

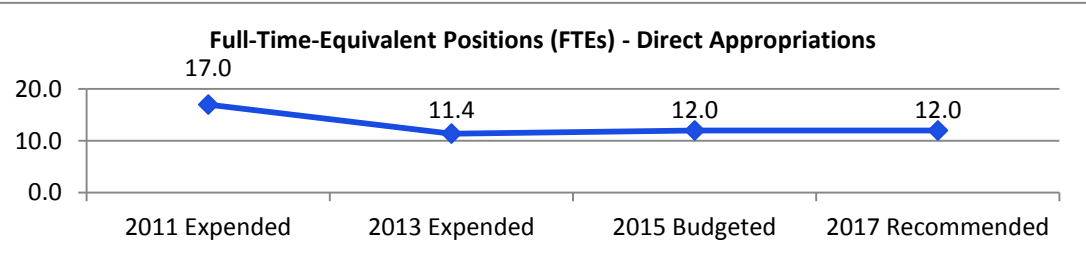
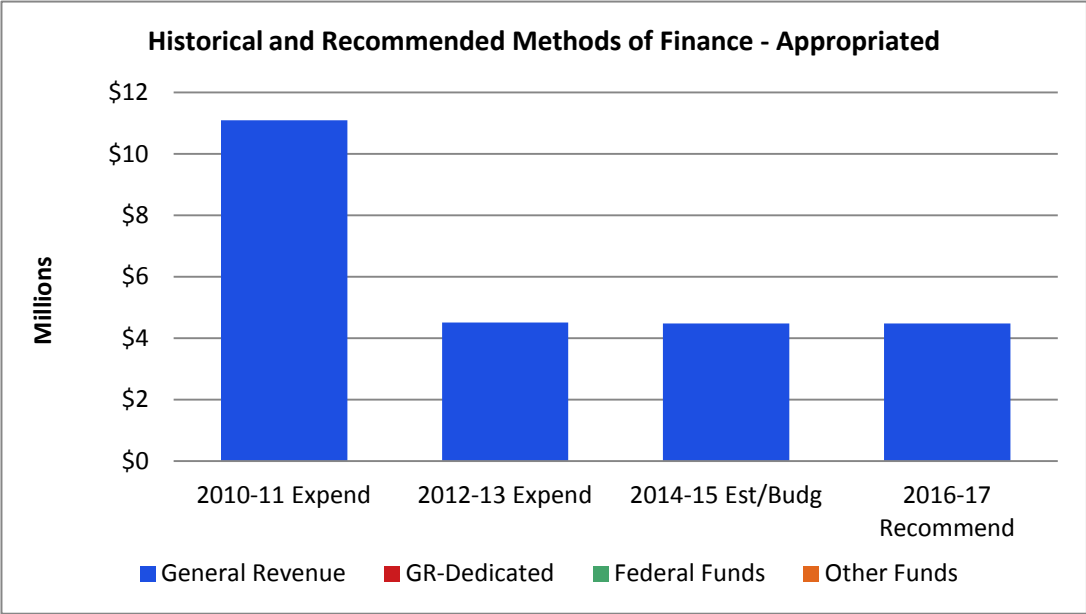
Strategic Fiscal Review 2016-17 - Senate
710 - Texas A&M University System Administrative and General Offices

Schedule 1: Agency Overview

Mission Statement: The role of the Texas A&M University System Office is to provide operational support, oversight, and coordination to the all component institutions and agencies. The university system offices are exempt from the Strategic Planning process in accordance with Government Code 2056.001.

Legal Authority: Education Code, Ch. 85; Education Code, Sec 51.353;

Total Number of Programs: 3



Overview and Significant Findings

■ **Composition.** The Texas A&M University System operates a statewide network of 11 universities, a branch campus in Galveston, seven state agencies, and a health science center. The A&M System comprises a statewide network that is anchored by two land grant academic institutions, Texas A&M University and Prairie View A&M University, along with its research and extension agencies.

■ **Function.** The System Offices provide strategic leadership, performance, accountability and compliance assessment, and centralized support services to member institutions. Over the last three years, the Texas A&M System has undertaken a complete review of administrative and operational processes, and contracts in an effort to mitigate costs and improve operational efficiencies.

■ **Funding.** Recommendations for the Texas A&M System are nearly \$4.5 million for the 2016-17 biennium. In addition, the system estimates receiving an additional \$102 million in Available University Fund (AUF) appropriations and \$44.2 million in Institutional Funds, for a total of \$150.7 million in estimated funding for the 2016-17 biennium. The primary reason for the decrease in funding between 2010-11 and 2012-13 is related to one-time fiscal year 2011 debt service appropriations of \$5.7 million for Texas A&M - San Antonio and Texas A&M - Central Texas.

■ **Full-Time Equivalent Positions.** The system has 12 FTEs budgeted for 2015 that are supported by direct appropriations. In addition, the system has an additional 82 FTEs supported by the AUF and 170.9 FTEs supported by Institutional Funds, for a total of 264.9 FTEs for 2014-15.

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Schedule 2A: Program Listing -- Services and Administration

Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Created	State Authority	Federal Authority	Authority	Mission Centrality	State Service Category	Service Area	Significant Audit and/or Report Findings	Outsourced Services?
1	Scholarships	2000	Education Code, Ch. 85; 2014-15 GAA, Article III, Sec. 6.8a	NA	Moderate	Moderate	Higher Education Instruction, Financial Aid & Research	Statewide	No	No
2	System Office Operations	1948	Education Code, Ch. 85	NA	Strong	Strong	Higher Education Instruction, Financial Aid & Research	Statewide	No	Yes
3	Task Force	2010	Government Code, Sec. 490E.006	NA	Strong	Weak	Natural Resources Management & Regulation	Statewide	No	No
	Program Summary Included									

Notes: • The Texas A&M University System was created by the Texas Legislature in 1948, however the year 2000 represents the first full year of operations appropriations as reported by the system.

• Statutory authority for the university systems is provided by the following:

Education Code, Section 51.353

- (a) The system administration of each system shall coordinate the activities of component institutions within the system.
- (b) In addition to other powers and duties provided by this code or other law, each system administration shall:
 - (1) initiate, monitor, approve, and coordinate long-range planning for the system;
 - (2) approve short-range institutional plans for operations and expenditures;
 - (3) provide to component institutions technical assistance such as legal and financial services;
 - (4) evaluate each component institution and assist the institution in the achievement of performance goals; and
 - (5) perform such other duties as may be delegated to it by the governing board of its system.

• Statutory authority for the Texas A&M University System is provided by the following:

Education Code, Sec. 85.17

- (a) The central administration office of the university system shall provide oversight and coordination of the activities of each component institution within the system.
- (b) The board shall appoint a chief executive officer of the university system and determine the chief executive officer's term of office, salary, and duties.
- (c) The chief executive officer shall recommend a plan for the organization of the university system and the appointment of a chief administrative officer for each component institution, agency, and service, within the system.
- (d) The chief executive officer is responsible to the board for the general management and success of the university system, and the board may delegate authority, establish guidelines, and cooperate with the executive officer to carry out that responsibility. The chief executive officer may delegate his authority if approved by the board.
- (e) In addition to other powers and duties provided by this code or other law, the central administration office of the system shall recommend necessary policies and rules to the governing board of the system to ensure conformity with all laws and rules and to provide uniformity in data collection and financial reporting procedures.

• 2014-15 GAA, Article III, Special Provisions, Sec. 11 authorizes institutions to expend appropriations for multiple purpose, including scholarships.

• Government Code, Section 490E.006 - Provides that A&M System shall assist in analysis of biological and economic impact of proposed actions and provide recommendations to the task force on economic growth and endangered species as requested.

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Schedule 2B: Program Listing -- Fiscal

Agency Submission					LBB Staff Review and Analysis								
Agency Ranking	Program Name	1st Year Full Implementation	2010-11 Expended	2012-13 Expended	2014-15 Est / Budg	2015 FTEs Budg	2016-17 Recommended	2017 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?	Appropriate Use of Constitutional and GR-Dedicated Funds?	Agency Funding Alternatives in Recs?
1	Scholarships	\$2,500,000	\$2,078,125	\$1,541,422	\$1,527,422	0.0	\$1,527,422	0.0	0.0%	0.0	No	NA	No
2	System Office Operations	\$745,906	\$8,765,613	\$2,780,034	\$2,762,696	12.0	\$2,762,696	12.0	0.0%	0.0	No	NA	No
3	Task Force	\$250,000	\$250,000	\$183,750	\$183,750	0.0	\$183,750	0.0	0.0%	0.0	No	NA	No
Total	Program Summary Included		\$ 11,093,738	\$ 4,505,206	\$ 4,473,868	12.0	\$ 4,473,868	12.0	0.0%	0.0			

Notes: Data included in the column labeled *1st Year of Full Implementation* may reflect several different fiscal years and therefore it is not summed.

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Schedule 2C: Program Listing -- Explanation of Recommendations

Agency Submission		LBB Staff Review and Analysis	
Agency Ranking	Program Name	Funding Compared to 2014-15	Explanation of Recommendations
1	Scholarships	=	Recommendations for 2016-17 for the Texas A&M University System Administrative and General Offices equal 2014-15 funding levels, which is consistent with recommendations for all university system offices' special item related strategies.
2	System Office Operations	=	Recommendations for 2016-17 for the Texas A&M University System Administrative and General Offices maintain 2014-15 funding levels, which is consistent with recommendations for all university system offices' system office operations Strategies.
3	Task Force	=	Recommendations for 2016-17 for the Texas A&M University System Administrative and General Offices equal 2014-15 funding levels, which is consistent with recommendations for all university system offices' special item related strategies.
Program Summary Included			

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Schedule 3: Assessments of Mission Centrality and Authority

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Mission centrality is a judgment of how directly connected a program is to the core mission and goals of the agency, as identified in statute, agency strategic plans, or other
Authority is an assessment of how strong and explicit the legal basis is for the existence of the program and the way in which the agency is administering it.

		MISSION CENTRALITY		
		Weak	Moderate	Strong
A U T H O R I T Y	Strong	Task Force on Economic Growth and Endangered Species (3)		System Office Operations (2)
	Moderate		Scholarships (1)	
	Weak			

Note: The matrix does not include Indirect Administration programs.

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Schedule 5: Program Summary

Program: Scholarships

Agency Ranking

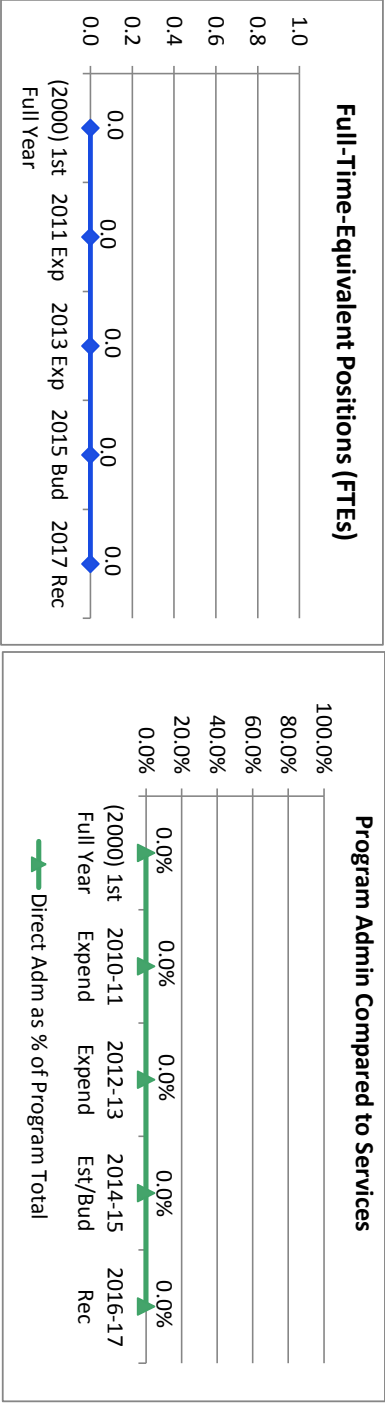
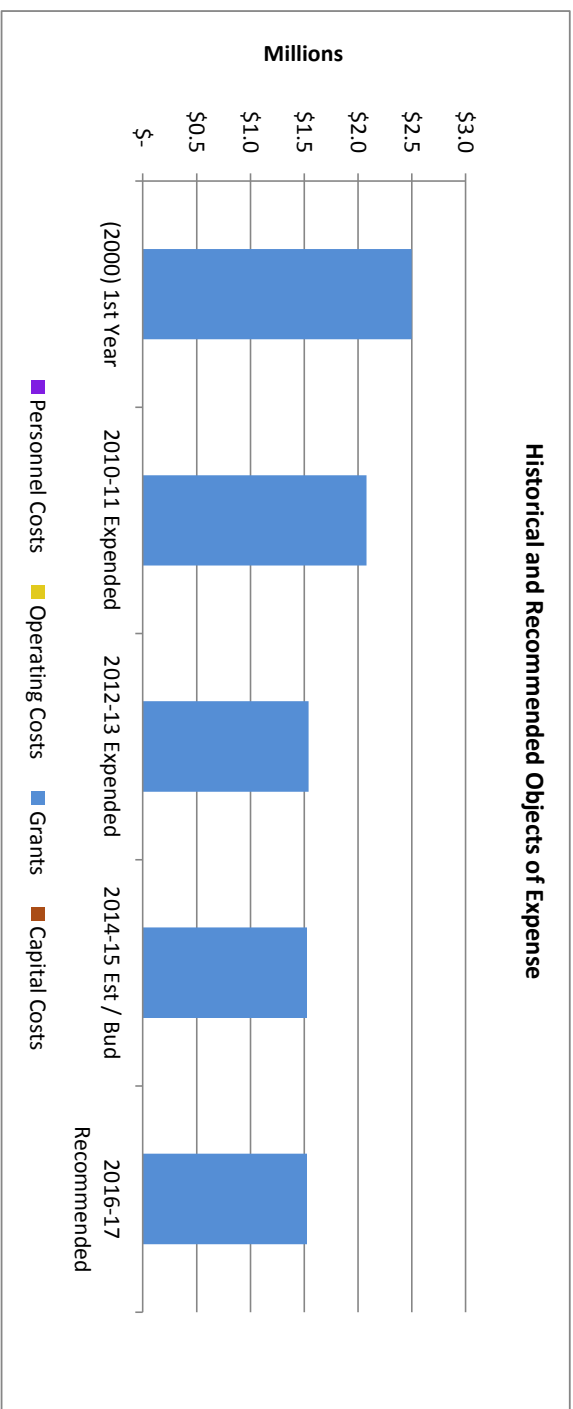
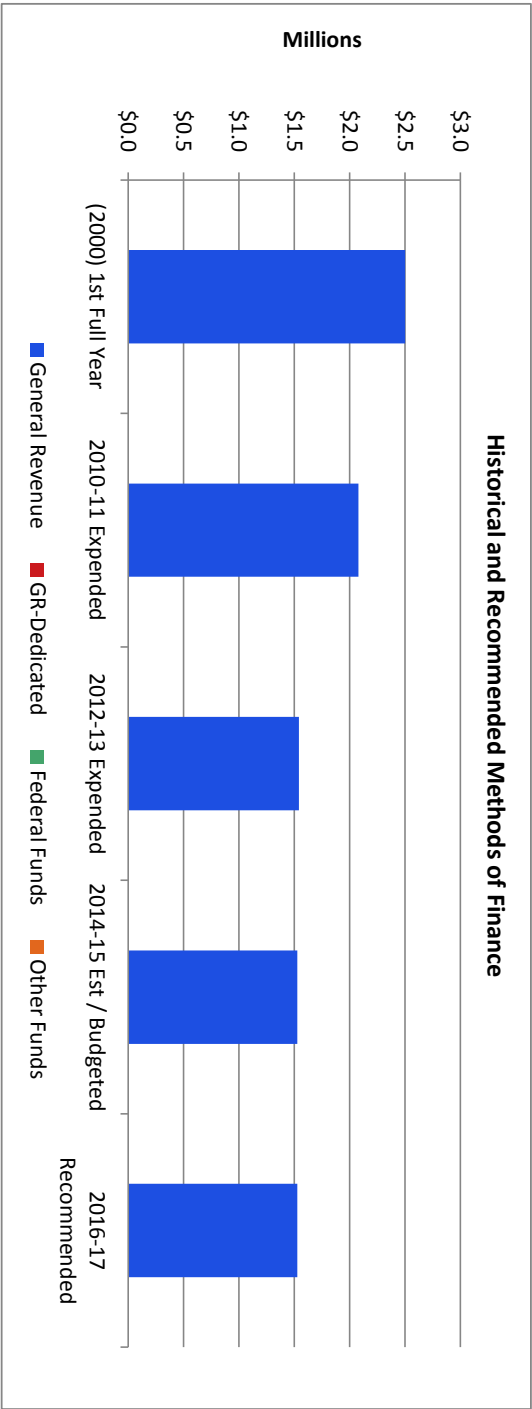
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Funding to recruit and retain students based on need.

Legal Authority: Education Code, Ch. 85; 2014-15 GAA, Article III, Sec. 6.8a

Year Created	2000	Performance and/or	Outsourced Services	No
Authority	Moderate	Operational Issue No	Revenue Supported	No
Centrality	Moderate		Use of Dedicated Funds	NA
Service Area	Statewide	State Service Category	Higher Education Instruction, Financial Aid & Research	

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Scholarships	\$ 1,527,422	0.0	\$ 1,527,422	0.0	100.0%
	\$ -	0.0	\$ -	0.0	0.0%
TOTAL	\$ 1,527,422	0.0	\$ 1,527,422	0.0	100.0%



Summary of Recommendations and Fiscal and Policy Issues

1 Scholarships. Funding recommendations for 2016-17 maintain \$1.5 million in General Revenue funding for the system's Scholarships Program equal to amounts provided in 2014-15. Recommendations provide level funding for special items across all university system offices.

Recommended Statutory Changes for Program Improvement

1 None.

Funding Alternatives Not Included in the Recommendations	Change from Recommendations			2017 FTEs
	GR-Related	All Funds		
1 Reduce General Revenue by twenty percent. Texas A&M System noted that in fiscal year 2014 the program provided 1,044 students with an average scholarship award of \$731. In the event of a 20 percent reduction 209 fewer scholarships would be awarded or scholarships may be reduced by \$146 per student.	\$ (305,484)	\$ (305,484)		0.0
2 Enhance General Revenue by twenty percent. Texas A&M System provided that additional General Revenue would allow for the increase of an additional 209 scholarship awards.	\$ 305,484	\$ 305,484		0.0

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Schedule 5: Program Summary - Direct Appropriations

Program: System Office Operations

Agency Ranking

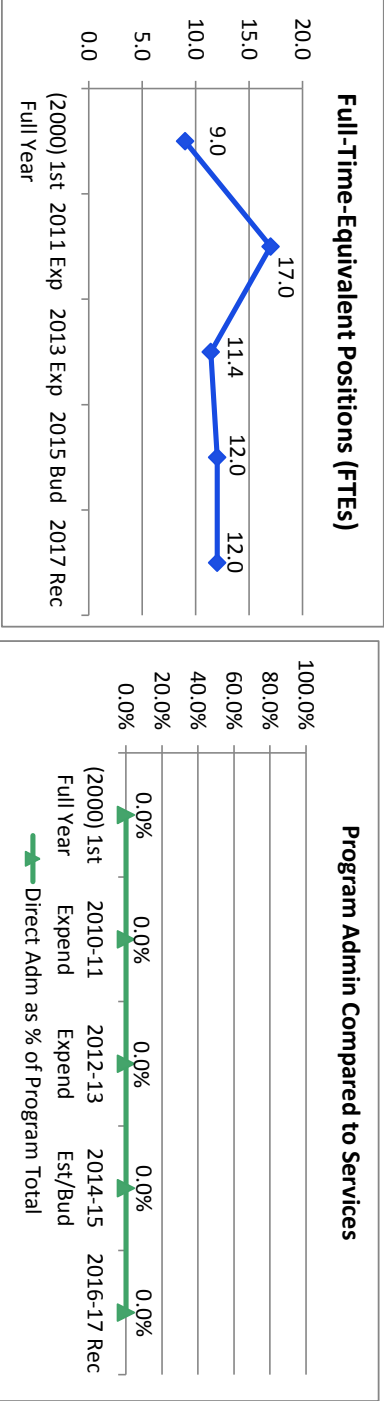
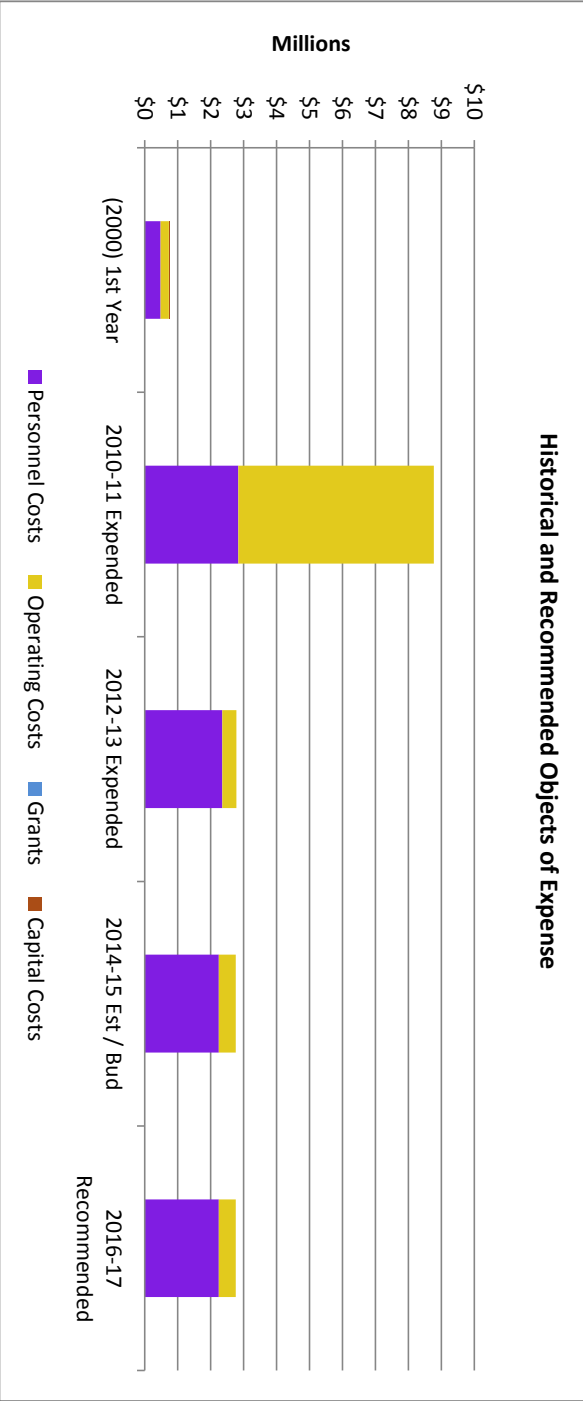
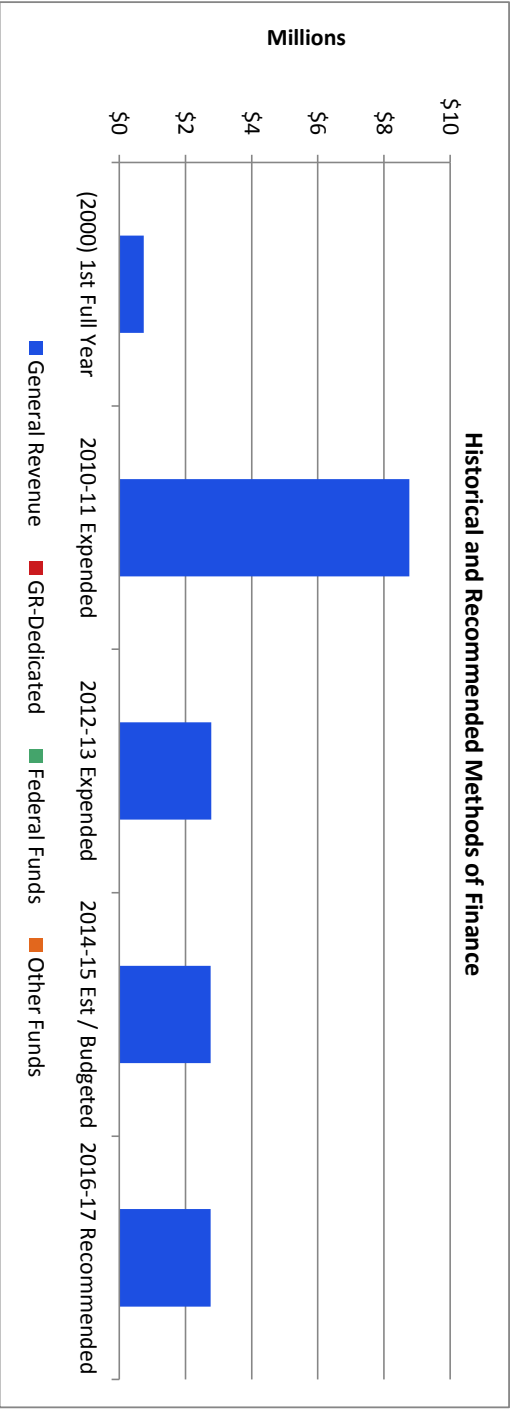
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Funding provides support for the operations of the Texas A&M University System Office. The system office provides coordination and planning to improve efficiencies for component institutions.

Legal Authority: Education Code, Ch. 85; Education Code, Sec 51.353;

Year Created	1989	Performance and/or	Outsourced Services	Yes
Authority	Strong	Operational Issue No	Revenue Supported	No
Centrality	Strong		Use of Dedicated Funds	NA
Service Area	Statewide	State Service Category	Higher Education Instruction, Financial Aid & Research	

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Business and Financial Services	\$ 80,197	1.0	\$ 80,197	1.0	2.9%
Academic Affairs	\$ 1,477,723	6.0	\$ 1,477,723	6.0	53.5%
Strategic Initiatives and Planning	\$ -	0.0	\$ -	0.0	0.0%
Facilities	\$ 222,424	0.0	\$ 222,424	0.0	8.1%
Office of the Chancellor	\$ 982,352	5.0	\$ 982,352	5.0	35.6%
TOTAL	\$ 2,762,696	12.0	\$ 2,762,696	12.0	100.0%



Summary of Recommendations and Fiscal and Policy Issues

1 Direct Appropriations. The Texas A&M University System Administrative and General Offices is one of two systems receiving appropriations from the Available University Fund (AUF). Recommendations for direct appropriations in 2016–17 maintain \$2.8 million in General Revenue appropriations for the system, which equals 2014–15 funding levels.

Recommendations would provide funding for the following activities and full-time equivalent (FTE) positions within the System Office Operations Program. All six university systems were instructed to use these eleven activity categories in their submissions to allow for comparative analysis among the systems.

Activities	2016-17	
	Recommended	FTEs
Board of Regents		
Audit		
Legal		
Business & Financial	\$ 80,197	1.0
Academic Affairs	\$ 1,477,723	6.0
Governmental Relations		
External Relations & Fund Raising		
Strategic Initiatives & Planning		
Facilities	\$ 222,424	0.0
Office of the Chancellor	\$ 982,352	5.0
Health Affairs		
TOTAL	\$2,762,696	12.0

Recommended Statutory Changes for Program Improvement

1 None.

Funding Alternatives Not Included in the Recommendations	Change from Recommendations		
	GR-Related	All Funds	2017 FTEs
1 Reduce General Revenue by twenty percent. Texas A&M System did not provide specific funding alternatives for reduced funding. It did note that in the event of an across the board reduction it would have to increase assessments of their component institutions' local funds to maintain staffing levels and services associated with regulatory, compliance, and operational support. The system reported that a twenty percent reduction in General Revenue appropriations would likely result in the loss of 2.4 full-time equivalent positions.	\$ (552,540)	\$ (552,540)	2.4
2 Increase General Revenue by twenty percent. Texas A&M System noted that in the event of additional General Revenue to the System Offices that assessments of member institutions would be decreased and the lowered assessments would allow its institutions to direct their funds to teaching and research. The system did provide that enhanced General Revenue would not result in an increase in FTEs.	\$ 552,540	\$ 552,540	0.0

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Schedule 5: Program Summary

Program: Task Force

Agency Ranking

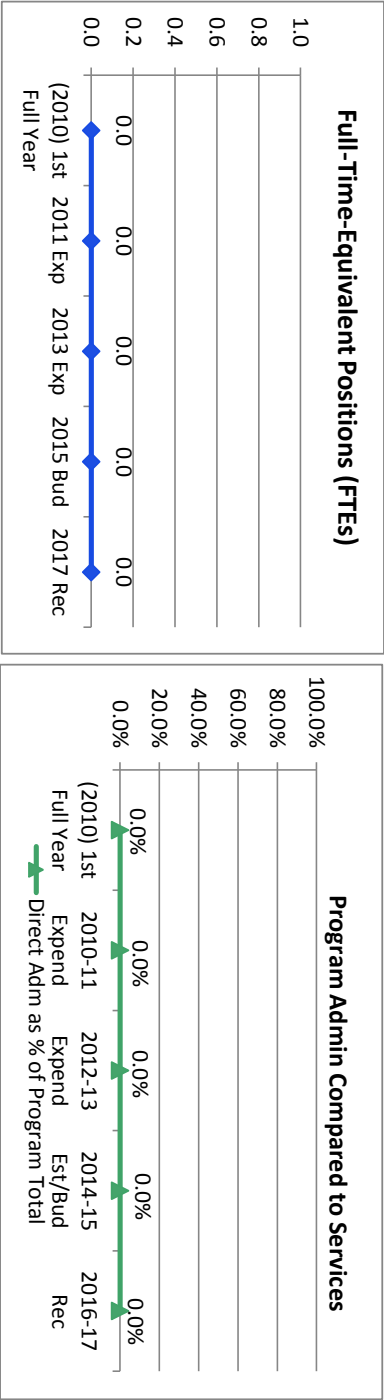
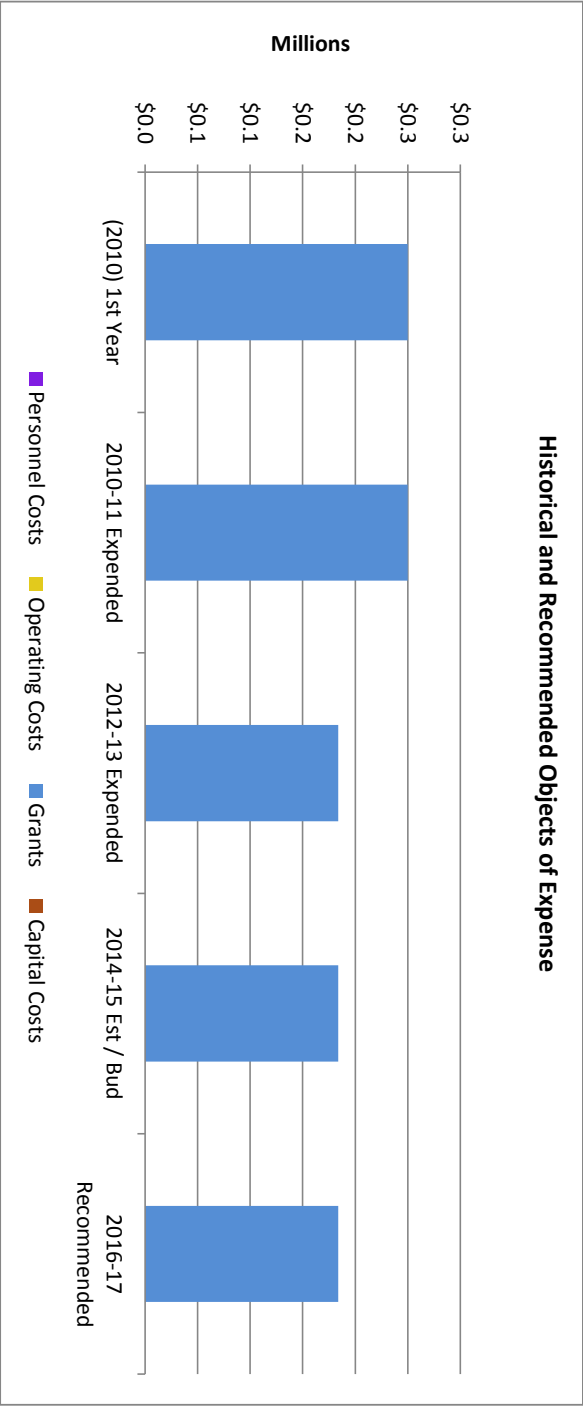
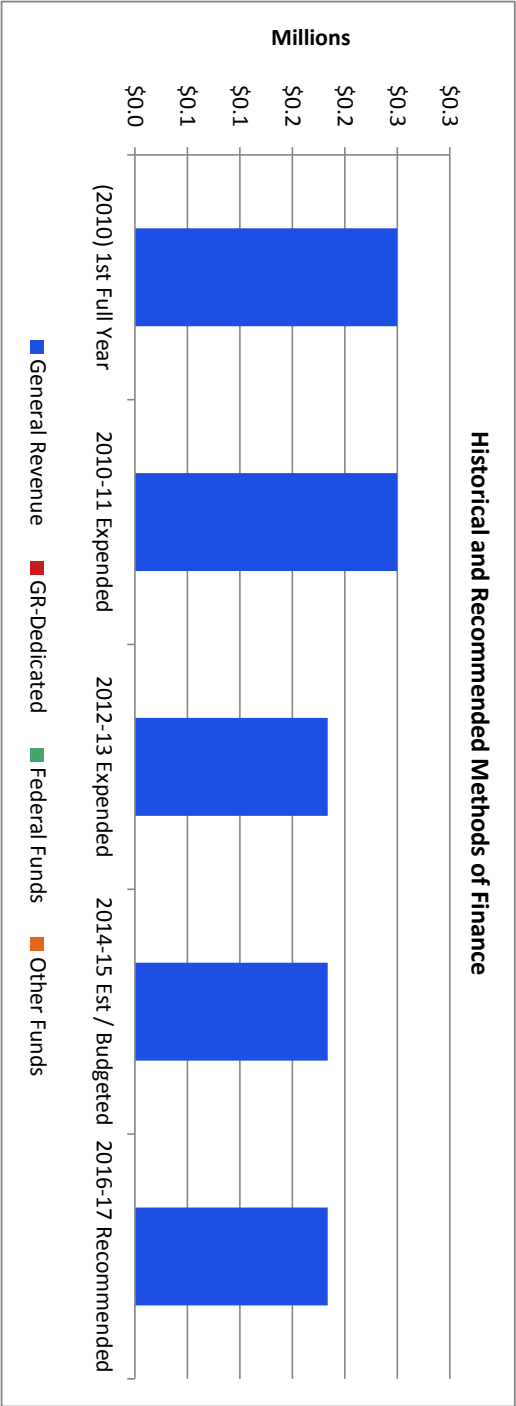
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Funding for the Task Force on Economic Growth and Endangered Species.

Legal Authority: Government Code, Sec. 490E.006

Year Created	2010	Performance and/or	Outsourced Services	No
Authority	Moderate	Operational Issue No	Revenue Supported	No
Centrality	Weak		Use of Dedicated Funds	NA
Service Area	Statewide	State Service Category	Natural Resources Management & Regulation	

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Task Force	\$ 183,750	0.0	\$ 183,750	0.0	100.0%
	\$ -	0.0	\$ -	0.0	0.0%
TOTAL	\$ 183,750	0.0	\$ 183,750	0.0	100.0%



Program: Task Force

Agency Ranking3 out of 3

Summary of Recommendations and Fiscal and Policy Issues

1 Task Force on Economic Growth and Endangered Species. Recommendations for 2016-17 maintain \$0.2 million in General Revenue funding to support the system's Task Force on Economic Growth and Endangered Species are equal to amounts provided in 2014-15. Recommendations provide level funding for special items across all university system offices.

Recommended Statutory Changes for Program Improvement

1 None.

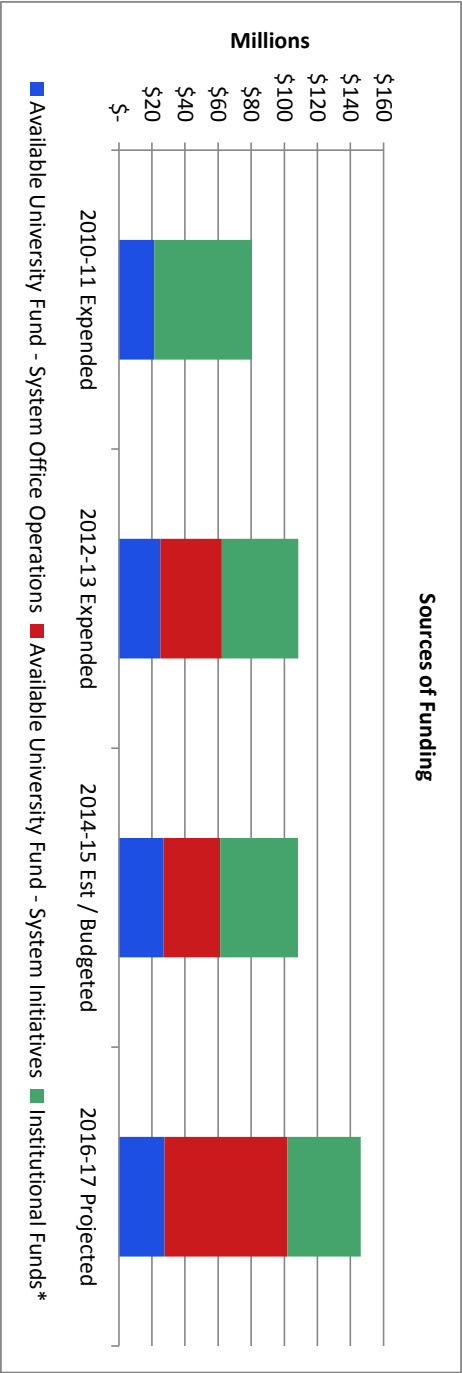
Funding Alternatives Not Included in the Recommendations	Change from Recommendations		
	GR-Related	All Funds	2017 FTEs
1 Reduce General Revenue by twenty percent. Texas A&M System did not provide specific funding alternatives for the Task Force. It noted that a twenty percent reduction would result in less community outreach and training related to the economic impact of endangered species.	\$ (36,750)	\$ (36,750)	0.0
2 Enhance General Revenue by twenty percent. Texas A&M System did not provide specific funding alternatives for the Task Force. It noted that a twenty percent increase would allow for additional community outreach and training related to the economic impact of endangered species.	\$ 36,750	\$ 36,750	0.0

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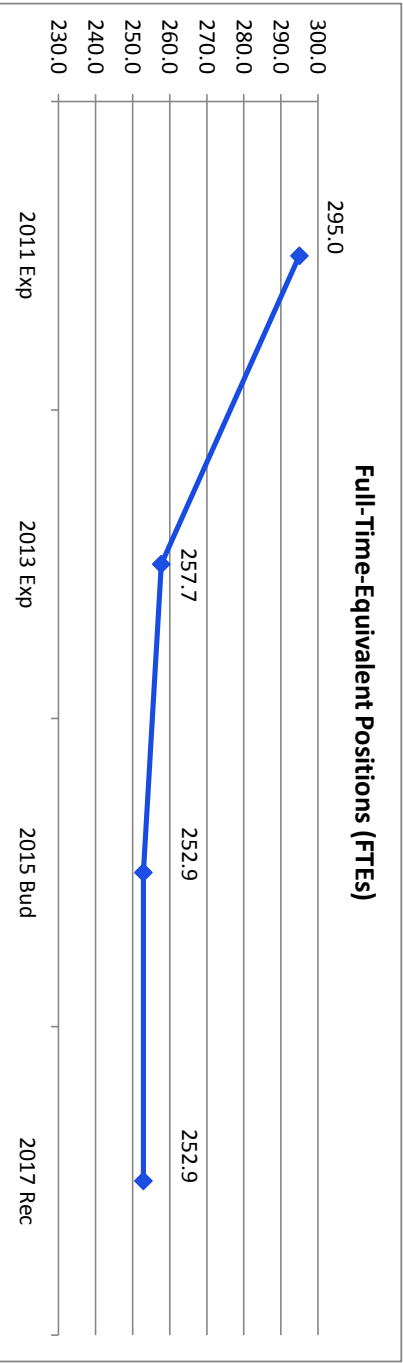
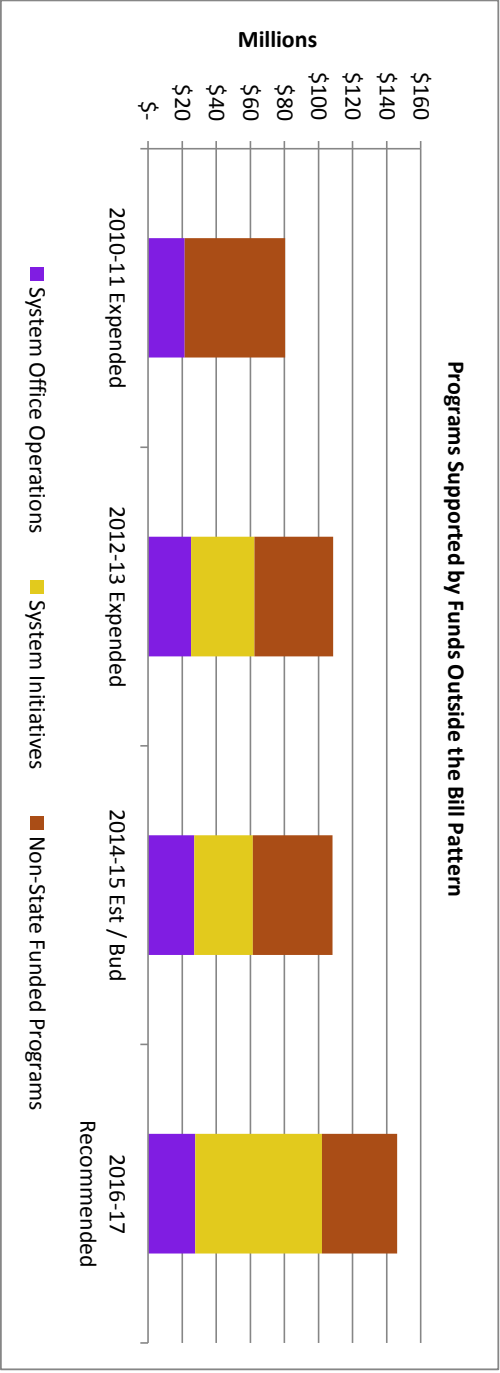
Schedule 6: Funds Outside the Bill Pattern

The Texas A&M University System Administrative and General Offices receives indirect appropriated funds from the Available University Fund as well as non-appropriated institutional funds. Indirectly appropriated benefits are not shown.

Funding Sources	2010-11 Expended	2012-13 Expended	2014-15 Est / Budgeted	2015 FTEs Budg	2016-17 Projected	2017 FTEs Projected
Available University Fund - System Office Operations	\$ 21,438,577	\$ 25,200,000	\$ 27,154,000	82.0	\$ 27,700,000	82.0
Available University Fund - System Initiatives	\$ -	\$ 37,102,877	\$ 34,230,123	0.0	\$ 74,309,000	0.0
Institutional Funds*	\$ 58,985,073	\$ 46,246,994	\$ 46,866,383	170.9	\$ 44,200,000	170.9
Total	\$ 80,423,650	\$ 108,549,871	\$ 108,250,506	252.9	\$ 146,209,000	252.9



Programs Supported by Funds Outside the Bill Pattern	2010-11 Expended	2012-13 Expended	2014-15 Est / Budgeted	2016-17 Projected
System Office Operations	\$ 21,438,577	\$ 25,200,000	\$ 27,154,000	\$ 27,700,000
System Initiatives	\$ -	\$ 37,102,877	\$ 34,230,123	\$ 74,309,000
Non-State Funded Programs	\$ 58,985,073	\$ 46,246,994	\$ 46,866,383	\$ 44,200,000
Total	\$ 80,423,650	\$ 108,549,871	\$ 108,250,506	\$ 146,209,000



Note*: Institutional Funds include non-General Revenue assessments of component institutions used for system office operations.