



# LEGISLATIVE BUDGET BOARD

## 2024–25 Legislative Appropriations Request

Detailed Instructions  
for Institutions of Higher Education  
for the Biennium Beginning September 1, 2023

LEGISLATIVE BUDGET BOARD STAFF  
OFFICE OF THE GOVERNOR, BUDGET AND POLICY DIVISION

[WWW.LBB.TEXAS.GOV](http://WWW.LBB.TEXAS.GOV)

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# INSTRUCTIONS FOR INSTITUTIONS OF HIGHER EDUCATION

Agencies and institutions of higher education must refer to the *2024–25 Legislative Appropriations Request (LAR) Detailed Instructions* (June 2022) for general budget instructions and the *LAR Submission Schedule* (June 2022) for due dates, both of which are available on the Legislative Budget Board (LBB) website at [www.lbb.texas.gov/Agencies\\_Portal.aspx](http://www.lbb.texas.gov/Agencies_Portal.aspx) → Instructions → Legislative Appropriations Request.

## HIGHLIGHTS AND WHAT'S NEW

### SUBMISSIONS

- Institutions of higher education should continue to submit two bound paper copies of the October LAR submission to the LBB and the Office of the Governor, Budget and Policy Division.
- Instructions for Administrator's Statement, Organization Chart, and Dual Submission certification have been included in the instructions. Institutions of higher education must continue to submit these as required. The Certification of Dual LAR Submission Template must be included in the PDF submitted via the LBB Document Submissions application ([docs.lbb.texas.gov](http://docs.lbb.texas.gov)).
- Schedules 2.G. Summary of Total Request Objective Outcomes and 4.B. Exceptional Items Strategy Allocation Schedule must be included in the electronic submission. The inclusion of these schedules in printed copies is optional.
- Agencies and institutions of higher education are no longer required to submit one bound printed copy of the LAR submission to the Department of Information Resources (DIR) or Bond Review Board (BRB). DIR and BRB will accept PDF submissions at [policy@dir.texas.gov](mailto:policy@dir.texas.gov) and [capital@brb.texas.gov](mailto:capital@brb.texas.gov), respectively.

### NEW SCHEDULES AND MODIFICATIONS

- **Administrator's Statement.** Agencies and institutions of higher education may now include a maximum of four pages of graphics, such as charts and tables.
- **Programs-level Request Schedule 3.A.1.** This schedule is not required unless requested by the LBB or Office of the Governor, Budget and Policy Division, analyst.
- **Historically Underutilized Business (HUB) Supporting Schedule 6.A.** This schedule has been modified to require additional information on HUB outreach, including participation in the Mentor Protégé program, HUB program staffing, and current and future good-faith efforts to reach HUB attainment goals. The additional information previously may have been provided to the Office of the Comptroller and LBB using the Comptroller-provided template for the HUB Assessment Bi-Annual Report.
- **Federal Disaster Funds.** An agency that continues to receive and expend federal funding related to federally declared disasters (e.g., Hurricane Harvey) should continue to report those expenditures in its Federal Funds Supporting and Tracking Schedules.
- **Schedule 5. Calculation of Retirement Proportionality and ORP Differential.** The rate used to calculate the employer's contribution for retirement benefits under the Teacher Retirement System of Texas is 8.0 percent for fiscal year 2023 and is anticipated to be 8.25 percent for fiscal years 2024 and 2025.
- **Federal Funds Tracking Schedule 6.D.** All agencies are required to submit a Federal Funds Tracking Schedule for any grant award of \$5.0 million or greater in fiscal year 2021 or upon request by the LBB or Office of the Governor. Please note that the \$5.0 million threshold refers specifically to the award and not the final expended amount. Federal Funds appropriated by the federal government for purposes related to the COVID-19 pandemic should not be entered into the Tracking Schedule. Instead, agencies will report those awards and expenditures through the Disaster Federal Funds Submission (DFFS) application in the Automated Budget and Evaluation System of Texas (ABEST). DFFS is a quarterly reporting schedule intended to capture all federal awards and expenditures for the six federal bills enacted related to COVID-19 pandemic stimulus funding, which include: Coronavirus Preparedness and Response Supplemental Appropriations Act (2020); Families First Coronavirus Response Act; Coronavirus Aid, Relief, and Economic Security Act; Paycheck Protection Program and Healthcare Enhancement Act; Coronavirus Response and Relief Supplemental Appropriations Act; and American Recovery Plan Act of 2021. However, federal funding appropriated for regular use but diverted for response to the pandemic must be reported in the Tracking Schedule if it exceeds or equals \$5.0 million or upon request. All entries to the Federal Funds Tracking Schedule must align with what is reported in the Federal Funds Supporting Schedule for each of the respective state fiscal years reported to close the agency's submission.
- **Senate Bill 8.** Similarly to other - federal funding related to the COVID-19 pandemic, appropriations from Senate Bill 8, Eighty-seventh Legislature, Third Called Session, 2021, need not be shown in the Federal Funds Tracking Schedule;

however, agencies should show these appropriations and expenditures in the strategy detail. Agencies, institutions of high education, and appellate courts that have received funding through Senate Bill 8 are required to report quarterly expenditures in the DFFS survey. This funding includes awards from the Coronavirus State Fiscal Recovery Funds (21.027.119) and the Coronavirus Capital Projects Fund (21.029.119). Unlike the performance period of the federal grant, which extends through December 31, 2026, the appropriation of Senate Bill 8 expires two years from the date of the Governor's signature, which is November 8, 2023. If agencies anticipate needing authority for funding beyond that two-year time frame, agencies should request Unexpended Balance Authority in their LAR submissions.

- **Homeland Security Funding Schedule 6.G.** This schedule is not required unless requested by the LBB or Office of the Governor, Budget and Policy Division, analyst. Disaster-related information shall be reported through the Federal Funds Tracking Schedule or, if requested, through the DFFS application in ABEST.
- **Document Production Standards Schedule 6.L.** This schedule is not required unless requested by the LBB or Office of the Governor, Budget and Policy Division, analyst.
- **Requests for Facilities-Related Projects.** LAR Part 8. Summary of Requests for Facilities-related Projects (previously known as Summary of Request for Capital Project Financing) has been modified to include information on project scalability or partial funding and the value of existing related projects. Institutions requesting Capital Construction Assistance Projects Revenue bonds must complete Part 8 and Higher Education Schedules 8.A. to 8.C.
- **Schedules 8.A to 8.C.** Pursuant to Senate Bill 52, Eighty-seventh Legislature, Third Called Session, 2021, tuition revenue bonds now are referred to as Capital Construction Assistance Projects revenue bonds.

# STATEMENT, CHART, AND CERTIFICATION

## ADMINISTRATOR'S STATEMENT

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

The agency administrator and/or governing board must include a statement in the LAR. The administrator's statement must be entered into the Automated Budget and Evaluation System of Texas (ABEST). See *Preparing and Submitting Legislative Appropriations Request in ABEST*, June 2022, available on the LBB website at [www.lbb.texas.gov/Agencies\\_Portal.aspx](http://www.lbb.texas.gov/Agencies_Portal.aspx) → Instructions → Legislative Appropriations Request. Available space in the ABEST entry area permits a maximum of 30,000 characters. This statement must include the names, terms of office, and hometowns of the members of the governing board. The statement must explain issues fundamental to the budget request, including the following items:

- significant changes in policy;
- significant changes in provision of service (e.g., client population, cost, efficiencies, technology, privatization, etc.);
- significant externalities (e.g., population changes, court orders, federal mandates, service demands, etc.); including a discussion of the impact of the COVID-19 pandemic on the agency's programs and allocation of resources and funding;
- purpose of any new funding being requested (e.g., comply with federal or state law requirements, resolve unforeseen budget problems, expand existing programs, or develop new programs);
- brief narrative summary explaining the approach the agency took to meet the requirements established in the Policy Letter;
- exempt positions at the agency: requests to change existing positions' titles, authorized salary levels, or group numbers; requests for new exempt positions; or requests for additional funding to increase exempt position salaries; and
- the agency's statutory authority to conduct background checks, and actual agency practices or procedures regarding background checks.

### NOTE

Agencies and institutions of higher education may include a maximum of four pages in graphics, such as charts or tables, along with the Administrator's Statement. For instructions on how to include graphics with the Administrator's Statement, see *Preparing and Submitting Legislative Appropriations Request in ABEST*, June 2022, available on the LBB website at [www.lbb.texas.gov/Agencies\\_Portal.aspx](http://www.lbb.texas.gov/Agencies_Portal.aspx) → Instructions → Legislative Appropriations Request.

## ORGANIZATIONAL CHART

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

- oversight boards or commissions;
- all functional units of the agency,(with a brief description of each function);
- each management position by title; and
- the number of full-time-equivalent (FTE) positions directly supervised by that position.

## CERTIFICATION OF DUAL SUBMISSIONS

The LAR is submitted electronically, both through ABEST and as a PDF document. The request submitted in ABEST is the official submission. A certification of the content of the dual submissions and assurance that the ABEST submission and

the PDF document are identical must be submitted as part of the PDF document. If the ABEST submission and the PDF document show a discrepancy, the ABEST submission will be presumed correct. The certification form is available on the LBB website at [www.lbb.texas.gov/Agencies\\_Portal.aspx](http://www.lbb.texas.gov/Agencies_Portal.aspx) → Instructions → Legislative Appropriations Request → Certification Form for Certification of Dual LAR Submission Template.



# SCHEDULE 1.A. OTHER EDUCATIONAL AND GENERAL INCOME

The Other Educational and General Income Schedule provides detail on actual and estimated Other Educational and General (E&G) Income for fiscal years 2021 to 2025. This information is used to calculate the estimated appropriations for Other E&G Income.

## GENERAL INFORMATION

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

Institutions must provide updated information for 2022 after the end of the fiscal year.

### IMPORTANT

- Report all estimated Other Education and General Income for fiscal years 2024 and 2025. Do not limit the amounts reported on this schedule to amounts for fiscal years 2022 and 2023.
- Report Indirect Cost Recovery as an informational item on Schedule 2.
- Clarifications for health-related institutions: 2024–25 biennial estimated tuition and fees is based on projected student count for fiscal years 2022 and 2023.

## COMPLETING THE FORM

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

- exclude from gross tuition designated tuition pursuant to the Texas Education Code, Section 54.0513;
- reconcile waivers and exemptions to amounts reported in the Supplemental Report submitted to the Texas Higher Education Coordinating Board (THECB) as specified in the Eighty-seventh Legislature, General Appropriations Act (GAA), 2022–23 Biennium, Article III, Special Provisions Relating Only to State Agencies of Higher Education, Section 41; reconcile waivers and exemptions of statutory tuition to amounts reported in THECB's Integrated Fiscal Reporting System (IFRS); separate lines are shown for resident and nonresident waivers and exemptions;
- report tuition exemption amounts pursuant to the Texas Education Code, Section 54.341 (Hazlewood exemption);
- report board-authorized tuition income (differential tuition charged to graduate students) charged pursuant to the Texas Education Code, Section 54.008, less any waivers or exemptions;
- report tuition increases charged to doctoral students with excess hours for all years;
- report tuition increases charged to undergraduate students with more than 30.0 hours more than degree requirements;
- report tuition rebated for certain undergraduates;
- report tuition waived for students ages 55 and older;
- report tuition for repeated or excessive hours;
- report waived tuition amounts for Towards EXcellence, Access, and Success (TEXAS) Grant Program recipients;
- reconcile amounts reported for transfers for Texas Public Education Grants (TPEG) to amounts reported in the strategy request for TPEG;
- reconcile amounts reported for the federal Old-age and Survivors Insurance (OASI) program to amounts reported on Schedule 4 for Other Education and General Funds, OASI;
- report only contributions for proportionality; exclude Optional Retirement Program differential; reconcile to amounts reported on Schedule 5;

- report amounts of staff group insurance premiums paid from Other E&G Income; reconcile amounts to the amounts reported in the strategy request for staff group insurance;
- for universities, the amount should reconcile to the amount reported in the Staff Group Insurance strategy. For health-related institutions, the Staff Group Insurance strategy should reconcile to the amount reported in Schedule 1.A. plus the amount reported in Schedule 1.B.; and
- reconcile amounts reported for organized activities to amounts reported in the strategy request for organized activities.

**CHECKLIST ITEMS**

- Does the sum of gross tuition, less refunds and installment payment forfeits, plus student teaching fees, special course fees, and laboratory fees, equal the amount of total tuition and fees reported in the Supplemental Report submitted to the THECB, as specified in the 2022–23 GAA, Article III, Special Provisions Relating Only to State Agencies of Higher Education, Section 41?
- Does gross tuition exclude amounts for designated tuition?
- Does board-authorized (graduate differential) tuition charged pursuant to the Texas Education Code, Section 54.008, exclude waivers and exemptions?
- Are tuition increases charged to undergraduate students with excess hours reported for fiscal years 2021 to 2025?
- Does the federal OASI amount equal the amounts reported for Other E&G Income, OASI, reported on Schedule 4?
- Do Teacher Retirement System and Optional Retirement Program proportionality for Education and General Funds equal the Other E&G Proportional Contribution reported in Schedule 5 and exclude Optional Retirement Program differential?
- Do amounts reported for organized activities equal amounts reported in the strategy request for organized activities?
- Does the amount for TPEG equal the strategy request?
- Does staff group insurance equal the strategy request? For health-related institutions, the amount reported for staff group insurance in Schedule 1.A. plus the amount reported in Schedule 1.B. should reconcile to the amount in the Staff Group Insurance strategy.

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



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

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

## GENERAL INFORMATION

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

Institutions must provide updated information for fiscal year 2022 after the end of the fiscal year.

## COMPLETING THE FORM

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

- report patient income net discount and allowances from hospital or clinic operations; fiscal year 2021 amounts should reconcile to the amount reported in the annual financial report (AFR); fiscal year 2022 should estimate the amount to be reported in the AFR; a new row in the entry form enables institutions to show interest income from funds in local depositories from patient care;
- reconcile amounts for Old-age and Survivors Insurance (OASI) to amounts reported on Schedule 4. for the Health-related Institutions (HRI) Patient Income, Allocation of OASI;
- report only contributions for proportionality; exclude Optional Retirement Program differential; amounts reported should reconcile to amounts reported under Schedule 5 for the HRI Patient Income Proportional Contribution; and
- report staff group insurance premiums paid from HRI Patient Income. The amount reported for staff group insurance in Schedule 1.B. plus the amount reported in Schedule 1.A. should reconcile to the amount in the Staff Group Insurance strategy.

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

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

### GENERAL INFORMATION

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

#### IMPORTANT

Report Indirect Cost Recovery as Item 3.

### COMPLETING THE FORM

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

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

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

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

## GENERAL INFORMATION

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

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

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

### IMPORTANT

Enter the institution’s best estimate of the General Revenue Funds and General Revenue–Dedicated Funds proportionality that is likely to be reported in the institution’s fiscal year 2022 Accounting Policy Statement 011 report.

## KEY ELEMENTS AND ISSUES

Reported enrollment numbers should represent the institution’s best estimate of actual enrollment as of December 1, 2022. Proportionality requires employee benefits to be paid from the same revenue source as salaries. To this end, each institution’s enrollment MOF must be based on the estimated proportionality likely to be reported in the institution’s fiscal year 2022 Accounting Policy Statement 011 submission.

The estimated enrollment numbers submitted in the Legislative Appropriations Request will be updated with actual numbers after the census date. For the updated enrollment count, the MOF for group health insurance premiums must be based on the proportionality reported in the institution’s fiscal year 2022 Accounting Policy Statement 011 submission.

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

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

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

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

- University of Texas Medical Branch at Galveston – Texas Department of Criminal Justice and Texas Juvenile Justice Department Correctional Managed Health Care employees;
- University of Texas Health Science Center at Houston – Harris County Psychiatric Center employees;
- University of Texas Health Science Center at Houston – John S. Dunn Behavioral Sciences Center employees;

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

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

**DATA ENTRY**

Enter the institution’s best estimate of the General Revenue Funds and General Revenue–Dedicated Funds proportionality likely to be reported in the institution’s fiscal year 2022 Accounting Policy Statement 011 report in the fields marked GR and GR–D/Other.

In the E&G Enrollment column in Sections I and II (lines 1A through 6B), enter the total number of full-time and part-time active employees, including student employees, whose salaries are paid from educational and general funds enrolled in each benefit category. For this schedule, part-time employees are defined as eligible employees who work fewer than 30.0 hours per week.

In the Local Non-E&G column in Sections I and II, enter the total number of full-time and part-time active employees, including student employees, whose salaries are paid from noneducational and general funds, including employees whose salaries and wages are paid from the Available University Fund and Indirect Cost Recovery funds, enrolled in each benefit category. For this schedule, part-time employees are defined as eligible employees who work fewer than 30.0 hours per week.

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

Verify that totals calculated include all eligible employees and retirees.

**CHECKLIST ITEMS**

- Does the number of employees represent an estimate of employees expected to be on the payroll as of December 1, 2022?
- Does the reported proportionality used in this schedule accurately reflect the estimated proportionality likely to be reported in the institution’s fiscal year 2022 Accounting Policy Statement 011 submission?
- Does the total number of employees equal the total number of eligible employees and retirees?

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

The purpose of the Group Health Insurance Data Elements schedules is to provide the data needed to calculate Higher Education Employees Group Insurance for public community and junior colleges.

### GENERAL INFORMATION

All public community and junior colleges should report their employee group health insurance data. The Employees Retirement System of Texas (ERS) administers the allocation of group health insurance appropriations for participating institutions.

### KEY ELEMENTS AND ISSUES

Reported active employee enrollment numbers should represent the community college district's best estimate of actual enrollment as of December 1, 2022.

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

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

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

### DATA ENTRY

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

- (1) In the Total I&A Enrollment column, enter the total number of full-time and part-time active employees eligible to receive health benefits working in instructional and administrative (I&A) positions that are enrolled in each benefit category. For this schedule, part-time employees are defined as eligible employees who work less than 30.0 hours per week; and
- (2) In the Local Non-I&A column, enter the total number of full-time and part-time active employees eligible to receive health benefits working in positions other than I&A that are enrolled in each benefit category. For this schedule, part-time employees are defined as eligible employees who work less than 30.0 hours per week.

#### CHECKLIST ITEM

- Does the total number of employees represent your district's best estimate of employees expected to be on the payroll as of December 1, 2022?

## SCHEDULE 4. COMPUTATION OF OASI

The Computation of OASI schedule provides detail for actual and estimated federal Old-age and Survivors Insurance (OASI) for fiscal years 2021 to 2025. This information is used to calculate the amount to be deducted from the Other Educational and General (Other E&G) Income Estimates.

### GENERAL INFORMATION

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

#### IMPORTANT

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

### COMPLETING THE FORM

This form requires the following:

- enter the total OASI from fiscal years 2021 to 2025;
- include percentages for proportionality for General Revenue, Other E&G, and health-related institutions' patient income; the methodology used to calculate the percentages must be consistent with Comptroller Accounting Policy Statement 011, Exhibit 2;
- the sum of the percentages must equal 100.0 percent; and
- the total OASI will be multiplied by the proportionality percentage to calculate the allocation of total OASI.

#### CHECKLIST ITEMS

- Does the amount for Allocation of Total OASI for Other E&G Funds equal the Schedule 1.A. reduction of income for OASI for fiscal years 2021 to 2025?
- Does the amount for Allocation of OASI for General Revenue Funds equal the amounts reported for OASI matching in the annual financial reports for fiscal years 2021 and 2022?
- Does General Revenue Funds proportionality equal the Schedule 5. General Revenue Funds proportionality percentage?



# SCHEDULE 5. CALCULATION OF RETIREMENT PROPORTIONALITY AND ORP DIFFERENTIAL

The Calculation of Retirement Proportionality and ORP Differential schedule provides detail for actual and estimated proportionality and Optional Retirement Program (ORP) differential for fiscal years 2021 to 2025.

## GENERAL INFORMATION

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

## PROPORTIONALITY

Proportionality is the employer's share of retirement benefits. Proportionality includes amounts paid to the Teacher Retirement System of Texas (TRS) and the Optional Retirement Program (ORP). Up to 7.5 percent of the employer's TRS salary amount and 6.6 percent of the ORP salary amount are paid from Other Educational and General Income (Other E&G). The Seventy-fourth Legislature, 1995, mandated that higher education institutions fund retirement benefits in the same relationship as total Educational and General (E&G) appropriated funds. For example, if Other E&G appropriations for fiscal year 2022 equaled 20.0 percent of its total appropriations, then the institution must fund 20.0 percent of its E&G retirement benefits from Other E&G Funds.

## ORP DIFFERENTIAL

ORP Differential is the institution's share of retirement benefits, ranging from 6.6 percent to 8.5 percent (1.9 percent) of salary amounts paid to ORP for eligible employees hired before September 1, 1995. The Seventy-fourth Legislature, 1995, limited the employer's share of retirement benefits paid to ORP to the same rate paid to members of TRS for all employees hired after September 1, 1995. The ORP state contribution rate is 6.6 percent for each year of the 2022–23 biennium.

### IMPORTANT

- The methodology used to calculate the Other E&G percentage must be consistent with Comptroller Accounting Policy Statement 011, Exhibit 2.
- The rate used to calculate the employer's contribution for retirement benefits is 8.0 percent for fiscal year 2023 and is anticipated to be 8.25 percent in fiscal years 2024 and 2025 for TRS and 6.6 percent for ORP. All amounts for retirement benefits paid greater than 6.6 percent are included in the ORP differential calculation regardless of the source of funds.

## COMPLETING THE FORM

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

- multiply the Gross E&G Payroll Amount subject to TRS retirement by 8.25 percent for fiscal years 2024 and 2025 to calculate the employer contribution to retirement programs;
- multiply the Gross E&G Payroll Amount subject to ORP retirement by 6.6 percent to calculate the employer contribution to retirement programs;
- include percentages for proportionality percentages for General Revenue, Other E&G, and Health-related Institutions Patient Income; the percentage should be calculated in accordance with the Comptroller Accounting Policy Statement 011, Exhibit 2, and the sum of the percentages must equal 100.0 percent;
- include gross E&G Payroll for employees participating in the ORP before September 1, 1995; and
- multiply the gross payroll subject to ORP differential by up to 1.9 percent to calculate the total.

**CHECKLIST ITEMS**

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

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

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

### **GENERAL INFORMATION**

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

PUF-eligible institutions must provide the bond proceeds allocated to the institution each year and the corresponding project allocation of those proceeds. Total actual allocations should be shown in the first two years, and budgeted and projected allocations shown in the last year. Any unexpended allocation should be included in the Reserve for Future Consideration category.

HEF-eligible institutions must provide the total HEF General Revenue Funds allocation received by the institution each year and the corresponding project allocation of those funds. For fiscal years 2024 and 2025, assume that fiscal year 2023 HEF allocation amounts continue for the purposes of this schedule.

Debt service should include any debt service paid with HEF allocations, including HEF-backed bonds or revenue financing system debt.

# SCHEDULE 7. PERSONNEL

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

## GENERAL INFORMATION

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

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

### IMPORTANT

This form includes:

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

## DATA ENTRY

### FACULTY AND NONFACULTY

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

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

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

### SUBTOTAL, DIRECT APPROPRIATIONS

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

### OTHER APPROPRIATIONS

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

### SUBTOTAL, ALL APPROPRIATED

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

### CONTRACT EMPLOYEES

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

**NONAPPROPRIATED FUNDS EMPLOYEES**

This category includes all other FTE positions at the institution.

**GRAND TOTAL**

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

**CHECKLIST ITEM**

- Does the Subtotal, Appropriated FTE Positions equal the number of positions shown in the Summary of Request for fiscal years 2021 to 2023?

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

This series of schedules and forms related to Capital Construction Assistance Projects (CCAP) revenue bonds, formerly known as tuition revenue bonds, will provide the Legislature and Governor with information to evaluate proposed CCAP revenue bonds. Institutions requesting CCAP revenue bonds also must complete Part 8 Summary of Requests for Facilities-Related Projects.

### GENERAL INFORMATION

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

Each institution seeking CCAP revenue bond authority must provide information on each proposed project for which CCAP funding is being requested. Each issuing entity, including system offices for components within systems and independent institutions for those that issue their own bonds or issue bonds through the Texas Public Finance Authority, must approve and prioritize the requests. In addition, each issuing entity must complete information on CCAP revenue bond issuance history.

Projects related to student housing, intercollegiate athletics, or auxiliary functions as defined in the Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter A, Section 13.1(1), of institutions will not be considered and should not be included.

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

### IMPORTANT

- Each institution must complete a Schedule 8.B. CCAP Revenue Bond Issuance History.
- Institutions requesting new CCAP revenue bonds also must complete Part 8 Summary of Requests for Facilities-related Projects.
- If the total cost of the proposed project exceeds the CCAP revenue bond request, please include information regarding other sources of funding for the project.



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

The CCAP Revenue Bond Issuance History Schedule provides a history of each system's or institution's Capital Construction Assistance Projects (CCAP) revenue bond issuance.

### **GENERAL INFORMATION**

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

### **DATA ENTRY**

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

# SCHEDULE 8.C. CCAP REVENUE BOND DEBT SERVICE REQUEST BY PROJECT

The CCAP Revenue Bond Request by Project Schedule will provide the Legislature and Governor information to evaluate Capital Construction Assistance Projects (CCAP) revenue bond debt service reimbursement requests.

## GENERAL INFORMATION

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

Each institution requesting CCAP revenue bond debt service appropriations in Schedule 3.A. Strategy Request must submit Schedule 8.C. and Part 8. Summary of Requests for Facilities-related Projects.

The total requested amount in Schedule 8.C. should reconcile to the amount of CCAP revenue bond debt service requested in Schedule 3.A. Strategy Request for Strategy B.1.2. CCAP Revenue Bond Retirement and the amounts requested in Part 8. Summary of Requests for Facilities-related Projects.

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

Enter the estimated final payment date for each project.

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

### IMPORTANT

- Each institution requesting CCAP revenue bond debt service must complete Schedule 8.C. CCAP Revenue Bond Request by Project and Part 8. Summary of Requests for Facilities-related Projects; and
- the total requested amount in Schedule 8.C. should reconcile to the amount of CCAP revenue bond debt service requested in Schedule 3.A. Strategy Request for Strategy B.1.2. and in Part 8. Summary of Requests for Facilities-related Projects.

## SCHEDULE 9. NONFORMULA SUPPORT INFORMATION

The Nonformula Support Information Schedule provides additional information for each existing and newly requested nonformula support item. The schedule includes information such as the amount and year the nonformula item first received funding and whether the nonformula support item generates formula funding.

### GENERAL INFORMATION

General academic and health-related institutions, public community and junior colleges, Lamar State Colleges, and Texas State Technical Colleges requesting funds for existing nonformula support items and new exceptional item requests related to nonformula support items must complete this form. Include all appropriated strategies shown in the Nonformula Support Goal in the 2022–23 General Appropriations Act. Following existing nonformula support items, complete the schedule for newly requested nonformula support items. Institutions also should complete Schedule 4.A. Exceptional Item Request Schedule for each new nonformula support item request.

### COMPLETING THE FORM

Complete the form using the following steps:

- ensure that the nonformula support name shown in Schedule 9 matches the strategy name;
- rank all nonformula support items in priority order;
- enter the fiscal year the program or project was established;
- enter the fiscal year the program or project initially was funded with nonformula support item appropriations and the amount of funding the program or project received that year; for new nonformula support item requests, enter 2024 as the requested first year funding;
- briefly describe the mission of the program or project;
- describe the major accomplishments of the nonformula support item to date and those expected during the next two years;
- if the nonformula support item existed before receiving nonformula support item appropriations, describe how it was funded;
- if the nonformula support item is eligible to be funded through the formulas, indicate the formula amount which may be applied and the effective date(s); complete this step for all applicable items, including all program development, enhancement, or startup items;
- determine: (1) whether nonformula support for the item will be needed on a permanent basis; or (2) whether the funding will be discontinued at the end of a specific period or when the nonformula support item attains a specific benchmark;
- if funding for the nonformula support item is associated with a specific timeframe, include related information;
- if funding for the nonformula support item is associated with specific benchmarks, provide specific related information;
- if the institution has specific criteria in place for reviewing the performance of the nonformula support item, provide additional information related to these criteria;
- list all non-General Revenue Funds sources of funding and amounts for each year of the 2022–23 biennium for this special item and projections for the 2024–25 biennium; and
- describe the impact of reducing or not funding this item; list other sources of funds that would be available to continue the program or project.

Institutions are required to submit the Nonformula Support Item Information Schedule for new and existing nonformula support items. Information for new nonformula support items also should be included in Schedule 4.A. Exceptional Item Request.