

*Legislative Appropriations Request*

For Fiscal Years 2006 and 2007

Submitted to the Governor's Office of Budget, Planning and Policy  
and the Legislative Budget Board

by

The University of Texas System  
Available University Fund

**REVISED**

October 2004

*Legislative Appropriations Request*

For Fiscal Years 2006 and 2007

Submitted to the Governor's Office of Budget, Planning and Policy  
and the Legislative Budget Board

by

The University of Texas System  
Available University Fund

**REVISED**

October 2004

THE UNIVERSITY OF TEXAS SYSTEM AVAILABLE UNIVERSITY FUND  
TABLE OF CONTENTS

Administrator's Statement .....	1
Summary of Base Request by Strategy.....	4
Summary of Base Request by Method of Finance .....	5
Summary of Base Request by Object of Expense.....	6
Summary of Base Request Objective Outcomes .....	7
Summary of Exceptional Items Request .....	8
Summary of Total Request by Strategy.....	9
Summary of Total Request Objective Outcomes.....	11
Strategy Requests .....	12
Supporting Schedules	
Schedule 1 - Summary by Appropriation Bill Pattern.....	15
Schedule 2 - Estimates of Income .....	16
Schedule 2a - Proposed Utilization of Net Available Fund Income.....	17

**The University of Texas System  
Permanent University Fund / Available University Fund  
Administrator's Statement**

The Board of Regents is the governing body for The University of Texas System. It is composed of nine members who are appointed by the Governor and confirmed by the Senate. Terms are of six years each and staggered, with the terms of three members expiring on February 1 of odd-numbered years. Robert A. Estrada of Dallas, Woody L. Hunt, Vice-Chairman, of El Paso, and Robert B. Rowling, of Dallas are appointed to terms expiring in 2005. Rita Crocker Clements, Vice-Chairman, of Dallas, Judith L. Craven, M.D. of Houston and Cyndi Taylor Krier, Vice-Chairman, of San Antonio are appointed to terms expiring in 2007. John W. Barnhill, Jr., of Brenham, H. Scott Caven, Jr., of Houston, and James Richard Huffines, Chairman, of Austin, are appointed to terms expiring in 2009.

The Permanent University Fund (PUF) is a state endowment fund contributing to the support of 18 institutions and 6 agencies of The University of Texas System and The Texas A&M University System. The Texas Constitution of 1876 established the PUF through the appropriation of land grants previously given to The University of Texas at Austin plus one million acres. The land grants to the PUF were completed in 1883 with the contribution of an additional one million acres of land. The Board of Regents of The University of Texas System (UT Board) manages the PUF.

PUF Lands today consist of approximately 2.1 million acres of land primarily located in West Texas. The UT Board has actively leased the surface and mineral interests of the PUF Lands since 1923. As mandated by the Constitution, all surface lease income is deposited in the Available University Fund (AUF). Annual surface income is approximately \$6.4 million. The Constitution also requires that all income from the sale of PUF Lands and leasing of mineral interests be retained within the PUF and invested in PUF investments.

The UT Board entered into an investment management contract on March 1, 1996, with The University of Texas Investment Management Company (UTIMCO), to invest the PUF assets in accordance with section 66.08 of the Texas Education Code. PUF Investments are invested in a diversified portfolio of equity, fixed income and derivative securities in accordance with the prudent investor standard. In accordance with the Constitution, distributions made from the PUF to the AUF are from the total return on all investments assets of the PUF, including the net income attributable to the surface of PUF land. Total return includes income return as well as realized and unrealized capital gains. Additionally, the expenses of managing PUF land and investments are paid from PUF assets. The amount of any distributions to the AUF is determined by the Board of Regents of The University of Texas System in a manner intended to provide the AUF with a

stable and predictable stream of annual distributions and to maintain over time the purchasing power of PUF investments and annual distributions to the AUF. The distributions to the AUF are subject to the following overriding conditions:

1. A minimum amount equal to the amount needed to pay debt service on PUF bonds;
2. No increase from the preceding year (except as necessary to pay debt service on PUF bonds) unless the purchasing power of PUF Investments for any rolling 10-year period has been preserved;
3. A maximum amount equal to 7 percent of the average net fair market value of PUF Investments in any fiscal year, except as necessary to pay debt service on PUF bonds.

Distributions to the AUF from the PUF are allocated two-thirds for the benefit of eligible institutions of the UT System and one-third for the benefit of eligible institutions of The Texas A&M University System. PUF distributions paid to the AUF are expended by each university system to fund two major programs:

- The Constitution authorizes the UT Board and the A&M Board to issue bonds (PUF bonds) payable from their respective interests in PUF distributions to finance capital expenditures. The UT Board and A&M Board are authorized to issue bonds secured by each system's interest in PUF distributions in an amount not to exceed 20% and 10%, respectively, of the book value of PUF assets at the time of issuance. At August 31, 2004, The University of Texas System had outstanding PUF bonds of \$888.8 million. When combined with the outstanding Texas A&M University System PUF bonds and notes of \$304.0 million, the outstanding debt is approximately 15.2% of the book value of the PUF; well below the constitutional limit of 30%.
- PUF distributions, after payment of debt service on PUF bonds, are used to fund academic programs at UT Austin, Texas A&M University and Prairie View A&M University.

Additions to the PUF during the 2004 fiscal year were \$146,674,883 including \$103,080,866 from oil, gas and sulphur royalties, \$43,235,034 from mineral lease rentals and bonuses, and \$358,983 from miscellaneous sources. The PUF also had additions of \$731,841,962 from realized gains on securities transactions during the year.

The total book value of the PUF at August 31, 2004 was \$7,822,475,630. This amount included securities and cash of \$7,812,448,246, and land carried at a nominal value of \$10,027,384.

Distributions from the Permanent University Fund Investments are projected to be as follows:

Actual 2004 \$348.0 million  
Actual 2005 \$341.2 million  
Projected 2006 \$353.3 million  
Projected 2007 \$382.5 million

The projected PUF distributions are based primarily on an assumed annual investment return of 8.36% and an annual distribution formula equal to 4.75% of PUF market value of investments for the preceding 12 quarters ending February 28 of each year.

Overall, the investments of the PUF are broadly diversified and of consistently excellent quality. Risk and return are continuously assessed to assure sound professional results in varied economic circumstances.

**2.A. SUMMARY OF BASE REQUEST BY STRATEGY**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/14/2004  
 TIME: 9:28:10AM

Agency code: 799 Agency name: Available University Fund

Goal / Objective / STRATEGY	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
<b>1</b> Provide Management and Administrative Support for Endowment Funds					
<b>1</b> Available University Fund					
<b>2</b> TEXAS A&M UNIV SYSTEM ALLOCATION	123,188,356	118,536,628	115,867,423	119,912,566	129,729,364
<b>3</b> THE UNIV OF TEXAS SYSTEM ALLOCATION	251,489,813	240,092,275	233,944,444	242,667,132	262,955,728
<b>TOTAL, GOAL 1</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*</b>				<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>
<b>METHOD OF FINANCING:</b>					
<b>11</b> Available University Fund No. 011					
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>

\*Rider appropriations for the historical years are included in the strategy amounts.

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/14/2004  
 TIME: 9:28:27AM

METHOD OF FINANCING	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
<b>OTHER FUNDS</b>					
<b>11</b> Available University Fund No. 011					
REGULAR APPROPRIATIONS					
Art III, Estimated Appropriation - AUF	\$373,993,219	\$363,849,946	\$350,086,651	\$362,579,698	\$392,685,092
Revised Receipts	\$684,950	\$(5,221,043)	\$(274,784)	\$0	\$0
<b>TOTAL, Available University Fund No. 011</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>
<b>TOTAL, ALL OTHER FUNDS</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>
<b>GRAND TOTAL</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>

**FULL-TIME-EQUIVALENT POSITIONS**

**TOTAL, ADJUSTED FTES**



**2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/14/2004  
 TIME: 9:28:43AM

Agency code: 799

Agency name: Available University Fund

<b>OBJECT OF EXPENSE</b>	<b>Exp 2003</b>	<b>Est 2004</b>	<b>Bud 2005</b>	<b>BL 2006</b>	<b>BL 2007</b>
2009 OTHER OPERATING EXPENSE	\$374,678,169	\$358,628,903	\$349,811,867	\$362,579,698	\$392,685,092
<b>OOE Total (Excluding Riders)</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>

**2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES**

Date : 8/19/2004

Time: 8:56:54AM

Automated Budget and Evaluation system of Texas (ABEST)

---

Agency code: 799

Agency name:

Goal/ Objective / Outcome

---

NOT APPLICABLE

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

DATE: 8/19/2004  
TIME: 8:58:41AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 799

Agency name:

Priority	Item	Biennium							
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
<b>Total, Exceptional Items Request</b>									
<b>Method of Financing</b>									
General Revenue		NONE							
General Revenue - Dedicated									
Federal Funds									
Other Funds									
		\$	0		\$	0		\$	0

Full Time Equivalent Positions

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/14/2004  
 TIME : 9:29:35AM

Agency code: 799                      Agency name: Available University Fund

Goal/Objective/STRATEGY	Base 2006	Base 2007	Exceptional 2006	Exceptional 2007	Total Request 2006	Total Request 2007
<b>1 Provide Management and Administrative Support for Endowment Funds</b>						
<b>1 Available University Fund</b>						
<b>2 TEXAS A&amp;M UNIV SYSTEM ALLOCATION</b>	\$ 119,912,566	\$ 129,729,364	\$ 0	\$ 0	\$ 119,912,566	\$ 129,729,364
<b>3 THE UNIV OF TEXAS SYSTEM ALLOCATION</b>	242,667,132	262,955,728	0	0	242,667,132	262,955,728
<b>TOTAL, GOAL 1</b>	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/14/2004  
 TIME : 9:29:48AM

Agency code: 799                      Agency name: Available University Fund

Goal/Objective/STRATEGY	Base 2006	Base 2007	Exceptional 2006	Exceptional 2007	Total Request 2006	Total Request 2007
<b>Other Funds:</b>						
11 AVAILABLE UNIVERSITY FUND	\$ 362,579,698	\$ 392,685,092	\$ 0	\$ 0	\$ 362,579,698	\$ 392,685,092
	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>

FULL TIME EQUIVALENT POSITIONS

**2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES**

Date : 8/19/2004

Time: 8:55:22AM

Automated Budget and Evaluation system of Texas (ABEST)

---

Agency code: 799

Agency name:

Total  
Request

Total  
Request

---

Goal/ Objective / Outcome

NOT APPLICABLE

**3.A. STRATEGY REQUEST**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/14/2004  
 TIME: 9:30:12AM

Agency code: 799      Agency name: Available University Fund

GOAL: 1 Provide Management and Administrative Support for Endowment Funds  
 OBJECTIVE: 1 Available University Fund  
 STRATEGY: 2 Texas A&M University System Available University Fund Allocation

Statewide Goal/Benchmark: 2 0  
 Service Categories:  
 Service: 19    Income: A.2    Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Objects of Expense:</b>						
	2009 OTHER OPERATING EXPENSE	\$123,188,356	\$118,536,628	\$115,867,423	\$119,912,566	\$129,729,364
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$123,188,356</b>	<b>\$118,536,628</b>	<b>\$115,867,423</b>	<b>\$119,912,566</b>	<b>\$129,729,364</b>
<b>Method of Financing:</b>						
	11 AVAILABLE UNIVERSITY FUND	\$123,188,356	\$118,536,628	\$115,867,423	\$119,912,566	\$129,729,364
	<b>SUBTOTAL, MOF (OTHER FUNDS)</b>	<b>\$123,188,356</b>	<b>\$118,536,628</b>	<b>\$115,867,423</b>	<b>\$119,912,566</b>	<b>\$129,729,364</b>
	<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>				<b>\$119,912,566</b>	<b>\$129,729,364</b>
	<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>	<b>\$123,188,356</b>	<b>\$118,536,628</b>	<b>\$115,867,423</b>	<b>\$119,912,566</b>	<b>\$129,729,364</b>

**FULL TIME EQUIVALENT POSITIONS:**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Available University Fund allocable to the Board of Regents of Texas A&M University is hereby requested 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.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**3.A. STRATEGY REQUEST**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/14/2004  
 TIME: 9:30:18AM

Agency code: 799      Agency name: Available University Fund

GOAL:            1   Provide Management and Administrative Support for Endowment Funds  
 OBJECTIVE:    1   Available University Fund  
 STRATEGY:    3   The University of Texas System Available University Fund Allocation

Statewide Goal/Benchmark:    2    0  
 Service Categories:  
 Service: 19    Income: A.2    Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Objects of Expense:</b>						
	2009 OTHER OPERATING EXPENSE	\$251,489,813	\$240,092,275	\$233,944,444	\$242,667,132	\$262,955,728
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$251,489,813</b>	<b>\$240,092,275</b>	<b>\$233,944,444</b>	<b>\$242,667,132</b>	<b>\$262,955,728</b>
<b>Method of Financing:</b>						
	11 AVAILABLE UNIVERSITY FUND	\$251,489,813	\$240,092,275	\$233,944,444	\$242,667,132	\$262,955,728
	<b>SUBTOTAL, MOF (OTHER FUNDS)</b>	<b>\$251,489,813</b>	<b>\$240,092,275</b>	<b>\$233,944,444</b>	<b>\$242,667,132</b>	<b>\$262,955,728</b>
	<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>				<b>\$242,667,132</b>	<b>\$262,955,728</b>
	<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>	<b>\$251,489,813</b>	<b>\$240,092,275</b>	<b>\$233,944,444</b>	<b>\$242,667,132</b>	<b>\$262,955,728</b>

**FULL TIME EQUIVALENT POSITIONS:**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Residue of the Available University Fund allocable to The University of Texas System is hereby requested for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas Constitution and, pursuant to the authorization of Article VII, Section 11(a) and 18 of the Constitution, for permanent improvements, new construction, equipment, repairs and rehabilitation, physical plant operation and maintenance, and education and general activities of The University of Texas System Administration, and The University of Texas at Austin.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**



**3.A. STRATEGY REQUEST**  
79th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/14/2004  
TIME: 9:30:18AM

---

**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$362,579,698</b>	<b>\$392,685,092</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$374,678,169</b>	<b>\$358,628,903</b>	<b>\$349,811,867</b>	<b>\$362,579,698</b>	<b>\$392,685,092</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>					

**SCHEDULE 1  
SUMMARY BY APPROPRIATION BILL PATTERN  
EXPENSES OF REVENUE BEARING PROPERTY**

Agency	Agency Name: The University of Texas System Administration	Prepared By:		Date:		
799	Available University Fund	Randy Wallace		October 2004		
Item No.		Expended			Requested	
		Actual 2003	Estimated Actual 2004	Budgeted 2005	2006	2007
1	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 at . . . . .	123,188,356	118,536,628	115,867,423	119,912,566	129,729,364
2.	The Residue of the Available Fund allocable to The University of Texas System is hereby appropriated for the purpose of retiring obligations incurred under the authority of Article VII, Section 18 of the Texas constitution and, pursuant to the authorization of Article VII, Section 11(a) and 18 of the constitution, for permanent improvements, new construction, equipment, repairs and rehabilitation, physical plant operation and maintenance, and educational and general activities of The University of Texas System Administration, and The University of Texas at Austin, estimated at . . . . .	251,489,813	240,092,275	233,944,444	242,667,132	262,955,728
<b>3.</b>	<b>TOTAL AVAILABLE UNIVERSITY FUND estimated at . . . . .</b>	<b>\$ 374,678,169</b>	<b>\$ 358,628,903</b>	<b>\$ 349,811,867</b>	<b>\$ 362,579,698</b>	<b>\$ 392,685,092</b>

**SCHEDULE 2  
ESTIMATES OF INCOME**

Agency	Name of Agency: The University of Texas System Administration	Prepared by:	Date:			
Code: 799	Available University Fund	Randy Wallace	October 2004			
		<b>INCOME</b>				
Item No.	Description	Actual 2003	Actual 2004	Budgeted 2005	Requested	
					2006	2007
	Divisible with A&M University					
1.	Permanent University Fund Distributions	\$ 363,022,043	\$ 348,033,578	\$ 341,174,270	\$ 353,309,698	\$ 382,510,092
2.	Interest on AUF Daily Balances	5,340	4,493	0	0	0
3.	Grazing and Hunting Lease Rental	2,494,273	3,156,845	2,600,000	2,600,000	2,650,000
4.	Surface Easements and Leases	3,098,417	3,297,541	3,000,000	3,000,000	3,000,000
5.	Exploration Permits	2,500	1,500	3,000	3,000	3,000
6.	Other Income - West Texas Lands	533,817	840,928	525,000	525,000	525,000
7.	Wine Royalties	408,678	275,000	300,000	300,000	500,000
8.	Gross Divisible Income	<u>369,565,068</u>	<u>355,609,885</u>	<u>347,602,270</u>	<u>359,737,698</u>	<u>389,188,092</u>
9.	Less: 1/3 to A&M University (Schedule 1, Item No. 1)	<u>123,188,356</u>	<u>118,536,628</u>	<u>115,867,423</u>	<u>119,912,566</u>	<u>129,729,364</u>
10.	Net 2/3 Share to The University of Texas System	246,376,712	237,073,257	231,734,847	239,825,132	259,458,728
	Non-Divisible:					
11.	Interest on Daily AUF Balances	5,113,101	3,019,018	2,209,597	2,842,000	3,497,000
12.	Estimated Net Income, The University of Texas System Share	<u>\$ 251,489,813</u>	<u>\$ 240,092,275</u>	<u>\$ 233,944,444</u>	<u>\$ 242,667,132</u>	<u>\$ 262,955,728</u>
	(Schedule 2a, Item No. 1 and Schedule 1, Item No. 2)					

**SCHEDULE 2a**  
**PROPOSED UTILIZATION OF NET AVAILABLE FUND INCOME**

Agency Code: 799	Name of Agency: The University of Texas System Administration Available University Fund	Prepared by: Randy Wallace			Date: October 2004	
Item No.	Description	EXPENSE				
		Actual 2003	Actual 2004	Budgeted 2005	Requested	
		2006	2007			
1.	Estimated Net Income - The University of Texas System Share (Schedule 2, Item No. 12 and Schedule 1, Item No. 2) Less Debt Service:	\$ 251,489,813	\$ 240,092,275	\$ 233,944,444	\$ 242,667,132	\$ 262,955,728
	Permanent University Fund:					
2.	Refunding Bonds, Series 1996	28,977,333	68,605,834	27,073,940	27,067,340	27,108,753
3.	Bond Series 1997	10,422,194	28,235,374	6,360,300	6,358,844	6,357,819
4.	Bond Series 2002A	16,194,180	16,151,979	16,123,167	16,142,917	16,141,083
5.	Bond Series 2002B	9,630,402	9,652,594	9,681,187	9,681,187	9,681,187
6.	Bond Series 2004A	0	1,956,999	2,996,000	2,996,000	2,996,000
7.	Bond Series 2004B	0	7,014,228	18,512,925	18,512,925	18,512,925
8.	Bond Series 2005 - 2007	0	0	11,992,935	31,274,595	33,924,244
9.	Flexible Rate Notes, Series A	4,510,860	0	0	0	0
	Subtotal, Debt Service	<u>69,734,969</u>	<u>131,617,008</u>	<u>92,740,454</u>	<u>112,033,808</u>	<u>114,722,011</u>
10.	Net Available University Fund Income	<u>\$ 181,754,844</u>	<u>\$ 108,475,267</u>	<u>\$ 141,203,990</u>	<u>\$ 130,633,324</u>	<u>\$ 148,233,717</u>
	Allocations to:					
	System Administration					
11.	Operating Budget	\$ 23,637,886	\$ 26,011,388	\$ 25,751,391	\$ 26,395,176	\$ 27,055,055
12.	Capital Budget	2,830,476	0	0	0	0
13.	Distance Education	2,652,145	2,036,435	1,988,029	2,037,730	2,088,673
	The University of Texas at Austin					
14.	For Educational Programs and Projects (over and above General Appropriation)	114,800,000	108,300,000	105,275,000	109,205,000	118,335,000
15.	Building Revenue Bond Reimbursement	3,401,650	3,427,856	0	0	0
16.	National Center for Educational Accountability	450,000	0	0	0	0
17.	Sandia National Laboratories Project	102,202	0	0	0	0
18.	System-wide Technology and Telecommunications	1,060,000	1,060,000	1,060,000	1,086,500	1,113,663
19.	Other Transfers and Changes	0	3,310,701	0	0	0
20.	Net Allocations of Available University Fund Income	<u>\$ 148,934,359</u>	<u>\$ 144,146,380</u>	<u>\$ 134,074,420</u>	<u>\$ 138,724,406</u>	<u>\$ 148,592,391</u>