ARTICLE III

EDUCATION

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated agencies and institutions of education.

TEXAS EDUCATION AGENCY*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
A. Goal: PROGRAM LEADERSHIP To fulfill the promise for all Texas children, the Texas Education Agency will provide program leadership to the state public education system, ensuring all students achieve the state's public education goals and objectives.		
Outcome (Results/Impact):		
Percent of Students Completing High School	94.2%	94.5%
Percent of African-American Students Completing High School	91.8%	91.8%
Percent of Hispanic Students Completing High School	91.8%	91.8%
Percent of White Students Completing High School	96.9%	96.9%
Percent of Asian-American Students Completing High School	97.1%	97.2%
Percent of Native American Students Completing High School	92%	92.3%
Percent of Economically Disadvantaged Students Completing High School	90.3%	90.5%
Percent of Equalized Revenue in the Foundation School Program	98%	98%
Percent of Students in Districts with Substantially Equal Access to Revenues	85%	85%
Percent of Students Graduating under the Recommended or Distinguished Achievement High School Program	54%	57%
Percent of Students with Auditory Impairment in Regional Day Schools for the Deaf Who Graduate from High School	93%	94%
Percent of Students with Disabilities Who Complete High School	91%	92%
Percent of Eligible Students Taking Advanced Placement/International Baccalaureate Exams	19%	22%
Percentage of AP/IB Exams Taken on Which the Score Qualifies for College Credit or Advanced Placement	58%	59%
Percent of Students Exiting Bilingual/English as a Second Language Programs Successfully	70%	71%
Percent of Students Retained in Grade 3	2.7%	2.6%
Percent of Students Retained in Grade	5.4%	5.4%
Percent of Students in State-funded Optional Extended-year Programs Promoted to the Next Grade Level as a Result of the Program	90%	91%
Percent of Adult Learners Who Complete the Level in Which They Are Enrolled	66%	68%
Percent of Campuses Receiving Investment Capital Fund Grants Which Demonstrate Texas Learning Index Growth in Reading	76%	78%
Percent of Parents Participating in AVANCE Programs Who Complete the Adult Education Level at Which They Are Enrolled	61%	63%
A.1.1. Strategy: FSP - EQUALIZED OPERATIONS Ensure all Texas students graduate from high school with a world-class education funded by an efficient and equitable school finance system; ensure that formula allocations support	$ 10,417,700,000	$ 9,529,900,000

*Modified by Article IX, Sections 11.23, 11.27, 11.34, and 12.02. Modified by House Bill 3459, regular session.

the state's public education goals and objectives and are accounted for in an accurate and appropriate manner.				
Output (Volume):				
Total Average Daily Attendance (ADA)		3,957,827		4,035,033
Total Average Daily Attendance (ADA) of Open-enrollment Charter Schools		52,328		56,431
Number of Students Served by Compensatory Education Programs and Services		1,679,600		1,712,900
Explanatory:				
Special Education Full-time Equivalents (FTEs)		168,244		171,313
Compensatory Education Average Daily Attendance		2,138,793		2,181,568
Career and Technology Education Full-time Equivalents (FTEs)		160,906		163,973
Bilingual Education/English as a Second Language Average Daily Attendance		523,976		544,935
Gifted and Talented Average Daily Attendance		198,042		201,907
A.1.2. Strategy: FSP - EQUALIZED FACILITIES	$	755,000,000	$	740,000,000
Operate an equalized school facilities program by ensuring the allocation of a guaranteed yield of existing debt and disbursing facilities funds.				
Output (Volume):				
Number of Districts Receiving IFA		410		410
Total Amount of State and Local Funds Allocated for Debt for Facilities (Billions)		2.3		2.3
A.2.1. Strategy: ACADEMIC EXCELLENCE	$	198,242,769	$	198,242,769
Plan and implement challenging academic, advanced academic, career and technology education, and bilingual/English as a second language educational programs to ensure that all Texas students graduate from high school with a world-class education.				
Output (Volume):				
Number of Students in Tech-prep Programs		105,000		110,000
Number of Students Served in Summer School Programs for Limited English-proficient Students		42,500		43,000
A.2.2. Strategy: STUDENT SUCCESS	$	318,879,803	$	318,879,803
Build the capacity of school districts to ensure that all Texas students have the skills they need to succeed; that all third grade students read at least at grade level and continue to read at grade level; and that all secondary students have sufficient credit to advance and ultimately graduate on time with their class.				
Output (Volume):				
Number of Students Served by the Kindergarten and Prekindergarten Grant Programs		47,000		47,000
Number of Students Participating in the Student Success Initiative Accelerated Reading Program		440,000		480,000
A.2.3. Strategy: ACHIEVEMENT OF STUDENTS AT RISK	$	1,055,629,244	$	1,055,629,244
Develop and implement instructional support programs that take full advantage of flexibility to support student achievement and ensure that all at-risk students graduate from high school with a world-class education.				
Output (Volume):				
Number of Title I Campuses Rated Exemplary or Recognized		832		1,199
A.2.4. Strategy: STUDENTS WITH DISABILITIES	$	796,599,938	$	800,188,555
Develop and implement programs that ensure all students with disabilities graduate from high school with a world-class education.				

Output (Volume):		
Number of Students Served by Regional Day Schools for the Deaf	4,600	4,630
Number of Students Served by Statewide Programs for the Visually Impaired	7,289	7,466
A.2.5. Strategy: SCHOOL IMPROVEMENT & SUPPORT PGMS	$ 110,549,676	$ 110,549,676
Encourage educators, parents, community members, and university faculty to improve student learning and develop and implement programs that meet student needs. Develop and implement the support programs necessary for all students to graduate from high school with a world-class education.		
Output (Volume):		
Number of Pregnant Teens and Teen Parents Served by Teen Pregnancy and Parenting Programs	12,540	12,540
Number of Students Served by State-funded Optional Extended-year Programs	56,800	59,640
Explanatory:		
Number of Open Enrollment Charter Schools	219	221
A.2.6. Strategy: ADULT EDUCATION & FAMILY LITERACY	$ 70,881,738	$ 70,881,738
Develop adult education and family literacy programs that encourage literacy and ensure that all adults have the basic education skills they need to contribute to their families, communities, and the world.		
Output (Volume):		
Number of Students Served through State Adult Education Cooperatives	160,000	165,000
Total, Goal A: PROGRAM LEADERSHIP	$ 13,723,483,168	$ 12,824,271,785

B. Goal: OPERATIONAL EXCELLENCE
The Texas Education Agency will fulfill the promise for all Texas children through challenging assessments, supportive school environments, and high standards of student, campus, district, and agency performance.

Outcome (Results/Impact):		
Percent of Students Passing All Tests Taken	76%	78%
Percent of African-American Students Passing All Tests Taken	68%	71%
Percent of Hispanic Students Passing All Tests Taken	68%	71%
Percent of White Students Passing All Tests Taken	84%	86%
Percent of Asian-American Students Passing All Tests Taken	84%	86%
Percent of Native American Students Passing All Tests Taken	79%	81%
Percent of Economically Disadvantaged Students Passing All Tests Taken	68%	71%
Percent of Students Reading at Grade Level (3rd Grade Only)	88%	89%
Percent of Students Passing TAKS Reading	83%	85%
Percent of Students Passing TAKS Mathematics	84%	86%
Percent of Students Whose Assessment Results Are Included in the Accountability System	87%	90%
Percent of Special Education Students Who Are Tested and Included in the Accountability System	87%	87%
Percent of Limited English-proficient Students Who Are Tested and Included in the Accountability System	75%	75%
Annual Statewide Dropout Rate for All Students	1.1%	1.1%
Percent of Students Who Drop Out of the Public School System between the Seventh and Twelfth Grades	6.3%	6.3%
Percent of Districts Rated Exemplary or Recognized	6%	14%
Percent of Campuses Rated Exemplary or Recognized	10%	20%
Percent of Districts Rated Academically Unacceptable in the Prior Year Which Earn an Academically Acceptable or Higher Accreditation Rating in the Current Year	NA	90%

Percent of Campuses Rated Low-performing in the Prior Year Which Earn an Academically Acceptable or Higher Accreditation Rating in the Current Year		NA		80%
Percent of Charter Schools Rated Low-performing		30%		25%
Percent of Districts Rated as High-risk in the Program Analysis System (PAS) the Prior Year That Improve Their Rating in the Current Year		82%		83%
Annual Drug Use and Violence Incident Rate on School Campuses, Per 1,000 Students		22		20
Percent of DAEPs Meeting All Acountability Standards		70%		75%
Percent of Incarcerated Students Who Complete the Level in Which They Are Enrolled		44%		44%
Percent of Eligible Windham Inmates Who Have Been Served by a Windham Education Program during the Past Five Years		87%		87%
Percent of High-need Campuses That Receive a Master Reading Teacher Grant		35%		40%
Percent of Teachers Participating in the Student Success Initiative Teacher Reading and Mathematics Academies		75%		75%
Percent of Grant Applications Processed within 60 Days		58%		63%
Percent of School District Annual Textbook Orders Processed by May 31		85%		89%
B.1.1. Strategy: ASSESSMENT & ACCOUNTABILITY SYSTEM	$	43,100,396	$	43,100,396
The state's assessment and accountability systems will continue to provide a basis for evaluation and reporting the extent to which students, campuses, and districts achieve high standards.				
B.2.1. Strategy: INSTRUCTIONAL MATERIALS	$	463,949,000	$	121,800,000 & UB
Provide students equitable access to instructional materials and technologies supporting the Texas Essential Knowledge and Skills.				
Output (Volume):				
Number of Textbooks and Digital Content Purchased from Conforming Lists		7,373,302		3,388,366
Number of Textbooks and Digital Content Purchased from Nonconforming Lists		307,221		69,150
Efficiencies:				
Average Cost Per Textbook and Digital Content Purchased		43.68		43.68
B.2.2. Strategy: EDUCATIONAL TECHNOLOGY	$	54,394,016	$	54,394,016
Implement educational technologies that increase the effectiveness of student learning, instructional management, professional development, and administration.				
Output (Volume):				
Number of Students Receiving Course Credit through Distance Learning		7,500		7,500
B.2.3. Strategy: SAFE SCHOOLS	$	63,575,040	$	63,917,662
Reduce the number of criminal incidents on school campuses, enhance school safety, and ensure that students in the Texas Youth Commission and disciplinary and juvenile justice alternative education programs are provided the instructional and support services needed to graduate from high school with a world-class education.				
Output (Volume):				
Number of Students in Disciplinary Alternative Education Programs (DAEPs)		90,000		90,000
B.2.4. Strategy: CHILD NUTRITION PROGRAMS	$	878,891,098	$	903,891,098
Implement and support efficient state child nutrition programs.				

Output (Volume):				
Average Number of School Lunches Served Daily		2,534,364		2,610,395
Average Number of School Breakfasts Served Daily		1,103,510		1,147,651
B.2.5. Strategy: WINDHAM SCHOOL DISTRICT	$	57,569,745	$	57,569,745
Work with the Texas Department of Criminal Justice to ensure that students have the basic education skills they need to contribute to their families, communities, and the world.				
Output (Volume):				
Number of Contact Hours Received by Inmates within the Windham School District		16,638,655		16,638,655
Number of Offenders Passing General Education Development (GED) Tests		4,326		4,326
Efficiencies:				
Average Cost Per Contact Hour in the Windham School District		3.52		3.52
B.3.1. Strategy: TEACHING EXCELLENCE AND SUPPORT	$	281,396,467	$	281,396,467
Ensure educators have access to quality training tied to the Texas Essential Knowledge and Skills; develop and implement professional development initiatives that encourage P-16 partnerships. Ensure that the regional education service centers facilitate effective instruction and efficient school operations by providing core services, technical assistance, and program support based on the needs and objectives of the school districts they serve.				
Output (Volume):				
Number of Teachers Who Participate in Mathcounts Training		275		275
Number of Teachers Receiving Training in Dyslexia and Related Disorders Services		31,840		31,840
B.3.2. Strategy: AGENCY OPERATIONS	$	40,071,093	$	40,071,093
Develop and implement efficient and effective business processes and operations that support the state's goals for public education and ensure all Texas students graduate from high school with a world-class education.				
Output (Volume):				
Number of Campuses Investigated for Exemption Rates		84		84
Number of Complaint Investigations Conducted		1,700		1,700
Amount of Available School Fund Income (Millions)		836		746
Number of Certificates of High School Equivalency (GED) Issued		46,612		47,078
Number of Special Education Campuses and Programs Receiving Onsite Monitoring Visits		1,075		1,100
Efficiencies:				
Average Cost of Accreditation Onsite Review		4,000		4,200
Performance in Excess of Assigned Benchmark Net of Fees (External Managers)		107%		107%
Performance in Excess of Assigned Benchmark (Internal Managers)		105%		105%
Explanatory:				
Average Percent Equity Holdings in the Permanent School Fund (PSF)		55%		55%
Market Value of the Permanent School Fund (Billions)		18		18.5
B.3.3. Strategy: CENTRAL ADMINISTRATION	$	10,952,104	$	10,952,104
The Commissioner of Education shall serve as the educational leader of the state.				

B.3.4. Strategy: INFORMATION SYSTEMS - TECHNOLOGY The Texas Education Agency will purchase, develop, and implement information systems that support students, educators, and stakeholders.	$ 12,490,706	$ 11,787,006
Total, Goal B: OPERATIONAL EXCELLENCE	$ 1,906,389,665	$ 1,588,879,587
Grand Total, TEXAS EDUCATION AGENCY	$ 15,629,872,833	$ 14,413,151,372
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 184,119,571	$ 183,648,271
Available School Fund No. 002, estimated	1,191,634,240	1,458,134,240
State Textbook Fund No. 003, estimated	346,380,200	2,203,600
Foundation School Fund No. 193, estimated	8,523,930,278	7,238,730,891
GED Fees	630,578	630,578
GR MOE for Temporary Assistance for Needy Families	2,000,000	2,000,000
Earned Federal Funds	3,112,954	3,056,154
Lottery Proceeds, estimated	804,100,000	781,500,000
Subtotal, General Revenue Fund	$ 11,055,907,821	$ 9,669,903,734
General Revenue Fund - Dedicated		
Read to Succeed Account No. 5027	42,960	42,960
Telecommunications Infrastructure Fund No. 345	119,700,000	121,800,000
Subtotal, General Revenue Fund - Dedicated	$ 119,742,960	$ 121,842,960
Federal Funds		
Federal Funds	3,800,000	3,800,000
Federal Health, Education and Welfare Fund No. 148	2,583,636,943	2,584,419,569
Federal School Lunch Fund No. 171	866,985,109	891,985,109
Subtotal, Federal Funds	$ 3,454,422,052	$ 3,480,204,678
Other Funds		
Appropriated Receipts (Redistributed Local Revenue), estimated	999,800,000	1,141,200,000
Subtotal, Other Funds	$ 999,800,000	$ 1,141,200,000
Total, Method of Financing	$ 15,629,872,833	$ 14,413,151,372
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 511,010	$ 509,330
Number of Full-Time-Equivalent Positions (FTE):	736.5	736.5
Number of FTEs in Riders:	18.0	18.0
Schedule of Exempt Positions:		
Commissioner, Group 6	$164,748	$164,748
Supplemental Appropriations Made in Riders:	$ 8,000,000	$ 10,000,000
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 29,332,543	$ 29,412,104
Other Personnel Costs	676,602	673,715
Operating Costs	4,637,266	3,988,291
Professional Fees and Services	73,806,995	71,806,995

Fuels and Lubricants	611	611
Consumable Supplies	1,609,464	1,607,579
Utilities	274,534	272,861
Travel	1,788,698	1,787,233
Rent - Building	794,183	791,661
Rent - Machine and Other	1,659,671	1,620,125
Other Operating Expense	383,498,920	64,188,526
Client Services	1,485,000	1,485,000
Grants	15,137,113,534	14,244,344,773
Capital Expenditures	1,194,812	1,171,898
Total, Object-of-Expense Informational Listing	$ 15,637,872,833	$ 14,423,151,372

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purposes of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2004	2005
a. Acquisition of Information Resource Technologies		
(1) Mainframe, Servers and Client Infrastructure	$ 4,759,150	$ 3,893,850
Total, Capital Budget	$ 4,759,150	$ 3,893,850
Method of Financing (Capital Budget):		
General Revenue Fund	$ 1,546,722	$ 1,265,500
Available School Fund No. 002	594,894	486,731
State Textbook Fund No. 003	190,366	155,754
Federal Health, Education and Welfare Fund No. 148	1,522,928	1,246,032
Federal School Lunch Fund No. 171	190,366	155,754
Foundation School Fund No. 193	428,324	350,447
GED Fees	47,592	38,939
Earned Federal Funds	237,958	194,693
Total, Method of Financing	$ 4,759,150	$ 3,893,850

2. **Chapter 42 and 46 Formula Funding.** Out of the funds appropriated above, a total of $11,265,200,000 in fiscal year 2004 and $10,365,200,000 in fiscal year 2005 shall represent the sum-certain appropriation to the Foundation School Program under § 42.253 and under Chapter 46 of the Texas Education Code. (The total appropriation may not exceed the sum-certain amount.) The Commissioner shall make allocations to local school districts under § 42.253 and under Chapter 46 based on the March 2003 estimates of average daily attendance and local district tax rates as determined by the Legislative Budget Board and the final 2002 property values. Property values shall be increased by 4.98 percent for 2005, as estimated by the Comptroller of Public Accounts.

   Notwithstanding any other provision of this Act, the Texas Education Agency may make transfers as appropriate between Strategy A.1.1, FSP-Equalized Operations, and Strategy A.1.2, FSP-Equalized Facilities. The TEA shall notify the Legislative Budget Board and the Governor of any such transfers.

3. **Transportation Cost Allotment.** Pursuant to § 42.155 of the Texas Education Code, the appropriation for funding regular transportation programs for the 2003–04 and 2004–05 school years shall be calculated on the following basis:

Linear Density Grouping	Allocation Per Mile of Approved Route
2.40 and above	$1.43
1.65 to 2.40	1.25
1.15 to 1.65	1.11
.90 to 1.15	.97
.65 to .90	.88
.40 to .65	.79
up to .40	.68

Pursuant to § 42.155 of the Texas Education Code, the maximum mileage rate for special education transportation shall be $1.08 per mile. Private transportation rates shall be $0.25 per mile or a maximum of $816 per pupil for both special education and isolated areas as defined in sub-sections 42.155(g) and 42.155(e).

4. **Education Service Centers.** The Commissioner shall furnish reports as required by § 8.102 of the Texas Education Code to the State Board of Education for transmittal, along with recommendations for change, modification, or improvement, to the Legislative Budget Board and the Governor. Regional Education Service Centers shall be prohibited from purchasing land and acquiring buildings without prior authorization from the Commissioner of Education.

5. **Windham Schools.** The funds appropriated above in Strategy B.2.5, Windham School District, are to be expended only for academic and vocational educational programs approved by the Texas Education Agency. The Commissioner of Education shall allocate funds to the Windham Schools based on contact hours for the best 180 of 210 school days in each year of the biennium. The contact hour rates for the 2004–05 biennium are the following: $3.97558 for academic education, $3.24582 for vocational education.

6. **Audit Adjustments.** When reviews and audits of allocations to school districts reveal the allocations previously made were greater or less than the amounts found to be due, the Texas Education Agency is authorized to recover or pay the sums necessary to adjust to the correct amounts. All such amounts recovered shall become a part of the Foundation School Fund or General Revenue Fund, and the amounts necessary to make such additional payments to the school districts are hereby appropriated from the Foundation School Fund or General Revenue Fund.

7. **State Textbook Fund.** Any amount expended for Textbook Administration, including new textbooks, rebinding, and other related expenses, shall be paid out of the State Textbook Fund. A transfer of funds from the Available School Fund to the State Textbook Fund is authorized in an amount which, together with other revenues of the State Textbook Fund, is sufficient to finance the sum-certain appropriation from the State Textbook Fund for each fiscal year. Penalties assessed by the State Board of Education shall be deposited to the credit of the Textbook Fund.

8. **Day-care Expenditures.** It is expressly provided that the pre-school day care programs, such as the Early Childhood Program for Educationally Disadvantaged Children and Special Education and Training for Pre-School Children with Disabilities administered by the Texas Education Agency, are day-care programs. The funds expended in those programs on behalf of children

meeting eligibility requirements in accordance with interagency contracts with the Texas Education Agency under the day care program of the Social Security Act shall be considered as expenditures for day care.

9. **Loss Due to Property Value Decline.**

   a. The Commissioner of Education is authorized to distribute no more than $26,000,000 in each fiscal year under § 42.2521 of the Texas Education Code, to the extent that excess funds are available under the Foundation School Program.

      It is the intent of the Legislature that, in expending these funds by making adjustments in the local share under § 42.2521, that the Commissioner shall consider only the amount of property value decline in each school district that is in excess of 4 percent in taxable values.

   b. Except as expressly provided by this rider, and notwithstanding the limitations in Rider 35, Limitation: Transfer Authority, none of the funds in this rider may be expended for any other purpose.

   c. It is the intent of the Legislature that any excess funds available under the Foundation School Program be applied first to fund adjustments under § 42.2521 of the Texas Education Code, second to fund adjustments under § 42.2522, and third to fund adjustments under § 42.2531.

10. **Training Programs for School Personnel and Parents of Students with Autism.** It is the intent of the Legislature that the Texas Education Agency continue to implement a program of professional development for school personnel and parents of students with autism. A sum not to exceed $50,000 in each fiscal year shall be expended for this purpose.

11. **Student Testing Program.** The Commissioner shall use the Federal Funds appropriated above in Strategy B.1.1, Assessment and Accountability System, to cover the cost of preparing, administering and grading assessment instruments in the student testing program. In accordance with the provisions of § 42.152 and Chapter 39, Subchapter B of the Texas Education Code, the funds appropriated from the Foundation School Fund for the compensatory education allotment may be used for any remaining assessment costs. The expenditure of such funds shall not be subject to the limitation in Rider 35, Limitation: Transfer Authority.

12. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004 reimbursement of expenses for advisory committee members, out of the funds appropriated above, is limited to the following advisory committees:

    a. Title 1, Committee of Practitioners
    b. Continuing Advisory Committee for Special Education
    c. Ed Flex State Panel

    It is the intent of the Legislature that advisory committees of the Texas Education Agency use videoconferencing technology to conduct meetings in lieu of physical assembly whenever possible.

13. **Vacation Leave for Commissioner of Education.** Notwithstanding any provision of the General Appropriations Act to the contrary, the Commissioner of Education is entitled to accrue and carry forward vacation leave at the highest rate authorized for employees by the General Provisions of this Act.

14. **Limits on Allocations and Expenditures.** Except as explicitly allowed elsewhere in this Act, the Commissioner shall not contract with Regional Education Service Centers to administer all or part of general revenue-funded programs or services without prior approval from the Governor and the Legislative Budget Board. The Commissioner shall submit to the Governor and Legislative Budget Board for review a summary of the programs and services to be transferred and the funding level associated with the proposed transfer. No funds transferred to Regional Education Service Centers or to school districts may be used to hire a registered lobbyist.

15. **Regional Day Schools for the Deaf.** Funds appropriated above for Regional Day Schools for the Deaf shall be allocated on a weighted full time equivalent basis. Notwithstanding other provisions of this Act, if the allocations total more than $33,133,200 in each year, the Commissioner shall transfer sufficient amounts from other available funds to provide the full allocation.

16. **Summer School for Children with Limited English Proficiency.** Out of Federal Funds appropriated for Strategy A.2.1, Academic Excellence, $3,800,000 in each fiscal year is allocated for summer school programs for children with limited English proficiency as authorized under § 29.060 of the Texas Education Code.

17. **Engineering and Science Recruitment Fund.** Out of funds appropriated for Strategy A.2.1, Academic Excellence, $394,920 in each fiscal year is allocated to the Engineering and Science Recruitment Fund for programs outlined in Subchapter M of Chapter 51 of the Texas Education Code.

18. **Statewide Services for Students With Visual Impairments.** Out of funds appropriated for Strategy A.2.4, Students with Disabilities, $6,005,267 in each fiscal year is allocated for statewide services for students with visual impairments as authorized under § 30.002 of the Texas Education Code.

19. **Non-educational Community-based Support Services.** Out of funds appropriated for Strategy A.2.4, Students with Disabilities, $987,300 in each fiscal year is allocated for non-educational community-based support services for certain students with disabilities as authorized under § 29.013 of the Texas Education Code.

20. **Professional Development for Serving Students with Disabilities in Integrated Settings.** Out of the federal discretionary funds awarded to the Texas Education Agency through the Individuals with Disabilities Education Act (IDEA), Part B and appropriated above, the commissioner shall set aside 10.5 percent during the biennium to fund capacity building projects, including follow-up professional development and support, for school districts to serve students with disabilities in integrated settings.

21. **Appropriation for State Schools.** Out of General Revenue related funds appropriated above in Strategy A.2.4, Students with Disabilities, an amount not to exceed $110,000 in each fiscal year is allocated for payments to state operated schools under §§ 30.025 and 30.056 of the Texas Education Code.

22. **Estimated Appropriation for Incentive Aid.** Out of Foundation School Program funds appropriated above, the Commissioner may allocate an estimated amount of $600,000 in each fiscal year for incentive aid payments under Subchapter G of Chapter 13 of the Texas Education Code.

23. **Payments to Texas School for the Blind and Visually Impaired and Texas School for the Deaf.** Pursuant to § 30.003(g) of the Texas Education Code, the State Board of Education shall adopt rules that ensure that all local school districts whose students are placed at the Texas

School for the Blind and Visually Impaired and the Texas School for the Deaf shall share in the cost of each student's education as required by § 30.003(a). It is the intent of the Legislature that school districts subject to Chapter 41, Texas Education Code, reimburse the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf from the General Operating Fund of those districts within 60 days of receipt of a voucher from the receiving school.

24. **Notification of Changed Accreditation Status.** At the time a school district is notified of a change in its accreditation status, the Texas Education Agency shall also notify the State Senators and Representatives that represent the affected school district.

25. **Permanent School Fund.** In its annual report on the Permanent School Fund, completed by February 28 of each year, the Texas Education Agency shall report on the actual and projected costs of administering the Permanent School Fund for the year covered by the report and the following three years.

26. **Texas Advanced Placement Incentive Program.** Out of the funds appropriated above in Strategy A.2.1, Academic Excellence, $13,500,000 in fiscal year 2004 and $13,500,000 in fiscal year 2005 is allocated for both the pre-Advanced Placement/International Baccalaureate activities and for the Advanced Placement Incentive Program. Any balances on August 31, 2004 are appropriated for the 2005 fiscal year. The expenditure of such funds shall not be subject to the limitations in Rider 35, Limitation: Transfer Authority.

    In using funds allocated by this rider, the Texas Education Agency shall prioritize the examination fee subsidies for students. For funds allocated by this rider that are used for teacher training, the Texas Education Agency shall give funding priority to teachers at public school campuses that do not offer Advanced Placement/International Baccalaureate courses.

    It shall be the goal of the Texas Education Agency that Advanced Placement/International Baccalaureate courses are available at as many public school campuses as possible, without regard to the rural/urban status of the campus and the socioeconomic characteristics of its students.

27. **MATHCOUNTS.** Out of Foundation School Program Gifted and Talented funds appropriated in B.3.1, Teaching Excellence and Support, the Commissioner shall set aside $200,000 in each year of the biennium for the MATHCOUNTS Program.

28. **Communities in Schools.** Out of funds appropriated above for Strategy A.2.5, School Improvement and Support Programs, $12,788,865 shall be set aside out of State Compensatory Education Funds in each fiscal year to be transferred by interagency transfer voucher to the Texas Department of Protective and Regulatory Services for the Communities in Schools Program.

29. **Extended Year Programs.** Out of Foundation School Program Compensatory Education Funds appropriated in Strategy A.2.5, School Improvement and Support Programs, the Commissioner shall distribute an amount not to exceed $16,500,000 in fiscal year 2004 and $16,500,000 in fiscal year 2005 to finance extended year programs under § 42.152(p), Texas Education Code.

30. **Allocation of Funds to South Texas Independent School District.** Out of funds appropriated above for Strategy A.1.1, FSP - Equalized Operations, the Commissioner of Education shall withhold an amount sufficient to provide the South Texas Independent School District with adequate access to funding under Tier 2 of the Foundation School Program. The Commissioner shall adjust payments to the South Texas Independent School District to equal an amount to which the district would be entitled at the average effective tax rate in other school districts in Cameron County less the tax rate set by the district itself.

31. **Appropriation of Settle-Up Funds.** All funds received from local school districts as recovery for overpayment pursuant to the provisions of § 42.258 of the Texas Education Code are hereby appropriated to the Texas Education Agency for distribution to local school districts for Foundation School Program purposes.

32. **Appropriation of Attendance Credit Revenues.** All unexpended balances and all funds received from the payment of school districts for attendance credits in excess of the amounts appropriated above pursuant to the provisions of § 41.094 of the Texas Education Code, are hereby appropriated to the Texas Education Agency for distribution to school districts for Foundation School Program purposes.

33. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that, for the following fee-supported programs, fees, fines, and other miscellaneous revenues as authorized and generated by the Texas Education Agency cover, at a minimum, the cost of the appropriations made to support the programs, as well as the "other direct and indirect costs" associated with those functions appropriated elsewhere in this Act. "Other direct and indirect costs" for these programs are estimated to be $511,010 in fiscal year 2004 and $509,330 in fiscal year 2005 including employee matching costs and other indirect operating costs:

    Guaranteed Program for School District Bonds
    General Education Development (GED)
    Driver Training
    Motor Vehicle Registration Fees (Read to Succeed License Plates)

    All fees collected in excess of the Comptroller of Public Accounts Biennial Revenue Estimate are hereby appropriated to the Texas Education Agency.

    In the event that actual and/or projected fee revenue collections are insufficient to offset program costs, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided herein to be within the amount of fee revenue expected to be available.

34. **Permanent School Fund: External Management Fees.** Out of the funds appropriated above from the Available School Fund to Strategy B.3.2, Agency Operations, $3,500,000 in fiscal year 2004 and $3,500,000 in fiscal year 2005 are allocated for fees for external management of Permanent School Fund assets. These funds shall not be used for any other purpose, with the exception that the funds may be used, upon prior notification to the Legislative Budget Board and the Governor, for internal costs related to Permanent School Fund management. Appropriations for external management costs may only be expended if the board awards contracts for external management services on an open, formal request for proposal process which gives consideration to both performance and price.

35. **Limitation: Transfer Authority.** Notwithstanding the General Provisions of this Act, none of the funds appropriated above in Goal A, Program Leadership, Strategies A.1.1, FSP-Equalized Operations, and A.1.2, FSP-Equalized Facilities, and not more than one percent of the General Revenue Funds appropriated in Goal A, Strategies A.2.1. - A.2.6, and Goal B, Operational Excellence, Strategies B.1.1.–B.3.1. may be transferred to Goal B, Strategies B.3.2.–B.3.4.

    The Commissioner shall notify the Governor and the Legislative Budget Board of any planned transfer between program and administrative strategies allowed by the provisions of this rider at least 14 days prior to the execution of the transfer.

    None of the funds appropriated to the Texas Education Agency for the purpose of funding the Foundation School Program under Chapter 42 and 46, Texas Education Code, may be transferred to any other item of appropriation or expended for any other purpose unless the

Commissioner of Education provides written notice to the Legislative Budget Board and to the Governor of intent to transfer such funds at least 14 days prior to the execution of the transfer. Such transfers from the Foundation School Program to other items of appropriation shall not exceed $10 million in each fiscal year of the 2004–05 biennium. Any unexpended and unencumbered balances remaining after the last day of a fiscal year in any of the appropriations made for a purpose described by this provision shall lapse and accrue to the benefit of the unappropriated balance of the General Revenue Fund after taking into account the "settle-up" provision found in § 42.253 (i), Texas Education Code.

To the extent necessary to avoid reductions in state aid as authorized by § 42.253(h), Texas Education Code, the Commissioner of Education is authorized to transfer Foundation School Program funds from fiscal year 2005 to fiscal year 2004. Such transfers are subject to prior approval by the Governor and the Legislative Budget Board. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section. Such transfers shall not exceed $150 million.

36. **Additional Funding Sources.** If the appropriations provided by this Act for the Foundation School Program are not sufficient to provide for expenditures for enrollment growth, district tax rate or taxable value of property, after accounting for any other appropriations made to the TEA and available for transfer for this purpose, the Legislative Budget Board and the Governor may provide for, and are hereby authorized to direct, the transfer of sufficient amounts of funds to the TEA from appropriations made elsewhere in this Act.

37. **Reduction in Districts Tier One Allotment.** To fund appropriations for programs from compensatory education allotments, the Commissioner of Education shall reduce each district's tier one allotment. The reductions shall be made in the same manner as described for a reduction in allotments under § 42.253, Education Code, and the Commissioner shall allocate funds to each district accordingly.

38. **Disciplinary Alternative Education Programs.** Out of the funds appropriated above in Strategy B.2.3, Safe Schools, there is hereby allocated the amount of $5,000,000 for each year of the biennium for safe schools programs under Texas Education Code § 37.008.

39. **Funding for Juvenile Justice Alternative Education Programs.** Out of the funds appropriated above in Strategy B.2.3, Safe Schools, $7,500,000 in 2004 and $7,500,000 in 2005 shall be set aside from the Compensatory Education Allotment in each year and transferred to the Juvenile Probation Commission for the support of Juvenile Justice Alternative Education Programs. This set-aside shall not effect the calculation of the number of students in weighted average daily attendance under Texas Education Code § 42.302.

40. **FSP Funding for the Texas Youth Commission.** Out of the funds appropriated above in Strategy B.2.3, Safe Schools, the Texas Education Agency shall allocate to the Texas Youth Commission the basic allotment of the Foundation School Program minus the amounts allocated to the commission pursuant to Texas Education Code § 30.102 (a) for each student in average daily attendance. These amounts are estimated to be $10,510,777 in fiscal year 2004 and $10,853,399 in fiscal year 2005. This transfer shall not be subject to the limitation in Rider 35, Limitation: Transfer Authority.

41. **Early Childhood Education and Care Coordination.** It is the intent of the Legislature that the Texas Education Agency participate to the extent practicable in interagency early childhood education and care coordination initiatives. This includes but is not limited to participation in the Head Start collaboration project or any other interagency entity formed to address the coordination of early childhood care and education service delivery and funding.

42. **Regional Education Service Center Dyslexia and Related Disorders Coordinators.** It is the intent of the Legislature that each Regional Education Service Center establish a coordinator for dyslexia and related disorders services pursuant to § 38.003 of the Texas Education Code. Out of the funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, the Commissioner of Education may direct $150,000 in each year of the biennium to assist in the funding of such coordinators.

43. **School Improvement and Parental Involvement Initiative.** Out of the funds appropriated above in Strategy A.2.5, School Improvement and Support Programs, the Commissioner shall allocate $850,000 in each year of the 2004–05 biennium to the AVANCE family support and education program.

44. **Special Foundation School Program Payments.** The Texas Academy of Leadership in Humanities is entitled to Foundation School Program (FSP) allotments for each student enrolled in the academy as if it were a school district, except that the local share applied is equal to the Beaumont ISD's local share. The same methodology shall apply to the Texas Academy of Mathematics and Science with a local share equal to Denton ISD's and to the Seaborne Conservation Corps, with a local share equal to Galveston ISD's.

45. **Texas Reading, Math and Science Initiatives.** Out of the funds appropriated above in Strategy A.2.2, Student Success, $19,450,000 in General Revenue Funds in 2004 and $19,450,000 in General Revenue Funds in 2005, with $5,550,000 in Federal Funds in 2004 and $5,550,000 in Federal Funds in 2005, shall be allocated to the Texas Reading, Math and Science Initiatives. These funds shall be allocated in the following manner:

    a. Funds shall be distributed by the Commissioner for reading diagnostic instruments and on a competitive grant basis to be used by schools for the implementation of scientific, researched-based reading and mathematics programs, the purchase of additional instructional or diagnostic materials, necessary materials for libraries, instructional staff, or for related professional staff development for educators with the goal of as much direct intervention with students as possible. To be eligible for funding, schools must perform a diagnostic assessment for below-grade level reading skills.

    b. Out of the Federal Funds identified above, the Commissioner shall allocate $11,100,000 for the 2004-05 biennium to implement scientific-based content development for training materials, professional development institutes and on-line institutes in science and related research. As provided by House Bill 411 or similar legislation, the Commissioner may use a portion of the funds to implement the master science teacher program and shall allocate funds as necessary for the creation of the master science teacher certification.

    Funds shall be distributed by the Commissioner on a competitive grant basis to be used by schools for the implementation of scientific, research-based science programs designed to improve the academic science performance of students, including programs designed to address the gender gap in performance. To be eligible for funding, schools must demonstrate a high need for additional intervention as evidenced by student performance, and must partner with a science department of an institution of higher education.

    c. The Commissioner may transfer up to 10 percent of the appropriation among strategies in Goals A and B, Strategies B.1.1. - B.3.1, Teaching Excellence and Support.

    d. Out of the funds identified above, an amount not to exceed $1,000,000 in each year of the biennium may be distributed to schools by the Commissioner on a noncompetitive grant basis for the purchase of non-consumable materials to be used with any or all of the state adopted basal reading programs to enhance the systematic instruction of phonics in early

reading (K-3). Priority will be given to districts that do not have reading specialists or staff to train teachers. The Commissioner shall develop criteria for distribution of grant funds and for materials eligible for purchase.

e. Out of the funds identified above, an amount not to exceed $1,000,000 each year of the biennium may be distributed to schools by the Commissioner on a noncompetitive grant basis for the purchase of non-consumable materials to be used in teaching Integrated Physics and Chemistry in high school. The materials must be appropriate for use in class time dedicated to lab investigations. The Commissioner shall develop criteria for distribution of grant funds and for materials eligible for purchase. The criteria must give priority to districts with high percentages of economically disadvantaged students.

f. Out of the amounts identified above, the Commissioner may use funds to support the State Marine Science Center in Palacios.

g. Out of the amounts appropriated for the Texas Reading, Math and Science Initiatives and the Student Success Initiative, the Commissioner shall allocate an amount not to exceed $500,000 for a comprehensive evaluation of teacher training activities funded by both programs. The Commissioner shall contract with a third party that has experience in education program evaluations. The evaluation shall review the effectiveness of teacher training programs in furthering student achievement and their efficiency in using allocated funds. A report describing the findings shall be delivered to the Legislature no later than December 1, 2004.

h. Any balances as of August 31, 2004, are appropriated for the 2005 fiscal year.

46. **Funding for Tuition Credit Program.** Out of the funds appropriated above there is hereby transferred via interagency contract to the Texas Higher Education Coordinating Board an amount of funds, estimated to be $4,900,000 in each year of the biennium, from the Foundation School Fund sufficient to pay for the Early High School Graduation Scholarship Program, and tuition and fee exemptions in accordance with Texas Education Code, §§ 54.212 and 54.214.

47. **Texas Education Agency's Revolving Account.** It is the intent of the Legislature that the Comptroller of Public Accounts establish, maintain and appropriate the "Texas Education Agency's Revolving Account" to account for the expenditures, revenues, and balances of managing a full cost-recovery Consolidated Print Shop. The expenditures, revenues, and balances for this operation shall be maintained separately by the Texas Education Agency within its accounting system. Any unobligated balances as of August 31, 2004, are reappropriated for the same use during fiscal year 2005. For the purpose of meeting cash flow needs, the Texas Education Agency may temporarily transfer funds from Strategy B.3.3, Central Administration, to the revolving account. Transfers must be returned by the end of the fiscal year.

48. **Certification of Pre-kindergarten Expenditures.** Out of the funds appropriated above in Strategy A.1.1, FSP - Equalized Operations, the Texas Education Agency shall certify each year of the biennium the maximum pre-kindergarten expenditures allowable under federal law as maintenance of effort for Temporary Assistance for Needy Families (TANF) and state match for the Child Care Development Fund.

49. **Head Start–Ready to Read Program.** Out of the funds appropriated in Strategy A.2.2, Student Success, $7,500,000 in 2004 and $7,500,000 in 2005 shall be used for the Texas Head Start–Ready to Read Programs, as programs providing an educational component to Head Start, or other similar government-funded early childhood care and education programs. The Texas

Education Agency shall expend these funds in accordance with the following provisions and the provisions of Texas Education Code § 29.156, Grants or Educational Components of Head Start, and with the following provisions:

a. Not less than 95 percent shall be distributed on a competitive grant basis to preschool programs to provide scientific, research-based, pre-reading instruction, with the goal of directly improving the pre-reading skills of three- and four-year-old children and identifying cost-effective models for pre-reading interventions. To be eligible for the grants, applicants must serve at least 75 percent low-income students, as determined by the Commissioner. Grants may be awarded in two or more consecutive grant periods to a Head Start applicant provided the monies are used to expand the grant programs to additional facilities previously not receiving Texas Head Start-Ready to Read Grant Funds in the immediate past grant cycle.

b. The Commissioner shall ensure the administration of the Head Start–Texas Ready to Read Grants is a preschool extension of the Texas Reading Initiative.

c. Any balances as of August 31, 2004, are appropriated for the 2005 fiscal year.

50. **Master Reading and Mathematics Teachers.** Out of the funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, $1,200,000 in General Revenue in each year of the 2004-05 biennium is allocated for Master Reading and Master Mathematics Teacher stipends for school districts with certified Master Reading and/or Master Mathematics Teachers. The Commissioner also shall identify any state funds previously distributed to Regional Education Service Centers for teacher training that are unspent as of September 1, 2003, estimated to be $5,600,000, and direct those funds to be used for Master Reading and Master Mathematics Teacher stipends. Any balances as of August 31, 2004 are appropriated for the 2005 fiscal year.

51. **Student Success Initiative.** Out of the funds appropriated above in Strategy A.2.2, Student Success, and Strategy B.3.1, Teaching Excellence and Support, $82,353,468 in General Revenue in fiscal year 2004 and $82,353,468 in General Revenue in fiscal year 2005, and $9,100,000 in Federal Funds in fiscal year 2004 and $9,100,000 in Federal Funds in fiscal year 2005, are allocated for the Student Success Initiative. With the exception of the amounts listed below, the Commissioner shall expend these funds for teacher training and for allocations to schools for the purpose of implementation of scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade, including those students with dyslexia and related disorders, and/or students unlikely to achieve the TAKS reading or math standards by the end of the fifth grade. The funding for student programs for fiscal year 2004 shall be limited to students in grades K-4. The funding for student programs for fiscal year 2005 shall be limited to students in grades K-5.

a. From funds appropriated for the Student Success Initiative and from federal Reading First funds, the Commissioner may set aside $12 million for intensive reading instruction programs for schools that have failed to improve student performance in reading. Upon determining which schools have achieved the least gains in reading performance, the Commissioner shall require those schools to submit a reading improvement plan detailing proposed efforts to improve reading performance as a condition of receiving funding. The reading improvement plan must establish the performance outcome of complete literacy among its student population and outline specific steps that will be taken to achieve that goal. The plan may include the use of technology to achieve reading goals. A school identified as in need of improvement in reading instruction shall implement only those reading strategies and programs approved by the Commissioner of Education and may expend funds from the Student Success Initiative or federal Reading First for approved strategies and programs.

b. Any balances as of August 31, 2004, are appropriated for fiscal year 2005 for the same purposes.

52. **Standards for Gifted and Talented Students Pilot Project.** It is the intent of the Legislature that the Texas Education Agency develop an assessment system and statewide standards for gifted and talented students at all grade levels. Out of the funds appropriated above in Strategy B.3.2, Agency Operations, the Texas Education Agency shall expend $277,250 in each year of the 2004–05 biennium to develop pilot fourth grade standards and to implement standards at the eighth grade and exit-level for the performance of gifted and talented students in the areas of mathematics, science, social studies and language arts. School district participation in the project or in the use of the standards is not mandatory.

53. **Notification of Investigation Findings.** The agency shall notify the State Senators and Representatives that represent districts directed by the Texas Education Agency to perform internal investigations of the findings of such investigations prior to the release of the findings.

54. **Coordination of Assistance to School Districts.** The Texas Education Agency shall work in cooperation with the Texas Comptroller of Public Accounts to assist school districts in the investment of funds and with the Bond Review Board to assist school districts entering into bonded indebtedness or lease purchase agreements.

55. **Arts Education.** Out of the Foundation School Program funds appropriated to the Texas Education Agency in this Act, $300,000 in fiscal year 2004, and $300,000 in fiscal year 2005 shall be directed to and expended by the Commission on the Arts under the commission's Strategy B.1.1, Arts Education, for the purpose of awarding grants for arts education. It is the intent of the Legislature that grantees receiving funds under this program fulfill a 1:1 match requirement. These amounts shall be directed and expended in addition to funds separately appropriated under this Act to the Commission on the Arts under Strategy B.1.1, Arts Education.

56. **Learning Through Listening.** Out of the funds appropriated above in Strategy A.2.4, Students with Disabilities, the Commissioner shall expend $175,000 in 2004 and $175,000 in 2005 to continue a program of providing state-adopted textbooks using recorded material technology for students with visual impairments and reading disabilities. The program shall target students in kindergarten through sixth grade with learning disabilities, dyslexia, vision impairments, and physical disabilities.

57. **Kindergarten and Pre-kindergarten Early Start Grant Programs.** Out of the funds appropriated above in Strategy A.2.2, Student Success, the Commissioner of Education shall allocate $92,500,000 in 2004 and $92,500,000 in 2005 for the purpose of providing grants for kindergarten and pre-kindergarten programs consistent with the provisions of Texas Education Code § 29.155. Any unexpended balances as of August 31, 2004, are appropriated for any early childhood programs authorized by this Act for the 2005 fiscal year, subject to the approval of the Commissioner of Education.

    Out of any funds appropriated to the agency, the Commissioner shall set aside $5 million in each year of the 2004-05 biennium for the development of instructional materials for early childhood education programs and the operation of early childhood programs at the Center for Improving the Readiness of Children for Learning and Education at the University of Texas Health Science Center at Houston.

58. **Windham School District Priorities.** It is the intent of the Legislature that the Windham School District target its programs to serve those students whose participation will help achieve the goals of reduced recidivism and the increased success of former inmates in obtaining and maintaining employment. To achieve these goals, younger offenders with the lowest

educational levels should receive high priority. This policy shall not preclude the Windham School District from serving other populations according to needs and resources. The Windham School District will report to the Seventy-ninth Legislature regarding their effort and success in implementing this prioritization.

59. **Adult Education.** Priority shall be given to adult literacy programs in the expenditure of adult education funds appropriated above. It is the intent of the Legislature that, in providing educational programs, the administering agency or agencies shall make every effort to provide appropriate training to recipients of Temporary Assistance for Needy Families (TANF) in accordance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Out of the $6,000,000 in General Revenue Funds appropriated each year above in Strategy A.2.6, Adult Education and Family Literacy, an amount not less than $2,000,000 each year shall be allocated to TEA's adult education cooperatives to provide education and training services to TANF recipients. In addition, out of the Federal TANF funds appropriated above in Strategy A.2.6, $3,800,000 in 2004 and $3,800,000 in 2005 shall be directed for services for adults who are eligible for TANF. Families that include a child living at home are deemed eligible for TANF-funded adult education services if a family member receives any of the following forms of assistance: Food Stamps, Medicaid, Children's Health Insurance Program, Child Care and Development Fund, or Free or Reduced Priced Lunch Program. To implement these provisions, TEA shall enter into contracts or arrangements with the agency or agencies administering welfare reform and may work with other community-based organizations to offer services directly to adult TANF recipients. All providers of adult education shall meet the requirements defined in the Texas Education Code. Federal funds appropriated for this purpose shall be used for administrative expenditures only to the extent allowable under Federal regulations.

60. **High Cost Reimbursement Grant Program.** Out of the funds appropriated above Strategy A.2.4, Students with Disabilities, the Commissioner shall allocate up to $4,490,137 in 2004 and $4,490,138 in 2005 in Individuals with Disabilities Education Act funds for a grant program to assist school districts and charter schools whose per student costs for expenses related to the Individual with Disabilities Act substantially exceeds the state average per pupil expenditure as defined in § 14101 (2) of the Elementary and Secondary Education Act of 1965 (20 USC 8801 (2)). It is the intent of the Legislature that the use of these funds by school districts and charter schools does not violate the least restrictive environment requirements of IDEA Amendments of 1997, relating to placement and state funding systems that distribute funds based on type of setting.

61. **Funds for Teacher Mentoring Programs.** The Texas Education Agency shall allocate an amount not to exceed $350,000 in each year of the 2004-05 biennium to the State Board for Educator Certification for the operation, marketing, and support of school district based teacher mentoring programs. Funds for this purpose shall be allocated out of available federal program funds subject to the federal "Ed Flex" legislation or similar legislation or rules. Districts may apply directly to TEA for teacher mentoring funds as a part of several ESEA federal grant programs.

62. **Interagency Council on Early Childhood Intervention.** Out of the funds appropriated above in Strategy A.2.4, Students with Disabilities, $12,909,485 in 2004 and $16,498,102 in 2005 shall be set aside from the Special Education Allotment and transferred to the Interagency Council on Early Childhood Intervention to support eligibility determination. This set-aside shall not affect the calculation of the number of students on weighted average daily attendance under Texas Education Code § 42.302.

63. **Equipment for Cardio-pulmonary Resuscitation.** Notwithstanding any other provision of this Act, the Texas Education Agency may accept donations of equipment, including dummies, intended for use in Cardio-pulmonary Resuscitation (CPR) training. Upon receipt of such

equipment, the TEA shall distribute the equipment to districts including CPR training within their curriculum. The Commissioner may adopt rules to implement this provision.

64. **Average Daily Attendance Decline.** Out of the funds appropriated above in Strategy A.1.1, FSP–Equalized Operations, $11 million in each year of the 2004–05 biennium shall be used to implement § 42.005, Texas Education Code. Expenditures pursuant to this provision shall not exceed $22 million for the 2004–05 biennium.

65. **Maximize Federal Reimbursement for Medicaid School Health and Related Services.** It is the intent of the Legislature that the Texas Education Agency examine the reasons school districts in high poverty areas are not enrolled and/or are not billing for Medicaid School Health and Related Services Program. TEA shall report its findings to the Legislature and school districts by December 1, 2003, in order for school districts to maximize Medicaid for eligible special education students.

66. **Academic Enrichment.** Out of funds appropriated in Strategy A.2.5, School Improvement and Support Programs, the Commissioner shall identify $85 million in state and federal funds for the 2004–05 biennium to be distributed to support the establishment and implementation of services, programs, and activities designed to enrich or extend student learning experiences outside of the regular school day. In awarding grants pursuant to this rider, the Commissioner shall give emphasis to schools with high concentrations of economically disadvantaged students. Any unexpended balances in fiscal year 2004 are appropriated for fiscal year 2005.

    Entities eligible to receive Federal Funds identified in this rider include, but are not limited to, districts that qualify for the Optional Extended Year Program, districts that contain zip codes with high juvenile crime rates, the Alliance Organizations, AVANCE, Do Something, Communities in Schools, Area Interfaith, and One Community/One Child. It is the intent of the Legislature that the Commissioner give funding priority to existing collaborations between school districts and community organizations.

    In addition to the amount identified above, the Commissioner shall allocate an amount not to exceed $4,650,000 in each year of the biennium to the Investment Capital Fund. Of that total, an amount not to exceed $2,500,000 in each year shall be set aside from the Compensatory Education allotment, and an amount not to exceed $2,150,000 in each year shall be allocated directly from the Foundation School Program. Grants made from the Investment Capital Fund pursuant to this rider are subject to the provisions contained in § 7.024 of the Texas Education Code, and grants may only be made to entities that meet the criteria set forth in that section.

    Programs eligible to receive state funds pursuant to the provisions set forth in this rider include, but are not limited to, the Alliance Organizations, AVANCE, Do Something, Communities in Schools, Area Interfaith, and One Community/One Child.

67. **High School Completion and Success.** Out of the funds appropriated above in Strategies A.2.5, School Improvement and Support Programs, A.2.2, Student Success, and B.1.1, Assessment and Accountability, the Commissioner shall allocate $29,000,000 in General Revenue and $1,000,000 in Federal Funds in each fiscal year to support the establishment and implementation of comprehensive high school completion and success initiatives. Funds shall be expended in accordance with the following provisions:

    Schools that receive funds under this program must ensure that all students have an individualized graduation plan. Graduation plans must ensure that students at risk of not graduating from high school are afforded instruction from highly qualified teachers, have access to online diagnostic and assessment instruments, and are provided accelerated instruction in areas of academic weakness.

Funds must be expended on programs that show the most potential to improve high school success and completion and that encourage students toward post-secondary education and training, including basic skills grants to districts implementing special programs for high school students who have not earned sufficient credit to advance to the next grade, after-school programs designed to prevent high school dropouts and middle-college programs that encourage at-risk students and students who wish to accelerate their education undertake courses of study that allow both high school and college level work.

The Commissioner may set aside no more than five percent of total program funds for the purpose of research, evaluation and implementation of innovative programs that support high school completion and success, including innovative models for school restructuring and reform.

Not less than $500,000 each year of total program funds shall be allocated to programs that foster academic competition for predominantly high school students.

The Commissioner shall allocate discretionary funds from the federal *No Child Left Behind Act* for allowable activities in support of high school reform projects.

The Commissioner is authorized to receive grants from private sources and foundations for the provision of high school completion and restructuring programs and may use a portion of appropriate state and federal funds as matching funds for such programs. School districts receiving funds may contract with private sector organizations for all or part of the program.

68. **Reimbursement for Classroom Supplies.** The Commissioner shall establish a pilot program to reimburse classroom teachers for personal funds spent on classroom supplies. It is the intent of the legislature that funds shall be provided to school districts to match local funds expended for this purpose. Funds allocated are intended for the direct benefit of students and use of the funds is solely the discretion of the classroom teacher. The Texas Education Agency shall establish rules by which matching funds are allocated to individual teachers within the school district. These funds may not be used to supplant local funds being provided for the same purpose.

    From the funds appropriated above the Commissioner shall identify state discretionary and administrative funds for classroom supply reimbursement. Funds for this purpose shall also be allocated out of available federal consolidated administrative funds and from funds subject to the federal "Ed-Flex" statute. The agency and local school districts may also use any allowable unexpended balances in federal funds at the end of each fiscal year of the biennium to provide these reimbursements.

69. **Performance Report on Programs for At-Risk Students.** The Legislative Budget Board and the State Auditor's Office shall evaluate the performance of those programs receiving state and federal funds that target students who are at-risk of dropping out. The programs to be reviewed shall include, but are not limited to, the following: Optional Extended Year Program, After-School Initiative, organizations receiving Investment Capital Fund Grants, Communities in Schools, High School Completion and Success Initiative, and AVANCE.

    A set of results-based performance measures shall be developed that are standard across all entities receiving state funds through these programs, such that the programs may be evaluated in comparison to one another. Measures may include, but are not limited to, assessment passing rates, the Texas Learning Index or similar measure, dropout/completion rate, attendance rate, alternative education referral rates, and the violence/drug use incident rate. The Commissioner of Education shall assist the Legislative Budget Board and the State Auditor's Office by making available any program, campus and district data needed to successfully complete the evaluation.

The evaluation shall be completed and the findings reported to the Legislature by January 1, 2005.

70. **Pregnancy, Parenting and Education Programs.** It is the intent of the Legislature that funds appropriated above for the Pregnancy, Parenting and Education Program are distributed to eligible program providers within 30 days of the start of each fiscal year. The Texas Education Agency shall distribute funds for this program directly to eligible school districts. It is further the intent of the Legislature that once funds are allocated the providers may carry forward unexpended balances from fiscal year 2004 to fiscal year 2005.

71. **Funding for Regional Education Service Centers.** Out of the funds appropriated above in Strategy B.3.1, Teaching Excellence and Support, the Commissioner shall distribute $22,500,000 in 2004 and $22,500,000 in 2005 to Regional Education Service Centers to provide professional development and other technical assistance services to school districts. The formula for distribution shall be determined by the Commissioner but shall provide enhanced funding to Regional Education Service Centers that primarily serve small and rural school districts. The Commissioner shall obtain approval for the distribution formula from the Legislative Budget Board and the Governor.

72. **Foundation School Program Deferral.** Appropriations made above and referenced in Rider 2, Chapter 42 and 46 Formula Funding, of this Act do not include Foundation School Program payments to be made in August 2005. It is the intent of the Legislature that, contingent on the enactment of legislation relating to transfers from the Foundation School Fund, that the scheduled August 2005 payment be made in September 2005.

73. **Computation of Aid for Certain Educational Entities.** Notwithstanding the provisions of Texas Education Code § 42.304, the Commissioner of Education shall compute state aid under the Foundation School Program for the following districts and schools using the average tax rate and property value per student of school districts in the county in which the district or school is located:

    (1) a school district located on a federal military installation

    (2) the Moody State School and

    (3) Masonic Home Independent School District

    The state aid distributed to Masonic Home Independent School District pursuant to Texas Education Code, Chapter 42, Subchapter F (Guaranteed Yield Program) shall not exceed $90,000 for each year of the 2004-05 biennium.

74. **Career and Technology Education Allotment Programs Eligibility.** Of the programs currently approved to earn the Career and Technology Education allotment as authorized by Texas Education Code § 42.154, the Commissioner shall identify those programs least in need of the additional funding provided by the allotment. Funds appropriated above in Strategy A.1.1, FSP-Equalized Operations, for the Career and Technology Education allotment shall not be used to provide weighted funding for these programs.

    Additionally, it is the intent of the Legislature that no more than 10 percent of each school district's Foundation School Program Career and Technology Education allotment under the Texas Education Code § 42.154 may be expended for indirect costs related to the career and technology education programs.

75. **Textbook Purchases.** It is the intent of the Legislature that, in the expenditure of textbook appropriations contained in this Act, the Commissioner shall give priority consideration to textbooks for purchase in Proclamation 2000, then for textbooks in subjects and grades in which students are required to pass assessments in order to graduate or advance to the next grade pursuant to Texas Education Code § 28.0211, and then for English as a Second Language textbooks. Out of funds appropriated outside of Strategy B.2.1, Instructional Materials, the Commissioner shall identify up to $15 million for the biennium to implement the provisions of this rider.

    It is also the intent of the Legislature that the State Board of Education take whatever possible actions available to reduce the costs of textbooks in the 2004-05 biennium, including decreasing the maximum costs for textbooks identified for purchase in Proclamation 2001.

    It is also the intent of the Legislature that the State Board of Education forego the issuance of Proclamation 2003, which would have identified textbooks scheduled for purchase in the 2006-07 school year.

76. **Contingency for House Bill 2458 – Additional Allocation for Textbooks.** Contingent upon fund transfers to the Available School Fund due to the enactment of House Bill 2458, or similar legislation related to the collection of motor fuels taxes, by the Seventy-eighth Legislature, Regular Session, causing the Available School Fund to exceed the Comptroller's Biennial Revenue Estimate, the additional amount of Available School Fund revenue generated by the bill's provisions, not to exceed $75 million for the 2004-05 biennium, is hereby transferred to the Textbook Fund and appropriated for the purchase of textbooks.

77. **Title II, Improving Teacher Quality Federal Funds.** The Texas Education Agency and the Higher Education Coordinating Board shall coordinate the distribution of Title II federal funds for improving teacher quality to ensure compatibility between these two agencies' activities. Prior to the implementation of or the awarding of federal funds for improving teacher quality activities, the two agencies shall submit a joint plan to the Legislative Budget Board and the Governor.

78. **Windham School District Cost Savings.** It is the intent of the Legislature that, in implementing any reductions to programs or staff, the Windham School District achieve cost savings through reductions in administrative costs, attrition, early retirement options, voluntary benefit reductions or other strategies that preserve direct services in programs such as literacy and vocational education. The Windham School District shall provide written notification to the Governor and the Legislative Budget Board on proposed savings prior to implementation.

79. **Reduction in Certain Allotments.** Amounts appropriated above reflect the Commissioner reducing, in accordance with Texas Education Code § 42.152(u), the Compensatory Education allotment by $75,731,743 in fiscal 2004 and $74,949,117 in fiscal 2005.

80. **Receipt and Use of Grants, Federal Funds, and Royalties.** The Commissioner of Education is authorized to apply for, receive and disburse funds in accordance with plans or applications acceptable to the responsible federal agency or other public or private entity that are made available to the State of Texas for the benefit of education and such funds are appropriated to the specific purpose for which they are granted. It is the intent of the Legislature that when entering into any contract or plan with the federal government or other entity, prime consideration shall be given to preserving maximum local control for school districts. For the 2004-05 biennium, the Texas Education Agency is appropriated any royalties and license fees from the sale or use of education products developed through federal and state funded contracts managed by the agency. The Texas Education Agency shall report on a quarterly basis to the Legislative Budget Board and to the Governor on grants or earnings received pursuant to the provisions of this rider, and on the planned use of those funds.

Any grant or royalty balances as of August 31, 2004 are appropriated for the 2005 fiscal year for the same purpose.

81. **Federal Grants for State Assessments.** The Commissioner shall allocate all Federal Funds received by the agency in fiscal year 2003 for state assessments under Title VI of the *No Child Left Behind Act*, estimated to be $19,624,891, to defray the cost of assessment instruments in Strategy B.1.1, Assessment and Accountability System.

82. **School District Student Allotment.** Funds appropriated above in Strategy A.1.1, FSP - Equalized Operations, include $1.2 billion for the 2004-05 biennium to ensure that each school district and charter school in the state receives $110 more per student per year in weighted average daily attendance (WADA) than they are entitled to receive in 2004-05 under current law (defined as the law in effect for 2003). To achieve that annual distribution:

* a. In accordance with Chapter 42, subchapter F, Texas Education Code, Guaranteed Yield Program (Tier Two) § 42.302, the guaranteed yield per weighted student per cent of tax effort is hereby set at $28.00 in 2004 and 2005;

b. School districts not receiving state aid as provided in subsection (a) sufficient to guarantee $110 per student in WADA are hereby entitled to receive an allocation of general revenue to provide $110 more per WADA than each would have received under current law.

The Texas Education Agency shall develop and promulgate rules as necessary to carry out this provision. Such rules are subject to prior approval by the Legislative Budget Board and the Governor.

** 83. **Contingency for House Bill 3459 - Driver Education Full-Time Equivalents.** Contingent upon House Bill 3459, or similar legislation allowing the Commissioner to contract with a public or private entity for the provision of driver education, not passing the Seventy-eighth Legislature or becoming law, the limit on the number of full-time equivalent positions for the Texas Education Agency is hereby increased to 18 in each year of the 2004-05 biennium.

84. **Contingency for House Bill 3459 - Career and Technology Education Allotment.** Contingent on passage of House Bill 3459 or similar legislation reducing the Foundation School Program's Career and Technology Education weight from 1.37 to 1.35, appropriations made above in A.1.1, FSP - Equalized Operations, are hereby reduced by $17 million in 2004 and $17 million in 2005.

85. **Contingency Appropriation Reduction for Senate Bill 340.** Contingent on enactment of Senate Bill 340, or similar legislation by the Seventy-eighth Legislature, Regular Session, regarding the rendition of personal business property to central appraisal districts, appropriations made above in Strategy A.1.1, FSP - Equalized Operations, are hereby reduced by $23,000,000 from the Foundation School Fund 193 in fiscal year 2005.

86. **Contingency For House Bill 411 - Technology Pilot Program.** Contingent upon enactment of House Bill 411, or similar legislation authorizing a technology pilot program, by the Seventy-eighth Legislature, Regular Session, the Commissioner, in coordination with an accredited senior college or university, may establish a pilot program that permits a public school to use technology, including the Internet, to deliver a significant portion of the school's instruction outside of a central campus to students statewide. The Commissioner may set aside a portion of the Foundation School Program to include participating students in the computation of the average daily attendance of the district providing the program. The Commissioner may set aside sufficient funds to allow no more than 7,500 students to participate during the 2004-05 biennium.

*Modified by House Bill 3459, regular session, which re-establishes the guaranteed yield at $27.14.
**House Bill 3459, regular session, did pass but did not include legislation related to this rider.

STATE BOARD FOR EDUCATOR CERTIFICATION

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the Certification and Assessment Fees (General Revenue Fund):		
A. Goal: EDUCATOR CERTIFICATION The State Board for Educator Certification will ensure the highest level of educator preparation and practice to achieve student excellence.		
Outcome (Results/Impact):		
Percent of Teachers Who Are Fully Certified	88%	88%
Percent of Teachers Who Are Employed/Assigned to Teaching Positions for Which They Are Fully Certified	81%	81%
Percent of Documented Complaints Resolved within Six Months	70%	70%
Percent of Educator Preparation Programs Rated "Accredited"	88%	88%
Percent of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received	95%	95%
Percent of Certification Examinations Administered Online	10%	10%
A.1.1. Strategy: EDUCATOR QUALITY/ACCOUNTABILITY	$ 12,800,759	$ 13,170,169
Build the capacity of the Texas public education system so that all candidates for certification or renewal of certification demonstrate the knowledge and skills necessary to improve academic performance of all students in the state.		
Output (Volume):		
Number of Certification Examinations Administered	105,000	110,000
Number of Educator Preparation Programs Reviewed	117	110
Number of Individuals Issued Initial Teacher Certificate	18,500	18,500
Number of Temporary Credentials Issued	18,000	18,000
Efficiencies:		
Average Days for Credential Issuance	30	30
Average Cost Per Certification Examination Administered	77	77
A.1.2. Strategy: RETENTION, RECRUITMENT	$ 79,761	$ 79,971
Reduce the teacher shortage through the creation and expansion of preparation programs and the support of beginning educators.		
Output (Volume):		
Number of Previously Degreed Individuals Issued Initial Teacher Certificate	8,140	8,140
Number of Individuals Issued Initial Teacher Certificate Concurrent with Receiving Baccalaureate Degree	8,510	8,510
A.1.3. Strategy: EDUCATOR PROFESSIONAL CONDUCT	$ 3,894,839	$ 3,924,530
Implement measures to ensure all educators engage in high levels of professional conduct.		
Output (Volume):		
Number of Complaints Resolved	1,600	1,600
Number of Complaints Pending	700	700
Efficiencies:		
Average Time for Resolving Complaints (Days)	150	150
Total, Goal A: EDUCATOR CERTIFICATION	$ 16,775,359	$ 17,174,670
Grand Total, STATE BOARD FOR EDUCATOR CERTIFICATION	$ 16,775,359	$ 17,174,670
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	$ 731,800	$ 719,938

STATE BOARD FOR EDUCATOR CERTIFICATION
(Continued)

Number of Full-Time-Equivalent Positions (FTE):	73.0	73.0
Schedule of Exempt Positions:		
Executive Director, Group 3	$78,000	$78,000
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 2,715,940	$ 2,638,384
Other Personnel Costs	54,706	54,706
Operating Costs	2,734,000	2,761,000
Professional Fees and Services	10,132,358	10,584,284
Consumable Supplies	12,673	13,677
Utilities	45,588	45,588
Travel	53,794	53,794
Rent - Building	131,098	139,361
Rent - Machine and Other	38,142	38,142
Other Operating Expense	847,060	845,734
Capital Expenditures	10,000	0
Total, Object-of-Expense Informational Listing	$ 16,775,359	$ 17,174,670

1. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by this agency cover, at a minimum, the cost of the appropriations made above, as well as the "other direct and indirect costs" associated with these functions, appropriated elsewhere in this Act. "Other direct and indirect costs" for these functions are estimated to be $731,800 in fiscal year 2004 and $719,938 in fiscal year 2005. In the event that actual and/or projected revenue collections are insufficient to offset the cost identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority above to be within the amount of revenue expected to be available.

2. **Exam Locations.** The State Board for Educator Certification shall continue to ensure that sites in the state of Texas that provide the main certification examination for educators (a.k.a. ExCET or TExES) are located such that there is a site within 50 miles of every Board-approved educator preparation program.

3. **Integrated Reporting System.** The State Board for Educator Certification shall coordinate with the Texas Education Agency and the Higher Education Coordinating Board regarding sharing, integrating, and housing pre-kindergarten through grade 16 (P-16) public education data. The three agencies shall work together to ensure that common and related data held by each agency is maintained in standardized, compatible formats to enable the efficient exchange of information between agencies and for matching of individual student records for longitudinally based studies and analysis. It is the intent of the Legislature that individual initiatives interact seamlessly across agency systems to facilitate efforts to integrate the relevant data from each agency into a longitudinal public education data resource to provide a widely accessible P-16 public education data warehouse.

4. **Texas Beginning Educator Support System.** The State Board for Educator Certification shall seek federal funds to continue the Texas Beginning Educator Support System (TxBESS) or any other beginning teacher induction/mentor program. Any federal funds received by the State Board for Educator Certification for this purpose are hereby appropriated to the agency.
As part of the beginning educator induction program, the agency shall train districts to develop and operate their own local induction programs, based on the statewide TxBESS model, if funded. The agency shall report on its efforts to obtain federal funds for beginning educator induction/mentoring to the Seventy-ninth Legislature.

5. **Test Development.** The State Board for Educator Certification shall continue to consider the use of standard exams that are not specific to Texas curricula to complement a core of Texas-specific exams and/or replace certain Texas-specific exams planned or under development. The board shall consider the following factors when determining whether a Texas-specific exam is necessary - the number of Texas educators likely to take the exam; the extent to which educators from states that use a standard exam pass similar Texas-specific exams; the similarity of content covered in a standard exam versus the planned Texas-specific exam, understanding that 100 percent of alignment is not necessary; and the relative cost to the state and to examinees of a standard exam versus a Texas-specific exam.

   The State Board for Educator Certification is hereby authorized to expend funds appropriated in Strategy A.1.1, Educator Quality/Accountability, for test development for the evaluation and purchase of standard exams, if the Board finds that a standard exam is appropriate.

6. **Federal Funds for Test Development.** The State Board for Educator Certification shall seek federal funds to provide for the development of new certification examinations. Any federal funds received by the State Board for Educator Certification for this purpose are hereby appropriated to the agency.

7. **Communication of New Rules.** It is the intent of the Legislature that the State Board of Educator Certification communicate the adoption of new rules directly to school districts and institutions of higher education by electronic mail or regular mail in a timely manner. The board will also post newly adopted rules on the Internet for review.

8. **Reporting of Teacher Misconduct.** From funds appropriated, the State Board of Educator Certification, the Texas Education Agency, and the University of Texas System shall coordinate to work with school districts to ensure timely and accurate reporting of teacher misconduct as required by statute or rule.

9. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the State Board for Educator Certificate are made contingent on the continuation of the State Board for Educator Certificate by the Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

10. **Contingent Revenue.** Of the amounts appropriated above to the State Board for Educator Certification in Strategy A.1.3, Educator Professional Conduct, the amount of $2,734,000 in fiscal year 2004 and $2,761,000 in fiscal year 2005 for the purpose of conducting national criminal history background checks is contingent on the State Board for Educator Certification assessing fees sufficient to generate, during the 2004-05 biennium, $5,495,000 in excess of $31,756,000 (Object Code 3511), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2004 and 2005. The State Board for Educator Certification, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the State Board for Educator Certifications' minutes and other information supporting the estimated revenues to be generated for the 2004-2005 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purpose.

11. **Appropriation of Educator Assessment Fees.** Included in the appropriations above to the State Board for Educator Certification in Strategy A.1.1, Educator Quality/Accountability, are $1,090,433 in fiscal year 2004, and $1,142,369 in fiscal year 2005, associated with assessment fee revenue necessary for the payment of educator examination-related fees to a contractor, above the amounts indicated in the Comptroller's Biennial Revenue Estimate for certification

and assessment fee revenue (object code 3511). The Comptroller of Public Accounts must issue a finding of fact after the end of each fiscal year indicating that the additional expenditures related to this appropriation were used solely for the purpose of paying examination-related fees to a contractor.

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
A. Goal: ACADEMIC AND LIFE TRAINING Students who are visually impaired or deafblind will demonstrate the skills and knowledge to lead vocationally, personally, and socially satisfying lives as demonstrated by academic success and successful transition to the community.		
Outcome (Results/Impact):		
Percent of Student Learning Indicator Attained	100%	100%
Percent of Students Whose Responding Local School Districts Rated Their Learning Experience at Summer Programs as Very Satisfactory or Above	80%	80%
A.1.1. Strategy: CLASSROOM INSTRUCTION Provide a well-balanced curriculum which includes disability-specific skills and which meets either State Board of Education requirements for regular education or individual education plan goals. Provide instruction in academic/functional, vocational, and orientation and mobility skills and promote the successful transition of students to local schools, community placements, work, or further education.	$ 3,696,992	$ 3,696,992
Output (Volume):		
Number of Students Enrolled in Day Programming During Regular School Year	147	147
Number of Students Enrolled Who Have Multiple Disabilities	102	102
Efficiencies:		
Average Cost of Instructional Program per Student Per Day	125	125
Explanatory:		
Average Length of Enrollment in Regular School Year Program (Months)	26	26
A.1.2. Strategy: RESIDENTIAL PROGRAM Conduct residential programming that provides instruction in independent living skills and social skills.	$ 2,759,522	$ 2,817,024
Output (Volume):		
Number of Students Enrolled in Residential Programming During Regular School Year	136	136
A.1.3. Strategy: SUMMER AND SHORT PROGRAMS Provide a variety of instructional and residential special programs including summer enrichment and short-term programs designed to meet the educational needs of students with visual impairments. Curriculum will be provided in the following content areas: compensatory academic skills, including communication modes; social interaction skills; recreation and leisure skills; use of assistive	$ 1,008,366	$ 1,008,366

technology; orientation and mobility; independent living skills; career education; and visual efficiency skills.				
Output (Volume):				
Number of Students Enrolled in Short-term Programs		70		70
Efficiencies:				
Average Cost of Special Programs Per Student		3,306.12		3,306.12
A.1.4. Strategy: RELATED AND SUPPORT SERVICES	$	2,729,270	$	2,578,069
Provide related services during the regular school year and short-term special programs that support the instruction of students attending TSBVI.				
Output (Volume):				
Number of Students Receiving Physical/Motor Services		350		350
Total, Goal A: ACADEMIC AND LIFE TRAINING	$	10,194,150	$	10,100,451
B. Goal: STATEWIDE RESOURCE CENTER				
Families, professionals, and paraprofessionals will have the knowledge and skills necessary to improve educational programming and other services for all Texas students who are visually impaired or deafblind.				
Outcome (Results/Impact):				
Percent of Families, Professionals, and Paraprofessionals Rating as Very Satisfactory or above the Improvement of Their Knowledge and Skills as a Result of the Services or Products Received from TSBVI		85%		85%
B.1.1. Strategy: TECHNICAL ASSISTANCE	$	2,488,674	$	2,351,574
Provide technical assistance and information and referral services for families of and programs serving children with visual impairments and children with deafblindness through preservice, inservice and family services programs.				
Output (Volume):				
Number of On-site Visits		124		124
Number of Participants in Video Conferencing Events		300		300
C. Goal: INDIRECT ADMINISTRATION				
C.1.1. Strategy: CENTRAL ADMINISTRATION	$	2,573,651	$	2,573,651
Grand Total, SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED	$	15,256,475	$	15,025,676
Method of Financing:				
General Revenue Fund	$	11,887,149	$	11,793,450
Federal Funds		2,432,949		2,295,849
Other Funds				
Appropriated Receipts		749,526		749,526
Interagency Contracts		186,851		186,851
Subtotal, Other Funds	$	936,377	$	936,377
Total, Method of Financing	$	15,256,475	$	15,025,676
Number of Full-Time-Equivalent Positions (FTE):		324.6		324.6
Schedule of Exempt Positions:				
Superintendent, Group 3		$84,000		$84,000

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED
(Continued)

Object-of-Expense Informational Listing:				
Salaries and Wages	$	11,695,793	$	11,729,703
Other Personnel Costs		182,810		182,570
Operating Costs		125,000		125,000
Professional Fees and Services		308,321		236,421
Fuels and Lubricants		25,567		25,567
Consumable Supplies		277,729		271,229
Utilities		308,694		308,694
Travel		122,725		106,725
Rent - Machine and Other		26,653		26,653
Other Operating Expense		1,747,719		1,728,851
Client Services		1,100		1,100
Food for Persons - Wards of State		131,595		131,595
Capital Expenditures		302,769		151,568
Total, Object-of-Expense Informational Listing	$	15,256,475	$	15,025,676

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

		2004		2005
Out of the General Revenue Fund:				
a. Acquisition of Information Resource Technologies				
(1) Instructional Materials	$	70,000	$	70,000
(2) Technology Upgrade		30,000		30,000
Total, Acquisition of Information Resource Technologies	$	100,000	$	100,000
b. Transportation Items				
(1) School Transportation		151,201		0
Total, Capital Budget	$	251,201	$	100,000

2. **Teacher Preparation Consortium.** Out of the funds appropriated above in Strategy B.1.1, Technical Assistance, $900,000 in each year of the biennium is Federal CFDA 84.027, Special Education Grants. These funds shall be used to support professional preparation for teachers of students with visual impairments. The funds shall be expended under the provisions of a memorandum of understanding executed by Texas School for the Blind and Visually Impaired, Texas Tech University, and Stephen F. Austin University.

3. **Educational Professional Salary Increases.** Out of the funds appropriated above, the Texas School for the Blind and Visually Impaired shall implement the provisions identified in Texas Education Code § 30.024. No later than November 1 of each year of the biennium, the Texas School for the Blind and Visually Impaired shall submit, in a form acceptable to the Legislative Budget Board and the Governor, a computation of the salary increases. The school is directed to include in each year of the subsequent biennium baseline budget request the actual amount expended for salary increases in the second year of the previous biennium.

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED
(Continued)

4. **Unexpended Construction Balances.** Any unexpended construction, repair, or renovation balances from 2003 appropriations are hereby appropriated to the Texas School for the Blind and Visually Impaired for the same purpose in the 2004-2005 biennium.

SCHOOL FOR THE DEAF

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
A. Goal: ACADEMIC, LIFE, AND WORK TRAINING		
Texas School for the Deaf students will demonstrate the academic, career and work, and life skills necessary for students to become productive citizens and to achieve their maximum potential.		
Outcome (Results/Impact):		
Percent of Academic Courses in Which Students Obtain a Passing Grade	85%	85%
A.1.1. Strategy: CLASSROOM INSTRUCTION	$ 6,042,749	$ 6,042,861
Provide instruction utilizing a rigorous, relevant, comprehensive curriculum to meet the needs of each learner.		
Output (Volume):		
Number of Students Enrolled at Texas School for the Deaf	492	493
Number of Students Enrolled in the Special Needs Department	80	80
Efficiencies:		
Average Cost of Instructional Program Per Student Per Day	62.96	62.84
Explanatory:		
Average Length of Enrollment (By Months) in Regular Year Program	46	46
A.1.2. Strategy: RESIDENTIAL PROGRAM	$ 3,162,701	$ 3,162,306
Provide after-school residential, extracurricular, and athletic programs that support student learning and acquisition of life skills.		
Output (Volume):		
Number of Residential Students	285	290
Efficiencies:		
Average Cost of Residential Program per Student per Night	37.84	37.18
A.1.3. Strategy: RELATED AND SUPPORT SERVICES	$ 4,290,087	$ 4,289,784
Provide related and support services necessary for students to benefit from educational programs.		
Output (Volume):		
Number of Students Receiving Counseling	140	142
Number of Comprehensive Assessments Conducted for Current Students	160	160
Efficiencies:		
Average Cost of Related and Support Services per Student	8,719.69	8,701.39
A.1.4. Strategy: EXTENDED-YEAR SERVICES	$ 274,774	$ 275,225
Provide extended-year and specialized summer services to eligible Texas School for the Deaf students to support academic, career, and work and life skills acquisition.		
Output (Volume):		
Number of Texas School for the Deaf Students Enrolled in Summer Programs	32	32
Number of Students Enrolled in Extended Year Services	57	57

SCHOOL FOR THE DEAF
(Continued)

Efficiencies:				
Average Cost of Summer Program per Texas School for the Deaf Student		954.65		954.65
Total, Goal A: ACADEMIC, LIFE, AND WORK TRAINING	$	13,770,311	$	13,770,176
B. Goal: OUTREACH AND RESOURCE SERVICES				
Texas students, professionals, families, local school districts, Regional Day School Programs for the Deaf (RDSPDs) and agencies will benefit from Texas School for the Deaf outreach and resource services.				
B.1.1. Strategy: TECHNICAL ASSISTANCE	$	251,356	$	251,356
Provide technical assistance through seminars, workshops, conferences, site visits, consultations, publications, and website to agencies, organizations, individuals, and families involved in the education of persons who are deaf and hard of hearing.				
Output (Volume):				
Number of Participants in Workshops and Training Seminars		3,270		3,270
B.1.2. Strategy: TSD SPECIALIZED SHORT-TERM PROGRAMS	$	228,533	$	228,788
Provide specialized short-term services to eligible non-TSD students and families to support academic, career, and work and life skills acquisition.				
Output (Volume):				
Total Number of Non-Texas School for the Deaf Students Enrolled in Summer Programs		125		125
B.1.3. Strategy: TECHNOLOGY OUTREACH	$	212,998	$	212,998
Provide distance learning, videoconferencing and technology consultation and training to students, professionals, families, local school districts, Regional Day School Programs for the Deaf (RDSPDs), and other agencies.				
Total, Goal B: OUTREACH AND RESOURCE SERVICES	$	692,887	$	693,142
C. Goal: INDIRECT ADMINISTRATION				
C.1.1. Strategy: CENTRAL ADMINISTRATION	$	1,024,987	$	1,025,722
C.1.2. Strategy: OTHER SUPPORT SERVICES	$	3,275,632	$	3,275,360
Total, Goal C: INDIRECT ADMINISTRATION	$	4,300,619	$	4,301,082
Grand Total, SCHOOL FOR THE DEAF	$	18,763,817	$	18,764,400
Method of Financing:				
General Revenue Fund	$	14,994,531	$	14,995,114
Federal Funds		1,020,250		992,893
Other Funds				
Appropriated Receipts		2,725,895		2,753,252
Interagency Contracts		23,141		23,141
Subtotal, Other Funds	$	2,749,036	$	2,776,393
Total, Method of Financing	$	18,763,817	$	18,764,400

SCHOOL FOR THE DEAF
(Continued)

Number of Full-Time-Equivalent Positions (FTE):		448.5		448.5
Schedule of Exempt Positions:				
Superintendent, Group 3		$84,000		$84,000
Object-of-Expense Informational Listing:				
Salaries and Wages	$	13,939,119	$	13,939,702
Other Personnel Costs		1,058,807		1,058,807
Operating Costs		100,000		100,000
Professional Fees and Services		229,570		229,570
Fuels and Lubricants		74,100		74,100
Consumable Supplies		960,329		960,329
Utilities		951,299		951,299
Travel		142,900		142,900
Rent - Machine and Other		56,000		56,000
Other Operating Expense		392,802		392,802
Client Services		350,760		350,760
Food for Persons - Wards of State		283,131		283,131
Capital Expenditures		225,000		225,000
Total, Object-of-Expense Informational Listing	$	18,763,817	$	18,764,400

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

		2004		2005
Out of the General Revenue Fund:				
a. Acquisition of Information Resource Technologies				
(1) Lease Payments to the Master Lease Purchase Program to Upgrade and Replace Hardware	$	50,000	$	50,000
b. Transportation Items				
(1) Lease Payments to the Master Lease Purchase Program for 1 School Bus and 1 Van to Provide Student Transportation	$	25,000	$	25,000
Total, Capital Budget	$	75,000	$	75,000

2. **Classification of Residential Staff.** It is the intent of the Legislature that residential staff at the Texas School for the Deaf (including the “house parent” positions) shall be classified and compensated according to the Residential Specialist series as delineated in Article IX of this Act.

3. **Educational Professional Salary Increases.** Out of the funds appropriated above, the Texas School for the Deaf shall implement the provisions identified in Texas Education Code § 30.055. No later than November 1 of each year of the biennium, the Texas School for the Deaf shall submit, in a form acceptable to the Legislative Budget Board and the Governor, a

computation of the salary increases. The school is directed to include in each year of the subsequent biennium baseline budget request the actual amount expended for salary increases in the second year of the previous biennium.

4. **Historically Underutilized Businesses.** Out of the funds appropriated above, the Texas School for the Deaf shall make a good faith effort to comply with the historically underutilized requirements set out in Chapter 2161 of the Government Code. The State Auditor's Office and the Texas Building and Procurement Commission shall determine an agency's compliance with the provisions set out in Chapter 2161.

SPECIAL PROVISIONS FOR THE TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED AND TEXAS SCHOOL FOR THE DEAF

1. **Services to Employees.** The governing boards may expend money for the provision of first aid or other minor medical attention for employees injured in the course and scope of their employment and for the repair and/or replacement of employees' items of personal property which are damaged or destroyed in the course and scope of their employment, so long as such items are medically prescribed equipment (e.g., eyeglasses, hearing aids, etc.).

2. **Emoluments.** The Superintendent is authorized to determine emoluments for certain positions provided that the provision of such emoluments is necessary to effectively carry out the job responsibilities of the position.

3. **Appropriation of Funds.** With respect to the following funds held outside the State Treasury, any balances remaining at the end of the fiscal years ending August 31, 2003 and 2004, plus all receipts deposited to each fund's credit and income received on the fund during the biennium, are appropriated for the continued purpose for which the fund was established subject to the approval of the respective governing board: the Expendable Trust Fund; the Student Trust Fund; the Student Activity Fund; and the Student Aid Fund.

   With respect to the following funds held within the State Treasury, any balances remaining at the end of the fiscal years ending August 31, 2003 and 2004, plus all receipts deposited to each fund's credit and income received on the fund during the biennium, are appropriated for the continued purpose for which the fund was established: Vocational Programs Fund; Technology Lending Fund; Curriculum Publications Fund; Independent School District Fund; State and County Available Fund and other funds brought into the State Treasury under Texas Government Code, Chapter 404.

   Funds received from sale of food and garbage and from the use of facilities of the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf by organizations and other entities, including the Recording for the Blind, Inc., and any daycare center provider using the facilities, are appropriated for the use of the respective school subject to the approval of the governing board.

4. **Use of Facilities.** The respective governing boards of the Texas School for the Blind and Visually Impaired and Texas School for the Deaf may allow organizations related to the schools the use of the facilities of the physical plant; provided that said sessions do not interfere with the regular operations of the schools.

5. **Petty Cash Fund.** The Texas School for the Blind and Visually Impaired and Texas School for the Deaf may establish a petty cash fund not to exceed $5,000 for each school out of the funds appropriated herein. These funds shall be maintained in cash or at a local bank and shall be used only for making emergency payments and small purchases and payments which will increase the efficiency of the operation, payments to client workers on a regular pay-day basis, and for

use as a change fund in the cashier's office, canteen, and other specific locations where financial activities of the Schools require a change fund. Purchases and payments from this fund are limited to $200 per item.

6. **Assessments for LEAs.** For any assessments on students from Local Education Agencies, the Texas School for the Blind and Visually Impaired and Texas School for the Deaf shall make a reasonable charge for these services to the Local Education Agencies. A reasonable effort to collect for the assessments will be made by the schools.

7. **Certification and Appropriation of Medicaid Reimbursement.** The Texas School for the Blind and Visually Impaired and the Texas School for the Deaf shall certify and/or transfer appropriated state funds to the Health and Human Services Commission or its designee for the state share of any Medicaid reimbursement for services provided to eligible students. The federal share of such reimbursement is appropriated to each respective school.

8. **Payments by School Districts.** All revenues collected from local school districts in excess of the funds appropriated above are hereby appropriated to the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf, respectively.

TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the Telecommunications Infrastructure Fund No. 345:		
A. Goal: GRANT IMPLEMENTATION		
The Board will administer grant and loan programs in a manner which ensures the most effective, efficient, and objective process for establishing a world-class telecommunications infrastructure that benefits all Texas.		
Outcome (Results/Impact):		
Percent of Grantees Achieving Acceptable Level of Compliance Through TIF Board Monitoring Efforts	90%	NA
A.1.1. Strategy: GRANT IMPLEMENTATION	$ 1,175,870	$ 0
Implement and administer grant and loan process.		
Efficiencies:		
Percent of Expired Grants Closed-Out	100%	NA
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 910,155	$ 0
Grand Total, TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD	$ 2,086,025	$ 0
Number of Full-Time-Equivalent Positions (FTE):	29.0	0.0
Schedule of Exempt Positions:		
Executive Director, Group 5	$104,000	$0
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 1,377,460	$ 0
Other Personnel Costs	126,972	0
Professional Fees and Services	145,000	0
Consumable Supplies	20,000	0

*Agency appropriations eliminated by Governor's veto. See Veto Proclamation.

TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD
(Continued)

Utilities	70,000	0
Travel	92,635	0
Rent - Machine and Other	34,000	0
Other Operating Expense	219,958	0
Total, Object-of-Expense Informational Listing	$ 2,086,025	$ 0

1. **Notification Requirements.** The Telecommunications Infrastructure Fund Board shall provide, on a bi-monthly basis, expenditure reports to the Legislative Budget Board and to the Governor. These reports shall include expenditure activity from all strategies, including grant and loan award amounts, and administrative expenses. The reports shall include actual cash expenditures and encumbrances. The Telecommunications Infrastructure Fund Board also shall provide, on a quarterly basis, status reports on all active professional services and consulting contracts.

2. **Review of Grant Monitoring.** The Telecommunications Infrastructure Fund Board shall work with the State Auditor's Office to periodically review and evaluate its grant monitoring activities to determine their appropriateness and effectiveness.

3. **Unexpended Balances.** Any unexpended balances remaining as of August 31, 2004, from appropriations to the Telecommunications Infrastructure Fund Board are hereby appropriated for the same purposes for fiscal year 2005.

TEACHER RETIREMENT SYSTEM*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
A. Goal: TEACHER RETIREMENT SYSTEM To administer the system as an employee benefit trust.		
Outcome (Results/Impact):		
TRS Annual Operating Expense Per Active and Retired Member in Dollars (Excluding Investment Expenses)	27	27
Percent of TRS-Care Participants Rating TRS-Care Services as Satisfactory or Better	70%	70%
A.1.1. Strategy: TRS - PUBLIC EDUCATION RETIREMENT Make retirement contributions to the TRS pension fund for public education employees and maintain the actuarial soundness of the system, with a funding period under 30.9 years. Estimated.	$ 1,130,327,977	$ 1,186,844,375
A.1.2. Strategy: TRS - HIGHER EDUCATION RETIREMENT Make retirement contributions to the TRS pension fund for higher education employees and maintain the actuarial soundness of the system, with a funding period under 30.9 years. Estimated.	$ 230,315,027	$ 239,103,606
A.1.3. Strategy: ADMINISTRATIVE OPERATIONS Provide services to members, manage investments, and administer TRS retirement fund.	$ 44,360,000	$ 43,440,000
Output (Volume):		
Number of TRS Benefit Applications Processed	66,000	68,000

*Modified by Article IX, Section 11.30 due to passage of House Bill 7, regular session. Modified by Article IX, Section 12.05. Modified by Article IX, Section 11.60 (c) due to passage of House Bill 3459, regular session. May be modified by Article IX, Section 11.27.

Efficiencies:		
Percent of TRS Retirees Who Receive Their First Annuity within 31 Days of Their Effective Retirement Date	98%	98%
Average Customer Hold Time for Calls Received on Toll-free Number (In Minutes)	3	3
A.2.1. Strategy: RETIREE HEALTH	$ 467,820,970	$ 290,821,049
Administer group health care benefits for public education retirees through the TRS-Care program by monitoring the performance of contracted benefit providers, communicating health care plan features, and resolving benefit disputes. Estimated.		
Output (Volume):		
Dollar Amount of Participating Network Savings	187,080,000	202,320,000
Efficiencies:		
Percent of Claims Adjudicated within 14 Days of Receipt	93%	93%
A.3.1. Strategy: ACTIVE HEALTH	$ 281,215,239	$ 240,021,553
Administer group health care benefits for public education employees through the TRS-ActiveCare program by monitoring the performance of contracted benefit providers, communicating health care plan features, and resolving benefit disputes. Distribute supplemental funds to public education employees to purchase health care or enhance compensation.		
Total, Goal A: TEACHER RETIREMENT SYSTEM	$ 2,154,039,213	$ 2,000,230,583
Grand Total, TEACHER RETIREMENT SYSTEM	$ 2,154,039,213	$ 2,000,230,583

* **Method of Financing:**		
General Revenue Fund		
General Revenue Fund	$ 1,795,389,678	$ 1,639,667,057
Economic Stabilization Fund	258,000,000	258,000,000
Subtotal, General Revenue Fund	$ 2,053,389,678	$ 1,897,667,057
GR Dedicated - Estimated Other Educational and General Income Account No. 770	54,895,592	57,640,371
Other Funds		
Teacher Retirement System Trust Account Fund No. 960	45,753,943	44,923,155
Total, Method of Financing	$ 2,154,039,213	$ 2,000,230,583
Number of Full-Time-Equivalent Positions (FTE):	436.0	436.0
Schedule of Exempt Positions:		
Executive Director	$188,436	$188,436
Chief Investment Officer	300,000	300,000
Investment Fund Director	(4) 217,260	(4) 217,260
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 23,847,500	$ 24,999,875
Other Personnel Costs	2,109,959,213	1,957,080,583
Operating Costs	16,429,612	16,385,912
Capital Expenditures	3,802,888	1,764,213
Total, Object-of-Expense Informational Listing	$ 2,154,039,213	$ 2,000,230,583

*As modified by House Bill 7, regular session.

TEACHER RETIREMENT SYSTEM
(Continued)

1. **Capital Budget.** None of the funds appropriated above for Strategy A.1.3, Administrative Operations, may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes.

	2004	2005
Out of the Teacher Retirement System Trust Account Fund No. 960:		
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Building Renovations 2004-05	$ 120,000	$ 120,000
(2) Carpet Replacement	175,000	0
(3) HVAC Airhandler Replacement	315,000	300,000
(4) Waterproofing Exterior	455,000	0
(5) Roof Replacement	680,000	0
(6) Security System Upgrades	$ 45,000	$ 45,000
Total, Repair or Rehabilitation of Buildings and Facilities	$ 1,790,000	$ 465,000
b. Acquisition of Information Resource Technologies		
(1) DASD Upgrade 2004-05	50,000	50,000
(2) Mainframe and Peripheral Upgrades 2004-05	450,000	0
(3) PC Workstation Upgrades 2004-05	210,000	210,000
(4) Telecommunications Upgrade 2004-05	550,000	350,000
(5) Pension Legislation 2005	$ 0	$ 200,000
Total, Acquisition of Information Resource Technologies	$ 1,260,000	$ 810,000
c. Acquisition of Capital Equipment and Items		
(1) Furniture & Modular Workstations	45,500	0
(2) Printing Equipment Replacement	$ 75,000	$ 0
Total, Acquisition of Capital Equipment and Items	$ 120,500	$ 0
Total, Capital Budget	$ 3,170,500	$ 1,275,000

2. **Updated Actuarial Valuation.** The Teacher Retirement System shall contract with an actuary to perform a limited actuarial valuation of the assets and liabilities of the Teacher Retirement System as of February 28 in those years when the Legislature meets in regular session. The purpose of the valuation shall be to determine the effect of investment, salary, and payroll experience on the unfunded liability, the amortization period, and the state contribution rate which results in a 30-year amortization period of the retirement system.

3. **State Contribution to Teacher Retirement Program.** The amounts specified above in A.1.1, TRS-Public Education Retirement, and A.1.2, TRS-Higher Education Retirement, are based on a state contribution of 6.00 percent of payroll for each fiscal year, estimated.

4. **State Contribution to Texas Public School Retired Employees Group Insurance Program.** Of the amounts specified above in A.2.1, Retiree-Health, $103,473,753 in fiscal year 2004 and $108,647,441 in fiscal year 2005 are based on a state contribution rate of 0.50 percent of payroll for each fiscal year, estimated. Also included in the appropriation is a sum certain amount of $364,347,217 in fiscal year 2004 and $182,173,608 in fiscal year 2005.

The retirement system shall notify the Legislative Budget Board, the Governor, and its membership, prior to establishing premiums, regarding the impact such premiums will have on retiree costs for TRS-Care insurance.

It is the intent of the Legislature that the Teacher Retirement System control the cost of the retiree insurance program by not providing rate increases to health care providers and pharmacy providers during the 2004-2005 biennium without providing 60 days notice to the Legislative Budget Board.

The Teacher Retirement System shall structure the levels of health insurance cost-sharing between the state and retirees such that for fiscal year 2005, the state's cost share is no more than 55 percent of total group insurance costs, and that the total retirees' cost share is at least 30 percent.

The Teacher Retirement System shall establish premiums paid by retirees such that retirees pay nothing for the highest deductible, catastrophic coverage option, and that retirees not participating in Medicare Part A pay a larger proportion of the cost of their coverage than they did in fiscal year 2003.

For the low deductible plan, TRS shall set retiree and dependent premiums based on a percentage of expected claims for the plan and the retiree's participation in Medicare Part A and Medicare Part B; premiums for disability retirees may differ.

Premiums for higher deductible plans shall be set to specifically offer inducements for retirees to enroll in higher deductible plans. TRS shall inform retirees of the financial implications associated with choice of coverage levels.

Retirees who retire at earlier ages significantly increase the long term health insurance costs to the state. In an effort to provide a greater benefit without adding to the costs for the state, TRS shall study ways to equalize long-term costs to the state among participants who retire at different ages, and submit a report to the Legislature summarizing available options by September 1, 2004.

5. **Excess Benefit Arrangement Account.** There is hereby appropriated to the Teacher Retirement System all funds transferred or deposited into the Excess Benefit Arrangement Account established in the General Revenue Fund for the purpose of paying benefits as authorized by Government Code § 825.517.

6. **Transfer of Other Educational and General Income.** The Comptroller of Public Accounts is hereby authorized to transfer the necessary appropriations made above in A.1.2, TRS-Higher Education Retirement, from Other Educational and General Income to institutions of higher education to meet their obligations and comply with the proportionality policy as expressed in the Article IX provision entitled Salaries to be Proportional by Fund.

7. **Exempt Positions.** Notwithstanding the limitations contained in the Article IX provision entitled Scheduled Exempt Positions, the TRS Board of Trustees may determine the salaries of the positions listed above in the Schedule of Exempt Positions without limitation.

8. **Travel Expenditures.** Notwithstanding the limitations on travel expenditures contained in Article IX of this Act, the annual out-of-state travel cap for the Teacher Retirement System is hereby set at $425,000 for each year of the biennium. The additional authority is provided to allow TRS' investment professionals greater personal access to financial centers, investment experts, and investor information.

9. **School District Employee Pass-Through**. The amounts appropriated in Strategy A.3.1, Active Health, for active school district employee health benefits are to be used to provide an annual compensation supplement (pass-through) of $500 for all full-time employees, and $250 for all part-time employees, except that no contributions shall be provided for the category of employees referred to as "professional staff" by the Teacher Retirement System. An employee is not eligible to receive the pass-through contribution until the 90th day after the date the employee is employed by the entity. The Teacher Retirement System is authorized to allocate the last month's fiscal year 2005 payment of the pass-through in September, 2005. Also, out of the fiscal year 2004 appropriation in Strategy A.3.1, Active Health, no more than $27,000,000 may be used to provide a minimum effort transition subsidy (referred to as "state assistance for meeting minimum effort" in Article 3.50-9, Texas Insurance Code). No appropriation is provided for this purpose in fiscal year 2005.

10. **Contingency for Senate Bill 1369.** Contingent on the passage of Senate Bill 1369 or similar legislation relating to certain group benefits for retired public school employees (TRS-Care), the following provisions shall be implemented. The annual contribution rate for school districts for fiscal years 2004 and 2005 shall be 0.40 percent of total payroll. The amount contributed for dependents, surviving spouses, and surviving dependent children shall be determined by the TRS board of trustees for each year of the biennium.

    To reflect a 1.0 percent state contribution rate, in the provision titled "State Contribution to Texas Public School Retired Employees Group Insurance Program", the state contribution estimated appropriation is increased by $103,473,753 in fiscal year 2004 and by $108,647,441 in fiscal year 2005. The sum certain appropriation to TRS-Care is reduced by like amounts each year of the 2004–05 biennium.

OPTIONAL RETIREMENT PROGRAM

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
A. Goal: OPTIONAL RETIREMENT PROGRAM Provide contributions to the Optional Retirement Program as administered by the Higher Education Coordinating Board.		
A.1.1. Strategy: OPTIONAL RETIREMENT PROGRAM Provide an Optional Retirement Program for faculty and certain administrative staff at public institutions of higher education. Estimated.	$ 115,840,902	$ 117,418,754
Output (Volume):		
Number of ORP Participants	39,289	39,682
Grand Total, OPTIONAL RETIREMENT PROGRAM	$ 115,840,902	$ 117,418,754
Method of Financing:		
General Revenue Fund	$ 94,866,022	$ 95,395,130
GR Dedicated - Estimated Other Educational and General Income Account No. 770	20,974,880	22,023,624
Total, Method of Financing	$ 115,840,902	$ 117,418,754

OPTIONAL RETIREMENT PROGRAM
(Continued)

Object-of-Expense Informational Listing:				
Operating Costs	$	115,840,902	$	117,418,754
Total, Object-of-Expense Informational Listing	$	115,840,902	$	117,418,754

1. **State Contribution to Optional Retirement Program.** The amount specified above in A.1.1, Optional Retirement Program, is based on a state contribution rate of 6.0 percent of payroll for each fiscal year, estimated. Institutions of higher education and the Texas Education Agency, if applicable, are required to certify estimates of state contributions required for payment to the Comptroller, and the Comptroller shall allocate the state contributions to institutions and the Texas Education Agency pursuant to Government Code § 830.202.

2. **Use of Local Funds for Supplementing the General Revenue Appropriation to the Optional Retirement Program.** Institutions and agencies authorized under state law to provide the Optional Retirement Program to their employees are authorized to use local funds or other sources of funds to supplement the General Revenue Fund appropriation in order to provide the same employer contribution during the 2004–05 biennium, for employees who were on the state payroll or who were employed by a Public Community or Junior College as of August 31, 1995, as they received during the 1994–95 biennium.

3. **Transfer of Other Educational and General Income.** The Comptroller of Public Accounts is hereby authorized to transfer the necessary appropriations made above from Other Educational and General Income to institutions of higher education to meet their obligations and comply with the proportionality policy as expressed in Article IX of this Act.

4. **Contingency for House Bill 264.** Contingent on passage of House Bill 264, or similar legislation, institutions and agencies authorized under state law to provide the Optional Retirement Program to their employees are authorized to use local funds or other sources of funds to supplement the General Revenue Fund appropriation in order to provide an employer contribution of 8.5 percent of salary for all employees, other provisions of this Act notwithstanding.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
A. Goal: STATE CONTRIBUTION, UT SYSTEM		
Group Insurance, State Contribution, UT System.		
A.1.1. Strategy: UT - ARLINGTON	$ 8,407,214	$ 8,407,214
The University of Texas at Arlington.		
A.1.2. Strategy: UT - AUSTIN	$ 25,620,749	$ 25,620,749
The University of Texas at Austin.		
A.1.3. Strategy: UT - DALLAS	$ 4,910,251	$ 4,910,251
The University of Texas at Dallas.		
A.1.4. Strategy: UT - EL PASO	$ 7,044,788	$ 7,044,788
The University of Texas at El Paso.		
A.1.5. Strategy: UT - PAN AMERICAN	$ 3,773,474	$ 3,773,474
The University of Texas - Pan American.		
A.1.6. Strategy: UT - BROWNSVILLE	$ 835,661	$ 835,661
The University of Texas at Brownsville.		
A.1.7. Strategy: UT - PERMIAN BASIN	$ 903,323	$ 903,323
The University of Texas of the Permian Basin.		
A.1.8. Strategy: UT - SAN ANTONIO	$ 5,867,045	$ 5,867,045
The University of Texas at San Antonio.		
A.1.9. Strategy: UT - TYLER	$ 1,720,670	$ 1,720,670
The University of Texas at Tyler.		
A.1.10. Strategy: UT SW MEDICAL - DALLAS	$ 6,734,235	$ 6,734,235
The University of Texas Southwestern Medical Center at Dallas.		
A.1.11. Strategy: UT MEDICAL - GALVESTON	$ 31,350,068	$ 31,350,068
The University of Texas Medical Branch at Galveston.		
A.1.12. Strategy: UTHSC - HOUSTON	$ 9,152,009	$ 9,152,009
The University of Texas Health Science Center at Houston.		
A.1.13. Strategy: UTHSC - SAN ANTONIO	$ 10,115,591	$ 10,115,591
The University of Texas Health Science Center at San Antonio.		
A.1.14. Strategy: UT MD ANDERSON	$ 5,368,828	$ 5,368,828
The University of Texas M. D. Anderson Cancer Center.		
A.1.15. Strategy: UT HEALTH CENTER - TYLER	$ 2,037,566	$ 2,037,566
The University of Texas Health Center at Tyler.		
A.1.16. Strategy: TEXAS SOUTHMOST (UT)	$ 1,173,915	$ 1,173,915
Texas Southmost College (UT Share).		
A.1.17. Strategy: UT SYSTEM ADMINISTRATION	$ 49,894	$ 49,894
The University of Texas System Administration.		
Total, Goal A: STATE CONTRIBUTION, UT SYSTEM	$ 125,065,281	$ 125,065,281
B. Goal: STATE CONTRIBUTION, A&M SYSTEM		
Group Insurance, State Contribution, A&M System.		
B.1.1. Strategy: TEXAS A&M UNIVERSITY	$ 24,500,777	$ 24,500,777

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

B.1.2. Strategy: A&M SYSTEM HEALTH SCIENCE CENTER	$	2,906,746	$	2,906,746
Texas A&M University System Health Science Center.				
B.1.3. Strategy: A&M - GALVESTON	$	898,527	$	898,527
Texas A&M University at Galveston.				
B.1.4. Strategy: PRAIRIE VIEW A&M	$	2,986,259	$	2,986,259
Prairie View A&M University.				
B.1.5. Strategy: TARLETON STATE UNIVERSITY	$	2,681,164	$	2,681,164
B.1.6. Strategy: A&M - CORPUS CHRISTI	$	2,850,691	$	2,850,691
Texas A&M University - Corpus Christi.				
B.1.7. Strategy: A&M - KINGSVILLE	$	3,263,983	$	3,263,983
Texas A&M University - Kingsville.				
B.1.8. Strategy: A&M - INTERNATIONAL	$	1,496,299	$	1,496,299
Texas A&M International University.				
B.1.9. Strategy: WEST TEXAS A&M	$	2,840,323	$	2,840,323
West Texas A&M University.				
B.1.10. Strategy: TEXAS A&M UNIVERSITY - COMMERCE	$	3,750,097	$	3,750,097
B.1.11. Strategy: TEXAS A&M UNIVERSITY - TEXARKANA	$	544,250	$	544,250
B.1.12. Strategy: AG EXPERIMENT STATION	$	6,046,939	$	6,046,939
Texas Agricultural Experiment Station.				
B.1.13. Strategy: COOPERATIVE EXTENSION	$	7,520,659	$	7,520,659
Texas Cooperative Extension.				
B.1.14. Strategy: ENG EXPERIMENT STATION	$	2,367,400	$	2,367,400
Texas Engineering Experiment Station.				
B.1.15. Strategy: TRANSPORTATION INSTITUTE	$	348,857	$	348,857
Texas Transportation Institute.				
B.1.16. Strategy: ENG EXTENSION SERVICE	$	240,273	$	240,273
Texas Engineering Extension Service.				
B.1.17. Strategy: TEXAS FOREST SERVICE	$	1,578,915	$	1,578,915
B.1.18. Strategy: WILDLIFE DAMAGE MANAGEMENT SERVICE	$	603,903	$	603,903
B.1.19. Strategy: VET MEDICAL DIAGNOSTIC LAB	$	333,630	$	333,630
Texas Veterinary Medical Diagnostic Laboratory.				
B.1.20. Strategy: A&M SYSTEM ADMINISTRATION	$	40,971	$	40,972
Texas A&M University System Administration.				
Total, Goal B: STATE CONTRIBUTION, A&M SYSTEM	$	67,800,663	$	67,800,664
C. Goal: STATE CONTRIBUTION, ERS				
Group Insurance, State Contribution, Employees Retirement System.				
C.1.1. Strategy: TEXAS FOOD & FIBERS COMM	$	17,967	$	17,968
Texas Food and Fibers Commission.				
C.1.2. Strategy: UNIVERSITY OF HOUSTON	$	12,870,506	$	12,870,506
C.1.3. Strategy: UH - CLEARLAKE	$	1,972,869	$	1,972,869
University of Houston - Clear Lake.				
C.1.4. Strategy: UH - DOWNTOWN	$	1,558,706	$	1,558,706
University of Houston - Downtown.				
C.1.5. Strategy: UH - VICTORIA	$	731,630	$	731,630
University of Houston - Victoria.				
C.1.6. Strategy: UH SYSTEM ADMINISTRATION	$	264,778	$	264,778
The University of Houston System Administration.				
C.1.7. Strategy: LAMAR UNIVERSITY - BEAUMONT	$	3,903,275	$	3,903,275

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

C.1.8. Strategy: LUIT Lamar University Institute of Technology.	$	431,772	$	431,772
C.1.9. Strategy: LAMAR UNIVERSITY - ORANGE	$	477,283	$	477,283
C.1.10. Strategy: LAMAR UNIV - PORT ARTHUR Lamar University - Port Arthur.	$	800,756	$	800,756
C.1.11. Strategy: ANGELO STATE UNIVERSITY	$	2,310,202	$	2,310,202
C.1.12. Strategy: SAM HOUSTON STATE UNIV Sam Houston State University.	$	4,166,621	$	4,166,621
C.1.13. Strategy: SOUTHWEST TX STATE UNIV Southwest Texas State University.	$	6,926,431	$	6,926,431
C.1.14. Strategy: SUL ROSS STATE UNIVERSITY	$	1,425,301	$	1,425,301
C.1.15. Strategy: SUL ROSS STATE-RIO GRANDE COLLEGE Sul Ross State University - Rio Grande College.	$	183,310	$	183,310
C.1.16. Strategy: TEXAS STATE SYSTEM ADMIN Texas State University System Administration.	$	66,432	$	66,432
C.1.17. Strategy: MIDWESTERN STATE UNIV Midwestern State University.	$	1,662,201	$	1,662,201
C.1.18. Strategy: UNIVERSITY OF NORTH TEXAS	$	10,552,268	$	10,552,268
C.1.19. Strategy: UNT HEALTH SCIENCE CENTER University of North Texas Health Science Center at Fort Worth.	$	2,823,517	$	2,823,517
C.1.20. Strategy: STEPHEN F. AUSTIN Stephen F. Austin State University.	$	4,443,219	$	4,443,219
C.1.21. Strategy: TEXAS SOUTHERN UNIVERSITY	$	2,969,271	$	2,969,271
C.1.22. Strategy: TEXAS TECH UNIVERSITY	$	14,767,502	$	14,767,502
C.1.23. Strategy: TEXAS TECH HEALTH SCI CTR Texas Tech University Health Sciences Center.	$	9,493,637	$	9,493,637
C.1.24. Strategy: TEXAS WOMAN'S UNIVERSITY	$	4,488,712	$	4,488,712
C.1.25. Strategy: TSTC - HARLINGEN Texas State Technical College - Harlingen.	$	1,856,882	$	1,856,882
C.1.26. Strategy: TSTC - WEST TEXAS Texas State Technical College - West Texas.	$	1,240,988	$	1,240,988
C.1.27. Strategy: TSTC - WACO Texas State Technical College - Waco.	$	2,830,151	$	2,830,151
C.1.28. Strategy: TSTC - MARSHALL Texas State Technical College - Marshall.	$	490,242	$	490,242
C.1.29. Strategy: TSTC - SYSTEM ADMIN Texas State Technical College System Administration.	$	120,299	$	120,299
C.1.30. Strategy: PUB COMMUNITY / JR COLLEGES Public Community / Junior Colleges.	$	110,386,494	$	110,386,494
Total, Goal C: STATE CONTRIBUTION, ERS	$	206,233,222	$	206,233,223
Grand Total, HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS	$	399,099,166	$	399,099,168

Method of Financing:

General Revenue Fund	$	398,750,309	$	398,750,311
State Highway Fund No. 006		348,857		348,857
Total, Method of Financing	$	399,099,166	$	399,099,168

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

Object-of-Expense Informational Listing:		
Other Personnel Costs	$ 399,099,166	$ 399,099,168
Total, Object-of-Expense Informational Listing	$ 399,099,166	$ 399,099,168

1. **State Contribution to Group Insurance for Higher Education Employees Participating in the Employees Retirement System Group Insurance Program.** Funds identified above for group insurance are intended to fund:

   a. the total cost of the basic life and health coverage for all active and retired employees; and

   b. fifty percent of the total cost of health coverage for the spouses and dependent children of all active and retired employees who enroll in coverage categories which include a spouse and/or dependent children.

   In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

   General Revenue funds appropriated herein shall be supplemented by funds appropriated elsewhere in this Act for employees enrolled in the State Kids Insurance Program (SKIP) to provide for a premium-sharing structure comparable to the Children's Health Insurance Program (CHIP). Institutions of higher education paying for health insurance costs from non-General Revenue funds shall provide the same levels of premium-sharing for State Kids Insurance Program enrollees as provided for those higher education employees with health insurance paid from General Revenue funds.

   Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

   It is further provided that institutions shall cooperate so that employees employed by more than one institution may be covered under one group policy and that said policy may be held jointly by two or more institutions and paid from funds appropriated to the institutions for payment of employee insurance premiums as set out above.

2. **Actuarial Study.** The Employees Retirement System is directed to conduct an actuarial study to determine the costs and actions necessary to merge employees currently insured under group benefit plans offered by the Texas A&M University System into the state employee group benefit plans administered by the Employees Retirement System. The Texas A&M University System and the Employees Retirement System shall cooperate in assessing the costs and actions needed to replace all Texas A&M University System employee group benefit plans with the state employee group benefit plans administered by the Employees Retirement System under Chapter 1551 of the Insurance Code. This study shall be provided to the Legislative Budget Board and the Governor by no later than September 1, 2004. The Texas A&M University System and the Employees Retirement System shall evenly divide the costs of this study using existing resources. The replacement of the Texas A&M University System's benefit plans with the state employee group benefit plans administered by the Employees Retirement System may not take place unless authorized under certain conditions set by general law.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

3. **The University of Texas System Group Health Insurance Contributions.** Funds identified above for group insurance are intended to fund the same portion of the costs of basic health coverage for all active and retired employees and their dependents as is provided above for higher education active and retired employees and dependents participating in the Employees Retirement System's Uniform Group Insurance Program.

   In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

   Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

   The University of Texas System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by September 1 of each year, detailing all group health insurance plans offered to system employees and retirees, including the benefit schedule, premium amounts, and employee/retiree contributions.

   Active and retired employees of The University of Texas System are authorized to use one-half of the "employee-only" state contribution amount for optional insurance. Optional insurance for the employees participating in the group insurance program shall be defined by The University of Texas System. Active and retired employees participating in these plans may only use one-half of the employee-only state contribution if they sign and submit a document to their employing institution indicating they have health insurance coverage from another source.

4. **Texas A&M System Group Health Insurance Contributions.** Funds identified above for group insurance are intended to fund the same portion of the costs of basic health coverage for all active and retired employees and their dependents as is provided above for higher education active and retired employees and dependents participating in the Employees Retirement System's Uniform Group Insurance Program.

   In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

   Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

   The Texas A&M System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by September 1 of each year, detailing all group health insurance plans offered to system employees and retirees, including the benefit schedule, premium amounts, and employee/retiree contributions.

   Active and retired employees of the Texas A&M System are authorized to use one-half of the "employee-only" state contribution amount for optional insurance. Optional insurance for the employees participating in the group insurance program shall be defined by the Texas A&M System. Active and retired employees participating in these plans may only use one-half of the employee-only state contribution if they sign and submit a document to their employing institution indicating they have health insurance coverage from another source.

HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS
(Continued)

5. **Transfer Authority.** Out of the funds appropriated above:

   a. The Comptroller shall transfer monthly, one-twelfth of the amount appropriated from those institutions participating in the Employees Retirement System's Uniform Group Insurance Program to the Employees Life, Accident, and Health Insurance and Benefits Fund No. 973, for use by the Employees Retirement System for each higher education institution which participates in the group insurance program of the Employees Retirement System.

   b. The Comptroller shall transfer monthly, one-twelfth of the amount appropriated from state contributions for institutions belonging to the University of Texas and Texas A&M Systems, to The University of Texas System Office and the Texas A&M University System Office, for use by each institution's group insurance program.

6. **Specification of Appropriations.** The amount of the appropriation made for Strategy C.1.30, Public Community/Junior Colleges, shall be allocated to each college in accordance with a report, specifying the exact amounts for each college, to be provided by the Legislative Budget Board to the Employees Retirement System.

7. **Appropriations Transfers.**

   a. Funds appropriated above to institutions other than those belonging to The University of Texas System or the Texas A&M University System, may be transferred from one appropriation item to another at the discretion of the chief administrative officer of the Employees Retirement System for the purpose of applying appropriations in excess of actual general revenue group insurance premium costs at any of the higher education institutions named above to appropriation shortfalls for general revenue group insurance premiums at any of the higher education institutions named above. Funds appropriated above to components of The University of Texas System and the Texas A&M University System may be transferred from one component to another component within the same system at the discretion of the chief administrative officer of each system for the same purposes stated above.

   b. The Employees Retirement System, The University of Texas System, and the Texas A&M University System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by December 1 of each year, detailing any such transfers.

   c. Out of the funds appropriated above in Strategy A.1.11, The University of Texas Medical Branch at Galveston, $2,755,124 in fiscal year 2004 and $2,755,124 in fiscal year 2005 is for the purpose of paying general revenue group insurance premiums for correctional managed health care employees participating in the Employees Retirement System Uniform Group Insurance Program. Out of the funds appropriated above in Strategy C.1.23, Texas Tech University Health Sciences Center, $3,073,956 in fiscal year 2004 and $3,073,956 in fiscal year 2005 is for the purpose of paying general revenue group insurance premiums for employees paid from managed health care contracts associated with Texas Youth Commission and Texas Department of Criminal Justice. Except for the transfer authority provided above in Subsection a, these amounts are sum certain.

8. **Unexpended Balances, Higher Education Group Insurance Contributions.** Any unexpended balances remaining as of August 31, 2004 for individual institutions of higher education receiving General Revenue group insurance contributions in this appropriation are hereby appropriated for the same purposes in fiscal year 2005.

HIGHER EDUCATION COORDINATING BOARD*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
A. Goal: CLOSE THE GAPS IN HIGHER EDUCATION		
Close the gaps in participation, success, excellence, and research by coordinating higher education in Texas and promoting quality and access in all aspects of higher education.		
Outcome (Results/Impact):		
Percent Increase in Fall Student Headcount Enrollment since Fall 2000	15%	17.8%
Percent Increase in Bachelor's Degrees, Associate's Degrees, and Certificates Awarded Since Those Awarded Fall 1999 Through Summer 2000	7.9%	9.6%
Retention Rate of Students Completing Required Developmental Education	83%	83%
Percentage of Students Completing First Year of College in a Texas Institution of Higher Learning Without Being Required to Take Developmental Education Courses	75%	75%
Percentage of Community College Technical Programs Evaluated	25%	25%
Percentage Increase in Federal Funding for Science and Engineering at Texas Universities and Health-related Institutions Relative to 1998	33%	36.2%
A.1.1. Strategy: PROMOTE PARTICIPATION AND SUCCESS	$ 4,196,915	$ 3,996,915
Close the gaps in participation and success by administering grants and scholarship programs and by promoting access to higher education.		
Output (Volume):		
Increase in Fall Student Headcount Enrollment since Fall 2000	90,000	120,000
Increase in the Number of Bachelor's Degrees, Associate's Degrees, and Certificates Reported Since Those Awarded Fall 1999 Through Summer 2000	9,000	11,000
Number of Grants or Scholarships Awarded	117,987	117,987
Amount of Grant and Scholarship Funds Distributed (In Millions)	254	254
Explanatory:		
Percentage of University Students Completing TASP-required Developmental Education Within Two Semesters or Less	40%	40%
Percentage of Community and Technical College Students Completing TASP-required Developmental Education Within Two Semesters or Less	20%	20%
Dollars Appropriated for Developmental Education	85,540,000	85,540,000
Percentage of University Students Graduating Within Six Years	52%	52%
Percentage of Students Enrolled in Colleges Who Are African-American or Hispanic	37.5%	37.6%
Percentage of Anglo High School Graduates Who Are Enrolled in a Texas Public College or University	60%	61%
Percentage of African-American High School Graduates Who Are Enrolled in a Texas Public College or University	54%	54%
Percentage of Hispanic High School Graduates Who Are Enrolled in a Texas Public College or University	54%	54%
Percentage of Other High School Graduates Who Are Enrolled in a Texas Public College or University	75%	75%
A.1.2. Strategy: HINSON-HAZLEWOOD LOAN PROGRAM	$ 4,696,129	$ 4,696,129
Administer the Hinson-Hazlewood College Student Loan Program.		
Output (Volume):		
Number of Students Receiving Loans	7,418	7,529
Dollar Amount of Outstanding Loans (In Thousands)	632,500	632,500
Efficiencies:		
Default Rate on Hinson-Hazlewood Loans	7.9%	7.9%

*Modified by Governor's Veto Proclamation.

A.2.1. Strategy: CLOSE THE GAPS IN EXCELLENCE	$	1,447,469	$	1,447,469
Close the gaps in excellence by coordinating and evaluating university programs, community and technical college programs, and health programs.				
Output (Volume):				
Number of Proprietary School and Community and Technical College Programs Reviewed		1,000		1,000
A.2.2. Strategy: CLOSE THE GAPS IN RESEARCH	$	325,507	$	325,507
Close the gaps in research by administering and evaluating research programs.				
Output (Volume):				
Dollar Value of Federal Funding for Science and Engineering at Texas Universities and Health-related Institutions Relative to 1998		1,124,540,412		1,151,305,118
Dollars of Additional Funding Received as a Result of Advanced Technology Program or Advanced Research Program Funding (In Thousands)		0		160,000
A.3.1. Strategy: CLOSE GAPS - PLANNING/INFORMATION	$	1,735,522	$	1,735,522
Close the higher education gaps by providing planning and information services.				
Output (Volume):				
Number of Studies on Higher Education Conducted		25		25
Total, Goal A: CLOSE THE GAPS IN HIGHER EDUCATION	$	12,401,542	$	12,201,542
B. Goal: CLOSE THE GAPS - AFFORDABILITY				
Close the gaps in participation and success by providing trusteed funds to institutions and students through special programs designed to improve the affordability of higher education.				
Outcome (Results/Impact):				
Number of Students Attending Independent Colleges and Universities as a Percentage of Total Enrollment		10%		10%
B.1.1. Strategy: TUITION EQUALIZATION GRANT PROGRAM	$	70,683,556	$	70,683,556
Tuition Equalization Grants (TEG) Program.				
Output (Volume):				
Number of Students Receiving TEG Awards		20,894		20,894
Average TEG Award		2,500		2,500
Retention Rate of TEG Recipients after One Academic Year		60%		60%
Percentage of TEG Recipients Who Earn a Baccalaureate Degree Within Six Academic Years		50%		50%
Percentage of TEG Recipients Who Are Minority Students		39%		39%
B.1.2. Strategy: TEXAS COLLEGE WORK STUDY PROGRAM	$	4,420,097	$	4,420,097
Output (Volume):				
Number of Students Employed		7,475		7,475
B.1.3. Strategy: PUBLIC STUDENT INCENTIVE GRANT PGM	$	1,433,414	$	1,433,414
Public Student Incentive Grant Program.				
B.1.4. Strategy: COLLEGE READINESS ASSESSMENT	$	64,168	$	64,168
College Readiness Assessment Fee Waiver Program.				
B.1.5. Strategy: LICENSE PLATE SCHOLARSHIPS	$	66,000	$	66,000
License Plate Scholarships Program.				
B.1.6. Strategy: STATE MILITARY TUITION ASSISTANCE	$	1,000,000	$	1,000,000
State military tuition payment assistance.				
B.1.7. Strategy: FIFTH-YEAR ACCOUNTING STUDENTS	$	535,000	$	535,000
Fifth-year accounting students program.				
B.1.8. Strategy: EARLY HS GRADUATION PROGRAM	$	2,300,000	$	2,300,000
Early High School Graduation Scholarship Program.				

B.1.9. Strategy: TANF SCHOLARSHIP PROGRAM	$	225,000	$	225,000
Temporary Assistance for Needy Families Scholarship Program.				
B.1.10. Strategy: CERTIFIED EDUCATIONAL AIDE PROGRAM	$	3,000,000	$	3,000,000
B.1.11. Strategy: TEXAS GRANT PROGRAM	$	162,180,000	$	162,180,000
Toward EXcellence, Access, and Success (TEXAS) Grant Program.				
Output (Volume):				
Number of Students Receiving TEXAS Grants		70,950		70,950
Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Universities		66.3%		66.3%
Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Community and Junior Colleges		63.9%		63.9%
Retention Rate of TEXAS Grant Recipients after One Academic Year - Public Technical Colleges		92.3%		92.3%
Percentage of TEXAS Grant Recipients Who Earn a Baccalaureate Degree Within Six Academic Years		60%		60%
Percentage of TEXAS Grant-eligible High School Graduates Who Receive a TEXAS Grant upon Enrollment in a Higher Education Institution		19.2%		19.2%
B.1.12. Strategy: TEACH FOR TEXAS CONDITIONAL GRANTS	$	5,000,000	$	5,000,000
Teach for Texas Conditional Grant Program.				
Output (Volume):				
Number of Students Receiving Teach for Texas Conditional Grants		985		985
B.1.13. Strategy: CHILD-CARE WORKER LOAN REPAY	$	20,000	$	16,000
Early childhood child-care worker student loan repayment program.				
B.1.14. Strategy: BORDER FACULTY LOAN REPAYMENT PGM	$	218,750	$	218,750
Border Faculty Loan Repayment Program.				
B.1.15. Strategy: TEXAS GRANT II PROGRAM	$	4,855,000	$	4,855,000
Toward EXcellence, Access, and Success (TEXAS) Grant II Program.				
Total, Goal B: CLOSE THE GAPS - AFFORDABILITY	$	256,000,985	$	255,996,985
C. Goal: CLOSE THE GAPS - RESEARCH				
Close the gaps in research by providing trusteed funds to institutions and students through special programs designed to enhance and facilitate research at Texas institutions.				
* **C.1.1. Strategy:** ADVANCED RESEARCH PROGRAM	$	9,500,000	$	UB
Output (Volume):				
Number of ARP Research Projects Funded		131		0
C.1.2. Strategy: ADVANCED TECHNOLOGY PROGRAM	$	19,500,000	$	UB
Output (Volume):				
Number of ATP Research Projects Funded		187		0
Total, Goal C: CLOSE THE GAPS - RESEARCH	$	29,000,000	$	UB
D. Goal: CLOSE THE GAPS - HEALTH PROGRAMS				
Close the gaps in Texas by providing trusteed funds to institutions and students through special programs designed to improve health care related to education.				
Outcome (Results/Impact):				
Percentage of Baylor College of Medicine Graduates Entering Texas Residency Programs		55%		55%
Percentage of Baylor College of Medicine Graduates Entering Primary Care Residency Programs		55%		55%
Percentage of Baylor College of Medicine Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt		99%		99%

*Strategy eliminated by Governor's Veto Proclamation.

Percentage of Family Practice Residency Program Completers Practicing in Medically Underserved Areas or Health Professional Shortage Areas		6.2%		6.2%
Percentage of Family Practice Residency Program Completers Practicing in Texas		86%		86%
D.1.1. Strategy: BAYLOR COLLEGE OF MEDICINE	$	35,923,070	$	35,923,070
Output (Volume):				
Average Amount per BCOM Student		63,244		63,244
D.1.2. Strategy: FAMILY PRACTICE RESIDENCY PROGRAM	$	9,215,722	$	9,215,722
Output (Volume):				
Number of FPRP Residents Supported		690		690
Average Funding per FPRP Resident		12,703		12,703
D.1.3. Strategy: PRECEPTORSHIP PROGRAM	$	500,000	$	500,000
Output (Volume):				
Number of Medical Students Participating in the Internal Medicine Statewide Preceptorship Program		95		97
Number of Medical Students Participating in the Pediatric Statewide Preceptorship Program		92		95
D.1.4. Strategy: PRIMARY CARE RESIDENCY PROGRAM	$	2,633,399	$	2,633,400
D.1.5. Strategy: GRADUATE MEDICAL EDUCATION	$	1,919,101	$	1,919,102
Graduate Medical Education Program.				
* **D.1.6. Strategy:** CHIROPRACTIC COLLEGES	$	250,000	$	250,000
Chiropractic Colleges Program.				
D.1.7. Strategy: JOINT ADMISSION MEDICAL PROGRAM	$	3,500,000	$	UB
D.1.8. Strategy: PHYSICIAN'S EDUCATION LOAN PROGRAM	$	767,902	$	767,902
Physician's Education Loan Repayment Program.				
D.1.9. Strategy: PROFESSIONAL NURSING AID	$	263,831	$	263,830
Financial aid for professional nursing students.				
D.1.10. Strategy: VOCATIONAL NURSING AID	$	50,463	$	50,463
Financial aid for licensed vocational nursing students.				
D.1.11. Strategy: DENTIST'S EDUCATION LOAN PROGRAM	$	117,747	$	117,747
Dentist's Education Loan Repayment Program.				
Total, Goal D: CLOSE THE GAPS - HEALTH PROGRAMS	$	55,141,235	$	51,641,236
E. Goal: CLOSE GAPS - QUALITY/PARTICIPATION				
Close the gaps in Texas higher education by providing trusteed funds to institutions through special programs designed to improve the quality and delivery of instruction and also increase the participation and success of Texans.				
Outcome (Results/Impact):				
Pass Rate of Education EXCET Exam at Centers for Teacher Education		70%		70%
E.1.1. Strategy: STARLINK	$	637,215	$	637,215
E.1.2. Strategy: TEACHER EDUCATION	$	3,017,202	$	3,017,203
Centers for Teacher Education (Texas Association of Developing Colleges).				
Output (Volume):				
Number of Students Enrolled in TADC Educator Preparation Programs		173		181
Number of Graduates of TADC Educator Preparation Programs		75		81
E.1.3. Strategy: TWO-YEAR ENROLLMENT GROWTH	$	9,000,000	$	9,000,000
Two-year Institution Enrollment Growth.				
E.1.4. Strategy: GENERAL ACADEMIC ENROLLMENT GROWTH	$	2,000,000	$	2,000,000
E.1.5. Strategy: AFRICAN AMERICAN MUSEUM INTERNSHIP	$	43,750	$	43,750
African American Museum Professional Internship.				

*Modified by Governor's Veto Proclamation.

E.1.6. Strategy: TECHNOLOGY WORKFORCE DEVELOPMENT	$	8,197,916	$	8,197,916
Total, Goal E: CLOSE GAPS - QUALITY/PARTICIPATION	$	22,896,083	$	22,896,084
F. Goal: FEDERAL GRANT PROGRAMS				
Close the gaps in participation and success by providing federal funds to institutions and students to improve higher education in Texas.				
F.1.1. Strategy: STUDENT FINANCIAL AID	$	6,203,617	$	6,203,617
Student financial assistance programs.				
F.1.2. Strategy: TECHNICAL/VOCATIONAL PROGRAMS	$	45,744,613	$	45,744,613
Technical-vocational education programs.				
F.1.3. Strategy: TEACHER QUALITY GRANTS PROGRAMS	$	4,280,785	$	4,280,785
Total, Goal F: FEDERAL GRANT PROGRAMS	$	56,229,015	$	56,229,015
G. Goal: TOBACCO FUNDS				
Close the gaps in Texas higher education by providing tobacco settlement receipts to institutions through special programs.				
G.1.1. Strategy: EARNINGS - MINORITY HEALTH	$	1,125,000	$	1,125,000
Tobacco earnings from the Permanent Fund for Minority Health Research and Education.				
G.1.2. Strategy: EARNINGS - NURSING/ALLIED HEALTH	$	2,025,000	$	2,025,000
Tobacco earnings from the Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-related programs.				
G.2.1. Strategy: EARNINGS - HECB FOR BAYLOR COLL MED	$	1,125,000	$	1,125,000
Tobacco earnings - HECB for Baylor College of Medicine.				
Total, Goal G: TOBACCO FUNDS	$	4,275,000	$	4,275,000
H. Goal: INDIRECT ADMINISTRATION				
H.1.1. Strategy: CENTRAL ADMINISTRATION	$	2,114,108	$	2,114,108
H.1.2. Strategy: INFORMATION RESOURCES	$	4,863,992	$	4,863,993
H.1.3. Strategy: OTHER SUPPORT SERVICES	$	2,054,437	$	2,054,437
Total, Goal H: INDIRECT ADMINISTRATION	$	9,032,537	$	9,032,538
Grand Total, HIGHER EDUCATION COORDINATING BOARD	$	444,976,397	$	412,272,400
Method of Financing:				
General Revenue Fund	$	357,703,339	$	325,203,341
Earned Federal Funds, estimated		867,894		867,895
Subtotal, General Revenue Fund	$	358,571,233	$	326,071,236
General Revenue Fund - Dedicated				
Telecommunications Infrastructure Fund No. 345		329,750		329,750
Texas Collegiate License Plate Program Account No. 5015, estimated		50,000		50,000
Houston Livestock Show and Rodeo Scholarships Fund Account No. 5034, estimated		6,000		6,000
Girl Scout License Plates, estimated		10,000		10,000

Technology Workforce Development Account No. 5079, estimated		4,176,958		4,176,958
Scholarship Fund for Fifth Year Accounting Students Account No. 106, estimated		585,000		585,000
Medical School Tuition Set Aside Account No. 542, estimated		550,000		550,000
Subtotal, General Revenue Fund - Dedicated	$	5,707,708	$	5,707,708
Federal Funds		56,229,015		56,229,015
Other Funds				
Appropriated Receipts, estimated		4,218,958		4,218,958
Certificate of Authority Fees, estimated		18,000		18,000
Interagency Contracts		220,000		16,000
Permanent Endowment Fund for the Baylor College of Medicine, estimated		1,125,000		1,125,000
Permanent Fund for the Higher Education Nursing, Allied Health and Other Health Related Programs, estimated		2,025,000		2,025,000
Permanent Fund for Minority Health Research and Education, estimated		1,125,000		1,125,000
Certification and Proprietary School Fees, estimated		137,987		137,987
Interagency Contracts - Transfer from Foundation School Fund No. 193, estimated		5,525,000		5,525,000
Student Loan Funds, estimated		10,013,496		10,013,496
Tax Reimbursement Grants, estimated		60,000		60,000
Subtotal, Other Funds	$	24,468,441	$	24,264,441
Total, Method of Financing	$	444,976,397	$	412,272,400
Number of Full-Time-Equivalent Positions (FTE):		276.5		276.5
Schedule of Exempt Positions:				
Commissioner of Higher Education		$150,000		$150,000
Supplemental Appropriations Made in Riders:	$	11,319,205	$	21,919,325
Object-of-Expense Informational Listing:				
Salaries and Wages	$	12,954,603	$	12,954,604
Other Personnel Costs		277,801		277,801
Operating Costs		7,511,537		7,311,537
Client Services		91,551,752		91,410,447
Grants		341,634,497		319,871,924
Capital Expenditures		2,365,412		2,365,412
Total, Object-of-Expense Informational Listing	$	456,295,602	$	434,191,725

1. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2004	2005
a. Acquisition of Information Resource Technologies		
(1) PC Hardware Replacement Program and Upgrades	$ 159,854	$ 159,854
(2) Telecommunications Hardware Acquisitions and Upgrades	78,750	78,750
(3) Software Licensing Purchases and Upgrades	43,750	43,750
(4) Information Access Initiative Hardware/Software	65,625	65,625
(5) Student Loan Information System Server Migration Project	$ 1,480,487	$ 1,533,557
Total, Acquisition of Information Resource Technologies	$ 1,828,466	$ 1,881,536
Total, Capital Budget	$ 1,828,466	$ 1,881,536
Method of Financing (Capital Budget):		
General Revenue Fund	$ 282,354	$ 282,354
Other Funds	1,480,487	1,533,557
GR Dedicated - Telecommunications Infrastructure Fund No. 345	65,625	65,625
Total, Method of Financing	$ 1,828,466	$ 1,881,536

2. **Commissioner's Salary.** The Coordinating Board is hereby authorized to utilize $77,851 per year from general revenue funds appropriated to Goal H, in 2004 and 2005 and any earned funds for the purpose of funding the salary of the Commissioner of Higher Education at a rate NTE $150,000 per year in 2004 and 2005.

3. **Use of Excess Registration Fees Authorization.** Any registration fee collected by the Coordinating Board to pay the expenses of a conference, seminar or meeting in excess of the actual costs of such conference, seminar or meeting may be used to pay the expenses of any other conference, seminar or meeting for which no registration fees were collected or for which registration fees collected were insufficient to cover the total expenses.

4. **Student Loan Program.** All moneys in the Texas Opportunity Plan Fund and the Texas College Student Loan Bonds Interest and Sinking Fund, the Student Loan Auxiliary Fund, and the Student Loan Revenue Fund are hereby appropriated to the Texas Higher Education Coordinating Board, for the purposes specified in Article III, §§ 50b and 50b-1, 50b-2, 50b-3, 50b-4 and 50b-5 of the Texas Constitution and Education Code §§ 52.01-52.90 and 56.121-56.135.

5. **Texas Public Educational Grants Program.** Unless a different percentage is set by passage of legislation amending the Texas Education Code, it is the intent of the Legislature that the amount of tuition to be set aside for the Texas Public Educational Grants Program shall be 15 percent in fiscal years 2004 and 2005.

6. **Physician's Education Loan Repayment Program.** The funds provided to Strategy D.1.8, Physician's Education Loan Repayment Program, are appropriated in accordance with Education Code §§ 61.531 - 61.539 for repayment of eligible student loans received by a physician who meets the stipulated requirements.

7. **Baylor College of Medicine.** From funds appropriated by this Act for the Baylor College of Medicine, the Coordinating Board shall allocate an amount per student enrolled in the college equal to the cost of medical education in the established public medical schools cited in Subchapter D, Chapter 61, Education Code. The cost of medical education per student at public medical schools as determined by the Coordinating Board shall include General Revenue appropriations for instruction and operations, infrastructure, and staff benefits allocated to undergraduate medical education.

8. **Texas Academic Skills Program.**

   a. Developmental Education Programs. Funds appropriated for developmental programs under Education Code § 51.306, shall be expended only for those costs associated with the operation of the developmental education program including instruction, tutorial, peer counseling, evaluation, retraining of faculty, and related costs for administration of the program. The funds shall not be used for the recruitment of students.

   b. TASP Test Fee Waivers. Funds appropriated for Strategy B.1.4, College Readiness Assessment Fee Waiver Program, shall be expended by the Coordinating Board for providing test fee waivers for needy students.

   c. Intent Concerning Developmental Needs. It is the intent of the Legislature that all affected institutions of public higher education fully address developmental needs identified by the Texas Academic Skills Program with appropriations made in this Act for the Developmental Education Program and other institutional funds available.

9. **Residency Eligibility.** It is legislative intent that any student who is eligible for Texas resident tuition at a tax-supported institution is eligible for the Tuition Equalization Grants Program, provided all other requirements established by the Coordinating Board have been met by that student. None of the funds appropriated in this Act to the Coordinating Board for Tuition Equalization Grants may be expended for grants to non-resident students attending independent colleges or universities in Texas except for grants to National Merit Finalists.

10. **Research Programs.** The appropriations made by this Act for the Advanced Research Program and the Advanced technology Program shall be distributed in accordance with the provisions of Education Code, Chapters 142 and 143. However, no more than 70 percent of the funds allocated for each program shall be designated for The University of Texas and the Texas A&M University Systems in the 2004-05 biennium. Institutions receiving transfers of funds under these programs shall report to the Coordinating Board in accordance with the provisions of Education Code § 142.005 and § 143.006. Similarly, the Coordinating Board shall report to the Governor and the Legislative Budget Board. Funds allocated for both research programs are exempt from Texas Building and Procurement Commission rules and regulations.

11. **TEG Need Survey and Reporting Requirements.** The Coordinating Board shall present the result of its most recent annual need survey for Tuition Equalization Grant (TEG) funds as part of its biennial appropriations request to the Legislative Budget Board and the Governor. The request shall include the number of eligible students and an estimate of the amount needed to fund fully the TEG program in the coming biennium. The Coordinating Board shall update this projection to include the most recent fall semester data prior to the convening of each regular session of the Legislature and shall provide this information to the Legislative Budget Board staff prior to Legislative Budget Board deliberations on the TEG appropriation. Each institution receiving tuition equalization grants shall furnish to the Coordinating Board any financial information requested.

12. **Annual Financial Aid Report.** The Coordinating Board shall present an annual report concerning student financial aid at Texas public and independent institutions of higher education. This report shall be provided to the Legislative Budget Board by August 1 of each calendar year.

13. **Family Practice Rural and Public Health Rotations.** Funds appropriated above for Family Practice Residency Programs, include up to $363,000 in 2004 and $363,000 in 2005 for one month rural rotation or one month public health rotation for family practice residents in accordance with the provision of Education Code § 51.918.

14. **Internal Auditor Required.** From funds appropriated above in Goal H, the Coordinating Board shall employ at least one full-time internal auditor.

15. **Dramatic Enrollment Growth Funding for Two Year Institutions.** Funds appropriated above in Strategy E.1.3, Two-Year Institution Enrollment Growth, are to be used only to assist Public Community/Junior Colleges, Texas State Technical College components, and Lamar State Colleges that experience dramatic rates of growth in contact hours during the 2004-05 biennium. Funds appropriated under this section shall be allocated according to a formula developed by the Texas Higher Education Coordinating Board based on the following criteria:

    a. Under this section, a RN professional nursing program is considered a separate institution for purposes of eligibility for rapid growth funding. For fiscal year 2004, funding shall be provided for growth in contact hours in RN professional nursing courses greater than 8 percent between Fall 2002 and Fall 2003 semesters. For fiscal year 2005, funding shall be provided for growth in contact hours in RN professional nursing courses greater than 15 percent between Fall 2002 and Fall 2004 semesters.

    b. Of the amounts appropriated in Strategy E.1.3., the Coordinating Board shall set aside $8,189,906 in each year to fund district wide growth in community colleges with new campuses as follows: $4 million for North Harris Montgomery Community College; $783,500 for Laredo Community College; $3,189,906 for Houston Community College; and $216,500 for Cisco Junior College. In fiscal year 2004, colleges benefitting from this set aside could receive funding based on any level of district wide growth in contact hours between Fall 2002 and Fall 2003. In fiscal year 2005, funding would be based on any level of district wide growth in contact hours between Fall 2003 and Fall 2004. These colleges would not be eligible for remaining funds appropriated in Strategy E.1.3.

    c. For fiscal year 2004, funding shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses of greater than 15 percent between Fall 2002 and Fall 2003 semesters. Funding shall be provided only for contact hour growth greater than 15 percent. For fiscal year 2005, funding shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses of greater than 30 percent between Fall 2002 and Fall 2004 semesters. Funding shall be provided only for contact hour growth greater than 30 percent.

    d. If funds are available after funding subsection (a), in fiscal year 2004, funding shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses of greater than 8 percent between Fall 2002 and Fall 2003 semesters and are not included under subsection (a). For fiscal year 2005, funding shall be provided for growth in contact hours at community college districts, TSTC components, or Lamar State Colleges which experience an increase in total contact hours in semester length courses of greater than 16 percent between Fall 2002 and Fall 2004 semesters and are not included

under subsection (a). For funds allocated under this subsection, the Texas Higher Education Coordinating Board shall deduct the first 8 percent of contact hour growth for each eligible two-year community college district, TSTC component, or Lamar State College.

e. Public Community/Junior Colleges, Texas State Technical Colleges components and Lamar State Colleges receiving funds for dramatic enrollment growth under subsections (a) or (b) are encouraged to expend those funds on dramatic enrollment growth in RN professional nursing courses in the same proportion that those courses generated dramatic enrollment growth funding.

16. **Minority Doctoral Incentive Program.** Out of funds appropriated to the Minority Doctoral Incentive Program in Senate Bill 1, Seventy-seventh Legislature, for the biennium ending August 31, 2003, $137,304 is hereby appropriated for the biennium ending August 31, 2005.

17. **Earned Federal Funds.** All unexpended balances of Earned Federal Funds remaining as of August 31, 2003, are appropriated above for the same purposes for use during the biennium beginning September 1, 2004. Any balances on hand at the end of fiscal year 2004 may be carried over to fiscal year 2005 and such funds are appropriated for fiscal year 2005. The authority to receive and expend earned federal fund balances in excess of those appropriated above is subject to the following limitation:

    At least 14 days prior to any use of any earned federal funds the Coordinating Board shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board and the Governor.

18. **Graduate Medical Education.** Funds appropriated above in Strategy D.1.5, Graduate Medical Education Program, are for the purpose of supporting the educational costs of primary care graduate medical education programs. Each entity incurring the costs of faculty responsible for instruction or supervision of resident physicians in such accredited programs may receive funds in an amount not to exceed $12,500 in each fiscal year for each filled residency position. For the purposes of this rider, primary care shall include family practice, obstetrics/gynecology, general internal medicine, and general pediatrics. The first $1,919,101 in appropriated funds in any fiscal year shall be expended for eligible primary care residency positions. Appropriated funds in excess of $1,919,101 in any fiscal year shall be expended for each residency position filled by a graduate of a school of medicine or osteopathy accredited by the Liaison Committee on Medical Education or the American Osteopathic Association such that a primary care position shall receive 1.2 times the amount received by any other residency position. The Higher Education Coordinating Board shall promulgate rules for the equitable distribution of these funds.

19. **Teacher Education Centers.** Funds appropriated above in Strategy E.1.2, Centers for Teacher Education Program, are to be used for the purpose of supporting centers for teacher education at private, independent, general academic institutions that are component institutions of the Texas Association of Developing Colleges. Consideration shall be given to teacher education centers at Jarvis Christian College in Hawkins, Paul Quinn College in Dallas, Texas College in Tyler, Huston-Tillotson College in Austin, and Wiley College in Marshall. These funds may be used to enhance library resources and computer, mathematics and science laboratories. The board may require periodic submission of data and reports as the board considers necessary to assess the overall performance of the centers. The board may obtain the services of a program planner to facilitate and coordinate the process of curriculum development and program redesign to improve teacher preparation at the participating institutions.

The Teacher Education Centers have formed a Distance Learning Consortium that is coordinated by Huston-Tillotson College. It is the intent of the Legislature that funds appropriated above in Strategy E.1.2, Centers for Teacher Education, from the Telecommunications Infrastructure Fund No. 345, shall be used to upgrade distance learning through Huston-Tillotson College.

20. **Cost Recovery for the Common Application Form.** The Texas Higher Education Coordinating Board is hereby authorized to collect funds from each general academic institution to recover costs related to the electronic common application form. The amount collected from each institution shall be proportional to the number of applications received. The funds collected shall only recover direct costs and only be used for the purposes of the electronic common application form.

21. **Retention of Economically Disadvantaged Students.** The Higher Education Coordinating Board shall include in the annual performance report the percentage of economically disadvantaged freshmen retained at public institutions of higher education as defined by the Legislative Budget Board and the Governor in consultation with the State Auditor's Office.

22. **Disparity Study for Institutions of Higher Education.** The disparity study conducted by the Comptroller of Public Accounts pursuant to General Appropriations Act, § 16, page I-24, Seventy-fifth Legislature, to determine whether past acts of discrimination by institutions of higher education have created any present effects of such past discrimination may be continued by the Texas Higher Education Coordinating Board. The Coordinating Board may maintain and update as necessary the database developed for the disparity study. The Texas Education Agency and each institution of higher education receiving appropriations may cooperate with the Coordinating Board to continue the disparity study and to provide data to maintain and update the database. The Coordinating Board, the Texas Education Agency, and each institution of higher education that participates in the study shall comply with all applicable state and federal laws governing the confidentiality and privacy of the data used in the study.

23. **Information Access Initiative.** The Higher Education Coordinating Board shall coordinate with the Texas Education Agency and the State Board for Educator Certification regarding sharing, integrating, and housing pre-kindergarten through grade 16 (P-16) public education data in implementing its Information Access Initiative. The three agencies shall work together to ensure that common and related data held by each agency is maintained in standardized, compatible formats to enable the efficient exchange of information between agencies and for matching of individual student records for longitudinally based studies and analysis. It is the intent of the Legislature that individual initiatives interact seamlessly across agency systems to facilitate efforts to integrate the relevant data from each agency into a longitudinal public education data resource to provide a widely accessible P-16 public education data warehouse.

24. **Enrollment Growth Funding for General Academic Institutions.** Funds appropriated above in Strategy E.1.4, General Academic Institution Enrollment Growth, are to be used only to assist public general academic institutions which experience dramatic rates of growth in weighted semester credit hours during the 2004–05 biennium. Funds appropriated under this section shall be allocated according to a formula developed by the Texas Higher Education Coordinating Board based on the following criteria:

    a. For fiscal year 2004, funding shall be provided for institutions which experience an increase in weighted semester credit hours in RN professional nursing courses greater than 3 percent between Fall 2002 and Fall 2003 semesters. For fiscal year 2005, funding shall be provided for growth in weighted semester credit hours in RN professional nursing courses greater than 6 percent between Fall 2002 and Fall 2004 semesters. This subsection should be fully funded prior to providing funding under subsection (b).

b. For fiscal year 2004, funding shall be provided for growth in weighted semester credit hours at institutions which experience an increase in total weighted semester credit hours greater than 3 percent between Fall 2002 and Fall 2003 semesters. Funding shall be provided only for growth in weighted semester credit hours greater than 3 percent. For fiscal year 2005, funding shall be provided for growth in weighted semester credit hours at institutions which experience an increase in total weighted semester credit hours greater than 6 percent between Fall 2002 and Fall 2004. Funding shall be provided only for growth in weighted semester credit hours greater than 6 percent.

* 25. **Chiropractic Colleges.** Out of the funds appropriated above in Strategy D.1.6, Chiropractic Colleges Program, an amount of $125,000 in each year of the biennium shall be contracted to Parker Chiropractic College and an amount of $125,000 each year shall be contracted to Texas Chiropractic College for the purpose of preparation or instruction of Texas resident undergraduate chiropractic students as doctors of chiropractic.

26. **Admission Referral System Pilot Program**. Out of funds appropriated above, the Higher Education Coordinating Board and its Common Application Committee shall design and implement a pilot program for a college admission referral system to be administered at no cost to students. The University of Texas at Austin will assist the Coordinating Board in developing the pilot program by providing the necessary modifications to the Common Application System. The pilot system should be designed to refer and facilitate the admission of students who have been denied admission to the institution of their first choice to other Texas public higher education institutions. In no way should the pilot program interfere with existing provisional admission programs already in place at higher education institutions. Participation by institutions in the pilot program shall be on a voluntary basis. The pilot program began operation with the Fall 2002 semester.

The Coordinating Board, in conjunction with the institutions participating in the pilot program, shall produce a report evaluating the pilot program no later than November 1, 2003 and November 1, 2004.

27. **Toward Excellence, Access, and Success (TEXAS) Grant Program.** Out of the funds appropriated above in Strategy B.1.11, Toward Excellence, Access, and Success (TEXAS) Grant Program, and funds transferred into the TEXAS Grant Program, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

28. **Toward Excellence, Access, and Success (TEXAS) Grant II Program.** Out of the funds appropriated above in Strategy B.1.15, Toward Excellence, Access, and Success (TEXAS) Grant II Program, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

29. **Higher Education Assistance Pilot Program**. Out of funds appropriated above, the Higher Education Coordinating Board shall administer and coordinate the Higher Education Enrollment Assistance Pilot Program to:

a. Provide prospective students in high schools with college-going rates in the lowest 10 percent of all public high schools with information related to enrollment in public or private or independent institutions of higher education, including admissions and financial aid information; and

b. Assist prospective students in these sites with completing applications related to enrollment in higher education institutions, including admissions and financial aid applications.

*Modified by Governor's Veto Proclamation.

The Coordinating Board shall provide the information and assistance required and it shall select an institution of higher education or other entity to provide the information and assistance required at each site. The Coordinating Board may contract with the institution to host enrollment events.

30. **Teach for Texas Conditional Grant Program.**
    a. Of the funds appropriated above in Strategy B.1.12, Teach for Texas Conditional Grant Program, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

    b. Any payments received from students are hereby appropriated for the same purposes as the original Teach for Texas Conditional Grant Program.

* 31. **Border Faculty Loan Repayment Program.** The Higher Education Coordinating Board may allocate additional funds from Strategy B.1.11, TEXAS Grant Program, to the Border Faculty Loan Repayment Program, and any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

32. **Dentists Education Loan Repayment Program.** The funds provided to Strategy D.1.11, Dentist's Education Loan Repayment Program, are appropriated in accordance with Education Code, §§ 61.901 - 61.910, for repayment of eligible student loans received by a dentist who meets the stipulated requirements.

33. **P-16 Council.** It is the intent of the Legislature that the Higher Education Coordinating Board, the Texas Education Agency, and the State Board for Educator Certification continue the activities and operation of the P-16 Council.

34. **Graduation and Persistence Rates.** The Coordinating Board shall report graduation and persistence rates, for each public general academic institution, to the Governor and Legislature no later than September 1, 2004. For each institution, the report shall include:

    a. Six-year graduation rate (same institution) - percent of students who earned a baccalaureate or higher degree at a public general academic higher education institution within six years of becoming a full-time student at that institution.

    b. Six-year graduation rate (another institution) - percent of students who earned a baccalaureate or higher degree at a public general academic higher education institution within six years of becoming a full-time student at another public higher education institution.

    c. Six-year persistence rate (same institution) - percent of students who have not earned a baccalaureate or higher degree, but are still enrolled in the same Texas public general academic higher education institution six years after becoming a full-time student at that institution.

    d. Six-year persistence rate (another institution) - percent of students who have not earned a baccalaureate or higher degree, but are still enrolled in a Texas public general academic higher education institution six years after becoming a full-time student at another Texas public higher education institution.

    e. Composite graduation and persistence rate - Sum of the graduation and persistence rates in subsections (a) through (d) above.

*Modified by Governor's Veto Proclamation.

35. **Strategic Plan for Teacher Certification.** Out of funds appropriated above, the Higher Education Coordinating Board shall develop and implement a strategic plan to increase the number of certified teachers in the state to diminish the shortage of certified teachers in the classrooms. The Coordinating Board shall collaborate with the Texas Education Agency, the State Board for Educator Certification, the Texas Workforce Commission, the Governor, and the Legislature in development and implementation of the strategic plan.

    In order to facilitate implementation of the strategic plan for teacher certification, the Coordinating Board shall work with the Texas Education Agency, the State Board for Educator Certification, school districts, and professional educator associations to maintain a teacher certification web page. The web page shall convey information on traditional and alternative certification programs and related employment opportunities in such a format that resources are linked and data is easily accessible and navigable to those interested in pursuing a career in teaching.

36. **Financial Aid Maximum for Students Attending Independent Colleges and Universities.** The total amount of financial aid a student is eligible to receive from a TEXAS Grant and the Tuition Equalization Grant is limited to the maximum amount as determined by law.

    It is the intent of the Legislature that the state shall give priority in TEXAS Grant funding to students with the greatest financial need who attend public colleges and universities.

37. **Diversity at Independent Colleges and Universities Which Receive TEG.** Independent colleges and universities which enroll students receiving Tuition Equalization Grant funds appropriated by this Act shall provide annual reports to the Higher Education Coordinating Board regarding the diversity of their student body, faculty, executive committee, and governing boards. These reports shall be submitted by October 1 of each year.

38. **Sunset Contingency.** Funds appropriated above for fiscal year 2005 for the Higher Education Coordinating Board are made contingent on the continuation of the Higher Education Coordinating Board by the Seventy-eighth Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2004 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.

39. **STARLINK/Virtual College.** General Revenue funds appropriated above in Strategy E.1.1, Starlink, are for the purpose of supporting the STARLINK communications network and The Virtual College of Texas. The Higher Education Coordinating Board may contract with an institution of higher education to provide for the STARLINK communications network. The Board shall expend up to $500,000 in each fiscal year of the biennium to enhance the Virtual College of Texas. Any unexpended balances on hand at the end of fiscal year 2004 are appropriated for the same purpose in fiscal year 2005.

40. **Fifth-Year Accounting Students Scholarship Program.** The funds provided to Strategy B.1.7, Fifth-Year Accounting Students Program, are appropriated in accordance with Education Code §§ 61.751 - 61.760 to provide scholarships to eligible fifth-year accounting students.

41. **Tobacco Funds – Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above to the Texas Higher Education Coordinating Board are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Baylor College of Medicine.

    a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference.

b. All balances of estimated appropriations from the Permanent Endowment Fund for the Baylor College of Medicine and all balances from the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated for the same purposes for fiscal year 2005.

42. **Tobacco Funds - Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above to the Texas Higher Education Coordinating Board are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Fund for Minority Health Research and Education and the Permanent Fund for Nursing, Allied Health and Other Health Related Programs.

    a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

    b. All balances of estimated appropriations from the Permanent Fund for Minority Health Research and Education and the Permanent Fund for Nursing, Allied Health and Other Health Related Programs, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated for the same purposes for fiscal year 2005.

43. **Technology Workforce Development.** General revenue dedicated funds appropriated above in Strategy E.1.6, Technology Workforce Development are contingent upon a finding of fact by the Comptroller of Public Accounts that revenue is available from the General Revenue Dedicated Account No 5079, Technology Workforce Development and are appropriated in accordance with Education Code § § 51.831 - 51.840. Unexpended balances from funds appropriated to the Technology Workforce Development Grants Program in Senate Bill 1, Seventy-seventh Legislature, for the 2002-03 biennium may be used as a portion of the above amount and are hereby appropriated for the same purposes for the 2004-05 biennium. Of the funds appropriated herein, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

44. **Reporting by Texas Higher Education Coordinating Board.** It is the intent of the Legislature that the Texas Higher Education Coordinating Board include in its Legislative Appropriations Request for the 2006-07 biennium, information on actual expenditures and budgeted expenditures for the Baylor College of Medicine, which receives distributions from the Permanent Health Fund for Higher Education and the Permanent Endowment Fund for Baylor College of Medicine.

45. **College for Texans Campaign.** Contingent upon the enactment of Senate Bill 286, or similar legislation relating to the reauthorization of the Higher Education Coordinating Board, by the Seventy-eighth Legislature, Regular Session, the Higher Education Coordinating Board is hereby appropriated any revenues from the College for Texans Campaign, including revenues from the sale of materials or promotional items, for the biennium beginning September 1, 2003. These revenues are estimated to be $200,000 and are included above in Strategy A.1.1, Promote Participation and Success. Of the funds appropriated herein, any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

46. **African American Museum Internship.** Funds appropriated above in Strategy E.1.5, African American Museum Professional Internship, are for the purpose of supporting an internship at the African American Museum in Dallas. The Higher Education Coordinating Board may contract with an institution of higher education to provide for the internship.

47. **Texas College Work Study Program and Toward EXcellence, Access, and Success (TEXAS) Grant Program.** Because of the positive effect of work study programs on student participation and success, funds appropriated above to Strategy B.1.2, Texas College Work Study Program, are intended to maximize the extent to which state funds appropriated for student grants are awarded with criteria requiring a work study component.

* 48. **Contingency for House Bill 1889/Senate Bill 1200 - Texas NextStep Grant Program.** Contingent upon the enactment of House Bill 1889 or Senate Bill 1200, or similar legislation by the Seventy-eighth Legislature, Regular Session, creating the Texas NextStep grant program or other similar program to pay tuition and fees of eligible students enrolled in two-year institutions of higher education, the following provisions shall take effect:

a. The Texas Higher Education Coordinating Board may use $361,136 out of general revenue funds appropriated above for the 2004–05 biennium to administer the Texas NextStep Grant Program.

b. Also contingent upon the enactment of House Bill 1889 or similar legislation, the "Number of Full-time Equivalent Positions" (FTE) figure indicated for the Higher Education Coordinating Board is hereby increased by 2.0 FTEs for fiscal year 2005.

** 49. **Contingency Appropriation for Senate Bill 722: Doctoral Incentive Program.** Contingent upon the enactment of Senate Bill 722, or similar legislation by the Seventy-eighth Legislature, Regular Session, relating to the establishment of a program to provide incentives for certain persons to earn doctorate degrees and enter the faculty and administration of institutions of higher education, the Texas Higher Education Coordinating Board is hereby appropriated $469,692 for fiscal year 2004 and $493,177 for fiscal year 2005 from general revenue fund amounts collected as tuition revenue and set aside in accordance with Senate Bill 722. As of August 31, 2004, any unexpended balances of appropriations made by this rider to the Texas Higher Education Coordinating Board are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2004.

*** 50. **Contingency for Senate Bill 1952 - Review of University System Offices.** Contingent upon the enactment of Senate Bill 1952, or similar legislation by the Seventy-eighth Legislature, Regular Session, out of funds appropriated above, the Coordinating Board shall perform a review of university system offices and prepare a report as directed by November 1, 2004, to be submitted to the Governor, Lieutenant Governor, Speaker of the House, the Legislative Budget Board and the chair of the standing committee of each house of the legislature with primary jurisdiction over higher education.

51. **Contingent Appropriation for Senate Bill 4: Texas B-on-Time Loan Program.** Contingent upon the enactment of Senate Bill 4, or similar legislation by the Seventy-eighth Legislature, Regular Session, establishing the Texas B-on-Time Loan Program, the Higher Education Coordinating Board is hereby appropriated the following amounts for the 2004-05 biennium to administer the loan program as provided in the legislation:

	2004	2005
Method of Finance:		
Other Funds, Student Loan Funds, estimated	$ 750,000	$ 1,500,000

*House Bill 1889 or Senate Bill 1200, regular session, or similar legislation did not pass. **Senate Bill 772, regular session, did not pass. See Senate Bill 286, regular session, for similar legislation. ***Senate Bill 1952, regular session, or similar legislation did not pass.

HIGHER EDUCATION COORDINATING BOARD
(Continued)

General Revenue-Dedicated, Texas B-on-Time Student Loan Account (estimated)	9,962,209	19,926,148
Total	$ 10,712,209	$ 21,426,148

Out of funds appropriated, the board shall make debt service payments on any bonds issued to support the program. Any unexpended balances on hand at the end of fiscal year 2004 are hereby appropriated for the same purposes in fiscal year 2005.

In addition, the "Number of Full-time-Equivalent Positions" (FTE) figure indicted for the Higher Education Coordinating Board is hereby increased by 9.2 in fiscal year 2004 and 9.2 in fiscal year 2005.

The following new strategy and targets should be added to Goal B. Close the Gaps in Affordability, contingent upon enactment of Senate Bill 4 or similar legislation, providing for the creation of the Texas B-on-Time Loan Program at the Higher Education Coordinating Board:

Strategy B.1.16 Texas B-on-Time Loan Program.

	2004	2005
Number of Students Receiving Loans	13,003	24,767

HIGHER EDUCATION FUND

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the General Revenue Fund:		
A. Goal: HIGHER EDUCATION FUND		
A.1.1. Strategy: HIGHER EDUCATION FUND The constitutional appropriation for acquiring land with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair or rehabilitation of buildings or other permanent improvements, and acquisition of capital equipment, library books and library materials at the eligible institutions and agencies of higher education pursuant to the provisions of Article VII, Section 17(a) of the Texas Constitution.	$ 175,000,000	$ 175,000,000
Grand Total, HIGHER EDUCATION FUND	$ 175,000,000	$ 175,000,000
Object-of-Expense Informational Listing:		
Operating Costs	$ 175,000,000	$ 175,000,000
Total, Object-of-Expense Informational Listing	$ 175,000,000	$ 175,000,000

HIGHER EDUCATION FUND
(Continued)

1. **Unexpended Balances.** Any unexpended balances as of August 31, 2003 in the General Revenue Fund pursuant to the provision of Article VII, § 17(a) of the Texas Constitution, are hereby appropriated to the respective institutions for the biennium beginning September 1, 2003 for the same purposes.

TEXAS EXCELLENCE FUND*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the General Revenue Fund:		
A. Goal: TEXAS EXCELLENCE FUND		
A.1.1. Strategy: TEXAS EXCELLENCE FUND The statutory appropriation to promote increased research capacity and to develop institutional excellence at eligible general academic teaching institutions pursuant to Education Code § 62.051.	$ 10,894,765	$ 11,633,294
Grand Total, TEXAS EXCELLENCE FUND	$ 10,894,765	$ 11,633,294
Object-of-Expense Informational Listing:		
Operating Costs	$ 10,894,765	$ 11,633,294
Total, Object-of-Expense Informational Listing	$ 10,894,765	$ 11,633,294

UNIVERSITY RESEARCH FUND*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the General Revenue Fund:		
A. Goal: UNIVERSITY RESEARCH FUND		
A.1.1. Strategy: UNIVERSITY RESEARCH FUND The statutory appropriation to promote increased research capacity and to develop institutional excellence at eligible general academic teaching institutions pursuant to Education Code § 62.071.	$ 10,894,765	$ 11,633,294
Grand Total, UNIVERSITY RESEARCH FUND	$ 10,894,765	$ 11,633,294
Object-of-Expense Informational Listing:		
Operating Costs	$ 10,894,765	$ 11,633,294
Total, Object-of-Expense Informational Listing	$ 10,894,765	$ 11,633,294

*Appropriations eliminated by Governor's veto. See Veto Proclamation.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 7,213,226	$ 7,212,672
Grand Total, THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION	$ 7,213,226	$ 7,212,672
Method of Financing:		
General Revenue Fund	$ 6,313,226	$ 6,312,672
Permanent Endowment Fund Account No. 822, UT Regional Academic Health Center, estimated	900,000	900,000
Total, Method of Financing	$ 7,213,226	$ 7,212,672
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	249.0	249.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$ 838,902	$ 838,901
A.1.2. Strategy: LOWER RIO GRANDE VALLEY-RAHC	$ 3,281,250	$ 3,281,250
Lower Rio Grande Valley-Regional Academic Health Center.		
Total, Goal A: INSTRUCTION/OPERATIONS	$ 4,120,152	$ 4,120,151
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: TUITION REVENUE BONDS	$ 1,580,574	$ 1,580,021
Tuition revenue bonds for Lower Rio Grande Valley-Regional Academic Health Center.		
C. Goal: SPECIAL ITEM SUPPORT		
C.2.1. Strategy: HEALTH CARE PARTNERSHIPS-LAREDO	$ 612,500	$ 612,500
Health Care Partnerships - Laredo campus.		
D. Goal: TOBACCO FUNDS		
D.1.1. Strategy: TOBACCO EARNINGS - RAHC	$ 900,000	$ 900,000
Tobacco earnings for Lower Rio Grande Valley RAHC.		
Grand Total, THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION	$ 7,213,226	$ 7,212,672
Method of Financing:		
General Revenue Fund	$ 6,313,226	$ 6,312,672
Permanent Endowment Fund Account No. 822, UT Regional Academic Health Center, estimated	900,000	900,000
Total, Method of Financing	$ 7,213,226	$ 7,212,672

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION
(Continued)

Object-of-Expense Informational Listing:				
Salaries and Wages	$	838,902	$	838,901
Operating Costs		4,793,750		4,793,750
Debt Service		1,580,574		1,580,021
Total, Object-of-Expense Informational Listing	$	7,213,226	$	7,212,672

2. **Aircraft Authorized.** The University of Texas System is authorized to acquire, operate and maintain, including replacing, one passenger airplane. Such airplane should be acquired by gift, if possible, but may be acquired by purchase subject to the authority of the Aircraft Pooling Board under Government Code, Chapter 2205. All costs of acquisition, operation and maintenance, including replacement, may be paid out of the Available University Fund allocable to The University of Texas System. The University of Texas System is also authorized to lease on a short-term basis additional aircraft as may be needed from time to time.

3. **Appropriation, Governing Board.** Out of funds appropriated above, an amount not to exceed $100,000 in each year of the biennium shall be for all expenses associated with the travel, entertainment, and lodging of the governing board.

   A separate record of the board's expenditures for these purposes shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. None of the funds appropriated above may be used for the travel, entertainment, and lodging expenses of the board except for the specific amount designated above.

4. **Regional Academic Health Center.** The University of Texas System Administration may use funds appropriated above in Strategy A.1.2, Lower Rio Grande Valley-RAHC, and Strategy B.1.1, Tuition Revenue Bonds, to maintain the Lower Rio Grande Valley Regional Academic Health Center. It is the intent of the Legislature that The University of Texas (UT) System distribute these funds in accordance with Texas Education Code 74.611 et seq. and the implementation plan and budget adopted by The UT System Board of Regents. The UT System may distribute these funds equitably among UT component institutions in developing the Regional Academic Health Center, including but not limited to, The University of Texas Health Science Center at Houston and The University of Texas Health Science Center at San Antonio.

5. **Estimated Appropriation and Unexpended Balance.**

   a. Included in the amounts appropriated above are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Lower Rio Grande Valley Regional Academic Health Center.

   b. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

   c. All balances of estimated appropriations from the Permanent Endowment Fund for the Lower Rio Grande Valley Regional Academic Health Center, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated for the same purposes for fiscal year 2005.

6. **Reporting of Teacher Misconduct.** From funds appropriated, the State Board of Educator Certification, the Texas Education Agency, and The University of Texas System shall coordinate to work with school districts to ensure timely and accurate reporting of teacher misconduct as required under Texas Administrative Code, Title 19, Education § 249.14.

AVAILABLE UNIVERSITY FUND

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the Available University Fund No. 011:		
A. Goal: MANAGE/ADMINISTER ENDOWMENT FUNDS Provide management and administrative support for endowment funds.		
A.1.1. Strategy: TEXAS A&M UNIV SYSTEM ALLOCATION The Available University Fund allocable to the Board of Regents of Texas A&M University, is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs, and physical plant operation and maintenance, minority student scholarships and student recruitment, and educational and general activities of the Texas A&M University System pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution. Estimated.	$ 119,185,611	$ 114,028,398
A.1.2. Strategy: THE UNIV OF TEXAS SYSTEM ALLOCATION The residue of the Available University Fund allocable to The University of Texas System, including interest, is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution, and may be expended for permanent improvements, new construction, equipment, repairs and physical plant operation and maintenance, minority students scholarships and student recruitment, and educational and general activities of The University of Texas System Administration, and The University of Texas at Austin pursuant to Article VII, Sections 11(a) and 18 of the Texas Constitution. Estimated.	$ 244,664,335	$ 236,058,253
Total, Goal A: MANAGE/ADMINISTER ENDOWMENT FUNDS	$ 363,849,946	$ 350,086,651
Grand Total, AVAILABLE UNIVERSITY FUND	$ 363,849,946	$ 350,086,651
Object-of-Expense Informational Listing:		
Operating Costs	$ 363,849,946	$ 350,086,651
Total, Object-of-Expense Informational Listing	$ 363,849,946	$ 350,086,651

AVAILABLE UNIVERSITY FUND
(Continued)

1. **Texas A&M University System Share.** There is hereby appropriated to the Texas A&M University System for the biennium ending August 31, 2005, that portion of the Available University Fund apportioned to it by Article VII, § 18(f) of the Texas Constitution, except the part of that portion appropriated by § 18 for the payment of principal and interest on bonds or notes issued thereunder by the Board of Regents of the Texas A&M University System, together with interest and any balance in the Texas A&M University Available Fund for any previous fiscal year. The Texas A&M University System is authorized to use a portion of its share of the Available University Fund for the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions at Texas A&M University and Prairie View A&M University.

2. **The University of Texas System Share.** There is hereby appropriated for the biennium ending August 31, 2005 that portion of the Available University Fund (AUF) apportioned to The University of Texas System by Article VII, § 18(f) of the Texas Constitution, together with interest and any balance in the AUF for any previous years, except that portion appropriated by § 18 for the payment of principal and interest on bonds or notes issued by the Board of Regents of The University of Texas System. This appropriation may be used for new construction, major repairs and rehabilitation, equipment, maintenance, operation, salaries, and support, including the matching of private grants for the endowment of scholarships, fellowships, library support, and academic positions for The University of Texas at Austin and for The University of Texas System Administration and is to be used as the Board of Regents of The University of Texas System may determine.

3. **Transfer Authorization.** The University of Texas System may transfer from the Available University Fund No. 011 into the Texas A&M University Available Fund No. 047 its respective portion.

4. **Reporting.**
   a. The University of Texas System Board of Regents and the Texas A&M University System Board of Regents shall report to the Legislature and the Governor no later than December 1 of each year:

      - the uses of the Available University Fund (AUF) for each system component and for system office operations for the two previous years, the current year, and two future years (projected), including:
      - debt service allocations, by component,
      - bond proceeds allocations, by component, and
      - excellence allocations, by component or system office, and their purposes;
      - Available University Fund income, interest, beginning- and end-of-year balances; and
      - the rationale used by the respective boards to distribute AUF funds.

   b. In addition, by December 1 of each year, authorized managers of permanent funds and endowments whose earnings are appropriated above shall submit an annual financial report which shall include, at a minimum, an income statement and balance sheet and a summary of the investment return of the fund during the preceding fiscal year. The annual financial report shall also contain:

      (1) a summary of all gains, losses and income from investments and an itemized list of all securities held for the fund on August 31;

AVAILABLE UNIVERSITY FUND
(Continued)

(2) any other information needed by the Governor or the Legislative Budget Board to clearly indicate the nature and extent of investments made of the fund and all income realized from the components of the fund.

The annual financial report shall be distributed to the Governor and Legislative Budget Board by December 1 of each year of the biennium.

THE UNIVERSITY OF TEXAS AT ARLINGTON

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 118,359,765	$ 119,683,839
Grand Total, THE UNIVERSITY OF TEXAS AT ARLINGTON	$ 118,359,765	$ 119,683,839
Method of Financing:		
General Revenue Fund	$ 79,827,603	$ 80,015,927
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	3,906,782	3,906,782
Estimated Statutory Tuition Increases Account No. 708	1,332,785	2,665,570
Estimated Other Educational and General Income Account No. 770	33,292,595	33,095,560
Subtotal, General Revenue Fund - Dedicated	$ 38,532,162	$ 39,667,912
Total, Method of Financing	$ 118,359,765	$ 119,683,839
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	2,006.2	2,006.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	34.9%	35%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70.3%	70.3%
Administrative Cost as a Percent of Total Expenditures	9.3%	9.3%
Certification Rate of Teacher Education Graduates	86%	86%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	55.6%	55.6%
Percent of Lower Division Courses Taught by Tenured Faculty	36.3%	36.3%
State Licensure Pass Rate of Engineering Graduates	80%	80%
State Licensure Pass Rate of Nursing Graduates	93%	93.5%
Dollar Value of External or Sponsored Research Funds (in Millions)	16	16
A.1.1. Strategy: OPERATIONS SUPPORT	$ 83,629,923	$ 84,762,836
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,881,233	$ 1,906,718
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 2,576,578	$ 2,576,578

A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	318,074	$	318,074
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	30,920	$	30,920
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	3,818,883	$	3,941,421
A.1.7. Strategy: INDIRECT COST RECOVERY	$	3,480,054	$	3,480,054
Indirect cost recovery for research related activities.				
A.1.8. Strategy: EXCELLENCE FUNDING	$	2,034,784	$	2,034,784
Total, Goal A: INSTRUCTION/OPERATIONS	$	97,770,449	$	99,051,385
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	12,873,037	$	13,047,425
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	3,463,825	$	3,463,825
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	313,815	$	313,815
Total, Goal B: INFRASTRUCTURE SUPPORT	$	16,650,677	$	16,825,065
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: SCIENCE EDUCATION CENTER	$	262,500	$	131,250
C.2.1. Strategy: AUTOMATION AND ROBOTICS INSTITUTE	$	1,310,594	$	1,310,594
Automation and Robotics Research Institute.				
C.3.1. Strategy: RURAL HOSPITAL OUTREACH PROGRAM	$	48,212	$	48,212
C.3.2. Strategy: URBAN STUDIES INSTITUTE	$	311,972	$	311,972
Institute of Urban Studies.				
C.3.3. Strategy: MEXICAN AMERICAN STUDIES	$	43,750	$	43,750
C.4.1. Strategy: AFRICA INTERNATIONAL EXCHANGE	$	115,329	$	115,329
C.4.2. Strategy: INSTITUTIONAL ENHANCEMENT	$	1,846,282	$	1,846,282
Total, Goal C: SPECIAL ITEM SUPPORT	$	3,938,639	$	3,807,389
Grand Total, THE UNIVERSITY OF TEXAS AT ARLINGTON	$	118,359,765	$	119,683,839
Method of Financing:				
General Revenue Fund	$	79,827,603	$	80,015,927
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		3,906,782		3,906,782
Estimated Statutory Tuition Increases Account No. 708		1,332,785		2,665,570
Estimated Other Educational and General Income Account No. 770		33,292,595		33,095,560
Subtotal, General Revenue Fund - Dedicated	$	38,532,162	$	39,667,912
Total, Method of Financing	$	118,359,765	$	119,683,839

THE UNIVERSITY OF TEXAS AT ARLINGTON
(Continued)

Object-of-Expense Informational Listing:		
Salaries and Wages	$ 44,668,730	$ 47,054,789
Other Personnel Costs	123,230	120,531
Faculty Salaries (Higher Education Only)	50,683,951	49,290,928
Operating Costs	22,388,849	22,778,142
Client Services	125,467	125,467
Capital Expenditures	369,538	313,982
Total, Object-of-Expense Informational Listing	$ 118,359,765	$ 119,683,839

2. **Robotics Engineering Research Program Transferability Authority.** The University of Texas at Arlington is hereby authorized to transfer or utilize from funds appropriated above an amount not to exceed $500,000 to the Robotics Engineering Research Program in addition to the amount specified for that item. However, no funds may be transferred from any specified amount for faculty salaries, general scholarships, or minority scholarships and recruitment.

3. **Center for Mexican American Studies.** The University of Texas at Arlington is hereby authorized to transfer or utilize, from funds appropriated above, an amount not to exceed $300,000 for the operation of the Center for Mexican American Studies.

4. **Urban Studies Institute.** All funds collected by the Urban Studies Institute are hereby appropriated to The University of Texas at Arlington for the Urban Studies Institute. It is the intent of the Legislature that services provided by the Institute shall be provided at a reduced cost based upon financial need and the availability of like services.

THE UNIVERSITY OF TEXAS AT AUSTIN

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 377,586,590	$ 380,997,725
Grand Total, THE UNIVERSITY OF TEXAS AT AUSTIN	$ 377,586,590	$ 380,997,725
Method of Financing:		
General Revenue Fund	$ 241,957,725	$ 242,693,303
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	20,322,068	20,322,068
Estimated Statutory Tuition Increases Account No. 708	3,095,553	6,191,106
Estimated Other Educational and General Income Account No. 770	112,211,244	111,791,248
Subtotal, General Revenue Fund - Dedicated	$ 135,628,865	$ 138,304,422
Total, Method of Financing	$ 377,586,590	$ 380,997,725
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	7,104.7	7,104.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	72%	73%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	93%	94%
Administrative Cost as a Percent of Total Expenditures	5.4%	5.4%
Certification Rate of Teacher Education Graduates	80%	80%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	23%	24%
Percent of Lower Division Courses Taught by Tenured Faculty	39.4%	39.4%
State Licensure Pass Rate of Law Graduates	93%	93%
State Licensure Pass Rate of Engineering Graduates	94%	94%
State Licensure Pass Rate of Nursing Graduates	96%	96%
State Licensure Pass Rate of Pharmacy Graduates	98%	98%
Dollar Value of External or Sponsored Research Funds (in Millions)	310.6	310.6
A.1.1. Strategy: OPERATIONS SUPPORT	$ 229,458,242	$ 231,895,728
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 5,834,106	$ 5,896,081
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 14,636,476	$ 14,636,476
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 1,442,291	$ 1,442,291
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 42,362	$ 42,362
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 11,389,116	$ 11,704,698
A.1.7. Strategy: INDIRECT COST RECOVERY	$ 39,046,616	$ 39,046,616
Indirect cost recovery for research related activities.		
Total, Goal A: INSTRUCTION/OPERATIONS	$ 301,849,209	$ 304,664,252

THE UNIVERSITY OF TEXAS AT AUSTIN
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	56,114,498	$	56,710,590
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	5,978,492	$	5,978,492
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	480,000	$	480,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	62,572,990	$	63,169,082
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: MARINE SCIENCE INSTITUTE	$	605,303	$	605,303
Marine Science Institute - Port Aransas.				
C.2.2. Strategy: INSTITUTE FOR GEOPHYSICS	$	1,048,093	$	1,048,093
C.2.3. Strategy: BUREAU OF ECONOMIC GEOLOGY	$	1,801,849	$	1,801,849
C.2.4. Strategy: BUREAU OF BUSINESS RESEARCH	$	232,487	$	232,487
C.2.5. Strategy: MCDONALD OBSERVATORY	$	2,853,587	$	2,853,587
C.2.6. Strategy: ADVANCED STUDIES IN ASTRONOMY	$	576,008	$	576,008
Center for Advanced Studies in Astronomy.				
C.3.1. Strategy: TEXAS MEMORIAL MUSEUM	$	145,097	$	145,097
C.3.2. Strategy: PUBLIC POLICY INSTITUTE	$	192,215	$	192,215
C.3.3. Strategy: POLICY DISPUTE RESOLUTION CENTER	$	344,408	$	344,408
Center for Public Policy Dispute Resolution.				
C.3.4. Strategy: LATINO WWII ORAL HISTORY	$	43,750	$	43,750
Latino World War II Oral History.				
C.3.5. Strategy: GARNER MUSEUM	$	43,750	$	43,750
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	5,277,844	$	5,277,844
Total, Goal C: SPECIAL ITEM SUPPORT	$	13,164,391	$	13,164,391
Grand Total, THE UNIVERSITY OF TEXAS AT AUSTIN	$	377,586,590	$	380,997,725
Method of Financing:				
General Revenue Fund	$	241,957,725	$	242,693,303
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		20,322,068		20,322,068
Estimated Statutory Tuition Increases Account No. 708		3,095,553		6,191,106
Estimated Other Educational and General Income Account No. 770		112,211,244		111,791,248
Subtotal, General Revenue Fund - Dedicated	$	135,628,865	$	138,304,422
Total, Method of Financing	$	377,586,590	$	380,997,725
Object-of-Expense Informational Listing:				
Salaries and Wages	$	128,930,621	$	136,215,661
Other Personnel Costs		2,469,661		3,306,676
Faculty Salaries (Higher Education Only)		145,522,683		146,658,422
Operating Costs		100,663,625		94,816,966
Total, Object-of-Expense Informational Listing	$	377,586,590	$	380,997,725

THE UNIVERSITY OF TEXAS AT AUSTIN
(Continued)

2. **Bureau of Economic Geology Contingency.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Bureau of Economic Geology will generate at least $890,000 for the biennium in additional revenue to the General Revenue Fund, $445,000 in each year of the biennium is included in the appropriation above for the Bureau of Economic Geology.

3. **Public Policy Clinics.** Out of the funds appropriated above, up to $218,750 in each year of the biennium shall be used for public policy clinics in the Department of Government. The clinics shall be focused on public policy issues salient to the State of Texas and to be offered as graduate-level seminars to help maximize the partnership with the Tomas Rivera Center, the Center for Migration and Border Studies and other academic institutions. These funds shall be used to pay research fellowships, surveys, and other expenses associated with the clinics.

4. **The University of Texas at Austin School of Law Enrollment.** It is the intent of the Legislature that The University of Texas at Austin study the impact that enrollment levels have on the quality of education at the University's Law School. The university shall make recommendations on the optimal enrollment level at which the school can provide the highest quality education. The university shall submit a report to the 79th Legislature, not later than January 1, 2005. It is the intent of the Legislature that a limitation on enrollment not adversely impact current funding levels.

THE UNIVERSITY OF TEXAS AT DALLAS

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 83,955,165	$ 84,500,188
Grand Total, THE UNIVERSITY OF TEXAS AT DALLAS	$ 83,955,165	$ 84,500,188
Method of Financing:		
General Revenue Fund	$ 54,978,173	$ 54,994,434
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	3,463,767	3,463,767
Estimated Statutory Tuition Increases Account No. 708	488,610	977,220
Estimated Other Educational and General Income Account No. 770	25,024,615	25,064,767
Subtotal, General Revenue Fund - Dedicated	$ 28,976,992	$ 29,505,754
Total, Method of Financing	$ 83,955,165	$ 84,500,188
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,332.5	1,332.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

THE UNIVERSITY OF TEXAS AT DALLAS
(Continued)

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
Outcome (Results/Impact):				
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years		56.2%		56.6%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year		80.9%		80.9%
Administrative Cost as a Percent of Total Expenditures		9.4%		9.2%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates		45%		45%
Percent of Lower Division Courses Taught by Tenured Faculty		42%		42%
Dollar Value of External or Sponsored Research Funds (in Millions)		18		18
A.1.1. Strategy: OPERATIONS SUPPORT	$	57,541,787	$	57,964,615
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	765,285	$	770,909
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	1,640,186	$	1,640,186
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	186,499	$	186,499
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	3,443	$	3,443
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	2,280,413	$	2,336,825
A.1.7. Strategy: INDIRECT COST RECOVERY	$	3,380,536	$	3,380,536
Indirect cost recovery for research related activities.				
A.1.8. Strategy: ORGANIZED ACTIVITIES	$	3,700,122	$	3,700,122
A.1.9. Strategy: EXCELLENCE FUNDING	$	1,438,404	$	1,438,404
Total, Goal A: INSTRUCTION/OPERATIONS	$	70,936,675	$	71,421,539
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	8,186,891	$	8,247,050
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	2,041,841	$	2,041,841
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	140,006	$	140,006
Total, Goal B: INFRASTRUCTURE SUPPORT	$	10,368,738	$	10,428,897
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: CENTER FOR APPLIED BIOLOGY	$	546,875	$	546,875
C.1.2. Strategy: NANOTECHNOLOGY	$	218,750	$	218,750
C.2.1. Strategy: ACADEMIC BRIDGE PROGRAM	$	218,750	$	218,750
Intensive Summer Academic Bridge Program.				
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	1,665,377	$	1,665,377
Total, Goal C: SPECIAL ITEM SUPPORT	$	2,649,752	$	2,649,752
Grand Total, THE UNIVERSITY OF TEXAS AT DALLAS	$	83,955,165	$	84,500,188
Method of Financing:				
General Revenue Fund	$	54,978,173	$	54,994,434
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		3,463,767		3,463,767

THE UNIVERSITY OF TEXAS AT DALLAS
(Continued)

Estimated Statutory Tuition Increases Account No. 708		488,610		977,220
Estimated Other Educational and General Income Account No. 770		25,024,615		25,064,767
Subtotal, General Revenue Fund - Dedicated	$	28,976,992	$	29,505,754
Total, Method of Financing	$	83,955,165	$	84,500,188
Object-of-Expense Informational Listing:				
Salaries and Wages	$	32,166,599	$	29,497,464
Other Personnel Costs		905,651		652,105
Faculty Salaries (Higher Education Only)		31,714,353		33,771,087
Operating Costs		17,151,896		19,229,517
Client Services		11,753		21,230
Grants		3,345		0
Capital Expenditures		2,001,568		1,328,785
Total, Object-of-Expense Informational Listing	$	83,955,165	$	84,500,188

THE UNIVERSITY OF TEXAS AT EL PASO

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 83,698,886	$ 85,224,429
Grand Total, THE UNIVERSITY OF TEXAS AT EL PASO	$ 83,698,886	$ 85,224,429
Method of Financing:		
General Revenue Fund	$ 57,522,984	$ 58,206,037
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	700,000	700,000
Estimated Statutory Tuition Increases Account No. 708	1,410,548	2,821,095
Estimated Other Educational and General Income Account No. 770	22,940,354	22,372,297
Subtotal, General Revenue Fund - Dedicated	$ 25,050,902	$ 25,893,392
Permanent Endowment Fund Account No. 817, UT El Paso, estimated	1,125,000	1,125,000
Total, Method of Financing	$ 83,698,886	$ 85,224,429
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,567.7	1,567.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	28%	29%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	72.5%	74%
Administrative Cost as a Percent of Total Expenditures	9.4%	9.4%
Certification Rate of Teacher Education Graduates	72%	75%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	62.4%	62.4%
Percent of Lower Division Courses Taught by Tenured Faculty	50.8%	50.8%
State Licensure Pass Rate of Engineering Graduates	95%	95%
State Licensure Pass Rate of Nursing Graduates	96.1%	96.6%
Dollar Value of External or Sponsored Research Funds (in Millions)	29.3	30.9
A.1.1. Strategy: OPERATIONS SUPPORT	$ 46,239,109	$ 47,347,873
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,577,948	$ 1,615,786
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,763,378	$ 1,763,378
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 271,151	$ 271,151
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 3,927	$ 3,927
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 2,788,440	$ 2,903,435
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 4,425,732	$ 4,425,732
A.1.8. Strategy: EXCELLENCE FUNDING	$ 1,453,544	$ 1,453,544
Total, Goal A: INSTRUCTION/OPERATIONS	$ 58,523,229	$ 59,784,826

THE UNIVERSITY OF TEXAS AT EL PASO
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	11,007,435	$	11,271,381
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	2,651,214	$	2,651,214
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	200,000	$	200,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	13,858,649	$	14,122,595
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: BORDER STUDIES INSTITUTE	$	86,246	$	86,246
Inter-American and Border Studies Institute.				
C.2.2. Strategy: ENVIRONMENTAL RESOURCE MANAGEMENT	$	229,968	$	229,968
Center for Environmental Resource Management.				
C.2.3. Strategy: CENTER FOR LAW AND BORDER STUDIES	$	437,500	$	437,500
C.3.1. Strategy: EL PASO CENTENNIAL MUSEUM	$	119,731	$	119,731
C.3.2. Strategy: RURAL NURSING HEALTH CARE	$	63,127	$	63,127
Rural nursing health care services.				
C.3.3. Strategy: MANUFACTURE/MATERIALS MANAGEMENT	$	87,942	$	87,942
Institute for Manufacturing and Materials Management				
C.3.4. Strategy: ECONOMIC/ENTERPRISE DEVELOPMENT	$	841,416	$	841,416
Texas Centers for Economic and Enterprise Development.				
C.3.5. Strategy: ACADEMIC EXCELLENCE	$	114,984	$	114,984
Collaborative for Academic Excellence.				
C.3.6. Strategy: BORDER COMMUNITY HEALTH	$	284,375	$	284,375
Border Community Health Education Institute.				
C.3.7. Strategy: BORDER HEALTH RESEARCH	$	306,250	$	306,250
C.3.8. Strategy: US-MEXICO IMMIGRATION CENTER	$	43,750	$	43,750
United States - Mexico Immigration Center.				
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	7,576,719	$	7,576,719
Total, Goal C: SPECIAL ITEM SUPPORT	$	10,192,008	$	10,192,008
D. Goal: TOBACCO FUNDS				
D.1.1. Strategy: TOBACCO EARNINGS - UTEP	$	1,125,000	$	1,125,000
Tobacco earnings for the University of Texas at El Paso.				
Grand Total, THE UNIVERSITY OF TEXAS AT EL PASO	$	83,698,886	$	85,224,429
Method of Financing:				
General Revenue Fund	$	57,522,984	$	58,206,037
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		700,000		700,000
Estimated Statutory Tuition Increases Account No. 708		1,410,548		2,821,095
Estimated Other Educational and General Income Account No. 770		22,940,354		22,372,297
Subtotal, General Revenue Fund - Dedicated	$	25,050,902	$	25,893,392

Permanent Endowment Fund Account No. 817, UT El Paso, estimated		1,125,000		1,125,000
Total, Method of Financing	$	83,698,886	$	85,224,429
Object-of-Expense Informational Listing:				
Salaries and Wages	$	23,391,533	$	24,357,763
Other Personnel Costs		242,112		250,650
Faculty Salaries (Higher Education Only)		35,375,952		37,097,502
Operating Costs		23,526,358		22,357,082
Grants		1,125,000		1,125,000
Capital Expenditures		37,931		36,432
Total, Object-of-Expense Informational Listing	$	83,698,886	$	85,224,429

2. **Transfer of Consortium Funds.** Funds identified for the Texas Centers for Border Economic and Enterprise Development are to be distributed among the member institutions of the consortium by transfers from appropriations to The University of Texas at El Paso to The University of Texas-Pan American and Texas A&M International University. Such transfers are subject to the special and general provisions of this Act and are authorized as follows:

		2004		2005
Texas A&M International University:				
Institute for International Trade	$	193,525	$	193,525
The University of Texas - Pan American:				
Center for Entrepreneurship and Economic Development	$	321,001	$	321,001

3. **Estimated Appropriation and Unexpended Balance.**

   a. Included in the amounts appropriated above are estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas at El Paso.

   b. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

   c. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas at El Paso, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

THE UNIVERSITY OF TEXAS - PAN AMERICAN

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 67,977,692	$ 68,827,986
Grand Total, THE UNIVERSITY OF TEXAS - PAN AMERICAN	$ 67,977,692	$ 68,827,986
Method of Financing:		
General Revenue Fund	$ 49,576,027	$ 49,726,789
General Revenue Fund - Dedicated		
UT Pan Am Special Mineral Fund No. 4, estimated	291	0
Estimated Board Authorized Tuition Increases Account No. 704	475,324	475,324
Estimated Statutory Tuition Increases Account No. 708	740,189	1,480,379
Estimated Other Educational and General Income Account No. 770	16,864,860	16,824,493
Subtotal, General Revenue Fund - Dedicated	$ 18,080,664	$ 18,780,196
Interagency Contracts	321,001	321,001
Total, Method of Financing	$ 67,977,692	$ 68,827,986
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	1,437.7	1,437.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	27%	28%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	67%	67%
Administrative Cost as a Percent of Total Expenditures	9.2%	9.2%
Certification Rate of Teacher Education Graduates	65%	70%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	66%	67%
Percent of Lower Division Courses Taught by Tenured Faculty	47.5%	47.5%
State Licensure Pass Rate of Nursing Graduates	90%	91%
Dollar Value of External or Sponsored Research Funds (in Millions)	2.42	2.66
A.1.1. Strategy: OPERATIONS SUPPORT	$ 38,196,444	$ 38,792,573
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,307,456	$ 1,327,861
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,157,257	$ 1,157,257
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 149,986	$ 149,986
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 2,687,503	$ 2,797,898
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 1,169,880	$ 1,169,880
Indirect cost recovery for research related activitiess.		
A.1.7. Strategy: EXCELLENCE FUNDING	$ 985,341	$ 985,341
Total, Goal A: INSTRUCTION/OPERATIONS	$ 45,653,867	$ 46,380,796

THE UNIVERSITY OF TEXAS - PAN AMERICAN
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	7,923,155	$	8,046,811
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	4,262,518	$	4,262,518
Total, Goal B: INFRASTRUCTURE SUPPORT	$	12,185,673	$	12,309,329
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: PROF DEVELOPMENT/DISTANCE LEARNING	$	218,750	$	218,750
Professional development/distance learning.				
C.1.2. Strategy: COOPERATIVE PHARMACY DOCTORATE	$	262,500	$	262,500
C.1.3. Strategy: STARR COUNTY UPPER LEVEL CENTER	$	131,250	$	131,250
C.3.1. Strategy: ECONOMIC DEVELOPMENT	$	461,279	$	461,279
Center for Entrepreneurship and Economic Development.				
C.3.2. Strategy: CENTER FOR MANUFACTURING	$	218,992	$	218,992
C.3.3. Strategy: UT SYSTEM K-12 COLLABORATION	$	153,772	$	153,772
University of Texas System K-12 Collaboration Initiative.				
C.3.4. Strategy: TRADE & TECHNOLOGY/TELECOMM	$	115,329	$	115,329
Provide video teleconferencing capabilities to local small businesses.				
C.3.5. Strategy: DIABETES REGISTRY	$	220,888	$	220,888
C.3.6. Strategy: TEXAS/MEXICO BORDER HEALTH	$	306,250	$	306,250
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	7,611,642	$	7,611,351
C.4.2. Strategy: TRANSITION TO COLLEGE	$	437,500	$	437,500
Successful Transition to College Project.				
Total, Goal C: SPECIAL ITEM SUPPORT	$	10,138,152	$	10,137,861
Grand Total, THE UNIVERSITY OF TEXAS - PAN AMERICAN	$	67,977,692	$	68,827,986
Method of Financing:				
General Revenue Fund	$	49,576,027	$	49,726,789
General Revenue Fund - Dedicated				
UT Pan Am Special Mineral Fund No. 4, estimated		291		0
Estimated Board Authorized Tuition Increases Account No. 704		475,324		475,324
Estimated Statutory Tuition Increases Account No. 708		740,189		1,480,379
Estimated Other Educational and General Income Account No. 770		16,864,860		16,824,493
Subtotal, General Revenue Fund - Dedicated	$	18,080,664	$	18,780,196
Interagency Contracts		321,001		321,001
Total, Method of Financing	$	67,977,692	$	68,827,986
Object-of-Expense Informational Listing:				
Salaries and Wages	$	18,835,026	$	22,034,427
Other Personnel Costs		612,216		1,066,781
Faculty Salaries (Higher Education Only)		26,185,910		26,823,406

Operating Costs	19,591,412	16,039,849
Client Services	2,753,128	2,863,523
Total, Object-of-Expense Informational Listing	$ 67,977,692	$ 68,827,986

2. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003 (estimated to be $291), in The University of Texas - Pan American Special Mineral Fund No. 4 and any income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to The University of Texas - Pan American for the general operations of the university. No additional Mineral Funds are expected for the 2004-05 biennium.

3. **Center for Entrepreneurship and Economic Development.** Included in the appropriation above to The University of Texas - Pan American in Strategy C.3.1, Economic Development, is $140,278 in each year of the biennium for the Center for Entrepreneurship and Economic Development contingent upon certification by the Comptroller of Public Accounts that increased activity by the center will generate at least $280,556 for the biennium in additional revenue to the General Revenue Fund.

4. **Center for Manufacturing.** Included in the appropriation above to The University of Texas - Pan American in Strategy C.3.2, Center for Manufacturing, is $218,992 in each year of the biennium for the Center for Manufacturing contingent upon certification by the Comptroller of Public Accounts that increased activity by the center will generate at least $437,984 for the biennium in additional revenue to the General Revenue Fund.

THE UNIVERSITY OF TEXAS AT BROWNSVILLE

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 22,449,504	$ 22,789,566
Grand Total, THE UNIVERSITY OF TEXAS AT BROWNSVILLE	$ 22,449,504	$ 22,789,566
Method of Financing:		
General Revenue Fund	$ 18,694,298	$ 18,913,210
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	148,848	148,848
Estimated Statutory Tuition Increases Account No. 708	175,215	350,430
Estimated Other Educational and General Income Account No. 770	3,431,143	3,377,078
Subtotal, General Revenue Fund - Dedicated	$ 3,755,206	$ 3,876,356
Total, Method of Financing	$ 22,449,504	$ 22,789,566
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	324.0	324.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	68.97%	68.97%
Administrative Cost as a Percent of Total Expenditures	9.8%	9.8%
Certification Rate of Teacher Education Graduates	80.7%	80.7%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	79.7%	80.1%
Percent of Lower Division Courses Taught by Tenured Faculty	49.2%	53.1%
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years	77.8%	77.8%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 7,564,385	$ 7,694,110
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 407,196	$ 414,179
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 120,601	$ 120,601
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 17,883	$ 17,883
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 530,739	$ 552,429
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 677,028	$ 677,028
A.1.7. Strategy: EXCELLENCE FUNDING	$ 170,277	$ 170,277
Total, Goal A: INSTRUCTION/OPERATIONS	$ 9,488,109	$ 9,646,507
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 2,245,392	$ 2,283,899
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 3,511,911	$ 3,511,911

THE UNIVERSITY OF TEXAS AT BROWNSVILLE
(Continued)

B.1.3. Strategy: LEASE OF FACILITIES	$	1,287,997	$	1,431,154
Total, Goal B: INFRASTRUCTURE SUPPORT	$	7,045,300	$	7,226,964
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.3.1. Strategy: ECONOMIC DEVELOPMENT	$	250,000	$	250,000
Texas Center for Border Economic Development.				
C.3.2. Strategy: K-16 COLLABORATION IN UTB SRV AREA	$	218,750	$	218,750
K-16 collaboration in the UT-Brownsville service area.				
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	5,447,345	$	5,447,345
Total, Goal C: SPECIAL ITEM SUPPORT	$	5,916,095	$	5,916,095
Grand Total, THE UNIVERSITY OF TEXAS AT BROWNSVILLE	$	22,449,504	$	22,789,566
Method of Financing:				
General Revenue Fund	$	18,694,298	$	18,913,210
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		148,848		148,848
Estimated Statutory Tuition Increases Account No. 708		175,215		350,430
Estimated Other Educational and General Income Account No. 770		3,431,143		3,377,078
Subtotal, General Revenue Fund - Dedicated	$	3,755,206	$	3,876,356
Total, Method of Financing	$	22,449,504	$	22,789,566
Object-of-Expense Informational Listing:				
Salaries and Wages	$	4,246,248	$	4,782,284
Other Personnel Costs		831,423		886,614
Faculty Salaries (Higher Education Only)		4,870,997		5,135,949
Professional Salaries - Faculty Equivalent (Higher Education Only)		866,214		691,612
Operating Costs		11,009,298		10,644,470
Client Services		530,739		552,429
Capital Expenditures		94,585		96,208
Total, Object-of-Expense Informational Listing	$	22,449,504	$	22,789,566

2. **Texas Center for Border Economic Development.** Included in the appropriation above to The University of Texas at Brownsville in Strategy C.3.1, Economic Development, is $250,000 in each year of the biennium for the Texas Center for Border Economic Development contingent upon certification by the Comptroller of Public Accounts that increased activity by the center will generate at least $500,000 for the biennium in additional revenue to the General Revenue Fund.

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 16,698,198	$ 16,856,751
Grand Total, THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	$ 16,698,198	$ 16,856,751
Method of Financing:		
General Revenue Fund	$ 13,275,735	$ 13,300,212
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	181,500	181,500
Estimated Statutory Tuition Increases Account No. 708	140,085	280,169
Estimated Other Educational and General Income Account No. 770	3,100,878	3,094,870
Subtotal, General Revenue Fund - Dedicated	$ 3,422,463	$ 3,556,539
Total, Method of Financing	$ 16,698,198	$ 16,856,751
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	255.6	255.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	31%	31%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	64.9%	65.4%
Administrative Cost as a Percent of Total Expenditures	12.3%	12.3%
Certification Rate of Teacher Education Graduates	70.5%	71%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	57.4%	57.4%
Percent of Lower Division Courses Taught by Tenured Faculty	54.1%	54.1%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 6,535,950	$ 6,637,892
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 283,989	$ 288,418
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 154,472	$ 154,472
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 32,262	$ 32,262
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 459,298	$ 477,767
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 41,026	$ 41,026
Indirect cost recovery for research related activities.		
A.1.7. Strategy: FORMULA HOLD HARMLESS	$ 336,369	$ 336,369
A.1.8. Strategy: EXCELLENCE FUNDING	$ 184,308	$ 184,308
Total, Goal A: INSTRUCTION/OPERATIONS	$ 8,027,674	$ 8,152,514
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 2,161,512	$ 2,195,225
Educational and general space support.		

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN
(Continued)

B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,694,203	$	1,694,203
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	24,718	$	24,718
Total, Goal B: INFRASTRUCTURE SUPPORT	$	3,880,433	$	3,914,146
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: CENTER FOR ENERGY	$	288,322	$	288,322
C.3.1. Strategy: PUBLIC LEADERSHIP INSTITUTE	$	768,860	$	768,860
John Ben Shepperd Public Leadership Institute.				
C.3.2. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	112,200	$	112,200
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	3,620,709	$	3,620,709
Total, Goal C: SPECIAL ITEM SUPPORT	$	4,790,091	$	4,790,091
Grand Total, THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN	$	16,698,198	$	16,856,751
Method of Financing:				
General Revenue Fund	$	13,275,735	$	13,300,212
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		181,500		181,500
Estimated Statutory Tuition Increases Account No. 708		140,085		280,169
Estimated Other Educational and General Income Account No. 770		3,100,878		3,094,870
Subtotal, General Revenue Fund - Dedicated	$	3,422,463	$	3,556,539
Total, Method of Financing	$	16,698,198	$	16,856,751
Object-of-Expense Informational Listing:				
Salaries and Wages	$	4,744,143	$	5,012,653
Other Personnel Costs		181,979		181,576
Faculty Salaries (Higher Education Only)		5,197,276		5,510,887
Operating Costs		5,374,245		4,790,135
Client Services		459,298		477,767
Capital Expenditures		741,257		883,733
Total, Object-of-Expense Informational Listing	$	16,698,198	$	16,856,751

2. **Small Business Development Center.** Included in the appropriation above to The University of Texas of the Permian Basin in Strategy C.3.2, Small Business Development Center, is $112,200 in each year of the biennium for the Small Business Development Center, or its equivalent due to special provisions of this Act. This $112,200 in each year is contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $224,400 additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 95,871,863	$ 97,248,022
Grand Total, THE UNIVERSITY OF TEXAS AT SAN ANTONIO	$ 95,871,863	$ 97,248,022
Method of Financing:		
General Revenue Fund	$ 66,888,362	$ 67,216,343
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,650,572	1,650,572
Estimated Statutory Tuition Increases Account No. 708	1,231,493	2,462,986
Estimated Other Educational and General Income Account No. 770	26,101,436	25,918,121
Subtotal, General Revenue Fund - Dedicated	$ 28,983,501	$ 30,031,679
Total, Method of Financing	$ 95,871,863	$ 97,248,022
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	1,718.5	1,718.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	27.4%	28%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	65.8%	65.8%
Administrative Cost as a Percent of Total Expenditures	11%	11%
Certification Rate of Teacher Education Graduates	65%	65%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	62.5%	64%
Percent of Lower Division Courses Taught by Tenured Faculty	33.5%	34.4%
State Licensure Pass Rate of Engineering Graduates	78.8%	79.5%
Dollar Value of External or Sponsored Research Funds (in Millions)	10.6	11.4
A.1.1. Strategy: OPERATIONS SUPPORT	$ 56,025,161	$ 57,036,057
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 2,112,008	$ 2,150,116
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,719,346	$ 1,719,346
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 185,579	$ 185,579
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 340	$ 340
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 3,794,067	$ 3,938,733
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 1,653,412	$ 1,653,412
A.1.8. Strategy: EXCELLENCE FUNDING	$ 2,257,017	$ 2,257,017
Total, Goal A: INSTRUCTION/OPERATIONS	$ 67,746,930	$ 68,940,600

B. Goal: INFRASTRUCTURE SUPPORT
Provide infrastructure support.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
(Continued)

B.1.1. Strategy: E&G SPACE SUPPORT	$	10,113,790	$	10,296,279
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	6,616,458	$	6,616,458
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	241,100	$	241,100
Total, Goal B: INFRASTRUCTURE SUPPORT	$	16,971,348	$	17,153,837
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: TEXAS PRE-ENGINEERING PROGRAM	$	557,190	$	557,190
C.2.1. Strategy: CENTER FOR WATER RESEARCH	$	131,250	$	131,250
C.3.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	2,126,097	$	2,126,097
C.3.2. Strategy: INSTITUTE OF TEXAN CULTURES	$	1,953,126	$	1,953,126
C.4.1. Strategy: DOWNTOWN CAMPUS PHASE II	$	1,312,500	$	1,312,500
C.4.2. Strategy: INSTITUTIONAL ENHANCEMENT	$	5,073,422	$	5,073,422
Total, Goal C: SPECIAL ITEM SUPPORT	$	11,153,585	$	11,153,585
Grand Total, THE UNIVERSITY OF TEXAS AT SAN ANTONIO	$	95,871,863	$	97,248,022
Method of Financing:				
General Revenue Fund	$	66,888,362	$	67,216,343
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		1,650,572		1,650,572
Estimated Statutory Tuition Increases Account No. 708		1,231,493		2,462,986
Estimated Other Educational and General Income Account No. 770		26,101,436		25,918,121
Subtotal, General Revenue Fund - Dedicated	$	28,983,501	$	30,031,679
Total, Method of Financing	$	95,871,863	$	97,248,022
Object-of-Expense Informational Listing:				
Salaries and Wages	$	36,182,997	$	38,403,645
Other Personnel Costs		1,721,971		1,721,971
Faculty Salaries (Higher Education Only)		34,743,819		37,841,576
Operating Costs		21,612,502		18,028,197
Client Services		0		91,232
Capital Expenditures		1,610,574		1,161,401
Total, Object-of-Expense Informational Listing	$	95,871,863	$	97,248,022

2. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $4,252,194 for the biennium in additional revenue to the General Revenue Fund, $2,126,097 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

THE UNIVERSITY OF TEXAS AT SAN ANTONIO
(Continued)

3. **Institute of Texan Cultures.** Out of the funds appropriated above, it is the intent of the Legislature that The University of Texas at San Antonio spend up to $1,953,126 each year of the biennium for the Institute of Texan Cultures.

THE UNIVERSITY OF TEXAS AT TYLER

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 26,317,000	$ 25,905,791
Grand Total, THE UNIVERSITY OF TEXAS AT TYLER	$ 26,317,000	$ 25,905,791
Method of Financing:		
General Revenue Fund	$ 22,127,593	$ 21,543,801
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	198,515	397,030
Estimated Other Educational and General Income Account No. 770	3,990,892	3,964,960
Subtotal, General Revenue Fund - Dedicated	$ 4,189,407	$ 4,361,990
Total, Method of Financing	$ 26,317,000	$ 25,905,791
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	427.5	427.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	65%	65%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	72%	73%
Administrative Cost as a Percent of Total Expenditures	12%	12%
Certification Rate of Teacher Education Graduates	88%	88%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	52%	54%
Percent of Lower Division Courses Taught by Tenured Faculty	68.5%	70%
State Licensure Pass Rate of Nursing Graduates	98%	98%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 12,129,425	$ 12,282,236
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 557,964	$ 564,994
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 184,629	$ 184,629
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 60,002	$ 60,002
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 881,622	$ 918,334
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 50,000	$ 50,000
Indirect cost recovery for research related activities.		
A.1.7. Strategy: EXCELLENCE FUNDING	$ 374,604	$ 374,604
Total, Goal A: INSTRUCTION/OPERATIONS	$ 14,238,246	$ 14,434,799

THE UNIVERSITY OF TEXAS AT TYLER
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	3,069,831	$	3,108,506
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,500,578	$	1,500,578
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	48,406	$	48,406
Total, Goal B: INFRASTRUCTURE SUPPORT	$	4,618,815	$	4,657,490
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: 4-YEAR START UP OPERATIONS	$	1,120,000	$	1,203,125
C.1.2. Strategy: LONGVIEW CAMPUS	$	1,205,422	$	1,205,422
C.2.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	5,134,517	$	4,404,955
Total, Goal C: SPECIAL ITEM SUPPORT	$	7,459,939	$	6,813,502
Grand Total, THE UNIVERSITY OF TEXAS AT TYLER	$	26,317,000	$	25,905,791
Method of Financing:				
General Revenue Fund	$	22,127,593	$	21,543,801
General Revenue Fund - Dedicated				
Estimated Statutory Tuition Increases Account No. 708		198,515		397,030
Estimated Other Educational and General Income Account No. 770		3,990,892		3,964,960
Subtotal, General Revenue Fund - Dedicated	$	4,189,407	$	4,361,990
Total, Method of Financing	$	26,317,000	$	25,905,791
Object-of-Expense Informational Listing:				
Salaries and Wages	$	4,288,959	$	4,863,372
Other Personnel Costs		184,629		184,629
Faculty Salaries (Higher Education Only)		10,323,502		8,928,060
Operating Costs		5,477,750		6,580,847
Client Services		881,622		918,334
Grants		5,131,809		4,404,955
Capital Expenditures		28,729		25,594
Total, Object-of-Expense Informational Listing	$	26,317,000	$	25,905,791

TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 5,819,300	$ 3,629,806
Grand Total, TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES	$ 5,819,300	$ 3,629,806
Method of Financing:		
General Revenue Fund	$ 2,747,300	$ 557,806
GR Dedicated - Texas A&M University Mineral Income Account No. 096, estimated	3,072,000	3,072,000
Total, Method of Financing	$ 5,819,300	$ 3,629,806
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	84.0	84.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$ 3,631,800	$ 3,629,806
B. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
B.1.1. Strategy: SCHOLARSHIPS	$ 2,187,500	$ UB
Grand Total, TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATIVE AND GENERAL OFFICES	$ 5,819,300	$ 3,629,806
Method of Financing:		
General Revenue Fund	$ 2,747,300	$ 557,806
GR Dedicated - Texas A&M University Mineral Income Account No. 096, estimated	3,072,000	3,072,000
Total, Method of Financing	$ 5,819,300	$ 3,629,806
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 559,800	$ 557,806
Operating Costs	5,259,500	3,072,000
Total, Object-of-Expense Informational Listing	$ 5,819,300	$ 3,629,806

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $325,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Mineral Fund Appropriated.** Appropriated in the funds above to the Board of Regents of the Texas A&M University System are the funds in the Texas A&M University System Special Mineral Fund to be invested by said board in accordance with Education Code § 85.70. The income from said Fund is included in the appropriation above to the Board of Regents of the Texas A&M University System to be disbursed for the purposes provided for and in accordance with the provisions of the above citation. Mineral Funds are estimated to be $3,072,000 in fiscal year 2004 and $3,072,000 in fiscal year 2005.

TEXAS A&M UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 295,105,015	$ 297,559,569
Grand Total, TEXAS A&M UNIVERSITY	$ 295,105,015	$ 297,559,569
Method of Financing:		
General Revenue Fund	$ 208,479,371	$ 208,871,167
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	6,025,000	6,025,000
Estimated Statutory Tuition Increases Account No. 708	2,590,123	5,180,247
Estimated Other Educational and General Income Account No. 770	75,785,521	75,333,155
Subtotal, General Revenue Fund - Dedicated	$ 84,400,644	$ 86,538,402
Real Estate Fee Trust Account No. 969	2,225,000	2,150,000
Total, Method of Financing	$ 295,105,015	$ 297,559,569
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	5,821.3	5,821.3

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	74.5%	74.5%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	89.5%	89.5%
Administrative Cost as a Percent of Total Expenditures	3.1%	3.1%
Certification Rate of Teacher Education Graduates	94%	94%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	31%	31%
Percent of Lower Division Courses Taught by Tenured Faculty	26.2%	26.2%
State Licensure Pass Rate of Engineering Graduates	93.3%	93.3%
State Licensure Examination Pass Rate of Veterinary Medicine Graduates	98%	98%
Dollar Value of External or Sponsored Research Funds (In Millions)	100.5	101.5
A.1.1. Strategy: OPERATIONS SUPPORT	$ 194,708,975	$ 196,825,884
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 5,054,417	$ 5,109,369
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 9,839,946	$ 9,839,946

A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	2,025,818	$	2,025,818
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	7,866,141	$	8,113,116
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$	8,574,680	$	8,574,680
A.1.7. Strategy: ORGANIZED ACTIVITIES	$	8,218,553	$	8,218,553
Total, Goal A: INSTRUCTION/OPERATIONS	$	236,288,530	$	238,707,366
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$	38,470,944	$	38,889,206
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	526,063	$	526,063
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	462,782	$	462,782
Total, Goal B: INFRASTRUCTURE SUPPORT	$	39,459,789	$	39,878,051
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.				
C.2.1. Strategy: CYCLOTRON INSTITUTE	$	548,154	$	548,154
C.2.2. Strategy: SEA GRANT PROGRAM	$	359,678	$	359,678
C.2.3. Strategy: ENERGY RESOURCES PROGRAM	$	551,765	$	551,765
C.2.4. Strategy: PUBLIC POLICY RESOURCE LABORATORY	$	41,243	$	41,243
C.2.5. Strategy: REAL ESTATE RESEARCH CENTER	$	2,225,000	$	2,150,000
C.3.1. Strategy: SCHOOL OF ARCHITECTURE	$	750,274	$	750,274
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	14,880,582	$	14,573,038
Total, Goal C: SPECIAL ITEM SUPPORT	$	19,356,696	$	18,974,152
Grand Total, TEXAS A&M UNIVERSITY	$	295,105,015	$	297,559,569
Method of Financing:				
General Revenue Fund	$	208,479,371	$	208,871,167
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		6,025,000		6,025,000
Estimated Statutory Tuition Increases Account No. 708		2,590,123		5,180,247
Estimated Other Educational and General Income Account No. 770		75,785,521		75,333,155
Subtotal, General Revenue Fund - Dedicated	$	84,400,644	$	86,538,402
Real Estate Fee Trust Account No. 969		2,225,000		2,150,000
Total, Method of Financing	$	295,105,015	$	297,559,569
Object-of-Expense Informational Listing:				
Salaries and Wages	$	91,720,519	$	93,605,238
Other Personnel Costs		4,628,254		6,893,737
Faculty Salaries (Higher Education Only)		107,871,661		121,872,028
Professional Salaries - Faculty Equivalent (Higher Education Only)		3,680,846		0

TEXAS A&M UNIVERSITY
(Continued)

Operating Costs	54,869,349	43,703,750
Client Services	1,180,547	580,109
Grants	30,965,276	30,904,707
Capital Expenditures	188,563	0
Total, Object-of-Expense Informational Listing	$ 295,105,015	$ 297,559,569

2. **Real Estate Research Center.** Funds derived from the provisions of VTCS, Article 6573a, § 5.m, in support of the Real Estate Research Center at Texas A&M University, are appropriated above to said center for the purposes stipulated therein. No employee paid from funds appropriated by this Act shall be paid both a salary and compensatory per diem for concurrent service as a state employee and as a board or commission member.

TEXAS A&M UNIVERSITY AT GALVESTON

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 14,067,579	$ 14,174,640
Grand Total, TEXAS A&M UNIVERSITY AT GALVESTON	$ 14,067,579	$ 14,174,640
Method of Financing:		
General Revenue Fund	$ 10,435,197	$ 10,450,597
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	38,280	38,280
Estimated Statutory Tuition Increases Account No. 708	87,191	174,382
Estimated Other Educational and General Income Account No. 770	3,506,911	3,511,381
Subtotal, General Revenue Fund - Dedicated	$ 3,632,382	$ 3,724,043
Total, Method of Financing	$ 14,067,579	$ 14,174,640
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	261.3	261.3

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	39.2%	41%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	57.6%	57.6%
Administrative Cost as a Percent of Total Expenditures	12.4%	12.4%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	35%	38%

TEXAS A&M UNIVERSITY AT GALVESTON
(Continued)

Percent of Lower Division Courses Taught by Tenured Faculty		39%		41%
Dollar Value of External or Sponsored Research Funds (in Millions)		3.95		4.54
A.1.1. Strategy: OPERATIONS SUPPORT	$	3,915,879	$	3,971,566
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	175,724	$	178,222
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	307,823	$	307,823
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	83,698	$	83,698
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	725	$	725
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	303,044	$	312,569
A.1.7. Strategy: INDIRECT COST RECOVERY	$	615,000	$	615,000
Indirect cost recovery for research related activities.				
A.1.8. Strategy: EXCELLENCE FUNDING	$	211,275	$	211,275
Total, Goal A: INSTRUCTION/OPERATIONS	$	5,613,168	$	5,680,878
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	2,039,616	$	2,068,621
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	326,617	$	326,617
Total, Goal B: INFRASTRUCTURE SUPPORT	$	2,366,233	$	2,395,238
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: MARINE/MARITIME INSTRUCTION	$	2,056,445	$	2,102,732
Marine and maritime instructional enhancement.				
C.2.1. Strategy: COASTAL ZONE LABORATORY	$	22,882	$	22,882
C.2.2. Strategy: INSTITUTE OF OCEANOGRAPHY	$	469,326	$	469,326
Texas Institute of Oceanography.				
C.4.1. Strategy: DREDGING OF DOCK AREA	$	35,941	$	UB
C.4.2. Strategy: SHIP OPERATION & MAINTENANCE	$	902,100	$	902,100
Ship operation and maintenance.				
C.4.3. Strategy: MARINE TERMINAL OPERATION	$	402,227	$	402,227
Marine terminal operations.				
C.4.4. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,199,257	$	2,199,257
Total, Goal C: SPECIAL ITEM SUPPORT	$	6,088,178	$	6,098,524
Grand Total, TEXAS A&M UNIVERSITY AT GALVESTON	$	14,067,579	$	14,174,640
Method of Financing:				
General Revenue Fund	$	10,435,197	$	10,450,597
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		38,280		38,280
Estimated Statutory Tuition Increases Account No. 708		87,191		174,382
Estimated Other Educational and General Income Account No. 770		3,506,911		3,511,381
Subtotal, General Revenue Fund - Dedicated	$	3,632,382	$	3,724,043
Total, Method of Financing	$	14,067,579	$	14,174,640

TEXAS A&M UNIVERSITY AT GALVESTON
(Continued)

Object-of-Expense Informational Listing:		
Salaries and Wages	$ 3,735,100	$ 3,894,875
Other Personnel Costs	104,790	131,873
Faculty Salaries (Higher Education Only)	2,085,012	2,625,646
Professional Salaries - Faculty Equivalent (Higher Education Only)	220,521	0
Operating Costs	2,718,851	2,907,688
Grants	2,864,859	2,511,826
Capital Expenditures	2,338,446	2,102,732
Total, Object-of-Expense Informational Listing	$ 14,067,579	$ 14,174,640

2. **Training Vessel.** No funds appropriated to Texas A&M University at Galveston may be expended for purchase of a training vessel.

PRAIRIE VIEW A&M UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 61,119,899	$ 57,406,259
Grand Total, PRAIRIE VIEW A&M UNIVERSITY	$ 61,119,899	$ 57,406,259
Method of Financing:		
General Revenue Fund	$ 48,489,472	$ 43,266,850
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	114,757	114,757
Estimated Statutory Tuition Increases Account No. 708	329,283	658,567
Estimated Other Educational and General Income Account No. 770	10,897,053	10,889,385
Center for Study and Prevention of Juvenile Crime and Delinquency Account No. 5029, estimated	1,289,334	2,476,700
Subtotal, General Revenue Fund - Dedicated	$ 12,630,427	$ 14,139,409
Total, Method of Financing	$ 61,119,899	$ 57,406,259
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	929.3	929.3

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	34%	35%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70%	70%
Administrative Cost as a Percent of Total Expenditures	11%	11%
Certification Rate of Teacher Education Graduates	65%	65%

Percent of Baccalaureate Graduates Who Are First Generation College Graduates		54%		54%
Percent of Lower Division Courses Taught by Tenured Faculty		58.4%		58.4%
State Licensure Pass Rate of Engineering Graduates		66.7%		66.7%
State Licensure Pass Rate of Nursing Graduates		90%		90%
Dollar Value of External or Sponsored Research Funds (in Millions)		7.9		7.9
A.1.1. Strategy: OPERATIONS SUPPORT	$	22,326,937	$	22,588,870
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	977,549	$	989,017
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	1,504,070	$	1,504,070
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	219,884	$	219,884
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	6,876	$	6,876
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,303,058	$	1,344,782
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$	1,607,826	$	1,607,826
A.1.8. Strategy: EXCELLENCE FUNDING	$	669,825	$	669,825
Total, Goal A: INSTRUCTION/OPERATIONS	$	28,616,025	$	28,931,150
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$	4,763,438	$	4,819,321
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	2,859,976	$	2,859,976
Total, Goal B: INFRASTRUCTURE SUPPORT	$	7,623,414	$	7,679,297
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.				
C.1.1. Strategy: STUDENT NURSE STIPENDS	$	168,389	$	168,389
C.1.2. Strategy: HONORS PROGRAM	$	87,500	$	87,500
C.1.3. Strategy: TEXAS MEDICAL CENTER LIBRARY Texas Medical Center library assessment.	$	23,859	$	23,859
C.2.1. Strategy: AGRICULTURE RESEARCH CENTER Cooperative Agriculture Research Center.	$	872,829	$	872,829
C.3.1. Strategy: EXTENSION AND PUBLIC SERVICE	$	1,923,081	$	1,923,081
C.3.2. Strategy: JUVENILE CRIME PREVENTION CENTER	$	1,289,334	$	2,476,700
C.3.3. Strategy: COMMUNITY DEVELOPMENT	$	131,250	$	131,250
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	4,174,705	$	4,174,704
Total, Goal C: SPECIAL ITEM SUPPORT	$	8,670,947	$	9,858,312
D. Goal: TEXAS COMMITMENT-OCR PRIORITY PLAN Texas commitment - OCR Priority Plan.				
D.1.1. Strategy: OCR PRIORITY PLAN Provide funding to meet the Texas commitment to enhance programs, systems, and the recruitment, retention, and graduation of students.	$	16,209,513	$	10,937,500 & UB
Grand Total, PRAIRIE VIEW A&M UNIVERSITY	$	61,119,899	$	57,406,259
Method of Financing:				
General Revenue Fund	$	48,489,472	$	43,266,850
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		114,757		114,757

Estimated Statutory Tuition Increases Account No. 708		329,283		658,567
Estimated Other Educational and General Income Account No. 770		10,897,053		10,889,385
Center for Study and Prevention of Juvenile Crime and Delinquency Account No. 5029, estimated		1,289,334		2,476,700
Subtotal, General Revenue Fund - Dedicated	$	12,630,427	$	14,139,409
Total, Method of Financing	$	61,119,899	$	57,406,259
Object-of-Expense Informational Listing:				
Salaries and Wages	$	18,425,156	$	17,620,362
Other Personnel Costs		570,911		678,282
Faculty Salaries (Higher Education Only)		14,838,496		15,416,348
Professional Salaries - Faculty Equivalent (Higher Education Only)		126,179		40,773
Professional Salaries - Extension (Texas Agricultural Extension Svc)		246,181		0
Operating Costs		19,904,642		20,620,791
Client Services		1,475,195		1,559,350
Grants		1,972,883		1,344,782
Capital Expenditures		3,560,256		125,571
Total, Object-of-Expense Informational Listing	$	61,119,899	$	57,406,259

2. **Texas Commitment - OCR Priority Plan.** Out of the funds appropriated above in D. Goal: Texas Commitment - OCR Priority Plan, the following items are included in the Priority Plan:

OCR Priority Plan Items	in millions 2004	2005
1. University College and Project Access	$1.05	$1.05
2. Student Development and Support Center	$0.87	$0.88
3. Honors Endowed Scholarships	$0.88	$1.75
4. Information Technology	$0.70	$0.70
5. Accreditation	$0.87	$0.88
6. College of Nursing	$0.44	$0.44
7. College of Engineering	$0.44	$0.17
8. MS Accounting	$0.26	$0.26
9. MS/PhD Electrical Engineering	$0.79	$0.79
10. Enhance Educator Preparation	$0.35	$0.35
11. MS Architecture	$0.44	$0.44
12. Four Endowed Chairs	$0.88	$0.87
13. MS Information Systems	$0.61	$0.07
14. Faculty Recruitment, Retention, and Development	$1.31	$1.31
15.. MS Computer Science	$0.35	$0.35
16. PhD Juvenile Forensic Psychology	$0.67	$0.66
TOTAL:	$10.91	$10.97 & UB

3. **OCR Priority Plan Reporting Requirements.** Prairie View A&M University shall work with the Texas A&M University System; Prairie View A&M University and the Texas A&M University System shall work with the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board regarding any proposed changes to the detailed plan, the benchmarks and performance measures adopted in accordance with the OCR Priority Plan. Prairie View A&M University shall report their progress regarding the OCR Priority Plan benchmarks, performance measures, and expenditures for the above items, semi-annually by

December 31 and June 30 to the institution's Board of Regents, the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board. Funds appropriated in Strategy D.1.1, OCR Priority Plan, include unexpended balances as of August 31, 2003 (estimated to be $5,272,013) to Prairie View A&M University for the biennium beginning September 1, 2004, for continuation of the OCR Priority Plan and funding of the items as identified by the 78th Legislature. It is legislative intent that any funds not spent during the 2004–05 biennium be transferred to the 2006–07 biennium without any reduction in future funding for the Office of Civil Rights Priority Plan.

4. **Establishment of America's Promise School.** Out of the funds appropriated above Prairie View A& M University will jointly operate an America's Promise School with Waller Independent School District. The school will be a full service pre-kindergarten through fourth grade community-centered elementary school based around the America's Promise concept, which includes the following five promises: (1) an ongoing relationship with a caring adult/mentor; (2) safe places and structured activities before and after school; (3) a healthy start, including nutritional and health-related services; (4) students developing marketable skills through effective education; and (5) opportunities for the students to serve and give back to the community.

5. **OCR Multi-year Commitment.** It is the intent of the Legislature that the funding identified above in the OCR Priority Plan be continued as a multi-year commitment by the Legislature.

6. **Contingency for House Bill 85.** Contingent upon enactment of House Bill 85, or similar legislation relating to the establishment of a Prairie View A&M University Undergraduate Medical Academy, by the Seventy-eighth Legislature, Regular Session, Prairie View A&M is allocated out of funds appropriated above, up to $2,500,000 in fiscal year 2004 and $2,500,000 in fiscal year 2005 for the sole purpose of implementing that Act.

TARLETON STATE UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 38,441,541	$ 38,895,846
Grand Total, TARLETON STATE UNIVERSITY	$ 38,441,541	$ 38,895,846
Method of Financing:		
General Revenue Fund	$ 27,561,360	$ 27,657,832
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	200,000	200,000
Estimated Statutory Tuition Increases Account No. 708	407,970	815,940
Estimated Other Educational and General Income Account No. 770	10,272,211	10,222,074
Subtotal, General Revenue Fund - Dedicated	$ 10,880,181	$ 11,238,014
Total, Method of Financing	$ 38,441,541	$ 38,895,846
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	701.1	701.1

TARLETON STATE UNIVERSITY
(Continued)

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
Outcome (Results/Impact):				
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years		45.2%		45.2%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year		68.69%		69%
Administrative Cost as a Percent of Total Expenditures		8.8%		8.4%
Certification Rate of Teacher Education Graduates		87.5%		87.5%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates		62%		63%
Percent of Lower Division Courses Taught by Tenured Faculty		47%		47%
State Licensure Pass Rate of Nursing Graduates		97%		97%
Dollar Value of External or Sponsored Research Funds (in Millions)		4.9		4.9
A.1.1. Strategy: OPERATIONS SUPPORT	$	21,950,688	$	22,280,790
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	947,763	$	962,016
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	1,173,521	$	1,173,521
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	141,821	$	141,821
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	26,250	$	26,250
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,281,116	$	1,327,451
A.1.7. Strategy: INDIRECT COST RECOVERY	$	515,382	$	515,382
Indirect cost recovery for research related activities.				
A.1.8. Strategy: ORGANIZED ACTIVITIES	$	510,000	$	510,000
A.1.9. Strategy: EXCELLENCE FUNDING	$	521,037	$	521,037
Total, Goal A: INSTRUCTION/OPERATIONS	$	27,067,578	$	27,458,268
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	4,230,195	$	4,293,810
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,743,032	$	1,743,032
Total, Goal B: INFRASTRUCTURE SUPPORT	$	5,973,227	$	6,036,842
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: CENTRAL TEXAS CENTER	$	1,179,375	$	1,179,375
University System Center - Central Texas.				
C.2.1. Strategy: ENVIRONMENTAL RESEARCH	$	1,400,000	$	1,400,000
Institute for Applied Environmental Research.				
C.2.2. Strategy: AGRICULTURE CENTER	$	328,125	$	328,125
Tarleton Agriculture Center.				
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,493,236	$	2,493,236
Total, Goal C: SPECIAL ITEM SUPPORT	$	5,400,736	$	5,400,736
Grand Total, TARLETON STATE UNIVERSITY	$	38,441,541	$	38,895,846

TARLETON STATE UNIVERSITY
(Continued)

Method of Financing:		
General Revenue Fund	$ 27,561,360	$ 27,657,832
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	200,000	200,000
Estimated Statutory Tuition Increases Account No. 708	407,970	815,940
Estimated Other Educational and General Income Account No. 770	10,272,211	10,222,074
Subtotal, General Revenue Fund - Dedicated	$ 10,880,181	$ 11,238,014
Total, Method of Financing	$ 38,441,541	$ 38,895,846
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 11,033,305	$ 11,508,567
Other Personnel Costs	263,991	263,093
Faculty Salaries (Higher Education Only)	15,089,688	15,251,001
Operating Costs	7,219,559	6,992,166
Client Services	24,227	23,913
Grants	4,810,771	4,857,106
Total, Object-of-Expense Informational Listing	$ 38,441,541	$ 38,895,846

2. **Bosque River Monitoring Project.** The Institute for Applied Environmental Research shall conduct water quality monitoring for the Bosque River. The institute shall coordinate the collection and reporting of data to conform with Texas Commission on Environmental Quality protocols. The Institute shall report on the water quality in the Bosque River by July 1 and February 1 of each year to the commission. It is legislative intent that the water quality monitoring efforts of the Institute for Applied Environmental Research, Texas Commission on Environmental Quality, and other appropriate agencies and entities be cooperative and non-duplicative.

3. **Scholarship Match.** Out of the funds appropriated above, funds may be used to provide a match for funds collected by a one dollar per semester credit hour fee for a student endowment scholarship and internship adopted by student referendum, pursuant to Education Code § 56.242.

TEXAS A&M UNIVERSITY - CORPUS CHRISTI

	For the Years Ending August 31, 2004	August 31, 2005
1. Educational and General State Support	$ 50,396,730	$ 50,854,261
Grand Total, TEXAS A&M UNIVERSITY - CORPUS CHRISTI	$ 50,396,730	$ 50,854,261
Method of Financing:		
General Revenue Fund	$ 40,696,393	$ 40,815,280
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	192,236	192,236

Estimated Statutory Tuition Increases Account No. 708		416,448		832,896
Estimated Other Educational and General Income Account No. 770		9,091,653		9,013,849
Subtotal, General Revenue Fund - Dedicated	$	9,700,337	$	10,038,981
Total, Method of Financing	$	50,396,730	$	50,854,261
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds		818.1		818.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
Outcome (Results/Impact):				
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years		41%		41.5%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year		73%		73.5%
Administrative Cost as a Percent of Total Expenditures		13%		13%
Certification Rate of Teacher Education Graduates		80.1%		80.1%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates		66.5%		67%
Percent of Lower Division Courses Taught by Tenured Faculty		49.5%		50%
State Licensure Pass Rate of Nursing Graduates		95%		95%
Dollar Value of External or Sponsored Research Funds (in Millions)		4.6		4.6
A.1.1. Strategy: OPERATIONS SUPPORT	$	21,605,678	$	21,944,104
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	1,085,365	$	1,102,365
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	1,191,575	$	1,191,575
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	104,225	$	104,225
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	10,165	$	10,165
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,106,407	$	1,147,489
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$	519,250	$	519,250
A.1.8. Strategy: EXCELLENCE FUNDING	$	597,444	$	597,444
Total, Goal A: INSTRUCTION/OPERATIONS	$	26,220,109	$	26,616,617
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$	3,895,712	$	3,956,734
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	10,244,554	$	10,244,554
Total, Goal B: INFRASTRUCTURE SUPPORT	$	14,140,266	$	14,201,288
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: SCHOOL NURSING PROGRAM School Nursing Program for Early Childhood Development Center.	$	306,250	$	306,250
C.1.2. Strategy: ENVIRONMENTAL CENTER Environmental Learning Center.	$	175,000	$	175,000
C.2.1. Strategy: COASTAL STUDIES Center for Coastal Studies.	$	265,969	$	265,969

C.2.2. Strategy: GULF OF MEXICO ENVIRONMENTAL LAB Gulf of Mexico Environmental Research Laboratory.	$	262,500	$	262,500
C.3.1. Strategy: WATER RESOURCES CENTER	$	65,839	$	65,839
C.3.2. Strategy: ART MUSEUM	$	346,657	$	346,658
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	8,614,140	$	8,614,140
Total, Goal C: SPECIAL ITEM SUPPORT	$	10,036,355	$	10,036,356
Grand Total, TEXAS A&M UNIVERSITY - CORPUS CHRISTI	$	50,396,730	$	50,854,261
Method of Financing:				
General Revenue Fund	$	40,696,393	$	40,815,280
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		192,236		192,236
Estimated Statutory Tuition Increases Account No. 708		416,448		832,896
Estimated Other Educational and General Income Account No. 770		9,091,653		9,013,849
Subtotal, General Revenue Fund - Dedicated	$	9,700,337	$	10,038,981
Total, Method of Financing	$	50,396,730	$	50,854,261
Object-of-Expense Informational Listing:				
Salaries and Wages	$	13,724,996	$	14,318,296
Other Personnel Costs		123,596		171,905
Faculty Salaries (Higher Education Only)		18,710,455		18,836,076
Operating Costs		15,796,208		15,466,176
Client Services		1,119,218		1,157,174
Capital Expenditures		922,257		904,634
Total, Object-of-Expense Informational Listing	$	50,396,730	$	50,854,261

2. **Art Museum Contingency.** Out of the General Revenue funds appropriated above, $263,609 in each year of the biennium for the Art Museum is contingent upon the Art Museum receiving at least $527,218 each year from local gifts, grants, and donations for the purposes of the operations of the Art Museum. In the event that gifts, grants, or donations for each fiscal year total less than $527,218, the appropriation in each fiscal year is reduced to an amount equal to one-half of the total gifts, grants, and donations received in that fiscal year.

TEXAS A&M UNIVERSITY - KINGSVILLE

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 43,300,434	$ 42,253,592
Grand Total, TEXAS A&M UNIVERSITY - KINGSVILLE	$ 43,300,434	$ 42,253,592
Method of Financing:		
General Revenue Fund	$ 33,820,912	$ 32,485,875
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	336,243	672,485
Estimated Other Educational and General Income Account No. 770	9,143,279	9,095,232
Subtotal, General Revenue Fund - Dedicated	$ 9,479,522	$ 9,767,717
Total, Method of Financing	$ 43,300,434	$ 42,253,592
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	815.2	815.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	31%	32%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	66%	66%
Administrative Cost as a Percent of Total Expenditures	12.5%	12%
Certification Rate of Teacher Education Graduates	57.9%	57.9%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	63.8%	63.8%
Percent of Lower Division Courses Taught by Tenured Faculty	59%	60%
State Licensure Pass Rate of Engineering Graduates	88.7%	88.7%
Dollar Value of External or Sponsored Research Funds (in Millions)	7.8	7.8
A.1.1. Strategy: OPERATIONS SUPPORT	$ 19,908,727	$ 20,180,100
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 864,310	$ 876,092
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,336,502	$ 1,336,502
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 200,604	$ 200,604
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 2,097	$ 2,097
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,105,925	$ 1,144,715
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 745,548	$ 745,548
A.1.8. Strategy: ORGANIZED ACTIVITIES	$ 274,000	$ 274,000
A.1.9. Strategy: EXCELLENCE FUNDING	$ 576,137	$ 576,137
Total, Goal A: INSTRUCTION/OPERATIONS	$ 25,013,850	$ 25,335,795

TEXAS A&M UNIVERSITY - KINGSVILLE
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	3,894,669	$	3,947,757
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	3,686,979	$	3,686,979
Total, Goal B: INFRASTRUCTURE SUPPORT	$	7,581,648	$	7,634,736
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: PHD IN ENGINEERING	$	240,625	$	UB
C.1.2. Strategy: PHARMACY SCHOOL START-UP	$	306,250	$	UB
C.1.3. Strategy: SYSTEM CENTER - SAN ANTONIO	$	2,275,000	$	1,400,000
TAMUK System Center - San Antonio.				& UB
C.2.1. Strategy: CITRUS CENTER	$	740,989	$	740,989
C.2.2. Strategy: WILDLIFE RESEARCH INSTITUTE	$	276,000	$	276,000
C.3.1. Strategy: JOHN E. CONNOR MUSEUM	$	27,231	$	27,231
C.3.2. Strategy: SOUTH TEXAS ARCHIVES	$	109,375	$	109,375
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	6,729,466	$	6,729,466
Total, Goal C: SPECIAL ITEM SUPPORT	$	10,704,936	$	9,283,061
Grand Total, TEXAS A&M UNIVERSITY - KINGSVILLE	$	43,300,434	$	42,253,592
Method of Financing:				
General Revenue Fund	$	33,820,912	$	32,485,875
General Revenue Fund - Dedicated				
Estimated Statutory Tuition Increases Account No. 708		336,243		672,485
Estimated Other Educational and General Income Account No. 770		9,143,279		9,095,232
Subtotal, General Revenue Fund - Dedicated	$	9,479,522	$	9,767,717
Total, Method of Financing	$	43,300,434	$	42,253,592
Object-of-Expense Informational Listing:				
Salaries and Wages	$	10,828,434	$	10,643,741
Other Personnel Costs		1,405,308		1,320,971
Faculty Salaries (Higher Education Only)		15,963,324		16,197,232
Professional Salaries - Faculty Equivalent (Higher Education Only)		353,289		400,745
Operating Costs		11,731,194		10,977,226
Client Services		1,307,161		1,391,992
Grants		576,137		576,137
Capital Expenditures		1,135,587		745,548
Total, Object-of-Expense Informational Listing	$	43,300,434	$	42,253,592

TEXAS A&M INTERNATIONAL UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 36,051,603	$ 36,244,817
Grand Total, TEXAS A&M INTERNATIONAL UNIVERSITY	$ 36,051,603	$ 36,244,817
Method of Financing:		
General Revenue Fund	$ 31,453,001	$ 31,496,641
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	155,758	155,758
Estimated Statutory Tuition Increases Account No. 708	175,617	351,233
Estimated Other Educational and General Income Account No. 770	4,073,702	4,047,660
Subtotal, General Revenue Fund - Dedicated	$ 4,405,077	$ 4,554,651
Interagency Contracts	193,525	193,525
Total, Method of Financing	$ 36,051,603	$ 36,244,817
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	489.5	489.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	37%	37%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	72%	72%
Administrative Cost as a Percent of Total Expenditures	21%	21%
Certification Rate of Teacher Education Graduates	72.2%	72.2%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	70%	72%
Percent of Lower Division Courses Taught by Tenured Faculty	53%	53%
Dollar Value of External or Sponsored Research Funds (in Millions)	.2	.2
A.1.1. Strategy: OPERATIONS SUPPORT	$ 9,179,064	$ 9,310,913
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 450,700	$ 457,174
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 521,156	$ 521,156
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 37,039	$ 37,039
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 279	$ 279
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 486,940	$ 504,538
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 163,372	$ 163,372
A.1.8. Strategy: EXCELLENCE FUNDING	$ 288,066	$ 288,066
Total, Goal A: INSTRUCTION/OPERATIONS	$ 11,126,616	$ 11,282,537

B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	2,596,273	$	2,633,566
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	12,694,981	$	12,694,981
Total, Goal B: INFRASTRUCTURE SUPPORT	$	15,291,254	$	15,328,547
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: PHD PROGRAM IN BUSINESS	$	1,531,250	$	1,531,250
C.2.1. Strategy: INTERNATIONAL TRADE INSTITUTE	$	273,722	$	273,722
Institute for International Trade.				
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	7,828,761	$	7,828,761
Total, Goal C: SPECIAL ITEM SUPPORT	$	9,633,733	$	9,633,733
Grand Total, TEXAS A&M INTERNATIONAL UNIVERSITY	$	36,051,603	$	36,244,817
Method of Financing:				
General Revenue Fund	$	31,453,001	$	31,496,641
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		155,758		155,758
Estimated Statutory Tuition Increases Account No. 708		175,617		351,233
Estimated Other Educational and General Income Account No. 770		4,073,702		4,047,660
Subtotal, General Revenue Fund - Dedicated	$	4,405,077	$	4,554,651
Interagency Contracts		193,525		193,525
Total, Method of Financing	$	36,051,603	$	36,244,817
Object-of-Expense Informational Listing:				
Salaries and Wages	$	8,768,714	$	8,541,596
Faculty Salaries (Higher Education Only)		9,555,644		9,917,530
Operating Costs		17,110,249		17,111,017
Client Services		2,924		2,869
Grants		614,072		620,546
Capital Expenditures		0		51,259
Total, Object-of-Expense Informational Listing	$	36,051,603	$	36,244,817

2. **Contingency for House Bill 1941.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy B.1.2, Tuition Revenue Bond Retirement, is the amount of $600,000 in each year of the biennium for the debt service related to the tuition revenue bonds authorized by House Bill 1941. The amount in this rider is contingent upon enactment of House Bill 1941, or similar legislation relating to the authorization of the issuance of revenue bonds for Texas A&M International University, by the Seventy-eighth Legislature, Regular Session. Any portion of this appropriation not spent in fiscal year 2004 could be expended for the same purposes in fiscal year 2005.

WEST TEXAS A&M UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 33,675,754	$ 34,155,967
Grand Total, WEST TEXAS A&M UNIVERSITY	$ 33,675,754	$ 34,155,967
Method of Financing:		
General Revenue Fund	$ 24,942,093	$ 25,106,400
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	150,000	150,000
Estimated Statutory Tuition Increases Account No. 708	454,236	908,473
Estimated Other Educational and General Income Account No. 770	8,129,425	7,991,094
Subtotal, General Revenue Fund - Dedicated	$ 8,733,661	$ 9,049,567
Total, Method of Financing	$ 33,675,754	$ 34,155,967
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	629.7	629.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	35.8%	35.8%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	73.1%	73.1%
Administrative Cost as a Percent of Total Expenditures	7.6%	7.6%
Certification Rate of Teacher Education Graduates	82.3%	82.3%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	52%	52%
Percent of Lower Division Courses Taught by Tenured Faculty	46.2%	46.2%
State Licensure Pass Rate of Nursing Graduates	96.4%	96.4%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 18,292,896	$ 18,661,387
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 818,115	$ 834,595
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,097,932	$ 1,097,932
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 155,640	$ 155,640
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$ 1,563	$ 1,563
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,095,664	$ 1,137,303
A.1.7. Strategy: INDIRECT COST RECOVERY	$ 150,000	$ 150,000
Indirect cost recovery for research related activities.		
A.1.8. Strategy: ORGANIZED ACTIVITIES	$ 91,885	$ 91,885
A.1.9. Strategy: EXCELLENCE FUNDING	$ 594,830	$ 594,830
Total, Goal A: INSTRUCTION/OPERATIONS	$ 22,298,525	$ 22,725,135
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 3,438,522	$ 3,507,788
Educational and general space support.		

B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,504,365	$	1,504,365
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	85,630	$	85,630
Total, Goal B: INFRASTRUCTURE SUPPORT	$	5,028,517	$	5,097,783
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: KILLGORE RESEARCH CENTER	$	43,780	$	43,780
C.2.2. Strategy: WIND ENERGY RESEARCH	$	96,250	$	105,000
C.2.3. Strategy: ENVIRONMENTAL RESEARCH	$	875,000	$	875,000
C.2.4. Strategy: INTEGRATED PEST MANAGEMENT	$	131,250	$	131,250
Integrated pest management.				
C.3.1. Strategy: PANHANDLE-PLAINS MUSEUM	$	551,015	$	526,602
Panhandle-Plains Historical Museum.				
C.3.2. Strategy: RURAL AGRI-BUSINESS	$	750,000	$	750,000
Rural agri-business incubator and accelerator.				
C.3.3. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	150,000	$	150,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	3,751,417	$	3,751,417
Total, Goal C: SPECIAL ITEM SUPPORT	$	6,348,712	$	6,333,049
Grand Total, WEST TEXAS A&M UNIVERSITY	$	33,675,754	$	34,155,967
Method of Financing:				
General Revenue Fund	$	24,942,093	$	25,106,400
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		150,000		150,000
Estimated Statutory Tuition Increases Account No. 708		454,236		908,473
Estimated Other Educational and General Income Account No. 770		8,129,425		7,991,094
Subtotal, General Revenue Fund - Dedicated	$	8,733,661	$	9,049,567
Total, Method of Financing	$	33,675,754	$	34,155,967
Object-of-Expense Informational Listing:				
Salaries and Wages	$	8,221,137	$	8,477,308
Other Personnel Costs		366,619		373,897
Faculty Salaries (Higher Education Only)		10,577,991		10,747,395
Operating Costs		8,021,643		8,022,959
Client Services		1,129,106		1,170,330
Grants		5,221,247		5,221,247
Capital Expenditures		138,011		142,831
Total, Object-of-Expense Informational Listing	$	33,675,754	$	34,155,967

2. **Rural Agricultural/Business Incubator and Accelerator.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Rural Agricultural/Business Incubator and Accelerator will generate at least $1,500,000 additional revenue to the General Revenue Fund, $750,000 in each year of the biennium is included in the appropriation above for

the Rural Agricultural/Business Incubator and Accelerator. It is the intent of the Legislature that state funds provided to the Rural Agricultural/Business Incubator and Accelerator be used by the center to attract federal funds on a dollar-for-dollar basis.

3. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $300,000 additional revenue to the General Revenue Fund, $150,000 in each year of the biennium is included in the appropriation above for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

TEXAS A&M UNIVERSITY - COMMERCE

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 40,698,537	$ 41,360,105
Grand Total, TEXAS A&M UNIVERSITY - COMMERCE	$ 40,698,537	$ 41,360,105
Method of Financing:		
General Revenue Fund	$ 29,847,235	$ 30,163,510
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,142,152	1,142,152
Estimated Statutory Tuition Increases Account No. 708	412,417	824,835
Estimated Other Educational and General Income Account No. 770	9,296,733	9,229,608
Subtotal, General Revenue Fund - Dedicated	$ 10,851,302	$ 11,196,595
Total, Method of Financing	$ 40,698,537	$ 41,360,105
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	808.5	808.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	35.5%	36%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	73.7%	73.7%
Administrative Cost as a Percent of Total Expenditures	11%	11%
Certification Rate of Teacher Education Graduates	88.2%	88.2%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	41%	42%
Percent of Lower Division Courses Taught by Tenured Faculty	45%	48%

TEXAS A&M UNIVERSITY - COMMERCE
(Continued)

A.1.1. Strategy: OPERATIONS SUPPORT	$	27,600,419	$	27,951,277
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	630,153	$	638,163
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	1,426,874	$	1,426,874
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	111,895	$	115,252
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	27,945	$	28,616
A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,481,873	$	1,530,428
A.1.7. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$	150,650	$	150,650
A.1.8. Strategy: ORGANIZED ACTIVITIES	$	142,614	$	142,614
A.1.9. Strategy: EXCELLENCE FUNDING	$	685,413	$	685,413
Total, Goal A: INSTRUCTION/OPERATIONS	$	32,257,836	$	32,669,287
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$	4,212,485	$	4,266,034
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	862,751	$	862,751
Total, Goal B: INFRASTRUCTURE SUPPORT	$	5,075,236	$	5,128,785
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.				
C.1.1. Strategy: INDUSTRIAL ENGINEERING PROGRAM Bachelor of Science Degree Program in Industrial Engineering.	$	328,432	$	525,000
C.2.1. Strategy: EDUCATIONAL CONSORTIUM Northeast Texas Educational Partnership Consortium.	$	656,475	$	656,475
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,380,558	$	2,380,558
Total, Goal C: SPECIAL ITEM SUPPORT	$	3,365,465	$	3,562,033
Grand Total, TEXAS A&M UNIVERSITY - COMMERCE	$	40,698,537	$	41,360,105
Method of Financing:				
General Revenue Fund	$	29,847,235	$	30,163,510
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		1,142,152		1,142,152
Estimated Statutory Tuition Increases Account No. 708		412,417		824,835
Estimated Other Educational and General Income Account No. 770		9,296,733		9,229,608
Subtotal, General Revenue Fund - Dedicated	$	10,851,302	$	11,196,595
Total, Method of Financing	$	40,698,537	$	41,360,105
Object-of-Expense Informational Listing:				
Salaries and Wages	$	13,426,191	$	14,852,682
Other Personnel Costs		274,133		119,694
Faculty Salaries (Higher Education Only)		15,799,208		16,531,025
Operating Costs		6,430,196		5,065,802

TEXAS A&M UNIVERSITY - COMMERCE
(Continued)

Client Services		32,027		5,852
Grants		4,698,494		4,747,049
Capital Expenditures		38,288		38,001
Total, Object-of-Expense Informational Listing	$	40,698,537	$	41,360,105

TEXAS A&M UNIVERSITY - TEXARKANA

	For the Years Ending August 31, 2004		For the Years Ending August 31, 2005	
1. Educational and General State Support	$	10,562,676	$	10,688,098
Grand Total, TEXAS A&M UNIVERSITY - TEXARKANA	$	10,562,676	$	10,688,098
Method of Financing:				
General Revenue Fund	$	9,133,705	$	9,207,203
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		122,800		122,800
Estimated Statutory Tuition Increases Account No. 708		117,404		234,808
Estimated Other Educational and General Income Account No. 770		1,188,767		1,123,287
Subtotal, General Revenue Fund - Dedicated	$	1,428,971	$	1,480,895
Total, Method of Financing	$	10,562,676	$	10,688,098
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds		149.1		149.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
Outcome (Results/Impact):				
Administrative Cost as a Percent of Total Expenditures		26.5%		26.5%
Certification Rate of Teacher Education Graduates		94.7%		94.7%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates		77%		78%
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years		82%		83%
Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only)		82%		83%
A.1.1. Strategy: OPERATIONS SUPPORT	$	3,705,141	$	3,787,754
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	132,866	$	135,828
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	185,135	$	185,135
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	16,242	$	16,242
A.1.5. Strategy: UNEMPLOYMENT COMPENSATION INSURANCE	$	3,248	$	3,248

A.1.6. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	211,353	$	219,372
A.1.7. Strategy: EXCELLENCE FUNDING	$	166,343	$	166,343
Total, Goal A: INSTRUCTION/OPERATIONS	$	4,420,328	$	4,513,922
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	1,427,472	$	1,459,300
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	855,802	$	855,802
B.1.3. Strategy: LEASE OF FACILITIES	$	2,097	$	2,097
Total, Goal B: INFRASTRUCTURE SUPPORT	$	2,285,371	$	2,317,199
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: ACADEMIC PROGRAMS	$	1,494,938	$	1,494,938
Academic programs and program development.				
C.2.1. Strategy: NE TEXAS EDUCATION PARTNERSHIP	$	76,675	$	76,675
Northeast Texas Education Partnership.				
C.3.1. Strategy: TRANSITION FUNDING	$	153,772	$	153,772
C.3.2. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,131,592	$	2,131,592
Total, Goal C: SPECIAL ITEM SUPPORT	$	3,856,977	$	3,856,977
Grand Total, TEXAS A&M UNIVERSITY - TEXARKANA	$	10,562,676	$	10,688,098
Method of Financing:				
General Revenue Fund	$	9,133,705	$	9,207,203
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		122,800		122,800
Estimated Statutory Tuition Increases Account No. 708		117,404		234,808
Estimated Other Educational and General Income Account No. 770		1,188,767		1,123,287
Subtotal, General Revenue Fund - Dedicated	$	1,428,971	$	1,480,895
Total, Method of Financing	$	10,562,676	$	10,688,098
Object-of-Expense Informational Listing:				
Salaries and Wages	$	2,424,326	$	2,351,251
Other Personnel Costs		344,132		379,454
Faculty Salaries (Higher Education Only)		4,429,267		5,102,217
Operating Costs		2,752,429		2,504,075
Client Services		138,235		129,632
Grants		213,450		221,469
Capital Expenditures		260,837		0
Total, Object-of-Expense Informational Listing	$	10,562,676	$	10,688,098

2. **Scholarship Match.** Out of the funds appropriated above, funds may be used to provide a match for funds collected by a two dollar per semester credit hour fee for a student endowment scholarship and internship program adopted by student referendum, pursuant to Education Code § 56.242.

UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 3,504,669	$ 3,508,335
Grand Total, UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION	$ 3,504,669	$ 3,508,335
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	71.0	71.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:		
A. Goal: INSTRUCTION/OPERATIONS Provide instructional and operations support. **A.1.1. Strategy:** SYSTEM OFFICE OPERATIONS	$ 1,860,919	$ 1,864,585
B. Goal: INFRASTRUCTURE SUPPORT Provide infrastructure support. **B.1.1. Strategy:** TUITION REVENUE BOND RETIREMENT	$ 1,031,250	$ 1,031,250
C. Goal: SPECIAL ITEM SUPPORT Provide special item support. **C.1.1. Strategy:** NASA PROGRAMS High School Cooperative Education Program with NASA and Technology Outreach Program.	$ 612,500	$ 612,500
Grand Total, UNIVERSITY OF HOUSTON SYSTEM ADMINISTRATION	$ 3,504,669	$ 3,508,335
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 1,860,919	$ 1,864,585
Operating Costs	612,500	612,500
Debt Service	1,031,250	1,031,250
Total, Object-of-Expense Informational Listing	$ 3,504,669	$ 3,508,335

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $150,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Contingent Appropriation for House Bill 3350.**

   a. Included in the appropriation above to the University of Houston System in Strategy B.1.1, Tuition Revenue Bond Retirement, is $1,031,250 in each year of the biennium for the debt service related to tuition revenue bonds authorized by House Bill 3350. The amounts in this rider are contingent upon the enactment of House Bill 3350 or similar legislation relating to the authorization of the issuance of tuition revenue bonds. Any portion of this appropriation not spent in fiscal year 2004 could be expended for the same purposes in fiscal year 2005.

   b. It is the intent of the Legislature that if any of the funds identified by this rider are expended on a project for which the System or component institutions receive reimbursement from the settlement of insurance claims or from the Federal Emergency Management Agency (FEMA) related to Tropical Storm Allison, the System or component institution shall reimburse the state for related expenses.

UNIVERSITY OF HOUSTON

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 191,473,535	$ 192,978,405
Grand Total, UNIVERSITY OF HOUSTON	$ 191,473,535	$ 192,978,405
Method of Financing:		
General Revenue Fund	$ 129,705,973	$ 129,877,770
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	12,524,974	12,524,974
Estimated Statutory Tuition Increases Account No. 708	1,374,652	2,749,304
Estimated Other Educational and General Income Account No. 770	47,867,936	47,826,357
Subtotal, General Revenue Fund - Dedicated	$ 61,767,562	$ 63,100,635
Total, Method of Financing	$ 191,473,535	$ 192,978,405
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	3,389.8	3,389.8

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	37.4%	37.5%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	84.3%	84.3%
Administrative Cost as a Percent of Total Expenditures	9.2%	8.9%
Certification Rate of Teacher Education Graduates	91%	91%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	38.5%	39%
Percent of Lower Division Courses Taught by Tenured Faculty	43.5%	43.5%
State Licensure Pass Rate of Law Graduates	92.7%	92.7%
State Licensure Pass Rate of Engineering Graduates	92%	92%
State Licensure Pass Rate of Pharmacy Graduates	100%	100%
Dollar Value of External or Sponsored Research Funds (in Millions)	47.6	47.6
A.1.1. Strategy: OPERATIONS SUPPORT	$ 125,675,037	$ 126,818,726
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 2,974,559	$ 3,001,629
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 3,635,623	$ 3,635,623
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 516,981	$ 516,981
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 5,281,493	$ 5,411,710
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 6,673,356	$ 6,673,356
Indirect cost recovery for research related activities.		

UNIVERSITY OF HOUSTON
(Continued)

A.1.7. Strategy: ORGANIZED ACTIVITIES	$	1,297,618	$	1,297,618
A.1.8. Strategy: EXCELLENCE FUNDING	$	4,209,677	$	4,209,677
Total, Goal A: INSTRUCTION/OPERATIONS	$	150,264,344	$	151,565,320
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	22,404,972	$	22,608,866
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	3,246,798	$	3,246,798
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	407,190	$	407,190
Total, Goal B: INFRASTRUCTURE SUPPORT	$	26,058,960	$	26,262,854
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: LEARNING AND COMPUTATION CENTER	$	2,037,690	$	2,037,690
C.2.2. Strategy: SPACE EXPLORATION	$	368,407	$	368,407
Houston Partnership for Space Exploration.				
C.2.3. Strategy: COMMERCIAL DEVELOPMENT OF SPACE	$	422,002	$	422,002
Center for Commercial Development of Space: Space Vacuum Epitaxy Center.				
C.2.4. Strategy: SUPERCONDUCTIVITY CENTER	$	3,797,500	$	3,797,500
C.3.1. Strategy: SMALL BUSINESS DEVELOPMENT	$	2,707,033	$	2,707,033
University of Houston Small Business Development Center.				
C.3.2. Strategy: HEALTH LAW & POLICY INSTITUTE	$	306,250	$	306,250
Health Law and Policy Institute.				
C.3.3. Strategy: CENTER FOR PUBLIC POLICY	$	262,500	$	262,500
C.3.4. Strategy: PARTNERSHIPS-SUPPORT PUBLIC SCHOOLS	$	1,441,313	$	1,441,313
Partnerships to Support Public Schools.				
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	3,807,536	$	3,807,536
Total, Goal C: SPECIAL ITEM SUPPORT	$	15,150,231	$	15,150,231
Grand Total, UNIVERSITY OF HOUSTON	$	191,473,535	$	192,978,405
Method of Financing:				
General Revenue Fund	$	129,705,973	$	129,877,770
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		12,524,974		12,524,974
Estimated Statutory Tuition Increases Account No. 708		1,374,652		2,749,304

Estimated Other Educational and General Income Account No. 770		47,867,936		47,826,357
Subtotal, General Revenue Fund - Dedicated	$	61,767,562	$	63,100,635
Total, Method of Financing	$	191,473,535	$	192,978,405
Object-of-Expense Informational Listing:				
Salaries and Wages	$	72,237,407	$	77,258,766
Other Personnel Costs		3,353,739		3,323,208
Faculty Salaries (Higher Education Only)		74,477,976		74,342,516
Operating Costs		37,665,158		35,035,685
Client Services		9,523		9,567
Capital Expenditures		3,729,732		3,008,663
Total, Object-of-Expense Informational Listing	$	191,473,535	$	192,978,405

2. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $4,539,534 for the biennium in additional revenue to the General Revenue Fund, $2,269,767 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

UNIVERSITY OF HOUSTON - CLEAR LAKE

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 36,335,533	$ 36,668,686
Grand Total, UNIVERSITY OF HOUSTON - CLEAR LAKE	$ 36,335,533	$ 36,668,686
Method of Financing:		
General Revenue Fund	$ 26,225,668	$ 26,278,782
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,060,416	2,060,416
Estimated Statutory Tuition Increases Account No. 708	304,206	608,412
Estimated Other Educational and General Income Account No. 770	7,745,243	7,721,076
Subtotal, General Revenue Fund - Dedicated	$ 10,109,865	$ 10,389,904
Total, Method of Financing	$ 36,335,533	$ 36,668,686
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	568.2	568.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Administrative Cost as a Percent of Total Expenditures	16.1%	16.1%
Certification Rate of Teacher Education Graduates	65%	65%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	55%	55%
Dollar Value of External or Sponsored Research Funds (in Millions)	10.8	10.8
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years	78%	78%
Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only)	87.2%	87.2%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 25,462,143	$ 25,721,845
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 442,062	$ 446,571
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 539,950	$ 539,950
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 261,652	$ 261,652
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,011,399	$ 1,040,346
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 192,418	$ 192,418
Indirect cost recovery for research related activities.		

UNIVERSITY OF HOUSTON - CLEAR LAKE
(Continued)

A.1.7. Strategy: EXCELLENCE FUNDING	$	624,405	$	624,405
Total, Goal A: INSTRUCTION/OPERATIONS	$	28,534,029	$	28,827,187
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	3,921,255	$	3,961,250
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,105,757	$	1,105,757
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	97,000	$	97,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	5,124,012	$	5,164,007
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: HIGH TECHNOLOGIES LABORATORY	$	60,575	$	60,575
C.2.2. Strategy: ENVIRONMENTAL STUDIES PARTNERSHIP	$	437,501	$	437,501
Houston Partnership for Environmental Studies.				
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,179,416	$	2,179,416
Total, Goal C: SPECIAL ITEM SUPPORT	$	2,677,492	$	2,677,492
Grand Total, UNIVERSITY OF HOUSTON - CLEAR LAKE	$	36,335,533	$	36,668,686
Method of Financing:				
General Revenue Fund	$	26,225,668	$	26,278,782
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		2,060,416		2,060,416
Estimated Statutory Tuition Increases Account No. 708		304,206		608,412
Estimated Other Educational and General Income Account No. 770		7,745,243		7,721,076
Subtotal, General Revenue Fund - Dedicated	$	10,109,865	$	10,389,904
Total, Method of Financing	$	36,335,533	$	36,668,686
Object-of-Expense Informational Listing:				
Salaries and Wages	$	11,252,072	$	12,132,340
Other Personnel Costs		453,009		462,834
Faculty Salaries (Higher Education Only)		13,654,862		14,155,602
Operating Costs		7,833,633		7,069,582
Grants		2,803,821		2,803,821
Capital Expenditures		338,136		44,507
Total, Object-of-Expense Informational Listing	$	36,335,533	$	36,668,686

UNIVERSITY OF HOUSTON - DOWNTOWN

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 33,539,468	$ 34,046,178
Grand Total, UNIVERSITY OF HOUSTON - DOWNTOWN	$ 33,539,468	$ 34,046,178
Method of Financing:		
General Revenue Fund	$ 20,880,465	$ 20,936,911
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	8,100	8,100
Estimated Statutory Tuition Increases Account No. 708	453,481	906,963
Estimated Other Educational and General Income Account No. 770	12,197,422	12,194,204
Subtotal, General Revenue Fund - Dedicated	$ 12,659,003	$ 13,109,267
Total, Method of Financing	$ 33,539,468	$ 34,046,178
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	585.6	585.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	20%	22.51%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70.6%	70.6%
Administrative Cost as a Percent of Total Expenditures	16.8%	16.8%
Certification Rate of Teacher Education Graduates	85.4%	85.4%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	65%	65.1%
Percent of Lower Division Courses Taught by Tenured Faculty	43.53%	45.27%
Dollar Value of External or Sponsored Research Funds (in Millions)	.81	.81
A.1.1. Strategy: OPERATIONS SUPPORT	$ 18,674,415	$ 19,024,073
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 975,412	$ 993,676
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 573,491	$ 573,491
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 211,935	$ 211,935
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,476,834	$ 1,530,061
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 101,976	$ 101,976
Indirect cost recovery for research related activities.		

UNIVERSITY OF HOUSTON - DOWNTOWN
(Continued)

A.1.7. Strategy: EXCELLENCE FUNDING	$	883,159	$	883,159
Total, Goal A: INSTRUCTION/OPERATIONS	$	22,897,222	$	23,318,371
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	4,569,613	$	4,655,174
Educational and general space.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	2,852,103	$	2,852,103
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	131,745	$	131,745
Total, Goal B: INFRASTRUCTURE SUPPORT	$	7,553,461	$	7,639,022
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: COMMUNITY DEVELOPMENT PROJECT	$	350,000	$	350,000
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,738,785	$	2,738,785
Total, Goal C: SPECIAL ITEM SUPPORT	$	3,088,785	$	3,088,785
Grand Total, UNIVERSITY OF HOUSTON - DOWNTOWN	$	33,539,468	$	34,046,178
Method of Financing:				
General Revenue Fund	$	20,880,465	$	20,936,911
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		8,100		8,100
Estimated Statutory Tuition Increases Account No. 708		453,481		906,963
Estimated Other Educational and General Income Account No. 770		12,197,422		12,194,204
Subtotal, General Revenue Fund - Dedicated	$	12,659,003	$	13,109,267
Total, Method of Financing	$	33,539,468	$	34,046,178
Object-of-Expense Informational Listing:				
Salaries and Wages	$	10,502,706	$	13,422,934
Other Personnel Costs		42,013		33,241
Faculty Salaries (Higher Education Only)		13,608,648		14,016,665
Operating Costs		8,423,518		5,690,179
Client Services		79,424		0
Grants		883,159		883,159
Total, Object-of-Expense Informational Listing	$	33,539,468	$	34,046,178

UNIVERSITY OF HOUSTON - VICTORIA

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 13,489,138	$ 13,583,263
Grand Total, UNIVERSITY OF HOUSTON - VICTORIA	$ 13,489,138	$ 13,583,263
Method of Financing:		
General Revenue Fund	$ 11,423,441	$ 11,443,610
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	598,234	598,234
Estimated Statutory Tuition Increases Account No. 708	83,019	166,038
Estimated Other Educational and General Income Account No. 770	1,384,444	1,375,381
Subtotal, General Revenue Fund - Dedicated	$ 2,065,697	$ 2,139,653
Total, Method of Financing	$ 13,489,138	$ 13,583,263
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	259.1	259.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Administrative Cost as a Percent of Total Expenditures	18%	18%
Certification Rate of Teacher Education Graduates	86.4%	86.4%
Percentage of Baccalaureate Graduates Who Are First Generation College Graduates	43%	43%
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years	74%	74%
Retention Rate of First-time, Full-time, Degree-seeking Other Transfer Students after One Academic Year (Upper-level Institutions Only)	90.4%	90.4%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 6,869,818	$ 6,933,749
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 197,416	$ 199,253
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 128,544	$ 128,544
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 92,312	$ 92,312
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 349,829	$ 360,935
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 23,782	$ 23,782
Indirect cost recovery for research related activities.		
A.1.7. Strategy: EXCELLENCE FUNDING	$ 268,737	$ 268,737
Total, Goal A: INSTRUCTION/OPERATIONS	$ 7,930,438	$ 8,007,312

UNIVERSITY OF HOUSTON - VICTORIA
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	1,853,739	$	1,870,990
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,398,426	$	1,398,426
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	31,735	$	31,735
Total, Goal B: INFRASTRUCTURE SUPPORT	$	3,283,900	$	3,301,151
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: REGIONAL OUTREACH CENTER	$	262,500	$	262,500
Center for Regional Outreach.				
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,012,300	$	2,012,300
Total, Goal C: SPECIAL ITEM SUPPORT	$	2,274,800	$	2,274,800
Grand Total, UNIVERSITY OF HOUSTON - VICTORIA	$	13,489,138	$	13,583,263
Method of Financing:				
General Revenue Fund	$	11,423,441	$	11,443,610
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		598,234		598,234
Estimated Statutory Tuition Increases Account No. 708		83,019		166,038
Estimated Other Educational and General Income Account No. 770		1,384,444		1,375,381
Subtotal, General Revenue Fund - Dedicated	$	2,065,697	$	2,139,653
Total, Method of Financing	$	13,489,138	$	13,583,263
Object-of-Expense Informational Listing:				
Salaries and Wages	$	4,085,493	$	4,502,737
Other Personnel Costs		136,861		130,124
Faculty Salaries (Higher Education Only)		3,547,835		3,714,367
Operating Costs		3,372,896		3,223,735
Grants		2,012,300		2,012,300
Capital Expenditures		333,753		0
Total, Object-of-Expense Informational Listing	$	13,489,138	$	13,583,263

MIDWESTERN STATE UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 24,717,929	$ 25,113,630
Grand Total, MIDWESTERN STATE UNIVERSITY	$ 24,717,929	$ 25,113,630
Method of Financing:		
General Revenue Fund	$ 17,175,434	$ 17,274,721
General Revenue Fund - Dedicated		
Midwestern University Special Mineral Account No 412, estimated	12,000	3,000
Estimated Board Authorized Tuition Increases Account No. 704	89,500	89,500
Estimated Statutory Tuition Increases Account No. 708	466,804	933,608
Estimated Other Educational and General Income Account No. 770	6,974,191	6,812,801
Subtotal, General Revenue Fund - Dedicated	$ 7,542,495	$ 7,838,909
Total, Method of Financing	$ 24,717,929	$ 25,113,630
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	493.6	493.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	39.61%	41.59%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	74.5%	74.5%
Administrative Cost as a Percent of Total Expenditures	7.5%	7.5%
Certification Rate of Teacher Education Graduates	94.82%	95.45%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	55.7%	55.7%
Percent of Lower Division Courses Taught by Tenured Faculty	63.5%	63.5%
State Licensure Pass Rate of Nursing Graduates	88.6%	88.6%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 14,660,921	$ 15,024,633
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 817,897	$ 838,187
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 579,379	$ 579,379
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 260,802	$ 260,802
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,057,563	$ 1,100,460
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 49,838	$ 49,838
Indirect cost recovery for research related activities.		

MIDWESTERN STATE UNIVERSITY
(Continued)

A.1.7. Strategy: EXCELLENCE FUNDING	$	487,301	$	487,301
Total, Goal A: INSTRUCTION/OPERATIONS	$	17,913,701	$	18,340,600
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	3,337,678	$	3,420,480
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	892,183	$	892,183
Total, Goal B: INFRASTRUCTURE SUPPORT	$	4,229,861	$	4,312,663
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	100,000	$	100,000
C.2.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,474,367	$	2,360,367
Total, Goal C: SPECIAL ITEM SUPPORT	$	2,574,367	$	2,460,367
Grand Total, MIDWESTERN STATE UNIVERSITY	$	24,717,929	$	25,113,630
Method of Financing:				
General Revenue Fund	$	17,175,434	$	17,274,721
General Revenue Fund - Dedicated				
Midwestern University Special Mineral Account No 412, estimated		12,000		3,000
Estimated Board Authorized Tuition Increases Account No. 704		89,500		89,500
Estimated Statutory Tuition Increases Account No. 708		466,804		933,608
Estimated Other Educational and General Income Account No. 770		6,974,191		6,812,801
Subtotal, General Revenue Fund - Dedicated	$	7,542,495	$	7,838,909
Total, Method of Financing	$	24,717,929	$	25,113,630
Object-of-Expense Informational Listing:				
Salaries and Wages	$	6,520,488	$	7,006,078
Other Personnel Costs		136,090		97,819
Faculty Salaries (Higher Education Only)		10,787,315		11,187,568
Operating Costs		4,549,384		4,450,670
Grants		2,486,443		2,371,495
Capital Expenditures		238,209		0
Total, Object-of-Expense Informational Listing	$	24,717,929	$	25,113,630

MIDWESTERN STATE UNIVERSITY
(Continued)

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $25,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $200,000 for the biennium in additional revenue to the General Revenue Fund, $100,000 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

4. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003 (estimated to be $9,000), in the Midwestern State University Special Mineral Fund No. 412 and any income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to Midwestern State University for the general operations of the university. Mineral Funds are estimated to be $3,000 in fiscal year 2004 and $3,000 in fiscal year 2005.

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 4,568,248	$ 4,568,248
Grand Total, UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION	$ 4,568,248	$ 4,568,248
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	170.1	178.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION
(Continued)

Out of the General Revenue Fund:

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$	87,500	$	87,500
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,051,875	$	1,051,875
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: UNT SYSTEM CENTER AT DALLAS	$	2,821,875	$	2,821,875
C.1.2. Strategy: N. TEXAS AREA UNIV FEDERATION	$	606,998	$	606,998
North Texas Area Universities Federation of North Texas Universities.				
Total, Goal C: SPECIAL ITEM SUPPORT	$	3,428,873	$	3,428,873
Grand Total, UNIVERSITY OF NORTH TEXAS SYSTEM ADMINISTRATION	$	4,568,248	$	4,568,248

Object-of-Expense Informational Listing:				
Salaries and Wages	$	34,500	$	34,500
Operating Costs		3,481,873		3,481,873
Debt Service		1,051,875		1,051,875
Total, Object-of-Expense Informational Listing	$	4,568,248	$	4,568,248

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $53,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Federation of North Texas Area Universities.** The Comptroller of Public Accounts shall pay all warrants drawn on the identified strategy of the Federation of North Texas Area Universities for expenses incurred on federation business regardless of which member institution of the federation the payee is an employee.

4. **Contingency for House Bill 2522.** Included in the appropriation above to The University of North Texas System in Strategy B.1.1, Tuition Revenue Bonds, is $1,051,875 in each year of the biennium for the debt service related to tuition revenue bonds authorized by House Bill 2522 or similar legislative relating to the authorization of the issuance tuition revenue bonds. Any portion of this appropriation not spent in fiscal year 2004 could be expended for the same purposes in fiscal year 2005. The system is hereby directed to dedicate, out of funds

appropriated above and any other revenue available in accordance with its systemwide financing program, the revenue necessary to fund the related debt service.

5. **Courses Offered at the University of North Texas System Center at Dallas.** The University of North Texas System shall use an amount not to exceed $500,000 annually from funds received for instruction at the University of North Texas and the University of North Texas System Center at Dallas to support additional course offerings at the System Center. Such additional course offerings shall include increases in the number of courses offered during normal business hours and additional sections of courses required for completion of specific degrees offered at the System Center.

UNIVERSITY OF NORTH TEXAS

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 134,743,049	$ 136,321,893
Grand Total, UNIVERSITY OF NORTH TEXAS	$ 134,743,049	$ 136,321,893
Method of Financing:		
General Revenue Fund	$ 91,844,223	$ 92,135,001
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,566,244	2,566,244
Estimated Statutory Tuition Increases Account No. 708	1,415,028	2,830,056
Estimated Other Educational and General Income Account No. 770	38,917,554	38,790,592
Subtotal, General Revenue Fund - Dedicated	$ 42,898,826	$ 44,186,892
Total, Method of Financing	$ 134,743,049	$ 136,321,893
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	3,011.7	3,011.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	40%	42%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	79.9%	79.9%
Administrative Cost as a Percent of Total Expenditures	7.5%	7.5%
Certification Rate of Teacher Education Graduates	94%	94%

Percent of Baccalaureate Graduates Who Are First Generation College Graduates		54.2%		54.2%
Percent of Lower Division Courses Taught by Tenured Faculty		36.5%		36.5%
Dollar Value of External or Sponsored Research Funds (in Millions)		16		18
A.1.1. Strategy: OPERATIONS SUPPORT	$	93,161,597	$	94,325,363
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	2,949,324	$	2,986,166
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	2,565,287	$	2,565,287
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	431,817	$	431,817
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	5,086,398	$	5,250,215
A.1.6. Strategy: INDIRECT COST RECOVERY	$	2,211,038	$	2,211,038
Indirect cost recovery for research related activities.				
A.1.7. Strategy: ORGANIZED ACTIVITIES	$	331,789	$	331,789
A.1.8. Strategy: EXCELLENCE FUNDING	$	2,919,481	$	2,919,481
Total, Goal A: INSTRUCTION/OPERATIONS	$	109,656,731	$	111,021,156
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	17,164,658	$	17,379,077
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	3,964,268	$	3,964,268
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	353,131	$	353,131
Total, Goal B: INFRASTRUCTURE SUPPORT	$	21,482,057	$	21,696,476
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: TEXAS ACADEMY OF MATH AND SCIENCE	$	1,537,720	$	1,537,720
C.2.1. Strategy: INSTITUTE OF APPLIED SCIENCES	$	63,257	$	63,257
C.3.1. Strategy: EMERGENCY MANAGEMENT CENTER	$	50,801	$	50,801
Center for Studies in Emergency Management.				
C.3.2. Strategy: CENTER FOR VOLUNTEERISM	$	87,500	$	87,500
Educational Center for Volunteerism.				
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	1,864,983	$	1,864,983
Total, Goal C: SPECIAL ITEM SUPPORT	$	3,604,261	$	3,604,261
Grand Total, UNIVERSITY OF NORTH TEXAS	$	134,743,049	$	136,321,893
Method of Financing:				
General Revenue Fund	$	91,844,223	$	92,135,001
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		2,566,244		2,566,244
Estimated Statutory Tuition Increases Account No. 708		1,415,028		2,830,056

Estimated Other Educational and General Income Account No. 770		38,917,554		38,790,592
Subtotal, General Revenue Fund - Dedicated	$	42,898,826	$	44,186,892
Total, Method of Financing	$	134,743,049	$	136,321,893
Object-of-Expense Informational Listing:				
Salaries and Wages	$	36,014,397	$	35,627,646
Other Personnel Costs		1,369,388		1,501,571
Faculty Salaries (Higher Education Only)		58,844,622		60,355,343
Operating Costs		27,221,574		27,407,271
Client Services		6,071,486		6,208,491
Grants		5,216,281		5,216,281
Capital Expenditures		5,301		5,290
Total, Object-of-Expense Informational Listing	$	134,743,049	$	136,321,893

2. **Academic or Policy Research Program.** The Board of Regents of the University of North Texas is hereby authorized to use available funds or to enter into contracts, accept grants or matching grants for the purpose of establishing an academic or policy research program in conjunction with the Federal Emergency Management Agency (FEMA).

3. **Texas Academy of Mathematics and Science.** Notwithstanding any other provision of this Act, the University of North Texas may not transfer money appropriated under Strategy C.1.1, for the purpose of funding the Texas Academy of Mathematics and Science, for another purpose.

STEPHEN F. AUSTIN STATE UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 53,005,061	$ 53,742,986
Grand Total, STEPHEN F. AUSTIN STATE UNIVERSITY	$ 53,005,061	$ 53,742,986
Method of Financing:		
General Revenue Fund	$ 37,973,397	$ 38,126,088
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	653,971	1,307,942
Estimated Other Educational and General Income Account No. 770	14,377,693	14,308,956
Subtotal, General Revenue Fund - Dedicated	$ 15,031,664	$ 15,616,898
Total, Method of Financing	$ 53,005,061	$ 53,742,986
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,084.1	1,084.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	38.6%	38.6%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	69.4%	69.4%
Administrative Cost as a Percent of Total Expenditures	9.3%	9.3%
Certification Rate of Teacher Education Graduates	95%	95%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	47.1%	47.1%
Percent of Lower Division Courses Taught by Tenured Faculty	60%	60%
State Licensure Pass Rate of Nursing Graduates	97.3%	97.3%
Dollar Value of External or Sponsored Research Funds (in Millions)	3.9	3.9
A.1.1. Strategy: OPERATIONS SUPPORT	$ 30,609,426	$ 31,129,357
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,625,234	$ 1,652,840
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,009,790	$ 1,009,790
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 379,175	$ 379,175
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 2,151,803	$ 2,239,964
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 407,352	$ 407,352
A.1.7. Strategy: ORGANIZED ACTIVITIES	$ 472,452	$ 472,452
A.1.8. Strategy: FORMULA HOLD HARMLESS	$ 989,194	$ 989,194

STEPHEN F. AUSTIN STATE UNIVERSITY
(Continued)

A.1.9. Strategy: EXCELLENCE FUNDING	$	1,074,760	$	1,074,760
Total, Goal A: INSTRUCTION/OPERATIONS	$	38,719,186	$	39,354,884
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	6,265,967	$	6,372,400
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	866,023	$	866,023
Tuition Revenue Bond retirementt.				
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	153,495	$	153,495
Total, Goal B: INFRASTRUCTURE SUPPORT	$	7,285,485	$	7,391,918
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: APPLIED FORESTRY STUDIES CENTER	$	740,605	$	740,604
Center for Applied Studies in Forestry.				
C.3.1. Strategy: STONE FORT MUSEUM & RESEARCH CENTER	$	142,834	$	141,166
Stone Fort Museum and Research Center of East Texas.				
C.3.2. Strategy: SOIL PLANT & WATER ANALYSIS LAB	$	81,479	$	80,527
Soil Plant and Water Analysis Laboratory.				
C.3.3. Strategy: APPLIED POULTRY STUDIES & RESEARCH	$	76,843	$	75,946
Applied Poultry Studies and Research.				
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	5,958,629	$	5,957,941
Total, Goal C: SPECIAL ITEM SUPPORT	$	7,000,390	$	6,996,184
Grand Total, STEPHEN F. AUSTIN STATE UNIVERSITY	$	53,005,061	$	53,742,986
Method of Financing:				
General Revenue Fund	$	37,973,397	$	38,126,088
General Revenue Fund - Dedicated				
Estimated Statutory Tuition Increases Account No. 708		653,971		1,307,942
Estimated Other Educational and General Income Account No. 770		14,377,693		14,308,956
Subtotal, General Revenue Fund - Dedicated	$	15,031,664	$	15,616,898
Total, Method of Financing	$	53,005,061	$	53,742,986
Object-of-Expense Informational Listing:				
Salaries and Wages	$	14,018,197	$	7,985,560
Other Personnel Costs		896,028		3,784,969

STEPHEN F. AUSTIN STATE UNIVERSITY
(Continued)

Faculty Salaries (Higher Education Only)	20,474,331	23,845,131
Professional Salaries - Faculty Equivalent (Higher Education Only)	597,038	0
Operating Costs	7,342,164	8,607,361
Client Services	2,151,803	2,239,964
Grants	1,074,760	7,032,701
Capital Expenditures	6,450,740	247,300
Total, Object-of-Expense Informational Listing	$ 53,005,061	$ 53,742,986

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $30,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003 (estimated to be $0), in the Stephen F. Austin Special Mineral Fund No. 241 and any income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to Stephen F. Austin University for the general operations of the university. No additional Mineral Funds are expected for the 2004-05 biennium.

TEXAS SOUTHERN UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 65,075,154	$ 65,476,896
Grand Total, TEXAS SOUTHERN UNIVERSITY	$ 65,075,154	$ 65,476,896
Method of Financing:		
General Revenue Fund	$ 46,313,840	$ 46,324,127
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	2,582,344	2,582,344
Estimated Statutory Tuition Increases Account No. 708	355,908	711,815
Estimated Other Educational and General Income Account No. 770	15,823,062	15,858,610
Subtotal, General Revenue Fund - Dedicated	$ 18,761,314	$ 19,152,769
Total, Method of Financing	$ 65,075,154	$ 65,476,896
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	809.4	809.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	15.8%	15.8%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	66%	66%
Administrative Cost as a Percent of Total Expenditures	11.7%	11.7%
Certification Rate of Teacher Education Graduates	65%	65%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	48.3%	48.3%
Percent of Lower Division Courses Taught by Tenured Faculty	46%	48%
State Licensure Pass Rate of Law Graduates	80%	80%
State Licensure Pass Rate of Pharmacy Graduates	94%	94%
Dollar Value of External or Sponsored Research Funds (in Millions)	4.9	4.9
A.1.1. Strategy: OPERATIONS SUPPORT	$ 30,868,695	$ 31,153,972
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 877,412	$ 885,520
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 592,051	$ 592,051
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 188,668	$ 188,668
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 2,076,642	$ 2,122,476
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 970,000	$ 970,000
Indirect cost recovery for research related activities.		

A.1.7. Strategy: ORGANIZED ACTIVITIES	$	54,446	$	54,446
A.1.8. Strategy: EXCELLENCE FUNDING	$	1,002,978	$	1,002,978
Total, Goal A: INSTRUCTION/OPERATIONS	$	36,630,892	$	36,970,111
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	6,765,273	$	6,827,795
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	3,092,672	$	3,092,672
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	92,990	$	92,990
Total, Goal B: INFRASTRUCTURE SUPPORT	$	9,950,935	$	10,013,457
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: THURGOOD MARSHALL SCHOOL OF LAW	$	484,592	$	484,592
C.1.2. Strategy: ACCREDITATION - BUSINESS	$	72,156	$	72,156
Accreditation continuation - business.				
C.1.3. Strategy: ACCREDITATION - PHARMACY	$	72,779	$	72,779
Accreditation continuation - pharmacy.				
C.1.4. Strategy: ACCREDITATION - EDUCATION	$	91,175	$	91,175
Accreditation continuation - education.				
C.2.1. Strategy: MICKEY LELAND CENTER	$	70,509	$	70,509
Mickey Leland Center on World Hunger and Peace.				
C.2.2. Strategy: URBAN REDEVELOPMENT/RENEWAL	$	87,500	$	87,500
Urban Redevelopment and Renewal.				
C.2.3. Strategy: TEXAS SUMMER ACADEMY	$	437,500	$	437,500
C.3.1. Strategy: MIS/FISCAL OPERATIONS	$	144,279	$	144,279
Integrated plan to improve Management Information Services and fiscal operations.				
C.3.2. Strategy: INSTITUTIONAL ENHANCEMENT	$	6,095,337	$	6,095,338
Total, Goal C: SPECIAL ITEM SUPPORT	$	7,555,827	$	7,555,828
D. Goal: TEXAS COMMITMENT-OCR PRIORITY PLAN				
Texas commitment - OCR Priority Plan.				
D.1.1. Strategy: OCR PRIORITY PLAN	$	10,937,500	$	10,937,500
Provide funding to meet the Texas commitment to enhance programs, systems, and the recruitment, retention, and graduation of students.				& UB
Grand Total, TEXAS SOUTHERN UNIVERSITY	$	65,075,154	$	65,476,896
Method of Financing:				
General Revenue Fund	$	46,313,840	$	46,324,127
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		2,582,344		2,582,344
Estimated Statutory Tuition Increases Account No. 708		355,908		711,815

Estimated Other Educational and General Income Account No. 770		15,823,062		15,858,610
Subtotal, General Revenue Fund - Dedicated	$	18,761,314	$	19,152,769
Total, Method of Financing	$	65,075,154	$	65,476,896
Object-of-Expense Informational Listing:				
Salaries and Wages	$	16,036,654	$	15,846,719
Other Personnel Costs		1,287,709		943,663
Faculty Salaries (Higher Education Only)		17,572,745		17,404,162
Operating Costs		9,887,763		10,957,598
Client Services		2,076,642		2,248,341
Grants		18,035,815		18,035,816
Capital Expenditures		177,826		40,597
Total, Object-of-Expense Informational Listing	$	65,075,154	$	65,476,896

2. **Thurgood Marshall School of Law.** In addition to general revenue funds identified above for the operation and maintenance of the Thurgood Marshall School of Law, all tuition and fee revenues generated through enrollment in the School of Law, including Texas Public Education Grants and Emergency Loans under Education Code, Chapter 56 (Student Financial Aid Assistance), shall be allocated for use by the School of Law and may only be expended for purposes related to the operation and maintenance of the School of Law and its students.

3. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $30,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **Texas Commitment - OCR Priority Plan.** Out of the funds appropriated above in D. Goal: Texas Commitment - OCR Priority Plan, the following items are included in the Priority Plan:

OCR Priority Plan Items	in millions 2004	2005
1. Meet State Auditor's Office Requirements	$ 0.57	$ 0.57
2. Academic Planning	$ 0.09	$ 0.09
3. Development Office	$ 0.61	$ 0.61
4. Facilities Planning	$ 0.13	$ 0.13
5. Information Technology	$ 1.01	$ 1.01
6. Human Resources	$ 0.48	$ 0.48
7. Student Enrollment	$ 0.22	$ 0.22

8. Summer and First Year Student Support Program	$ 0.88	$ 0.88
9. Basic Skills Program	$ 0.39	$ 0.39
10. Endowed Honors and Institutional Scholarships	$ 1.01	$ 1.01
11. Accreditation of Programs	$ 0.22	$ 0.22
12. Enhance Law, Pharmacy, Business and Educator Preparation Programs	$ 1.36	$ 1.36
13. MA/PhD Urban Planning and Environmental Policy	$ 0.66	$ 0.66
14. MS Health Care Administration	$ 0.44	$ 0.44
15. MS in Computer Science	$ 0.31	$ 0.31
16. MS/PhD in Biomedical and Pharmaceutical Sciences	$ 0.44	$ 0.44
17. Four Endowed Chairs	$ 0.88	$ 0.88
18. Re-establish School of Public Affairs	$ 0.44	$ 0.44
19. Child Care Center	$ 0.61	$ 0.61
20. MSW Social Work	$ 0.22	$ 0.22
Total	$ 10.94	$10.94* & UB

*May not add due to rounding.

5. **OCR Priority Plan Reporting Requirements.** Texas Southern University shall work with the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board regarding any proposed changes to the detailed plan, the benchmarks, and performance measures adopted in accordance with the OCR Priority Plan. Texas Southern University shall report their progress regarding the OCR Priority Plan benchmarks, performance measures, and expenditures for the above items, semi-annually by December 31 and June 30 to the institution's Board of Regents, the Texas Higher Education Coordinating Board, the Governor, and the Legislative Budget Board. Any unexpended balances as of August 31, 2003, appropriated by the Seventy-seventh Legislature for the OCR Priority Plan, are hereby appropriated to Texas Southern University for the biennium beginning September 1, 2004 (estimated to be $0). It is legislative intent that any funds not spent during the 2004–05 biennium be transferred to the 2006–07 biennium without any reduction in future funding for the Office of Civil Rights Priority Plan.

6. **OCR Multi-year Commitment.** It is the intent of the Legislature that the funding identified above in the OCR Priority Plan be continued as a multi-year commitment by the Legislature.

TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 437,500	$ 437,500
Grand Total, TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION	$ 437,500	$ 437,500
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	29.5	29.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:		
A. Goal: INSTRUCTION/OPERATIONS Provide instructional and operations support.		
A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$ 437,500	$ 437,500
Grand Total, TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION	$ 437,500	$ 437,500
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 312,500	$ 312,500
Operating Costs	125,000	125,000
Total, Object-of-Expense Informational Listing	$ 437,500	$ 437,500

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $125,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

TEXAS TECH UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 158,957,423	$ 160,548,751
Grand Total, TEXAS TECH UNIVERSITY	$ 158,957,423	$ 160,548,751
Method of Financing:		
General Revenue Fund	$ 111,613,919	$ 111,896,246
General Revenue Fund - Dedicated		
Texas Tech University Special Mineral Account No. 269, estimated	20,000	20,000
Estimated Board Authorized Tuition Increases Account No. 704	5,627,421	5,627,421
Estimated Statutory Tuition Increases Account No. 708	1,584,502	3,169,004
Estimated Other Educational and General Income Account No. 770	40,111,581	39,836,080
Subtotal, General Revenue Fund - Dedicated	$ 47,343,504	$ 48,652,505
Total, Method of Financing	$ 158,957,423	$ 160,548,751
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	3,423.2	3,423.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	52%	52%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	88.1%	88.1%
Administrative Cost as a Percent of Total Expenditures	10.3%	10.3%
Certification Rate of Teacher Education Graduates	82%	82%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	15%	15%
Percent of Lower Division Courses Taught by Tenured Faculty	34%	34%
State Licensure Pass Rate of Law Graduates	90%	90%
State Licensure Pass Rate of Engineering Graduates	92.5%	92.5%
Dollar Value of External or Sponsored Research Funds (in Millions)	29	29
A.1.1. Strategy: OPERATIONS SUPPORT	$ 97,418,774	$ 98,704,604
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 3,192,873	$ 3,235,016
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 2,535,879	$ 2,535,879
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 669,938	$ 669,938
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 5,367,184	$ 5,549,010
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 6,300,000	$ 6,300,000

TEXAS TECH UNIVERSITY
(Continued)

A.1.7. Strategy: ORGANIZED ACTIVITIES	$	219,815	$	219,815
A.1.8. Strategy: EXCELLENCE FUNDING	$	3,395,697	$	3,395,697
Total, Goal A: INSTRUCTION/OPERATIONS	$	119,100,160	$	120,609,959
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	19,435,470	$	19,691,999
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	5,087,987	$	5,087,987
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	229,080	$	229,080
Total, Goal B: INFRASTRUCTURE SUPPORT	$	24,752,537	$	25,009,066
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: LIBRARY ARCHIVAL SUPPORT	$	656,250	$	656,250
C.1.2. Strategy: MASTER'S OF SOCIAL WORK	$	43,750	$	43,750
Master's of Social Work Program.				
C.2.1. Strategy: AGRICULTURAL RESEARCH	$	1,998,398	$	1,998,398
Research to enhance agricultural production and add value to agricultural products in Texas.				
C.2.2. Strategy: ENERGY RESEARCH	$	846,815	$	846,815
Research in energy production and environmental protection in Texas.				
C.2.3. Strategy: EMERGING TECHNOLOGIES RESEARCH	$	477,008	$	477,008
Research in emerging technologies and economic development in Texas.				
C.3.1. Strategy: JUNCTION ANNEX OPERATION	$	317,268	$	317,268
C.3.2. Strategy: MITC - FREDERICKSBURG	$	437,500	$	437,500
C.3.3. Strategy: SMALL BUSINESS DEVELOPMENT	$	950,000	$	950,000
Small Business Development Center.				
C.3.4. Strategy: MUSEUMS & CENTERS	$	1,782,930	$	1,607,930
Museums and historical, cultural, and educational centers.				
C.3.5. Strategy: INTERNATIONAL TRADE CENTER	$	600,000	$	600,000
C.3.6. Strategy: CENTER FOR FINANCIAL RESPONSIBILITY	$	210,000	$	210,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	6,784,807	$	6,784,807
Total, Goal C: SPECIAL ITEM SUPPORT	$	15,104,726	$	14,929,726
Grand Total, TEXAS TECH UNIVERSITY	$	158,957,423	$	160,548,751
Method of Financing:				
General Revenue Fund	$	111,613,919	$	111,896,246
General Revenue Fund - Dedicated				
Texas Tech University Special Mineral Account No. 269, estimated		20,000		20,000
Estimated Board Authorized Tuition Increases Account No. 704		5,627,421		5,627,421

Estimated Statutory Tuition Increases Account No. 708		1,584,502		3,169,004
Estimated Other Educational and General Income Account No. 770		40,111,581		39,836,080
Subtotal, General Revenue Fund - Dedicated	$	47,343,504	$	48,652,505
Total, Method of Financing	$	158,957,423	$	160,548,751
Object-of-Expense Informational Listing:				
Salaries and Wages	$	47,512,708	$	47,853,199
Other Personnel Costs		784,354		752,451
Faculty Salaries (Higher Education Only)		72,213,291		73,028,541
Operating Costs		34,793,144		35,262,234
Grants		3,192,873		3,235,016
Capital Expenditures		461,053		417,310
Total, Object-of-Expense Informational Listing	$	158,957,423	$	160,548,751

2. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $1,900,000 for the biennium in additional revenue to the General Revenue Fund, $950,000 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

3. **Texas Tech University Museum.** Out of funds appropriated above in Strategy C.3.4. for the Museums and Historical, Cultural and Educational Centers, $533,565 in fiscal year 2004 and $433,565 in fiscal year 2005 shall be allocated to the Ranching Heritage Center, and $266,859 in each fiscal year shall be allocated to the Lubbock Lake Landmark.

4. **International Trade Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the International Trade Center will generate at least $1,200,000 for the biennium in additional revenue to the General Revenue Fund, $600,000 is included in the appropriation above in each year of the biennium for the International Trade Center. It is the intent of the Legislature that state funds provided to the International Trade Center be used by the center to attract federal funds on a dollar-for-dollar basis.

5. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003, in the Texas Tech University Special Mineral Fund No. 269 and any income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to Texas Tech University for the general operations of the university. Mineral Funds are estimated to be $20,000 in fiscal year 2004 and $20,000 in fiscal year 2005.

TEXAS WOMAN'S UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 57,413,112	$ 57,966,189
Grand Total, TEXAS WOMAN'S UNIVERSITY	$ 57,413,112	$ 57,966,189
Method of Financing:		
General Revenue Fund	$ 44,994,633	$ 45,147,925
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,275,600	1,275,600
Estimated Statutory Tuition Increases Account No. 708	492,223	984,445
Estimated Other Educational and General Income Account No. 770	10,650,656	10,558,219
Subtotal, General Revenue Fund - Dedicated	$ 12,418,479	$ 12,818,264
Total, Method of Financing	$ 57,413,112	$ 57,966,189
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	1,035.2	1,035.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	44.8%	45%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	80.2%	80.2%
Administrative Cost as a Percent of Total Expenditures	11.7%	11.7%
Certification Rate of Teacher Education Graduates	85%	85%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	76.4%	76.4%
Percent of Lower Division Courses Taught by Tenured Faculty	45%	45%
State Licensure Pass Rate of Nursing Graduates	98%	98%
Dollar Value of External or Sponsored Research Funds (in Millions)	2	2
A.1.1. Strategy: OPERATIONS SUPPORT	$ 37,823,223	$ 38,251,803
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 851,684	$ 861,335
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 523,686	$ 523,686
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 624,870	$ 624,870
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 1,745,101	$ 1,805,956
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 346,508	$ 346,508
Indirect cost recovery for research related activities.		

TEXAS WOMAN'S UNIVERSITY
(Continued)

A.1.7. Strategy: FORMULA HOLD HARMLESS	$	616,649	$	616,649
A.1.8. Strategy: EXCELLENCE FUNDING	$	1,130,324	$	1,130,324
Total, Goal A: INSTRUCTION/OPERATIONS	$	43,662,045	$	44,161,131
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	4,764,873	$	4,818,864
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,960,774	$	1,960,774
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	106,872	$	106,872
Total, Goal B: INFRASTRUCTURE SUPPORT	$	6,832,519	$	6,886,510
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: LIBRARY ASSESSMENT	$	175,301	$	175,301
Texas Medical Center Library assessment.				
C.2.1. Strategy: NUTRITION RESEARCH PROGRAM	$	77,527	$	77,527
Human Nutrition Research Development Program.				
C.2.2. Strategy: WOMEN'S HEALTH RESEARCH CENTER	$	590,625	$	590,625
Center for Research on Women's Health.				
C.3.1. Strategy: READING RECOVERY	$	255,000	$	255,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	5,820,095	$	5,820,095
Total, Goal C: SPECIAL ITEM SUPPORT	$	6,918,548	$	6,918,548
Grand Total, TEXAS WOMAN'S UNIVERSITY	$	57,413,112	$	57,966,189
Method of Financing:				
General Revenue Fund	$	44,994,633	$	45,147,925
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		1,275,600		1,275,600
Estimated Statutory Tuition Increases Account No. 708		492,223		984,445
Estimated Other Educational and General Income Account No. 770		10,650,656		10,558,219
Subtotal, General Revenue Fund - Dedicated	$	12,418,479	$	12,818,264
Total, Method of Financing	$	57,413,112	$	57,966,189
Object-of-Expense Informational Listing:				
Salaries and Wages	$	15,510,193	$	15,527,364
Other Personnel Costs		878,235		755,815
Faculty Salaries (Higher Education Only)		20,744,818		21,469,859
Professional Salaries - Faculty Equivalent (Higher Education Only)		509,510		457,255
Operating Costs		10,571,519		10,598,559
Client Services		19,945		21,363

TEXAS WOMAN'S UNIVERSITY
(Continued)

Grants	7,802,103	7,811,754
Capital Expenditures	1,376,789	1,324,220
Total, Object-of-Expense Informational Listing	$ 57,413,112	$ 57,966,189

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $35,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 1,205,093	$ 1,206,902
Grand Total, BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE	$ 1,205,093	$ 1,206,902
Method of Financing:		
General Revenue Fund	$ 1,195,093	$ 1,196,902
GR Dedicated - Special Mineral Fund No. 283, estimated	10,000	10,000
Total, Method of Financing	$ 1,205,093	$ 1,206,902
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	11.6	11.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

   A. Goal: INSTRUCTION/OPERATIONS
   Provide instructional and operations support.

A.1.1. Strategy: SYSTEM OFFICE OPERATIONS	$	1,205,093	$	1,206,902
Grand Total, BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM CENTRAL OFFICE	$	1,205,093	$	1,206,902
Method of Financing:				
General Revenue Fund	$	1,195,093	$	1,196,902
GR Dedicated - Special Mineral Fund No. 283, estimated		10,000		10,000
Total, Method of Financing	$	1,205,093	$	1,206,902
Object-of-Expense Informational Listing:				
Salaries and Wages	$	1,110,093	$	1,111,902
Operating Costs		95,000		95,000
Total, Object-of-Expense Informational Listing	$	1,205,093	$	1,206,902

2. **Appropriation, Governing Board.** Out of the funds appropriated above, an amount not to exceed $85,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

3. **Audit of Base Period Contact Hours.** The hours used in the contact hour base period to fund the Lamar State Colleges are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board and community, technical, and state colleges and the appropriation amounts adjusted accordingly by the Comptroller of Public Accounts at the direction of the Legislative Budget Board. The total amount appropriated to the two year institution's contact hour formula shall be redistributed to all institutions funded by the formula based on contact hours. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total amount appropriated to the institution for the biennium.

4. **Transferability.** The Board of Regents of the Texas State University System is authorized to transfer and utilize funds appropriated to Sul Ross State University and Sul Ross State University-Rio Grande College between the campuses if necessary to accomplish the capital improvement goals of the University.

5. **Appropriation of Special Mineral Fund.** The balance of funds on hand for the year ending August 31, 2003, in the Texas State University System Special Mineral Fund No. 283 and any

income during the biennium beginning September 1, 2003, deposited to that fund are appropriated in the funds above to the Board of Regents of the Texas State University System to be disbursed for the purposes provided for and in accordance with the provisions of Education Code, 95.36. Mineral Funds are estimated to be $10,000 in fiscal year 2004 and $10,000 in fiscal year 2005.

ANGELO STATE UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 31,428,164	$ 31,889,105
Grand Total, ANGELO STATE UNIVERSITY	$ 31,428,164	$ 31,889,105
Method of Financing:		
General Revenue Fund	$ 23,912,929	$ 24,087,123
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	352,963	705,925
Estimated Other Educational and General Income Account No. 770	7,162,272	7,096,057
Subtotal, General Revenue Fund - Dedicated	$ 7,515,235	$ 7,801,982
Total, Method of Financing	$ 31,428,164	$ 31,889,105
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	531.2	531.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	36%	37%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	69%	69%
Administrative Cost as a Percent of Total Expenditures	10.3	10
Certification Rate of Teacher Education Graduates	82%	82%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	51%	51%
Percent of Lower Division Courses Taught by Tenured Faculty	56%	58%
State Licensure Pass Rate of Nursing Graduates	95.2%	95.2%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 15,857,442	$ 16,133,928
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 941,218	$ 957,629
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 367,355	$ 367,355

ANGELO STATE UNIVERSITY
(Continued)

A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	164,455	$	164,455
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,140,515	$	1,185,447
A.1.6. Strategy: INDIRECT COST RECOVERY	$	24,000	$	24,000
Indirect cost recovery for research related activities.				
A.1.7. Strategy: ORGANIZED ACTIVITIES	$	92,606	$	92,606
A.1.8. Strategy: EXCELLENCE FUNDING	$	629,702	$	629,702
Total, Goal A: INSTRUCTION/OPERATIONS	$	19,217,293	$	19,555,122
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	3,444,981	$	3,505,047
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	3,110,031	$	3,110,031
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	69,000	$	69,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	6,624,012	$	6,684,078
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: SCHOOL-BASED CLINICS	$	49,000	$	49,000
C.1.2. Strategy: CENTER FOR ACADEMIC EXCELLENCE	$	437,500	$	437,500
C.2.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	76,886	$	76,886
C.2.2. Strategy: CENTER FOR FINE ARTS	$	142,188	$	142,188
C.2.3. Strategy: MGT/INSTRUCTION/RESEARCH CENTER	$	258,751	$	258,751
Management, Instruction, and Research Center.				
C.2.4. Strategy: WEST TEXAS TRAINING CENTER	$	809,375	$	809,375
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	3,813,159	$	3,876,205
Total, Goal C: SPECIAL ITEM SUPPORT	$	5,586,859	$	5,649,905
Grand Total, ANGELO STATE UNIVERSITY	$	31,428,164	$	31,889,105
Method of Financing:				
General Revenue Fund	$	23,912,929	$	24,087,123
General Revenue Fund - Dedicated				
Estimated Statutory Tuition Increases Account No. 708		352,963		705,925
Estimated Other Educational and General Income Account No. 770		7,162,272		7,096,057
Subtotal, General Revenue Fund - Dedicated	$	7,515,235	$	7,801,982
Total, Method of Financing	$	31,428,164	$	31,889,105

ANGELO STATE UNIVERSITY
(Continued)

Object-of-Expense Informational Listing:		
Salaries and Wages	$ 8,402,190	$ 8,252,386
Other Personnel Costs	423,786	382,693
Faculty Salaries (Higher Education Only)	13,115,787	13,473,750
Operating Costs	9,246,686	8,829,953
Grants	164,455	164,455
Capital Expenditures	75,260	785,868
Total, Object-of-Expense Informational Listing	$ 31,428,164	$ 31,889,105

LAMAR UNIVERSITY - BEAUMONT

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 42,880,471	$ 43,428,418
Grand Total, LAMAR UNIVERSITY - BEAUMONT	$ 42,880,471	$ 43,428,418
Method of Financing:		
General Revenue Fund	$ 31,484,595	$ 31,642,312
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	468,253	936,505
Estimated Other Educational and General Income Account No. 770	10,927,623	10,849,601
Subtotal, General Revenue Fund - Dedicated	$ 11,395,876	$ 11,786,106
Total, Method of Financing	$ 42,880,471	$ 43,428,418
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	870.2	870.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	26.4%	26.5%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70.5%	70.5%
Administrative Cost as a Percent of Total Expenditures	13.6%	13.6%
Certification Rate of Teacher Education Graduates	78.7%	78.7%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	46.3%	46.3%
Percent of Lower Division Courses Taught by Tenured Faculty	63.5%	64%

LAMAR UNIVERSITY - BEAUMONT
(Continued)

State Licensure Pass Rate of Engineering Graduates		95%		95%
State Licensure Pass Rate of Nursing Graduates		95%		95%
Dollar Value of External or Sponsored Research Funds (in Millions)		1.7		1.7
A.1.1. Strategy: OPERATIONS SUPPORT	$	26,654,202	$	27,036,682
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	1,307,416	$	1,326,177
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	544,853	$	544,853
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	335,091	$	335,091
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	2,248,118	$	2,327,813
A.1.6. Strategy: INDIRECT COST RECOVERY	$	358,936	$	358,936
Indirect cost recovery for research related activities.				
A.1.7. Strategy: EXCELLENCE FUNDING	$	929,570	$	929,570
Total, Goal A: INSTRUCTION/OPERATIONS	$	32,378,186	$	32,859,122
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	4,669,868	$	4,736,879
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,285,880	$	1,285,880
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	105,430	$	105,430
Total, Goal B: INFRASTRUCTURE SUPPORT	$	6,061,178	$	6,128,189
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: ACADEMY IN HUMANITIES LEADERSHIP	$	300,194	$	300,194
Texas Academy of Leadership in the Humanities.				
C.2.1. Strategy: HAZARDOUS SUBSTANCE RESEARCH CENTER	$	423,060	$	423,060
Gulf Coast Hazardous Substance Research Center.				
C.2.2. Strategy: AIR QUALITY INITIATIVE	$	612,500	$	612,500
Air Quality Initiative: Texas Hazardous Waste Research Center.				
C.3.1. Strategy: SPINDLETOP MUSEUM EDUC'AL ACTIVITY	$	28,759	$	28,759
Spindletop Museum educational activities.				
C.3.2. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	106,063	$	106,063
C.3.3. Strategy: COMMUNITY OUTREACH EXPANSION	$	76,780	$	76,780
Public service/community outreach expansion.				
C.3.4. Strategy: SPINDLETOP TEACHING CENTER	$	131,250	$	131,250
Spindletop Center for Excellence in Teaching Technology.				
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,762,501	$	2,762,501
Total, Goal C: SPECIAL ITEM SUPPORT	$	4,441,107	$	4,441,107
Grand Total, LAMAR UNIVERSITY - BEAUMONT	$	42,880,471	$	43,428,418

LAMAR UNIVERSITY - BEAUMONT
(Continued)

Method of Financing:				
General Revenue Fund	$	31,484,595	$	31,642,312
General Revenue Fund - Dedicated				
Estimated Statutory Tuition Increases Account No. 708		468,253		936,505
Estimated Other Educational and General Income Account No. 770		10,927,623		10,849,601
Subtotal, General Revenue Fund - Dedicated	$	11,395,876	$	11,786,106
Total, Method of Financing	$	42,880,471	$	43,428,418
Object-of-Expense Informational Listing:				
Salaries and Wages	$	7,778,876	$	8,070,522
Other Personnel Costs		8,435,583		8,638,920
Faculty Salaries (Higher Education Only)		13,275,883		13,414,169
Operating Costs		10,834,781		10,939,996
Grants		2,248,118		2,327,813
Capital Expenditures		307,230		36,998
Total, Object-of-Expense Informational Listing	$	42,880,471	$	43,428,418

2. **Small Business Development Center.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $212,126 for the biennium in additional revenue to the General Revenue Fund, $106,063 is included in the appropriation above in each year of the biennium for the Small Business Development Center. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 10,130,819	$ 10,545,613
Grand Total, LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY	$ 10,130,819	$ 10,545,613
Method of Financing:		
General Revenue Fund	$ 7,837,805	$ 8,167,446
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	95,914	191,829
Estimated Other Educational and General Income Account No. 770	2,197,100	2,186,338
Subtotal, General Revenue Fund - Dedicated	$ 2,293,014	$ 2,378,167
Total, Method of Financing	$ 10,130,819	$ 10,545,613
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	168.0	171.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
Outcome (Results/Impact):				
Percentage of Courses Completed		91.5%		91.5%
Percent of Contact Hours Taught by Full-time Faculty		74.8%		74.8%
Percentage of Developmental Education Students Who Pass TASP		17.8%		17.8%
Administrative Cost as a Percent of Total Expenditures		13%		13%
A.1.1. Strategy: ACADEMIC EDUCATION	$	2,339,487	$	2,411,415
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	4,216,269	$	4,216,269
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	132,907	$	132,907
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	8,598	$	8,598
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	396,239	$	412,130
A.1.6. Strategy: FORMULA HOLD HARMLESS	$	23,675	$	23,675
Total, Goal A: INSTRUCTION/OPERATIONS	$	7,117,175	$	7,204,994
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	1,409,795	$	1,409,794
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	146,136	$	488,489

LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY
(Continued)

B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	26,000	$	26,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	1,581,931	$	1,924,283
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: WORKFORCE LITERACY	$	34,598	$	34,598
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	1,397,115	$	1,381,738
Total, Goal C: SPECIAL ITEM SUPPORT	$	1,431,713	$	1,416,336
Grand Total, LAMAR UNIVERSITY INSTITUTE OF TECHNOLOGY	$	10,130,819	$	10,545,613
Method of Financing:				
General Revenue Fund	$	7,837,805	$	8,167,446
General Revenue Fund - Dedicated				
Estimated Statutory Tuition Increases Account No. 708		95,914		191,829
Estimated Other Educational and General Income Account No. 770		2,197,100		2,186,338
Subtotal, General Revenue Fund - Dedicated	$	2,293,014	$	2,378,167
Total, Method of Financing	$	10,130,819	$	10,545,613
Object-of-Expense Informational Listing:				
Salaries and Wages	$	1,654,099	$	2,070,254
Other Personnel Costs		142,002		142,002
Faculty Salaries (Higher Education Only)		3,317,723		3,573,097
Operating Costs		3,978,598		3,896,571
Grants		404,837		420,728
Capital Expenditures		633,560		442,961
Total, Object-of-Expense Informational Listing	$	10,130,819	$	10,545,613

LAMAR UNIVERSITY - ORANGE

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 7,061,540	$ 7,256,998
Grand Total, LAMAR UNIVERSITY - ORANGE	$ 7,061,540	$ 7,256,998
Method of Financing:		
General Revenue Fund	$ 5,428,998	$ 5,573,524
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	64,629	129,257
Estimated Other Educational and General Income Account No. 770	1,567,913	1,554,217
Subtotal, General Revenue Fund - Dedicated	$ 1,632,542	$ 1,683,474
Total, Method of Financing	$ 7,061,540	$ 7,256,998
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	119.0	120.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Courses Completed	88.3%	88.3%
Number of Students Who Transfer to a University	350	350
Percent of Contact Hours Taught by Full-time Faculty	69%	69%
Percentage of Developmental Education Students Who Pass TASP	16%	16%
Administrative Cost as a Percent of Total Expenditures	14.75%	14.75%
A.1.1. Strategy: ACADEMIC EDUCATION	$ 2,591,241	$ 2,635,158
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 1,255,099	$ 1,255,099
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 74,065	$ 74,065
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 62,261	$ 62,261
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 292,099	$ 301,415
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 22,000	$ 22,000
Indirect Cost Recovery for Research Related Activities.		
A.1.7. Strategy: FORMULA HOLD HARMLESS	$ 116,378	$ 116,378
A.1.8. Strategy: EXCELLENCE FUNDING	$ 68,058	$ 68,058
Total, Goal A: INSTRUCTION/OPERATIONS	$ 4,481,201	$ 4,534,434
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 907,250	$ 907,250
Educational and general space support.		

LAMAR UNIVERSITY - ORANGE
(Continued)

B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	250,245	$	392,470
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	22,855	$	22,855
Total, Goal B: INFRASTRUCTURE SUPPORT	$	1,180,350	$	1,322,575
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	1,399,989	$	1,399,989
Grand Total, LAMAR UNIVERSITY - ORANGE	$	7,061,540	$	7,256,998
Method of Financing:				
General Revenue Fund	$	5,428,998	$	5,573,524
General Revenue Fund - Dedicated				
Estimated Statutory Tuition Increases Account No. 708		64,629		129,257
Estimated Other Educational and General Income Account No. 770		1,567,913		1,554,217
Subtotal, General Revenue Fund - Dedicated	$	1,632,542	$	1,683,474
Total, Method of Financing	$	7,061,540	$	7,256,998
Object-of-Expense Informational Listing:				
Salaries and Wages	$	1,975,432	$	2,057,077
Other Personnel Costs		88,283		87,972
Faculty Salaries (Higher Education Only)		2,265,744		2,351,601
Operating Costs		2,259,473		2,287,764
Grants		138,799		138,799
Capital Expenditures		333,809		333,785
Total, Object-of-Expense Informational Listing	$	7,061,540	$	7,256,998

LAMAR UNIVERSITY - PORT ARTHUR

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 10,378,538	$ 10,988,667
Grand Total, LAMAR UNIVERSITY - PORT ARTHUR	$ 10,378,538	$ 10,988,667
Method of Financing:		
General Revenue Fund	$ 7,769,608	$ 8,270,307
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	117,973	235,945
Estimated Other Educational and General Income Account No. 770	2,490,957	2,482,415
Subtotal, General Revenue Fund - Dedicated	$ 2,608,930	$ 2,718,360
Total, Method of Financing	$ 10,378,538	$ 10,988,667
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	274.0	274.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
Outcome (Results/Impact):				
Percent of Courses Completed		90%		90%
Number of Students Who Transfer to a University		455		455
Percent of Contact Hours Taught by Full-time Faculty		70%		70%
Percentage of Developmental Education Students Who Pass TASP		50%		50%
Administrative Cost as a Percent of Total Expenditures		13%		13%
A.1.1. Strategy: ACADEMIC EDUCATION	$	3,734,126	$	3,833,800
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	2,707,132	$	2,707,132
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	133,879	$	133,879
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	107,014	$	107,014
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	271,140	$	282,929
A.1.6. Strategy: FORMULA HOLD HARMLESS	$	131,930	$	131,930
A.1.7. Strategy: EXCELLENCE FUNDING	$	213,625	$	213,625
Total, Goal A: INSTRUCTION/OPERATIONS	$	7,298,846	$	7,410,309
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	1,330,910	$	1,330,910
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	198,160	$	696,826

LAMAR UNIVERSITY - PORT ARTHUR
(Continued)

B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	28,000	$	28,000
Total, Goal B: INFRASTRUCTURE SUPPORT	$	1,557,070	$	2,055,736
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	131,250	$	131,250
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	1,391,372	$	1,391,372
Total, Goal C: SPECIAL ITEM SUPPORT	$	1,522,622	$	1,522,622
Grand Total, LAMAR UNIVERSITY - PORT ARTHUR	$	10,378,538	$	10,988,667
Method of Financing:				
General Revenue Fund	$	7,769,608	$	8,270,307
General Revenue Fund - Dedicated				
Estimated Statutory Tuition Increases Account No. 708		117,973		235,945
Estimated Other Educational and General Income Account No. 770		2,490,957		2,482,415
Subtotal, General Revenue Fund - Dedicated	$	2,608,930	$	2,718,360
Total, Method of Financing	$	10,378,538	$	10,988,667
Object-of-Expense Informational Listing:				
Salaries and Wages	$	3,774,719	$	3,829,565
Other Personnel Costs		3,928		3,928
Faculty Salaries (Higher Education Only)		3,222,448		3,285,273
Operating Costs		1,345,193		1,825,862
Client Services		271,140		282,929
Grants		107,014		107,014
Capital Expenditures		1,654,096		1,654,096
Total, Object-of-Expense Informational Listing	$	10,378,538	$	10,988,667

SAM HOUSTON STATE UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 58,902,857	$ 60,526,108
Grand Total, SAM HOUSTON STATE UNIVERSITY	$ 58,902,857	$ 60,526,108
Method of Financing:		
General Revenue Fund	$ 36,303,272	$ 36,309,231
General Revenue Fund - Dedicated		
Compensation to Victims of Crime Account No. 469	288,903	306,162
* Law Enforcement Management Institute Account No. 581, *estimated*	3,568,336	3,819,000
Estimated Statutory Tuition Increases Account No. 708	724,916	1,449,832
Estimated Other Educational and General Income Account No. 770	16,793,492	16,732,383
* Correctional Management Institute of Texas *Account No. 5083, estimated*	1,223,938	1,909,500
Subtotal, General Revenue Fund - Dedicated	$ 22,599,585	$ 24,216,877
Total, Method of Financing	$ 58,902,857	$ 60,526,108
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	869.2	869.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	40%	41%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	70%	71%
Administrative Cost as a Percent of Total Expenditures	12.6%	12.3%
Certification Rate of Teacher Education Graduates	87.5%	87.5%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	46%	46%
Percent of Lower Division Courses Taught by Tenured Faculty	62.5%	62.5%
Dollar Value of External or Sponsored Research Funds (in Millions)	1.5	1.5
A.1.1. Strategy: OPERATIONS SUPPORT	$ 34,543,581	$ 35,123,710
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 1,911,194	$ 1,943,291
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 725,498	$ 725,498
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 282,619	$ 282,619
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 2,353,715	$ 2,451,800
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 865,538	$ 865,538
A.1.7. Strategy: ORGANIZED ACTIVITIES	$ 97,773	$ 97,773

*Italicized language was inadvertently omitted from House Bill 1, regular session, as enrolled.

SAM HOUSTON STATE UNIVERSITY
(Continued)

A.1.8. Strategy: EXCELLENCE FUNDING	$	950,379	$	950,379
Total, Goal A: INSTRUCTION/OPERATIONS	$	41,730,297	$	42,440,608
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	6,710,051	$	6,822,740
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,267,478	$	1,267,478
Total, Goal B: INFRASTRUCTURE SUPPORT	$	7,977,529	$	8,090,218
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: ACADEMIC ENRICHMENT CENTER	$	131,250	$	131,250
Academic Enrichment Center/Advisement Center.				
C.3.1. Strategy: SAM HOUSTON MUSEUM	$	385,384	$	385,384
C.3.2. Strategy: BUSINESS & ECONOMIC DEVELOPMENT CTR	$	160,125	$	160,125
Center for Business and Economic Development.				
C.3.3. Strategy: LAW ENFORCEMENT MGT INSTITUTE	$	3,568,336	$	3,819,000
Bill Blackwood Law Enforcement Management Institute of Texas. Estimated.				
C.3.4. Strategy: CORRECTIONAL MANAGEMENT INSTITUTE	$	1,223,938	$	1,909,500
* Criminal Justice Correctional Management Institute of Texas, *estimated.*				
C.3.5. Strategy: CRIME VICTIMS' INSTITUTE	$	288,903	$	306,162
C.4.1. Strategy: ENVIRONMENTAL STUDIES INSTITUTE	$	153,333	$	153,333
Institute of Environmental Studies.				
C.4.2. Strategy: INSTITUTIONAL ENHANCEMENT	$	3,283,762	$	3,130,528
Total, Goal C: SPECIAL ITEM SUPPORT	$	9,195,031	$	9,995,282
Grand Total, SAM HOUSTON STATE UNIVERSITY	$	58,902,857	$	60,526,108

Method of Financing:		
General Revenue Fund	$ 36,303,272	$ 36,309,231
General Revenue Fund - Dedicated		
Compensation to Victims of Crime Account No. 469	288,903	306,162
* Law Enforcement Management Institute Account No. 581, *estimated*	3,568,336	3,819,000
Estimated Statutory Tuition Increases Account No. 708	724,916	1,449,832

*Italicized language was inadvertently omitted from House Bill 1, regular session, as enrolled.

	Estimated Other Educational and General Income Account No. 770		16,793,492		16,732,383
	Correctional Management Institute of Texas,		1,223,938		1,909,500
*	*Account No. 5083, estimated*				
	Subtotal, General Revenue Fund - Dedicated	$	22,599,585	$	24,216,877
	Total, Method of Financing	$	58,902,857	$	60,526,108
	Object-of-Expense Informational Listing:				
	Salaries and Wages	$	16,910,052	$	16,902,392
	Other Personnel Costs		2,827,118		3,231,882
	Faculty Salaries (Higher Education Only)		21,206,573		22,724,896
	Operating Costs		12,637,089		12,504,161
	Client Services		33,139		225,953
	Grants		4,516,760		4,363,526
	Capital Expenditures		772,126		573,298
	Total, Object-of-Expense Informational Listing	$	58,902,857	$	60,526,108

2. **Center for Business and Economic Development.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Center for Business and Economic Development will generate at least $320,250 for the biennium in additional revenue to the General Revenue Fund, $160,125 is included in the appropriation above in each year of the biennium for the Center for Business and Economic Development. It is the intent of the Legislature that state funds provided to the Center for Business and Economic Development be used by the center to attract federal funds on a dollar-for-dollar basis.

3. **Contingency for Senate Bill 1245.** Included in the appropriation above to Sam Houston State University in Strategy C.3.5, Crime Victims' Institute, is $288,903 in fiscal year 2004 and $306,162 in fiscal year 2005. The amounts in the rider are contingent upon the enactment of Senate Bill 1245 or similar legislation. It is the intent of the Legislature that these funds be used to operate the Crime Victims Institute.

4. **Unexpended Balances, CJ-CMIT and LEMIT.** Any unexpended balances from appropriations for the fiscal year beginning September 1, 2003, in the Criminal Justice Correctional Management Institute of Texas Fund (GR Dedicated Fund 5083) and the Law Enforcement Management Institute of Texas Fund (GR Dedicated Fund 581) remaining as of August 31, 2004, are appropriated for the same purpose for the fiscal year beginning September 1, 2004.

*Italicized language was inadvertently omitted from House Bill 1, regular session, as enrolled.

SOUTHWEST TEXAS STATE UNIVERSITY*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 101,405,604	$ 102,891,905
Grand Total, SOUTHWEST TEXAS STATE UNIVERSITY	$ 101,405,604	$ 102,891,905
Method of Financing:		
General Revenue Fund	$ 69,656,741	$ 69,956,301
General Revenue Fund - Dedicated		
Estimated Board Authorized Tuition Increases Account No. 704	1,900,000	1,900,000
Estimated Statutory Tuition Increases Account No. 708	1,300,863	2,601,726
Estimated Other Educational and General Income Account No. 770	28,548,000	28,433,878
Subtotal, General Revenue Fund - Dedicated	$ 31,748,863	$ 32,935,604
Total, Method of Financing	$ 101,405,604	$ 102,891,905
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,955.6	1,955.6

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	45.8%	47.3%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	78%	79.4%
Administrative Cost as a Percent of Total Expenditures	10.8%	10.8%
Certification Rate of Teacher Education Graduates	86.3%	86.3%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	48.4%	48.4%
Percent of Lower Division Courses Taught by Tenured Faculty	48.6%	49.4%
Dollar Value of External or Sponsored Research Funds (in Millions)	13.3	13.3
A.1.1. Strategy: OPERATIONS SUPPORT	$ 66,862,136	$ 67,913,921
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 2,907,966	$ 2,953,710
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 1,669,560	$ 1,669,560
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 674,221	$ 674,221
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 4,763,541	$ 4,948,979
A.1.6. Strategy: INDIRECT COST RECOVERY Indirect cost recovery for research related activities.	$ 900,000	$ 900,000

*Name changed to Texas State University - San Marcos due to passage of Senate Bill 1942, regular session.

SOUTHWEST TEXAS STATE UNIVERSITY
(Continued)

A.1.7. Strategy: ORGANIZED ACTIVITIES	$	729,891	$	729,891
A.1.8. Strategy: EXCELLENCE FUNDING	$	2,345,347	$	2,345,347
Total, Goal A: INSTRUCTION/OPERATIONS	$	80,852,662	$	82,135,629
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	12,925,954	$	13,129,288
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	3,573,515	$	3,573,515
B.1.3. Strategy: SKILES ACT REVENUE BOND RETIREMENT	$	266,168	$	266,168
Total, Goal B: INFRASTRUCTURE SUPPORT	$	16,765,637	$	16,968,971
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: GEOGRAPHY EDUCATION	$	43,750	$	43,750
Improvement of geography education.				
C.1.2. Strategy: MULTI-INSTITUTIONAL TEACHING CENTER	$	350,000	$	350,000
North Austin Multi-institutional Teaching Center - operations.				
C.2.1. Strategy: EDWARDS AQUIFER RESEARCH CENTER	$	216,266	$	216,266
Edwards Aquifer Research and Data Center.				
C.2.2. Strategy: TEXAS LONG-TERM CARE INST	$	146,832	$	146,832
Texas Long-term Care Institute.				
C.2.3. Strategy: SEMICONDUCTOR INITIATIVE	$	87,500	$	87,500
Semiconductor Manufacturing and Research Initiative.				
C.3.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	108,000	$	108,000
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,834,957	$	2,834,957
Total, Goal C: SPECIAL ITEM SUPPORT	$	3,787,305	$	3,787,305
Grand Total, SOUTHWEST TEXAS STATE UNIVERSITY	$	101,405,604	$	102,891,905
Method of Financing:				
General Revenue Fund	$	69,656,741	$	69,956,301
General Revenue Fund - Dedicated				
Estimated Board Authorized Tuition Increases Account No. 704		1,900,000		1,900,000
Estimated Statutory Tuition Increases Account No. 708		1,300,863		2,601,726

SOUTHWEST TEXAS STATE UNIVERSITY
(Continued)

Estimated Other Educational and General Income Account No. 770	28,548,000	28,433,878
Subtotal, General Revenue Fund - Dedicated	$ 31,748,863	$ 32,935,604
Total, Method of Financing	$ 101,405,604	$ 102,891,905
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 28,332,759	$ 28,875,292
Faculty Salaries (Higher Education Only)	50,073,142	50,835,841
Operating Costs	19,796,139	19,928,491
Grants	3,089,028	3,089,028
Capital Expenditures	114,536	163,253
Total, Object-of-Expense Informational Listing	$ 101,405,604	$ 102,891,905

2. **Freeman Ranch.** Out of the amounts appropriated above in informational item A.1.7, Organized Activities, $115,089 in each year of the biennium shall be used for the Freeman Ranch.

3. **Small Business Development Center.** Included in the appropriation above to Southwest Texas State University in Strategy C.3.1, Small Business Development Center, is $108,000 in each year of the biennium for the Small Business Development Center, or its equivalent due to special provisions of this Act. This $108,000 in each year is contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $216,000 additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

4. **Contingent Appropriation for House Bill 2522.** Included in the appropriation above to Southwest Texas State University in Strategy B.1.2, Tuition Revenue Bond Retirement, is $1,137,500 in each year of the biennium for the debt service related to tuition revenue bonds authorized by House Bill 2522. The amounts in this rider are contingent upon the enactment of House Bill 2522 or similar legislation relating to the authorization of the issuance of tuition revenue bonds. Any portion of this appropriation not spent in fiscal year 2004 could be expended for the same purposes in fiscal year 2005.

SUL ROSS STATE UNIVERSITY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 16,929,520	$ 17,043,724
Grand Total, SUL ROSS STATE UNIVERSITY	$ 16,929,520	$ 17,043,724
Method of Financing:		
General Revenue Fund	$ 14,578,746	$ 14,605,650
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	101,038	202,075
Estimated Other Educational and General Income Account No. 770	2,249,736	2,235,999
Subtotal, General Revenue Fund - Dedicated	$ 2,350,774	$ 2,438,074
Total, Method of Financing	$ 16,929,520	$ 17,043,724
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	334.8	334.8

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	21%	22%
Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students after One Academic Year	60%	60%
Administrative Cost as a Percent of Total Expenditures	14.2%	14.2%
Certification Rate of Teacher Education Graduates	84%	84%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	65%	65%
Percent of Lower Division Courses Taught by Tenured Faculty	52%	52%
A.1.1. Strategy: OPERATIONS SUPPORT	$ 5,205,594	$ 5,272,280
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$ 243,661	$ 246,782
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 168,771	$ 168,771
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$ 117,133	$ 117,133
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 329,430	$ 342,597
A.1.6. Strategy: INDIRECT COST RECOVERY	$ 41,182	$ 41,182
Indirect cost recovery for research related activities.		
A.1.7. Strategy: ORGANIZED ACTIVITIES	$ 125,576	$ 125,576
A.1.8. Strategy: FORMULA HOLD HARMLESS	$ 481,079	$ 481,079
A.1.9. Strategy: EXCELLENCE FUNDING	$ 264,956	$ 264,956
Total, Goal A: INSTRUCTION/OPERATIONS	$ 6,977,382	$ 7,060,356

SUL ROSS STATE UNIVERSITY
(Continued)

B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	2,437,828	$	2,469,058
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	2,503,741	$	2,503,741
Total, Goal B: INFRASTRUCTURE SUPPORT	$	4,941,569	$	4,972,799
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.2.1. Strategy: CHIHUAHUAN DESERT RESEARCH	$	34,216	$	34,216
C.2.2. Strategy: CENTER FOR BIG BEND STUDIES	$	194,337	$	194,337
C.3.1. Strategy: SUL ROSS MUSEUM	$	125,626	$	125,626
Sul Ross State University Museum.				
C.3.2. Strategy: BIG BEND SMALL BUSINESS DEVT CENTER	$	76,654	$	76,654
Big Bend Region Minority and Small Business Development Center.				
C.3.3. Strategy: CRIMINAL JUSTICE ACADEMY	$	82,404	$	82,404
C.3.4. Strategy: BIG BEND ARCHIVES	$	109,375	$	109,375
Archives of the Big Bend.				
C.3.5. Strategy: RURAL HISPANIC LEADERSHIP	$	87,500	$	87,500
C.3.6. Strategy: MUSEUM OF THE BIG BEND	$	43,750	$	43,750
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	4,256,707	$	4,256,707
Total, Goal C: SPECIAL ITEM SUPPORT	$	5,010,569	$	5,010,569
Grand Total, SUL ROSS STATE UNIVERSITY	$	16,929,520	$	17,043,724
Method of Financing:				
General Revenue Fund	$	14,578,746	$	14,605,650
General Revenue Fund - Dedicated				
Estimated Statutory Tuition Increases Account No. 708		101,038		202,075
Estimated Other Educational and General Income Account No. 770		2,249,736		2,235,999
Subtotal, General Revenue Fund - Dedicated	$	2,350,774	$	2,438,074
Total, Method of Financing	$	16,929,520	$	17,043,724
Object-of-Expense Informational Listing:				
Salaries and Wages	$	5,254,257	$	5,535,358
Other Personnel Costs		179,500		182,795
Faculty Salaries (Higher Education Only)		4,440,478		4,506,002
Professional Salaries - Faculty Equivalent (Higher Education Only)		181,440		193,182
Operating Costs		6,212,812		5,924,997

SUL ROSS STATE UNIVERSITY
(Continued)

Client Services	422,319	463,988
Grants	117,133	117,133
Capital Expenditures	121,581	120,269
Total, Object-of-Expense Informational Listing	$ 16,929,520	$ 17,043,724

SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 6,108,147	$ 6,158,899
Grand Total, SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE	$ 6,108,147	$ 6,158,899
Method of Financing:		
General Revenue Fund	$ 5,153,421	$ 5,163,890
General Revenue Fund - Dedicated		
Estimated Statutory Tuition Increases Account No. 708	44,599	89,197
Estimated Other Educational and General Income Account No. 770	910,127	905,812
Subtotal, General Revenue Fund - Dedicated	$ 954,726	$ 995,009
Total, Method of Financing	$ 6,108,147	$ 6,158,899
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	91.1	91.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

Outcome (Results/Impact):		
Administrative Cost as a Percent of Total Expenditures	10.6%	10.6%
Certification Rate of Teacher Education Graduates	65%	65%
Percent of Baccalaureate Graduates Who Are First Generation College Graduates	65%	65%
Percent of Incoming Full-time Undergraduate Transfer Students Who Graduate within Four Years	82.1	82.1
Retention Rate of First-time, Full-time, Degree-seeking Transfer Students after One Academic Year (Upper-level Institutions Only)	88.1%	88.1%

SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE
(Continued)

A.1.1. Strategy: OPERATIONS SUPPORT	$	2,262,055	$	2,294,445
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	$	91,654	$	92,967
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	21,086	$	21,086
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	$	111,374	$	111,374
A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	141,538	$	147,691
A.1.6. Strategy: EXCELLENCE FUNDING	$	43,195	$	43,195
Total, Goal A: INSTRUCTION/OPERATIONS	$	2,670,902	$	2,710,758
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	760,895	$	771,791
Educational and general space support.				
B.1.2. Strategy: LEASE OF FACILITIES	$	228,017	$	228,017
Total, Goal B: INFRASTRUCTURE SUPPORT	$	988,912	$	999,808
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.3.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	96,107	$	96,107
C.3.2. Strategy: DOLPH BRISCOE INSTITUTE	$	43,750	$	43,750
Dolph Briscoe Institute for Local Government.				
C.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,308,476	$	2,308,476
Total, Goal C: SPECIAL ITEM SUPPORT	$	2,448,333	$	2,448,333
Grand Total, SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE	$	6,108,147	$	6,158,899
Method of Financing:				
General Revenue Fund	$	5,153,421	$	5,163,890
General Revenue Fund - Dedicated				
Estimated Statutory Tuition Increases Account No. 708		44,599		89,197
Estimated Other Educational and General Income Account No. 770		910,127		905,812
Subtotal, General Revenue Fund - Dedicated	$	954,726	$	995,009
Total, Method of Financing	$	6,108,147	$	6,158,899
Object-of-Expense Informational Listing:				
Salaries and Wages	$	1,192,805	$	1,548,848
Other Personnel Costs		128,011		140,275
Faculty Salaries (Higher Education Only)		1,749,368		1,635,709
Operating Costs		2,922,797		2,722,693
Grants		111,374		111,374
Capital Expenditures		3,792		0
Total, Object-of-Expense Informational Listing	$	6,108,147	$	6,158,899

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 147,777,267	$ 151,268,510
Grand Total, THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS	$ 147,777,267	$ 151,268,510
Method of Financing:		
General Revenue Fund	$ 91,973,839	$ 94,180,111
GR Dedicated - Estimated Other Educational and General Income Account No. 770	51,474,428	52,759,399
Other Funds		
Permanent Health Fund for Higher Education, estimated	2,079,000	2,079,000
Permanent Endowment Fund, UT Southwestern Medical Center at Dallas, estimated	2,250,000	2,250,000
Subtotal, Other Funds	$ 4,329,000	$ 4,329,000
Total, Method of Financing	$ 147,777,267	$ 151,268,510
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,791.0	1,791.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	98%	98%
Percent of Medical School Graduates Entering a Primary Care Residency	50%	50%
Percent of Medical School Graduates Practicing Primary Care in Texas	23%	23%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	91%	91%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	95%	95%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	5.18%	5.18%
A.1.1. Strategy: MEDICAL EDUCATION	$ 39,566,778	$ 39,566,778
Output (Volume):		
Number of Combined MD/PhD Graduates	10	10
Explanatory:		
Minority Admissions as a Percent of Total First-year Admissions (All Schools)	15%	15%
Minority MD Admissions as a Percent of Total MD Admissions	17%	17%

Minority MD or DO Residents as a Percent of Total MD or DO Residents		10%		10%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	$	5,384,501	$	5,384,501
Graduate training in biomedical sciences.				
A.1.3. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$	4,265,707	$	4,265,707
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	2,530,472	$	2,530,472
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$	289,300	$	263,600
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$	43,600	$	43,600
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	974,400	$	979,700
A.3.2. Strategy: MEDICAL LOANS	$	96,100	$	96,100
Total, Goal A: INSTRUCTION/OPERATIONS	$	53,150,858	$	53,130,458
B. Goal: PROVIDE RESEARCH SUPPORT				
Outcome (Results/Impact):				
Total External Research Expenditures		246,412,617		253,756,994
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	6,201,733	$	6,201,733
B.1.2. Strategy: INDIRECT COST RECOVERY	$	29,957,642	$	31,227,479
Total, Goal B: PROVIDE RESEARCH SUPPORT	$	36,159,375	$	37,429,212
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT				
C.1.1. Strategy: E&G SPACE SUPPORT	$	21,176,674	$	21,176,674
Educational and general space support.				
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	3,130,603	$	5,358,102
C.2.2. Strategy: DEBT SVC- NORTH CAMPUS EXPANSION	$	12,486,500	$	12,486,500
Debt service - North Campus expansion.				
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$	36,793,777	$	39,021,276
D. Goal: PROVIDE SPECIAL ITEM SUPPORT				
D.2.1. Strategy: PRIMARY CARE RESIDENCY TRAINING	$	971,959	$	971,959
Primary care residency training program.				
D.3.1. Strategy: INSTITUTE FOR NOBEL/NA BIO RESEARCH	$	7,000,000	$	7,000,000
Institute for Nobel/national-academy biomedical research on heart disease and stroke, neurological disease, cancer immunology, pharmacology, and genetics and molecular biology.				
D.4.1. Strategy: REGIONAL BURN CARE CENTER	$	90,894	$	93,101
D.5.1. Strategy: SCIENCE TEACHER ACCESS TO RESOURCES	$	531,404	$	543,504
Program for Science Teacher Access to Resources (STARS).				
Output (Volume):				
Number of High School and Middle School Teachers Completing a STARS Program		965		975
D.5.2. Strategy: INNOVATIONS IN MEDICAL TECHNOLOGY	$	7,875,000	$	7,875,000
Institute for Innovations in Medical Technology.				

D.6.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	875,000	$	875,000
Total, Goal D: PROVIDE SPECIAL ITEM SUPPORT	$	17,344,257	$	17,358,564
E. Goal: TOBACCO FUNDS				
E.1.1. Strategy: TOBACCO EARNINGS - UT SWMC DALLAS Tobacco earnings for UT Southwestern Medical Center at Dallas.	$	2,250,000	$	2,250,000
E.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.	$	2,079,000	$	2,079,000
Total, Goal E: TOBACCO FUNDS	$	4,329,000	$	4,329,000
Grand Total, THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS	$	147,777,267	$	151,268,510
Method of Financing:				
General Revenue Fund	$	91,973,839	$	94,180,111
GR Dedicated - Estimated Other Educational and General Income Account No. 770		51,474,428		52,759,399
Other Funds				
Permanent Health Fund for Higher Education, estimated		2,079,000		2,079,000
Permanent Endowment Fund, UT Southwestern Medical Center at Dallas, estimated		2,250,000		2,250,000
Subtotal, Other Funds	$	4,329,000	$	4,329,000
Total, Method of Financing	$	147,777,267	$	151,268,510
Object-of-Expense Informational Listing:				
Salaries and Wages	$	39,047,179	$	40,342,504
Other Personnel Costs		2,003,889		1,938,694
Faculty Salaries (Higher Education Only)		31,728,099		31,619,367
Professional Salaries - Faculty Equivalent (Higher Education Only)		91,472		100,054
Operating Costs		40,796,091		42,343,891
Grants		34,110,537		34,924,000
Total, Object-of-Expense Informational Listing	$	147,777,267	$	151,268,510

2. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas Southwestern

Medical Center at Dallas and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.

a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

b. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas Southwestern Medical Center at Dallas and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

3. **Contingency for House Bill 1912.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy C.2.1, Tuition Revenue Bond Retirement, is the amount of $2,227,500 in fiscal year 2005 for the debt service related to the tuition revenue bonds authorized by House Bill 1912. The amount in this rider is contingent upon enactment of House Bill 1912, or similar legislation relating to the authorization of the issuance of revenue bonds for The University of Texas Southwestern Medical Center at Dallas, by the Seventy-eighth Legislature, Regular Session.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 494,707,565	$ 494,553,379
Grand Total, THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON	$ 494,707,565	$ 494,553,379
Method of Financing:		
General Revenue Fund	$ 197,213,542	$ 196,983,690
GR Dedicated - Estimated Other Educational and General Income Account No. 770	23,673,766	23,749,432
Other Funds		
Interagency Contracts	10,000,000	10,000,000
Permanent Health Fund for Higher Education, estimated	1,912,365	1,912,365
Permanent Endowment Fund, UT Medical Branch at Galveston, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	260,782,892	260,782,892
Subtotal, Other Funds	$ 273,820,257	$ 273,820,257
Total, Method of Financing	$ 494,707,565	$ 494,553,379
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	5,850.5	5,850.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	90%	90%
Percent of Medical School Graduates Entering a Primary Care Residency	50%	50%
Percent of Medical School Graduates Practicing Primary Care in Texas	28%	28%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	93%	93%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	95%	95%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	95%	95%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	95%	95%
Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas	90%	90%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures	3.08%	3.08%
A.1.1. Strategy: MEDICAL EDUCATION	$ 49,644,458	$ 49,644,659

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
(Continued)

Explanatory:				
Minority Admissions as a Percent of Total First-year Admissions (All Schools)		23%		23%
Minority MD Admissions as a Percent of Total MD Admissions		25%		25%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	$	4,159,690	$	4,159,706
Graduate training in biomedical sciences.				
A.1.3. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$	5,546,761	$	5,546,784
A.1.4. Strategy: NURSING EDUCATION	$	6,707,744	$	6,707,771
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	21,972,561	$	21,972,561
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$	1,226,415	$	1,226,415
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$	418,776	$	418,776
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,108,073	$	1,119,153
A.3.2. Strategy: MEDICAL LOANS	$	126,637	$	127,903
A.4.1. Strategy: FORMULA HOLD HARMLESS	$	3,040,649	$	3,040,650
Total, Goal A: INSTRUCTION/OPERATIONS	$	93,951,764	$	93,964,378
B. Goal: PROVIDE RESEARCH SUPPORT				
Outcome (Results/Impact):				
Total External Research Expenditures		89,500,000		89,500,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	3,374,211	$	3,374,211
B.1.2. Strategy: INDIRECT COST RECOVERY	$	14,256,231	$	14,262,508
Total, Goal B: PROVIDE RESEARCH SUPPORT	$	17,630,442	$	17,636,719
C. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
C.1.1. Strategy: E&G SPACE SUPPORT	$	19,473,817	$	19,473,896
Educational and general space support.				
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,147,971	$	1,147,971
C.2.2. Strategy: CAPITAL PROJECTS	$	21,259,024	$	21,259,024
Total, Goal C: INFRASTRUCTURE SUPPORT	$	41,880,812	$	41,880,891
D. Goal: PROVIDE HEALTH CARE SUPPORT				
Outcome (Results/Impact):				
Percent of Medical Residency Completers Practicing in Texas		50%		50%
Total Gross Patient Charges for Unsponsored Charity Care Provided in State-owned Facilities		201,703,000		211,789,000
Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities		635,033,000		666,785,000
D.1.1. Strategy: MEDICAL BRANCH HOSPITALS	$	323,372,689	$	323,207,394
Output (Volume):				
Total Number of Outpatient Visits		811,093		811,093
Total Number of Inpatient Days		185,958		185,958
Explanatory:				
Minority MD or DO Residents as a Percent of Total MD or DO Residents		18%		18%
E. Goal: PROVIDE SPECIAL ITEM SUPPORT				
E.1.1. Strategy: HYPERBARIC TREATMENT AND RESEARCH	$	87,500	$	87,500
E.2.1. Strategy: CHRONIC HOME DIALYSIS CENTER	$	1,984,569	$	1,982,581

E.2.2. Strategy: PRIMARY CARE PHYSICIAN SERVICES	$	6,357,393	$	6,352,562
E.2.3. Strategy: EAST TEXAS HEALTH EDUCATION CENTERS East Texas Area Health Education Centers.	$	2,030,031	$	2,028,989
E.2.4. Strategy: SUPPORT FOR INDIGENT CARE	$	3,500,000	$	3,500,000
E.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	875,000	$	875,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$	14,834,493	$	14,826,632
F. Goal: TOBACCO FUNDS				
F.1.1. Strategy: TOBACCO EARNINGS - UTMB-GALVESTON Tobacco earnings for UT Medical Branch at Galveston.	$	1,125,000	$	1,125,000
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.	$	1,912,365	$	1,912,365
Total, Goal F: TOBACCO FUNDS	$	3,037,365	$	3,037,365
Grand Total, THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON	$	494,707,565	$	494,553,379
Method of Financing:				
General Revenue Fund	$	197,213,542	$	196,983,690
GR Dedicated - Estimated Other Educational and General Income Account No. 770		23,673,766		23,749,432
Other Funds				
Interagency Contracts		10,000,000		10,000,000
Permanent Health Fund for Higher Education, estimated		1,912,365		1,912,365
Permanent Endowment Fund, UT Medical Branch at Galveston, estimated		1,125,000		1,125,000
Health-Related Institutions Patient Income, estimated		260,782,892		260,782,892
Subtotal, Other Funds	$	273,820,257	$	273,820,257
Total, Method of Financing	$	494,707,565	$	494,553,379
Object-of-Expense Informational Listing:				
Salaries and Wages	$	211,099,484	$	222,111,991
Other Personnel Costs		7,327,865		6,536,188
Faculty Salaries (Higher Education Only)		32,818,425		33,278,357
Operating Costs		239,296,138		229,586,192
Grants		4,165,653		3,040,651
Total, Object-of-Expense Informational Listing	$	494,707,565	$	494,553,379

2. **Appropriation of Charges and Fees.** There is hereby appropriated to The University of Texas Medical Branch at Galveston all charges and fees collected for the general expenses of the medical branch hospitals, including maintenance, support, and salaries of employees for the fiscal years ending August 31, 2004 and 2005.

3. **Rates, Donations and Gifts.** The Board of Regents of The University of Texas System shall fix reasonable rates to be charged and collected by hospitals, and may make and enter into contracts for the hospitalization of the indigent sick and accept donations and gifts for the support and maintenance of the hospitals and may utilize up to $5 million per annum of local income to match any gift made to endowments provided, however, such match will not result in any reduction in the level of services for patients or any requirement for general revenue replacement. Any project initiated under this authorization shall not be structured in such a manner that will require future specific appropriation of general revenue. Provided, however, that this provision shall not be construed so as to authorize, without the prior and specific approval of the Legislature, the acceptance of real property which would require an appropriation by the Legislature for maintenance, repair, or construction of buildings.

4. **Helicopter Operation.** The University of Texas Medical Branch at Galveston is authorized to lease and operate a helicopter for the purpose of transporting critically ill or emergency patients to the medical branch hospitals. No state funds are to be used for the operation of this helicopter, except where the patient served is indigent or through an interagency contract with another state agency, or unless costs are reimbursed from insurance proceeds.

5. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas Medical Branch at Galveston shall transfer from non-Medicaid state appropriated funds $77,593,922 in fiscal year 2004 and $77,593,922 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds.

6. **Appropriation of Costs for Health Care to Inmates.** None of the funds appropriated above shall be expended to provide or support the provision of health care to inmates of the Texas Department of Criminal Justice (TDCJ). It is the intent of the Legislature that all costs for providing health care to inmates of the TDCJ including costs of operating TDCJ hospital facilities in Galveston County and Lubbock County shall be paid from appropriations made to the TDCJ and from any financial reserves from contracts with TDCJ that are held by the university for the correctional health care services. Appropriations made to the TDCJ for the provision of inmate health care services shall be expended in accordance with Government Code, Chapter 501, Subchapter E.

7. **Support of Student and Resident Training Programs.** The University of Texas Medical Branch at Galveston may spend any revenue appropriated to the institution by this Act or from other available funds for the support and development of student and resident training programs in Austin, including the payment of compensation, travel costs, costs for leased premises, and other operating expenses.

8. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment

returns out of the Permanent Endowment Fund for The University of Texas Medical Branch at Galveston and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.

a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

b. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas Medical Branch at Galveston and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purpose for fiscal year 2005.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 150,128,093	$ 151,208,730
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON	$ 150,128,093	$ 151,208,730
Method of Financing:		
General Revenue Fund	$ 114,542,077	$ 114,594,497
GR Dedicated - Estimated Other Educational and General Income Account No. 770	29,800,962	30,821,375
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,712,655	1,712,655
Permanent Endowment Fund, UTHSC Houston, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	2,947,399	2,955,203
Subtotal, Other Funds	$ 5,785,054	$ 5,792,858
Total, Method of Financing	$ 150,128,093	$ 151,208,730
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,887.4	1,887.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	91%	91%
Percent of Medical School Graduates Entering a Primary Care Residency	50%	50%
Percent of Medical School Graduates Practicing Primary Care in Texas	35%	35%
Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry	10%	10%
Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	96%	96%
Percent of Dental School Graduates Who Are Licensed in Texas	90%	90%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	96%	96%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	98%	98%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	95%	95%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	92%	92%

Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas		66%		66%
Percent of Public Health School Graduates Who Are Employed in Texas		75%		75%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures		7%		7%
A.1.1. Strategy: MEDICAL EDUCATION	$	38,556,302	$	38,557,385
Explanatory:				
Minority Admissions as a Percent of Total First-year Admissions (All Schools)		20%		20%
Minority MD Admissions as a Percent of Total MD Admissions		15%		15%
Minority MD or DO Residents as a Percent of Total MD or DO Residents		23%		23%
A.1.2. Strategy: DENTAL EDUCATION	$	19,465,031	$	19,465,578
Explanatory:				
Minority Admissions as a Percent of Total Dental School Admissions		15%		15%
A.1.3. Strategy: BIOMEDICAL SCIENCES TRAINING	$	5,226,720	$	5,226,867
Graduate training in biomedical sciences.				
A.1.4. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$	2,150,413	$	2,150,473
A.1.5. Strategy: NURSING EDUCATION	$	7,779,964	$	7,780,183
A.1.6. Strategy: GRADUATE TRAINING IN PUBLIC HEALTH	$	11,311,254	$	11,311,572
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	2,757,622	$	2,757,622
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$	554,608	$	554,608
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$	54,072	$	54,072
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,269,031	$	1,291,712
A.3.2. Strategy: MEDICAL LOANS	$	125,710	$	127,957
Total, Goal A: INSTRUCTION/OPERATIONS	$	89,250,727	$	89,278,029
B. Goal: PROVIDE RESEARCH SUPPORT				
Outcome (Results/Impact):				
Total External Research Expenditures		133,843,000		142,847,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	4,172,636	$	4,172,636
B.1.2. Strategy: INDIRECT COST RECOVERY	$	18,795,359	$	19,633,158
Total, Goal B: PROVIDE RESEARCH SUPPORT	$	22,967,995	$	23,805,794
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT				
C.1.1. Strategy: E&G SPACE SUPPORT	$	17,612,332	$	17,612,827
Educational and general space support.				
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	4,579,342	$	4,579,341
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$	22,191,674	$	22,192,168
D. Goal: PROVIDE HEALTH CARE SUPPORT				
Outcome (Results/Impact):				
Total Gross Patient Charges for Unsponsored Charity Care Provided in State-owned Facilities		30,473,397		30,786,293
Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities		17,946,908		18,440,173
D.1.1. Strategy: DENTAL CLINIC OPERATIONS	$	4,207,662	$	4,417,776

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON
(Continued)

E. Goal: PROVIDE SPECIAL ITEM SUPPORT				
E.1.1. Strategy: HEART DISEASE/STROKE RESEARCH	$	2,625,000	$	2,625,000
Heart disease and stroke research.				
E.1.2. Strategy: BIOTECHNOLOGY PROGRAM	$	875,000	$	875,000
E.2.1. Strategy: HARRIS COUNTY HOSPITAL DISTRICT	$	3,801,583	$	3,806,842
E.2.2. Strategy: SERVICE DELIVERY VALLEY/BORDER	$	495,797	$	495,466
Service delivery in the Valley/Border region.				
E.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	875,000	$	875,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$	8,672,380	$	8,677,308
F. Goal: TOBACCO FUNDS				
F.1.1. Strategy: TOBACCO EARNINGS - UTHSC-HOUSTON	$	1,125,000	$	1,125,000
Tobacco earnings for UT HSC Houston.				
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND	$	1,712,655	$	1,712,655
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.				
Total, Goal F: TOBACCO FUNDS	$	2,837,655	$	2,837,655
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON	$	150,128,093	$	151,208,730
Method of Financing:				
General Revenue Fund	$	114,542,077	$	114,594,497
GR Dedicated - Estimated Other Educational and General Income Account No. 770		29,800,962		30,821,375
Other Funds				
Permanent Health Fund for Higher Education, estimated		1,712,655		1,712,655
Permanent Endowment Fund, UTHSC Houston, estimated		1,125,000		1,125,000
Health-Related Institutions Patient Income, estimated		2,947,399		2,955,203
Subtotal, Other Funds	$	5,785,054	$	5,792,858
Total, Method of Financing	$	150,128,093	$	151,208,730
Object-of-Expense Informational Listing:				
Salaries and Wages	$	57,353,182	$	60,330,067
Other Personnel Costs		2,624,546		2,391,517
Faculty Salaries (Higher Education Only)		50,730,636		47,926,501
Operating Costs		37,320,913		38,799,100
Grants		2,098,816		1,761,545
Total, Object-of-Expense Informational Listing	$	150,128,093	$	151,208,730

2. **Texas Heart Institute.** Out of the funds appropriated above, The University of Texas Health Sciences Center at Houston shall allocate up to $894,133 in each year of the 2004–05 biennium to the Texas Heart Institute for gene therapy and up to $399,086 in each year of the 2004–05 biennium to the Texas Heart Institute for cardiovascular research.

3. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas Health Science Center at Houston and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.

   a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

   b. All balances of estimated appropriations from the Permanent Endowment fund for The University of Texas Health Science Center at Houston and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

4. **Contingency for House Bill 1941.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy C.2.1, Tuition Revenue Bond Retirement, is the amount of $1,439,625 in fiscal year 2004 and $1,439,625 in fiscal year 2005 for the debt service related to the tuition revenue bonds authorized by House Bill 1941. The amounts in this rider are contingent upon enactment of House Bill 1941, or similar legislation relating to the authorization of the issuance of revenue bonds for The University of Texas Health Science Center at Houston, by the Seventy-eighth Legislature, Regular Session. Any unexpended balances as of August 31, 2004 in appropriations made herein are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2004.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 140,071,765	$ 139,483,011
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO	$ 140,071,765	$ 139,483,011
Method of Financing:		
General Revenue Fund	$ 107,074,125	$ 106,408,852
GR Dedicated - Estimated Other Educational and General Income Account No. 770	21,542,848	21,620,447
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,571,220	1,571,220
Permanent Endowment Fund, UTHSC San Antonio, estimated	9,000,000	9,000,000
Health-Related Institutions Patient Income, estimated	883,572	882,492
Subtotal, Other Funds	$ 11,454,792	$ 11,453,712
Total, Method of Financing	$ 140,071,765	$ 139,483,011
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	2,253.7	2,253.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	93%	93%
Percent of Medical School Graduates Entering a Primary Care Residency	54%	54%
Percent of Medical School Graduates Practicing Primary Care in Texas	30%	30%
Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry	26%	26%
Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	94%	94%
Percent of Dental School Graduates Who Are Licensed in Texas	87%	87%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	95%	95%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	95%	95%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	91%	91%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	96%	96%

Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas		85%		85%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures		5.58%		5.58%
A.1.1. Strategy: MEDICAL EDUCATION	$	38,769,875	$	38,769,846
Explanatory:				
Minority Admissions as a Percent of Total First-year Admissions (All Schools)		31%		32%
Minority MD Admissions as a Percent of Total MD Admissions		18%		18%
Minority MD or DO Residents as a Percent of Total MD or DO Residents		18%		18%
A.1.2. Strategy: DENTAL EDUCATION	$	18,627,706	$	18,627,692
Explanatory:				
Minority Admissions as a Percent of Total Dental School Admissions		17%		17%
A.1.3. Strategy: BIOMEDICAL SCIENCES TRAINING	$	2,997,654	$	2,997,652
Graduate training in biomedical sciences.				
A.1.4. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$	5,560,736	$	5,560,732
A.1.5. Strategy: NURSING EDUCATION	$	6,335,023	$	6,335,018
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	3,340,556	$	3,340,556
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$	324,680	$	324,680
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$	147,824	$	147,824
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	1,348,126	$	1,348,126
A.3.2. Strategy: MEDICAL LOANS	$	152,000	$	152,000
A.4.1. Strategy: FORMULA HOLD HARMLESS	$	3,700,970	$	3,700,970
Total, Goal A: INSTRUCTION/OPERATIONS	$	81,305,150	$	81,305,096
B. Goal: PROVIDE RESEARCH SUPPORT				
Outcome (Results/Impact):				
Total External Research Expenditures		97,493,000		102,493,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	3,515,279	$	3,515,279
B.1.2. Strategy: INDIRECT COST RECOVERY	$	10,677,804	$	10,675,915
Total, Goal B: PROVIDE RESEARCH SUPPORT	$	14,193,083	$	14,191,194
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT				
C.1.1. Strategy: E&G SPACE SUPPORT	$	15,075,956	$	15,075,944
Educational and general space support.				
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	4,195,729	$	4,195,729
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$	19,271,685	$	19,271,673
D. Goal: PROVIDE HEALTH CARE SUPPORT				
D.1.1. Strategy: DENTAL CLINIC OPERATIONS	$	2,858,681	$	3,015,611
E. Goal: PROVIDE SPECIAL ITEM SUPPORT				
E.1.1. Strategy: SOUTH TEXAS PROFESSIONAL EDUCATION	$	6,562,500	$	5,818,750
South Texas Border Region health professional education.				
Output (Volume):				
Number of Certificate, Associate, and Baccalaureate Degree Students Participating in Programs in South Texas Area		2,441		2,441

Number of Medical and Dental Students and Postbaccalaureate Allied Health, Nursing, and Graduate Students Participating in Programs in South Texas Area		16,606		16,606
Number of Resident Physicians and Dentists Participating in Programs in South Texas Area		237		237
E.1.2. Strategy: REGIONAL ACADEMIC HLTH CTR-MEDICAL	$	1,312,500	$	1,312,500
Regional Academic Health Center - Medical.				
E.1.3. Strategy: LAREDO EXTENSION CAMPUS	$	437,500	$	437,500
E.1.4. Strategy: OUTREACH SUPPORT-SOUTH TX PROGRAMS	$	1,750,000	$	1,750,000
Institutional support for South Texas programs.				
E.2.1. Strategy: FAMILY PRACTICE RESIDENCY TRAINING	$	565,170	$	565,185
Family practice residency training program.				
E.2.2. Strategy: PODIATRY RESIDENCY TRAINING	$	177,270	$	177,276
Podiatry residency training program.				
E.3.1. Strategy: MYCOBACTERIAL-MYCOLOGY RESEARCH LAB	$	192,006	$	192,006
E.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	875,000	$	875,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$	11,871,946	$	11,128,217
F. Goal: TOBACCO FUNDS				
F.1.1. Strategy: TOBACCO EARNINGS - UTHSC SA	$	9,000,000	$	9,000,000
Tobacco earnings for UT HSC San Antonio.				
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND	$	1,571,220	$	1,571,220
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.				
Total, Goal F: TOBACCO FUNDS	$	10,571,220	$	10,571,220
Grand Total, THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO	$	140,071,765	$	139,483,011
Method of Financing:				
General Revenue Fund	$	107,074,125	$	106,408,852
GR Dedicated - Estimated Other Educational and General Income Account No. 770		21,542,848		21,620,447
Other Funds				
Permanent Health Fund for Higher Education, estimated		1,571,220		1,571,220
Permanent Endowment Fund, UTHSC San Antonio, estimated		9,000,000		9,000,000
Health-Related Institutions Patient Income, estimated		883,572		882,492
Subtotal, Other Funds	$	11,454,792	$	11,453,712
Total, Method of Financing	$	140,071,765	$	139,483,011

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
(Continued)

Object-of-Expense Informational Listing:		
Salaries and Wages	$ 44,504,538	$ 44,721,469
Other Personnel Costs	7,973,466	8,069,829
Faculty Salaries (Higher Education Only)	45,379,002	46,789,267
Operating Costs	37,360,615	35,935,931
Grants	4,854,144	3,966,515
Total, Object-of-Expense Informational Listing	$ 140,071,765	$ 139,483,011

2. **South Texas/Border Region Health Professional Education.** Out of funds appropriated above to The University of Texas Health Science Center at San Antonio in Strategy E.1.1, South Texas Professional Education, the institution shall allocate up to $6,562,500 for the fiscal year ending August 31, 2004, and up to $5,818,750 for the fiscal year ending August 31, 2005, for the purpose of expanding graduate medical education, including family practice resident training programs, and other health professional education in the South Texas/Border Region.

   a. Of the funds appropriated for this purpose up to $2,625,000 for the fiscal year ending August 31, 2004, and up to $2,406,250 for the fiscal year ending August 31, 2005, shall be used by the institution for the Lower Rio Grande Valley in Cameron, Hidalgo, Starr, and Willacy Counties, to plan, initiate, and expand residency programs in pediatrics, psychiatry, family practice, obstetrics-gynecology, and internal medicine as appropriate; develop training programs in dentistry, nursing, and allied health; enhance existing clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library resources development.

   b. Of the funds appropriated for this purpose up to $1,750,000 for the fiscal year ending August 31, 2004, and up to $1,487,500 for the fiscal year ending August 31, 2005, shall be used in the Middle Rio Grande Border Area, to be established in Webb County but to serve Zapata, Jim Hogg, Duval, McMullen, La Salle, Dimmit, and Maverick Counties, to plan, initiate, and expand programs in primary care residencies, and allied health, nursing, and dentistry; enhance clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library resources.

   c. Of the funds appropriated for this purpose up to $1,531,250 for the fiscal year ending August 31, 2004, and up to $1,312,500 for the fiscal year ending August 31, 2005, shall be used in Corpus Christi and the Coastal Bend Area to develop or expand, among other things, undergraduate clinical programs, primary care residency programs, allied health programs, medical library resources, and faculty development.

   d. Of the funds appropriated for this purpose up to $568,750 for the fiscal year ending August 31, 2004, and up to $525,000 for the fiscal year ending August 31, 2005, shall be used in the Winter Garden Region in Edwards, Kinney, Maverick, Uvalde, Val Verde and Zavala Counties to plan, initiate, and expand programs in allied health and nursing; enhance clinical training sites; develop community resources and seek private support to supplement appropriated funds; recruit faculty and staff; and initiate appropriate medical library distance learning and telehealth resources.

e. Of the funds appropriated for this purpose up to $87,500 for the fiscal year ending August 31, 2004, and up to $87,500 for the fiscal year ending August 31, 2005, shall be used in the South Central Texas Region to be established in Bexar County but to serve Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, and Wilson Counties to plan, initiate, and expand programs in allied health, nursing, and undergraduate medical or dental education; provide health career opportunity programs to appropriate grade students; enhance community-based clinical training sites; develop community-based faculty; and initiate appropriate medical library distance learning and telehealth resources.

f. None of the funds appropriated according to this provision shall be used by The University of Texas Health Science Center at San Antonio (UTHSCSA) for the purpose of providing administrative support to the educational programs in the regions specified by parts a, b, c, d, or e of this provision. In addition, none of the funds identified by this provision shall be used on the campus of UTHSCSA for administrative purposes.

g. Any unexpended balances remaining in the appropriations identified in parts a, b, c, d, or e of this provision from the fiscal year ending August 31, 2004, are appropriated to The University of Texas Health Science Center at San Antonio for their original purposes and shall be used with funds appropriated by this provision for the fiscal year ending August 31, 2005, to continue to expand health professional programs and medical residency programs named in the previous subsections; provide needed support for direct medical education involving the Lower Rio Grande Valley, the Middle Rio Grande Area, the Corpus Christi/Coastal Bend Area, and the Winter Garden Region; and continue any needed infrastructure development. Hospital and clinic facilities for teaching and training purposes will be provided and maintained at no expense to the state.

h. A report by The University of Texas Health Science Center at San Antonio shall be filed with the Legislative Budget Board and the Governor on or before December 1, 2004, concerning the use of the funds appropriated by this section and the extent to which the purposes specified by this section have been achieved.

3. **Nursing and Medical Technology Program.** It is the intent of the Legislature that The University of Texas Health Science Center at San Antonio continue to assist Sul Ross State University Rio Grande College with the baccalaureate degree program in nursing from funds appropriated above, and that it further work with both Sul Ross State University and Southwest Texas Junior College in establishing a baccalaureate degree program in medical technology. From funds appropriated above, The University of Texas Health Science Center at San Antonio shall allocate up to $100,000 in each year of the 2004–05 biennium for the medical technology program.

4. **Unexpended Balances Between Fiscal Years: Regional Academic Health Center (RAHC).** Any unexpended balances as of August 31, 2004, from the appropriations identified in Strategy E.1.2, Regional Academic Health Center-Medical, are hereby appropriated to The University of Texas Health Science Center at San Antonio for the same purpose for the fiscal year beginning September 1, 2004.

5. **Unexpended Balances Between Fiscal Years: Laredo Extension Campus.** Any unexpended balances as of August 31, 2004, from the appropriations identified in Strategy E.1.3, Laredo Extension Campus, are hereby appropriated to The University of Texas Health Science Center at San Antonio for the same purpose for the fiscal year beginning September 1, 2004.

6. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas Health Science Center at San Antonio and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for High Education.

   a. Amounts for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

   b. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas Health Science Center at San Antonio and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 1,090,845,885	$ 1,201,672,574
Grand Total, THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER	$ 1,090,845,885	$ 1,201,672,574
Method of Financing:		
General Revenue Fund	$ 124,581,655	$ 125,379,935
GR Dedicated - Estimated Other Educational and General Income Account No. 770	59,902,868	64,854,789
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,656,270	1,656,270
Permanent Endowment Fund, UT MD Anderson Cancer Center, estimated	4,500,000	4,500,000
Health-Related Institutions Patient Income, estimated	900,205,092	1,005,281,580
Subtotal, Other Funds	$ 906,361,362	$ 1,011,437,850
Total, Method of Financing	$ 1,090,845,885	$ 1,201,672,574
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	9,350.7	9,749.9

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	100%	100%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	90%	90%
A.1.1. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$ 5,750,905	$ 6,262,248
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 51,998,941	$ 51,998,941
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$ 1,772,865	$ 1,794,300
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$ 1,633,352	$ 1,653,100
Total, Goal A: INSTRUCTION/OPERATIONS	$ 61,156,063	$ 61,708,589
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	202,177,000	220,787,035
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 5,940,246	$ 5,940,246
B.1.2. Strategy: INDIRECT COST RECOVERY	$ 46,657,430	$ 53,302,414

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
(Continued)

B.1.3. Strategy: SCIENCE PARK OPERATIONS	$	4,741,722	$	4,739,728
Total, Goal B: PROVIDE RESEARCH SUPPORT	$	57,339,398	$	63,982,388
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT				
C.1.1. Strategy: E&G SPACE SUPPORT	$	60,888,265	$	66,302,161
Educational and general space support.				
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	651,279	$	1,567,946
C.2.2. Strategy: LONG-TERM CAPITAL PROGRAM	$	50,000,000	$	50,000,000
C.2.3. Strategy: LONG-TERM CAPITAL EQUIPMENT	$	35,000,000	$	35,000,000
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$	146,539,544	$	152,870,107
D. Goal: PROVIDE HEALTH CARE SUPPORT				
Outcome (Results/Impact):				
Percent of Medical Residency Completers Practicing in Texas		39%		39%
Total Gross Charges for Unsponsored Charity Care Provided in State-owned Facilities		131,268,000		139,144,000
Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities		1,587,694,000		1,737,363,000
Administrative (Institutional Support) Cost as a Percent of Total Expenditures		7.65%		7.65%
D.1.1. Strategy: PATIENT CARE ACTIVITIES	$	817,029,610	$	914,330,220
Output (Volume):				
Total Number of Outpatient Visits		528,035		558,661
Total Number of Inpatient Days		146,003		151,259
Explanatory:				
Minority MD or DO Residents as a Percent of Total MD or DO Residents		12%		12%
E. Goal: PROVIDE SPECIAL ITEM SUPPORT				
E.1.1. Strategy: RESEARCH SUPPORT	$	1,750,000	$	1,750,000
E.2.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	875,000	$	875,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$	2,625,000	$	2,625,000
F. Goal: TOBACCO FUNDS				
F.1.1. Strategy: TOBACCO EARNINGS - UT MD ANDERSON	$	4,500,000	$	4,500,000
Tobacco earnings for UT M. D. Anderson Cancer Center.				
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND	$	1,656,270	$	1,656,270
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.				
Total, Goal F: TOBACCO FUNDS	$	6,156,270	$	6,156,270
Grand Total, THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER	$	1,090,845,885	$	1,201,672,574

THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
(Continued)

Method of Financing:		
General Revenue Fund	$ 124,581,655	$ 125,379,935
GR Dedicated - Estimated Other Educational and General Income Account No. 770	59,902,868	64,854,789
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,656,270	1,656,270
Permanent Endowment Fund, UT MD Anderson Cancer Center, estimated	4,500,000	4,500,000
Health-Related Institutions Patient Income, estimated	900,205,092	1,005,281,580
Subtotal, Other Funds	$ 906,361,362	$ 1,011,437,850
Total, Method of Financing	$ 1,090,845,885	$ 1,201,672,574
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 438,650,462	$ 484,301,821
Other Personnel Costs	2,335,396	2,465,255
Faculty Salaries (Higher Education Only)	70,858,232	73,819,171
Operating Costs	484,944,858	547,707,289
Grants	94,056,937	93,379,038
Total, Object-of-Expense Informational Listing	$ 1,090,845,885	$ 1,201,672,574

2. **Special Project Funding.** Notwithstanding other provisions of this article, the Board of Regents of The University of Texas System is hereby authorized, subject to approval by the Texas Higher Education Coordinating Board: (1) to expend such amounts of its Permanent University Fund bond proceeds and/or other bond proceeds and such amounts of its other available moneys as may be necessary to fund the following project either in whole or in part; (2) to accept gifts, grants, and matching grants to fund such project either in whole or in part; and (3) to acquire, construct, alter, add to, repair, rehabilitate, equip and/or furnish such project for The University of Texas M. D. Anderson Cancer Center: (a) replacement research facilities; and (b) ambulatory patient care facilities.

3. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas M. D. Anderson Cancer Center shall transfer from non-Medicaid state appropriated funds $103,002,225 in fiscal year 2004 and $103,002,225 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds. The transfers, however, shall be made not less frequently than monthly.

4. **Animal Facilities and Programs.** The animal facilities and programs of the Department of Veterinary Sciences at The University of Texas M. D. Anderson Cancer Center (UTMDACC) - Bastrop shall be regulated and inspected by the United States Department of Agriculture, Animal and Plant Health Inspection Services, pursuant to the Federal Animal Welfare Act. The UTMDACC - Bastrop Department of Veterinary Sciences shall comply with the regulations and is under the oversight of the United States Public Health Service/National Institutes of Health Office of Laboratory Animal Welfare. The UTMDACC - Bastrop Department of Veterinary

Sciences shall be independently accredited for animal care programs and facilities by the Council on Accreditation of the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC International). The Department shall be accredited by this body. It shall also be inspected regularly and its programs reviewed biannually by the UTMDACC Institutional Animal Care and Use Committee.

5. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas M.D. Anderson Cancer Center and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.

   a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

   b. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas M.D. Anderson Cancer Center and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

6. **Contingency for House Bill 2759.** Included in the amounts appropriated above out of the General Revenue Fund for Strategy C.2.1, Tuition Revenue Bond Retirement, is the amount of $916,667 in fiscal year 2005 for the debt service related to the tuition revenue bonds authorized by House Bill 2759. The amount in this rider is contingent upon enactment of House Bill 2759, or similar legislation relating to the authorization of the issuance of revenue bonds for The University of Texas M.D. Anderson Cancer Center, by the Seventy-eighth Legislature, Regular Session.

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 80,888,011	$ 81,799,979
Grand Total, THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER	$ 80,888,011	$ 81,799,979
Method of Financing:		
General Revenue Fund	$ 29,226,124	$ 29,207,669
GR Dedicated - Estimated Other Educational and General Income Account No. 770	815,867	831,242
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,163,689	1,163,689
Permanent Endowment Fund, UT HC Tyler, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	48,557,331	49,472,379
Subtotal, Other Funds	$ 50,846,020	$ 51,761,068
Total, Method of Financing	$ 80,888,011	$ 81,799,979
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,029.7	1,029.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
A.1.1. Strategy: MEDICAL EDUCATION & RESEARCH ITEMS	$ 1,583,750	$ 1,583,750
Medical education, benefits for TDH physicians, infectious disease control, occupational/env health research.		
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 2,951,021	$ 2,951,021
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$ 264,515	$ 237,498
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$ 92,890	$ 92,876
Total, Goal A: PROVIDE INSTRUCTION/OPERATIONS	$ 4,892,176	$ 4,865,145
B. Goal: PROVIDE RESEARCH SUPPORT		
Outcome (Results/Impact):		
Total External Research Expenditures	4,100,000	4,100,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$ 1,611,250	$ 1,611,250
B.1.2. Strategy: INDIRECT COST RECOVERY	$ 399,442	$ 441,848
Total, Goal B: PROVIDE RESEARCH SUPPORT	$ 2,010,692	$ 2,053,098

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER
(Continued)

C. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
C.1.1. Strategy: E&G SPACE SUPPORT	$	2,231,523	$	2,245,593
Educational and general space support.				
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	374,917	$	374,917
Total, Goal C: INFRASTRUCTURE SUPPORT	$	2,606,440	$	2,620,510
D. Goal: PROVIDE HEALTH CARE SUPPORT				
Outcome (Results/Impact):				
Percent of Medical Residency Completers Practicing in Texas		90%		90%
Total Gross Charges for Unsponsored Charity Care Provided in State-owned Facilities		19,259,895		19,259,895
Total Gross Patient Charges (Excluding Unsponsored Charity Care) Provided in State-owned Facilities		102,334,163		102,334,163
Administrative (Institutional Support) Cost as a Percent of Total Expenditures		5.85%		5.85%
D.1.1. Strategy: PATIENT CARE ACTIVITIES	$	61,324,480	$	62,207,530
Output (Volume):				
Total Number of Outpatient Visits		107,287		107,287
Total Number of Inpatient Days		29,021		29,021
Explanatory:				
Minority MD or DO Residents as a Percent of Total MD or DO Residents		10%		10%
E. Goal: PROVIDE SPECIAL ITEM SUPPORT				
E.1.1. Strategy: NORTHEAST TEXAS INITIATIVE	$	4,375,000	$	4,375,000
E.2.1. Strategy: FAMILY PRACTICE RESIDENCY TRAINING	$	1,203,034	$	1,202,507
Family practice residency training program.				
E.3.1. Strategy: SUPPORT FOR INDIGENT CARE	$	1,312,500	$	1,312,500
E.4.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	875,000	$	875,000
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$	7,765,534	$	7,765,007
F. Goal: TOBACCO FUNDS				
F.1.1. Strategy: TOBACCO EARNINGS - UT HC AT TYLER	$	1,125,000	$	1,125,000
Tobacco earnings for UT Health Center at Tyler.				
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND	$	1,163,689	$	1,163,689
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.				
Total, Goal F: TOBACCO FUNDS	$	2,288,689	$	2,288,689
Grand Total, THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER	$	80,888,011	$	81,799,979
Method of Financing:				
General Revenue Fund	$	29,226,124	$	29,207,669
GR Dedicated - Estimated Other Educational and General Income Account No. 770		815,867		831,242

THE UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER
(Continued)

Other Funds				
Permanent Health Fund for Higher Education, estimated		1,163,689		1,163,689
Permanent Endowment Fund, UT HC Tyler, estimated		1,125,000		1,125,000
Health-Related Institutions Patient Income, estimated		48,557,331		49,472,379
Subtotal, Other Funds	$	50,846,020	$	51,761,068
Total, Method of Financing	$	80,888,011	$	81,799,979
Object-of-Expense Informational Listing:				
Salaries and Wages	$	30,093,181	$	33,453,672
Other Personnel Costs		1,642,447		1,721,613
Faculty Salaries (Higher Education Only)		8,987,711		10,482,910
Operating Costs		29,973,768		34,290,894
Grants		10,190,904		1,850,890
Total, Object-of-Expense Informational Listing	$	80,888,011	$	81,799,979

2. **Rates, Donations and Gifts.** The Board of Regents of The University of Texas System shall fix reasonable rates to be charged and collected from pay patients of the center, and may make and enter into contracts for the hospitalization of the indigent sick and accept donations and gifts for the support and maintenance of the center; provided, however, that this provision should not be construed so as to authorize, without prior and specific approval of the Legislature, acceptance of real property which would require an appropriation by the Legislature for maintenance, repair, or construction of buildings.

3. **Transfers of Appropriations - State Owned Hospitals.** The University of Texas Health Center at Tyler shall transfer from non-Medicaid state appropriated funds $23,824,163 in fiscal year 2004 and $23,824,163 in fiscal year 2005 to the Health and Human Services Commission. The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds.

4. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for The University of Texas Health Center at Tyler and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.

   a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

   b. All balances of estimated appropriations from the Permanent Endowment Fund for The University of Texas Health Center at Tyler and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby

appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 63,104,703	$ 61,771,867
Grand Total, TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER	$ 63,104,703	$ 61,771,867
Method of Financing:		
General Revenue Fund	$ 52,199,843	$ 50,832,040
GR Dedicated - Estimated Other Educational and General Income Account No. 770	5,925,462	5,925,462
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,184,951	1,184,951
Permanent Endowment Fund, Texas A&M University HSC, estimated	1,125,000	1,125,000
Health-Related Institutions Patient Income, estimated	2,669,447	2,704,414
Subtotal, Other Funds	$ 4,979,398	$ 5,014,365
Total, Method of Financing	$ 63,104,703	$ 61,771,867
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	834.4	834.4

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

Outcome (Results/Impact):		
Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	93%	93%
Percent of Medical School Graduates Entering a Primary Care Residency	60%	60%
Percent of Medical School Graduates Practicing Primary Care in Texas	33%	33%
Percent of Dental School Graduates Admitted to an Advanced Education Program in General Dentistry	15%	15%
Percent of Dental School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	93%	93%
Percent of Dental School Graduates Who Are Licensed in Texas	80%	80%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	94%	94%

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
(Continued)

Percent of Allied Health Graduates Who Are Licensed or Certified in Texas		90%		90%
Percent of Rural Public Health School Graduates Who Are Employed in Texas		50%		50%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures		10%		10%
A.1.1. Strategy: MEDICAL EDUCATION	$	15,626,775	$	15,628,381
Explanatory:				
Minority Admissions as a Percent of Total First-year Admissions (All Schools)		14%		14%
Minority MD Admissions as a Percent of Total MD Admissions		7%		7%
Minority MD or DO Residents as a Percent of Total MD or DO Residents		14%		14%
A.1.2. Strategy: DENTAL EDUCATION	$	20,108,006	$	20,109,914
Explanatory:				
Minority Admissions as a Percent of Total Dental School Admissions		12%		12%
A.1.3. Strategy: DENTAL HYGIENE EDUCATION	$	743,777	$	743,854
A.1.4. Strategy: BIOMEDICAL SCIENCES TRAINING	$	1,892,381	$	1,892,576
Graduate training in biomedical sciences.				
A.1.5. Strategy: RURAL PUBLIC HEALTH TRAINING	$	3,061,119	$	3,061,434
Graduate training in rural public health.				
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	1,438,357	$	1,438,357
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$	94,175	$	94,266
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$	48,418	$	48,497
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	551,156	$	551,156
A.3.2. Strategy: MEDICAL LOANS	$	35,000	$	35,000
A.4.1. Strategy: FORMULA HOLD HARMLESS	$	108,978	$	108,978
Total, Goal A: INSTRUCTION/OPERATIONS	$	43,708,142	$	43,712,413
B. Goal: PROVIDE RESEARCH SUPPORT				
Outcome (Results/Impact):				
Total External Research Expenditures		22,000,000		22,000,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	2,216,422	$	2,216,422
B.1.2. Strategy: INDIRECT COST RECOVERY	$	1,696,079	$	1,696,079
Total, Goal B: PROVIDE RESEARCH SUPPORT	$	3,912,501	$	3,912,501
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT				
C.1.1. Strategy: E&G SPACE SUPPORT	$	4,831,543	$	4,832,040
Educational and general space support.				
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	1,021,124	$	1,021,124
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$	5,852,667	$	5,853,164
D. Goal: PROVIDE HEALTH CARE SUPPORT				
D.1.1. Strategy: DENTAL CLINIC OPERATIONS	$	2,011,644	$	2,041,795

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
(Continued)

E. Goal: PROVIDE SPECIAL ITEM SUPPORT				
E.1.1. Strategy: COASTAL BEND HEALTH EDUCATION CTR	$	2,684,798	$	1,317,043 & UB
Coastal Bend Health Education Center.				
E.1.2. Strategy: S. TEXAS RURAL PUBLIC HEALTH CTR	$	875,000	$	875,000
South Texas Center for Rural Public Health.				
E.2.1. Strategy: MULTICAMPUS INSTIT ENHANCEMENT	$	1,750,000	$	1,750,000
Multicampus (2) institutional enhancement.				
Total, Goal E: PROVIDE SPECIAL ITEM SUPPORT	$	5,309,798	$	3,942,043
F. Goal: TOBACCO FUNDS				
F.1.1. Strategy: TOBACCO EARNINGS - TAMU SYSTEM HSC	$	1,125,000	$	1,125,000
Tobacco Earnings for Texas A&M University System HSC.				
F.1.2. Strategy: TOBACCO - PERMANENT HEALTH FUND	$	1,184,951	$	1,184,951
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.				
Total, Goal F: TOBACCO FUNDS	$	2,309,951	$	2,309,951
Grand Total, TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER	$	63,104,703	$	61,771,867
Method of Financing:				
General Revenue Fund	$	52,199,843	$	50,832,040
GR Dedicated - Estimated Other Educational and General Income Account No. 770		5,925,462		5,925,462
Other Funds				
Permanent Health Fund for Higher Education, estimated		1,184,951		1,184,951
Permanent Endowment Fund, Texas A&M University HSC, estimated		1,125,000		1,125,000
Health-Related Institutions Patient Income, estimated		2,669,447		2,704,414
Subtotal, Other Funds	$	4,979,398	$	5,014,365
Total, Method of Financing	$	63,104,703	$	61,771,867
Object-of-Expense Informational Listing:				
Salaries and Wages	$	21,420,157	$	19,309,338
Other Personnel Costs		1,235,252		1,037,327
Faculty Salaries (Higher Education Only)		14,874,266		15,648,155

TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
(Continued)

Professional Salaries - Faculty Equivalent (Higher Education Only)	1,647,129	1,105,340
Operating Costs	21,934,023	22,396,561
Grants	1,993,876	2,275,146
Total, Object-of-Expense Informational Listing	$ 63,104,703	$ 61,771,867

2. **Medical Program.** Texas A&M University System Health Science Center is hereby authorized to unite with Scott & White Clinic, Scott & White Memorial Hospital, and the Scott, Sherwood, and Brindley Foundation as its long-term primary partners for high quality clinical education and research for the benefit of the citizens of Texas. Texas A&M University System Health Science Center is additionally authorized to collaborate with the Central Texas Veterans' Health Care System, Darnall Army Community Hospital, and Driscoll Children's Hospital. Research conducted by Texas A&M University System Health Science Center faculty under the contract with its primary clinical partner to provide clinical education and research services shall be considered in the formula calculations for the Research Enhancement and E&G Space Support strategies.

3. **Cardiovascular Research Institute.** Out of the amounts appropriated above, Texas A&M University System Health Science Center shall expend up to $2,055,000 in fiscal year 2004 and up to $2,305,000 in fiscal year 2005 for Cardiovascular Research Institute activities conducted primarily at the health science center facilities in Temple. It is the intent of the Legislature that these funds would be in addition to the amounts allocated to the Temple campus for the normal operation and maintenance of programs and facilities during the biennium.

4. **Coastal Bend Health Education Center.** Out of funds appropriated above to Texas A&M University System Health Science Center in Strategy E.1.1, Coastal Bend Health Education Center, the institution shall allocate up to $568,340 in fiscal year 2004 and up to $505,192 in fiscal year 2005 to operate a local area network among coastal distance education sites, provide electronic library access, and develop allied health programs with area general academic institutions.

5. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for Texas A&M University System Health Science Center and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.

   a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

   b. All balances of estimated appropriations from the Permanent Endowment Fund for Texas A&M University System Health Science Center and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and

the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

6. **Research on Acute Neurological Injuries.** Out of funds appropriated above, Texas A&M University System Health Science Center may allocate up to $1,000,000 in each fiscal year of the biennium to conduct joint research endeavors with other scientists from Baylor College of Medicine, The University of Texas Health Science Center at Houston, and The University of Texas Medical Branch at Galveston to develop treatments to repair acute neurological injuries such as those caused by trauma and strokes.

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 46,789,630	$ 46,803,039
Grand Total, UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH	$ 46,789,630	$ 46,803,039
Method of Financing:		
General Revenue Fund	$ 38,682,853	$ 38,619,071
GR Dedicated - Estimated Other Educational and General Income Account No. 770	5,826,357	5,903,548
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,155,420	1,155,420
Permanent Endowment Fund, UNTHSC at Fort Worth, estimated	1,125,000	1,125,000
Subtotal, Other Funds	$ 2,280,420	$ 2,280,420
Total, Method of Financing	$ 46,789,630	$ 46,803,039
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	711.1	711.1

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.
Outcome (Results/Impact):

Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	95%	95%

Percent of Medical School Graduates Entering a Primary Care Residency		71%		71%
Percent of Medical School Graduates Practicing Primary Care in Texas		38%		38%
Percent of Graduates in Family Practice in Texas		25%		25%
Percent of Graduates Entering a Family Practice Residency		41%		41%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt		95%		95%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas		92%		92%
Percent of Public Health School Graduates Who Are Employed in Texas		81%		81%
Administrative (Institutional Support) Cost as a Percent of Total Expenditures		9.27%		9.27%
A.1.1. Strategy: MEDICAL EDUCATION	$	22,616,332	$	22,616,332
Explanatory:				
Minority Admissions as a Percent of Total First-year Admissions (All Schools)		19.5%		19.5%
Minority Admissions as a Percent of Total DO Admissions		10%		10%
Minority MD or DO Residents as a Percent of Total MD or DO Residents		9%		9%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	$	2,053,282	$	2,053,282
Graduate training in biomedical sciences.				
A.1.3. Strategy: GRADUATE TRAINING IN PUBLIC HEALTH	$	3,357,550	$	3,357,550
A.1.4. Strategy: PHYSICIAN ASSISTANT PROGRAM	$	2,109,380	$	2,109,380
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	371,954	$	371,954
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$	427,549	$	427,549
A.2.3. Strategy: UNEMPLOYMENT INSURANCE	$	12,000	$	12,000
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	582,665	$	593,331
A.3.2. Strategy: MEDICAL LOANS	$	73,369	$	74,126
Total, Goal A: INSTRUCTION/OPERATIONS	$	31,604,081	$	31,615,504
B. Goal: PROVIDE RESEARCH SUPPORT				
Outcome (Results/Impact):				
Total External Research Expenditures		4,750,000		4,950,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	1,649,522	$	1,649,522
B.1.2. Strategy: INDIRECT COST RECOVERY	$	1,413,439	$	1,415,549
Total, Goal B: PROVIDE RESEARCH SUPPORT	$	3,062,961	$	3,065,071
C. Goal: PROVIDE INFRASTRUCTURE SUPPORT				
C.1.1. Strategy: E&G SPACE SUPPORT	$	3,924,405	$	3,924,405
Educational and general space support.				
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	3,021,952	$	3,021,952
C.2.2. Strategy: LEASE OF FACILITIES	$	80,561	$	80,561
Total, Goal C: PROVIDE INFRASTRUCTURE SUPPORT	$	7,026,918	$	7,026,918
D. Goal: PROVIDE SPECIAL ITEM SUPPORT				
D.3.1. Strategy: ALZHEIMER'S DIAG &TREATMENT CENTER	$	437,500	$	437,500
Alzheimer's Diagnostic and Treatment Center.				
D.4.1. Strategy: DNA LABORATORY	$	1,502,750	$	1,502,626
Clinical genetics/DNA laboratory.				

D.5.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	875,000	$	875,000
Total, Goal D: PROVIDE SPECIAL ITEM SUPPORT	$	2,815,250	$	2,815,126
E. Goal: TOBACCO FUNDS				
E.1.1. Strategy: TOBACCO EARNINGS - UNT HSC FT WORTH	$	1,125,000	$	1,125,000
Tobacco earnings for UNT HSC Fort Worth.				
E.1.2. Strategy: TOBACCO - PERMANENT FUND	$	1,155,420	$	1,155,420
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.				
Total, Goal E: TOBACCO FUNDS	$	2,280,420	$	2,280,420
Grand Total, UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH	$	46,789,630	$	46,803,039
Method of Financing:				
General Revenue Fund	$	38,682,853	$	38,619,071
GR Dedicated - Estimated Other Educational and General Income Account No. 770		5,826,357		5,903,548
Other Funds				
Permanent Health Fund for Higher Education, estimated		1,155,420		1,155,420
Permanent Endowment Fund, UNTHSC at Fort Worth, estimated		1,125,000		1,125,000
Subtotal, Other Funds	$	2,280,420	$	2,280,420
Total, Method of Financing	$	46,789,630	$	46,803,039
Object-of-Expense Informational Listing:				
Salaries and Wages	$	17,026,835	$	17,668,795
Other Personnel Costs		786,204		631,975
Faculty Salaries (Higher Education Only)		15,694,037		14,527,066
Professional Salaries - Faculty Equivalent (Higher Education Only)		431,104		326,333
Operating Costs		12,357,682		13,429,162
Grants		493,768		219,708
Total, Object-of-Expense Informational Listing	$	46,789,630	$	46,803,039

2. **Forensic Laboratory.** The University of North Texas Health Science Center at Fort Worth is authorized to conduct all blood and DNA tests associated with paternity testing for the Office of the Attorney General at a monetary rate not to exceed the monetary rate at which the Attorney General could obtain the service elsewhere to the extent permitted under federal law and

regulations. The income derived from this testing is to be spent only on the Forensic Laboratory. In addition, the services of the Forensic Laboratory are available to other entities or interested parties approved by the University of North Texas Health Science Center at Fort Worth.

3. **Parking Garage Debt Service.** Funds appropriated in Strategy C.2.1, Tuition Revenue Bond Retirement, may be used to retire bonds authorized by the Seventy-sixth Legislature to construct a campus parking garage. Parking fee revenue generated by this facility will be accounted for and reported to the Legislative Budget Board. The fee revenue, minus operational and maintenance costs, will be counted in the appropriations process to offset the costs of servicing debt associated with this facility.

4. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the University of North Texas Health Science Center at Fort Worth and (2) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.

   a. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

   b. All balances of estimated appropriations from the Permanent Endowment Fund for the University of North Texas Health Science Center at Fort Worth and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 91,537,934	$ 91,558,229
Grand Total, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER	$ 91,537,934	$ 91,558,229
Method of Financing:		
General Revenue Fund	$ 79,566,289	$ 79,474,347
GR Dedicated - Estimated Other Educational and General Income Account No. 770	8,323,045	8,435,282
Other Funds		
Permanent Health Fund for Higher Education, estimated	1,398,600	1,398,600
Permanent Endowment Fund, Texas Tech HSC El Paso, estimated	1,125,000	1,125,000
Permanent Endowment Fund, Texas Tech HSC Other, estimated	1,125,000	1,125,000
Subtotal, Other Funds	$ 3,648,600	$ 3,648,600
Total, Method of Financing	$ 91,537,934	$ 91,558,229
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,580.5	1,580.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS
Provide instructional and operations support.

Outcome (Results/Impact):

Percent of Medical School Students Passing Part 1 or Part 2 of the National Licensing Exam on the First Attempt	92%	92%
Percent of Medical School Graduates Entering a Primary Care Residency	45%	45%
Percent of Medical School Graduates Practicing Primary Care in Texas	28%	28%
Percent of Allied Health Graduates Passing the Certification/Licensure Exam on the First Attempt	90%	90%
Percent of Allied Health Graduates Who Are Licensed or Certified in Texas	85%	85%
Percent of Bachelor of Science in Nursing Graduates Passing the National Licensing Exam on the First Attempt in Texas	86%	86%
Percent of Bachelor of Science in Nursing Graduates Who Are Licensed in Texas	92%	92%
Percent of Master of Science in Nursing Graduates Granted Advanced Practice Status in Texas	57%	57%
Percent of Pharmacy School Graduates Passing the National Licensing Exam on the First Attempt	95%	95%
Percent of Pharmacy School Graduates Who Are Licensed in Texas	90%	90%

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
(Continued)

Administrative (Institutional Support) Cost as a Percent of Total Expenditures		4.94%		4.94%
A.1.1. Strategy: MEDICAL EDUCATION	$	25,985,457	$	25,985,457
Explanatory:				
Minority Admissions as a Percent of Total First-year Admissions (All Schools)		14.5%		14.5%
Minority MD Admissions as a Percent of Total MD Admissions		10.5%		10.5%
Minority MD or DO Residents as a Percent of Total MD or DO Residents		20%		20%
A.1.2. Strategy: BIOMEDICAL SCIENCES TRAINING	$	1,973,752	$	1,973,752
Graduate training in biomedical sciences.				
A.1.3. Strategy: ALLIED HEALTH PROFESSIONS TRAINING	$	9,373,811	$	9,373,811
A.1.4. Strategy: NURSING EDUCATION	$	4,610,203	$	4,610,203
A.1.5. Strategy: PHARMACY EDUCATION	$	9,873,925	$	9,873,925
A.2.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	592,928	$	592,928
A.2.2. Strategy: WORKERS' COMPENSATION INSURANCE	$	648,934	$	648,934
A.3.1. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	747,000	$	747,000
A.3.2. Strategy: MEDICAL LOANS	$	62,400	$	62,400
Total, Goal A: INSTRUCTION/OPERATIONS	$	53,868,410	$	53,868,410
B. Goal: PROVIDE RESEARCH SUPPORT				
Outcome (Results/Impact):				
Total External Research Expenditures		10,700,000		11,200,000
B.1.1. Strategy: RESEARCH ENHANCEMENT	$	1,721,401	$	1,721,401
B.1.2. Strategy: INDIRECT COST RECOVERY	$	3,398,103	$	3,515,263
Total, Goal B: PROVIDE RESEARCH SUPPORT	$	5,119,504	$	5,236,664
C. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
C.1.1. Strategy: E&G SPACE SUPPORT	$	11,282,040	$	11,282,040
Educational and general space support.				
C.2.1. Strategy: TUITION REVENUE BOND RETIREMENT	$	2,005,456	$	2,005,456
Total, Goal C: INFRASTRUCTURE SUPPORT	$	13,287,496	$	13,287,496
D. Goal: PROVIDE SPECIAL ITEM SUPPORT				
D.1.1. Strategy: SOUTH TEXAS PROFESSIONAL EDUCATION	$	871,129	$	774,337
South Texas Border Region health professional education.				
D.1.2. Strategy: BORDER SUPPORT - ACADEMIC EXPANSION	$	3,530,533	$	3,530,645
Border health care support - academic expansion.				
D.1.3. Strategy: ACADEMIC SUPPORT-BORDER DEVELOPMENT	$	357,087	$	357,348
Academic operations support - Border Region development.				
D.1.4. Strategy: INTEGRATED HEALTH NETWORK	$	1,203,250	$	1,202,401
Output (Volume):				
Annual Event Hours of Distance Education		74,460		78,200
D.1.5. Strategy: MEDICAL EDUCATION - ODESSA	$	1,364,551	$	1,365,389

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
(Continued)

D.1.6. Strategy: EL PASO - FOUR YEAR MEDICAL SCHOOL	$	1,312,500	$	1,312,500
D.2.1. Strategy: FAMILY/COMMUNITY MEDICINE RESIDENCY	$	545,743	$	545,357
Family and community medicine residency training programs.				
D.2.2. Strategy: MIDLAND SURGICAL RESIDENCY TRAINING	$	117,303	$	117,221
Midland surgical residency training program.				
D.2.3. Strategy: MIDLAND CARDIOLOGY RESIDENCY	$	269,407	$	269,217
Midland cardiology residency training program.				
D.2.4. Strategy: BORDER HEALTH - RESIDENT SUPPORT	$	351,915	$	352,176
Border health care support - resident support.				
D.3.1. Strategy: DIABETES RESEARCH CENTER	$	262,500	$	262,500
D.4.1. Strategy: RURAL HEALTH CARE	$	928,006	$	927,968
Rural health care support and education.				
D.5.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	4,500,000	$	4,500,000
Multicampus (4) institutional enhancement.				
Total, Goal D: PROVIDE SPECIAL ITEM SUPPORT	$	15,613,924	$	15,517,059
E. Goal: TOBACCO FUNDS				
E.1.1. Strategy: TOBACCO EARNINGS TX TECH HSC ELPASO	$	1,125,000	$	1,125,000
Tobacco earnings for TX Tech University HSC (El Paso).				
E.1.2. Strategy: TOBACCO EARNINGS TX TECH UNIV HSC	$	1,125,000	$	1,125,000
Tobacco earnings for TX Tech University HSC - other than El Paso.				
E.1.3. Strategy: TOBACCO - PERMANENT HEALTH FUND	$	1,398,600	$	1,398,600
Tobacco earnings from the Permanent Health Fund for Higher Education to the health-related institutions of higher education.				
Total, Goal E: TOBACCO FUNDS	$	3,648,600	$	3,648,600
Grand Total, TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER	$	91,537,934	$	91,558,229

Method of Financing:				
General Revenue Fund	$	79,566,289	$	79,474,347
GR Dedicated - Estimated Other Educational and General Income Account No. 770		8,323,045		8,435,282
Other Funds				
Permanent Health Fund for Higher Education, estimated		1,398,600		1,398,600
Permanent Endowment Fund, Texas Tech HSC El Paso, estimated		1,125,000		1,125,000

Permanent Endowment Fund, Texas Tech HSC Other, estimated		1,125,000		1,125,000
Subtotal, Other Funds	$	3,648,600	$	3,648,600
Total, Method of Financing	$	91,537,934	$	91,558,229
Object-of-Expense Informational Listing:				
Salaries and Wages	$	33,647,060	$	35,211,989
Other Personnel Costs		1,319,002		1,297,739
Faculty Salaries (Higher Education Only)		32,354,435		34,437,031
Operating Costs		20,161,825		18,118,279
Grants		4,055,612		2,493,191
Total, Object-of-Expense Informational Listing	$	91,537,934	$	91,558,229

2. **South Texas/Border Region Health Professional Education.** Out of the amounts appropriated above to Texas Tech University Health Sciences Center in Strategy D.1.1, South Texas Professional Education, is the amount of $871,129 for the fiscal year ending August 31, 2004 and $774,337 for the fiscal year ending August 31, 2005 for use by the Regional Academic Health Center in El Paso for infrastructure support, faculty salaries, maintenance and operation, and library resources.

   a. Any unexpended balances remaining in the appropriations identified in this section as of August 31, 2004, are appropriated to Texas Tech University Health Sciences Center for their original purposes and shall be used with funds appropriated by this section for the fiscal year ending August 31, 2005.

   b. A report by the Texas Tech University Health Sciences Center shall be filed with the Legislative Budget Board and the Governor on or before December 1, 2004, concerning the use of the funds appropriated by this section and the extent to which the purposes specified by this section have been achieved.

3. **Appropriation of Costs for Health Care to Inmates.** None of the funds appropriated above shall be expended to provide or support the provision of health care to inmates of the Texas Department of Criminal Justice (TDCJ). It is the intent of the Legislature that all costs for providing health care to inmates of the TDCJ including costs of operating TDCJ hospital facilities in Galveston County and Lubbock County shall be paid from appropriations made to the TDCJ and from any financial reserves from contracts with TDCJ that are held by the university for the correctional health care services. Appropriations made to the TDCJ for the provision of inmate health care services shall be expended in accordance with Government Code, Chapter 501, Subchapter E.

4. **El Paso Center for Border Health Research.** It is the intent of the Legislature that the El Paso Center for Border Health Research is a collaboration between The University of Texas at El Paso and the Texas Tech University Health Sciences Center and is one component of the Paso del Norte Regional Health Institute. The El Paso Center for Border Health Research will be located in El Paso and will be concerned with the Texas border region. It shall conduct research, in areas not limited to, but focusing on and including, infectious diseases such as

tuberculosis, Hispanic health issues such as diabetes and hypertension, border environmental health issues such as those associated with water and air quality, and children's health.

5. **Medical School Enrollment.** Upon accreditation and approval by the Texas Higher Education Coordinating Board, Texas Tech University Health Sciences Center School of Medicine is authorized to admit annually an additional 20 medical students until the School of Medicine's first year enrollment reaches 200. It is the intent of the Legislature that this increase in enrollment be taken into account when preparing the appropriation recommendations for the Seventy-ninth Legislature.

6. **Estimated Appropriation and Unexpended Balance.** Included in the amounts appropriated above are: (1) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Texas Tech University Health Sciences Center at El Paso, (2) estimated appropriations of amounts available for distribution or investment returns out of the Permanent Endowment Fund for the Texas Tech University Health Sciences Center at locations other than El Paso and (3) estimated appropriations of the institution's estimated allocation of amounts available for distribution out of the Permanent Health Fund for Higher Education.

   a. Amounts available for distribution or investment returns in excess of the amounts estimated are also appropriated to the institution. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to makeup the difference.

   b. All balances of estimated appropriations from the Permanent Endowment Fund for the Texas Tech University Health Sciences Center at El Paso, Permanent Endowment Fund for the Texas Tech University Health Sciences Center at locations other than El Paso, and of the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003 are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated to the institution for the same purposes for fiscal year 2005.

7. **El Paso - Four Year Medical School.** The Texas Tech University Health Sciences Center at El Paso is authorized to initiate curriculum design and development, basic science faculty recruitment, and commencement of organization and other processes necessary to attain accreditation of a four-year medical school by the Liaison Committee on Medical Education. The Texas Tech University Health Sciences Center at El Paso shall seek the support of the El Paso community, El Paso area foundation, units of local government and any other individuals, groups and entities that may support and contribute to the development and establishment of an El Paso Four Year Medical School.

PUBLIC COMMUNITY/JUNIOR COLLEGES

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the General Revenue Fund:		
A. Goal: ALAMO COMMUNITY COLLEGE		
A.1.1. Strategy: ACADEMIC EDUCATION	$ 41,622,930	$ 41,622,930
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 16,159,535	$ 16,159,535
Total, Goal A: ALAMO COMMUNITY COLLEGE	$ 57,782,465	$ 57,782,465
B. Goal: ALVIN COMMUNITY COLLEGE		
B.1.1. Strategy: ACADEMIC EDUCATION	$ 4,053,264	$ 4,053,264
B.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 4,010,691	$ 4,010,691
Total, Goal B: ALVIN COMMUNITY COLLEGE	$ 8,063,955	$ 8,063,955
C. Goal: AMARILLO COLLEGE		
C.2.1. Strategy: ACADEMIC EDUCATION	$ 7,846,775	$ 7,846,775
C.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 7,926,670	$ 7,926,671
Total, Goal C: AMARILLO COLLEGE	$ 15,773,445	$ 15,773,446
D. Goal: ANGELINA COLLEGE		
D.1.1. Strategy: ACADEMIC EDUCATION	$ 4,335,875	$ 4,335,876
D.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 3,725,570	$ 3,725,570
Total, Goal D: ANGELINA COLLEGE	$ 8,061,445	$ 8,061,446
E. Goal: AUSTIN COMMUNITY COLLEGE		
E.1.1. Strategy: ACADEMIC EDUCATION	$ 25,914,675	$ 25,914,675
E.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 9,901,932	$ 9,901,932
Total, Goal E: AUSTIN COMMUNITY COLLEGE	$ 35,816,607	$ 35,816,607
F. Goal: BLINN COLLEGE		
F.1.1. Strategy: STAR OF THE REPUBLIC MUSEUM	$ 332,110	$ 332,110
F.2.1. Strategy: ACADEMIC EDUCATION	$ 15,773,785	$ 15,773,785
F.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,624,353	$ 2,624,352
Total, Goal F: BLINN COLLEGE	$ 18,730,248	$ 18,730,247
G. Goal: BRAZOSPORT COLLEGE		
G.1.1. Strategy: ACADEMIC EDUCATION	$ 2,737,072	$ 2,737,072
G.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 2,873,254	$ 2,873,254
Total, Goal G: BRAZOSPORT COLLEGE	$ 5,610,326	$ 5,610,326
H. Goal: CENTRAL TEXAS COLLEGE		
H.1.1. Strategy: ACADEMIC EDUCATION	$ 8,982,203	$ 8,982,204
H.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 8,961,184	$ 8,961,184
Total, Goal H: CENTRAL TEXAS COLLEGE	$ 17,943,387	$ 17,943,388

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

I. Goal: CISCO JUNIOR COLLEGE				
I.1.1. Strategy: ACADEMIC EDUCATION	$	2,805,454	$	2,805,454
I.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	1,445,334	$	1,445,335
Total, Goal I: CISCO JUNIOR COLLEGE	$	4,250,788	$	4,250,789
J. Goal: CLARENDON COLLEGE				
J.1.1. Strategy: ACADEMIC EDUCATION	$	1,697,450	$	1,697,450
J.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	394,737	$	394,737
Total, Goal J: CLARENDON COLLEGE	$	2,092,187	$	2,092,187
K. Goal: COASTAL BEND COLLEGE				
K.1.1. Strategy: ACADEMIC EDUCATION	$	3,371,832	$	3,371,832
K.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	3,453,607	$	3,453,607
Total, Goal K: COASTAL BEND COLLEGE	$	6,825,439	$	6,825,439
L. Goal: COLLEGE OF THE MAINLAND				
L.1.1. Strategy: ACADEMIC EDUCATION	$	3,646,523	$	3,646,524
L.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	2,443,476	$	2,443,476
Total, Goal L: COLLEGE OF THE MAINLAND	$	6,089,999	$	6,090,000
M. Goal: COLLIN COUNTY CC				
Collin County Community College.				
M.1.1. Strategy: ACADEMIC EDUCATION	$	16,308,852	$	16,308,852
M.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	5,778,980	$	5,778,980
Total, Goal M: COLLIN COUNTY CC	$	22,087,832	$	22,087,832
N. Goal: DALLAS COUNTY CC				
Dallas County Community College.				
N.1.1. Strategy: SMALL BUSINESS DEVELOPMENT CENTER	$	746,042	$	746,042
N.2.1. Strategy: ACADEMIC EDUCATION	$	49,913,528	$	49,913,528
N.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	33,305,026	$	33,305,026
Total, Goal N: DALLAS COUNTY CC	$	83,964,596	$	83,964,596
O. Goal: DEL MAR COLLEGE				
O.1.1. Strategy: ACADEMIC EDUCATION	$	8,774,394	$	8,774,395
O.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	9,939,403	$	9,939,403
Total, Goal O: DEL MAR COLLEGE	$	18,713,797	$	18,713,798
P. Goal: EL PASO COMMUNITY COLLEGE				
P.1.1. Strategy: ACADEMIC EDUCATION	$	18,977,534	$	18,977,534
P.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	10,101,731	$	10,101,732
Total, Goal P: EL PASO COMMUNITY COLLEGE	$	29,079,265	$	29,079,266

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

Q. Goal: FRANK PHILLIPS COLLEGE				
Q.1.1. Strategy: ACADEMIC EDUCATION	$	1,248,346	$	1,248,346
Q.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	1,245,963	$	1,245,963
Total, Goal Q: FRANK PHILLIPS COLLEGE	$	2,494,309	$	2,494,309
R. Goal: GALVESTON COLLEGE				
R.1.1. Strategy: ACADEMIC EDUCATION	$	2,573,655	$	2,573,655
R.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	2,171,845	$	2,171,845
Total, Goal R: GALVESTON COLLEGE	$	4,745,500	$	4,745,500
S. Goal: GRAYSON COUNTY COLLEGE				
S.1.1. Strategy: ACADEMIC EDUCATION	$	3,316,276	$	3,316,276
S.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	2,699,772	$	2,699,773
Total, Goal S: GRAYSON COUNTY COLLEGE	$	6,016,048	$	6,016,049
T. Goal: HILL COLLEGE				
T.1.1. Strategy: HERITAGE MUSEUM/GENEALOGY CENTER	$	360,937	$	360,938
Heritage Museum and Genealogy Center.				
T.2.1. Strategy: ACADEMIC EDUCATION	$	2,934,988	$	2,934,988
T.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	2,422,844	$	2,422,844
Total, Goal T: HILL COLLEGE	$	5,718,769	$	5,718,770
U. Goal: HOUSTON COMMUNITY COLLEGE				
U.1.1. Strategy: ACADEMIC EDUCATION	$	32,964,956	$	32,964,956
U.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	26,244,273	$	26,244,273
Total, Goal U: HOUSTON COMMUNITY COLLEGE	$	59,209,229	$	59,209,229
V. Goal: HOWARD COLLEGE				
V.1.1. Strategy: SWCID	$	2,741,766	$	2,741,766
Southwest Collegiate Institute for the Deaf.				
V.2.1. Strategy: ACADEMIC EDUCATION	$	2,400,916	$	2,400,917
V.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	4,662,977	$	4,662,976
Total, Goal V: HOWARD COLLEGE	$	9,805,659	$	9,805,659
W. Goal: KILGORE COLLEGE				
W.1.1. Strategy: ACADEMIC EDUCATION	$	5,211,043	$	5,211,043
W.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	4,999,946	$	4,999,946
Total, Goal W: KILGORE COLLEGE	$	10,210,989	$	10,210,989
X. Goal: LAREDO COMMUNITY COLLEGE				
X.1.1. Strategy: IMPORT/EXPORT TRNG CTR	$	211,436	$	211,437
Regional Import/Export Training Center.				
X.2.1. Strategy: ACADEMIC EDUCATION	$	7,051,538	$	7,051,539
X.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	4,436,249	$	4,436,249
Total, Goal X: LAREDO COMMUNITY COLLEGE	$	11,699,223	$	11,699,225

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

Y. Goal: LEE COLLEGE				
Y.1.1. Strategy: ACADEMIC EDUCATION	$	4,746,001	$	4,746,001
Y.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	5,306,616	$	5,306,617
Total, Goal Y: LEE COLLEGE	$	10,052,617	$	10,052,618
Z. Goal: MCLENNAN COMMUNITY COLLEGE				
Z.1.1. Strategy: ACADEMIC EDUCATION	$	6,586,782	$	6,586,782
Z.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	5,310,152	$	5,310,152
Total, Goal Z: MCLENNAN COMMUNITY COLLEGE	$	11,896,934	$	11,896,934
AA. Goal: MIDLAND COLLEGE				
AA.1.1. Strategy: AMERICAN AIRPOWER HERITAGE MUSEUM	$	500,000	$	500,000
AA.2.1. Strategy: ACADEMIC EDUCATION	$	4,649,686	$	4,649,686
AA.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	3,403,355	$	3,403,355
Total, Goal AA: MIDLAND COLLEGE	$	8,553,041	$	8,553,041
AB. Goal: NAVARRO COLLEGE				
AB.1.1. Strategy: ACADEMIC EDUCATION	$	6,005,162	$	6,005,162
AB.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	2,894,258	$	2,894,258
Total, Goal AB: NAVARRO COLLEGE	$	8,899,420	$	8,899,420
AC. Goal: NORTH CENTRAL TX COLLEGE				
North Central Texas College.				
AC.1.1. Strategy: ACADEMIC EDUCATION	$	5,400,610	$	5,400,611
AC.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	1,969,411	$	1,969,411
Total, Goal AC: NORTH CENTRAL TX COLLEGE	$	7,370,021	$	7,370,022
AD. Goal: NORTH HARRIS MONTGOMERY CC				
North Harris Montgomery Community College.				
AD.1.1. Strategy: ACADEMIC EDUCATION	$	29,468,246	$	29,468,246
AD.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	11,273,555	$	11,273,555
Total, Goal AD: NORTH HARRIS MONTGOMERY CC	$	40,741,801	$	40,741,801
AE. Goal: NORTHEAST TEXAS CC				
Northeast Texas Community College.				
AE.2.1. Strategy: ACADEMIC EDUCATION	$	2,414,034	$	2,414,035
AE.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	1,313,221	$	1,313,221
Total, Goal AE: NORTHEAST TEXAS CC	$	3,727,255	$	3,727,256

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

AF. Goal: ODESSA COLLEGE				
AF.1.1. Strategy: ACADEMIC EDUCATION	$	4,002,507	$	4,002,508
AF.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	4,364,146	$	4,364,146
Total, Goal AF: ODESSA COLLEGE	$	8,366,653	$	8,366,654
AG. Goal: PANOLA COLLEGE				
AG.1.1. Strategy: ACADEMIC EDUCATION	$	1,856,179	$	1,856,179
AG.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	1,368,999	$	1,369,000
Total, Goal AG: PANOLA COLLEGE	$	3,225,178	$	3,225,179
AH. Goal: PARIS JUNIOR COLLEGE				
AH.1.1. Strategy: ACADEMIC EDUCATION	$	4,476,583	$	4,476,583
AH.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	2,404,311	$	2,404,311
Total, Goal AH: PARIS JUNIOR COLLEGE	$	6,880,894	$	6,880,894
AI. Goal: RANGER COLLEGE				
AI.1.1. Strategy: ACADEMIC EDUCATION	$	1,340,576	$	1,340,576
AI.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	751,611	$	751,611
Total, Goal AI: RANGER COLLEGE	$	2,092,187	$	2,092,187
AJ. Goal: SAN JACINTO COLLEGE				
AJ.1.1. Strategy: ACADEMIC EDUCATION	$	18,865,727	$	18,865,728
AJ.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	14,308,641	$	14,308,641
Total, Goal AJ: SAN JACINTO COLLEGE	$	33,174,368	$	33,174,369
AK. Goal: SOUTH PLAINS COLLEGE				
AK.1.1. Strategy: ACADEMIC EDUCATION	$	8,530,817	$	8,530,817
AK.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	4,594,205	$	4,594,205
Total, Goal AK: SOUTH PLAINS COLLEGE	$	13,125,022	$	13,125,022
AL. Goal: SO TX COMMUNITY COLLEGE				
South Texas Community College.				
AL.1.1. Strategy: ACADEMIC EDUCATION	$	14,009,495	$	14,009,496
AL.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	5,925,588	$	5,925,588
Total, Goal AL: SO TX COMMUNITY COLLEGE	$	19,935,083	$	19,935,084

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

AM. Goal: SW TEXAS JUNIOR COLLEGE				
Southwest Texas Junior College.				
AM.1.1. Strategy: ACADEMIC EDUCATION	$	4,274,567	$	4,274,567
AM.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	2,084,384	$	2,084,384
Total, Goal AM: SW TEXAS JUNIOR COLLEGE	$	6,358,951	$	6,358,951
AN. Goal: TARRANT COUNTY COLLEGE				
AN.1.1. Strategy: ACADEMIC EDUCATION	$	29,854,920	$	29,854,920
AN.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	10,189,642	$	10,189,642
Total, Goal AN: TARRANT COUNTY COLLEGE	$	40,044,562	$	40,044,562
AO. Goal: TEMPLE COLLEGE				
AO.1.1. Strategy: ACADEMIC EDUCATION	$	3,274,561	$	3,274,561
AO.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	2,808,046	$	2,808,047
Total, Goal AO: TEMPLE COLLEGE	$	6,082,607	$	6,082,608
AP. Goal: TEXARKANA COLLEGE				
AP.1.1. Strategy: ACADEMIC EDUCATION	$	3,716,366	$	3,716,366
AP.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	4,468,186	$	4,468,187
Total, Goal AP: TEXARKANA COLLEGE	$	8,184,552	$	8,184,553
AQ. Goal: TEXAS SOUTHMOST COLLEGE				
AQ.1.1. Strategy: ACADEMIC EDUCATION	$	7,122,061	$	7,122,061
AQ.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	3,750,717	$	3,750,717
Total, Goal AQ: TEXAS SOUTHMOST COLLEGE	$	10,872,778	$	10,872,778
AR. Goal: TRINITY VALLEY CC				
Trinity Valley Community College.				
AR.1.1. Strategy: ACADEMIC EDUCATION	$	5,069,607	$	5,069,608
AR.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	5,217,606	$	5,217,606
Total, Goal AR: TRINITY VALLEY CC	$	10,287,213	$	10,287,214
AS. Goal: TYLER JUNIOR COLLEGE				
AS.1.1. Strategy: ACADEMIC EDUCATION	$	9,869,733	$	9,869,733
AS.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	5,277,632	$	5,277,632
Total, Goal AS: TYLER JUNIOR COLLEGE	$	15,147,365	$	15,147,365

PUBLIC COMMUNITY/JUNIOR COLLEGES
(Continued)

AT. Goal: VERNON COLLEGE				
AT.1.1. Strategy: ACADEMIC EDUCATION	$	1,814,627	$	1,814,627
AT.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	3,255,076	$	3,255,076
Total, Goal AT: VERNON COLLEGE	$	5,069,703	$	5,069,703
AU. Goal: VICTORIA COLLEGE				
AU.2.1. Strategy: ACADEMIC EDUCATION	$	3,564,305	$	3,564,305
AU.2.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	3,281,016	$	3,281,017
Total, Goal AU: VICTORIA COLLEGE	$	6,845,321	$	6,845,322
AV. Goal: WEATHERFORD COLLEGE				
AV.1.1. Strategy: ACADEMIC EDUCATION	$	3,411,309	$	3,411,309
AV.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	3,865,907	$	3,865,908
Total, Goal AV: WEATHERFORD COLLEGE	$	7,277,216	$	7,277,217
AW. Goal: WESTERN TEXAS COLLEGE				
AW.1.1. Strategy: ACADEMIC EDUCATION	$	1,484,308	$	1,484,308
AW.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	1,155,656	$	1,155,657
Total, Goal AW: WESTERN TEXAS COLLEGE	$	2,639,964	$	2,639,965
AX. Goal: WHARTON COUNTY JR COLLEGE				
Wharton County Junior College.				
AX.1.1. Strategy: ACADEMIC EDUCATION	$	5,271,054	$	5,271,054
AX.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	2,622,524	$	2,622,524
Total, Goal AX: WHARTON COUNTY JR COLLEGE	$	7,893,578	$	7,893,578
Grand Total, PUBLIC COMMUNITY/JUNIOR COLLEGES	$	755,529,791	$	755,529,814
Object-of-Expense Informational Listing:				
Operating Costs	$	755,529,791	$	755,529,814
Total, Object-of-Expense Informational Listing	$	755,529,791	$	755,529,814

1. **Administration of Appropriated Funds.** Funds appropriated above shall be administered by the Texas Higher Education Coordinating Board.

2. **Appropriation Eligibility.** To be eligible for and to receive an appropriation a public community/junior college must be certified as required by Education Code, Chapter 61, § 61.001, and comply with the following provisions:

a. The Texas Higher Education Coordinating Board shall 1) determine whether each eligible public community/junior college has complied with all the provisions of this section; 2) determine each college's list of approved courses; and 3) certify its findings and such lists to the State Auditor not later than October 1 of each fiscal year. Each public community/junior college shall make such reports to the Texas Higher Education Coordinating Board as may be required, classified in accordance with the rules and regulations issued by the Board.

b. On or before the dates for reporting official enrollments each semester to the Texas Higher Education Coordinating Board, each college will collect in full from each student that is to be counted for state aid purposes the amounts set as tuition by the respective governing boards. Valid contracts with the United States government for instruction of eligible military personnel, and valid contracts with private business and public service-type organizations or institutions such as hospitals, may be considered as collections thereunder, but subject to adjustments after final payment thereof.

c. Each community/junior college must use a registration and financial reporting system which is sufficient to satisfy the audit requirements of the State Auditor and furnish any reports and information as the auditor may require.

d. Each community/junior college must file by December 1 of each fiscal year directly with the Governor, Legislative Budget Board, the Legislative Reference Library, and the Texas Higher Education Coordinating Board, a copy of an annual operating budget, and subsequent amendments thereto, approved by the community/junior college governing board. The operating budget shall be in such form and manner as may be prescribed by the board and/or agency with the advice of the State Auditor providing, however, that each report include departmental operating budgets by function and salaries and emoluments for faculty and staff listed by position.

3. **Approved Elements of Expenditure.** The expenditures by a public community/junior college of any funds received by it under these provisions headed "Public Community/Junior Colleges" shall be limited to the payment of the following elements of cost: instruction, academic support, student services, institutional support, organized activities, and staff benefits associated with salaries paid from general revenue. It is specifically provided, however, that in addition to the purposes enumerated herein, the funds appropriated above for special items may be expended for salaries, wages, travel, capital outlay and other necessary operating expenses. It is specifically provided that funds appropriated above may not be used for the operation of intercollegiate athletics.

4. **Audit of Compliance.** The compliance of each public community/junior college with the requirements set forth in the paragraphs above shall be ascertained by the State Auditor who shall also audit the pertinent books and records of each college as necessary.

5. **Vouchers for Disbursement of Appropriated Funds.** Vouchers for disbursement of the sums appropriated hereinabove shall be prepared by the Texas Higher Education Coordinating Board on the basis of the provisions in the paragraphs above and the warrants issued in payment thereof shall be issued in compliance with Education Code, § 130.0031.

   Funds appropriated above to Howard County College for the operation of the Southwest Collegiate Institute for the Deaf shall be distributed in accordance with the installment schedule for Category 1 junior colleges.

   The total amount of funds appropriated above in each year of the biennium to Midland College in Strategy AA.1.1, American Airpower Heritage Museum, should be distributed on September 1 of the year funds are appropriated.

In submitting vouchers for disbursement of the funds herein appropriated, the Texas Higher Education Coordinating Board, shall certify to the State Comptroller of Public Accounts that each school listed has qualified and is entitled to receive such funds under the provisions set forth in this Act under the heading "Public Community/Junior Colleges."

6. **Unobligated Balances.** At the close of each fiscal year each community/junior college shall report to the Coordinating Board the amount of state allocations which have not been obligated within each line item and shall return that amount to the State Treasury for deposit in the General Revenue Fund.

7. **Adjustment of Contact Hours.** The hours used in the contact hour base period are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board and community, technical, and state colleges, and the dollar amounts adjusted accordingly by the Texas Higher Education Coordinating Board at the direction of the Legislative Budget Board. The total amount appropriated to the two-year institutions' contact hour formula shall be redistributed to all institutions funded by the formula based on certified contact hours. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total contact hour formula amount appropriated to that institution for the biennium. No college shall have dollar amounts adjusted below $2,092,187. Institutions where sampling errors are identified may request a comprehensive institutional audit at institutional expense.

8. **Separation of Funds.** The funds appropriated by the State shall be maintained separately by community/junior colleges from other sources of income.

9. **Supplanting of Federal Funds Prohibited.** It is legislative intent that state funds not be used to supplant federal funds for the Workforce Investment Act programs conducted by community/junior colleges.

10. **Residency of Texas Department of Criminal Justice Inmates.** All inmates of the Texas Department of Criminal Justice are, for educational purposes only, residents of the State of Texas.

11. **Small Business Development Center.** The Small Business Development Center at Dallas County Community College shall receive $746,042 in each year of the biennium, as appropriated above, contingent upon certification by the Comptroller of Public Accounts that increased activity by the Small Business Development Center will generate at least $1,492,084 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Small Business Development Center be used by the center to attract federal funds on a dollar-for-dollar basis.

12. **Regional Import/Export Training Center.** Appropriations of $43,750 each year made above are contingent upon certification by the Comptroller of Public Accounts that increased economic activity associated with the Regional Import/Export Training Center and the Laredo Junior College will generate at least $87,500 for the biennium in additional revenue to the General Revenue Fund. It is the intent of the Legislature that state funds provided to the Regional Import/Export Training Center be used by the center to attract federal funds on a dollar-for-dollar basis.

13. **Informational Listing of Other Appropriations.** In addition to the funds appropriated above, general revenue is appropriated elsewhere in this Act for the use of the Public Community/Junior Colleges as follows:

    a. Out of the general revenue funds appropriated to the Higher Education Employees Group Insurance Contributions, $220,772,988 is intended for the use of public community colleges, subject to the provisions associated with that appropriation.

    b. Out of the general revenue funds appropriated to the Teacher's Retirement System, $120,976,895 is appropriated for the state matching contribution for public community college employees.

    c. Out of the general revenue funds appropriated to the Optional Retirement Program, $53,439,898 is appropriated for the state matching contribution for public community college employees.

14. **Trusteed Funds.** In addition to the funds appropriated above, certain funds appropriated to the Higher Education Coordinating Board are trusteed for the use of the Public Community/Junior Colleges as follows:

    a. General revenue funds in the amount of $18,000,000 for Two-Year Enrollment Growth, subject to the criteria in the associated rider.

15. **Reporting Requirement.** Public Community/Junior Colleges shall file with the Comptroller of Public Accounts and the State Auditor, a Benefits Proportional By Fund Report by November 20th for the preceding year ending August 31. The report shall be in a format prescribed by the Comptroller.

TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 3,343,923	$ 3,351,455
Grand Total, TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION	$ 3,343,923	$ 3,351,455
Method of Financing:		
General Revenue Fund	$ 2,931,339	$ 2,931,340
GR Dedicated - Estimated Other Educational and General Income Account No. 770	412,584	420,115
Total, Method of Financing	$ 3,343,923	$ 3,351,455
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	48.7	48.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS Provide instructional and operations support.		
A.1.1. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 49,000	$ 49,000
A.1.2. Strategy: SYSTEM OFFICE OPERATIONS	$ 2,644,176	$ 2,651,708
A.1.3. Strategy: TECHNICAL TRAINING PARTNERSHIP Technical training partnerships with community colleges.	$ 650,747	$ 650,747
Total, Goal A: INSTRUCTION/OPERATIONS	$ 3,343,923	$ 3,351,455
Grand Total, TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION	$ 3,343,923	$ 3,351,455
Method of Financing:		
General Revenue Fund	$ 2,931,339	$ 2,931,340
GR Dedicated - Estimated Other Educational and General Income Account No. 770	412,584	420,115
Total, Method of Financing	$ 3,343,923	$ 3,351,455
Object-of-Expense Informational Listing:		
Salaries and Wages	$ 1,744,408	$ 1,775,336
Other Personnel Costs	38,318	38,324
Faculty Salaries (Higher Education Only)	326,581	409,560
Professional Salaries - Faculty Equivalent (Higher Education Only)	48,127	60,355
Operating Costs	974,489	890,880
Capital Expenditures	212,000	177,000
Total, Object-of-Expense Informational Listing	$ 3,343,923	$ 3,351,455

TEXAS STATE TECHNICAL COLLEGE SYSTEM ADMINISTRATION
(Continued)

2. **Coordination with Community/Junior Colleges.** In accordance with Education Code, Chapter 135, prior to establishing a program in an area which is within a community/junior college district, the Texas State Technical College must receive authorization to offer such educational, technical or vocational programs from the Texas Higher Education Coordinating Board.

3. **Appropriation, Governing Board.** Out of the funds appropriated above an amount not to exceed $49,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging and expenses of state employees who provide services for the governing board.

   A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

4. **Expenditure Reporting for System Administration and Extension Centers.** Prior to each legislative session the Texas State Technical College System Administration shall file with the House Appropriations Committee, the Senate Finance Committee, the Legislative Budget Board, and the Governor a report detailing expenditures for system administration and the extension centers at Abilene, Brownwood, and Breckenridge. The report shall compare actual expenditures to funds appropriated for those purposes and shall cover the current and previous two biennia.

TEXAS STATE TECHNICAL COLLEGE - HARLINGEN

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 19,029,252	$ 19,172,436
Grand Total, TEXAS STATE TECHNICAL COLLEGE - HARLINGEN	$ 19,029,252	$ 19,172,436
Method of Financing:		
General Revenue Fund	$ 15,429,577	$ 15,429,579
GR Dedicated - Estimated Other Educational and General Income Account No. 770	3,599,675	3,742,857
Total, Method of Financing	$ 19,029,252	$ 19,172,436
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	437.3	454.3

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

   A. Goal: INSTRUCTION/OPERATIONS
   Provide instructional and operations support.

TEXAS STATE TECHNICAL COLLEGE - HARLINGEN
(Continued)

Outcome (Results/Impact):				
Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate		35%		36%
Headcount Enrollment		5,500		5,500
Number of Associate Degrees and Certificates Awarded		525		538
Number of Minority Students Graduated		450		450
Administrative Cost as a Percent of Total Expenditures		8.1%		8.1%
A.1.1. Strategy: ACADEMIC EDUCATION	$	3,914,382	$	3,914,645
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	9,641,178	$	9,641,758
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	355,000	$	355,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	590,000	$	610,000
Total, Goal A: INSTRUCTION/OPERATIONS	$	14,500,560	$	14,521,403
B. Goal: INFRASTRUCTURE SUPPORT				
Provide infrastructure support.				
B.1.1. Strategy: E&G SPACE SUPPORT	$	2,700,226	$	2,722,066
Educational and general space support.				
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	110,717	$	110,718
Total, Goal B: INFRASTRUCTURE SUPPORT	$	2,810,943	$	2,832,784
C. Goal: SPECIAL ITEM SUPPORT				
Provide special item support.				
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	1,717,749	$	1,818,249
Grand Total, TEXAS STATE TECHNICAL COLLEGE - HARLINGEN	$	19,029,252	$	19,172,436
Method of Financing:				
General Revenue Fund	$	15,429,577	$	15,429,579
GR Dedicated - Estimated Other Educational and General Income Account No. 770		3,599,675		3,742,857
Total, Method of Financing	$	19,029,252	$	19,172,436
Object-of-Expense Informational Listing:				
Salaries and Wages	$	6,734,787	$	6,788,375
Other Personnel Costs		262,610		263,609
Faculty Salaries (Higher Education Only)		6,961,236		6,999,168
Professional Salaries - Faculty Equivalent (Higher Education Only)		592,331		596,874
Operating Costs		3,738,288		3,764,410
Client Services		590,000		610,000
Capital Expenditures		150,000		150,000
Total, Object-of-Expense Informational Listing	$	19,029,252	$	19,172,436

TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 12,442,070	$ 12,524,231
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS	$ 12,442,070	$ 12,524,231
Method of Financing:		
General Revenue Fund	$ 10,275,146	$ 10,275,147
GR Dedicated - Estimated Other Educational and General Income Account No. 770	2,166,924	2,249,084
Total, Method of Financing	$ 12,442,070	$ 12,524,231
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	248.8	247.8

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate	52%	52%
Headcount Enrollment	2,493	2,593
Number of Associate Degrees and Certificates Awarded	477	495
Number of Minority Students Graduated	121	125
Administrative Cost as a Percent of Total Expenditures	10.5%	10.5%
A.1.1. Strategy: ACADEMIC EDUCATION	$ 431,612	$ 429,660
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 4,433,553	$ 4,416,865
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 218,000	$ 218,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 355,854	$ 370,089
A.1.5. Strategy: ABILENE ACADEMIC/VOCATIONAL ED Abilene academic/vocational education.	$ 2,122,810	$ 2,111,204
A.1.6. Strategy: BROWNWOOD ACADEMIC/VOCATIONAL ED Brownwood academic/vocational education.	$ 697,644	$ 692,974
A.1.7. Strategy: RURAL TECH ACADEMIC/VOCATIONAL ED Rural Tech Center academic/vocational education.	$ 813,317	$ 809,727
Total, Goal A: INSTRUCTION/OPERATIONS	$ 9,072,790	$ 9,048,519
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$ 1,112,645	$ 1,217,512
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 74,734	$ 74,734
B.1.3. Strategy: ABILENE E&G SPACE SUPPORT Abilene educational and general space support.	$ 185,372	$ 176,388
B.1.4. Strategy: BROWNWOOD E&G SPACE SUPPORT Brownwood educational and general space support.	$ 88,510	$ 99,058

TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS
(Continued)

B.1.5. Strategy: RURAL TECH E&G SPACE SUPPORT Rural Tech Center Educational and general space support.	$	57,824	$	57,824
Total, Goal B: INFRASTRUCTURE SUPPORT	$	1,519,085	$	1,625,516
C. Goal: SPECIAL ITEM SUPPORT Provide special item support.				
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	1,850,195	$	1,850,196
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS	$	12,442,070	$	12,524,231
Method of Financing:				
General Revenue Fund	$	10,275,146	$	10,275,147
GR Dedicated - Estimated Other Educational and General Income Account No. 770		2,166,924		2,249,084
Total, Method of Financing	$	12,442,070	$	12,524,231
Object-of-Expense Informational Listing:				
Salaries and Wages	$	4,266,358	$	4,334,832
Other Personnel Costs		337,562		339,066
Faculty Salaries (Higher Education Only)		4,345,090		4,372,769
Professional Salaries - Faculty Equivalent (Higher Education Only)		218,622		219,240
Operating Costs		2,866,132		2,956,011
Client Services		27,306		29,313
Capital Expenditures		381,000		273,000
Total, Object-of-Expense Informational Listing	$	12,442,070	$	12,524,231

TEXAS STATE TECHNICAL COLLEGE - MARSHALL

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 4,607,872	$ 4,607,211
Grand Total, TEXAS STATE TECHNICAL COLLEGE - MARSHALL	$ 4,607,872	$ 4,607,211
Method of Financing:		
General Revenue Fund	$ 3,844,134	$ 3,844,135
GR Dedicated - Estimated Other Educational and General Income Account No. 770	763,738	763,076
Total, Method of Financing	$ 4,607,872	$ 4,607,211
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	90.7	90.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS		
Provide instructional and operations support.		
Outcome (Results/Impact):		
Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate	44%	45%
Headcount Enrollment	1,050	1,150
Number of Associate Degrees and Certificates Awarded	130	140
Number of Minority Students Graduated	39	42
Administrative Cost as a Percent of Total Expenditures	13.5%	13.4%
A.1.1. Strategy: ACADEMIC EDUCATION	$ 475,043	$ 473,719
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$ 1,893,716	$ 1,889,017
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$ 61,000	$ 61,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$ 128,821	$ 128,821
Total, Goal A: INSTRUCTION/OPERATIONS	$ 2,558,580	$ 2,552,557
B. Goal: INFRASTRUCTURE SUPPORT		
Provide infrastructure support.		
B.1.1. Strategy: E&G SPACE SUPPORT	$ 585,953	$ 591,314
Educational and general space support.		
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$ 58,126	$ 58,126
Total, Goal B: INFRASTRUCTURE SUPPORT	$ 644,079	$ 649,440
C. Goal: SPECIAL ITEM SUPPORT		
Provide special item support.		
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	$ 1,405,213	$ 1,405,214
Grand Total, TEXAS STATE TECHNICAL COLLEGE - MARSHALL	$ 4,607,872	$ 4,607,211

TEXAS STATE TECHNICAL COLLEGE - MARSHALL
(Continued)

Method of Financing:				
General Revenue Fund	$	3,844,134	$	3,844,135
GR Dedicated - Estimated Other Educational and General Income Account No. 770		763,738		763,076
Total, Method of Financing	$	4,607,872	$	4,607,211
Object-of-Expense Informational Listing:				
Salaries and Wages	$	1,621,158	$	1,621,355
Other Personnel Costs		44,210		44,139
Faculty Salaries (Higher Education Only)		1,438,394		1,436,100
Professional Salaries - Faculty Equivalent (Higher Education Only)		59,733		59,593
Operating Costs		1,236,297		1,237,944
Grants		128,821		128,821
Capital Expenditures		79,259		79,259
Total, Object-of-Expense Informational Listing	$	4,607,872	$	4,607,211

TEXAS STATE TECHNICAL COLLEGE - WACO

	For the Years Ending August 31, 2004		For the Years Ending August 31, 2005	
1. Educational and General State Support	$	27,927,618	$	28,127,398
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WACO	$	27,927,618	$	28,127,398
Method of Financing:				
General Revenue Fund	$	23,102,290	$	23,102,291
GR Dedicated - Estimated Other Educational and General Income Account No. 770		4,825,328		5,025,107
Total, Method of Financing	$	27,927,618	$	28,127,398
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds		583.7		588.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: INSTRUCTION/OPERATIONS				
Provide instructional and operations support.				
Outcome (Results/Impact):				
Percent of First-time, Full-time, Degree or Certificate-seeking Students Graduated within Three Years with Either an AAS Degree or a Certificate		43%		43%
Headcount Enrollment		5,475		5,600
Number of Associate Degrees and Certificates Awarded		970		975
Number of Minority Students Graduated		213		224
Administrative Cost as a Percent of Total Expenditures		8.8%		8.8%
A.1.1. Strategy: ACADEMIC EDUCATION	$	2,113,958	$	2,129,404
A.1.2. Strategy: VOCATIONAL/TECHNICAL EDUCATION	$	17,291,569	$	17,399,185

TEXAS STATE TECHNICAL COLLEGE - WACO
(Continued)

A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	$	670,000	$	670,000
A.1.4. Strategy: TEXAS PUBLIC EDUCATION GRANTS	$	879,355	$	914,523
Total, Goal A: INSTRUCTION/OPERATIONS	$	20,954,882	$	21,113,112
B. Goal: PROVIDE INFRASTRUCTURE SUPPORT				
B.1.1. Strategy: E&G SPACE SUPPORT Educational and general space support.	$	4,705,053	$	4,746,601
B.1.2. Strategy: TUITION REVENUE BOND RETIREMENT	$	110,717	$	110,718
Total, Goal B: PROVIDE INFRASTRUCTURE SUPPORT	$	4,815,770	$	4,857,319
C. Goal: PROVIDE SPECIAL ITEM SUPPORT				
C.1.1. Strategy: INSTITUTIONAL ENHANCEMENT	$	2,156,966	$	2,156,967
Grand Total, TEXAS STATE TECHNICAL COLLEGE - WACO	$	27,927,618	$	28,127,398
Method of Financing:				
General Revenue Fund	$	23,102,290	$	23,102,291
GR Dedicated - Estimated Other Educational and General Income Account No. 770		4,825,328		5,025,107
Total, Method of Financing	$	27,927,618	$	28,127,398
Object-of-Expense Informational Listing:				
Salaries and Wages	$	8,387,926	$	8,435,341
Other Personnel Costs		353,985		356,141
Faculty Salaries (Higher Education Only)		10,099,196		10,163,242
Professional Salaries - Faculty Equivalent (Higher Education Only)		656,200		660,423
Operating Costs		7,284,747		7,331,519
Client Services		885,564		920,732
Capital Expenditures		260,000		260,000
Total, Object-of-Expense Informational Listing	$	27,927,618	$	28,127,398

SPECIAL PROVISIONS RELATING ONLY TO COMPONENTS OF TEXAS STATE TECHNICAL COLLEGE

1. **Expenditure of Educational and General Funds.** Recognizing that Texas State Technical College may have the opportunity and should be encouraged to attract private contributions, grants, or contracts, and to enter into agreements with private businesses and other agencies of government for purposes not specifically contained in the strategy items above that might require matching funds from TSTC, the Board of Regents of Texas State Technical College is hereby authorized to expend its remaining educational and general funds to meet contribution, contract, or grant-matching requirements only for the following purposes:

   a. planning and implementing a large-scale job-training program in conjunction with private business and other state agencies;

   b. acquiring facilities and equipment to carry out a large-scale industrial training program in conjunction with a major employer; and

c. additional space and mechanical systems or renovation of existing buildings in accordance with the Campus Master Plans and subject to approval by the Texas Higher Education Coordinating Board.

2. **Financial Records.** The financial records and reports of the Texas State Technical College shall classify accounts in accordance with the recommendation of the National Committee on the Preparation of a Manual on College and University Business Administration, as set forth in Volume I of "College and University Business Administration," published by the American Council on Education with a copyright date of 1952, and subsequent published revisions with such modifications as may be developed and provided by the Comptroller of Public Accounts, or as may be required to conform with specific provisions of the Appropriation Acts of the Legislature. The accounts of the Texas State Technical College shall be maintained and audited in accordance with the approved reporting system. The Texas State Technical College shall deliver to the Texas Higher Education Coordinating Board, any such program reports as it may deem necessary in accordance with its rules and regulations.

3. **Enrollment Records and Reports.** To be eligible to receive the appropriations hereinabove, the Texas State Technical College shall maintain separately for each campus and each extension center such enrollment records and report such enrollment data as required by the Texas Higher Education Coordinating Board. These enrollment reports shall be submitted in the form and on the date required.

   The above reports shall be certified to the Comptroller of Public Accounts no later than the date required by the Coordinating Board, and each term copies of the above certified enrollment reports shall be sent to the Coordinating Board, Legislative Budget Board, Governor, State Auditor and Legislative Reference Library.

   The State Auditor shall verify the certified enrollment data submitted to the agencies listed above as part of the audit of the Texas State Technical College.

   The Texas State Technical College shall offer only such courses as are economically justified in the considered judgment of the Board of Regents. The Board of Regents shall adopt policies specifying the conditions under which classes of less than 10 students by headcount are to be considered necessary and justifiable. The Board of Regents shall direct the chancellor or other officials to review enrollment data prior to the designated Coordinating Board census date and take all necessary actions to ensure that the small classes offered on each campus are only those that conform with established policies on small classes. Each school term, each campus shall prepare for submission to the Board of Regents a small class report showing the department, course number, title of course and the name of the instructor. The Board of Regents shall review enrollment reports certified to the Comptroller of Public Accounts, the campus small class reports and other enrollment records as necessary to ensure that the classes offered are economically justified and are in compliance with Board of Regents' policy.

4. **Certification of Compliance.** Expenditure of the funds appropriated hereinabove is contingent upon annual certification by the chancellor of the Texas State Technical College to the Comptroller of Public Accounts that the Texas State Technical College is in compliance with these provisions regarding budgets, accounting procedures and enrollment.

5. **Approved Geographic Locations.** None of the funds appropriated above to the Texas State Technical College shall be expended in promoting, developing or creating a campus or extension center at any other location in the state except as specified in Education Code § 135.02.

SPECIAL PROVISIONS RELATING ONLY TO COMPONENTS OF TEXAS STATE TECHNICAL COLLEGE
(Continued)

6. **Temporary Special Courses.** Out of funds appropriated by contact hour generation hereinabove to the Texas State Technical College in pre-apprenticeship, related training for apprentices and specialized training for journeymen and compensatory training for pre-apprenticeship and apprenticeship enrollees, and plant expansion and new plant start-up training program no more than $50,000 per year may be spent wherever the need exists within the state in conjunction with curriculum approval by the Texas Higher Education Coordinating Board. Such expenditure of funds for these special courses are temporary in nature and outside the provision of Education Code § 135.04.

7. **Aircraft Pilot Training Programs.** Funds may be used for the operation, maintenance or lease of aircraft for use in the Aircraft Pilot Training programs subject to the requirement that excess costs of flight instruction be recovered by an assessment of charge to student pilots. This income shall be separately accounted for and credited as a reduction in expenditure in the Aircraft Pilot Training Program.

8. **Approval of Plans by Foundations.** Any use of the Texas State Technical College's assets or facilities including, but not limited to, buildings, equipment or employees by existing foundations or for the promotion of foundations shall require prior approval of the Board of Regents. Approval is contingent upon receipt by the Board of Regents of a satisfactory annual plan of operation. At a minimum, this plan must specify the proposed use of any Texas State Technical College facilities, equipment, and personnel; payments made directly to Texas State Technical College personnel for services provided or expenses incurred; and donations of funds to the Texas State Technical College for designated purposes. All funds donated by foundations to the Texas State Technical College shall be received and accounted for in the same manner as all other Texas State Technical College funds. After Board of Regents approval, the plan shall be filed with the Legislative Budget Board.

9. **Audit of Base Contact Hours.** The hours used in the contact hour base period to fund Texas State Technical College are subject to audit for accuracy by the State Auditor according to an audit plan developed in consultation with the Texas Higher Education Coordinating Board, the Legislative Budget Board, and community, technical, and state colleges and the appropriation amounts adjusted accordingly by the Comptroller of Public Accounts. The total amount appropriated to the two-year institutions' contact hour formula shall be redistributed to all institutions funded by the formula based on certified contact hours. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the total contact hour formula appropriations to that institution for the biennium. Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than 2 percent of the total contact hour formula amount appropriated to that institution for the biennium.

10. **Campus President Salaries.** Out of the funds appropriated to each campus of Texas State Technical College, an amount NTE $63,654 in 2004 and $63,654 in 2005 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from private sources. If an institutionally owned house is not available an amount NTE $7,200 per year from the appropriations above, and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

11. **Chancellor Salary.** Out of the funds appropriated, transferred, or contracted to the system office, an amount NTE $70,231 in 2004 and $70,231 in 2005 may be expended for the salary of a chancellor. The chancellor may receive in addition to the above amount a house, utilities, and/or supplement from private sources. If a system owned house is not available an amount NTE $7,200 per year from the system office appropriation and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

12. **Flight Log Reporting Requirements.** Texas State Technical College shall provide the following travel log information about a state-operated aircraft each time the aircraft is flown:

    a. a mission statement, which may appear as a selection to be identified from general categories appearing on the form;

    b. the name, state agency represented, destination, and signature of each person who is a passenger or crew member of the aircraft;

    c. the date of each flight;

    d. a detailed and specific description of the official business purpose of each flight; and

    e. other information determined by the Legislative Budget Board to be necessary to monitor the proper use of the aircraft.

TEXAS AGRICULTURAL EXPERIMENT STATION*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 62,614,625	$ 62,614,626
Grand Total, TEXAS AGRICULTURAL EXPERIMENT STATION	$ 62,614,625	$ 62,614,626
Method of Financing:		
General Revenue Fund	$ 50,530,605	$ 50,530,606
General Revenue Fund - Dedicated		
Clean Air Account No. 151	500,000	500,000
Agricultural Soil and Water Conservation Account No. 563	115,000	115,000
Research-related Indirect Cost Recovery, estimated	275,000	275,000
Subtotal, General Revenue Fund - Dedicated	$ 890,000	$ 890,000
Federal Funds	6,455,093	6,455,093
Other Funds		
Feed Control Fund - Local No. 058, estimated	2,345,424	2,345,424
Sales Funds - Agricultural Experiment Station, estimated	1,046,000	1,046,000
Fertilizer Control Fund, estimated	1,347,503	1,347,503
Subtotal, Other Funds	$ 4,738,927	$ 4,738,927
Total, Method of Financing	$ 62,614,625	$ 62,614,626
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,312.0	1,312.0

*Modified by Article IX, Section 6.26 and the passage of House Bill 3442 and Senate Bill 1053, regular session, which eliminated the Agricultural Soil and Water Conservation Account No. 563.

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: AGRICULTURAL/LIFE SCIENCES RESEARCH To create and apply knowledge through research to serve society with productive and sustainable environmental, natural resources and agricultural systems.				
Outcome (Results/Impact):				
Percentage Change in Number of Patents, Disclosures, Licenses, and Publications - Livestock Research		2%		2%
A.1.1. Strategy: AGRICULTURAL/LIFE SCIENCES RESEARCH Conduct agricultural and life sciences research to ensure the Texas agricultural system is highly competitive in the global economy and provides a secure food and fiber system.	$	48,055,727	$	48,055,728
Output (Volume):				
Number of Refereed Publications		1,700		1,700
Explanatory:				
Amount of External Sponsor Support		40,950,000		40,950,000
B. Goal: REGULATORY SERVICES To provide regulatory services that are fair to the industry and protect the interests of consumers.				
Outcome (Results/Impact):				
Percent Change in Number of European Honey Bee Certificates Issued		2%		2%
B.1.1. Strategy: HONEY BEE REGULATION Control diseases and other pests of EHB, reduce the impact of AHB through timely monitoring, regulatory/containment provisions, and respond to public needs.	$	262,744	$	262,744
Output (Volume):				
Number of Bee Colonies Inspected		46,000		46,000
Number of Apiaries Inspected		230		230
B.2.1. Strategy: FEED AND FERTILIZER PROGRAM Monitor and evaluate products distributed in the state.	$	3,250,527	$	3,250,527
Output (Volume):				
Number of Feed and Fertilizer Samples Assigned to the Feed and Fertilizer Control Service Field Personnel		7,350		7,350
Number of Feed and Fertilizer Samples Analyzed by the Agricultural Analytical Services Laboratory		7,500		7,500
Total, Goal B: REGULATORY SERVICES	$	3,513,271	$	3,513,271
C. Goal: STAFF BENEFITS To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.				
C.1.1. Strategy: STAFF GROUP INSURANCE Provide funding for staff group insurance premiums.	$	624,000	$	624,000
C.1.2. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$	241,299	$	241,299
C.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	$	20,289	$	20,289
C.1.4. Strategy: OASI Provide funding for OASI.	$	412,700	$	412,700
Total, Goal C: STAFF BENEFITS	$	1,298,288	$	1,298,288

TEXAS AGRICULTURAL EXPERIMENT STATION
(Continued)

D. Goal: INDIRECT ADMINISTRATION				
D.1.1. Strategy: INDIRECT ADMINISTRATION	$	3,356,011	$	3,356,011
D.1.2. Strategy: INFRASTRUCTURE SUPPORT	$	6,391,328	$	6,391,328
Total, Goal D: INDIRECT ADMINISTRATION	$	9,747,339	$	9,747,339
Grand Total, TEXAS AGRICULTURAL EXPERIMENT STATION	$	62,614,625	$	62,614,626
Method of Financing:				
General Revenue Fund	$	50,530,605	$	50,530,606
General Revenue Fund - Dedicated				
Clean Air Account No. 151		500,000		500,000
Agricultural Soil and Water Conservation Account No. 563		115,000		115,000
Research-related Indirect Cost Recovery, estimated		275,000		275,000
Subtotal, General Revenue Fund - Dedicated	$	890,000	$	890,000
Federal Funds		6,455,093		6,455,093
Other Funds				
Feed Control Fund - Local No. 058, estimated		2,345,424		2,345,424
Sales Funds - Agricultural Experiment Station, estimated		1,046,000		1,046,000
Fertilizer Control Fund, estimated		1,347,503		1,347,503
Subtotal, Other Funds	$	4,738,927	$	4,738,927
Total, Method of Financing	$	62,614,625	$	62,614,626
Object-of-Expense Informational Listing:				
Salaries and Wages	$	26,941,237	$	26,941,237
Other Personnel Costs		1,995,700		1,995,700
Professional Salaries - Faculty Equivalent (Higher Education Only)		16,412,381		16,412,381
Operating Costs		17,265,307		17,265,308
Total, Object-of-Expense Informational Listing	$	62,614,625	$	62,614,626

2. **Unexpended Balances, TAES Current Fund.** Any balances remaining as of August 31, 2003 in Texas Agricultural Experiment Station Current Fund No. 240 and all revenues received during the biennium beginning September 1, 2003 are hereby appropriated to Texas Agricultural Experiment Station.

3. **Buffalo Gnat.** Out of the funds appropriated above, up to $10,000 in General Revenue Funds in each year of the biennium shall be used for buffalo gnat eradication.

4. **Limited Waiver from Proportionality Provision.** The Texas Agricultural Experiment Station is specifically exempt from implementation of proportionality for Higher Education Retirement Programs, but only in regard to the retirement match limit that is imposed under the federal Hatch Act and the McIntire-Stennis Act.

5. **Equine Research Account.** Pursuant to Revised Texas Civil Statutes Annotated, art. 179e, § 6.08(h), income from the Equine Research Account is hereby appropriated to the Texas Agricultural Experiment Station for support of the Equine Research Program.

6. **Agriculture Registration Fees.** Included in the appropriations above are fees collected in each year of the biennium beginning September 1, 2003, pursuant to § 131.046, Texas Agriculture Code, from the General Revenue Fund (Revenue Object Code 3410) to the Texas Agricultural Experiment Station for the Honey Bee Disease Program.

7. **Honey Bees Research.** Out of the funds appropriated above in Strategy A.1.1, Agricultural/Life Sciences Research, $131,250 in fiscal year 2004 and $131,250 in fiscal year 2005 shall be used for research on the protection and management of honey bees.

8. **Cotton Germplasm Collections.** Out of the funds appropriated above in Strategy A.1.1, Agricultural/Life Sciences Research, $262,500 in fiscal year 2004 and $262,500 in fiscal year 2005 in General Revenue Funds shall be used for the evaluation of cotton germplasm collections.

9. **Environmental Quality Research.** Out of the funds appropriated above in Strategy A.1.1, Agricultural/Life Sciences Research, a biennial amount of $525,000 shall be used to fund air quality research related to livestock production conducted at the Texas Agricultural Experiment Station in Amarillo, Texas.

10. **Contingent Upon Comptroller Certification: Texas State Data Center.** Out of the funds appropriated above in Strategy A.1.1, Agricultural/Life Science Research, $150,000 in fiscal year 2004 and $150,000 in fiscal year 2005 are appropriated from the General Revenue Fund for the operation of the Texas State Data Center in the Department of Rural Sociology in the Texas Agriculture Experiment Station, contingent upon certification by the Comptroller of Public Accounts that increased activity resulting from the work of the Texas State Data Center will generate at least $300,000 for the biennium in additional revenue to the General Revenue Fund.

TEXAS COOPERATIVE EXTENSION*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 59,091,186	$ 59,091,186
Grand Total, TEXAS COOPERATIVE EXTENSION	$ 59,091,186	$ 59,091,186
Method of Financing:		
General Revenue Fund	$ 41,496,035	$ 41,496,035
GR Dedicated - Agricultural Soil and Water Conservation Account No. 563	115,000	115,000
Federal Funds	9,982,462	9,982,462
Other Funds		
County Funds - Extension Programs Fund, estimated	6,876,263	6,876,263
Interagency Contracts	621,426	621,426
Subtotal, Other Funds	$ 7,497,689	$ 7,497,689
Total, Method of Financing	$ 59,091,186	$ 59,091,186
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	1,073.2	1,073.2

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: HEALTH AND SAFETY EDUCATION		
To educate Texans to take more responsibility for improving their health, safety, productivity, and well-being.		
Outcome (Results/Impact):		
Educational Program Index Attainment	80	80
A.1.1. Strategy: HEALTH AND SAFETY EDUCATION	$ 9,687,796	$ 9,687,796
Conduct educational programs related to nutrition, food safety, dependent care, and safe agricultural, home, and workplace environments.		
Output (Volume):		
Direct Teaching Exposures	1,535,000	1,535,000
Efficiencies:		
Average Cost Per Educational Contact	3.7	3.7
B. Goal: ENVIRONMENTAL EDUCATION		
To educate citizens to improve their stewardship of the environment and Texas' natural resources.		
Outcome (Results/Impact):		
Educational Program Index Attainment	80	80
B.1.1. Strategy: ENVIRONMENTAL EDUCATION	$ 10,625,294	$ 10,625,294
Conduct educational programs to protect and maintain Texas' land and water ecosystems.		
Output (Volume):		
Direct Teaching Exposures	1,368,000	1,368,000
Efficiencies:		
Average Cost Per Educational Contact	3.2	3.2
C. Goal: ECONOMIC COMPETITIVENESS		
To enable Texans to make decisions that contribute to their economic security and to the state's economic prosperity.		
Outcome (Results/Impact):		
Educational Program Index Attainment	80	80

*Modified by Article IX, Section 6.26 and the passage of House Bill 3442 and Senate Bill 1053, regular session, which eliminated the Agricultural Soil and Water Conservation Account No. 563.

TEXAS COOPERATIVE EXTENSION
(Continued)

C.1.1. Strategy: ECONOMIC COMPETITIVENESS	$	21,391,405	$	21,391,405
Conduct educational programs that contribute to the economic competitiveness of agricultural producers, the economic viability of rural communities, and the economic stability of individuals and families.				
Output (Volume):				
Direct Teaching Exposures		2,302,600		2,302,600
Efficiencies:				
Economic Impact Per Dollar Invested		472		472
D. Goal: LEADERSHIP DEVELOPMENT				
To foster the development of responsible, productive, and self-motivated youth and adults.				
Outcome (Results/Impact):				
Educational Program Index Attainment		80		80
D.1.1. Strategy: LEADERSHIP DEVELOPMENT	$	12,485,489	$	12,485,489
Teach the principles of leadership development to both youth and adults and provide opportunities for youth to learn life skills and enhance career development.				
Output (Volume):				
Direct Teaching Exposures		3,818,500		3,818,500
Efficiencies:				
Average Cost Per Educational Contact		2.7		2.7
E. Goal: COUNTY EXTENSION AGENT SUPPORT				
To support County Extension Agents in recognition for their service to Texans.				
E.1.1. Strategy: COUNTY EXTENSION AGENT SALARIES	$	726,720	$	726,720
County Extension Agent salary increase.				
F. Goal: STAFF BENEFITS				
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.				
F.1.1. Strategy: STAFF GROUP INSURANCE	$	774,251	$	774,251
Provide funding for staff group insurance premiums.				
F.1.2. Strategy: WORKERS' COMP INSURANCE	$	180,000	$	180,000
Provide funding for workers' compensation insurance.				
F.1.3. Strategy: UNEMPLOYMENT INSURANCE	$	8,000	$	8,000
Provide funding for unemployment insurance.				
F.1.4. Strategy: OASI	$	283,000	$	283,000
Provide funding for OASI.				
Total, Goal F: STAFF BENEFITS	$	1,245,251	$	1,245,251
G. Goal: INDIRECT ADMINISTRATION				
G.1.1. Strategy: INDIRECT ADMINISTRATION	$	1,814,004	$	1,814,004
G.1.2. Strategy: INFRASTRUCTURE SUPPORT	$	1,115,227	$	1,115,227
Total, Goal G: INDIRECT ADMINISTRATION	$	2,929,231	$	2,929,231
Grand Total, TEXAS COOPERATIVE EXTENSION	$	59,091,186	$	59,091,186
Method of Financing:				
General Revenue Fund	$	41,496,035	$	41,496,035
GR Dedicated - Agricultural Soil and Water Conservation Account No. 563		115,000		115,000
Federal Funds		9,982,462		9,982,462

TEXAS COOPERATIVE EXTENSION
(Continued)

Other Funds				
County Funds - Extension Programs Fund, estimated		6,876,263		6,876,263
Interagency Contracts		621,426		621,426
Subtotal, Other Funds	$	7,497,689	$	7,497,689
Total, Method of Financing	$	59,091,186	$	59,091,186
Object-of-Expense Informational Listing:				
Salaries and Wages	$	10,327,413	$	10,327,413
Other Personnel Costs		3,278,271		3,278,271
Professional Salaries - Faculty Equivalent (Higher Education Only)		12,281,136		12,281,136
Professional Salaries - Extension (Texas Agricultural Extension Svc)		22,303,473		22,303,473
Operating Costs		10,900,893		10,900,893
Total, Object-of-Expense Informational Listing	$	59,091,186	$	59,091,186

2. **Integrated Pest Management.** Out of the funds appropriated above, $49,365 in each year of the biennium is for contracting with the Texas Pest Management Association for pest management. No more than 10 percent of these funds shall be used by the Texas Cooperative Extension for administering the program.

3. **Limited Waiver from Proportionality Provision.** For the purpose of determining proportional payments of retirement and group insurance benefits for the Texas Cooperative Extension, as required in this Act, County Funds paid directly by County Commissioners Courts shall be considered as General Revenue Funds. The Texas Cooperative Extension is specifically exempt from implementation of proportionality for Higher Education Retirement Programs, but only in regard to the retirement match limit that is imposed under the federal Smith-Lever Act and the Hatch Act.

4. **Increased Inter-agency Collaboration.** The Texas Cooperative Extension and the Texas Engineering Extension Service are directed to meet annually to generate, implement and manage efforts designed to reinforce each agency's respective training mission and avoid potential duplication of training efforts. The agencies shall file a jointly produced report with the Legislative Budget Board and the Governor by October 1 of each year summarizing the actions taken to meet the above purposes.

5. **Quail Management.** Out of the funds appropriated above, $125,000 in fiscal year 2004 and $125,000 in fiscal year 2005 shall be used for education outreach programs, restoration of habitat and quail research for the purpose of promoting appropriate management practices.

6. **Youth Development Programs in Urban Areas.** It is the intent of the Legislature that the Texas Cooperative Extension, in addition to providing ongoing programs for rural residents, shall place greater emphasis on providing community leadership development education programming, targeting (but not limited to) youth residing in urban areas.

TEXAS ENGINEERING EXPERIMENT STATION*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 67,816,755	$ 67,819,951
Grand Total, TEXAS ENGINEERING EXPERIMENT STATION	$ 67,816,755	$ 67,819,951
Method of Financing:		
General Revenue Fund	$ 11,645,170	$ 11,645,171
General Revenue Fund - Dedicated		
Research-related Indirect Cost Recovery, estimated	3,616,891	3,616,891
Texas Emissions Reduction Plan Account No. 5071	160,515	163,710
Subtotal, General Revenue Fund - Dedicated	$ 3,777,406	$ 3,780,601
Federal Funds	33,694,179	33,694,179
Other Funds		
Interagency Contracts	3,159,653	3,159,653
Other Funds, estimated	15,540,347	15,540,347
Subtotal, Other Funds	$ 18,700,000	$ 18,700,000
Total, Method of Financing	$ 67,816,755	$ 67,819,951
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	706.0	706.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: ENGINEERING RESEARCH To conduct basic and applied research in engineering and related fields which addresses critical state and national issues, supports industrial and public systems, enhances higher education and promotes economic development.		
Outcome (Results/Impact):		
Leverage Ratio of General Revenue Appropriations to Total Funds (Excluding Infrastructure Funds)	12.1	12.1
Total Dollar Volume of Research (Millions)	92	92
Number of Formal License Agreements	7	7
A.1.1. Strategy: RESEARCH DIVISIONS Develop and support disciplinary and cross-disciplinary research programs, centers, institutes, and new initiatives.	$ 35,294,589	$ 35,297,784
Output (Volume):		
Dollar Volume of Research (Millions)	61.3	61.75
Number of Research Projects	3,300	3,300
A.1.2. Strategy: MULTI-INSTITUTIONAL OUTREACH Collaborate with academic institutions in Texas, the nation and elsewhere in research and development activities and provide research and grant writing outreach across the State.	$ 18,014,388	$ 18,014,388
Output (Volume):		
Number of Collaborative Initiatives	1,065	1,065
Dollar Volume of Activities (Millions)	21.5	21.75

*Modified by Article IX, Section 11.21 and the passage of House Bill 1365, regular session.

TEXAS ENGINEERING EXPERIMENT STATION
(Continued)

A.2.1. Strategy: TECHNOLOGY TRANSFER Provide intellectual property assistance to the research programs for commercial application.	$	714,815	$	714,815
Output (Volume):				
Number of Patent Applications		54.5		56.5
A.3.1. Strategy: EDUCATIONAL PROGRAMS Provide programs and opportunities for the participation of students, especially minorities and women, in research and education programs.	$	1,057,249	$	1,057,249
Output (Volume):				
Number of Students from Underrepresented Groups Participating in Agency Activities		4,200		4,200
Total, Goal A: ENGINEERING RESEARCH	$	55,081,041	$	55,084,236
B. Goal: STAFF BENEFITS To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.				
B.1.1. Strategy: STAFF GROUP INSURANCE Provide funding for staff group insurance premiums.	$	3,975,335	$	3,975,335
B.1.2. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$	194,084	$	194,084
B.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	$	23,390	$	23,390
B.1.4. Strategy: OASI Provide funding for OASI.	$	1,082,820	$	1,082,820
B.1.5. Strategy: OPTIONAL RETIREMENT PROGRAM Optional Retirement Program Differential.	$	68,276	$	68,276
Total, Goal B: STAFF BENEFITS	$	5,343,905	$	5,343,905
C. Goal: INDIRECT ADMINISTRATION				
C.1.1. Strategy: INDIRECT ADMINISTRATION	$	3,935,215	$	3,935,216
C.1.2. Strategy: INFRASTRUCTURE SUPPORT	$	3,456,594	$	3,456,594
Total, Goal C: INDIRECT ADMINISTRATION	$	7,391,809	$	7,391,810
Grand Total, TEXAS ENGINEERING EXPERIMENT STATION	$	67,816,755	$	67,819,951
Method of Financing:				
General Revenue Fund	$	11,645,170	$	11,645,171
General Revenue Fund - Dedicated				
Research-related Indirect Cost Recovery, estimated		3,616,891		3,616,891
Texas Emissions Reduction Plan Account No. 5071		160,515		163,710
Subtotal, General Revenue Fund - Dedicated	$	3,777,406	$	3,780,601
Federal Funds		33,694,179		33,694,179

TEXAS ENGINEERING EXPERIMENT STATION
(Continued)

Other Funds				
Interagency Contracts		3,159,653		3,159,653
Other Funds, estimated		15,540,347		15,540,347
Subtotal, Other Funds	$	18,700,000	$	18,700,000
Total, Method of Financing	$	67,816,755	$	67,819,951
Object-of-Expense Informational Listing:				
Salaries and Wages	$	24,628,328	$	24,628,329
Other Personnel Costs		2,065,019		2,065,019
Professional Salaries - Faculty Equivalent (Higher Education Only)		9,772,322		9,772,322
Operating Costs		5,162,815		5,162,815
Professional Fees and Services		3,556,425		3,556,425
Fuels and Lubricants		3,458		3,458
Consumable Supplies		310,595		310,595
Utilities		207,417		207,417
Travel		1,340,333		1,340,333
Rent - Building		29,681		29,681
Rent - Machine and Other		89,372		89,372
Other Operating Expense		16,322,888		16,326,083
Client Services		187,475		187,475
Client Services		1,240,627		1,240,627
Capital Expenditures		2,900,000		2,900,000
Total, Object-of-Expense Informational Listing	$	67,816,755	$	67,819,951

2. **Offshore Technology Research Center.** Out of the funds appropriated above in Strategy A.1.1, Research Divisions, $203,861 in fiscal year 2004 and $203,861 in fiscal year 2005 is for the purpose of supporting the Offshore Technology Research Center.

TEXAS TRANSPORTATION INSTITUTE

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 34,366,695	$ 35,081,764
Grand Total, TEXAS TRANSPORTATION INSTITUTE	$ 34,366,695	$ 35,081,764
Method of Financing:		
GR Dedicated - Research Related Indirect Cost Recovery Account No. 008, estimated	$ 1,465,592	$ 1,511,970
Federal Funds	3,198,073	3,279,359
Other Funds		
Appropriated Receipts	6,403,260	6,615,950
Interagency Contracts	18,217,076	18,589,599
State Highway Fund No. 006	5,082,694	5,084,886
Subtotal, Other Funds	$ 29,703,030	$ 30,290,435
Total, Method of Financing	$ 34,366,695	$ 35,081,764
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	411.7	413.7

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: TRANSPORTATION RESEARCH To identify and solve transportation research problems, to disseminate the results, and to enhance the relevance and quality of transportation education in Texas.		
Outcome (Results/Impact):		
Total Dollar Volume of Research	31,310,874	31,927,115
Leverage Ratio of General Revenue Appropriations to Total Funds (Excluding Infrastructure Funds)	12.4	12.4
A.1.1. Strategy: SPONSORED RESEARCH Submit research proposals and develop programs to secure funded contracts from sources, including: TxDOT, USDOT, and other state and federal agencies, other states, regional and local governments, and private sector entities and to support transportation-related educational programs within the Texas A&M University System and other Texas university systems.	$ 23,673,182	$ 24,136,780
Output (Volume):		
Number of TTI Patented Safety Devices Installed	250,000	260,000
Number of Students Involved in TTI Education and Research Activities	175	175
Dollar Volume of Research	26,171,757	26,695,193
A.1.2. Strategy: NATIONAL CENTERS Submit research proposals and develop programs within the National Centers to enhance and promote advanced transportation-related educational and research programs within the Texas A&M University System and other Texas university systems.	$ 3,983,616	$ 4,053,288

TEXAS TRANSPORTATION INSTITUTE
(Continued)

Output (Volume):				
Number of Students Involved in TTI Education and Research Activities		37		38
Dollar Volume of Research		4,640,366		4,733,173
Total, Goal A: TRANSPORTATION RESEARCH	$	27,656,798	$	28,190,068
B. Goal: STAFF BENEFITS				
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.				
B.1.1. Strategy: STAFF GROUP INSURANCE	$	1,672,110	$	1,772,437
Provide funding for staff group insurance premiums.				
B.1.2. Strategy: WORKERS' COMP INSURANCE	$	102,153	$	104,196
Provide funding for workers' compensation insurance.				
B.1.3. Strategy: UNEMPLOYMENT INSURANCE	$	17,728	$	18,083
Provide funding for unemployment insurance.				
B.1.4. Strategy: OASI	$	1,121,786	$	1,144,241
Provide funding for OASI.				
Total, Goal B: STAFF BENEFITS	$	2,913,777	$	3,038,957
C. Goal: INDIRECT ADMINISTRATION				
C.1.1. Strategy: INDIRECT ADMINISTRATION	$	2,409,670	$	2,466,289
C.1.2. Strategy: INFRASTRUCTURE SUPPORT	$	1,386,450	$	1,386,450
Total, Goal C: INDIRECT ADMINISTRATION	$	3,796,120	$	3,852,739
Grand Total, TEXAS TRANSPORTATION INSTITUTE	$	34,366,695	$	35,081,764
Method of Financing:				
GR Dedicated - Research Related Indirect Cost Recovery Account No. 008, estimated	$	1,465,592	$	1,511,970
Federal Funds		3,198,073		3,279,359
Other Funds				
Appropriated Receipts		6,403,260		6,615,950
Interagency Contracts		18,217,076		18,589,599
State Highway Fund No. 006		5,082,694		5,084,886
Subtotal, Other Funds	$	29,703,030	$	30,290,435
Total, Method of Financing	$	34,366,695	$	35,081,764
Object-of-Expense Informational Listing:				
Salaries and Wages	$	20,011,717	$	20,403,873
Other Personnel Costs		2,271,936		2,316,808
Operating Costs		11,540,089		11,807,271
Capital Expenditures		542,953		553,812
Total, Object-of-Expense Informational Listing	$	34,366,695	$	35,081,764

2. **Transportation Safety Center.** Out of State Highway Fund No. 006, $500,000 in fiscal year 2004 and $500,000 in fiscal year 2005 shall be used to fund the Transportation Safety Center to conduct research, education, and technology transfer to improve the safety of Texas' roads and highways.

3. **Center for International Intelligent Transportation Research.** Out of funds appropriated above, it is the intent of the Legislature that the Texas Transportation Institute shall develop a plan by January 1, 2004 to establish the Center for International Intelligent Transportation Research. The Center will identify critical cross-border transportation issues, conduct research, propose solutions that will improve the transportation environment in the El Paso area, and enhance the efficient, safe and secure movement of people and goods across the United States borders.

TEXAS ENGINEERING EXTENSION SERVICE

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 59,288,608	$ 60,577,617
Grand Total, TEXAS ENGINEERING EXTENSION SERVICE	$ 59,288,608	$ 60,577,617
Method of Financing:		
General Revenue Fund	$ 5,908,112	$ 5,908,113
Extension-related Indirect Cost Recovery, estimated	4,246,027	4,353,973
Federal Funds	18,457,096	18,842,904
Other Funds		
Appropriated Receipts	25,001,150	25,639,095
Interagency Contracts	5,676,223	5,833,532
Subtotal, Other Funds	$ 30,677,373	$ 31,472,627
Total, Method of Financing	$ 59,288,608	$ 60,577,617
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	495.5	495.5

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: PROVIDE TRAINING To provide basic and advanced training, technology transfer activities and technical assistance on a statewide basis to meet the needs of governmental and industrial employees. The emphasis on technical training and assistance activities will ensure a qualified and competent workforce for the future.		
Outcome (Results/Impact):		
Leverage Ratio of General Revenue Appropriations to Total Funds (Excluding Infrastructure Funds)	10	10
A.1.1. Strategy: PUBLIC SECTOR TRAINING Provide training for the public sector by assigning responsibility, conducting training	$ 35,073,922	$ 36,134,813

needs assessments, using advisory groups, monitoring legislation and developing a marketing strategy within each training division.				
Output (Volume):				
Number of Student Contact Hours		1,296,625		1,296,625
Efficiencies:				
Average Number of Student Contact Hours Per Full-time Instructor		16,092		16,092
A.1.2. Strategy: INDUSTRIAL SECTOR TRAINING	$	6,168,983	$	6,357,050
Provide training for the industrial sector by assigning responsibility, conducting training needs assessments, using advisory groups, monitoring legislation and developing a marketing strategy within each training division.				
Efficiencies:				
Average Number of Student Contact Hours Per Full-time Instructor		10,732		10,732
Total, Goal A: PROVIDE TRAINING	$	41,242,905	$	42,491,863
B. Goal: TECHNOLOGY TRANSFER ASSISTANCE				
To provide special instructions, technology transfer activities and technical assistance on a statewide basis to special population groups.				
B.1.1. Strategy: TECHNOLOGY TRANSFER	$	6,087,098	$	6,087,105
Operate an efficient technology transfer program through direct services, interactive electronic media, and database search activities.				
Output (Volume):				
Number of Initiatives with Communities and Businesses		2,512		2,512
Efficiencies:				
Number of Clients Served Per Service Delivery FTE		85.6		85.6
B.1.2. Strategy: PRE-EMPLOYMENT TRAINING	$	1,382,173	$	1,422,208
Operate a pre-employment training program.				
Efficiencies:				
Average Number of Student Contact Hours Per Full-time Instructor		6,663		6,663
Total, Goal B: TECHNOLOGY TRANSFER ASSISTANCE	$	7,469,271	$	7,509,313
C. Goal: STAFF BENEFITS				
To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.				
C.1.1. Strategy: STAFF GROUP INSURANCE	$	2,049,058	$	2,049,059
Provide funding for staff group insurance premiums.				
C.1.2. Strategy: WORKERS' COMPENSATION INSURANCE	$	115,904	$	115,905
Provide funding for workers' compensation insurance.				
C.1.3. Strategy: UNEMPLOYMENT INSURANCE	$	42,268	$	42,268
Provide funding for unemployment insurance.				
C.1.4. Strategy: OASI	$	1,465,805	$	1,465,805
Provide funding for OASI.				
Total, Goal C: STAFF BENEFITS	$	3,673,035	$	3,673,037

TEXAS ENGINEERING EXTENSION SERVICE
(Continued)

D. Goal: INDIRECT ADMINISTRATION				
D.1.1. Strategy: INDIRECT ADMINISTRATION	$	5,915,785	$	5,915,792
D.1.2. Strategy: INFRASTRUCTURE SUPPORT	$	987,612	$	987,612
Total, Goal D: INDIRECT ADMINISTRATION	$	6,903,397	$	6,903,404
Grand Total, TEXAS ENGINEERING EXTENSION SERVICE	$	59,288,608	$	60,577,617
Method of Financing:				
General Revenue Fund	$	5,908,112	$	5,908,113
Extension-related Indirect Cost Recovery, estimated		4,246,027		4,353,973
Federal Funds		18,457,096		18,842,904
Other Funds				
Appropriated Receipts		25,001,150		25,639,095
Interagency Contracts		5,676,223		5,833,532
Subtotal, Other Funds	$	30,677,373	$	31,472,627
Total, Method of Financing	$	59,288,608	$	60,577,617
Object-of-Expense Informational Listing:				
Salaries and Wages	$	22,119,986	$	22,119,989
Other Personnel Costs		2,658,757		2,658,761
Operating Costs		32,921,074		34,210,074
Capital Expenditures		1,588,791		1,588,793
Total, Object-of-Expense Informational Listing	$	59,288,608	$	60,577,617

2. **Increased Interagency Collaboration.** The Texas Cooperative Extension and the Texas Engineering Extension Service are directed to meet annually to generate, implement, and manage efforts designed to reinforce each agency's respective training mission and avoid potential duplication of training efforts. The agencies shall file a jointly produced report with the Legislative Budget Board and the Governor by October 1 of each year summarizing the actions taken to meet the above purposes.

3. **Pay for Regular Compensatory Time.** The Texas Engineering Extension Service, notwithstanding any other provision of law, may pay its Fair Labor Standards Act exempt employees on a straight-line basis for work on a holiday or for regular compensatory time hours when such time is worked in connection with a state or federal activation and when the taking of regular compensatory time off would be disruptive to normal business functions.

TEXAS FOREST SERVICE

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 35,328,766	$ 35,328,767
Grand Total, TEXAS FOREST SERVICE	$ 35,328,766	$ 35,328,767
Method of Financing:		
General Revenue Fund		
General Revenue Fund	$ 11,272,317	$ 11,272,318
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	3,325,000	3,325,000
Subtotal, General Revenue Fund	$ 14,597,317	$ 14,597,318
General Revenue Fund - Dedicated		
Volunteer Fire Department Assistance Account No. 5064	15,000,000	15,000,000
Rural Volunteer Fire Department Insurance Account No. 5066, estimated	434,000	434,000
Subtotal, General Revenue Fund - Dedicated	$ 15,434,000	$ 15,434,000
Federal Funds	3,536,199	3,536,199
Appropriated Receipts	1,761,250	1,761,250
Total, Method of Financing	$ 35,328,766	$ 35,328,767
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	357.0	357.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: DEVELOP FOREST RESOURCES To assure maximum development of the forest and tree resources throughout Texas and protect human life, the total forest environment and other rural lands and property from damage by wildfire, forest insects, diseases and other natural and man-caused factors.		
Outcome (Results/Impact):		
Saved-to-lost Ratio of Resource and Property Values from Wildfire	5.1	5.1
Number of Trees Saved from Spread of Oak Wilt Disease	33,500	33,500
Number of Acres Protected through Windbreak Plantings	10,000	10,000
A.1.1. Strategy: WILDFIRE AND EMERGENCY PROGRAM Provide statewide leadership for an effective forest and rural land wildfire prevention, detection, and suppression program and emergency response management.	$ 23,984,500	$ 23,984,501
Output (Volume):		
Number of Community Assists	2,800	2,800
Number of Contact Hours of Firefighter Training	35,000	35,000
Number of Hours Spent for Emergency Response	26,800	26,800
A.1.2. Strategy: FOREST INSECTS AND DISEASES Provide statewide leadership in the early detection, landowner notification, and control of major forest and tree insects and diseases.	$ 1,033,593	$ 1,033,594

Output (Volume):				
Number of Property Owners Provided with Oak Wilt Information		6,150		6,150
A.2.1. Strategy: FORESTRY LEADERSHIP	$	5,003,663	$	5,003,662
Provide professional forestry leadership and markets for nonindustrial private forest resources.				
Output (Volume):				
Number of Acres of Reforestation on Nonindustrial Private Forestland in East Texas		44,000		44,000
Number of Resource Development Assists		4,060		4,060
A.2.2. Strategy: ENVIRONMENTAL ENHANCEMENT	$	1,896,287	$	1,896,287
Provide statewide leadership in environmental enhancement through management and conservation of tree and forest resources.				
Output (Volume):				
Number of Community Assists		410		410
Number of Windbreak Seedlings Planted		220,000		220,000
Total, Goal A: DEVELOP FOREST RESOURCES	$	31,918,043	$	31,918,044
B. Goal: STAFF BENEFITS				
To provide staff benefits to eligible employees and retirees pursuant to state law.				
B.1.1. Strategy: STAFF GROUP INSURANCE	$	604,270	$	604,270
Provide funding for staff group insurance premiums.				
B.1.2. Strategy: WORKERS' COMP INSURANCE	$	57,330	$	57,330
Provide funding for workers' compensation insurance.				
B.1.3. Strategy: UNEMPLOYMENT INSURANCE	$	11,466	$	11,466
Provide funding for unemployment insurance.				
B.1.4. Strategy: OASI	$	263,144	$	263,144
Provide funding for OASI.				
B.1.5. Strategy: HAZARDOUS DUTY PAY	$	8,500	$	8,500
Provide funding for hazardous duty pay.				
Total, Goal B: STAFF BENEFITS	$	944,710	$	944,710
C. Goal: INDIRECT ADMINISTRATION				
C.1.1. Strategy: INDIRECT ADMINISTRATION	$	2,099,289	$	2,099,289
C.1.2. Strategy: INFRASTRUCTURE SUPPORT	$	366,724	$	366,724
Total, Goal C: INDIRECT ADMINISTRATION	$	2,466,013	$	2,466,013
Grand Total, TEXAS FOREST SERVICE	$	35,328,766	$	35,328,767
Method of Financing:				
General Revenue Fund				
General Revenue Fund	$	11,272,317	$	11,272,318
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees		3,325,000		3,325,000
Subtotal, General Revenue Fund	$	14,597,317	$	14,597,318
General Revenue Fund - Dedicated				
Volunteer Fire Department Assistance Account No. 5064		15,000,000		15,000,000
Rural Volunteer Fire Department Insurance Account No. 5066, estimated		434,000		434,000
Subtotal, General Revenue Fund - Dedicated	$	15,434,000	$	15,434,000

Federal Funds		3,536,199		3,536,199
Appropriated Receipts		1,761,250		1,761,250
Total, Method of Financing	$	35,328,766	$	35,328,767
Object-of-Expense Informational Listing:				
Salaries and Wages	$	12,369,632	$	12,369,633
Other Personnel Costs		1,064,779		1,064,779
Operating Costs		673,066		673,066
Professional Fees and Services		87,292		87,292
Fuels and Lubricants		414,662		414,662
Consumable Supplies		776,751		776,751
Utilities		665,042		665,042
Travel		404,930		404,930
Rent - Building		596,929		596,929
Rent - Machine and Other		308,478		308,478
Other Operating Expense		3,128,401		3,128,401
Client Services		110,601		110,601
Grants		14,720,251		14,720,251
Capital Expenditures		7,952		7,952
Total, Object-of-Expense Informational Listing	$	35,328,766	$	35,328,767

2. **Overtime Payments, Contingency.** Included in the appropriation above, $335,223 for each year of the biennium is for the sole purpose of paying mandatory overtime expenses of non-exempt employees of the Texas Forest Service when such overtime is incurred in emergency response activities. It is further provided that payments from this appropriation shall be made only upon overtime payroll vouchers submitted to the State Comptroller. Any balances remaining as of August 31, 2003 are hereby appropriated for the same purpose for the biennium beginning September 1, 2003, and balances remaining as of August 31, 2004 are hereby appropriated for fiscal year 2005.

3. **Texas Wildfire Protection Plan.** Out of the funds appropriated above in Strategy A.1.1, Wildfire and Emergency Program, $3,325,000 from the Insurance Companies Maintenance Tax in each year of the biennium shall be used for the Texas Wildfire Protection Plan.

4. **Pay for Regular Compensatory Time.** The Texas Forest Service, notwithstanding any other provisions of law, may pay its Fair Labor Standards Act exempt employees on a straight-time basis for work on a holiday or for regular compensatory time hours when such time is worked in connection with an emergency and when the taking of regular compensatory time off would be disruptive to normal business functions.

TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE*

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the General Revenue Fund:		
1. Educational and General State Support	$ 3,278,256	$ 3,278,255
Grand Total, TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE	$ 3,278,256	$ 3,278,255
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	87.0	87.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

Out of the General Revenue Fund:		
A. Goal: WILDLIFE DAMAGE MANAGEMENT To protect the resources, property, and well-being of Texans from damage caused by or related to the activities of wildlife species.		
Outcome (Results/Impact):		
Percent of Texas Counties Receiving Direct Wildlife Damage Management Assistance	81%	81%
Percent of Texas Counties Receiving Zoonosis Monitoring Assistance	30%	30%
Percent of Texas Counties Receiving Wildlife Damage Management Technical Assistance	85%	85%
A.1.1. Strategy: DIRECT CONTROL ASSISTANCE To provide operational direct control assistance on a cooperative basis for the protection of resources and human health.	$ 2,947,336	$ 2,945,566
Output (Volume):		
Number of Specimen Samples Taken for Zoonosis Monitoring	5,200	5,200
Number of Properties Provided Wildlife Damage Management Assistance	5,500	5,500
A.2.1. Strategy: TECHNICAL ASSISTANCE To provide the general public with a consistent source of technical assistance and information on the proper handling of specific wildlife problems and education concerning the necessity for wildlife damage management.	$ 318,320	$ 319,912
Output (Volume):		
Number of Technical Assistance Projects (i.e., Personal, Phone, and Written Consultations) Conducted	8,200	8,200
Total, Goal A: WILDLIFE DAMAGE MANAGEMENT	$ 3,265,656	$ 3,265,478
B. Goal: STAFF BENEFITS To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
B.1.1. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$ 12,600	$ 12,777
Grand Total, TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE	$ 3,278,256	$ 3,278,255

*Agency appropriations eliminated by Governor's veto. See Veto Proclamation.

TEXAS WILDLIFE DAMAGE MANAGEMENT SERVICE
(Continued)

Object-of-Expense Informational Listing:		
Salaries and Wages	$ 2,566,895	$ 2,598,453
Other Personnel Costs	75,365	78,725
Operating Costs	12,600	12,777
Fuels and Lubricants	66,153	66,808
Consumable Supplies	13,977	14,130
Utilities	8,484	8,569
Travel	313,833	279,005
Rent - Building	10,845	10,954
Rent - Machine and Other	3,434	3,494
Other Operating Expense	206,670	205,340
Total, Object-of-Expense Informational Listing	$ 3,278,256	$ 3,278,255

2. **Beaver Control - East Texas.** Out of the funds appropriated above, $175,000 for fiscal year 2004 and $175,000 for fiscal year 2005 shall be used for Beaver Control - East Texas.

3. **Feral Hog Control.** Out of the funds appropriated above in Strategy A.1.1, Direct Control Assistance, $43,750 for fiscal year 2004 and $43,750 for fiscal year 2005 shall be used for Feral Hog Control.

TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 10,413,489	$ 10,413,490
Grand Total, TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY	$ 10,413,489	$ 10,413,490
Method of Financing:		
General Revenue Fund	$ 4,759,374	$ 4,759,375
Other Funds		
Drug Testing Laboratory Fee Revenue, estimated	1,210,061	1,210,061
Veterinary Medical Diagnostic Laboratory Fee Revenue, estimated	4,444,054	4,444,054
Subtotal, Other Funds	$ 5,654,115	$ 5,654,115
Total, Method of Financing	$ 10,413,489	$ 10,413,490
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	155.0	155.0

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: DIAGNOSTIC AND DRUG TESTING To continue to provide a high-quality veterinary diagnostic service, drug testing, export testing and disease surveillance program to the animal industries.		
Outcome (Results/Impact):		
Number of Diagnostic Services Rendered	800,000	800,000
Percent of Animals Testing Drug Free	99.3%	99.3%
A.1.1. Strategy: DIAGNOSTIC SERVICES Provide diagnostic service and disease surveillance.	$ 7,016,571	$ 7,016,571
Output (Volume):		
Number of Cases Submitted and Examined	158,500	158,500
Number of Surveillance Tests Performed for Agents of Bio- or Eco-terrorism	230,000	230,000
A.2.1. Strategy: DRUG TESTING SERVICE Provide drug testing service primarily for the pari-mutuel animal racing industries.	$ 959,115	$ 959,115
Output (Volume):		
Number of Animals Tested	27,000	27,000
Total, Goal A: DIAGNOSTIC AND DRUG TESTING	$ 7,975,686	$ 7,975,686
B. Goal: STAFF BENEFITS To maintain a competitive benefit program for employees and retirees pursuant to state mandated requirements.		
B.1.1. Strategy: STAFF GROUP INSURANCE Provide funding for staff group insurance premiums.	$ 431,463	$ 431,463
B.1.2. Strategy: WORKERS' COMP INSURANCE Provide funding for workers' compensation insurance.	$ 28,420	$ 28,420

B.1.3. Strategy: UNEMPLOYMENT INSURANCE Provide funding for unemployment insurance.	$	2,743	$	2,743
B.1.4. Strategy: OASI Provide funding for OASI.	$	187,611	$	187,611
B.1.5. Strategy: OPTIONAL RETIREMENT PROGRAM Optional retirement program differential.	$	48,126	$	48,126
Total, Goal B: STAFF BENEFITS	$	698,363	$	698,363
C. Goal: INDIRECT ADMINISTRATION				
C.1.1. Strategy: INDIRECT ADMINISTRATION	$	868,449	$	868,449
C.1.2. Strategy: INFRASTRUCTURE SUPPORT	$	870,991	$	870,992
Total, Goal C: INDIRECT ADMINISTRATION	$	1,739,440	$	1,739,441
Grand Total, TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY	$	10,413,489	$	10,413,490
Method of Financing:				
General Revenue Fund	$	4,759,374	$	4,759,375
Other Funds				
Drug Testing Laboratory Fee Revenue, estimated		1,210,061		1,210,061
Veterinary Medical Diagnostic Laboratory Fee Revenue, estimated		4,444,054		4,444,054
Subtotal, Other Funds	$	5,654,115	$	5,654,115
Total, Method of Financing	$	10,413,489	$	10,413,490
Object-of-Expense Informational Listing:				
Salaries and Wages	$	5,783,832	$	5,783,832
Other Personnel Costs		328,448		328,448
Operating Costs		1,146,144		1,146,145
Professional Fees and Services		4,856		4,856
Fuels and Lubricants		8,969		8,969
Consumable Supplies		1,508,603		1,508,603
Utilities		7,625		7,625
Travel		61,270		61,270
Rent - Building		3,732		3,732
Rent - Machine and Other		20,017		20,017
Other Operating Expense		1,258,206		1,258,206
Capital Expenditures		281,787		281,787
Total, Object-of-Expense Informational Listing	$	10,413,489	$	10,413,490

2. **Drug Testing Laboratory Reimbursement.** From fees collected from the drug testing program for race horses and dogs, the Texas Veterinary Medical Diagnostic Laboratory shall transfer funds to the General Revenue Fund during the 2004–2005 biennium to reimburse fully the amounts provided for start-up funding for the drug testing laboratory (estimated to be $200,000). It is the intent of the Legislature that all transfers be complete on or before August 31, 2005.

3. **Diagnostic Services Enhancement.** Out of the funds appropriated above in Strategy A.1.1, Diagnostic Services, $300,000 in fiscal year 2004 is appropriated for purposes of repairing the Amarillo facility's incinerator, purchasing a new incinerator for the College Station facility, and

upgrading the Amarillo facility's Biosafety Level II laboratory to Biosafety Level III status. Any unexpended balances remaining as of August 31, 2004 are hereby appropriated for the same purposes for fiscal year 2005.

TEXAS FOOD AND FIBERS COMMISSION

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
1. Educational and General State Support	$ 4,559,196	$ 4,559,197
Grand Total, TEXAS FOOD AND FIBERS COMMISSION	$ 4,559,196	$ 4,559,197
Method of Financing:		
General Revenue Fund	$ 1,349,101	$ 1,349,102
Federal Funds	465,500	465,500
Other Funds, estimated	2,744,595	2,744,595
Total, Method of Financing	$ 4,559,196	$ 4,559,197
Number of Full-Time-Equivalent Positions (FTE)-Appropriated Funds	3.0	3.0
Schedule of Exempt Positions:		
Executive Director, Group 2	$66,459	$66,459

1. **Informational Listing of Appropriated Funds.** The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.

A. Goal: SUPPORT AND COORDINATE RESEARCH To support and coordinate cooperative research relating to the production, use, and quality of Texas natural fibers and food protein products at Texas universities.		
Outcome (Results/Impact):		
Leverage Ratio of General Revenue to Other Research Funds	2.75	2.75
A.1.1. Strategy: RESEARCH AND DEVELOPMENT Review, coordinate, and fund research and development programs that expand the use and improve the quality of Texas cotton, wool, mohair, oilseeds, and food proteins.	$ 4,377,401	$ 4,377,402
Output (Volume):		
Number of Research and Development Projects	38	38
Number of Formal Published Research Reports	102	102
Efficiencies:		
Cumulative Accrual of Supporting Research Funds	3,210,095	3,210,095
B. Goal: INDIRECT ADMINISTRATION		
B.1.1. Strategy: INDIRECT ADMINISTRATION	$ 181,795	$ 181,795
Grand Total, TEXAS FOOD AND FIBERS COMMISSION	$ 4,559,196	$ 4,559,197
Method of Financing:		
General Revenue Fund	$ 1,349,101	$ 1,349,102

TEXAS FOOD AND FIBERS COMMISSION
(Continued)

Federal Funds		465,500		465,500
Other Funds, estimated		2,744,595		2,744,595
Total, Method of Financing	$	4,559,196	$	4,559,197
Object-of-Expense Informational Listing:				
Salaries and Wages	$	138,019	$	138,019
Other Personnel Costs		2,300		2,400
Professional Fees and Services		5,000		5,000
Consumable Supplies		2,000		2,000
Utilities		1,000		1,000
Travel		17,000		17,000
Rent - Building		360		360
Rent - Machine and Other		3,000		3,000
Other Operating Expense		4,365,517		4,365,418
Capital Expenditures		25,000		25,000
Total, Object-of-Expense Informational Listing	$	4,559,196	$	4,559,197

2. **Contract Requirements.** The Texas Food and Fibers Commission is hereby authorized to contract with any institution pursuant to the provisions of Agriculture Code, Chapter 42. All funds received by the Texas Food and Fibers Commission in the form of grants and/or gifts are hereby appropriated to the specific purpose or purposes authorized by the grantor, and may be withdrawn from the State Treasury; provided, however, that the Texas Food and Fibers Commission shall not accept and place in the State Treasury any grants as provided under this paragraph which would cause the violation of the specific or general provisions of this Act. It is further provided that where any grant exceeds the total cost of the specific project for which it was made, such excess may be returned to the grantor and such excess amounts are hereby appropriated for this purpose.

3. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of the funds appropriated above, $3,000 in fiscal year 2004 and $3,000 in fiscal year 2005 is limited to the following advisory committee: Industry Advisory Committee.

RETIREMENT AND GROUP INSURANCE

	For the Years Ending August 31, 2004		For the Years Ending August 31, 2005	
A. Goal: EMPLOYEES RETIREMENT SYSTEM				
A.1.1. Strategy: RETIREMENT - PUBLIC EDUCATION Provide an actuarially sound level of funding as defined by state law for employees of public education agencies. Estimated.	$	4,280,886	$	4,323,694
A.1.2. Strategy: RETIREMENT- HIGHER EDUCATION Provide an actuarially sound level of funding as defined by state law for employees of higher education institutions. Estimated.	$	2,727,872	$	2,755,143
A.1.3. Strategy: GROUP INSURANCE - PUBLIC EDUCATION Provide a basic health care and life insurance program for general state employees of public education agencies. Estimated.	$	10,739,005	$	10,926,851

RETIREMENT AND GROUP INSURANCE
(Continued)

A.1.4. Strategy: GROUP INSURANCE - HIGHER EDUCATION Provide a basic health care and life insurance program for employees of higher education institutions. Estimated.	$ 2,660,724	$ 2,734,671
Total, Goal A: EMPLOYEES RETIREMENT SYSTEM	$ 20,408,487	$ 20,740,359
Grand Total, RETIREMENT AND GROUP INSURANCE	$ 20,408,487	$ 20,740,359
Method of Financing:		
General Revenue Fund, estimated	$ 17,375,538	$ 17,679,367
General Revenue Dedicated Accounts, estimated	115,271	115,435
Federal Funds, estimated	2,917,678	2,945,557
Total, Method of Financing	$ 20,408,487	$ 20,740,359

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT To provide funding to the Comptroller of Public Accounts for Social Security Contributions and Benefit Replacement Pay.		
A.1.1. Strategy: STATE MATCH - EMPLOYER - PUBLIC ED Provide an employer match for Social Security contributions for employees of public education agencies. Estimated.	$ 6,918,425	$ 6,987,609
A.1.2. Strategy: STATE MATCH-EMPLOYER-HIGHER ED Provide an employer match for Social Security contributions for employees of institutions of higher education. Estimated.	$ 206,974,522	$ 211,135,965
A.1.3. Strategy: BRP – PUBLIC EDUCATION Provide Benefit Replacement Pay to eligible employees of public education agencies. Estimated.	$ 1,090,493	$ 1,034,878
A.1.4. Strategy: BRP - HIGHER EDUCATION Provide Benefit Replacement Pay to eligible employees of higher education agencies. Estimated.	$ 155,597	$ 147,661
Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT	$ 215,139,037	$ 219,306,113
Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY	$ 215,139,037	$ 219,306,113
Method of Financing:		
General Revenue Fund, estimated	$ 167,930,179	$ 169,266,905
General Revenue Dedicated Accounts, estimated	39,504,455	42,235,173
Federal Funds, estimated	1,334,593	1,337,459
Other Special State Funds, estimated	6,369,810	6,466,576
Total, Method of Financing	$ 215,139,037	$ 219,306,113

BOND DEBT SERVICE PAYMENTS

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Texas Public Finance Authority for the payment of general obligation bond debt service requirements.		
A.1.1. Strategy: BOND DEBT SERVICE	$ 555,093	$ 555,360 & UB
Make general obligation bond debt service payments in compliance with bond covenants.		
Grand Total, BOND DEBT SERVICE PAYMENTS	$ 555,093	$ 555,360

LEASE PAYMENTS

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Out of the General Revenue Fund:		
A. Goal: FINANCE CAPITAL PROJECTS To provide funding to the Building and Procurement Commission for payment to the Texas Public Finance Authority for the payment of revenue bond debt service requirements.		
A.1.1. Strategy: LEASE PAYMENTS - PUBLIC EDUCATION	$ 7,315,261	$ 7,321,353 & UB
Make lease payments to the Texas Public Finance Authority for the payment of revenue bond debt service requirements for public education agencies on facilities financed through the Texas Public Finance Authority.		
A.1.2. Strategy: LEASE PAYMENTS - HIGHER EDUCATION	$ 937,272	$ 937,194 & UB
Make lease payments to the Texas Public Finance Authority for the payment of revenue bond debt service requirements for higher education agencies and institutions on facilities financed through the Texas Public Finance Authority.		
Total, Goal A: FINANCE CAPITAL PROJECTS	$ 8,252,533	$ 8,258,547
Grand Total, LEASE PAYMENTS	$ 8,252,533	$ 8,258,547

SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION

The Special Provisions which follow shall apply only to agencies of higher education:

Sec. 2. **Local Funds Appropriated**. All balances of local funds except for any identifiable general revenue in the local funds of the state institutions of higher education named in this Article, as those funds are defined in Education Code § 51.009(a), at the close of the fiscal year ending August 31, 2003, including balances in their local revolving funds at that time, and the income to said funds during the fiscal years beginning September 1, 2003 and 2004, are hereby appropriated for the operation, maintenance, and improvement of the respective state institutions. Institutional funds, as those funds are defined in Education Code § 51.009(b), shall be expended as authorized by the laws governing the use of the funds, and unless specifically included or identified, are exempt from the Article III and IX Special Provisions of this Act.

All local funds shall be subject to the special and general provisions of Articles III and IX except where certain local funds are specifically exempted from these provisions by a provision herein or by specific statutory authority.

Sec. 3. **Definition of Terms.**

1. As used in this Act, the term "general academic institutions" shall mean only the following institutions:

   The University of Texas at Arlington
   The University of Texas at Austin
   The University of Texas at Dallas
   The University of Texas at El Paso
   The University of Texas - Pan American
   The University of Texas at Brownsville
   The University of Texas of the Permian Basin
   The University of Texas at San Antonio
   The University of Texas at Tyler
   Texas A&M University
   Texas A&M University at Galveston
   Prairie View A&M University
   Tarleton State University
   Texas A&M University - Corpus Christi
   Texas A&M University - Kingsville
   Texas A&M International University
   West Texas A&M University
   Texas A&M University - Commerce
   Texas A&M University - Texarkana
   University of Houston
   University of Houston - Clear Lake
   University of Houston - Downtown
   University of Houston - Victoria
   Midwestern State University
   University of North Texas
   Stephen F. Austin State University
   Texas Southern University
   Texas Tech University
   Texas Woman's University
   Angelo State University
   Lamar University - Beaumont
   Lamar Institute of Technology
   Lamar State College - Orange
   Lamar State College - Port Arthur

Sam Houston State University
Southwest Texas State University
Sul Ross State University, including:
Sul Ross State University Rio Grande College

2. "Educational and General Funds" are those funds defined in Education Code § 51.009(c) and General Revenue Fund appropriations.

Sec. 4. **Transfer Provisions.**

1. **Intercomponent Transfers.** With the approval of the respective governing board, appropriation transfers may be made among medically-related components and their associated system administration, among academic component institutions and their associated system administration, and among component technical colleges controlled by the board, and within each institution, transfers may be made between informational items of appropriation for the general academic institutions, health centers, health science centers, medical education programs, and technical colleges regardless of whether the informational items are general revenue or local funds in character. Transfers may not be made from medically-related components to academic components or from academic components to medically-related components except that transfers may be made from schools of nursing, pharmacy and allied health in academic components to medically-related components and from medically-related components into the health-related programs listed above in academic components. Transfers may not be made into the informational items setting the salary rate for the president, chancellor, or for any other line-item salary shown. Nothing in this section shall authorize the transfer of appropriations from Texas A&M University Service Agencies to Texas A&M University.

2. **Health to Academic Intercomponent Transfers with LBB Prior Approval.** As an exception to the provisions in Subsection 1, transfers may be made with prior approval of the Governor and Legislative Budget Board from medically-related components to general academics if it does not diminish the academic programs of the medically-related component or result in increased fees to patients at the component. The systems shall furnish whatever documentation may be required by the Governor and Legislative Budget Board to assure these conditions are met.

3. **Revenue Enhancement and Transfer Notification.** The Legislature instructs The University of Texas System to enhance local funds revenues to reduce the need for general revenue funds. The Legislature instructs The University of Texas System to give 30 days notice to the Legislative Budget Board and Governor prior to transferring local funds from any System hospital. Furthermore, notwithstanding the provisions of subsections 1 and 2 above, The University of Texas System Board of Regents shall not transfer funds from health institutions delivering patient care if such a transfer would result in a decrease in the quality or amount of indigent patient care offered by the affected institution.

4. **Reporting of Transfers.** Any transfers made pursuant to Subsections 1, 2, and 3, whether general revenue or local funds in nature, shall be reported in the Legislative Appropriations Request for the biennium beginning September 1, 2005.

5. **Tuition Revenue Bond and Revenue Bond Transfers.** Notwithstanding the other provisions of this act, transfers are not prohibited to the extent they are required to comply with proceedings authorizing bonds or other obligations now outstanding or hereafter issued pursuant to law.

Sec. 5. **Salary and Benefit Provisions.**

1. **Prorated Salaries Authorized.** Any employees who distribute their time and duties between general administration, instruction, organized activities related to instruction, and the management of auxiliary enterprises, may receive their total salary payments in proportionate parts from such activities and from the appropriated or available funds therefore.

2. **President Salaries.** Out of the educational and general funds appropriated to the general academic institutions, health centers, health science centers, and medical education programs, an amount NTE $65,945 in 2004 and $65,945 in 2005 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If a house owned by the institution, center, or program is not available, an amount NTE $7,200 per year from the appropriation to the institution, center, or program, and additional amounts from institutional funds where required, may be provided in lieu of house and utilities.

3. **Chancellor Salaries.** Out of the funds appropriated, transferred, or contracted to the system offices, an amount NTE $70,231 in 2004 and $70,231 in 2005 may be expended for the salary for a chancellor. All chancellors may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If a system owned house is not available an amount NTE $7,200 per year from the system office appropriation and additional amounts from private and institutional funds where required, may be provided in lieu of house and utilities.

4. **Merit Authorization.** It is expressly provided that institutional administrators may grant merit salary increases to employees whose job performance and productivity is consistently above that normally expected or required.

5. **Merit Requirement for Faculty and Faculty Equivalent Employees of Institutions and Agencies of Higher Education.** Notwithstanding any other provisions of this act, salary increases for faculty or faculty equivalent employees of institutions of higher education shall be awarded on the basis of merit and performance in accepted activities. This shall not be interpreted so as to preclude salary adjustment designed to avoid salary inequities.

6. **Group Insurance Premiums.** For the biennium ending August 31, 2005, there is hereby appropriated such amounts, from local funds or educational and general income available to institutions of higher education, as may be necessary to pay the proportional share of the State's contributions for Staff Group Health Insurance Premiums. Funds appropriated by this subsection may be transferred by those institutions not retaining separate insurance programs to the Employees Retirement System at appropriate intervals to pay the proportional share of the group insurance premiums.

7. **Higher Education Institutions Participating in the Employees Retirement System Group Insurance Program.** General Revenue funds appropriated herein shall be supplemented by funds appropriated elsewhere in this Act for employees enrolled in the State Kids Insurance Program (SKIP) to provide for a premium-sharing structure comparable to the Children's Health Insurance Program (CHIP). Institutions of higher education participating in the Employees Retirement System Group Insurance Program paying for health insurance costs from non-General Revenue Funds shall provide the same levels of premium-sharing for SKIP enrollees as provided for those higher education employees with health insurance paid from General Revenue Funds.

8. **Administrative Accountability.**

   a. In each state fiscal year of the biennium, an institution of higher education, including a system office, may not spend funds appropriated to the institution by this Act unless, not later than December 1, the institution submits to the Legislative Budget Board, the chair of the House Appropriations Committee, and the chair of the Senate Finance Committee a report that includes the total number of persons holding high-ranking administrative positions at the institution.

   b. For purposes of subsection (1), "high-ranking administrative position" includes the following positions:

      (1) chancellor;
      (2) vice chancellor;
      (3) associate chancellor;
      (4) assistant chancellor;
      (5) president;
      (6) vice president;
      (7) associate vice president;
      (8) assistant vice president;
      (9) dean;
      (10) associate dean;
      (11) assistant dean; and
      (12) any other administrative position having similar responsibilities to the other positions listed in this subsection.

   c. A report submitted under subsection (1) must:

      (1) be in a form prescribed by the Legislative Budget Board;

      (2) include the name, salary, and total value of nonsalary benefits for each person holding a high-ranking administrative position at the institution; and

      (3) include the percentage salary increase for each person holding a high-ranking administrative position at the institution who occupies the same position during the current fiscal year as during the preceding fiscal year.

   d. Not later than the seventh day after the date an institution of higher education submits the report required by subsection (1), the institution shall make a copy of the report available for public inspection in the library of the institution.

Sec. 6. **Expenditure Provisions**. The expenditure of the appropriations made in this Article or authorized in law for institutions of higher education except bequests and gifts specifically designated to be in some manner handled otherwise, shall be subject to the provisions of this section which follow and with exceptions only as specifically noted:

1. **Annual Operating Budgets Required.** It is expressly provided that the governing board of each of the institutions of higher education named herein shall approve on or before September 1, 2003 and 2004, an itemized budget covering the operation of the ensuing fiscal year, which budget shall be prepared within the limits of the revenue available. Each institution's operating budget shall contain a section(s) which provides budget amounts and the method of finance for each listed informational item of appropriated funds contained in this Act. A copy of each budget, and any subsequent amendments thereto, shall be filed with the Legislative Reference Library and the institution's general library to be available for public

inspection. Copies of each budget shall also be filed with the Legislative Budget Board, the Governor, and the Texas Higher Education Coordinating Board by December 1 of each fiscal year.

2. **Clearing Accounts.** At their option, the institutions may use their local depository bank account in lieu of the special clearing account, authorized by Education Code, § 51.008(b), provided that the general requirements set out in therein, for deposits and transfers to the state treasury, are complied with.

3. **Revolving Funds.**

   a. Each institution affected by this section, at its option, is hereby authorized to maintain a revolving fund to facilitate the payment of nominal expenses and to pay bills within cash discount periods. The institutions may use the revolving fund for regular monthly payrolls as well as for weekly and special payrolls. Disbursements from the revolving funds are to be reimbursed from respective items of educational and general appropriation made herein, the Comptroller of Public Accounts being hereby authorized to make such reimbursements on claims filed with her by the institutions under her regularly prescribed procedures except that one voucher and one warrant may cover any number of claims for this purpose. These reimbursement claims shall meet the same requirements as other claims against state appropriations, and each institution shall prepare such a reimbursement claim as at the close of business on the last day of each month and as many times during the month as may be expedient in order to make unnecessary the maintaining of an unreasonably large revolving fund.

   b. The respective governing board shall determine the amounts of the revolving funds to be set up for each institution, and may increase or decrease the amounts if necessary. Such governing board shall designate a depository bank for each revolving fund, and shall specify the officers and/or employees to sign checks drawn on each such fund. The depository bank for each revolving fund shall be required to secure the deposit as provided by law.

   c. Appropriations to all institutions of higher education and systems, except funds identified exclusively for salaries, may be used to reimburse any revolving fund operated for the benefit of one or more parts or component units of an institution or system, such as a motor pool for managing automotive vehicles authorized by this Act, a feed supply center, an office supply or laboratory supply center, a computer center, or any other operations of a similar nature established by authority of the governing board of said institution or system.

4. **Local Depositories.** The governing boards of the respective institutions for which appropriations are made in this Article are hereby authorized to select depository banks for the safekeeping of funds which are authorized, by statute, to be maintained outside the state treasury. The boards shall require depository banks to furnish adequate surety bonds or securities to be posted for the assurance of safety of such deposits. The depository bank or banks so selected are hereby authorized to pledge their securities for assurance of safety for such funds. All such local funds shall be deposited in these depositories within seven (7) days from date of collection. The governing boards may require the depository so designated and selected to pay interest on deposits at a rate to be agreed upon by said depositories and said boards.

5. **Investment Reports.**

   a. The governing board of each of the educational institutions named in this Article shall file with the State Auditor, Comptroller of Public Accounts, Legislative Budget Board, and the

Governor an annual report of all investment transactions involving endowment funds, short-term and long-term investment funds, and all other securities transactions, in a method prescribed by the State Auditor's Office. Copies of such reports shall be available for public inspection. In addition to the annual report, each institution shall publish on its website quarterly investment reports in any format it deems appropriate.

b. The governing boards of each educational institution named in this Article must adopt formal investment policies. Each governing board shall submit to the Legislative Budget Board and State Auditor's Office a copy of their investment policy by December 31 of each year.

6. **Central Services Accounts.**

a. Out of funds appropriated in this Article, the governing boards of the university systems and their component units, and institutions of higher education may employ persons to serve two or more parts or component units of the system or institution and may pay their salaries in whole or in part from the informational items of appropriation made herein to any component unit. The governing boards are authorized to establish accounts from which salaries and expenses for the administration and supervision of the units of the system or institution may be paid and to require the units, including any other agency the administration of which it may be charged with by law, to pay into this account from any general revenue, local, or institutional funds their proportionate share as determined by the board for the expense of such administration and supervision. The Comptroller of Public Accounts is authorized to set up an account for each of the systems or institutions and to deposit in the account funds to the amount authorized by the governing boards and executive heads of the respective units, from funds appropriated by the Legislature to the units for noninstructional salaries and general operating expenses. The Comptroller is authorized to draw warrants against such accounts based on vouchers submitted by the systems or institutions in payment of salaries, maintenance, equipment or travel incidental to the administration and supervision of the respective units.

b. The systems and institutions whose governing boards and component units are subject to the above are authorized to establish the following accounts:

Texas A&M University System Central Services Account
The University of Texas System Central Services Account
University of Houston System Central Services Account
Texas Tech University System Central Services Account
University of North Texas System Central Services Account
Texas State University System Central Services Account

c. Travel expense incurred by a person employed by one unit of an above system or institution in connection with service to the other units may be reimbursed by the unit for which such services are performed or proportionately if more than one such unit is involved.

7. **Utility Revolving Funds.** The governing boards of Texas Woman's University, West Texas A&M University, all components of the University of Houston System, Texas State University System, Texas Tech University System, University of North Texas System, and The University of Texas System are authorized to use appropriated funds, except funds expressly identified for salaries, to make payments of debt service and other payments in connection with utility plant revenue bonds and utility plant operation and maintenance expenses, and/or to reimburse any revolving fund now or hereafter established in connection with providing utility services to any

building or facility of the college or university, in accordance with the general principles established in Education Code § 55.11, and the creation and maintenance of any such revolving fund is hereby authorized.

8. **Appropriation Expenditure Authorization.**

   a. The educational and general appropriations made in this Act to the general academic teaching institutions, health related institutions and Texas State Technical College may be expended for the following purposes, including, but not limited to: Instruction; Research; Public Service; Academic Support; Student Services; Institutional Support; Operation and Maintenance of Plant; Scholarships; Staff Benefits; Organized Activities; and Patient Care. Major repairs and rehabilitation of buildings and facilities may be purchased from appropriated funds, but may not be purchased from general revenue funds that are not expressly identified or allocated for such purposes.

   b. No educational and general funds appropriated to any institution or agency named in this article may be expended on auxiliary enterprises, unless specifically authorized in this Act.

9. **Tuition Revenue Bonds and Revenue Bonds.** Funds clearly identified in separate informational strategies to the general academic teaching institutions and health sciences centers for revenue or tuition revenue bond retirement may be expended only to reimburse institutions or centers for debt retirement authorized by Education Code § 55.17 through § 55.174 and § 55.19, and any additional authorization enacted by the Seventy-eighth Legislature. Any funds in excess of the amount expended for debt retirement shall be reverted to the General Revenue Fund at the end of each fiscal year.

Sec. 7. **Recruitment of Students.** No funds appropriated by this Act may be expended for travel expenses incurred outside the boundaries of the State of Texas for the purpose of direct recruitment of students.

Sec. 8. **Television Stations Prohibited.** None of the educational and general funds appropriated in this Article may be expended for the acquisition, construction or operation of television transmitter stations; provided, however, this prohibition shall not be construed so as to prevent the institutions of higher education named in this Article from using closed-circuit television for purely instructional purposes, or to prevent institutions with existing public broadcasting or transmitter stations to use them for educational purposes, or to prevent the continuance of operating arrangements with existing transmitter stations for purely educational purposes; or to prevent cooperative arrangements with public broadcast stations.

Sec. 9. **Intercollegiate Athletics.** The special and general provisions of Articles III and IX of this Act shall not apply to intercollegiate athletics. The governing boards of the respective institutions of higher education shall make such necessary rules and adjustments as may be deemed advisable for the management and operation of such activities; however, no funds under control of intercollegiate athletics may be used to purchase alcoholic beverages; no educational and general funds appropriated may be used for the operation of intercollegiate athletics; such rules and adjustments shall be designed to complement the rules applicable to other departments of the respective institution and finally, such rules and adjustments shall specifically prohibit violation of National Collegiate Athletic Association (NCAA) or other governing body rules with respect to recruitment of athletes.

Sec. 10. **Prohibition Against Additional Museums.** None of the educational and general funds appropriated in this Article shall be used for establishing additional museums or for the maintenance and operation of museums unless the language of this Act or of other acts and resolutions of the Legislature specifically authorizes such use of educational and general funds. As an exception to this provision, in order to encourage and promote gifts, grants, or donations to institutions of higher

education, it is specifically provided that an institution which receives such gifts, grants or donations for the construction or establishment of a museum, which is added to an institution's building inventory after September 1, 1997, may use education and general funds appropriated by this Article for the maintenance and operation of such a museum. This exception applies only to the authority to spend appropriated funds for these purposes; such museum space shall not be included in formula calculations for purposes of determining the amounts of appropriations due for maintenance or operations of institutional facilities.

Sec. 11. **Method of Financing Scholarships.**

1. Out of the funds identified by this Article in the informational items described as "Other Educational and General Income," the respective governing boards of the general academic teaching institutions and of the health centers, health science centers, or technical colleges may allocate and expend the actual receipts in such informational item for student scholarships pursuant to the provisions of Education Code § 56.031 to § 56.039, cited as the Texas Public Educational Grants Program.

2. Copies of such approved allocations together with copies of rules and regulations adopted by the respective governing boards concerning the award of such scholarships, shall be filed with the Coordinating Board and with the Comptroller prior to the disbursement of any moneys for scholarships. Copies of any subsequent changes in such allocations or rules shall be similarly filed with the Coordinating Board and with the Comptroller.

3. No educational and general funds appropriated in this Act for scholarships to institutions of higher education may be used to provide athletic scholarships.

4. Out of the additional funds appropriated for the 2004–05 biennium for the informational strategy described as "Scholarships," it is the intent of the Legislature that the respective governing boards shall allocate and expend such funds for need-based student scholarships regardless of the race, sex, color or ethnicity of the student recipient.

Sec. 12. **Use of Educational and General Funds for Alumni Activities Prohibited.** None of the educational and general funds appropriated by this Article may be expended by institutions of higher education for the support or maintenance of alumni organizations or activities.

Sec. 13. **Limitation of Nonresident Enrollment in Certain State-supported Professional Schools.**

1. None of the funds appropriated by this Act may be expended for the establishment, operation, or maintenance, or for the payment of any salaries to the employees in, any wholly or partially state-supported medical, dental, or law school which: (a) imposes a limitation on the number of students that it admits, (b) in an academic semester denies admission to one or more Texas residents who apply for admission and who reasonably demonstrate that they are probably capable of doing the quality of work that is necessary to obtain the usual degree awarded by such school, and (c) in the same academic semester admits, as either class, nonresidents of the State of Texas in a number greater than 10 percent of the class of which such nonresidents are a part. Limitation of nonresident enrollment at The University of Texas Law School, Texas Tech University School of Law, and the University of Houston Law Center may be increased to 20 percent of the class of which nonresidents are a part provided that the admission of such nonresident students is on the basis of academic merit alone. By the provisions of this paragraph it is intended to withhold funds appropriated by this Act from state-supported medical, dental, and law schools which limit their enrollments and which fill more than 10 percent of their classes with non-resident students in the case of medical and dental schools, and 20 percent in the case of The University of Texas Law School, Texas Tech University Law School and the University of Houston Law Center, when the result of admitting a nonresident

denies admission to a qualified Texas applicant. This provision shall not apply to the funds appropriated to the Coordinating Board for the funding of Baylor College of Medicine or to funds appropriated for tuition equalization grants for students attending private colleges.

2. In addition, The University of Texas Southwestern Medical Center at Dallas may admit up to 25 competitively recruited medical students in each entering class for a specialized six-year program of clinical and research training designed to lead to the MD and PhD degrees irrespective of whether those students are Texas residents.

3. Texas medical schools may enroll up to 6 competitively recruited medical students, who already possess the DDS degree, in each second year medical school class for a specialized six year program in oral and maxillofacial surgery comprised of the last three years of medical school and a three year residency program irrespective of whether those students are Texas residents.

Sec. 14. **Off-campus Instruction.** General academic institutions may teach courses off campus with the following restrictions:

1. At the conclusion of each fiscal year, the Coordinating Board shall file a report with the Governor and the Legislative Budget Board on all general academic institutions concerning off-campus semester credit hours for that fiscal year.

2. Semester credit hours generated at upper level centers authorized by the Legislature or by the Coordinating Board, as well as at Prairie View A&M University's Houston nursing program and Texas Woman's University nursing programs in Dallas and Houston are not considered to be off-campus.

3. All courses taught off campus must be taught by a regular faculty member or administrator who is employed at least half-time on the main campus of the institution. The Commissioner of Higher Education may waive this requirement in special cases where institutions can justify the use of a uniquely qualified individual. Allied health and vocational instructors are exempted from this requirement.

Sec. 15. **Medical School Enrollment.** It is the intent of the Legislature that the first year class enrollment of undergraduate medical students in the fiscal years ending August 31, 2004 and August 31, 2005, shall be no less than 200 students at The University of Texas System medical colleges and 100 students at the University of North Texas Health Science Center at Fort Worth and the Texas Tech University Health Sciences Center College of Medicine. This provision shall not be construed as requiring any school of medicine to accept an unqualified applicant. In the event that a school of medicine falls below the required first year class enrollment of undergraduate medical students by more than 5 percent for fiscal years 2004 and 2005, the school shall report to the Legislative Budget Board the reasons for failing to meet the required enrollment. It is the intent of the Legislature that this information be taken into account when preparing the appropriation recommendations for the Seventy-ninth Legislature.

Sec. 16. **Tuition and Other Educational and General Local Fee Collection.** On or before the end of the 20th class day for each regular semester and the 15th class day for each summer session, each institution of higher education shall collect from each student whose semester credit hours are to be included in formula funding calculations all tuition and all fees in accordance with the installment tuition and fee payment plan provided for by Education Code, Chapter 54, as amended. Valid contracts with the United States Government for instruction of eligible military personnel, valid contracts with private business and public service–type organizations or institutions such as hospitals, and financial aid awards processed by the financial aid office but not yet issued to the student may be considered as collections thereunder but subject to adjustments after final payment thereof.

Sec. 17. **Compliance with Uniform Recruitment and Retention Strategy.** It is the intent of the Legislature that institutions of higher education give top priority and consideration to compliance with the spirit and mandates of the Uniform Recruitment and Retention Strategy.

Sec. 18. **Formula Variable and Educational and General Income Audits.** The Texas Higher Education Coordinating Board in consultation with the State Auditor's Office and the Legislative Budget Board, shall clearly define all variables used by the Seventy-eighth Legislature in arriving at formula appropriations for 2004 and 2005. According to an audit plan developed in consultation with the Coordinating Board and Legislative Budget Board, all variables of selected formulas used in making 2004 and 2005 formula appropriations are subject to audit by the State Auditor. The State Auditor shall report any differences from data submitted by the institutions to the Coordinating Board, the Legislative Budget Board, and the Governor. The Coordinating Board shall then calculate a new appropriations amount for each institution that reported data in conflict with that verified by the Auditor. These calculations shall then be reported to the Legislative Budget Board, Governor, and the Comptroller of Public Accounts and may be used to revise appropriation authority accordingly. The calculation of revised appropriation amounts shall allow each institution an error rate of up to 2 percent of the biennial appropriations related to the variables audited at that institution.

In addition, components of educational and general income reported in the institutional requests for legislative appropriations for fiscal years 2004 and 2005 are subject to audit by the State Auditor.

The State Auditor may request the assistance of an institution's internal auditor in performing the audits described in this section.

Sec. 19. **System Offices Funding Authorized.** Educational and general funds appropriated to components of The University of Texas, Texas A&M University, University of Houston, Texas Tech University, University of North Texas, Texas State University System and Texas State Technical College Systems may be transferred or contracted to system offices to provide support for coordination, administration, and other related services.

Sec. 20. **Annual Reports of Health Related Institutions Practice Plans.** As a limitation and restriction upon appropriations made by this Act, all agencies that have a public health related institution covered under Article III shall not expend funds after a period of 120 days following the close of the fiscal year, unless there has been filed with the Governor, the State Auditor, the Legislative Budget Board, the Legislative Reference Library and the Comptroller of Public Accounts an annual report as of August 31 of the preceding fiscal year, showing the use of practice plan funds. The annual report shall conform to a uniform reporting system developed by the State Auditor's Office for all financial data concerning the health related institutions practice plans.

Sec. 21. **Self-insurance Funds.** Any funds of an institution of higher education used for or allocated to a self-insurance fund authorized by Government Code § 2259.001 for a risk otherwise insurable by the institution of higher education shall be treated by the Comptroller of Public Accounts as an expenditure of the respective funds. The self-insurance funds so created shall be considered designated funds as that term is used in § 51.008(b) of the Education Code. Any self-insurance fund reserves so created shall not exceed in amount the maximum value determined to be actuarially sound for each such self-insurance program.

Sec. 22. **Elements of Unsponsored Charity Care.**

1. **Financially Indigent.** Unsponsored charity care shall include unreimbursed services to the financially indigent. Financially indigent shall mean uninsured or underinsured patients accepted for care with no obligation or a discounted obligation to pay for services rendered based on a teaching hospital's or clinic's formal eligibility system which may include:
   (a) income levels and means testing or other criteria for determining a patient's inability to pay;

or (b) other criteria for determining a patient's inability to pay that are consistent with the hospital's or clinic's mission and established policy. The federal poverty level shall serve as an index for the threshold below which patients receiving care at The University of Texas Southwestern Medical Center at Dallas, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, The University of Texas M.D. Anderson Cancer Center, The University of Texas Health Center at Tyler, Texas A&M University System Health Science Center, The Texas Tech Health Sciences Center, and The University of North Texas Health Science Center are deemed financially indigent. Financially indigent services include both noncovered services and contractual allowances for patients eligible for the Medicaid program and for the Children with Special Health Care Needs (formerly known as CIDC) program, services provided under the Maternal and Infant Health Improvement Act (MIHIA), services provided under county indigent care contracts (Sec. 25), and services provided under other state or local government programs with eligibility indexed to the federal poverty level.

2. **Medically Indigent.** Unsponsored charity care shall include unreimbursed services to the medically indigent. Medically indigent shall mean patients who are responsible for their living expenses, but whose medical and hospital bills, after payment by third-party payers, where applicable, exceed: (a) a specified percentage of the patient's annual gross income (i.e., catastrophic medical expenses) in accordance with a teaching hospital or clinic's formal eligibility system in such instances where payment would require liquidation of assets critical to living or earning a living; or (b) the criteria for determining a patient's inability to pay as established by the public health-related institutions listed in Sec. 22, 1. Financially Indigent.

3. **Charity Care Determination.** The determination that a patient is financially or medically indigent shall occur within 120 days of the patient's discharge from the hospital or clinic setting or within 120 days of the third party payor settlement.

4. **Contractual Adjustments.** The contractual adjustments to commercial contracts, managed care contracts, and Medicare for the public health-related institutions listed in Sec. 22, 1. Financially Indigent, shall not be counted as unsponsored charity care.

5. **Bad Debt.** Bad debts shall not be counted as unsponsored charity costs. Bad debts shall include the uncollected billed charges for services rendered to patients who do not qualify under the definition of unsponsored charity care.

Sec. 23. **Unsponsored Charity Care Reporting Requirement.** The public health-related institutions listed in Sec. 22, 1. Financially Indigent, shall include in their biennial legislative appropriations request information including the actual amount of unsponsored charity care provided through each institution's respective physician practice plan, and if applicable, hospital or clinic using the definition of unsponsored charity care set forth in the section called "Elements of Unsponsored Charity Care."

Sec. 24. **Patient Income Eligibility Guidelines.** The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall use the federal poverty level indexed at an agreed-upon level as the guideline for determining indigent patient status, and those institutions' eligibility guidelines regarding copayment by patients deemed financially or medically indigent shall be the same.

The University of Texas Southwestern Medical Center at Dallas, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, Texas A&M University System Health Science Center, The Texas Tech Health Sciences Center, and The University of North Texas Health Science Center may use as a basis for reporting indigent care

statistical samples derived from indigent care determinations made by their affiliated teaching hospitals and designed to estimate the amounts of charity care provided using the definitions established by The University of Texas hospitals noted above.

Sec. 25. **County Indigent Care Contracts.**

1. **Contracts Required.** It is the intent of the Legislature that all institutions of higher education providing indigent health care contract with relevant counties in their service area to recover the costs associated with treating those counties' indigent patients.

2. **County Indigent Care Contracts Reporting.** The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall submit to the Legislative Budget Board and the Governor at the end of each fiscal year a list of counties whose indigent residents have been served by each institution; the total amount of reimbursement received by each institution from each county pursuant to the Indigent Health Care and Treatment Act; and the total cost, by county, of services provided by each institution for which counties are liable pursuant to the Indigent Health Care and Treatment Act. In addition, each institution shall report annually to the Legislative Budget Board and Governor on the status of contract agreements or negotiations with each county whose indigent residents have been served by the institution.

Sec. 26. **Ethics Policy.**

1. None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board an ethics policy which has been adopted by the board of regents. The ethics policy shall apply to the board of regents and its staff, the administration, staff, and faculty of the institutions under the board's governance.

2. The ethics policy adopted by each board of regents shall include specific provisions regarding sexual harassment.

Sec. 27. **Driscoll Children's Hospital.** No funds appropriated to a health-related institution of higher education shall be used to replace or duplicate the Driscoll Children's Hospital in caring for children with special health-care needs, including pediatric cardiovascular diseases or in assuming the direct care of those children. It is legislative intent that this rider language not restrict the traditional referral patterns, utilized by physicians to refer patients to health-related institutions.

Sec. 28. **Participation in Drug Development Research Projects.** A public university may not expend funds appropriated by this Act, including appropriations of grants or gifts, to conduct a drug development research protocol involving a person who is receiving mental health services under a protective custody order, pursuant to Chapter 574, Health and Safety Code. This rider is not intended to limit or prohibit provisions for treatment established under § 576.022, Health and Safety Code.

Sec. 29. **Post Tenure Review.** None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board policies and procedures regarding post tenure review which have been adopted by the board of regents. Post tenure policies shall include review procedures to determine that a tenured faculty member is performing consistently at an acceptable, professional level and a mechanism whereby a faculty member is informed of any deficiencies and provided opportunities to effectively improve his or her performance.

Sec. 30. **General Academic Funding.** Funding for general academic institutions will consist of four formulas and supplemental items.

1. **Instruction and Operations Formula.** The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2004–05 biennium is $51.25.

   Weighting is determined by the following matrix:

	Lower Division	Upper Division	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.96	3.94	12.04	
Science	1.53	3.00	7.17	19.29	
Fine Arts	1.85	3.11	6.51	17.47	
Teacher Ed	1.28	1.96	3.23	9.95	
Agriculture	2.05	2.54	6.64	16.37	
Engineering	3.01	3.46	8.20	21.40	
Home Economics	1.58	2.12	4.34	10.79	
Law					3.22
Social Services	1.64	1.84	5.80	11.92	
Library Science	1.45	1.52	4.22	12.26	
Vocational Training	1.45	2.59			
Physical Training	1.36	1.36			
Health Services	2.87	3.46	6.47	15.98	
Pharmacy	4.00	4.64	9.00	19.11	9.00
Business Admin	1.41	1.59	4.59	13.91	
Optometry			5.46	19.12	7.00
Teacher Ed Practice	2.43	2.57			
Technology	1.99	2.56	6.61		
Nursing	4.91	5.32	6.49	16.32	
Developmental Ed	1.00				
Veterinary Medicine					16.72

2. **Teaching Experience Supplement.** For the 2004–05 biennium, an additional weight of 10 percent is added to lower division and upper division semester credit hours taught by tenured and tenure-track faculty. Furthermore, it is the intent of the Legislature that the weight shall increase by 10 percent per biennium, up to 50 percent.

3. **Infrastructure Support.** Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater and thermal energy. The average rate per square foot is $5.95.

4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, 50 percent of indirect research costs recovered on grants, organized activities, scholarships, tuition revenue bond payments, Skiles Act bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.

   These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2004.

Sec. 31. **Health Related Institutions Funding.** Funding for health related institutions shall consist of three formulas plus supplemental non-formula items.

1. **Instruction and Operations Support Formula.** The Instruction and Operations Support Formula shall provide funding on a per student or full time equivalent basis. Funding for each instructional program is based on the following funding weights per student, with a base value per weighted student of $9,934:

Program	Weight Per Student
Allied Health	1.000
Biomedical Science	1.018
Nursing	1.138
Pharmacy	1.670
Public Health	1.721
Dental	4.601
Medical	4.753

   Instructional programs with enrollments of less than 200 students at individual campuses shall receive additional funding to compensate for the diseconomies of scale. The minimum formula shall generate additional funding per student, on a sliding scale, with programs with small enrollments receiving more additional funding per student.

2. **Infrastructure Support Formula.** Funding to the health-related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is $9.43 for all health related institutions, excluding The University of Texas M. D. Anderson Cancer Center and The University of Texas Health Center at Tyler. For these two institutions, the per square foot rate is $9.31.

Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at The University of Texas Medical Branch at Galveston, The University of Texas M. D. Anderson Cancer Center, and The University of Texas Health Center at Tyler shall be included in the total funding for hospital and patient care activities.

3. **Research Funding.** The health-related institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also receives research enhancement funding of $1,412,500 plus 2.15 percent of its research expenditures as reported to the Texas Higher Education Coordinating Board.

4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance, workers' compensation insurance, unemployment insurance, public education grants, medical loans, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Hospital and clinic operations shall be funded through a combination of hospital and clinic revenue and general revenue.

5. **Formula Study Committees.** These formulas shall be reviewed and updated by study committees appointed by the Texas Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2004.

6. **Mission Specific Support.** The University of Texas M.D. Anderson Cancer Center and the University of Texas Health Center at Tyler do not provide formal medical education which qualifies for instruction support under subsection 1 above. Therefore, funding allocated to these institutions shall be based on the following criteria:

   a. The University of Texas M.D. Anderson Cancer Center has a statutory mission to eliminate cancer through patient care, research, education, and prevention. General Revenue funds appropriated to The University of Texas M.D. Anderson Cancer Center in Strategy B.1.3, Science Park Operations, and Strategy D.1.1, Patient Care Activities, shall be based on the number of new cancer cases each year based upon population estimate projections of the state produced by the Texas State Data Center and California State Center Registry incidence rates used as a methodological source by cancer epidemiologists in Texas and throughout the country. General Revenue appropriations for fiscal year 2004 shall be based on the number of new cancer cases reported in 2001, and General Revenue appropriations for fiscal year 2005 shall be based on the number of new cancer cases reported in 2002. The rate per new cancer case shall be $59.31 in fiscal year 2004 and $58.21 in fiscal year 2005 for Strategy B.1.3, Science Park Operations: and $263.29 in fiscal year 2004 and $268.16 in fiscal year 2005 for Strategy D.1.1, Patient Care Activities.

   b. The University of Texas Health Center at Tyler has a statutory mission to conduct research, develop diagnostic and treatment techniques, provide training and teaching programs, and provide diagnosis and treatment of inpatients and outpatients with respiratory diseases. General Revenue funds appropriated to The University of Texas Health Center at Tyler in Strategy A.1.1, Medical Education and Research Items, shall be based on the number of new primary chest disease diagnoses each year in Texas as reported by participating Texas hospitals in the Texas Hospital Association Patient Data System program. General Revenue appropriations for fiscal year 2004 shall be based on the number of new primary chest disease diagnoses reported in 2000, and General Revenue appropriations for fiscal year 2005 shall be based on the number of new primary chest disease diagnoses reported in 2001. The rate per primary chest diagnosis shall be $7.56 for fiscal year 2004 and $7.27 for fiscal year 2005.

c. The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Center at Tyler shall submit to the Legislative Budget Board, Governor, and Texas Higher Education Coordinating Board a copy of the appropriate reports discussed above and supporting documentation which provides the necessary information to calculate the formula allocations in subsections (a) and (b) above.

Sec. 32. **Optional Retirement Program Differential.** Included in the appropriation to institutions of higher education in this act are general revenue amounts to offset local funds used for the optional retirement program employer contributions between 6 percent and 7.31 percent of salaries for employees who were on the state payroll or who were employed by a Public Community or Junior College as of August 31, 1995. These general revenue amounts are included in the funding formulas for general academic institutions and two-year institutions and in the base funding for other institutions of higher education.

Sec. 33. **Indirect Cost Recovery Earned by Texas A&M Services.** The Texas A&M University System Service agencies shall report to the Legislative Budget Board in their Legislative Appropriations Requests for 2006–07 all indirect cost recovery revenue earned on research grants and contracts including amounts collected by the Research Foundation.

Sec. 34. **Fire Safety Projects at Institutions of Higher Education.** Because of the urgent nature of these projects, it is the intent of the Legislature that institutions of higher education that have major fire safety projects, identified by the State Fire Marshal's Office as not meeting the requirements of the National Fire Protection Association, *Life Safety Code,* 1994 Edition, remedy the fire safety issues and complete any related construction and renovation projects as soon as practical. Institutions shall consult with the State Fire Marshal's Office and develop a time line for completion of the projects. Institutions shall implement the interim safety precautions recommended by the State Fire Marshal's Office. The State Fire Marshal shall submit periodic reports to the House Appropriations Committee and Senate Finance Committee on the progress of institutions in remedying the fire safety issues.

Institutions of higher education shall notify parents of students living in dormitories identified by the State Fire Marshal's Office. The notice shall contain information about the actions needed to rectify noncompliance and the time frame in which the institution plans to make improvements in order to comply.

Sec. 35. **Special Items.** It is the intent of the Legislature that actions taken to consolidate certain special items under the Institutional Enhancement strategy shall not in any way be construed to preclude actions to add special item funding for a statewide or broadly based initiative identified by the Legislature to address significant unmet needs.

Sec. 36. **Funding for Physical Education Courses.** No funds appropriated under this act shall be used for contact hours or semester credit hours for students who are registered solely for physical education, weight lifting, group exercises, aerobics, or related courses; have registered for the same such course more than once; and are not seeking a degree plan or certificate of completion of a course of study.

Sec. 37. **Faculty Salary Increase Report.** The Texas Higher Education Coordinating Board shall report the average salary increase provided to faculty at each general academic institution to the Legislative Budget Board and Governor by January 31 of each fiscal year on a form prescribed by the Texas Higher Education Coordinating Board.

Sec. 38. **Endowed Chairs.** Out of funds appropriated to the Texas Higher Education Coordinating Board for Baylor College of Medicine, Houston; University of Texas Health Science Center at Houston; University of Texas Medical Branch at Galveston, each may expend up to $1,000,000 out of

funds appropriated in this Act to fund one endowed chair or professorship for spinal cord injury research. It is the intent of the Legislature that each institution pursue an equal amount of matching funds from the Institute of Rehabilitation and Research for each institution.

Sec. 39. **Status of Endowed Chairs at General Academic Institutions.** Each general academic institution that accepts donations for endowed chairs shall do the following: for each endowed chair that remains unfilled for a period of three consecutive years, provide a report to the donor disclosing the vacant status of the chair, in accordance with the donor agreement.

Sec. 40. **A&M Service Agencies' Infrastructure.** Except for amounts identified in subsection (1), funds identified as Infrastructure Support for Texas Agricultural Experiment Station, Texas Cooperative Extension, Texas Forest Service, Texas Engineering Experiment Station, Texas Transportation Institute, and Texas Engineering Extension Service are to be applied to each agency's infrastructure needs in Brazos County under the Texas Higher Education Coordinating Board's recommended formula for the A&M service agencies' infrastructure.

1. Each agency shall continue to work with the Texas Higher Education Coordinating Board as part of the ongoing formula advisory committee review process. Included in the Infrastructure Support strategy are funds formerly classified as Capital Equity and Excellence Funding.

2. Included in the appropriations for the A&M Service Agencies, the following biennial amounts shall be used for infrastructure support needs for facilities located outside of Brazos County: $3,488,802 for the Texas Agricultural Experiment Station, $660,044 for the Texas Cooperative Extension, $700,000 for the Texas Forest Service, and $577,401 for the Texas Veterinary Medical Diagnostic Laboratory.

Sec. 41. **Nursing School Enrollment.** The Legislature encourages institutions of higher education not to reduce the number of student full-time equivalents enrolled in programs preparing students for licensure as registered nurses in state fiscal years ending August 31, 2004 and August 31, 2005 below the number of student full-time equivalents enrolled for the state fiscal year ending August 31, 2003. This provision shall not be construed as requiring any school to accept an unqualified applicant to its professional nursing program. In the event that a school falls below the required number of students enrolled in professional nursing program by more than 5% for the state fiscal year ending August 31, 2004 and the state fiscal year ending August 31, 2005, the school shall report to the Legislative Budget Board and the Texas Higher Education Coordinating Board the reasons for failing to meet the required enrollment.

Sec. 42. **Donations for Scholarships.** For the first five years after receiving a donation which creates or endows a scholarship, a state university that fails to award a scholarship created or endowed by a donor shall annually notify the donor in accordance with the donor agreement.

Sec. 43. **Endowed Programs.** A state university that, within five years of receiving a donation, diminishes its financial support from local funds for a program created or endowed by the donor, shall notify the donor in accordance with the donor agreement. If the agreement so provides, then upon application by the donor, the university shall return the donation or endowment.

Sec. 44. **Student Travel Policy.** Each governing board of an institution of higher-education shall adopt a policy regulating travel that is undertaken by one or more students presently enrolled at the institution to reach an activity or event that is located more than 25 miles from the institution that is organized and sponsored by the institution and that is funded by the institution, and the travel is undertaken using a vehicle owned or leased by the institution or required by a student organization registered at the institution.

Sec. 45. **Special Item Support.** Any appropriations made to special item support strategies throughout this article are intended to supplement existing programs and may not be used to supplant funds.

Sec. 46. **Informational Listing - Permanent Funds and Endowments.** The following is an informational list of the amounts used to capitalize Permanent Funds and Endowments created by House Bills 1676 and 1945, Seventy-sixth Legislature, and does not make appropriations.

Permanent Health Fund for Higher Education	$	350,000,000
The University of Texas Health Science Center at San Antonio Endowment	$	200,000,000
The University of Texas M.D. Anderson Cancer Center Endowment	$	100,000,000
Texas Tech University Health Sciences Center Endowment (El Paso)	$	25,000,000
The University of Texas Southwestern Medical Center at Dallas Endowment	$	50,000,000
Texas Tech University Health Sciences Center Endowment (Other Than El Paso)	$	25,000,000
The University of Texas Medical Branch at Galveston Endowment	$	25,000,000
The University of Texas Health Science Center at Houston Endowment	$	25,000,000
The University of Texas Health Center at Tyler Endowment	$	25,000,000
Texas A&M University System Health Science Center Endowment	$	25,000,000
University of North Texas Health Science Center at Fort Worth Endowment	$	25,000,000
Lower Rio Grande Valley Regional Academic Health Center Endowment	$	20,000,000
The University of Texas at El Paso Endowment	$	25,000,000
Baylor College of Medicine	$	25,000,000
Permanent Fund For Higher Education Nursing, Allied Health and Other Health Related Programs	$	45,000,000
Permanent Fund for Minority Health Research and Education	$	25,000,000

Sec. 47. **License Plate Scholarship Program.** In addition to educational and general funds amounts appropriated by this Act, available balances and the portion of fees deposited in the state treasury during the biennium ending August 31, 2003 in the amount of $450,000 in fiscal year 2004 and $450,000 in fiscal year 2005, is to the credit of the general academic institutions as provided by VTCA, Transportation Code § 502.270, is appropriated for that period to the general academic teaching institution for which it was credited for the purpose of providing scholarships for students who demonstrate a need for financial assistance.

Sec. 48. **Appropriation of Funds from the Permanent Health Fund for Higher Education.** Included in the amounts appropriated to health related institutions of higher education, is an estimated appropriation based on the institution's allocation of the estimated earnings out of the Permanent Health Fund for Higher Education for each fiscal year of the biennium. Amounts available for distribution from this fund are estimated to be $15,750,000 each fiscal year of the biennium. The funds appropriated out of the Permanent Health Fund for Higher Education shall be distributed to the institutions of higher education in accordance with Education Code § 63.003 for the purpose of medical research, health education, or treatment programs.

Sec. 49. **Tobacco Settlement Receipts – Baylor College of Medicine.** In addition to amounts appropriated elsewhere in this Act, Baylor College of Medicine is appropriated the institution's allocation of amounts, under Section 63.003, Education Code, available for distribution out of the Permanent Health Fund for Higher Education, estimated to be $1,915,830 in each year of the 2004-05 biennium. These funds are to be used only for purposes specified in Education Code, §§ 63.002 (c), (d), and (f).

Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, the Act many not be construed as appropriating funds to make up the difference.

All balances of estimated appropriations from the institution's allocation from the amounts available for distribution out of the Permanent Health Fund for Higher Education, except for any General Revenue, at the close of the fiscal year ending August 31, 2003, and the income to said fund during the fiscal years beginning September 1, 2003, are hereby appropriated. Any unexpended appropriations made above as of August 31, 2004, are hereby appropriated for the same purposes for fiscal year 2005.

Sec. 50. **Limitation on Formula Funding Contact and Semester Credit Hours.** It is the intent of the Legislature to control costs and limit General Revenue formula appropriations by excluding contact hours or semester credit hours related to a course for which a student is generating formula funding for the third time from being counted in the hours reported by the Higher Education Coordinating Board to the Legislative Budget Board for formula funding.

Sec. 51. **Debt Service Related to Tuition Revenue Bonds.** For tuition revenue bonds issued after March 31, 2003, it is the intent of the Legislature that General Revenue appropriations for the 2004-05 biennium to institutions of higher education be used only for the payment interest related to these bonds. It is the intent of the legislature that General Revenue funding for these tuition revenue bonds could be used to pay principal and interest payments made during the 2006-07 biennium.

Sec. 52. **Report on Real Property.** Institutions of higher education shall submit to the Asset Manager Division in the General Land Office the following information, as the General Land Office may require, in accordance with general law:

1. a description of each item of property by reference to a volume number and page or image number or numbers of the official public records of real property in a particular county, or if not applicable, by a legal description;

2. the date of purchase of the property, if applicable;

3. the purchase price of the property, if applicable;

4. the name of the institution holding title to the property for the state;

5. a description of the current uses of the property and of the projected future uses of the property during the next 15 years; and

6. a description of each building or other improvement located on the property.

If the description of real property required by this section is excessively voluminous, as in the case of parkland, the division may direct the institution in possession of the real property to furnish the description only in summary form, as agreed to by the division and the institution involved.

In addition, if the institution of higher education has done an appraisal on the property, the date of the appraisal and the value broken out by land and improvements.

Sec. 53. **Limitation on Use of Funds.**

1. State agencies and institutions of higher education that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release in this Article, shall submit a budget by November 1 of each year of the biennium to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency or institution of higher education. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget.

2. Authorized managers of permanent funds and endowments whose earnings are appropriated in this article shall provide a copy of year end financial reports to the Legislative Budget Board and the Governor by November 1 of each year of the biennium. These reports should include, at a minimum, an income statement and balance sheet for each fund, and a summary of the investment return of the fund during the preceding fiscal year.

Sec. 54. **Financial Information Reporting Requirement.** In addition to the financial information required to be reported in accordance with § 2101.011, Government Code, each university system, general academic institution, community, technical or state college, and health-related institution shall continue to provide to the Higher Education Coordinating Board, financial data related to the operation of each system office and institution as was reported in the 2001 annual financial report. Each system office and institution of higher education shall provide the report no later than January 1st of each year using the specific content and format prescribed by the Coordinating Board.

Sec. 55. **Maintenance, Construction, and Policing of Campus Roads and Streets.** Out of Fund 006, $26 million in each year of the biennium is appropriated to the Higher Education Coordinating Board to replace general revenue appropriations to state general academic teaching institutions used for maintenance, construction and policing of roads and streets on university campuses. The Texas Department of Transportation and the Higher Education Coordinating Board shall execute a Memorandum of Understanding regarding the prioritization of projects funded by Fund 006. The $26 million per year in general revenue formerly allocated for these purposes is appropriated to the Higher Education Coordinating Board to distribute through the General Academic Instruction and Operations

Formula to all state general academic institutions to enhance teaching and general operations of the universities. The Higher Education Coordinating Board and Comptroller of Public Accounts shall jointly implement this provision.

Sec. 56. **Health-Related Institutions of Higher Education.**

1. The Comptroller shall reduce general revenue appropriations made elsewhere in this Act to the agencies and institutions listed in this subsection by a total of $8.5 million in fiscal year 2004 and a total of $8.5 million in fiscal year 2005. The Comptroller shall make these reductions by reducing general revenue appropriations at each entity in each category listed below by a percent of general revenue appropriations to achieve a $8.5 million reduction in appropriations for each year of the biennium.

   a. General Academic Institutions, as defined in Special Provisions Relating only to State Agencies of Higher Education in this Act (except that reductions may not be made to items as part of the Texas Commitment-OCR Priority Plan and border initiatives as identified by the Legislative Budget Board);
   b. Public community/junior colleges;
   c. Texas State Technical College System and Components;
   d. Institution of higher education system offices;
   e. Higher Education Employees Group Insurance Contributions;
   f. Texas A&M Service Agencies (not including the Texas Food and Fibers Commission); and
   g. Texas Higher Education Coordinating Board (except that reductions may not be made to strategies B.1.11, TEXAS Grant Program, and D.1.1, Baylor College of Medicine).

2.
   a. Targeted Level of Appropriations. It is the intent of the Legislature that the targeted additional general revenue appropriations to the health-related institutions of higher education for the biennium beginning September 1, 2003, is as follows:
      (1) University of Texas Southwestern Medical Center at Dallas: $15,785,230;
      (2) University of Texas Medical Branch at Galveston: $33,955,230;
      (3) University of Texas Health Science Center at Houston: $11,207,796;
      (4) University of Texas Health Science Center at San Antonio: $15,028,752;
      (5) University of Texas M.D. Anderson Cancer Center: $18,322,113;
      (6) University of Texas Health Center at Tyler: $6,160,513;
      (7) Texas A&M Health Science Center: $10,253,876;
      (8) North Texas Health Science Center at Fort Worth: $7,307,841;
      (9) Texas Tech University Health Science Center: $27,152,829; and
      (10) Texas Higher Education Coordinating Board - Baylor College of Medicine: $2,342,809.

   b. General Revenue Appropriations for Fiscal Year 2004. The following amounts are appropriated from general revenue for the fiscal year beginning September 1, 2003 to the health-related institutions listed below:
      (1) University of Texas Southwestern Medical Center at Dallas: $9,177,857;
      (2) University of Texas Medical Branch at Galveston: $15,077,464;
      (3) University of Texas Health Science Center at Houston: $2,080,032;
      (4) University of Texas Health Science Center at San Antonio: $5,532,222;
      (5) University of Texas M.D. Anderson Cancer Center: $10,039,631;
      (6) University of Texas Health Center at Tyler: $3,839,088;
      (7) Texas A&M Health Science Center: $6,285,543;
      (8) North Texas Health Science Center at Fort Worth: $4,409,585; and
      (9) Texas Tech University Health Science Center: $18,703,475.

c. General Revenue Appropriations for Fiscal Year 2005. The following amounts are appropriated from general revenue for the fiscal year beginning September 1, 2004 to the health-related institutions listed below:
   (1) University of Texas Southwestern Medical Center at Dallas: $2,104,072;
   (2) University of Texas Medical Branch at Galveston: $5,657,148;
   (3) University of Texas Health Science Center at Houston: $2,874,871;
   (4) University of Texas Health Science Center at San Antonio: $2,254,806;
   (5) University of Texas M.D. Anderson Cancer Center: $2,637,499;
   (6) University of Texas Health Center at Tyler: $739,242;
   (7) Texas A&M Health Science Center: $1,263,688;
   (8) North Texas Health Science Center at Fort Worth: $922,930; and
   (9) Texas Tech University Health Science Center: $2,690,638.

d. State Fiscal Relief Funds. It is a priority of the Legislature that the state fiscal relief funds shall be allocated by the plan of transfers provided for elsewhere in this Act to the Health-Related Institutions of Higher Education appropriated funds by this Act in an amount necessary to achieve the additional targeted biennial appropriation levels listed in this section, taking into consideration general revenue appropriations made in subsection (b).

Sec. 57. **Additional Tuition Revenue Bonds.** It is the intent of the legislature that any institution that the Seventy-eighth Legislature authorizes to issue new tuition revenue bonds, other than bonds authorized to respond to damages caused by Tropical Storm Allison, would not be eligible for any new tuition revenue bond authorization by the Seventh-ninth Legislature.

Sec. 58. **Program to Encourage Certification to Teach Bilingual Education, English as a Second Language, or Spanish.** Of the funds appropriated by this Act to the Texas Higher Education Coordinating Board, the Coordinating Board may use an amount that is not less than $150,000 for each year oft he 2004–05 biennium to develop and operate a program at the University of North Texas System Center at Dallas, in consultation with the university, to provide financial incentives, such as tuition assistance and loan forgiveness, to encourage students who enroll in an educator preparation program at the university to become certified to teach bilingual education, English as a Second Language, or Spanish.

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Texas Education Agency	$ 11,055,907,821	$ 9,669,903,734
Contingency Appropriations	8,000,000	10,000,000
Total	11,063,907,821	9,679,903,734
State Board for Educator Certification	16,775,359	17,174,670
School for the Blind and Visually Impaired	11,887,149	11,793,450
School for the Deaf	14,994,531	14,995,114
Teacher Retirement System	2,053,389,678	1,897,667,057
Optional Retirement Program	94,866,022	95,395,130
Higher Education Employees Group Insurance Contributions	398,750,309	398,750,311
Higher Education Coordinating Board	358,571,233	326,071,236
Rider Appropriations	137,304	0
Contingency Appropriations	469,692	493,177
Total	359,178,229	326,564,413
Higher Education Fund	175,000,000	175,000,000
Texas Excellence Fund	10,894,765	11,633,294
University Research Fund	10,894,765	11,633,294
The University of Texas System Administration	6,313,226	6,312,672
The University of Texas at Arlington	79,827,603	80,015,927
The University of Texas at Austin	241,957,725	242,693,303
The University of Texas at Dallas	54,978,173	54,994,434
The University of Texas at El Paso	57,522,984	58,206,037
The University of Texas - Pan American	49,576,027	49,726,789
The University of Texas at Brownsville	18,694,298	18,913,210
The University of Texas of the Permian Basin	13,275,735	13,300,212
The University of Texas at San Antonio	66,888,362	67,216,343
The University of Texas at Tyler	22,127,593	21,543,801
Texas A&M University System Administrative and General Offices	2,747,300	557,806
Texas A&M University	208,479,371	208,871,167
Texas A&M University at Galveston	10,435,197	10,450,597
Prairie View A&M University	48,489,472	43,266,850
Tarleton State University	27,561,360	27,657,832
Texas A&M University - Corpus Christi	40,696,393	40,815,280
Texas A&M University - Kingsville	33,820,912	32,485,875
Texas A&M International University	31,453,001	31,496,641
West Texas A&M University	24,942,093	25,106,400
Texas A&M University - Commerce	29,847,235	30,163,510
Texas A&M University - Texarkana	9,133,705	9,207,203
University of Houston System Administration	3,504,669	3,508,335
University of Houston	129,705,973	129,877,770
University of Houston - Clear Lake	26,225,668	26,278,782
University of Houston - Downtown	20,880,465	20,936,911
University of Houston - Victoria	11,423,441	11,443,610
Midwestern State University	17,175,434	17,274,721
University of North Texas System Administration	4,568,248	4,568,248
University of North Texas	91,844,223	92,135,001
Stephen F. Austin State University	37,973,397	38,126,088
Texas Southern University	46,313,840	46,324,127
Texas Tech University System Administration	437,500	437,500
Texas Tech University	111,613,919	111,896,246
Texas Woman's University	44,994,633	45,147,925

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)
(Continued)

Board of Regents, Texas State University System Central Office	1,195,093	1,196,902
Angelo State University	23,912,929	24,087,123
Lamar University - Beaumont	31,484,595	31,642,312
Lamar University Institute of Technology	7,837,805	8,167,446
Lamar University - Orange	5,428,998	5,573,524
Lamar University - Port Arthur	7,769,608	8,270,307
Sam Houston State University	36,303,272	36,309,231
Southwest Texas State University	69,656,741	69,956,301
Sul Ross State University	14,578,746	14,605,650
Sul Ross State University Rio Grande College	5,153,421	5,163,890
The University of Texas Southwestern Medical Center at Dallas	91,973,839	94,180,111
The University of Texas Medical Branch at Galveston	197,213,542	196,983,690
The University of Texas Health Science Center at Houston	114,542,077	114,594,497
The University of Texas Health Science Center at San Antonio	107,074,125	106,408,852
The University of Texas M.D. Anderson Cancer Center	124,581,655	125,379,935
The University of Texas Health Center at Tyler	29,226,124	29,207,669
Texas A&M University System Health Science Center	52,199,843	50,832,040
University of North Texas Health Science Center at Fort Worth	38,682,853	38,619,071
Texas Tech University Health Sciences Center	79,566,289	79,474,347
Public Community/Junior Colleges	755,529,791	755,529,814
Texas State Technical College System Administration	2,931,339	2,931,340
Texas State Technical College - Harlingen	15,429,577	15,429,579
Texas State Technical College - West Texas	10,275,146	10,275,147
Texas State Technical College - Marshall	3,844,134	3,844,135
Texas State Technical College - Waco	23,102,290	23,102,291
Texas Agricultural Experiment Station	50,530,605	50,530,606
Texas Cooperative Extension	41,496,035	41,496,035
Texas Engineering Experiment Station	11,645,170	11,645,171
Texas Engineering Extension Service	5,908,112	5,908,113
Texas Forest Service	14,597,317	14,597,318
Texas Wildlife Damage Management Service	3,278,256	3,278,255
Texas Veterinary Medical Diagnostic Laboratory	4,759,374	4,759,375
Texas Food and Fibers Commission	1,349,101	1,349,102
Subtotal, Agencies of Education	$ 17,819,025,605	$ 16,246,796,799

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue)
(Continued)

Retirement and Group Insurance	17,375,538	17,679,367
Social Security and Benefit Replacement Pay	167,930,179	169,266,905
Subtotal, Employee Benefits	$ 185,305,717	$ 186,946,272
Bond Debt Service Payments	555,093	555,360
Lease Payments	8,252,533	8,258,547
Subtotal, Debt Service	$ 8,807,626	$ 8,813,907
Article III, Special Provisions, Rider Appropriations	66,644,897	12,644,894
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	$ 18,079,783,845	$ 16,455,201,872

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue - Dedicated)

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Texas Education Agency	$ 119,742,960	$ 121,842,960
Telecommunications Infrastructure Fund Board	2,086,025	0
Teacher Retirement System	54,895,592	57,640,371
Optional Retirement Program	20,974,880	22,023,624
Higher Education Coordinating Board	5,707,708	5,707,708
Contingency Appropriations	9,962,209	19,926,148
Total	15,669,917	25,633,856
The University of Texas at Arlington	38,532,162	39,667,912
The University of Texas at Austin	135,628,865	138,304,422
The University of Texas at Dallas	28,976,992	29,505,754
The University of Texas at El Paso	25,050,902	25,893,392
The University of Texas - Pan American	18,080,664	18,780,196
The University of Texas at Brownsville	3,755,206	3,876,356
The University of Texas of the Permian Basin	3,422,463	3,556,539
The University of Texas at San Antonio	28,983,501	30,031,679
The University of Texas at Tyler	4,189,407	4,361,990
Texas A&M University System Administrative and General Offices	3,072,000	3,072,000
Texas A&M University	84,400,644	86,538,402
Texas A&M University at Galveston	3,632,382	3,724,043
Prairie View A&M University	12,630,427	14,139,409
Tarleton State University	10,880,181	11,238,014
Texas A&M University - Corpus Christi	9,700,337	10,038,981
Texas A&M University - Kingsville	9,479,522	9,767,717
Texas A&M International University	4,405,077	4,554,651
West Texas A&M University	8,733,661	9,049,567
Texas A&M University - Commerce	10,851,302	11,196,595
Texas A&M University - Texarkana	1,428,971	1,480,895
University of Houston	61,767,562	63,100,635
University of Houston - Clear Lake	10,109,865	10,389,904
University of Houston - Downtown	12,659,003	13,109,267
University of Houston - Victoria	2,065,697	2,139,653
Midwestern State University	7,542,495	7,838,909
University of North Texas	42,898,826	44,186,892
Stephen F. Austin State University	15,031,664	15,616,898
Texas Southern University	18,761,314	19,152,769
Texas Tech University	47,343,504	48,652,505
Texas Woman's University	12,418,479	12,818,264
Board of Regents, Texas State University System Central Office	10,000	10,000
Angelo State University	7,515,235	7,801,982
Lamar University - Beaumont	11,395,876	11,786,106
Lamar University Institute of Technology	2,293,014	2,378,167
Lamar University - Orange	1,632,542	1,683,474
Lamar University - Port Arthur	2,608,930	2,718,360
Sam Houston State University	22,599,585	24,216,877
Southwest Texas State University	31,748,863	32,935,604
Sul Ross State University	2,350,774	2,438,074
Sul Ross State University Rio Grande College	954,726	995,009
The University of Texas Southwestern Medical Center at Dallas	51,474,428	52,759,399
The University of Texas Medical Branch at Galveston	23,673,766	23,749,432

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(General Revenue - Dedicated)
(Continued)

The University of Texas Health Science Center at Houston	29,800,962	30,821,375
The University of Texas Health Science Center at San Antonio	21,542,848	21,620,447
The University of Texas M.D. Anderson Cancer Center	59,902,868	64,854,789
The University of Texas Health Center at Tyler	815,867	831,242
Texas A&M University System Health Science Center	5,925,462	5,925,462
University of North Texas Health Science Center at Fort Worth	5,826,357	5,903,548
Texas Tech University Health Sciences Center	8,323,045	8,435,282
Texas State Technical College System Administration	412,584	420,115
Texas State Technical College - Harlingen	3,599,675	3,742,857
Texas State Technical College - West Texas	2,166,924	2,249,084
Texas State Technical College - Marshall	763,738	763,076
Texas State Technical College - Waco	4,825,328	5,025,107
Texas Agricultural Experiment Station	890,000	890,000
Texas Cooperative Extension	115,000	115,000
Texas Engineering Experiment Station	3,777,406	3,780,601
Texas Transportation Institute	1,465,592	1,511,970
Texas Engineering Extension Service	4,246,027	4,353,973
Texas Forest Service	15,434,000	15,434,000
Subtotal, Agencies of Education	$ 1,217,893,871	$ 1,263,075,433
Retirement and Group Insurance	115,271	115,435
Social Security and Benefit Replacement Pay	39,504,455	42,235,173
Subtotal, Employee Benefits	$ 39,619,726	$ 42,350,608
Article III, Special Provisions, Rider Appropriations	450,000	450,000
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	$ 1,257,963,597	$ 1,305,876,041

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Federal Funds)

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Texas Education Agency	$ 3,454,422,052	$ 3,480,204,678
School for the Blind and Visually Impaired	2,432,949	2,295,849
School for the Deaf	1,020,250	992,893
Higher Education Coordinating Board	56,229,015	56,229,015
Texas Agricultural Experiment Station	6,455,093	6,455,093
Texas Cooperative Extension	9,982,462	9,982,462
Texas Engineering Experiment Station	33,694,179	33,694,179
Texas Transportation Institute	3,198,073	3,279,359
Texas Engineering Extension Service	18,457,096	18,842,904
Texas Forest Service	3,536,199	3,536,199
Texas Food and Fibers Commission	465,500	465,500
Subtotal, Agencies of Education	$ 3,589,892,868	$ 3,615,978,131
Retirement and Group Insurance	2,917,678	2,945,557
Social Security and Benefit Replacement Pay	1,334,593	1,337,459
Subtotal, Employee Benefits	$ 4,252,271	$ 4,283,016
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	$ 3,594,145,139	$ 3,620,261,147

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Other Funds)

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Texas Education Agency	$ 999,800,000	$ 1,141,200,000
School for the Blind and Visually Impaired	936,377	936,377
School for the Deaf	2,749,036	2,776,393
Teacher Retirement System	45,753,943	44,923,155
Higher Education Employees Group Insurance Contributions	348,857	348,857
Higher Education Coordinating Board	24,468,441	24,264,441
Contingency Appropriations	750,000	1,500,000
Total	25,218,441	25,764,441
The University of Texas System Administration	900,000	900,000
Available University Fund	363,849,946	350,086,651
The University of Texas at El Paso	1,125,000	1,125,000
The University of Texas - Pan American	321,001	321,001
Texas A&M University	2,225,000	2,150,000
Texas A&M International University	193,525	193,525
The University of Texas Southwestern Medical Center at Dallas	4,329,000	4,329,000
The University of Texas Medical Branch at Galveston	273,820,257	273,820,257
The University of Texas Health Science Center at Houston	5,785,054	5,792,858
The University of Texas Health Science Center at San Antonio	11,454,792	11,453,712
The University of Texas M.D. Anderson Cancer Center	906,361,362	1,011,437,850
The University of Texas Health Center at Tyler	50,846,020	51,761,068
Texas A&M University System Health Science Center	4,979,398	5,014,365
University of North Texas Health Science Center at Fort Worth	2,280,420	2,280,420
Texas Tech University Health Sciences Center	3,648,600	3,648,600
Texas Agricultural Experiment Station	4,738,927	4,738,927
Texas Cooperative Extension	7,497,689	7,497,689
Texas Engineering Experiment Station	18,700,000	18,700,000
Texas Transportation Institute	29,703,030	30,290,435
Texas Engineering Extension Service	30,677,373	31,472,627
Texas Forest Service	1,761,250	1,761,250
Texas Veterinary Medical Diagnostic Laboratory	5,654,115	5,654,115
Texas Food and Fibers Commission	2,744,595	2,744,595
Subtotal, Agencies of Education	$ 2,808,403,008	$ 3,043,123,168

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(Other Funds)
(Continued)

Social Security and Benefit Replacement Pay	6,369,810	6,466,576
Subtotal, Employee Benefits	$ 6,369,810	$ 6,466,576
Article III, Special Provisions, Rider Appropriations	1,915,830	1,915,830
Less Interagency Contracts	$ 44,143,896	$ 44,469,728
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	$ 2,772,544,752	$ 3,007,035,846

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)

	For the Years Ending August 31, 2004	For the Years Ending August 31, 2005
Texas Education Agency	$ 15,629,872,833	$ 14,413,151,372
Contingency Appropriations	8,000,000	10,000,000
Total	15,637,872,833	14,423,151,372
State Board for Educator Certification	16,775,359	17,174,670
School for the Blind and Visually Impaired	15,256,475	15,025,676
School for the Deaf	18,763,817	18,764,400
Telecommunications Infrastructure Fund Board	2,086,025	0
Teacher Retirement System	2,154,039,213	2,000,230,583
Optional Retirement Program	115,840,902	117,418,754
Higher Education Employees Group Insurance Contributions	399,099,166	399,099,168
Higher Education Coordinating Board	444,976,397	412,272,400
Rider Appropriations	137,304	0
Contingency Appropriations	11,181,901	21,919,325
Total	456,295,602	434,191,725
Higher Education Fund	175,000,000	175,000,000
Texas Excellence Fund	10,894,765	11,633,294
University Research Fund	10,894,765	11,633,294
The University of Texas System Administration	7,213,226	7,212,672
Available University Fund	363,849,946	350,086,651
The University of Texas at Arlington	118,359,765	119,683,839
The University of Texas at Austin	377,586,590	380,997,725
The University of Texas at Dallas	83,955,165	84,500,188
The University of Texas at El Paso	83,698,886	85,224,429
The University of Texas - Pan American	67,977,692	68,827,986
The University of Texas at Brownsville	22,449,504	22,789,566
The University of Texas of the Permian Basin	16,698,198	16,856,751
The University of Texas at San Antonio	95,871,863	97,248,022
The University of Texas at Tyler	26,317,000	25,905,791
Texas A&M University System Administrative and General Offices	5,819,300	3,629,806
Texas A&M University	295,105,015	297,559,569
Texas A&M University at Galveston	14,067,579	14,174,640
Prairie View A&M University	61,119,899	57,406,259
Tarleton State University	38,441,541	38,895,846
Texas A&M University - Corpus Christi	50,396,730	50,854,261
Texas A&M University - Kingsville	43,300,434	42,253,592
Texas A&M International University	36,051,603	36,244,817
West Texas A&M University	33,675,754	34,155,967
Texas A&M University - Commerce	40,698,537	41,360,105
Texas A&M University - Texarkana	10,562,676	10,688,098
University of Houston System Administration	3,504,669	3,508,335
University of Houston	191,473,535	192,978,405
University of Houston - Clear Lake	36,335,533	36,668,686
University of Houston - Downtown	33,539,468	34,046,178
University of Houston - Victoria	13,489,138	13,583,263
Midwestern State University	24,717,929	25,113,630
University of North Texas System Administration	4,568,248	4,568,248
University of North Texas	134,743,049	136,321,893
Stephen F. Austin State University	53,005,061	53,742,986
Texas Southern University	65,075,154	65,476,896
Texas Tech University System Administration	437,500	437,500

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)
(Continued)

Texas Tech University	158,957,423	160,548,751
Texas Woman's University	57,413,112	57,966,189
Board of Regents, Texas State University System Central Office	1,205,093	1,206,902
Angelo State University	31,428,164	31,889,105
Lamar University - Beaumont	42,880,471	43,428,418
Lamar University Institute of Technology	10,130,819	10,545,613
Lamar University - Orange	7,061,540	7,256,998
Lamar University - Port Arthur	10,378,538	10,988,667
Sam Houston State University	58,902,857	60,526,108
Southwest Texas State University	101,405,604	102,891,905
Sul Ross State University	16,929,520	17,043,724
Sul Ross State University Rio Grande College	6,108,147	6,158,899
The University of Texas Southwestern Medical Center at Dallas	147,777,267	151,268,510
The University of Texas Medical Branch at Galveston	494,707,565	494,553,379
The University of Texas Health Science Center at Houston	150,128,093	151,208,730
The University of Texas Health Science Center at San Antonio	140,071,765	139,483,011
The University of Texas M.D. Anderson Cancer Center	1,090,845,885	1,201,672,574
The University of Texas Health Center at Tyler	80,888,011	81,799,979
Texas A&M University System Health Science Center	63,104,703	61,771,867
University of North Texas Health Science Center at Fort Worth	46,789,630	46,803,039
Texas Tech University Health Sciences Center	91,537,934	91,558,229
Public Community/Junior Colleges	755,529,791	755,529,814
Texas State Technical College System Administration	3,343,923	3,351,455
Texas State Technical College - Harlingen	19,029,252	19,172,436
Texas State Technical College - West Texas	12,442,070	12,524,231
Texas State Technical College - Marshall	4,607,872	4,607,211
Texas State Technical College - Waco	27,927,618	28,127,398
Texas Agricultural Experiment Station	62,614,625	62,614,626
Texas Cooperative Extension	59,091,186	59,091,186
Texas Engineering Experiment Station	67,816,755	67,819,951
Texas Transportation Institute	34,366,695	35,081,764
Texas Engineering Extension Service	59,288,608	60,577,617
Texas Forest Service	35,328,766	35,328,767
Texas Wildlife Damage Management Service	3,278,256	3,278,255
Texas Veterinary Medical Diagnostic Laboratory	10,413,489	10,413,490
Texas Food and Fibers Commission	4,559,196	4,559,197
Subtotal, Agencies of Education	$ 25,435,215,352	$ 24,168,973,531

RECAPITULATION - ARTICLE III
AGENCIES OF EDUCATION
(All Funds)
(Continued)

Retirement and Group Insurance	20,408,487	20,740,359
Social Security and Benefit Replacement Pay	215,139,037	219,306,113
Subtotal, Employee Benefits	$ 235,547,524	$ 240,046,472
Bond Debt Service Payments	555,093	555,360
Lease Payments	8,252,533	8,258,547
Subtotal, Debt Service	$ 8,807,626	$ 8,813,907
Article III, Special Provisions, Rider Appropriations	69,010,727	15,010,724
Less Interagency Contracts	$ 44,143,896	$ 44,469,728
TOTAL, ARTICLE III - AGENCIES OF EDUCATION	$ 25,704,437,333	$ 24,388,374,906
Number of Full-Time-Equivalent Positions (FTE)- Appropriated Funds	81,726.4	82,132.1