

January 2018

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## Administrator's Statement

1. Include narrative summary of priorities and LAR requests.
2. Required information usually after narrative:
  - a. Exceptional Item Requests-description of the program and funding request amounts by year.
  - b. Tuition Revenue Bond Requests-description of project; include both the total project cost and the TRB request so your institutional match is clear (if applicable).
  - c. Explanation of GR base reduction exercise.
  - d. System Offices/Independents: Board of Regents information (regent name, date term expires, hometown)
  - e. Any standard language required by your System Office.
  - f. Organizational Chart, typically down to the direct reports of your CEO.
3. Narrative should include:
  - a. Unique characteristics of Institution
  - b. Recent accomplishments
  - c. Improvements in key metrics (degrees awarded, retention, enrollment growth, etc.)
  - d. Challenges
  - e. Ways to address state needs
  - f. Other
4. *Note: This is the only part of the LAR read by many capitol staff. It is important to have a strong, well-written Administrator's Statement. Start early to allow proper review by President, VPs, GR staff, etc.*

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## 6.I. 10 Percent Biennial Base Reduction Options Schedule

1. Details will be provided in the Policy letter issued by the Governor's Office of Budget, Planning and Policy and the Legislative Budget Board (LBB).
2. Consult with System or Government Relations staff for guidance.
3. Amount of cut should be provided by LBB or System. LBB instructions indicate for Institutions of Higher Ed it only applies to GR in the baseline request (non-formula GR). Examples of Non-Formula GR are Special Items, Institutional Enhancement, WCI, UCI. Historically, TRB Debt Service has been excluded.
4. Cuts should be done in 5% increments in priority order. Provide comment to address impact of cuts.
5. Categorize according to available categories in ABEST.
6. Input LAR strategy, dollars, FTE's impacted by cuts.
7. Ensure the total meets or exceeds the target as established by the LBB.
8. *The lost revenue (matching, federal, private funds, etc) is not applicable to higher ed. This can be deleted.*

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## Schedule 4: Computation of OASI

1. Source Documents:
  - a) Benefits Proportional (APS011) for Year 1 (Actuals) to get Percentages of General Revenue and Other Education and General Funds and to get Total OASI expenditures.

- b) E&G OASI expenditures from accounting system for Year 2:
  - Current year thru June (E&G accounts only) less accounts for which APS011 does not apply (i.e., E&G THECB accounts).
  - Estimate July-August
- c) Budgeted amount for OASI for Year 3 (Budgeted)
2. Enter the total OASI for Year 1 (Actual), Year 2 (Projected), and Year 3 (Budgeted) years. Project for Year 4&5.
3. Enter General Revenue and Other Educational and General percentages from APS011 for Year 1 (Actuals). Project percentages for Years 2-5. Typically they stay pretty consistent from year to year. *Note: Percentages may vary from Excel calculation and ABEST due to % rounding.* Percentages should be the same as those used in Schedule 5 and Schedule 3 for all years.
4. The total OASI for each year will be multiplied by the proportionality percentage to calculate the allocation of total OASI between General Revenue and Other Educational and General Funds.
5. The amount for "Allocation of Total OASI" for Other Educational and General Funds should be used in Schedule 1A for all years.
6. Grand Total, OASI should tie to APS011 and AFR (Year 1 only).

## Schedule 5: Calculation of Retirement Proportionality & ORP Differential

1. Source documents:
  - a) Use updated TRS & ORP percentages from Schedule 5 instructions. ORP rate = 6.6% ; ORP Differential=1.9% (difference in 1995 rates of 8.5% and current rates); TRS rate = 6.8%
  - b) Benefits Proportional (APS011) for Year 1 (Actuals) to get Percentages of General Revenue and Other Education and General Funds and Total TRS & ORP expenditures for "Employer Contributions to TRS and ORP" amounts.
  - c) E&G account expenditures for Year 1 to get Differential.
  - d) E&G account expenditures for Year 2 to estimate Differential:
    - Current year thru June (E&G accounts only) less THECB accounts.
    - Estimate July-August.
  - e) E&G accts (TRS and ORP obj. codes) for Year 2 to estimate ORP & TRS totals:
    - Current year thru June (E&G accounts only) less THECB accounts.
    - Estimate July-August.
  - f) Budgeted amounts for TRS & ORP total expenditures for Year 3 (Budgeted).
2. Enter Proportionality Percentages from APS011 (GR-Dedicated). Project for years 2-5. Should match Schedule 3 & 4 percentages.
3. Combine Benefits Proportional APS011 GR-Dedicated amounts for TRS and ORP (Column 5) to get "Other Educational and General Proportional Contribution" for First Year (Actuals). Project for years 2-5.
4. Divide "Employer Contribution to TRS Retirement Programs" by employer's share of retirement percentage (6.8%) to get "Gross Educational and General Payroll-Subject to TRS Retirement".
5. Divide "Employer Contribution to ORP Retirement Programs" by employer's share of retirement percentage (6.6%) to get "Gross Educational and General Payroll-Subject to ORP Retirement".
6. Use E&G account expenditures, for "Total Differential". Project for Years 2-5. ORP Differential is the institution's share of retirement benefits between current rates (6.6%) and 8.5% of salary amounts paid to the ORP for eligible employees hired prior to Sept. 1, 1995.

7. Divide “Total Differential” amount by 1.9% all other years to get “Gross Payroll Subject to Differential-ORP”
8. ‘Other E&G Proportional Contribution’ is calculated by adding the ‘Employer Contribution to TRS and ORP Retirement Program’ lines and multiplying by ‘Other E&G Proportional %’. This total is used on Schedule 1, ‘TRS and ORP Proportionality for E&G Funds’.

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## Schedule 1A/1B (Health Related): Other Educational and General Income

1. Source documents:
  - a) Gross Tuition (Net tuition plus all waivers and exemptions)
  - b) E&G Waivers & Exemptions as reported on IFRS. Do not use AFR because most waivers are not reported on AFR. Resident, Non-Resident and Hazlewood are broken out separately.
  - c) Schedule 4-Computation of OASI-‘Other E&G Funds’ amount
  - d) Schedule 5- Calc. of Retirement Prop. & ORP Differential-‘Other E&G Proportional Contribution’ amount
  - e) Tuition Rebate Account expenditures/budget
  - f) Repeated or Excessive hour revenues (should be deposited in treasury)
  - g) Texas Public Education Grants (TPEG) set aside amounts
  - h) APS011 for Year 1 (Actuals) for GR-Dedicated SGIP (Staff Group Insurance Premiums)
  - i) Use budget for Year 3
  - j) *Note: Institutions are allowed to deduct tuition charged when the institution will not receive formula funding for the student or course. For example, online, out-of-state tuition revenue should not be reported on Sch 1. It should be deposited in a local account (not in the state treasury) since these SCHs are not counted towards formula funding.*
2. Revenue included on Schedule 1 is typically deposited in the state treasury. *[See Education Code 51.009c: Each of the following shall be accounted for as educational and general funds: (1) net tuition, special course fees charged under Sections 54.051(e) and (l), lab fees, student teaching fees, organized activity fees, and proceeds from the sale of educational and general equipment ; and (2) hospital and clinic fees received by a state-owned clinical care facility that is operated using general revenue fund appropriations for patient care.]* The most common are: Tuition, Graduate Differential (Board Authorized Tuition Increases), Lab fees, Repeated or Excessive Hours, Interest on General Funds & Organized Activities (e.g., Nursery, Farm).
3. Board Authorized Tuition – should be included as part of gross tuition. It’s then backed out here. Should tie to Summary of Base Request by MOF for 0704 (GAA amount plus/minus Revised Receipts).
4. Use actuals on the Tuition Rebate account for first year, estimate year 2 and budget for 3<sup>rd</sup> year.
5. Use actual transfers of TPEG for first year and estimate current year based on actuals to date. Use TPEG budget for third year. TPEG amounts should tie to TPEG strategy in report 3.A.
6. Other Income – report actual/projections/budget as appropriate. Most common reported are:
  - a. Interest on local funds in state treasury represents investment earnings deposited to the state institution of higher education’s Fund 02xx appropriations based on their cash balance. These appropriations hold all unspent revenues collected and required to be deposited in the state treasury related to student tuition and fees.

- b. Interest on local funds held in local depositories represents investment earnings posted to E&G related to funds held in a local depository that are, by inclusion in the LAR, considered to be E&G/appropriated funds.
  - c. Other examples include: Federal land grant endowment, Sale of equipment, Rental of E&G space
7. 'OASI Applicable to E&G Local Funds Payroll' must tie to 'Other E&G Funds' on Schedule 4.
  8. 'TRS and ORP Proportionality for E&G Funds' must tie to 'Other E&G Proportional Contribution' lines on Schedule 5.
  9. SGIP – from APS011 Other E&G (GR-Dedicated) for Year 1. Project and budget for Years 2-5. Should tie to SGIP strategy in 3.A. Strategy Request.
  10. Totals for Years 1-3 should tie to 2.B. Summary of Base Request by MOF , 'Total, All GR Fund-Dedicated' less any 'Adjustment to Expended' amounts.
  11. *Reference 'Schedule 1A: Other Educational & General Income' spreadsheet (3-pager) provided as an additional handout.*

## **Schedule 2: Selected Educational, General and Other Funds**

1. Summarizes education, general and other funds, and includes funding sources not reflected in Schedule 1A or 1B or the Summary of Request. Review other revenue on AFR, E&G column.
2. Source documents:
  - a) Analysis of THECB revenues for first 3 years (ARP, Texas College Workstudy, Professional Nursing Shortage Reduction Program, Fifth Year Accounting Scholarships, Texas Grants, B-On-Time Program, Incentive Funding, ARRA funding, etc.)
  - b) For UT and A&M, include amounts for Group Insurance Premiums (Actual year should tie to actual revenue per APS011 and include any additional transfers from any System reallocations from prior year. Amount may be higher than GAA for this reason. Estimated and Budgeted year should tie to GAA.)
  - c) Include all Hazlewood transfers. May include 2 transfers (one GR [TVC] and one Other Additions [permanent fund]).
  - d) Include transfers for AUF (TAMUS, PVAMU, TAMU, UT and UT System)
  - e) Analysis of HEF revenue for all 5 years (used for E&G equipment only, not capital projects).
  - f) Analysis of AUF Transfers
  - g) Analysis of Other Transfers in E&G fund group
  - h) Analysis of Designated Tuition revenues for all 5 years.
  - i) Analysis of Indirect cost revenues for all 5 years.
3. "Transfers to System Administration" may reflect the TRB debt service transfers (tie to TRB strategy) or other relevant transfers.
4. Use source documents to update schedule where designated.

## **2.D. and 2.G. Summary of Base Request Objective Outcomes**

1. Ensure Office of Institutional Research or other office is working to gather the performance measure data. Determine who will input data for these schedules.

2. Each measure is categorized as either a key or non-key measure. The Legislature sets targets for key measures through the GAA.
  3. Targets for key measures are included in the GAA Bill Pattern for each institution. Non-key measures are not in the GAA, but are a part of the strategic planning and budget structure.
  4. Should consider having reviewed by upper administration.
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### 3.A. Strategy Request

1. Source documents:
  - a) *Only appropriated dollars are to be included. Do not include any designated fund expenditures (no 7999).*
  - b) *Required for each item in your Appropriation Bill pattern.*
  - c) Year 1/Prior Year Actuals:
    - a. E&G expenditures from accounting OR 4<sup>th</sup> QTR ABEST Reconciliation
    - b. After pulling E&G expenditure reports from accounting system, delete all strategies that don't feed to ABEST (i.e. HEF, PUF, State Paid Benefits, THECB Grants, etc.) Consider any E&G expenditures included paid from Local Banks (7999) to see if Totals need to be reduced by these amounts.
  - d) Year 2/Estimated Current Year:
    - a. E&G expenditures from accounting system for Second Year Actuals as of June. Will need to estimate for July & August.
  - e) Year 3/Budgeted:
    - a. Budget for Third Year from accounting system making sure no local funds are included.
    - b. May use GAA for non-formula strategies.
  - f) Year 4&5/Baseline Request years, use Non-Formula strategies only, including but not limited to:
    - a. Staff Group Insurance Premiums-SGIP (0770)
    - b. Unemployment Compensation Insurance-UCI (0001)
    - c. Workers' Compensation Insurance-WCI (0001)
    - d. Texas Public Education Grants-TPEG (0770)
    - e. Organized Activities (0770)
    - f. Tuition Revenue Bonds-TRB Retirement (0001)
    - g. Special Items (0001)
    - h. Institutional Enhancement (0001)
    - i. Tobacco Funds (Health Related only)
    - j. *Operations Support, E&G Space Support, Small School Supplement and research funds should be -0- for Years 4&5.*
  - g) Use Schedule 1 for TPEG, SGIP, & Organized Activities amounts. (Note: Revenues and expenses must tie. Any overages on Organized Activities can be adjusted with the Operations Support strategy.)
  - h) Use General Approp. Act (GAA) for TRB Retirement amount unless reported TRB lapse on 2.B. Use TRB Debt Service Request for Years 4&5 (Requested years) provided by the Treasury Office.
2. Use ABEST 4<sup>th</sup> QTR for Year 1. For the Year 2 (current yr), compare actuals-to-date to the budget for the year and project thru year-end.
3. Use Budget for Year 3.

4. Estimate amounts for Years 4&5 for the Non-Formula strategies (see 1.f. above). *Ensure your requested amounts follow the guidelines as set by the LBB/GOBPP Policy letter, historically GR has been held flat or 5-10% reductions.*
5. When analyzing Institutional Enhancement, please note some Institutions do not expend all funds out of this strategy. They will show zero or fewer expenditures in the first 3 years and then tie to the GAA allocation in the last 2 Requested years. If this is done, please note in the Strategy Description and Justification that “Expenditures were recorded in the instruction/operations strategies” OR “Appropriations unexpended in this strategy are used to supplement other special items and Base Support”.
6. In conjunction with preparation of 2.B. Summary of Base Request by Method of Finance (MOF), calculate Method of Finance for each strategy to equal Total Object of Expense (OOE) by strategy. Two methods: Actual and Theoretical. Actual requires using the bank associated with each transaction and summarizing by strategy then bank and ultimately MOF. Theoretical starts with the MOF by strategy provided in the GAA. Examples include:
  - a. SGIP, TPEG – all 0770
  - b. Special Items and TRB Retirement – all 0001
  - c. Formula Strategies (Operations Support and E&G Space Support) – proportional mix of 0001 and 0770. These will show zero for Requested Years 4 and 5.
7. Check that OOE and MOF are in balance for each strategy and in total by reviewing the error reports in ABEST under the Agy Status tab.
8. Review and update “Strategy Description and Justification” and “External/Internal Factors Impacting Strategy”. Prepare a Word document listing all the information so it can be edited by upper management as necessary and spell check can identify any errors before it is copied and pasted into ABEST. *See Consistency Standards or 3A Strategies PowerPoint presentation for statewide “Descriptions and Justifications” and “External/Internal Factors”. Special Items should articulate institutional priority and connection to State goals and objectives.*
9. Enter “Statewide Goal/Benchmark” and “Service Categories” for each strategy including Exceptional Items. Find Tables with the LAR Instructions on the LBB Website.
10. This chart provides an example of the Method of Finance per the GAA:

Strategy	Method of Finance	Description	Year 1	Year 2	Year 3	Requested Years 4-5
Operations Support	GR (1) and E&G (704,770)	Determined via Formula	Actual	Estimate	Budget	Zero
Teaching Experience Supplement	GR (1) and E&G (704,770)	Determined via Formula	Actual	Estimate	Budget	Zero
Staff Group Insurance Premiums	E&G (770)	Sum-certain amount based on estimated employment as of December 1 <sup>st</sup>	Actual	Estimate	Budget	Estimate
Workers' Compensation Insurance	GR (1)	Sum-certain amount, for UT and A&M institutions only	Actual	Estimate	Budget	Estimate
Texas Public Education Grants	E&G (770)	15% of resident tuition and 3% of non-resident tuition at each institution is set aside for these grants	Actual	Estimate	Budget	Estimate

Hold Harmless	GR (1)	Determined based on legislative decision	Actual	Estimate	Budget	Estimate
Organized Activities	E&G (770)	Generally E&G income at institutions that operate income-producing enterprises as part of an educational program, not used as a formula MOF	Actual	Estimate	Budget	Estimate
E&G Space Support	GR (1) and E&G (704,770)	Determined via Formula	Actual	Estimate	Budget	Zero
Tuition Revenue Bond Retirement	GR (1)	Allocated for debt service payments	Actual	Estimate	Budget	Estimate
Special Items (various)	GR (1)	Primarily all special items are funded 100% with GR	Actual	Estimate	Budget	Estimate
Research Development, Competitive Knowledge, Core Research Support and Comprehensive Research Fund	GR (1)	Determined via Formula	Actual	Estimate	Budget	Zero

11. FTEs-Use State Auditor’s Office FTE reports to calculate Year 1 Actuals (Avg of 4 qtrs) and to estimate Years 2-5. Should tie in Total to 2.B. Summary of Base Request by Method of Finance (MOF).

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### 3.A.1 Program-Level Request Schedule

1. Separate from ABEST and template will need to be downloaded from LBB website.
  2. All strategies other than Institutional Enhancement will look exactly like the row layout on the 2A.
  3. Will need to break apart Institutional Enhancement funds to identify the programs these funds are financing. Institutional Enhancement can be allocated based on NACUBO function in Requested years. *May include Institutional Enhancement totals for Base years in Operations Support.*
  4. Be sure that both biennial totals, your strategy totals and grand totals tie to your Summary of Request, Schedule 2A. In other words, you will need to update the biennium amounts that are in the State Budget by Program detail with your LAR data. *Requested years will tie to 2A + Exceptional Items so no formula amounts are reported.*
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### 2.E. Summary of Exceptional Items Request/

#### 4.A-C Exceptional Item Request Schedules

1. Obtain exceptional item requests from CFO.
2. Send email request to your LBB Analyst to add new strategies in ABEST for your new exceptional items. The strategy name is limited to 35 characters. You will also need to provide a strategy number (ie. 03-01-03) based on whether it is instructional (obj. 01), research (obj. 02), public service (obj. 03), institutional support (obj. 04).
3. Once they have been established in ABEST, the information is entered twice.
  - a) Budget Request-4A and Exceptional Item Strategy- 4B
  - b) Budget Request-Strategy Request for each strategy-4C



- c) 2F is updated automatically with the a) & b)
- 4. Exceptional item information needs to tie to the Administrator’s Statement which is usually written by the President’s Office with guidance from Government Relations Staff.
- 5. Should include similar information from Sch 9 (Major accomplishments, Year Established, Consequences of not funding, etc.)
- 6. Must include 3 Out-Year Costs unless it is a one-time funding request or phased out funding.
- 7. Should provide additional information if funding involves making a contract award exceeding \$50,000.
- 8. *Note: Exceptional Item information will be included in the Administrator’s Statement, Summary of Request (2.E, 2F and 2G) and Exceptional Item Request Schedules (4A, 4B and 4C)*
- 9. Some have struggled with the 4C. Be sure to go in under “Strategy” and put in the OOE’s and MOF’s under your different strategies for it to pull. For example, for your TRB exceptional item requests, you can put the amounts in “Infrastructure Support, Operations/Maintenance, TRB Retirement” (e.g. 2-1-2) and put the amounts under the “Exceptional 2020” and “Exceptional 2021” columns. You can put other exceptional items under your current “Special Item Support, Exceptional Item Request, Exceptional Item Request” (e.g. 3-5-1) and put all the OOE’s and MOF’s under those same “Exceptional” columns. This should create your 4C.

## 2.B. Summary of Base Request By Method of Finance

*(Can be used to prepare **Base Reconciliation**)*

1. General Revenue Fund:
  - a. Enter the Regular Appropriation amounts from the GAA for Years 1, 2 & 3.
  - b. Enter any Supplemental or Special Appropriations or Transfer (NOT Hazlewood). *Hazlewood is only reported on Schedule 2 and 6.H.*
  - c. Make sure to provide legal cite for any Supplemental, Special Approp. or Transfer.
  - d. Enter any lapsed appropriations (e.g. 2017 Hiring Freeze or any TRB lapse); enter as a negative.
2. GR Dedicated Funds:
  - a. Enter Regular Appropriation amounts from the GAA for Years 1, 2 & 3.
  - b. Revised Receipts: use to adjust actual revenue collected above or below the MOF in GAA (Regular Appropriations plus Revised Receipts should equal Sch 1A.)
  - c. Adjustment to Expended: adjust to actual amount expended for Year 1 & 2. (most likely UB amts). If no amounts are provided then assume all funds collected were spent.
  - d. *Note: Should be able to explain any decreases or significant fluctuations in Revised Receipts or Adjustments to Expended.*
3. Other Funds:
  - a. If Institution has a Rider for License Plate Trust Fund No. 802, the amount per the GAA should be included here with the legal cite.
4. FTEs:
  - a. Start with authorized FTE limit (cap) from the bill pattern as a “Regular Appropriation”.
  - b. Show authorized for additional FTE’s (lessor of 50 FTE or 110% found in Art. IX, Sec. 6.10) as a “Rider Appropriation”.
  - c. Total adjusted FTEs for Year 1 should equal the average of the 4 qtrs reported to the SAO. Use “unauthorized above/below” to adjust to actual if exceeding 6.10 limits or below the cap.

- d. Year 2 should represent estimated.
  - e. Must tie to the total for each fiscal year in Summary of Base Request by MOF and to appropriated FTEs on Sch 7.
5. Source documents:
    - a) Amounts are pre-populated from Base Reconciliation. *Base Reconciliation will need to be updated also if estimates have changed.*
    - b) Spreadsheet calculating 0001 Non-Formula Items
    - c) Use Schedule 1 for 0770 (TPEG, SGIP, & Organized Activities, etc.) for Years 4&5.
    - d) FTE analysis-used for ABEST quarterly reconciliations
  6. Schedule starts with revenue and ends with expenses. Enter Adjustment to Expended amounts to make MOF Summary tie to Strategy Summary. ABEST will give error report under the Agy Status tab if amounts don't tie. Use error report to adjust as necessary.
  7. Use Non-Formula items for the GR amounts on Request Yrs (4&5). Amounts will be significantly lower than other years due to not including the formula items.
  8. Get estimates from Schedule 1 for Organized Activities, SGIP, & TPEG and use the total of the three for the GR-D (0770) appropriated amounts on Request Yrs (4&5).
  9. Update Revised Receipts amount for GR-D 770 based on Schedule 1 amounts compared to GAA amounts.
  10. Populate Request Yrs FTE amounts based on estimates from spreadsheet.
  11. *Note: Some Institutions may have U.B. on appropriations with authority listed as a positive amount in the First Year.*

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## Schedule 7-Personnel

1. Source Documents (E&G-“Directly Appropriated Funds” and Local funds-“Non Appropriated Funds” ):
  - a. Internally generated Headcount report Prev. & Curr. Yr
  - b. Prev. & Current Yr Personnel expenditures for “GR Funds” & “All other Funds”
  - c. State Auditor’s Office (SAO) quarterly FTE reports used for Qtrly ABEST Recon
  - d. OOE totals for salaries by Faculty and Non-Faculty
  - e. Base Recon/2.B. Summary of Base Request by MOF reported FTE #'s.
  - f. Faculty FTEs should correspond to the THECB CBM008 (1-5 categories). FTEs reported under category 6 (Teaching Assistants) should be considered non-faculty.
2. FTE Positions:
  - a. Use report on prior year 4<sup>th</sup> Qtr ABEST Recon. Calculate Faculty vs. Non-Faculty % of total FTE’s.
  - b. Multiply % by FTE’s reported on MOF to get Faculty & Non Faculty E&G totals.
  - c. Use Personnel report to get #'s for “Other Appropriated” & “ALL Other” fund FTE’s for Prev. & Current Yr. Estimate Future Yrs based on trend.
3. Personnel Headcount:
  - a. Use percentages calculated for Fac. & Non Faculty above.
  - b. May need to multiply % by headcount total for Prev. & Current Yr to break out headcount for Faculty & Non Faculty.
  - c. Use % of increase in FTE’s to calculate headcount for future years.
4. Salaries:
  - a. Use strategy OOE totals for Salaries by Fac. & Non Faculty for first 3 Yrs. Estimate future years based on trend.

- b. Use personnel report for Salary totals on “All Other” & “Appropriated” funds. Estimate future years based on trend. *Appropriated funds may include as an example THECB appropriations.*
  5. *Schedule 7 has been used to calculate the FTE cap in the GAA. During the last session, the cap was based on the “Total Appropriated” for the Estimated Year (Year 2) and then was adjusted for increases or decreases in GR, formula E&G and non-formula funding. For the general academics, for every \$100,000 change in funding the FTE cap was adjusted by 1 FTE. For the HRIs it was for every \$250,000.*
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## **2.D Summary of Base Request Objective Outcomes (LBB Performance Measures)**

1. Request updates of this information from the Office of Institutional Research (OIR).
  2. Enter in ABEST and have it reviewed and approved by OIR.
  3. Don’t forget to complete the Output Measures, Efficiency Measures and Explanatory/Input Measures for the Strategy Request (Operations Support, Growth Support & E&G Space Support).
  4. Make sure to have OIR help identify which measures are considered “Key” measures.
  5. Recommend having reviewed by executive staff before finalizing.
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## **6.A. Historically Underutilized Business (HUB) Supporting Schedule**

1. Provide sample schedule and instructions to HUB Director to complete.
  2. Enter in ABEST and have it reviewed and approved by HUB Director.
  3. Data is from the Comptroller of Public Accounts reporting (comparing HUB goals to actual attainment)
  4. The information is used as a scorecard for each agency as to how well they are meeting their HUB goals in each procurement category and what factors affect the outcomes.
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## **6.G. Homeland Security Funding Schedule**

1. Schedule should reflect Federal sources of funds. Other funds spent in support of those Federal Funds should be included as well.
  2. MOF would be Federal Funds, and requires CFDA numbers.
  3. For each reported award, prior year expenditures are reported from the GL. To estimate current year expenditures, add projected expenditures based on the award budget. Estimate future years based on the proposed budget.
  4. Expenditures are assigned to report’s OOE based on GL account codes or budget category.
  5. MOF is determined by the CFDA number of the award.
  6. FTE information for prior year expenditures is pulled from Effort Reporting System. Current and future FTE is estimated based on the proposed budget.
  7. Subcontracted expenditure/budget information is used to report Funds Passed through to Other State Agencies or Institutions of Higher Education.
  8. *Note: Check with your System Office if this information is reported centrally or at each institution. Academic Institutions are not generally expected to have any information to report.*
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## **6.H. Estimated Funds Outside the Institution’s Bill Pattern**

1. Schedule is not in ABEST. Use excel spreadsheet found on LBB’s web site under LAR Instructions, Institutions and Agencies of Higher Education. Make sure you do not use the one under the Templates heading; it is not for Higher Ed.
2. Will need sources analysis by inside the bill pattern, outside the bill pattern, and non-appropriated sources.
3. State grants and contracts should not be reported as non-appropriated sources. Most, if not all, will be outside the bill pattern. The rationale being that if it is coming from a Texas state entity, it was appropriated to that state entity, but outside your institutions bill pattern.
4. Show Hazlewood allocations under Appropriated Sources outside the bill pattern. Add a line so that they can identify these funds.
5. Current year - project amounts using June 30 balances. Next year - use next year’s budget amounts/project. For the two out years - conservatively project based on historical trends/knowledge of future plans or make match next year’s budget.

## **6.J. Budgetary Impacts Related to Federal Health Care Reform**

1. Informational schedule that reports revenue and expenditures of federal health care reform funding.
2. Federal Health Care Reform legislation includes:
  - a. H.R. 3590, the Patient Protection and Affordable Care Act of 2010
  - b. H.R. 4872, the Health Care and Education Reconciliation Act of 2010
3. Identify this federal funding by evaluating CFDA numbers that were authorized by the Federal Health Care Reform legislation.
4. May obtain guidance from System or Government Relations staff.

## **Schedule 3A, 3B Staff Group Insurance Data Elements**

1. 3A is completed by ERS Institutions. 3B is completed by A&M and UT Institutions. ERS provides the coverage for all institutions except the University of Texas and Texas A&M Systems, which provide their own coverage.
2. Higher Education Employee Group Insurance is a separate, sum certain General Revenue (GR) appropriation to fund health insurance benefits for employees funded by GR. Higher Education Employees Group Insurance Contribution bill pattern includes a line item for each institution. Sum certain amounts will show up in Appropriations Bill after State rates are set.
3. Source Documents:
  - a) Most recent Benefits Proportional (APS011) percentages.
  - b) Pull Payroll report as of June 30.
4. Use Benefits Proportional percentages to allocate the Total “General Revenue” FTEs and “Other E&G Funds” accordingly.
5. Enter “Non E&G Funds” FTEs based on internal Personnel report.
6. ERS institutions should NOT include retired employees on the 3A. UT & A&M Institutions SHALL include retired employees (allocated between appropriated and non appropriated sources in proportion similar to current salary expenses and in a manner consistent with APS011 instructions).
7. Report will be revised in January based on December’s enrollment.

## Schedule 6: Capital Funding

1. Provides information on Permanent University Fund (PUF) and Higher Education Fund (HEF), Bond proceeds and debt service.
  2. Source Documents:
    - a. Report PUF and HEF allocations and expenditures for Year 1; estimate current year (Year 2) and use budget numbers for Years 3-5.
    - b. Provide any PUF bond proceeds allocated.
    - c. Debt service should include any debt service paid with HEF allocations, including HEF-backed bonds or revenue financing system debt.
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## Schedule 8A-TRB Projects

1. Coordinate with Treasury Services and VP for Finance & Administration/Facilities Office.
  2. In the past, higher education has generally used 6% for 20 year bonds.
  3. Schedules 8B-8C prepared at System level only for certain System Institutions.
  4. *Note: Additional information for each TRB is also required to be submitted to the THECB and is used to evaluate TRBs on a statewide level. This process is separate from the LAR process.*
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## Schedule 8D-TRB Request by Project

1. Provided by Treasury Office.
  2. Provide the detail by project of the total baseline debt service request for existing bonds.
  3. Not an ABEST Report. Submit in Excel.
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## Schedule 9-Special Item Information

1. Update information with respective departments.
  2. Make sure and get recent information for their “Non-general Revenue Sources of Funding” and “Major Accomplishments to Date” and other items.
  3. Include ALL existing special items AND NEW exceptional items.
  4. The Mission of the Special Item can be used as the strategy description and justification on Schedule 3A.
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## Other Information

1. Preparing the LAR is a good time to review and become familiar with how your expenses feed to USAS/ABEST if you haven’t already done so recently.
2. If special items are funded but not equally distributed across the biennium, you are allowed to redistribute them equally between the 2 years for future appropriations.
3. Can include a “Schedules Not Included” list after the Table of Contents to reference all schedules not prepared.
4. Run Reports after close of June.
5. Check for errors after information has been entered on the “Agy Status” screen.
6. Common errors:
  - a. Check to see if you need to request appropriations from the License Plate revenue. Is it a Rider or Regular appropriation?

- b. Make sure Organized Activities on the 1A ties to the 3A Strategy Request.
  - c. Be prepared to explain fluctuations on SGIP schedule.
  - d. Make sure OASI on the 1A ties to the Schedule 4.
  - e. Make sure TRS/ORP on the 1A ties to the Schedule 5.
  - f. Make sure SGIP on Sch 1A ties to the 3A Strategy Request.
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