expenses)</b>	<u>320,394,205</u>	<u>-</u>	<u>320,394,205</u>
<b>Transfers and Other:</b>					
12,451,387	35,308,000	Capital Approp., Gifts and Sponsored Programs	-	60,304,000	60,304,000
15,296,788	5,651,901	Additions to Permanent Endowments	-	6,000,000	6,000,000
(8,787,307)	(11,883,399)	Transfers for Debt Service	(16,884,898)	(968,813)	(17,853,711)
37,808,361	38,636,788	Other	-	22,800,000	22,800,000
<u>56,769,229</u>	<u>67,713,290</u>	<b>Total Transfers and Other</b>	<u>(16,884,898)</u>	<u>88,135,187</u>	<u>71,250,289</u>
<u>\$ 60,592,449</u>	<u>91,432,638</u>	<b>Change in Net Assets</b>	<u>548,047</u>	<u>53,803,614</u>	<u>54,351,661</u>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**THE UNIVERSITY OF TEXAS**

**HEALTH SCIENCE CENTER  
AT HOUSTON**



**The University of Texas Health Science Center at Houston**  
**Operating Budget Highlights**  
**For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

Major goals addressed included:

- Begin the re-establishment of stable, annual merit pools to attract and retain faculty and staff. The FY 2006 budget includes "across-the-board" increases of \$1,200/year for all employees earning \$120,000/year or less.
- Increase funding for deferred maintenance and recent, extraordinary utility costs.
- Provide start-up funding for the new Institute of Molecular Medicine building which is scheduled to reach substantial completion in the fall of 2005.
- Strategically use funds, including certain fund balances, for critical recruitment and retention efforts, including the recent School of Public Health and Dental Branch dean recruitments.
- Set aside a total of \$600,000 (including \$200,000 within the Medical School's operating budget) for a centrally-managed grant bridging fund.
- Complete funding of several information system upgrades, including the Student Information System, learning management systems, and implementation of research pre award software.
- Funding of a post-doc fellow research training program.

**Revenue**

The Health Science Center's FY 2006 total revenues increased by 8.6% over revenues budgeted in FY 2005. Tuition and fee revenues, budgeted based on actual collections, reflect a 6.1% increase which is primarily due to fee increases and slight in state/out of state student ratio changes. The Health Science Center's student enrollment has been constant over the past two years. We will be increasing the Dental School's DDS entering class size from sixty to seventy students in FY 2006. We anticipate modest growth in contract and grant revenues in FY 2006 and expect to realize around 4% growth in federal sponsored programs. FY 2006 private contractual revenues, primarily MSRDP related, are 20.2% greater than those budgeted in FY 2005 and are the principal contributor to the 18.4% budget increase in the Local and Private Sponsored Programs category. Net Sales and Services of Educational Activities increase significantly, \$17 million, and result from Hematology Financial Services Program income being budgeted at gross this year rather than net. Harris County Psychiatric Center's revenue budget remains flat in FY 2006 and it will be a continuing challenge to operate the hospital with a positive margin given increasing operating costs.

MSRDP gross charges increase by 3.0%; however the increase is more than offset by an anticipated 17.5% increase in unsponsored charity care resulting in a 6.7% decline in budgeted FY 2006 Net Professional Fees. Auxiliary Enterprise Funds FY 2006 budgeted revenues increase by \$10.8 million, 57.8%, due to new student apartments coming online, rental income from the UT Professional Building and the UT Professional Building garage revenues.

General Revenue Appropriation increases totaled \$7.8 million. We received full debt service funding for Tropical Storm Allison bonds funded at interest only in the last biennium; this equates to \$3.5 million annually. Formula and benefit funding increases added an additional \$1.05 million and we received \$1.75 million to help defray Graduate Medical Education costs. The Legislature also appropriated an additional \$2.5 million for our Heart and Stroke special item.

**Expenditures**

Total Health Science Center expenses are expected to increase by 8.1%. Across the board salary increases of \$1,200 per employee increased salary expenses by \$3.9 million. Merits of up to 5% of FY 2006 annual salaries were allowed to be included in the budget dependent upon availability of funding in departmental budgets. Faculty positions increased by 36.7 FTEs or 3.1%. The largest faculty increase is in the School of Public Health which is undertaking new certificate of Public Health programs to be launched this fall in Houston and at its regional campuses and a new certificate program in Public Health Informatics. The School of Public Health increased FY 2006 scholarship aid by \$121,000; other health science center scholarship/financial aid levels remained unchanged. MSRDP expenses increase by \$3.8 million, 2.1%; the largest increase is in the faculty salary category. Deferred maintenance expenses increase by \$1.6 million and reflect the need to address critical campus wide deferred maintenance issues.

**The University of Texas Health Science Center at Houston**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 17,668,267	18,744,943	1,076,676	6.1%
Federal Sponsored Programs	125,185,465	130,274,206	5,088,741	4.1%
State Sponsored Programs	25,183,382	25,863,223	679,841	2.7%
Local and Private Sponsored Programs	105,501,331	124,919,244	19,417,913	18.4%
Net Sales and Services of Educational Activities	14,138,054	31,744,520	17,606,466	124.5%
Net Sales and Services of Hospital and Clinics	8,790,350	8,790,350	-	0.0%
Net Professional Fees	117,033,719	109,162,963	(7,870,756)	-6.7%
Net Auxiliary Enterprises	13,360,557	21,080,949	7,720,392	57.8%
Other Operating Revenues	5,717,133	6,470,043	752,910	13.2%
<b>Total Operating Revenues</b>	<b>432,578,258</b>	<b>477,050,441</b>	<b>44,472,183</b>	<b>10.3%</b>
<b>Operating Expenses:</b>				
Instruction	253,879,295	284,507,420	30,628,125	12.1%
Academic Support	23,066,208	24,030,671	964,463	4.2%
Research	119,919,359	123,995,945	4,076,586	3.4%
Public Service	17,524,476	17,182,129	(342,347)	-2.0%
Hospitals and Clinics	75,140,422	74,294,579	(845,843)	-1.1%
Institutional Support	60,656,318	65,936,018	5,279,700	8.7%
Student Services	4,757,052	5,190,750	433,698	9.1%
Operations and Maintenance of Plant	17,598,972	18,199,825	600,853	3.4%
Scholarships and Fellowships	5,079,493	4,080,293	(999,200)	-19.7%
Auxiliary Enterprises	14,333,536	22,662,814	8,329,278	58.1%
<b>Total Operating Expenses</b>	<b>591,955,131</b>	<b>640,080,444</b>	<b>48,125,313</b>	<b>8.1%</b>
<b>Operating Surplus/Deficit</b>	<b>(159,376,873)</b>	<b>(163,030,003)</b>	<b>(3,653,130)</b>	<b>2.3%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	145,030,102	152,856,071	7,825,969	5.4%
Gifts in Support of Operations	9,103,067	8,395,493	(707,574)	-7.8%
Net Investment Income	6,954,338	6,701,249	(253,089)	-3.6%
Other Non-Operating Revenue	2,837,655	2,837,655	-	0.0%
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>163,925,162</b>	<b>170,790,468</b>	<b>6,865,306</b>	<b>4.2%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(8,431,643)	(14,439,485)	(6,007,842)	71.3%
Other Additions and Transfers	4,080,823	4,080,823	-	0.0%
Other Deductions and Transfers	(4,048,823)	(4,080,823)	(32,000)	0.8%
<b>Total Transfers and Other</b>	<b>(8,399,643)</b>	<b>(14,439,485)</b>	<b>(6,039,842)</b>	<b>71.9%</b>
<b>Surplus/(Deficit)</b>	<b>\$ (3,851,354)</b>	<b>(6,679,020)</b>	<b>(2,827,666)</b>	<b>73.4%</b>
<b>Total Revenues</b>				
<b>Total Expenses and Debt Service Transfers</b>	<b>\$ 596,503,420</b>	<b>647,840,909</b>	<b>51,337,489</b>	<b>8.6%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>(600,386,774)</b>	<b>(654,519,929)</b>	<b>(54,133,155)</b>	<b>9.0%</b>
	<b>\$ (3,883,354)</b>	<b>(6,679,020)</b>	<b>(2,795,666)</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Health Science Center at Houston**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 14,514,251	15,114,251	Net Tuition and Fees	18,744,943	(1,500,000)	17,244,943
133,822,478	135,722,478	Federal Sponsored Programs	130,274,206	9,000,000	139,274,206
10,632,444	10,951,417	State Sponsored Programs	25,863,223	(13,449,200)	12,414,023
90,987,576	93,717,203	Local and Private Sponsored Programs	124,919,244	(16,004,175)	108,915,069
33,790,496	25,863,729	Net Sales and Services of Educational Activities	31,744,520	-	31,744,520
29,703,240	31,831,855	Net Sales and Services of Hospitals and Clinics	8,790,350	20,453,375	29,243,725
99,820,240	107,500,000	Net Professional Fees	109,162,963	-	109,162,963
13,162,050	21,501,499	Net Auxiliary Enterprises	21,080,949	-	21,080,949
33,706,014	8,342,701	Other Operating Revenues	6,470,043	-	6,470,043
460,138,789	450,545,133	Total Operating Revenues	477,050,441	(1,500,000)	475,550,441
<b>Operating Expenses:</b>					
246,576,557	258,171,454	Instruction	284,507,420	(3,787,499)	280,719,921
18,644,779	20,701,812	Academic Support	24,030,671	(105,067)	23,925,604
115,660,457	117,306,675	Research	123,995,945	(113,000)	123,882,945
18,166,290	20,170,533	Public Service	17,182,129	-	17,182,129
65,558,429	72,791,332	Hospitals and Clinics	74,294,579	(933,317)	73,361,262
56,214,668	60,416,696	Institutional Support	65,936,018	(2,074,832)	63,861,186
3,927,311	4,360,602	Student Services	5,190,750	(127,227)	5,063,523
18,562,487	20,610,441	Operations and Maintenance of Plant	18,199,825	-	18,199,825
3,398,621	3,771,583	Scholarships and Fellowships	4,080,293	-	4,080,293
10,724,945	13,763,946	Auxiliary Enterprises	22,662,814	(4,443,572)	18,219,242
16,576,488	17,315,698	Depreciation and Amortization	-	18,159,058	18,159,058
574,011,032	609,380,772	Total Operating Expenses	640,080,444	6,574,544	646,654,988
(113,872,243)	(158,835,639)	<b>Operating Surplus/Deficit</b>	(163,030,003)	(8,074,544)	(171,104,547)
<b>Nonoperating Revenues (Expenses):</b>					
137,829,853	145,030,102	State Appropriations	152,856,071	-	152,856,071
7,720,179	33,078,643	Gifts in Support of Operations	8,395,493	-	8,395,493
10,415,730	10,126,604	Net Investment Income	6,701,249	3,721,825	10,423,074
11,372,468	-	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(3,806,079)	4,019,455	Other	2,837,655	-	2,837,655
163,532,151	192,254,804	<b>Net Non-Operating Revenue/(Expenses)</b>	170,790,468	3,721,825	174,512,293
<b>Transfers and Other:</b>					
12,035,320	7,255,497	Capital Approp., Gifts and Sponsored Programs	-	15,000,000	15,000,000
3,069,388	3,200,000	Additions to Permanent Endowments	-	3,500,000	3,500,000
(12,030,159)	(13,349,683)	Transfers for Debt Service	(14,439,485)	(3,077,855)	(17,517,340)
48,679,599	15,911,726	Other	-	1,919,509	1,919,509
51,754,148	13,017,540	Total Transfers and Other	(14,439,485)	17,341,654	2,902,169
\$ 101,414,056	46,436,705	<b>Change in Net Assets</b>	(6,679,020)	12,988,935	6,309,915

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



**THE UNIVERSITY OF TEXAS**

**HEALTH SCIENCE CENTER  
AT SAN ANTONIO**



**The University of Texas Health Science Center at San Antonio**  
**Operating Budget Highlights**  
**For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

U. T. Health Science Center at San Antonio considers it critically important to maintain salaries at competitive rates for both faculty and staff, and to enact salary increase plans consistent with other state agencies and our higher education peers. The Health Science Center authorized an overall 3% merit-based salary increase for both faculty and staff, with individual increases ranging from 0% to 10%, at a total cost of \$7 million (\$3.3 million in State funds and \$3.5 million among other funds).

The Health Science Center is also committed to the recruitment and retention of key faculty, administrators and staff. Approximately \$7.8 million of State funds, \$2.8 million of F&A revenues and 3.5% of net Practice Plan revenues have been budgeted in FY 2006 to address retention issues, planned faculty and staff new hires (including one dean and four chairs), and to provide bridge funding for faculty. Investing in faculty will allow us to further enhance research, clinical and academic programs such as Graduate Medical Education and the MD/PhD programs.

Over 250,000 sq. ft. of new space has been added during the past two years. This, coupled with increased energy costs, has caused utilities and facilities management services to increase dramatically. Funding of \$1.4 million has been provided for these needs. In addition, \$1 million continues to be directed to our deferred maintenance backlog, which totals approximately \$18 million. Fire and Life Safety issues are a major part of our deferred maintenance backlog.

Due to significant program expansion, \$3 million has been invested in institutional support to upgrade our technology environment, to enhance research administration, philanthropic efforts, and other core administrative functions.

**Revenue**

The Health Science Center experienced revenue growth of \$32.1 million, or 6.8%, over FY 2005. Tuition and Fees increased \$3.5 million based on prior year actual collections and due to slight enrollment growth, as well as from HB3015 provisions. Sponsored Program Revenue increased \$26.5 million overall primarily from new based-care contracts with University Hospital System (\$17.7 million) and as a result of increased sponsored research initiatives (\$7 million) among existing and new programs such as Children's Cancer Research Institute (CCRI), the San Antonio Cancer Institute (SACI), the San Antonio Life Sciences Institute (SALSI), and the Barshop Center for Aging and Longevity Studies. The \$8.8 million decline in Net Professional Fees reflects a payor mix change in MSRDP. UHS based-care contracts have increased to meet the demands of indigent care causing fee for service patient revenues to decrease. However, Practice Plan revenues are up \$9.5 million overall from the prior year, which includes a \$1.8 million growth in miscellaneous income received for clinical activities in Other Operating Revenue. Auxiliary Enterprises grew \$450,000 due to anticipated increases in parking fees. The HSC received \$4.5 million in new General Revenue, including \$1.5 million for the Laredo Extension Campus, and \$4.2 million for state-paid staff benefits, or a total State Appropriations increase of \$8.8 million. Gifts are projected to increase \$650,000 with the addition of new staff to address philanthropic efforts.

**Expenditures**

Expenditures are expected to increase \$28.8 million, or 6.1%, over FY 2005. Provisions for a 3% merit-based salary increase for faculty and staff among all fund groups was authorized at a cost of \$7 million among all fund groups. Debt Service requirements for Tuition Revenue Bonds increased by \$1 million and Graduate Medical Education increased by \$1 million due to new formula funding provisions. Due to increased rates, staff benefits and utility costs are expected to increase by \$3 million and \$1 million, respectively. Institutional support increased \$2.4 million to upgrade PeopleSoft computing systems, while new General Revenue of \$1.5 million was appropriated to enhance operations at the Laredo Extension Campus. In addition to incurring salary increases for both faculty and staff, MSRDP expenses increased by a net \$3 million to address faculty and chair recruitment efforts, and DSRDP expenses increased \$1.6 million due to a one-time capital improvement project to renovate clinical labs. Auxiliary Funds grew nearly \$550,000 due to increased costs associated with operating the shuttle service. And, research initiatives are expected to grow by \$8 million among existing and new programs such as CCRI, SACI, SALSI, and the Barshop Center for Aging and Longevity Studies.

**The University of Texas Health Science Center at San Antonio**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	<b>FY 2005 Adjusted Budget</b>	<b>FY 2006 Operating Budget</b>	<b>Budget Increases (Decreases) From 2005 to 2006</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 17,759,519	21,256,674	3,497,155	19.7%
Federal Sponsored Programs	105,759,934	111,021,882	5,261,948	5.0%
State Sponsored Programs	3,793,750	3,526,190	(267,560)	-7.1%
Local and Private Sponsored Programs	66,810,647	88,273,297	21,462,650	32.1%
Net Sales and Services of Educational Activities	3,000,000	3,000,000	-	0.0%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	89,363,697	80,595,315	(8,768,382)	-9.8%
Net Auxiliary Enterprises	2,278,064	2,720,620	442,556	19.4%
Other Operating Revenues	14,553,245	16,101,357	1,548,112	10.6%
<b>Total Operating Revenues</b>	<b>303,318,856</b>	<b>326,495,335</b>	<b>23,176,479</b>	<b>7.6%</b>
<b>Operating Expenses:</b>				
Instruction	191,551,640	208,230,923	16,679,283	8.7%
Academic Support	23,559,236	23,929,073	369,837	1.6%
Research	98,848,137	106,870,098	8,021,961	8.1%
Public Service	21,215,091	21,234,129	19,038	0.1%
Hospitals and Clinics	74,519,918	73,049,219	(1,470,699)	-2.0%
Institutional Support	23,310,931	26,648,036	3,337,105	14.3%
Student Services	2,419,169	2,989,964	570,795	23.6%
Operations and Maintenance of Plant	21,651,019	21,362,147	(288,872)	-1.3%
Scholarships and Fellowships	886,769	1,188,645	301,876	34.0%
Auxiliary Enterprises	2,438,227	2,968,801	530,574	21.8%
<b>Total Operating Expenses</b>	<b>460,400,137</b>	<b>488,471,035</b>	<b>28,070,898</b>	<b>6.1%</b>
<b>Operating Surplus/Deficit</b>	<b>(157,081,281)</b>	<b>(161,975,700)</b>	<b>(4,894,419)</b>	<b>3.1%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	143,334,618	152,095,031	8,760,413	6.1%
Gifts in Support of Operations	5,802,025	6,445,292	643,267	11.1%
Net Investment Income	20,934,499	20,447,352	(487,147)	-2.3%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>170,071,142</b>	<b>178,987,675</b>	<b>8,916,533</b>	<b>5.2%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(10,195,297)	(10,968,928)	(773,631)	7.6%
Other Additions and Transfers	11,147,375	11,983,214	835,839	7.5%
Other Deductions and Transfers	(8,827,375)	(10,938,214)	(2,110,839)	23.9%
<b>Total Transfers and Other</b>	<b>(7,875,297)</b>	<b>(9,923,928)</b>	<b>(2,048,631)</b>	<b>26.0%</b>
<b>Surplus/(Deficit)</b>	<b>\$ 5,114,564</b>	<b>7,088,047</b>	<b>1,973,483</b>	<b>38.6%</b>
<b>Total Revenues</b>	<b>\$ 473,389,998</b>	<b>505,483,010</b>	<b>32,093,012</b>	<b>6.8%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(470,595,434)</b>	<b>(499,439,963)</b>	<b>(28,844,529)</b>	<b>6.1%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 2,794,564</b>	<b>6,043,047</b>	<b>3,248,483</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

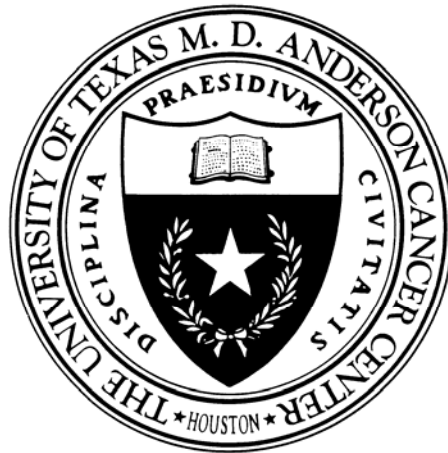
**The University of Texas Health Science Center at San Antonio**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 14,206,318	16,950,000	Net Tuition and Fees	21,256,674	(2,500,000)	18,756,674
106,042,266	108,093,087	Federal Sponsored Programs	111,021,882	-	111,021,882
2,761,286	3,325,941	State Sponsored Programs	3,526,190	-	3,526,190
54,452,290	54,878,029	Local and Private Sponsored Programs	88,273,297	(25,500,000)	62,773,297
19,845,594	17,896,502	Net Sales and Services of Educational Activities	3,000,000	15,500,000	18,500,000
-	-	Net Sales and Services of Hospitals and Clinics	-	-	-
69,574,776	76,839,333	Net Professional Fees	80,595,315	(1,500,000)	79,095,315
2,507,468	2,448,345	Net Auxiliary Enterprises	2,720,620	-	2,720,620
20,094,867	16,822,669	Other Operating Revenues	16,101,357	1,500,000	17,601,357
289,484,865	297,253,906	Total Operating Revenues	326,495,335	(12,500,000)	313,995,335
<b>Operating Expenses:</b>					
198,890,750	202,568,748	Instruction	208,230,923	(2,000,000)	206,230,923
22,383,649	22,797,580	Academic Support	23,929,073	-	23,929,073
99,160,824	100,994,561	Research	106,870,098	(4,000,000)	102,870,098
19,658,603	20,022,141	Public Service	21,234,129	-	21,234,129
45,215,000	46,051,141	Hospitals and Clinics	73,049,219	(12,500,000)	60,549,219
27,933,742	28,450,308	Institutional Support	26,648,036	(1,000,000)	25,648,036
3,000,602	3,056,091	Student Services	2,989,964	-	2,989,964
20,762,572	21,146,525	Operations and Maintenance of Plant	21,362,147	-	21,362,147
1,228,648	1,251,369	Scholarships and Fellowships	1,188,645	-	1,188,645
2,596,657	2,644,676	Auxiliary Enterprises	2,968,801	-	2,968,801
17,752,769	18,500,000	Depreciation and Amortization	-	18,500,000	18,500,000
458,583,816	467,483,140	Total Operating Expenses	488,471,035	(1,000,000)	487,471,035
(169,098,951)	(170,229,234)	<b>Operating Surplus/Deficit</b>	(161,975,700)	(11,500,000)	(173,475,700)
<b>Nonoperating Revenues (Expenses):</b>					
134,065,569	146,533,654	State Appropriations	152,095,031	-	152,095,031
14,922,914	16,006,410	Gifts in Support of Operations	6,445,292	10,000,000	16,445,292
17,860,572	18,718,175	Net Investment Income	20,447,352	-	20,447,352
33,171,082	-	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(392,422)	-	Other	-	-	-
199,627,715	181,258,239	<b>Net Non-Operating Revenue/(Expenses)</b>	178,987,675	10,000,000	188,987,675
<b>Transfers and Other:</b>					
2,094,359	2,000,000	Capital Approp., Gifts and Sponsored Programs	-	2,000,000	2,000,000
5,440,275	3,660,876	Additions to Permanent Endowments	-	3,000,000	3,000,000
(10,874,447)	(11,067,725)	Transfers for Debt Service	(10,968,928)	(1,041,069)	(12,009,997)
29,482,924	2,800,000	Other	1,045,000	3,000,000	4,045,000
26,143,111	(2,606,849)	Total Transfers and Other	(9,923,928)	6,958,931	(2,964,997)
<b>\$ 56,671,875</b>	<b>8,422,156</b>	<b>Change in Net Assets</b>	<b>7,088,047</b>	<b>5,458,931</b>	<b>12,546,978</b>

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**THE UNIVERSITY OF TEXAS**

**M. D. ANDERSON CANCER CENTER**



**The University of Texas M. D. Anderson Cancer Center**  
**Operating Budget Highlights**  
**For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

Strategic Vision for Making Cancer History, 2005-2010

- Enhance the excellence, value, safety & efficiency of our patient care; enhance the quality of existing research programs & develop priority programs for the future; enhance the quality & outcomes of our undergraduate & graduate degree-granting programs & our post-doctoral training programs.
- Expand research addressing risk assessment, prevention & early detection of cancer & develop strategies to disseminate these findings; advance M. D. Anderson as employer of choice.
- Increase our mission-driven collaborations & outreach; safeguard & enhance our resources.

Implement Strategic Vision for Research & Academic Programs

- Research Programs - Develop Priority Programs; recruit/retain faculty & faculty leaders; increase quality, productivity & accountability; provide resources & infrastructure
- Academic Programs - Increase scope & quality; increase recognition for educators; provide resources & infrastructure

Clinical Care Efficiency Initiatives

- Clinical Productivity; Electronic Medical Record; Continuum of Care; Access/Capacity Management; Throughput

Other Clinical Emphasis

- Clinical Research Integration; Quality Initiatives – Patient Safety
- Facility Initiatives – Full-year of ACB clinical volume expectations, Proton Therapy Center opening, Inpatient Bed Scenarios & Emergency Center Relocation

**Revenue**

State Appropriations: Increases in the following: Patient Care Activities funding of \$5 million, tuition revenue bond funding of \$2.15 million, formula funding of \$2.9 million and GME funding of \$205,000.

Tuition: The continued growth in the number of students in the Allied Health programs with the approval of two new programs in diagnostic imaging and molecular genetics technology.

Federal Sponsored Programs: Minimal growth due to the expected NCI payline decrease.

Hospital & Clinics and Professional Fees: Increases are primarily due to continued growth in clinical volume indicators, the new Ambulatory Clinic Building (ACB) for the 1<sup>st</sup> time in operation for a complete year, opening of additional inpatient beds, strategic price increases and continued faculty growth.

**Expenditures**

Salary Increases: The following overall salary increases for merit, market, equity & promotion are planned for FY 2006: Faculty 5.60%, Administrative 5.11% and Classified 4.34%.

FTE Growth: While managing growing clinical, research and educational demands and initiatives, FTE growth is expected to gradually slow down in FY 2006.

Facilities: The following new facilities have recently opened and will have a full-year impact in the depreciation, debt service and utilities budget: Ambulatory Clinic Building, Cancer Prevention Building, Mitchell Basic Science Building and South Campus II.

Hospital & Clinics and Professional Fees: Increases are primarily due to continued growth in clinical volume indicators, the new Ambulatory Clinic (ACB) and Cancer Prevention (CPB) buildings for the 1<sup>st</sup> time in operation for a complete year, opening of additional inpatient beds and continued faculty growth.

**The University of Texas M. D. Anderson Cancer Center**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	FY 2005 Adjusted Budget	FY 2006 Operating Budget	Budget Increases (Decreases) From 2005 to 2006	
			Amount	Percent
<b>Operating Revenues:</b>				
Tuition and Fees	\$ 464,176	553,889	89,713	19.3%
Federal Sponsored Programs	162,161,916	161,677,836	(484,080)	-0.3%
State Sponsored Programs	292,374	208,156	(84,218)	-28.8%
Local and Private Sponsored Programs	46,937,470	49,123,722	2,186,252	4.7%
Net Sales and Services of Educational Activities	5,760,669	956,031	(4,804,638)	-83.4%
Net Sales and Services of Hospital and Clinics	1,251,096,392	1,422,288,761	171,192,369	13.7%
Net Professional Fees	237,188,914	243,210,880	6,021,966	2.5%
Net Auxiliary Enterprises	25,699,183	29,622,834	3,923,651	15.3%
Other Operating Revenues	22,755,208	17,421,132	(5,334,076)	-23.4%
Total Operating Revenues	1,752,356,302	1,925,063,241	172,706,939	9.9%
<b>Operating Expenses:</b>				
Instruction	231,120,977	242,976,217	11,855,240	5.1%
Academic Support	-	-	-	-
Research	245,353,559	287,158,630	41,805,071	17.0%
Public Service	4,497,317	3,671,361	(825,956)	-18.4%
Hospitals and Clinics	1,036,234,935	1,151,001,594	114,766,659	11.1%
Institutional Support	117,963,480	127,906,689	9,943,209	8.4%
Student Services	-	-	-	-
Operations and Maintenance of Plant	266,166,430	319,249,383	53,082,953	19.9%
Scholarships and Fellowships	11,431	-	(11,431)	-100.0%
Auxiliary Enterprises	18,114,268	21,070,100	2,955,832	16.3%
Total Operating Expenses	1,919,462,397	2,153,033,974	233,571,577	12.2%
<b>Operating Surplus/Deficit</b>	(167,106,095)	(227,970,733)	(60,864,638)	36.4%
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	148,087,074	157,974,425	9,887,351	6.7%
Gifts in Support of Operations	37,143,555	64,246,000	27,102,445	73.0%
Net Investment Income	23,828,579	28,715,329	4,886,750	20.5%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	209,059,208	250,935,754	41,876,546	20.0%
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	(18,000,000)	-	18,000,000	-100.0%
Transfers for Debt Service	(68,083,420)	(72,112,504)	(4,029,084)	5.9%
Other Additions and Transfers	-	-	-	-
Other Deductions and Transfers	-	-	-	-
Total Transfers and Other	(86,083,420)	(72,112,504)	13,970,916	-16.2%
<b>Surplus/(Deficit)</b>	\$ (44,130,307)	(49,147,483)	(5,017,176)	11.4%
Total Revenues	\$ 1,961,415,510	2,175,998,995	214,583,485	10.9%
Total Expenses and Debt Service Transfers	(1,987,545,817)	(2,225,146,478)	(237,600,661)	12.0%
Excess (Deficiency) of Revenue over Expenses	\$ (26,130,307)	(49,147,483)	(23,017,176)	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas M. D. Anderson Cancer Center**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
<b>Operating Revenues:</b>					
\$ 233,421	260,000	Net Tuition and Fees	553,889	(256,889)	297,000
156,900,933	161,500,000	Federal Sponsored Programs	161,677,836	14,510,164	176,188,000
339,218	250,000	State Sponsored Programs	208,156	(208,156)	-
54,201,851	58,500,000	Local and Private Sponsored Programs	49,123,722	11,265,278	60,389,000
1,989,696	2,040,000	Net Sales and Services of Educational Activities	956,031	1,152,969	2,109,000
1,137,060,151	1,290,000,000	Net Sales and Services of Hospitals and Clinics	1,422,288,761	239	1,422,289,000
213,819,015	225,000,000	Net Professional Fees	243,210,880	-	243,210,880
15,936,074	19,080,000	Net Auxiliary Enterprises	29,622,834	(7,392,834)	22,230,000
12,937,563	15,030,000	Other Operating Revenues	17,421,132	(297,132)	17,124,000
1,593,417,922	1,771,660,000	Total Operating Revenues	1,925,063,241	18,773,639	1,943,836,880
<b>Operating Expenses:</b>					
63,214,309	73,500,000	Instruction	242,976,217	(161,608,217)	81,368,000
-	-	Academic Support	-	-	-
257,627,595	281,500,000	Research	287,158,630	26,471,370	313,630,000
4,669,171	5,900,000	Public Service	3,671,361	2,519,639	6,191,000
1,034,302,015	1,158,400,000	Hospitals and Clinics	1,151,001,594	119,983,405	1,270,984,999
150,186,779	166,800,000	Institutional Support	127,906,689	57,441,311	185,348,000
-	-	Student Services	-	-	-
114,679,794	125,450,000	Operations and Maintenance of Plant	319,249,383	(183,009,788)	136,239,595
144,505	140,000	Scholarships and Fellowships	-	140,000	140,000
11,791,064	11,500,000	Auxiliary Enterprises	21,070,100	(8,216,185)	12,853,915
105,714,441	136,100,000	Depreciation and Amortization	-	151,370,000	151,370,000
1,742,329,673	1,959,290,000	Total Operating Expenses	2,153,033,974	5,091,535	2,158,125,509
(148,911,751)	(187,630,000)	<b>Operating Surplus/Deficit</b>	(227,970,733)	13,682,104	(214,288,629)
<b>Nonoperating Revenues (Expenses):</b>					
147,941,738	146,472,000	State Appropriations	157,974,425	-	157,974,425
32,854,186	55,866,000	Gifts in Support of Operations	64,246,000	-	64,246,000
51,820,525	46,323,000	Net Investment Income	28,715,329	2,164,671	30,880,000
30,037,582	28,000,000	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
(72,922)	-	Interest Expense	-	-	-
17,018,301	-	Other	-	-	-
279,599,410	276,661,000	<b>Net Non-Operating Revenue/(Expenses)</b>	250,935,754	2,164,671	253,100,425
<b>Transfers and Other:</b>					
7,198,250	13,348,000	Capital Approp., Gifts and Sponsored Programs	-	10,000,000	10,000,000
32,482,652	16,631,000	Additions to Permanent Endowments	-	10,000,000	10,000,000
(41,400,394)	(55,712,109)	Transfers for Debt Service	(72,112,504)	-	(72,112,504)
139,505,948	65,000,000	Other	-	130,000,000	130,000,000
137,786,456	39,266,891	Total Transfers and Other	(72,112,504)	150,000,000	77,887,496
\$ 268,474,115	128,297,891	<b>Change in Net Assets</b>	(49,147,483)	165,846,775	116,699,292

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.



# **THE UNIVERSITY OF TEXAS**

## **HEALTH CENTER AT TYLER**



**The University of Texas Health Center at Tyler**  
**Operating Budget Highlights**  
**For the Year Ending August 31, 2006**

**Introduction - Major Goals Addressed by FY 2006 Budget**

The FY 2006 Operating Budget addresses significant increases in Research activity with the opening of our 30,000 square foot addition to The Center for Biomedical Research late in FY 2005. Overall, the budget is held fairly flat for The University of Texas Health Center at Tyler as compared to FY2005 projections. In FY 2005 we saw lower than expected/budgeted patient volume in both inpatient and outpatient areas. We are currently working on a market analysis to help address and counter the issues leading to those declines. Two new initiatives in FY 2006 are the Geriatrics Program and an expanded Correctional Healthcare Services. The budget addresses further upgrades to our Patient accounting and Financial Systems as well as implementation of a new Budget system. Health Tyler will begin FY 2006 with a new Vice President for Patient Care Operations and Chief Nursing Officer, who joined our team late in FY 2005 and brings a great deal of clinical leadership expertise to our Executive Administrative Council.

**Revenue**

Overall operating revenues are fairly flat, though there is some shift in the mix. Research revenues are expected to be up significantly due to increased grant activity and the completion of our 30,000 square foot addition to the Center for Biomedical Research. We are also expecting to see significant revenue streams from our new Geriatrics Program and increased Correctional Healthcare Services. Offsetting the increased research activity and new programs are lower patient revenues in both inpatient and outpatient areas. Our inpatient volumes have dropped primarily due to increased competition in our region where we have traditionally enjoyed high market share, which affects both hospital operations as well as those of the MSRDP. We are currently working on a market analysis to help determine a course to return our volume to a growth orientation in FY 2006. We have seen some improvement in state appropriations; however our mission to support Tuberculosis in the state of Texas is still primarily funded by locally generated revenues, creating a significant burden on our limited resources.

**Expenditures**

Health Tyler's FY 2006 budget addresses upgrades to our information technology as well as catching up on some general maintenance issues that have been deferred in recent years. We intend to continue on our track to upgrade our patient accounting and financial systems. In addition to information technology upgrades we are also embarking on the implementation of PeopleSoft budget system to complement our PeopleSoft financials application. We expect to see some growth in payroll related costs primarily due to higher insurance premiums and the implementation of TRS changes, as well as growth to some of our newer programs, such as our Center for Healthy Aging. The budget does not address merit increases. The implementation of our new physician compensation plan is expected to have minimal impact on salary costs. We continue to have a positive relationship with Smith County in providing healthcare to the county jail inmates and hope to increase our range of Correctional Healthcare Services.

**The University of Texas Health Center at Tyler**  
**Operating Budget**  
**Fiscal Year Ending August 31, 2006**

	FY 2005 Adjusted Budget	FY 2006 Operating Budget	Budget Increases (Decreases) From 2005 to 2006	
			Amount	Percent
<b>Operating Revenues:</b>				
Tuition and Fees	\$ -	-	-	-
Federal Sponsored Programs	5,805,732	10,246,687	4,440,955	76.5%
State Sponsored Programs	452,677	1,244,793	792,116	175.0%
Local and Private Sponsored Programs	1,680,380	2,759,046	1,078,666	64.2%
Net Sales and Services of Educational Activities	2,893,417	4,416,889	1,523,472	52.7%
Net Sales and Services of Hospital and Clinics	53,840,361	48,878,615	(4,961,746)	-9.2%
Net Professional Fees	14,299,464	11,295,074	(3,004,390)	-21.0%
Net Auxiliary Enterprises	893,748	234,605	(659,143)	-73.8%
Other Operating Revenues	3,661,277	602,225	(3,059,052)	-83.6%
<b>Total Operating Revenues</b>	<b>83,527,056</b>	<b>79,677,934</b>	<b>(3,849,122)</b>	<b>-4.6%</b>
<b>Operating Expenses:</b>				
Instruction	8,919,114	5,044,181	(3,874,933)	-43.4%
Academic Support	-	-	-	-
Research	12,003,951	15,965,060	3,961,109	33.0%
Public Service	-	-	-	-
Hospitals and Clinics	82,262,552	85,183,987	2,921,435	3.6%
Institutional Support	8,888,834	8,821,331	(67,503)	-0.8%
Student Services	-	-	-	-
Operations and Maintenance of Plant	7,894,755	5,717,737	(2,177,018)	-27.6%
Scholarships and Fellowships	-	-	-	-
Auxiliary Enterprises	852,071	211,705	(640,366)	-75.2%
<b>Total Operating Expenses</b>	<b>120,821,277</b>	<b>120,944,001</b>	<b>122,724</b>	<b>0.1%</b>
<b>Operating Surplus/Deficit</b>	<b>(37,294,221)</b>	<b>(41,266,067)</b>	<b>(3,971,846)</b>	<b>10.7%</b>
<b>Nonoperating Revenues (Expenses):</b>				
State Appropriations & HEAF	35,891,251	39,095,121	3,203,870	8.9%
Gifts in Support of Operations	469,490	569,461	99,971	21.3%
Net Investment Income	2,553,404	2,585,299	31,895	1.2%
Other Non-Operating Revenue	1,000,000	-	(1,000,000)	-100.0%
Other Non-Operating (Expenses)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>39,914,145</b>	<b>42,249,881</b>	<b>2,335,736</b>	<b>5.9%</b>
<b>Transfers and Other:</b>				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(1,745,578)	(2,511,704)	(766,126)	43.9%
Other Additions and Transfers	-	-	-	-
Other Deductions and Transfers	-	-	-	-
<b>Total Transfers and Other</b>	<b>(1,745,578)</b>	<b>(2,511,704)</b>	<b>(766,126)</b>	<b>43.9%</b>
<b>Surplus/(Deficit)</b>	<b>\$ 874,346</b>	<b>(1,527,890)</b>	<b>(2,402,236)</b>	<b>-274.7%</b>
<b>Total Revenues</b>	<b>\$ 123,441,201</b>	<b>121,927,815</b>	<b>(1,513,386)</b>	<b>-1.2%</b>
<b>Total Expenses and Debt Service Transfers</b>	<b>(122,566,855)</b>	<b>(123,455,705)</b>	<b>(888,850)</b>	<b>0.7%</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 874,346</b>	<b>(1,527,890)</b>	<b>(2,402,236)</b>	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

**The University of Texas Health Center at Tyler**  
**Comparison of the Fiscal Year 2006 Combined Operating Budget to**  
**Statement of Revenues, Expenses and Changes in Net Assets**

<b>Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)</b>			<b>Operating Budget FY 2006</b>	<b>Adjustments</b>	<b>Projected SRECNA FY 2006</b>
<b>Actual FY 2004</b>	<b>Projected FY 2005</b>				
		<b>Operating Revenues:</b>			
\$ -	-	Net Tuition and Fees	-	-	-
4,719,650	6,661,661	Federal Sponsored Programs	10,246,687	-	10,246,687
1,061,828	1,125,311	State Sponsored Programs	1,244,793	-	1,244,793
5,698,368	5,736,548	Local and Private Sponsored Programs	2,759,046	-	2,759,046
3,145,660	3,240,030	Net Sales and Services of Educational Activities	4,416,889	(3,000,000)	1,416,889
52,076,787	47,149,687	Net Sales and Services of Hospitals and Clinics	48,878,615	-	48,878,615
13,120,015	9,806,211	Net Professional Fees	11,295,074	(932,276)	10,362,798
951,334	566,222	Net Auxiliary Enterprises	234,605	-	234,605
1,268,368	5,178,561	Other Operating Revenues	602,225	-	602,225
82,042,010	79,464,231	Total Operating Revenues	79,677,934	(3,932,276)	75,745,658
		<b>Operating Expenses:</b>			
6,508,441	7,990,367	Instruction	5,044,181	-	5,044,181
-	-	Academic Support	-	-	-
7,939,952	10,185,585	Research	15,965,060	(2,000,000)	13,965,060
-	-	Public Service	-	-	-
84,789,385	83,694,610	Hospitals and Clinics	85,183,987	(5,032,276)	80,151,711
10,448,708	8,802,403	Institutional Support	8,821,331	-	8,821,331
-	-	Student Services	-	-	-
5,128,799	7,524,967	Operations and Maintenance of Plant	5,717,737	-	5,717,737
-	-	Scholarships and Fellowships	-	-	-
1,003,464	774,488	Auxiliary Enterprises	211,705	-	211,705
6,487,563	7,161,992	Depreciation and Amortization	-	7,233,612	7,233,612
122,306,312	126,134,412	Total Operating Expenses	120,944,001	201,336	121,145,337
(40,264,302)	(46,670,181)	<b>Operating Surplus/Deficit</b>	(41,266,067)	(4,133,612)	(45,399,679)
		<b>Nonoperating Revenues (Expenses):</b>			
37,467,516	36,204,981	State Appropriations	39,095,121	-	39,095,121
2,036,122	2,062,349	Gifts in Support of Operations	569,461	-	569,461
2,985,690	2,705,674	Net Investment Income	2,585,299	-	2,585,299
2,783,458	-	Net Inc./(Dec.) in Fair Value of Investments	-	-	-
-	-	Interest Expense	-	-	-
(1,005,428)	(113,654)	Other	-	-	-
44,267,358	40,859,350	<b>Net Non-Operating Revenue/(Expenses)</b>	42,249,881	-	42,249,881
		<b>Transfers and Other:</b>			
2,115,912	-	Capital Approp., Gifts and Sponsored Programs	-	-	-
297,825	-	Additions to Permanent Endowments	-	-	-
(1,229,778)	(1,519,708)	Transfers for Debt Service	(2,511,704)	-	(2,511,704)
9,048,297	7,996,085	Other	-	-	-
10,232,256	6,476,377	Total Transfers and Other	(2,511,704)	-	(2,511,704)
\$ 14,235,312	665,546	<b>Change in Net Assets</b>	(1,527,890)	(4,133,612)	(5,661,502)

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

## SECTION 2

### LERR ALLOCATIONS

The University of Texas System  
Fiscal Year 2006  
**RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION**

**Summary**

		PUF Allocation		
	Library & Equipment	Repair & Rehabilitation	Special Programs	Total
<b>Academic Institutions</b>				
University of Texas at Arlington	\$ 1,450,000	1,250,000	-	2,700,000
University of Texas at Austin	1,300,000	2,645,000	-	3,945,000
University of Texas at Dallas	10,000,000	-	-	10,000,000
University of Texas at El Paso	2,181,000	425,000	-	2,606,000
University of Texas of the Permian Basin	974,000	-	-	974,000
University of Texas at San Antonio	-	2,900,000	-	2,900,000
University of Texas at Tyler	900,000	-	-	900,000
Subtotal Academic Institutions	16,805,000	7,220,000	-	24,025,000
<b>Health Institutions</b>				
University of Texas Southwestern Medical Center at Dallas	1,875,000	-	-	1,875,000
University of Texas Medical Branch at Galveston	1,000,000	900,000	-	1,900,000
University of Texas Health Science Center at Houston	600,000	1,300,000	-	1,900,000
University of Texas Health Science Center at San Antonio	1,090,000	1,000,000	-	2,090,000
University of Texas M. D. Anderson Cancer Center	-	1,900,000	-	1,900,000
University of Texas Health Center at Tyler	-	2,000,000	-	2,000,000
Subtotal Health Institutions	4,565,000	7,100,000	-	11,665,000
<b>University of Texas System Administration</b>				
Academic Library Collection Enhancement Program	2,500,000	-	-	2,500,000
Faculty STARS Program - Academic Institutions	-	-	15,000,000	15,000,000
Public Health Initiative - Health Institutions	-	-	10,000,000	10,000,000
Nursing Support Initiative	-	-	5,000,000	5,000,000
Subtotal System Administration	2,500,000	-	30,000,000	32,500,000
<b>Collaborative Projects</b>				
University of Texas at El Paso (UT HSC-Houston, UT MB-Galveston)	730,000	-	-	730,000
University of Texas at Tyler (UT HC-Tyler)	300,000	-	-	300,000
University of Texas Southwestern Medical Center at Dallas (UT Dallas, UT Arlington)	780,000	-	-	780,000
Subtotal Collaborative Projects	1,810,000	-	-	1,810,000
<b>Grand Total</b>	<b>\$ 25,680,000</b>	<b>14,320,000</b>	<b>30,000,000</b>	<b>70,000,000</b>

The University of Texas System  
Fiscal Year 2006

RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION

INSTITUTION/NAME OF PROJECT	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		SPECIAL PROGRAMS PUF ALLOCATED
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	
<b>University of Texas at Arlington</b>					
Instructional Technology	\$ 1,000,000	840,000	-	-	-
Fire and Life Safety Infrastructure Improvements	-	-	1,000,000	750,000	-
Engineering Laboratory Update	500,000	300,000	-	-	-
Indoor Air Quality	-	-	500,000	500,000	-
Library Storage Outfitting	50,000	50,000	-	-	-
Cinema Media Lab	100,000	75,000	-	-	-
Music Instruments	185,000	160,000	-	-	-
Physics Labs Upgrade	50,000	25,000	-	-	-
<b>TOTAL</b>	<b>\$ 1,885,000</b>	<b>1,450,000</b>	<b>1,500,000</b>	<b>1,250,000</b>	<b>-</b>
<b>University of Texas at Austin</b>					
Libraries Digital Infrastructure	\$ 720,000	500,000	-	-	-
Archives Preservation and Access (Center for American History)	150,000	150,000	-	-	-
Information Quest Data Warehousing Project/Data Encryption Software. Cognos Report Net Software Licensing and Servers	750,000	400,000	-	-	-
Sam Rayburn Library	-	-	400,000	200,000	-
Texas Memorial Museum	-	-	675,000	675,000	-
Patterson Laboratory	-	-	1,200,000	1,200,000	-
Townes Hall	-	-	350,000	350,000	-
Inventory/Fixed Asset Accounting System and Inventory Solutions	250,000	250,000	-	-	-
Various Small Projects	-	-	250,000	220,000	-
<b>TOTAL</b>	<b>\$ 1,870,000</b>	<b>1,300,000</b>	<b>2,875,000</b>	<b>2,645,000</b>	<b>-</b>
<b>University of Texas at Dallas</b>					
Research Support - Project "Emmitt"	\$ 10,000,000	10,000,000	-	-	-
<b>TOTAL</b>	<b>\$ 10,000,000</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

The University of Texas System  
Fiscal Year 2006

RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION

INSTITUTION/NAME OF PROJECT	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		SPECIAL PROGRAMS PUF
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	
<b>University of Texas at El Paso</b>					
Technological Infrastructure for New Faculty	\$ 1,000,000	881,000	-	-	-
Access to Electronic Resources	500,000	500,000	-	-	-
Network Infrastructure Upgrade	500,000	500,000	-	-	-
Kinesiology Lab Equipment	300,000	300,000	-	-	-
Repair/Replace Elevator Components, Phase II	-	-	125,000	125,000	-
Replace/Repair HVAC Systems at Various Buildings, Phase I	-	-	300,000	300,000	-
<b>TOTAL</b>	<b>\$ 2,300,000</b>	<b>2,181,000</b>	<b>425,000</b>	<b>425,000</b>	<b>-</b>
<b>University of Texas of the Permian Basin</b>					
Library Collections	\$ 220,000	220,000	-	-	-
Personal Computer Replacement	325,000	325,000	-	-	-
Instructional Science Laboratory Equipment-Maintenance	89,000	89,000	-	-	-
Industrial Technology Program Start Up Instructional Equipment	950,000	200,000	-	-	-
Art and Music Instructional Labs Renewal (Equipment)	140,000	140,000	-	-	-
<b>TOTAL</b>	<b>\$ 1,724,000</b>	<b>974,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>University of Texas at San Antonio</b>					
Convocation Center Compliance Projects	\$ -	-	900,000	900,000	-
Convocation Center Fire, Sprinkler and Other Safety Items	-	-	1,500,000	1,500,000	-
HSS and Arts Building Fire Alarm System Upgrades	-	-	500,000	500,000	-
<b>TOTAL</b>	<b>\$ -</b>	<b>-</b>	<b>2,900,000</b>	<b>2,900,000</b>	<b>-</b>



The University of Texas System  
Fiscal Year 2006  
**RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION**

INSTITUTION/NAME OF PROJECT	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		SPECIAL PROGRAMS PUF ALLOCATED
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	
<b>University of Texas at Tyler</b>					
Safety and Security Measures (Campus and IT Security)	\$ 600,000	600,000	-	-	-
Essential Laboratory and Other Equipment to Accommodate Growth in Research	300,000	300,000	-	-	-
<b>TOTAL</b>	<u>900,000</u>	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SUBTOTAL - ACADEMICS</b>	\$ 16,805,000		7,220,000		-
<b>University of Texas Southwestern Medical Center at Dallas</b>					
Metroplex Comprehensive Medical Imaging Center	\$ 25,415,000	1,875,000	-	-	-
<b>TOTAL</b>	<u>25,415,000</u>	<u>1,875,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>University of Texas Medical Branch at Galveston</b>					
Information/Education Resources Enhancements	\$ 3,605,469	1,000,000	-	-	-
Wet Labs for the School of Nursing	-	-	400,000	400,000	-
Safety Showers and Life Safety Corrections in Research Facilities	-	-	850,000	500,000	-
<b>TOTAL</b>	<u>3,605,469</u>	<u>1,000,000</u>	<u>1,250,000</u>	<u>900,000</u>	<u>-</u>
<b>University of Texas Health Science Center Houston</b>					
Data Center Relocation	\$ -	-	2,931,250	577,250	-
Student Information System Conversion	2,300,000	600,000	-	-	-
Medical School Building Life Safety Completion of Fire Suppression System	-	-	1,390,600	722,750	-
<b>TOTAL</b>	<u>2,300,000</u>	<u>600,000</u>	<u>4,321,850</u>	<u>1,300,000</u>	<u>-</u>

The University of Texas System  
Fiscal Year 2006

RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION

INSTITUTION/NAME OF PROJECT	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		SPECIAL PROGRAMS PUF ALLOCATED
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	
<b>University of Texas Health Science Center San Antonio</b>					
Fire, Life and Safety Mission Critical Issues	\$ -	-	4,000,000	1,000,000	-
Cyclotron Facility Expansion	4,366,700	500,000	-	-	-
Library Enhancement	600,000	400,000	-	-	-
Special Equipment	190,000	190,000	-	-	-
<b>TOTAL</b>	<b>\$ 5,156,700</b>	<b>1,090,000</b>	<b>4,000,000</b>	<b>1,000,000</b>	<b>-</b>
<b>University of Texas M.D. Anderson Cancer Center</b>					
Animal Research Security	\$ -	-	1,500,000	1,200,000	-
Multi-Building Fire Alarm Replacement Project	-	-	485,000	365,000	-
Hazardous Waste Facility	-	-	1,305,000	335,000	-
<b>TOTAL</b>	<b>\$ -</b>	<b>-</b>	<b>3,290,000</b>	<b>1,900,000</b>	<b>-</b>
<b>University of Texas Health Center at Tyler</b>					
Architectural and MEP Repair and Renovation Phase I	\$ -	-	2,130,000	2,000,000	-
<b>TOTAL</b>	<b>\$ -</b>	<b>-</b>	<b>2,130,000</b>	<b>2,000,000</b>	<b>-</b>
<b>SUBTOTAL - HEALTHS</b>	<b>\$ 4,565,000</b>		<b>7,100,000</b>		<b>-</b>
<b>University of Texas System Administration</b>					
Academic Library Collection Enhancement Program	\$ 2,500,000	2,500,000	-	-	-
Faculty STARS Program - Academic Institutions	-	-	-	-	15,000,000
Public Health Initiative - Health Institutions	-	-	-	-	10,000,000
Nursing Support Initiative	-	-	-	-	5,000,000
<b>TOTAL</b>	<b>\$ 2,500,000</b>	<b>2,500,000</b>	<b>-</b>	<b>-</b>	<b>30,000,000</b>
<b>SUBTOTAL - U. T. SYSTEM ADMINISTRATION</b>	<b>\$ 23,870,000</b>		<b>14,320,000</b>		<b>30,000,000</b>

The University of Texas System  
Fiscal Year 2006

**RESERVE ALLOCATIONS FOR LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION**

INSTITUTION/NAME OF PROJECT COLLABORATIVE PROJECTS	LIBRARY AND EQUIPMENT		REPAIR AND REHABILITATION		SPECIAL PROGRAMS PUF
	TOTAL PROJECT COST	PUF ALLOCATED	TOTAL PROJECT COST	PUF ALLOCATED	
<b>University of Texas at El Paso</b>					
Dental Modeling to Improve Treatment, Instruction and Research with UTHSC Houston	\$ 380,000	380,000	-	-	-
Vaccine Development Lab. with UTMB Galveston	150,000	150,000	-	-	-
FTIR Imaging Microscope with UTHSC Houston	200,000	200,000	-	-	-
<b>TOTAL</b>	<u>\$ 730,000</u>	<u>730,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>University of Texas at Tyler</b>					
Library Enhancements to Support Joint Programs between UT Tyler and UTHC Tyler	\$ 300,000	300,000	-	-	-
<b>TOTAL</b>	<u>\$ 300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>University of Texas Southwestern Medical Center at Dallas</b>					
Metroplex Comprehensive Medical Imaging Center - with UT Dallas and UT Arlington	\$ 25,415,000	780,000	-	-	-
<b>TOTAL</b>	<u>\$ 25,415,000</u>	<u>780,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SUBTOTAL - COLLABORATIVE PROJECTS</b>	<u>\$ 1,810,000</u>		<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>TOTAL U. T. SYSTEM</b>	<u>\$ 25,680,000</u>		<u>\$ 14,320,000</u>	<u>\$ 30,000,000</u>	<u>-</u>

## **Science and Technology Acquisition and Retention (STARs) Program**

For Fiscal Year 2006 Chancellor Yudof and the Executive Vice Chancellor for Academic Affairs recommend a \$15 million allocation from Library, Equipment, Repair and Renovation (LERR) funds in support of recruiting high-caliber scientists and engineers to U. T. academic institutions. Last fiscal year a one time allocation of \$60 million was set aside to help attain and retain the best qualified faculty at both health and academic institutions. The \$60 million appropriated last fiscal year was in addition to the LERR funding that U. T. System annually expends on LERR projects. This second year request of \$15 million for STARs at academic institutions is also above the amount typically set-aside for LERR projects. Funds made available for Fiscal Year 2006 will again be used for start-up and retention packages in science and engineering fields. The recruitment of high-caliber scientists and engineers to U. T. institutions is a high priority and the additional LERR funding will be used to help build the infrastructure for the additional faculty.

For Fiscal Year 2006, the STARs package of \$15 million will be centrally administered by the U. T. System for start-up or retention packages for tenured faculty of proven quality who are recommended from the campuses by a faculty group that operates above the college level at the nominating university. The STARs package will be competitive. The minimum size for the STARs package will be \$5,000, and requests for \$5,000 to \$50,000 will be determined by the Office of Academic Affairs. Packages above \$50,000 and up to a maximum size of \$500,000 will be vetted at the U. T. System Administration level by a peer review committee chaired by the Executive Vice Chancellor for Academic Affairs. The funds will be available only for laboratory renovation and equipment purchases.

## **Public Health Initiative - Health Institutions**

For Fiscal Year 2006, Chancellor Yudof and the Executive Vice Chancellor for Health Affairs are recommending a \$10 million allocation of LERR funds in support of a major U. T. System Public Health Initiative. Texas must strengthen its public health enterprise. With a rapidly growing population, increasing challenges of hypertension, diabetes, obesity, infectious disease, and rising healthcare costs, it will be critical for the state to provide effective programs that prevent disease and promote health. These are the central missions of public health.

The U. T. System Task Force on Public Health recommended substantial strengthening of programs within the U. T. Health Science Center at Houston School of Public Health, its four regional campuses: Brownsville, Dallas, El Paso and San Antonio; and a potential campus at U. T. Austin. Among the important recommendations of the Task Force were:

1. Regional public health campuses must work in close collaboration with host campuses including joint program development, educational and research efforts, community outreach and faculty recruiting.

2. An integrated long distance learning system must be developed to take full advantage of the talent available at the various campuses to provide education for students (in many cases it is not feasible to have all required disciplines represented by faculty at a given campus).
3. Additional faculty will be required to create critical masses of investigators at regional campuses. The Task Force recommended an increase from an average of 9 faculty on each campus to approximately 15 faculty.
4. Create a range of new degree opportunities for students at all campuses. This would include an undergraduate Bachelor of Public Health degree as well as additional master's and doctoral degrees (a certificate program in public health was recommended by the Task Force and was subsequently approved by the Texas Higher Education Coordinating Board).

In addition to dissemination of the Report on Public Health to all relevant campuses, joint planning groups have evolved at the regional sites. These include representatives from Regional Public Health campus' and the host academic campus. Professor Joseph McCormick of the Public Health Campus at Brownsville has been appointed as Chancellor's Health Fellow in Public Health. He will lead System-wide efforts in strengthening education, research and public policy programs related to prevention.

A commitment of support by the U. T. System for an initiative in public health is a demonstration of strong commitment to important needs in Texas. It would strengthen the argument for similar commitments by other organizations, foundations, state and local government. Significant additional sponsored research funding would be achieved by the addition of outstanding faculty. Indirect cost return from such research would further strengthen the infrastructure for public health. Collaboration between the academic and public health campuses would be facilitated and enhanced. As the Chancellor's Health Fellow Professor McCormick carries out his role, the message in support of public health would be compelling.

The \$10 million in LERR funds being appropriated for the Public Health Initiative will be used for equipment and renovations. Uses would include:

- a. Equipment and renovations required as part of faculty recruitment packages in the various public health campuses. Such recruitments would be carried out conjointly with the associated academic or health campus and U. T. Health Science Center at Houston School of Public Health.
- b. Provide equipment and facilities support at Houston for infrastructure of an integrated distance learning program and public health initiatives.
- c. Support purchase of equipment for creation of a coordinated distance learning initiative which will involve all public health campuses and associated academic or medical campuses.
- d. Provide for renovation/completion of facilities to be used at or by regional public health campuses in collaboration with the host campus to enhance coordinated programs, education and recruitments.
- e. Purchase of core equipment such as computers and other analytical tools in support of this public health enterprise.

## **Nursing Support Initiative**

For FY 2006, Chancellor Yudof and the Executive Vice Chancellor for Academic Affairs, and the Executive Vice Chancellor for Health Affairs recommend \$5 million of LERR funds be used to provide for equipment and renovations related to the recruitment and retention of faculty to U. T. Schools of Nursing and support of improved instruction and research in these institutions.

Texas faces a continuing shortage of well-educated nurses. This shortage will be exacerbated further by rapid growth in the state's population and increased rates of retirement by nurses, whose average age has continued to rise over the past two decades. There is a special need for nurses with bachelors and master's degrees including advanced practice nurses. Available data demonstrates that patient mortality in hospitals declines as the average level of nursing training rises.

There is a substantial opportunity to educate more nurses. Approximately 4,200 individuals applied for admission to nursing schools in Texas in 2004 who could not be accommodated. The ratio of applicants to matriculants was approximately thirteen to one at U. T. Health Science Center at Houston School of Nursing. The limiting factor in enrolling these students is the number of faculty. In part these limitations arise from accreditation standards requiring one full-time nursing instructor for every ten nursing students.

Schools of Nursing of the U. T. System have attempted to create innovative programs to increase educational opportunities for nursing students. These include the use of distance instruction, creation of combined programs which can shorten the duration of required education, arrangements with hospital nursing staff to serve as faculty members, and a variety of other strategies.

The recruitment of nursing faculty is limited by the average academic salaries in nursing compared with average nursing salaries elsewhere. As our efforts continue to improve these salary levels, the availability of additional resources for equipment and renovation would be helpful in creating recruiting packages to attract the best candidates to U. T. Schools of Nursing. This includes computer capabilities and research facilities. In addition, equipment for distance learning, mannequins and other devices for nursing instruction, and improved physical facilities for education of nurses would create a more attractive environment for recruiting the best faculty.

## SECTION 3

# BUDGET RULES AND PROCEDURES

# THE UNIVERSITY OF TEXAS SYSTEM

## BUDGET RULES AND PROCEDURES

For Fiscal Year Ending August 31, 2006

### A. INITIAL BUDGET

1. Any transfers subsequent to the approval of the initial budget shall be made only after careful consideration of the allocations, transfer limitations, and general provisions of the current general appropriations act. (See B: Budget Amendments)
2. All appointments are subject to the provisions of the U. T. System Board of Regents' *Rules and Regulations* for the Government of The University of Texas System.
3. The established merit principle will be observed in determining salary rates.
4. All academic salary rates in the instructional departments of the academic institutions are nine-month rates (September 1 - May 31) unless otherwise specified. In the health-related institutions, all salary rates are twelve-month rates unless otherwise specified.
5. All appointments of classified personnel are based on twelve-month rates and are made within appropriate salary ranges as defined by the classified personnel Pay Plan approved by the U. T. System Board of Regents. All appointments of administrative and professional personnel are based on twelve-month rates.
6. Compensation for continuing personnel services (for a period longer than one month), though paid for on an hourly basis, is not to be paid out of maintenance and equipment, or like appropriations, except upon specific approval of the president of the institution.
7. All maintenance and operation, equipment, and travel appropriations are for twelve months (September 1 - August 31) and should be budgeted and expended accordingly.

### B. BUDGET AMENDMENTS

1. ITEMS REQUIRING APPROVAL OF THE U. T. SYSTEM ADMINISTRATION AND SUBSEQUENT APPROVAL BY THE U. T. SYSTEM BOARD OF REGENTS THROUGH THE DOCKET
  - a. Transfers from Unappropriated Educational and General Fund Balance.
  - b. Appointments and promotions involving tenured faculty.
  - c. Appointments, promotions and salary increases involving the president.
  - d. Salary increases or contract changes involving athletic directors or head coaches.
  - e. Increases in budgeted amounts of \$500,000 or more from income for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving and Plant Funds.



- f. Increases to Plant Funds of \$500,000 or more, which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments and Revolving Funds.

2. ITEMS REQUIRING APPROVAL OF U. T. SYSTEM ADMINISTRATION (NON-DOCKET)

- a. Reappropriation of prior year Educational and General Fund balances of \$100,000 or more.
- b. Increases in budgeted amounts of \$100,000-\$499,999 from income for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving and Plant Funds.
- c. Increases to Plant Funds of \$100,000-\$499,999 which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments and Revolving Funds.
- d. Salary increases of \$10,000 or more involving tenured faculty. This includes one-time merit payments.
- e. Appointments, promotions and salary increases of \$10,000 or more involving administrative and professional personnel reporting directly to the president, a vice president or the equivalent. This includes one-time merit payments.
- f. All appointments and salary increases of \$10,000 or more involving employees serving under written employment contracts. This includes one-time merit payments. The initial contracts for athletic directors and head coaches need to be included in the Employment Agreements section of the docket.

3. ITEMS REQUIRING APPROVAL OF THE PRESIDENT ONLY

- a. All interdepartmental transfers.
- b. All budget transfers between line-item appropriations within a department.
- c. Increases of less than \$100,000 in budgeted amounts from income for Auxiliary Enterprises, Designated Funds, Service Departments and Revolving Funds.
- d. Reallocation of unallocated Faculty Salaries. All unfilled and uncommitted line-item faculty salary positions will lapse to the institutional "Unallocated Faculty Salaries" account.
- e. Reappropriation of Prior Year Educational and General Fund Balances less than \$100,000.
- f. Transactions involving all other personnel except those specified in B.1b, B.1c, B.1d, B.2d, B.2e, and B.2f as defined above.
- g. Changes in sources of funds, changes in time assignments, and other changes in status for personnel categorized in Item B.1, provided no change in the individual's salary rate is involved. In the case of Medical Faculty, this provision applies to "Total Compensation."

- h. Summer Session Budgets.
- i. Clinical faculty appointments or changes, including medical or hospital staff, without salary.

#### 4. EFFECTIVE DATE OF APPOINTMENTS AND SALARY INCREASES

- a. Any increase in an approved salary rate for the current fiscal year without a change in classification or position is not to be effective prior to the first day of the month in which the required final approval of the rate change is obtained.
- b. A salary rate increase resulting from an appointment to another classification or to a position involving new and different duties may be made effective to the time of the first performance of duties under the new appointment.
- c. The effective date of an appointment is the date on which the individual is first to perform service for the institution under that appointment.
- d. The original appointment during a fiscal year of a person not in a budget for that year or not under an existing appointment for that year may relate back to the first performance of duties during the fiscal year although such person may have been employed in a previous fiscal year and although an increased salary rate for the same classification or position is involved.

### **C. OTHER CONSIDERATIONS**

- 1. All appropriations not actually expended or encumbered by August 31 will automatically lapse to the Unappropriated Balance Account except for those reallocated pursuant to Item B.2a and Item B.3e.
- 2. Compensation indicated as "MSRDP Funds," "DSRDP Funds," "PRS Funds" or "Allied Health Faculty Services Plan" is contingent upon its being earned or available in accordance with the regulations applicable to the Medical Service Research and Development Plan, Dental Service Research and Development Plan, Physicians Referral Service Plan or Allied Health Faculty Services Plan.
- 3. Budgeted expenditures authorized from sources of funds other than Educational and General Funds are contingent upon receipt of such funds. Appointments from such fund sources will not become an obligation of the institution in the event the supplemental or grant funds are not realized.
- 4. In accordance with provisions contained in U. T. System Board of Regents' *Rules and Regulations* Series 30201, leaves of absence for a first year or portion thereof or a second consecutive year's leave may be granted by the president. Except in very unusual circumstances as outlined in Section 3.2 and 3.3, a third consecutive year leave of absence will not be granted. Requests for third year leave of absence must be reviewed and approved by the appropriate executive vice chancellor.

## **THE UNIVERSITY OF TEXAS SYSTEM**

### **MEDICAL, DENTAL AND ALLIED HEALTH SERVICES, RESEARCH, AND DEVELOPMENT PLANS AND PHYSICIANS REFERRAL SERVICE BUDGET RULES AND PROCEDURES**

For Fiscal Year Ending August 31, 2006

1. These Rules and Procedures are to be used for the Medical, Dental and Allied Health Services, Research, and Development Plans and Physicians Referral Service Budgets in conjunction with the Rules and Procedures for the General Operating Budget.
2. Budgeted expenditures authorized from Medical, Dental and Allied Health Services, Research, and Development Plans and Physicians Referral Service are contingent upon receipt of such funds. Appointments and other budget transactions from such fund sources shall not become an obligation of any institution in the event the funds are not realized.
3. All income for professional services earned by members of the plans, except royalties, payments for editing scientific publications, and consultation fees as a regional or national consultant to any branch of the U. S. Government as approved by the U. T. System Board of Regents shall be deposited in the appropriate institution's institutional Trust Fund Account.
4. Administration, operation and disbursement of funds shall be in accordance with each institutional plan approved by U. T. System Administration and the U. T. System Board of Regents.
5. At the U. T. M. D. Anderson Cancer Center, associate members' earnings will be contingent upon the earned income of the member in accordance with the services rendered to the patient assigned to the member's specialty by the chief of the major service. All payments will be approved by the Executive Council of the Physicians Referral Service.
6. Budgeted funds can be used for staff retirement and insurance benefits, for actual travel or supplemental travel expenses for attending meetings for the benefit of any institution, for memberships and dues in medical organizations, for official entertainment, and for such other disbursements as may be authorized by the president consistent with the policies approved by the U. T. System Board of Regents and the U. T. System Administration. These expenditures must be in the best interests of the research, educational and patient care activities of any institution and in the best interest of maintaining a distinguished scientific staff for such purposes and activities.

## THE UNIVERSITY OF TEXAS SYSTEM

### MINIMUM FACULTY ACADEMIC WORKLOAD REQUIREMENTS FOR ACADEMIC INSTITUTIONS

For Fiscal Year Ending August 31, 2006

#### **Minimum Faculty Academic Workload Requirements for General Academic Institutions.**

Each person paid full time from "Faculty Salaries" shall be assigned a minimum workload equivalent to eighteen semester credit hours of instruction in organized undergraduate classes each nine-month academic year, or fiscal year at an institution's option, in accordance with guidelines listed below.

When a faculty member is paid partially from a source of funds other than the "Faculty Salaries" line item, the minimum workload shall be proportioned to the percentage of salary paid from "Faculty Salaries."

Teaching assistants shall be used only when given proper guidance and supervision to ensure quality instruction. The minimum faculty workload established below does not apply to graduate teaching assistants or assistant instructors who are pursuing degrees. The president is responsible for assuring that all teaching assistants are carefully supervised.

This policy sets the minimum workload and equivalencies only; an institution may enact more intensive and/or more detailed minimum requirements for inclusion in the institutional Handbook of Operating Procedures, following appropriate approvals. For example, an institution may set individual minimum requirements, consistent with these minimum guidelines, for a specific school or college.

No two institutions in the U. T. System (and, indeed, no two teaching units within a particular institution) are alike in the workload required of individual faculty to meet student needs within the funds appropriated by the Legislature. It is the responsibility of each institutional head to require teaching in excess of the minimum where such teaching is necessary to meet the institution's obligations to its students. Each institution will establish additional standards as necessary in accordance with its role and scope, so long as it satisfies the minimum given herein, to meet the instructional obligations of the institution to the students and to operate effectively within the faculty salary resources available. Faculty members not actively involved in a program of research and publication or in equivalent academic service should typically carry a teaching load greater than the minimum.

State law requires the adoption of rules concerning faculty academic workloads. *Texas Education Code* Section 51.402(b) recognizes that important elements of workload include classroom teaching, basic and applied research, and professional development. Workload for U. T. System faculty members is expressed in terms of classroom teaching, teaching equivalencies and presidential credits for assigned activities.

#### **Teaching Equivalencies.**

1. Graduate Instruction. One semester credit hour of graduate instruction will be considered the equivalent of one and one-half semester credit hours of undergraduate instruction.
2. Specialized Instruction. One and one-half contact hours of instruction of regularly scheduled laboratory and clinical courses, physical activity courses, studio art, studio music instruction, and primary music performance organizations, such as ensembles and marching bands, for each week of a long term semester will be considered the equivalent of one semester credit hour of undergraduate instruction.

3. **Supervision.** Supervision of student teachers, clinical supervision, and intern supervision shall be credited such that 12 total student semester credit hours taught will be considered the equivalent of one semester credit hour.
4. **Practicum and Individual Instruction.** Supervision of student practicum and individual instruction courses, such as honors programs and individual research projects, shall provide equivalency at the rate of one-tenth semester credit hour for each student semester hour of undergraduate instruction and one-fifth semester hour for each student semester hour of graduate instruction per long-term semester. In no case will individual instruction in a single course generate more semester credit hour equivalence than if the course were taught as a regularly scheduled, organized course.
5. **Thesis and Dissertation Supervision.** Graduate thesis or dissertation supervision shall provide equivalent credit hours only to the chairperson of the thesis or dissertation committee at the rate of one semester credit hour for each six total student semester hours of thesis research credit and at the rate of one semester credit hour for each three total student semester hours of dissertation credit.
6. **Multiple Sections.** A faculty member who coordinates several sections of a single course shall be given one semester hour of workload credit for each six sections coordinated up to a maximum of three semester hours of credit per semester.
7. **Large Classes.** Workload credit may be proportionally increased for teaching a large class that requires extensive grading or evaluation of students' work by the faculty member according to the following weighing factors:

<u>Class Size</u>	<u>Weighing Factor</u>
59 or less	1.0
60 - 69	1.1
70 - 79	1.2
80 - 89	1.3
90 - 99	1.4
100 - 124	1.5
125 - 149	1.6
150 - 174	1.7
175 - 199	1.8
200 - 249	1.9
250 or more	2.0

8. **Team Teaching.** When more than one teacher participates in the instruction of a single course, the credit is proportioned according to the effort expended.
9. **Insufficient Enrollment.** A reduced workload may be granted temporarily if assigned classes do not materialize because of insufficient enrollment and when additional classes or other academic duties cannot be assigned to the faculty member. This exception may be granted for two consecutive long-term semesters only for any particular faculty member.

**Other Equivalencies.**

1. Administrative Assignments. Workload credit may be granted for a faculty member who is head of a department or head of a comparable administrative unit up to a maximum of six semester hours of workload credit per semester. When justified by the department/unit head and approved by the president, three hours of credit may be given to faculty members who provide non-teaching academic services to the department/unit head. In no case will the total for departmental administration, including the head, exceed nine workload credits per semester unless the institution's organizational structure includes academic units composed of more than one academic discipline.
2. New Faculty. At the recommendation of the head of the department or comparable unit and upon approval of the president, up to three semester hours of workload credit for each of two semesters may be given to a newly-appointed faculty member during the first year of employment for the purpose of developing instructional materials for the courses he or she will teach.
3. New Course Development. At the recommendation of the departmental chair and upon approval of the president, workload credit may be granted to a faculty member involved in the creation of a new course, new course format, or new course materials.
4. Presidential Credits. Academic workload credit granted by the president for all other purposes is limited to 1% of the total semester credit hours taught at the institution during the comparable (fall or spring) semester in the previous year. With the approval of the president, limited faculty workload credit (within the 1% limit above) may be granted for major academic advising responsibilities, for basic and applied research following a research work plan approved pursuant to institutional policy, for preparing major documents in the fulfillment of programmatic needs or accreditation requirements, or for duties performed in the best interest of the institution's instructional programs as determined by the president.
5. Faculty with Technical Rank. Instructional workload equivalents for faculty members holding technical rank may be determined on a clock-hour basis where full-time employment is equivalent to not less than 30 hours of instructionally related activities each week for contact hour courses taught on a quarterly basis.

**Compliance with U. T. System Board of Regents' *Rules and Regulations* Series 31006.**

1. The president shall designate the officer of the institution who will monitor workloads, review workload reports, and submit the reports to the president for approval and comment, as appropriate, prior to submitting the reports to the U. T. System Board of Regents through U. T. System Administration following the standard reporting format and deadlines as provided by the Texas Higher Education Coordinating Board in accordance with *Texas Education Code*, Section 51.402 and any applicable riders in the current General Appropriations Act.
2. Every faculty member's compliance with these minimum academic workload requirements shall be assessed each academic year. If a faculty member is found to be out of compliance, the institution shall take appropriate steps to address the noncompliance and to prevent such noncompliance in the future.

**THE UNIVERSITY OF TEXAS SYSTEM**  
**LIBRARY, EQUIPMENT, REPAIR AND REHABILITATION**  
**BUDGET RULES AND PROCEDURES**

For Fiscal Year Ending August 31, 2006

**A. INITIAL BUDGET**

1. U. T. System institutions are authorized to purchase approved Library and Equipment items and to contract for Repair and Rehabilitation projects following standard purchasing and contracting procedures within approved dollar limits.
2. Transfers by the U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements.
3. Final approval of specific Repair and Rehabilitation projects will be in accordance with U. T. System Board of Regents established procedures for construction projects.
4. All expenditures are subject to the provisions of the U. T. System Board of Regents' *Rules and Regulations* for the Government of The University of Texas System.

**B. BUDGET AMENDMENTS**

1. ITEMS REQUIRING APPROVAL OF THE U. T. SYSTEM ADMINISTRATION AND SUBSEQUENT APPROVAL BY THE U. T. SYSTEM BOARD OF REGENTS THROUGH THE DOCKET
  - a. Substitute Library and Equipment purchases that are not on the approved list.
  - b. Funding for new Repair and Rehabilitation projects that are not on the approved list.
2. ITEMS REQUIRING APPROVAL OF U. T. SYSTEM ADMINISTRATION (NON-DOCKET)
  - a. Transfers of appropriated funds between approved Library and Equipment items.
  - b. Transfers of appropriated funds between Repair and Rehabilitation items.

Transfers of funds for approved Library and Equipment purchases to fund approved Repair and Rehabilitation projects and vice versa.

**C. OTHER CONSIDERATIONS**

1. All appropriations not expended or obligated by contract/ purchase order within six months after the close of Fiscal Year 2006 are to be available for future System-wide reallocation unless specific authorization to continue obligating the funds is given by the Executive Vice Chancellor for Business Affairs on recommendation of the president and the appropriate executive vice chancellor.