

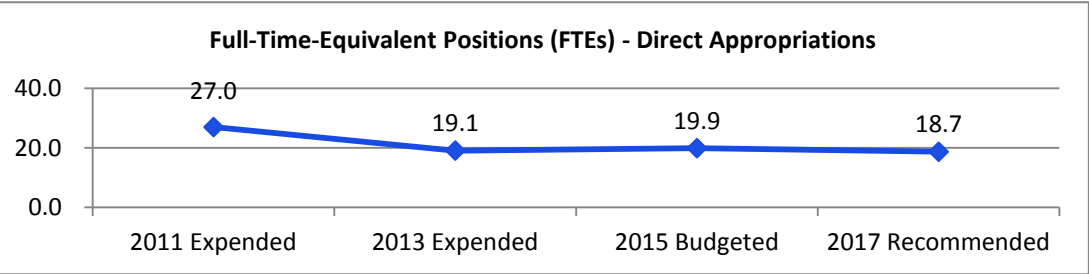
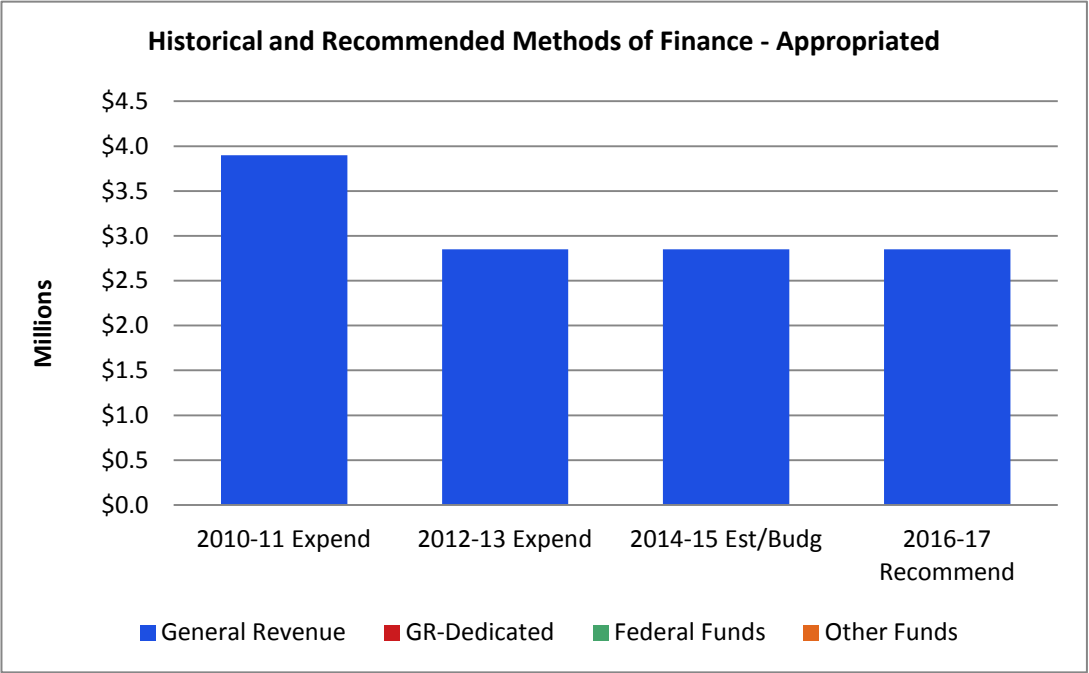
Strategic Fiscal Review 2016-17 - Senate
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Schedule 1: Agency Overview

Mission Statement: The role of the Texas Tech University System Administration 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. 109, 110; Education Code Section 51.353

Total Number of Programs: 1



Overview and Significant Findings

- **Governance.** The Texas Tech University System is governed by a nine-member Board of Regents appointed by the Governor. Formally established by the Texas Legislature in 1999, the Texas Tech University System is composed of a central administration, two health-related institutions and two general academic institutions. The components of the System are Texas Tech University System Administration (TTUS), Texas Tech University, Texas Tech University Health Sciences Center, Angelo State University, and Texas Tech University Health Sciences Center at El Paso.
- **Function.** The TTUS currently performs or coordinates many collaborative functions between the four components including strategic planning, fundraising, legal counsel, audit services, governmental relations, facilities planning and construction, investments, cash and debt management, risk management and communication services.
- **Funding.** The recommended direct appropriations for TTUS are \$2.9 million for the 2016-17 biennium. The decrease in direct appropriations reflected from 2010-11 to 2012-13 are due to a 25 percent reduction of appropriations from requested amounts for system office operations. In addition, the system estimates an additional \$38,258,970 in funding from funds outside the bill pattern.
- **Full-Time Equivalent Positions.** The system has 19.9 FTEs budgeted for 2015 that are supported by direct appropriations. In addition, TTUS has 60.1 FTEs that are supported by GR transfers from component institutions, 76.5 FTEs supported by non-GR transfers from components, and 7.5 FTEs supported by Institutional Funds for a total of 164 FTEs.

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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	System Office Operations Program Summary Included	1999	Education Code, Ch. 109, 110	NA	Strong	Strong	Higher Education Instruction, Financial Aid & Research	Statewide	No	No

Notes: The Texas Tech University System was established in 1999, however the year 2002 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 Tech University System is provided by the following:

Education Code, Section 109.001

- (a) The Texas Tech University System hereby created is composed of all those institutions and entities presently under the governance, control, jurisdiction, and management of the board of regents of Texas Tech University.
- (b) The Texas Tech University System shall also be composed of such other institutions and entities as from time to time may be assigned by specific legislative act to the governance, control, jurisdiction, and management of the Texas Tech University System.
- (c) The governance, control, jurisdiction, organization, and management of the Texas Tech University System is hereby vested in the present board of regents of Texas Tech University, which will hereinafter be known and designated as the board of regents of the Texas Tech University System. The board by rule may delegate a power or duty of the board to an officer, employee, or other agent of the board.

Education Code, Section 110.01

Texas Tech University Health Sciences Center is a separate institution and not a department, school, or branch of Texas Tech University but is under the direction, management, and control of the Texas Tech University Board of Regents. The center is composed of a medical school and other components assigned by law or by the coordinating board.

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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	System Office Operations	\$ 500,000	\$ 3,900,000	\$ 2,850,000	\$ 2,850,000	19.9	\$ 2,850,000	18.7	0.0%	-1.2	No	NA	No
Total			\$ 3,900,000	\$ 2,850,000	\$ 2,850,000	19.9	\$ 2,850,000	18.7	0.0%	-1.2			
Program Summary Included													

Notes: The appropriations shown reflect the General Revenue Funds directly appopriated to the Texas Tech University System.

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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	System Office Operations	=	Funding recommendations for 2016-17 for the Texas Tech University System maintain 2014-15 funding levels, which is consistent with recommendations across all university system offices' System Office Operations strategies. Each university system not receiving appropriations from the Available University Fund receives \$1.4 million annually in General Revenue appropriations for System Office Operations.
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		System Office Operations (1)
	Moderate		
	Weak		

Note: The matrix does not include Indirect Administration programs.

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Schedule 5: Program Summary - Direct Appropriations

Program: System Office Operations

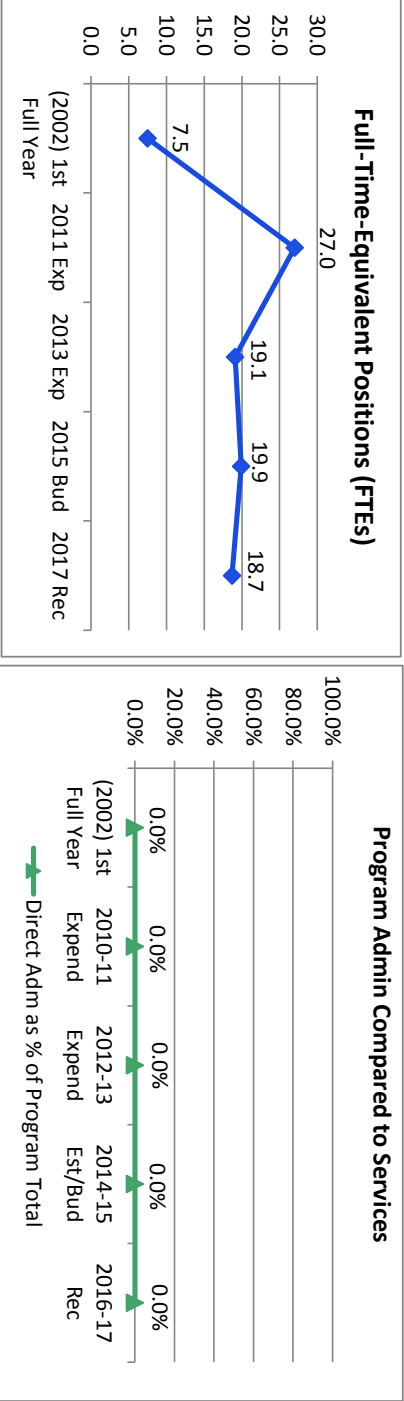
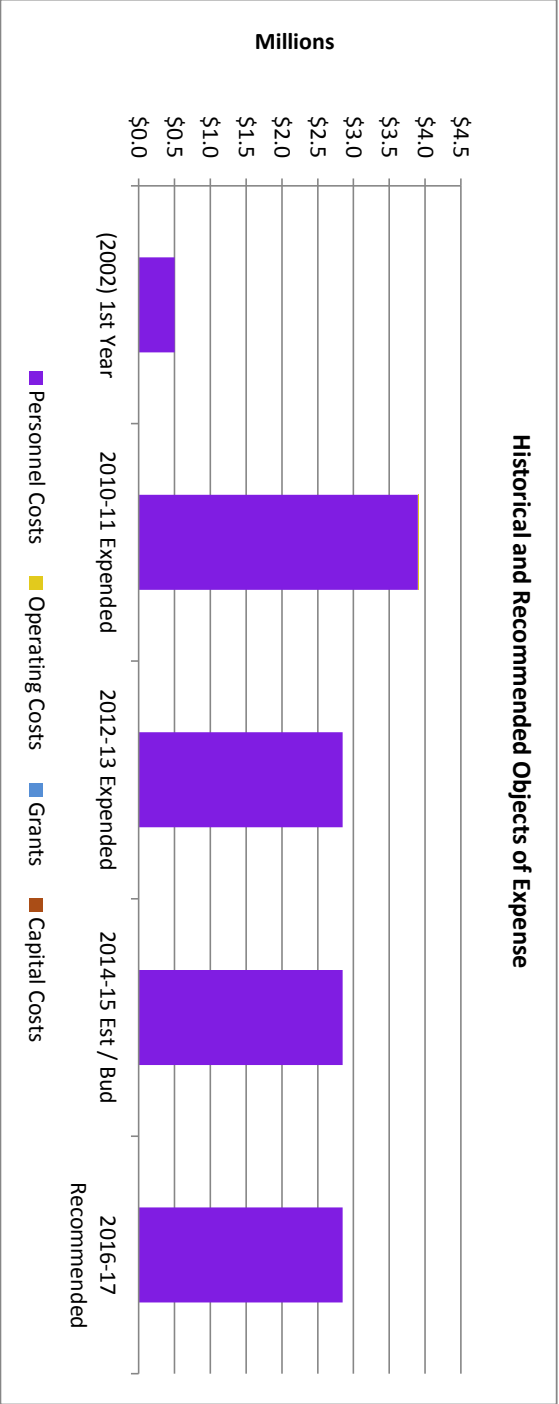
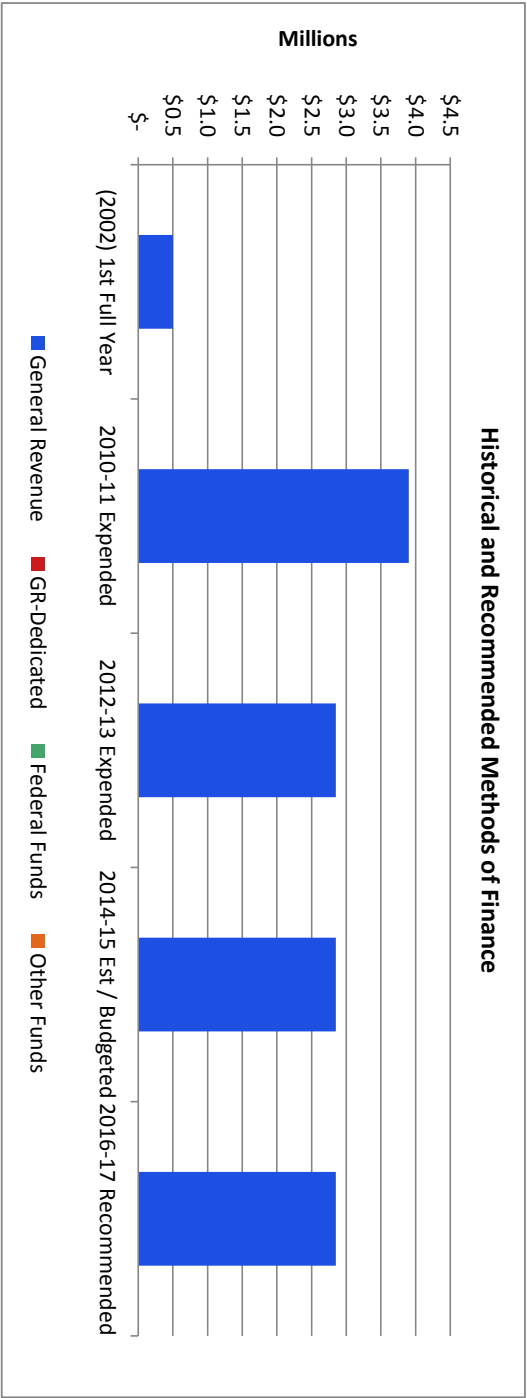
Agency Ranking	1 out of 1
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Funding provides support for the operations of the Texas Tech University System office. The system office provides coordination and planning to improve efficiencies.

Legal Authority: Education Code, Ch. 109, 110; Education Code Section 51.353

Year Created	1999	Performance and/or	Operational Issue No	Outsourced Services	No
Authority	Strong			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
Board of Regents	\$ 234,627	1.3	\$ 234,627	1.3	8.2%
Audit	\$ 2,197,839	15.6	\$ 2,197,839	15.5	77.1%
Legal	\$ 417,534	3.1	\$ 417,534	1.9	14.7%
TOTAL	\$ 2,850,000	19.9	\$ 2,850,000	18.7	100.0%



Program: System Office Operations

Agency Ranking1 out of 1

Summary of Recommendations and Fiscal and Policy Issues

1 **Direct Appropriations.** Recommendations for the Texas Tech University System maintain \$2.9 million in General Revenue appropriations. The recommended level is consistent among the four university systems who do not receive an allocation from the Available University Fund.

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	\$234,627	1.3
Audit	\$2,197,839	15.5
Legal	\$417,534	1.9
Business & Financial		
Academic Affairs		
Governmental Relations		
External Relations & Fund Raising		
Strategic Initiatives & Planning		
Facilities		
Office of the Chancellor		
Health Affairs		
TOTAL	\$2,850,000	18.7

2 **Funds Outside the Bill Pattern.** The Texas Tech University System estimates in 2016-17 it will have access to \$38.3 million in funds outside its bill pattern to support its system office operations. The funds would be transferred from its various component institutions and are estimated to support an additional 144.1 FTEs per year in fiscal years 2016-17 for System Office Operations.

Recommended Statutory Changes for Program Improvement

1 None.

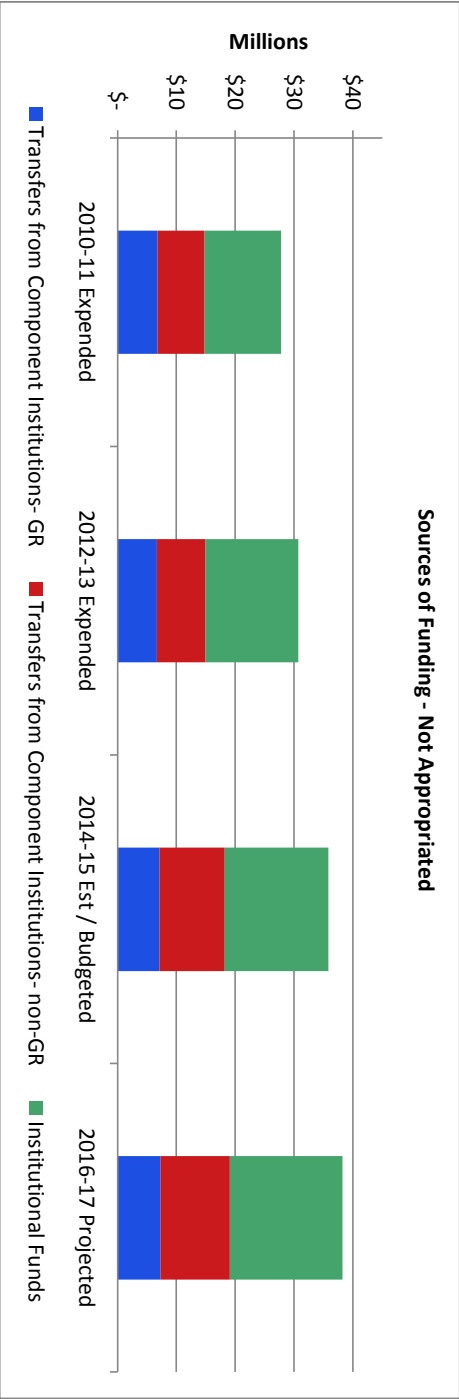
Funding Alternatives Not Included in the Recommendations	Change from Recommendations		
	GR-Related	All Funds	2017 FTEs
1 Reduce General Revenue by twenty percent. The Texas Tech System Administration noted that in the event of an across the board reduction of twenty percent it would likely reduce three internal audit positions and one legal position. According to the system office the reduction would limit its ability to provide services to its component institutions. A twenty percent reduction in General Revenue would reduce appropriations by \$285,000 per year.	\$ (570,000)	\$ (570,000)	(4.0)
2 Increase General Revenue appropriations by an additional \$575,000 each year to partially reduce reliance on local funds transfers from component institutions. According to the Texas Tech System, the additional funds would allow institutions to retain local funds to reinvest in their academic functions and no new FTEs would be added.	\$ 1,150,000	\$ 1,150,000	0.0

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Schedule 6: Funds Outside the Bill Pattern

The Texas Tech University System receives indirect appropriated funds from component institutions as well as non-appropriated funds from the sources listed in the table below. Indirectly appropriated benefits are not shown.

Source of Funding	2010-11 Expended	2012-13 Expended	2014-15 Est / Budgeted	2015 FTES Budgeted	2016-17 Projected	2017 FTES Projected
Transfers from Component Institutions- GR	\$ 6,803,875	\$ 6,702,440	\$ 7,124,100	60.1	\$ 7,272,604	60.1
Transfers from Component Institutions- non-GR	\$ 7,985,520	\$ 8,277,651	\$ 11,074,155	76.5	\$ 11,823,210	76.5
Institutional Funds	\$ 13,015,132	\$ 15,729,441	\$ 17,626,217	7.5	\$ 19,163,156	7.5
Total	\$ 27,804,527	\$ 30,709,532	\$ 35,824,472	144.1	\$ 38,258,970	144.1



Programs Supported by Funds Outside the Bill	2010-11 Expended	2012-13 Expended	2014-15 Est / Budgeted	2016-17 Projected
System Office Operations	\$ 6,803,875	\$ 6,702,440	\$ 7,124,100	\$ 7,272,604
Non-State Funded Programs	\$ 21,000,652	\$ 24,007,092	\$ 28,700,372	\$ 30,986,366
Total	\$ 27,804,527	\$ 30,709,532	\$ 35,824,472	\$ 38,258,970

