

LEGISLATIVE APPROPRIATIONS REQUEST

For Fiscal Years 2026 and 2027

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

by

The Texas A&M University System Offices



October 18, 2024



CERTIFICATE

Agency Name 710 - Texas A&M University System Office

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Office of the Governor will be notified in writing in accordance with House Bill 1, Article IX, Section 7.01, Eighty-eighth Legislature, Regular Session, 2023.

Chief Executive Officer or Presiding Judge

Signature

John Sharp

Printed Name

Chancellor

Title

August 2, 2024

Date

Chief Financial Officer

Signature

Billy Hamilton

Printed Name

Deputy Chancellor and Chief Financial Officer

Title

August 2, 2024

Date

Board or Commission Chair

Signature

William Mahomes, Jr.

Printed Name

Chairman, Board of Regents

Title

8/9/2024

Date

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The Texas A&M University System

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The Texas A&M University System

Schedules Not Included

For the Schedules identified below, Texas A&M University System Offices has no information to report or the schedule is not applicable. These schedules have been excluded from the Texas A&M University System Offices legislative appropriations for the 2024-2025 biennium.

Summary of Request

- 2C.1. Operating Cost detail-Base Request
- 2D. Summary of Base Request Objective Outcomes
- 2G. Summary of Total Request Objective Outcomes
- 3C. Rider Appropriations and Unexpended Balances Request
- General Revenue(GR) & General Revenue Dedicated (GR-D) Baseline
- 5.A-E. Capital Budget Project Schedules

Supporting Schedules

- 6.C. Federal funds Supporting Schedule
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- 6.F.a. Advisory Committee Supporting Schedule Part A
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- 6.J. Behavioral Health
- 6.K. Part A & B Budgetary Impacts and Summary of Costs Related to Recently Enacted State Legislation Schedule

Higher Education Schedules

- Schedule 1A - Other Educational and General Income
- Schedule 3A - Staff Group Insurance Data Element (ERS)
- Schedule 3D Group Insurance Data Element (Supplement)

710 Texas A&M University System Administrative and General Offices

The people of The Texas A&M University System can be found filling many of the most critical roles in our society. Whether it's teaching, training, researching, or responding, when there is need for someone to serve the greater good, we are there.

The students, faculty, and staff at the A&M System's 11 universities are drawn to the Texas A&M System institutions out of a drive to learn, to serve, and to improve their communities and the world around them. The employees of the eight state agencies within our System share the same sense of duty. The result is a unique and special organization with mission-oriented people who are focused on achieving worthy goals to improve the lives of Texans while serving as a major force in the state's economy.

The land grant heritage of the Texas A&M System defines who we are today: a university system dedicated to serving the people and economy of our great state. Below are some examples of our work to expand educational opportunities:

- The Texas A&M System institutions have grown enrollments to 157,063 students, an increase of over 4,657 students since Fall 2022. We will continue to grow in Fall 2024 and beyond as we do our part to fulfill the state's goal to expand higher education to more Texans.
- Within the Texas A&M System, 11.0 percent of students are African American, a 4.8 percent increase from Fall 2022 to Fall 2023. Additionally, 32.0 percent of students enrolled System-wide are Hispanic, a 3.1% increase from Fall 2022 to Fall 2023.
- In Fall 2023, more than 34,000 students are age 25 or older.
- The Texas A&M System includes 8 federally-designated Hispanic Serving institutions and Prairie View A&M University, which is both a Historically Black University (HBCU) and the state's 1890 Land-grant institution.
- Research, which feeds into the state's economic engine, has grown over 39 percent over the last five years to a total of \$1.4 billion in research expenditures in FY 2023, as reported to the National Science Foundation.

TEXAS A&M-RELLIS

The 2,300-acre RELLIS campus is an unparalleled, collaborative ecosystem built to foster advanced research, technology development, testing and evaluation, innovative education, and hands-on career training. RELLIS partners with corporate, government, military, and educational institutions for applied research, development, testing and evaluation opportunities. With financial support from the State of Texas, the U.S. Army, and others, the A&M System has invested over \$1 billion in the RELLIS campus since 2016. Key research facilities include the George H.W. Bush Combat Development Complex (BCDC), the Center for Infrastructure Renewal (CIR), and Texas A&M Transportation Institute (TTI).

BCDC was created thanks to an agreement between the A&M System and U.S. Army Futures Command with a foundational investment from the State of Texas. BCDC facilities include the Innovation Proving Ground (IPG), the Research Integration Center (RIC), and the largest enclosed hypersonic testing facility in the nation -- the Ballistic, Aero-Optics, and Materials (BAM) testing range which became operational in August 2024. These facilities enable multidisciplinary research and prototype testing as the Army accelerates high-tech development for next-generation battlefield readiness.

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During the summer of 2023, the Texas Division of Emergency Management (TDEM) opened its first regional headquarters at RELLIS. The facility includes an Emergency Operations Center and serves as a central staging and storage and distribution facility to support the region's emergency management needs and can house up to 200 first responders. As was demonstrated with Hurricane Beryl, the strategic location of this facility and resources augments and enhances response operations during a disaster.

On the educational side, the RELLIS Academic Alliance is a collaborative effort between the Blinn College District and Texas A&M System's universities which began enrolling students in associate and bachelor's degree academic programs in the Fall of 2018. This collaboration provides a seamless transfer process for community college students interested in earning a bachelor's degree, all in one location. As of Fall 2024, nine A&M System regional universities have a presence at the RELLIS Campus through one or more academic programs. Collectively, they offer 26 bachelor's degree programs tailored to the needs of students and employers from Brazos County and the entire state and is among the most affordable tuition in Texas. The RELLIS Academic Alliance's program offering will be further enhanced by the addition of a new 50,000 square foot STEM Education Center which will open in fall 2025. The facility is designed to encourage students in STEM-related education disciplines to take a hands-on approach to learning and experimentation and includes a machine shop, a wood shop, makerspaces, 3D printing and prototyping capabilities, an augmented reality simulation area and general education spaces.

In addition, the A&M System's state agencies provide workforce development and training at the RELLIS Campus, with training and certificate programs in areas such as construction skills, safety, utilities, equipment operation, cybersecurity and much more.

Finally, the RELLIS campus continues to provide opportunities to advance solutions to the state's major challenges, such as developing energy sources to secure the electrical grid. Detailed in an exceptional item request below, the A&M System is proposing the Energy Proving Ground to bolster Texas' leading role in the energy industry by promoting cutting-edge research and development and already is moving forward with an RFP focused on nuclear reactor options to meet future electrical energy needs at RELLIS and for the state.

TEXAS A&M-FORT WORTH

One of the A&M System's key initiatives is expanding the new A&M Fort Worth campus, at the invitation and with the support of local government and the business community, to create a leading academic research campus for the region.

The 3.5-acre campus will feature three distinct buildings and campus greenspace. It will provide a backbone of research and education coupled with a diverse range of innovative education, workforce development, research, technology and service programs offered by Texas A&M University, Tarleton State University, Texas A&M Health Science Center, AgriLife Research, TEES, and TDEM.

Construction of the first building, the Law and Education Building, is scheduled to be completed in December 2025. This building will be the new home of the new top-ranked nationally Texas A&M School of Law and feature space for additional academic programs including medical technology, nursing, engineering, and others. In addition to these academic programs, the Fort Worth campus is expanding advanced workforce development opportunities. Many Fort Worth based industry partners, including Lockheed Martin, Raytheon, and others, will help to identify needs for upskilling, micro-credentialing, executive education in aerospace, advanced manufacturing, healthcare, visualization and other areas. Included in more detail below, the A&M System is requesting capital funding to add additional space for a Workforce Development Center to the second planned facility, the Research and Innovation Building.

710 Texas A&M University System Administrative and General Offices

A&M SYSTEM AGENCIES

Our state agencies are an integral part of the fabric that makes up the Texas A&M System, and they help us achieve our land grant mission. The eight agencies include: Texas A&M AgriLife Research, Texas A&M AgriLife Extension, Texas A&M Engineering Experiment Station (TEES), Texas A&M Transportation Institute (TTI), Texas A&M Engineering Extension Service (TEEX), Texas A&M Forest Service (TAMFS), Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL), and the Texas Division of Emergency Management (TDEM). With a direct presence in all 254 Texas counties, A&M System Agencies offer research, training, and service to the state's citizens to improve the social, economic, educational, and health status of Texans, while also supporting statewide disaster preparedness and response.

The A&M agencies are called upon regularly to respond to the needs of Texans and fellow Americans in times of disaster. Under the leadership of TDEM, our unique network of highly trained employees – which includes those from TEEX's acclaimed Texas A&M Task Force One and TAMFS – rush to serve people, animals, and property when endangered by wildfires, hurricanes, floods and other disasters as well as cyber-attacks on local municipalities whenever and wherever they occur. AgriLife Extension personnel who live in the communities are there to help their communities throughout the long recovery process.

RISING COSTS OF EDUCATING THE STATE'S STUDENTS

With some of the most affordable public university tuition and lowest student debt in the country, Texas continues to demonstrate a strong commitment to supporting higher education. However, in making funding recommendations for the upcoming session, the Texas Higher Education Coordinating Board's Formula Advisory Committee noted that students "now require more support services than previous generations, resulting in increased costs for institutions as they meet students where they are to help them succeed. As costs increase, it becomes more difficult for institutions to continue to provide the same level of high-quality, affordable education needed to meet the state's education and workforce goals. Recognizing the value of affordable public higher education, the 88th Texas Legislature made significant investments in higher education to help ensure academic institutions have the financial resources needed to continue to provide affordable, high-quality education to students. However, since those investments were made, inflation has continued to rise, increasing costs across institutions." Through these recommendations the Texas Higher Education Coordinating Board recognized the importance of both: (1) maintaining the investments the legislature made last session in higher education and (2) providing additional state support to address ongoing increasing costs due to record inflation.

HIGH PRIORITY REQUESTS OF THE TEXAS A&M UNIVERSITY SYSTEM

Texas' future depends on a well-educated population and strong workforce. A robust higher education sector is essential to ensuring the long-term economic growth and resiliency of our state. The 88th Legislature recognized this importance by making historic investments in higher education, including several key base funding streams – formulas, performance funding for comprehensive regional universities (CRUs), health insurance, and reimbursement for Hazlewood Legacy students – as well as supporting emerging research institutions and community colleges. We are grateful for this investment but continue to face challenges such as high inflation as we strive to meet the increasing needs of our students.

Over the last few decades, state appropriations have declined as a share of the support of education. In 1982, the state provided over 85 percent of the support for a full-time student at a Texas A&M System institution; before the investments last session that support dropped to 32 percent. While lawmakers have made strides to ease this decline, in the recent high inflation environment our institutions are facing steep increases in every area, from labor costs to fuel to IT costs, as well as support services needed for our students.

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College success looks very different in 2024 than it did even a decade or two ago and requires much more in the way of both hands-on support for students and expensive technology such as learning management and student information systems. The needs of our students have grown increasingly complex and have meant our faculty and staff must provide a broader set of services to support them, especially in the areas of mental health, advising, tutoring, supplemental instruction, and financial planning.

The entire Texas A&M System is committed to continuing to implement cost saving measures, seek efficiencies in how we provide our services, and keep tuition and fees as low as possible for our students, all while providing a high-quality education that will prepare them for the workforce. However, continued investment in higher education is essential to maintain our service to the state. Key funding priorities are detailed below:

Base Funding – Maintaining an equitable, reliable, and predictable source of funding for higher education is critical to allow our institutions to plan, teach, and support our students through to graduating and entering the workforce. This base funding is provided by the state through both formula and non-formula support.

Formula funding, which accounts for the majority of our institutions' net GR appropriations, supports the core instructional, operational, and infrastructure costs at our institutions. Our highest priority is additional funding in the formulas to cover student enrollment growth and address inflation to offset pressure on tuition.

Until formula funding can keep pace with enrollment growth, inflation and cost increases, non-formula support remains a critical source of base funding. Moreover, as needs for student services grow, non-formula support items increasingly serve as an important source of support for our students and academic programs. We request that non-formula support items be maintained at current levels in the upcoming biennium in order to maintain vital academic programs and student support services.

Performance Based Funding for Comprehensive Regional Universities (CRUs) – Affordable and accessible, regional universities support their local communities and serve a distinct student population in their areas. This outcomes-based funding has been transformational in retaining and supporting at-risk students at the state's 27 regional universities. For the upcoming biennium, we request continued funding for student support programs at our Comprehensive Regional Universities. With this support, these institutions can continue to address the state's decline in direct enrollment from high school to college and close the gap in these institutions' graduation rates compared to the emerging research and research institutions. Increasing regionals' college enrollment and graduation rates will add more skilled employees to the workforce and improve regional economies.

A&M System Agencies

Base Funding: Thank you for the investment you made in our agency employees last session by providing the state-wide pay raise which included the A&M System agencies. This support for our workforce has made a significant difference in our ability to recruit and retain employees, but sustainable base funding to keep up with growth continues to be an issue as agencies face steep cost increases in every area.

The A&M System agencies are continuously tapped to help meet Texas' emergency preparedness and response to hurricanes, tornados, flooding, wildfires, the pandemic, and other events, while continuing to fulfill their ongoing research and service missions to improve the lives of Texans. While base funding is provided to institutions of higher education by the state through both formula and non-formula support, there is no mechanism to provide base funding to our agencies or to address increased need for their services as the state's population grows. These agencies are rapidly reaching the point where they cannot keep up. They are facing high turnover, difficulty in attracting qualified applicants, low salaries, high fuel costs, and high inflation for other operating costs.

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Keeping Texas Prepared – Last session, the legislature recognized the need to invest in the five emergency response agencies – AgriLife Extension, TAMFS, TVMDL, TEEX, and TDEM – by funding a set of exceptional item requests, Keeping Texas Prepared. This funding was critical in helping these agencies maintain their level of service to Texans in the areas of emergency response, training and workforce development, and testing and disease surveillance. These funds have made a significant difference, but both continuation of this initiative and additional support is vital to help these agencies Keep Texas Prepared. Each of the agencies has exceptional item requests that support their need for base funding and the additional needs for Keeping Texas Prepared.

Higher Education Group Health Insurance – Declining state support for our employees' health insurance over the last several biennia has required our institutions to cover these additional costs, effectively resulting in a budget cut to cover rising health care costs. We seek to maintain the investment made last session and request funding to cover increases in covered enrollments and in health care costs and funding to restore the gap in funding for our employees compared to state employees in the ERS group plan.

Currently the Texas A&M System group health plan only receives 88.6% of the funding for our employees and retirees that ERS receives for their employees and retirees. For the past eight years we have held employee rates level and covered the unfunded gap for our institutions with A&M System health plan reserves when possible but that is no longer an option. We cannot pass these costs on to our employees in this climate, and without additional state funding, the only other choices are to make unplanned budget reductions, reductions to plan benefits, increase tuition and fees, or to increase the cost dramatically to our employees.

Hazlewood Legacy Program – The A&M System is committed to serving our state's veterans, and we appreciate the increased relief provided last session for the Hazlewood Legacy program costs. However, veteran friendly universities like those in the A&M System with proportionally higher legacy enrollments continue to have an outsized burden when it comes to Hazlewood. We request additional state support to reimburse universities for 100 percent of their legacy Hazlewood costs.

Student Financial Aid – Increased support for student financial aid is vitally important to help students enroll in higher education and graduate with lower debt. We request increases to TEXAS grants to serve more students and provide for a larger share of their tuition and fee costs so students do not have to turn to loans to cover unmet needs. Additionally, we support the new Texas Leadership Research Scholars Program and the opportunities it provides for supporting graduate students. However, please note that financial aid is used by students to pay their tuition and fees and is not a substitute for state funding into the formulas.

Higher Education Fund – This session, as provided by the constitution, the 89th Legislature is required to review the allocation of and appropriations to the Higher Education Fund (HEF). The HEF funding is vital to the maintenance, major repair, and rehabilitation of our aging campuses. It is imperative that the HEF address not only the needs of growing institutions but also the needs of older campuses that need significant revitalization to be able to continue to provide high-quality, 21st century education to our students. Additional investment for this capital funding is critical to address dramatic increases in inflation, construction costs, and IT costs at our HEF institutions.

TEXAS A&M SYSTEM FUNDING REQUESTS

The Energy Proving Ground – RELLIS (\$200 million for the biennium)

Texas A&M System is requesting \$200 million for the Energy Proving Ground to cement Texas' leading role in the energy industry by promoting cutting-edge research and development across an array of energy technologies. Just as BCDC is a proving ground for advances in military warfare technology, this request will provide the same opportunity for advances in energy. Linking research with commercial operations will allow energy innovations to be tested and deployed at scale, to support the increasing energy needs being driven of the state's rapid growth.

Administrator's Statement

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Automated Budget and Evaluation System of Texas (ABEST)

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Creating an energy research test bed at RELLIS for the State of Texas would help to demonstrate commercial viability of a wide array of energy options while leveraging government incentives for energy transition and security through cooperation among the private sector, academia, government and the public. This collaborative atmosphere accelerates the development and implementation of energy transition solutions, fostering knowledge sharing, and the exchange of best practices.

Ballistic, Aero-optics, and Materials (BAM) Range – RELLIS (\$31,300,000 for the biennium)

Texas A&M University System – in partnership with the state of Texas and the Army Futures Command – has designed and built the largest fully enclosed hypersonic and directed energy range in the free world. Phase I of the BAM Range is scheduled to be completed in spring 2025, with a total length of 565 meters. The federal government has already appropriated \$35M in FY24 and is expected to appropriate an additional \$30M in FY25 for the necessary specialized equipment to extend the range to 1 kilometer.

Texas A&M System is requesting \$31,300,000 to provide the necessary infrastructure at Texas A&M RELLIS to house the specialized equipment and enable the use of this significant federal funding.

Capital Funding – We are very appreciative of the commitment the 87th Legislature made to higher education with the authorization for facilities to address our critically needed classrooms and labs. Given the ongoing need for capital support, each of our institutions has prepared a request for their next critical capital construction assistance. However, our top priority remains funding for our formulas and reversal of the overall erosion in state support due to Hazlewood and other policy decisions and increased support for the Higher Education Fund. It is vital that our universities receive the state funding needed to help us keep costs lower and keep higher education affordable for our students.

The Texas A&M University System requests the following:

Workforce Development Center – Fort Worth (\$80 million)

The Research and Innovation Building is the second of a three-building planned campus in downtown Fort Worth. The Texas A&M University System will locate multiple member agencies and academic units in this complex, with a goal that these units will activate dedicated space to attract industry partners and entrepreneurs interested in working in tandem with members of the Texas A&M University System. The new campus will strengthen collaboration among education, industry, and our entrepreneurial community in Fort Worth, Tarrant County, the region, and the state.

This request will support the new construction of an additional two floors in the Research and Innovation Building which will house a premier Workforce Development Center (WDC), which is a “best in class” facility for next generation workforce development planning and implementation in the metroplex to have a statewide impact. The estimated 75,000 GSF is an opportunity to both galvanize and energize workforce development from the metroplex to have a statewide impact. Facility plans include high-tech classroom spaces, medical simulation labs, robotics labs, a commercial kitchen and food processing lab, and collaborative space dedicated to workforce training opportunities.

Easterwood Airport Runway

Centrally located in the state, the Easterwood Airport in College Station is strategically situated to allow for the prompt deployment of state assets during statewide emergencies. As we approach the upcoming biennium, the Texas A&M System is exploring options for a new runway at the airport, which is approaching the end of its useful life.

Administrator's Statement

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Other Matters

Background Checks - As authorized by state law (Education Code and Government Code), and federal law (Fair Credit Reporting Act and Fair Chance Act), The Texas A&M University System conducts pre-employment criminal history background checks on all finalists for System Office positions. Current System Office employee's criminal history record information is subject to review at any time as permitted by law. Prospective and current employees have the opportunity, in accordance with applicable law, to request, receive, review, and correct information collected as a result of these criminal history background checks.

Programs Recommended for Consolidation or Elimination by the THECB

Pursuant to Sec. 61.0512(f), Education Code, the following is a list of programs the Texas Higher Education Coordinating Board recommended for consolidation or elimination that the A&M System Board of Regents approved for continuation: (1) Texas A&M University – Veterinary Public Health Epidemiology MS enrollment trends are increasing indicating that the program will meet or exceed the minimum graduate threshold soon; (2) Texas A&M University – Applied Physics PhD will benefit from targeted faculty hires and the development of an MS that will serve as a feeder into the program; (3) Prairie View A&M University – Clinical Adolescent Psychology PhD closed, redesigned, and reopened as a new program and moved to the College of Arts & Sciences with additional clinical faculty and support is poised to advance graduate production; (4) Texas A&M Corpus Christi – Early Childhood Education MS has been redesigned and is expected to be removed from the LPP list by 2025; (5) Texas A&M Kingsville – Spanish BA implemented an action plan resulting in additional recruitment into the program; (6) Texas A&M Kingsville – General Business Administration BBA has increased retention rates by 17% and increased graduates from the program; (7) Texas A&M Kingsville – Applied Arts and Sciences BAAS was originally scheduled to be phased out, but reversed in 2020 and enrollment is steadily increasing; (8) Texas A&M Texarkana – History MS is on track to exceed graduate requirements due to increased flexibility; (9) West Texas A&M – Art BA/BS will be combined with Studio Art without altering certification requirements to improve consistency and retention; (9) West Texas A&M – Studio Art MFA is being redesigned to accommodate students depending on career goals; (10) West Texas A&M – Social Sciences BA/BS has been reclassified and is now being reported correctly and is expected to be removed from the LPP list.

Board of Regents

Bill Mahomes, Dallas, Chairman, 2027

Robert L. Albritton, Fort Worth, Vice Chairman, 2027

David C. Baggett, Houston, 2029

John W. Bellinger, San Antonio, 2029

James R. “Randy” Brooks, San Angelo, 2027

Jay Graham, Houston, 2025

Michael A. “Mike” Hernandez III, Fort Worth, 2025

Michael J. Plank, Houston, 2025

Sam Torn, Houston, 2029

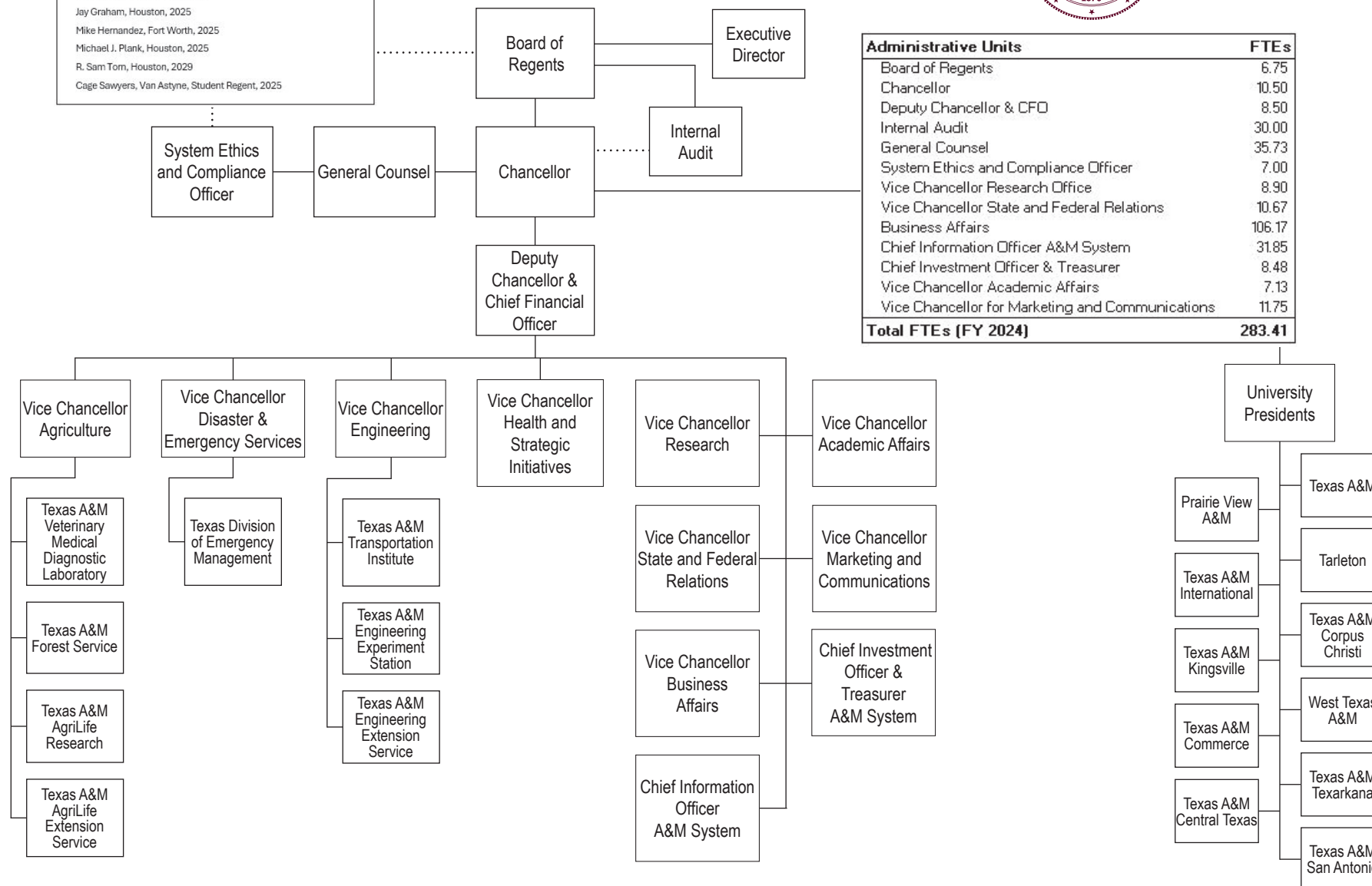
Cage Sawyers, Texas A&M University School of Law, Student Regent, May 2025

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Board of Regents
Bill Mahomes, Dallas, Chairman, 2027
Robert L. Albritton, Fort Worth, Vice Chairman, 2027
David C. Baggett Jr., Houston, 2029
John W. Bellinger, San Antonio, 2029
Randy Brooks, San Angelo, 2027
Jay Graham, Houston, 2025
Mike Hernandez, Fort Worth, 2025
Michael J. Plank, Houston, 2025
R. Sam Torn, Houston, 2029
Cage Sawyers, Van Astyne, Student Regent, 2025

The Texas A&M University System

ORGANIZATIONAL CHART



Functions of the Administrative Units:

Under the direction of the Board of Regents and Chancellor, The A&M System Office provides leadership and certain shared services for the system institutions including (but not limited to) financial, legal, auditing, and administrative services, academic and student program coordination, and HUB reporting, and oversight of board policy implementation.

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Budget Overview - Biennial Amounts
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

710 Texas A&M University System Administrative and General Offices
Appropriation Years: 2026-27

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2026-27
Goal: 2. Provide Infrastructure Support											
2.1.2. Ccap Revenue Bonds	7,572,050	7,572,054							7,572,050	7,572,054	13,949,530
Total, Goal	7,572,050	7,572,054							7,572,050	7,572,054	13,949,530
Goal: 3. Provide Non-formula Support											
3.1.1. Scholarships	1,463,052	1,463,052							1,463,052	1,463,052	
3.2.1. Center For Microdevices And Systems	26,400,000								26,400,000		
3.2.2. Quantum And Ai Chip Fab	199,963,000								199,963,000		
3.3.1. Study On Mental Health	1,500,000								1,500,000		
3.5.1. Exceptional Item Request											231,300,000
Total, Goal	229,326,052	1,463,052							229,326,052	1,463,052	231,300,000
Total, Agency	236,898,102	9,035,106							236,898,102	9,035,106	245,249,530
Total FTEs									117.8	117.8	12.0

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2.A. Summary of Base Request by Strategy

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Automated Budget and Evaluation System of Texas (ABEST)

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Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>2</u> Provide Infrastructure Support					
<u>1</u> Provide Operation and Maintenance of E&G Space					
2 CCAP REVENUE BONDS	4,219,085	3,786,025	3,786,025	3,786,025	3,786,029
TOTAL, GOAL 2	\$4,219,085	\$3,786,025	\$3,786,025	\$3,786,025	\$3,786,029
<u>3</u> Provide Non-formula Support					
<u>1</u> INSTRUCTIONAL SUPPORT					
1 SCHOLARSHIPS	731,526	731,526	731,526	731,526	731,526
<u>2</u> Research					
1 CENTER FOR MICRODEVICES AND SYSTEMS	0	26,400,000	0	0	0
2 QUANTUM AND AI CHIP FAB	37,000	1,242,983	198,720,017	0	0
<u>3</u> Public Service					
1 STUDY ON MENTAL HEALTH	0	750,000	750,000	0	0
<u>5</u> Exceptional Item Request					

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
1 EXCEPTIONAL ITEM REQUEST	0	0	0	0	0
TOTAL, GOAL 3	\$768,526	\$29,124,509	\$200,201,543	\$731,526	\$731,526
TOTAL, AGENCY STRATEGY REQUEST	\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	4,987,611	32,910,534	203,987,568	4,517,551	4,517,555
SUBTOTAL	\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555
TOTAL, METHOD OF FINANCING	\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555

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

2.B. Summary of Base Request by Method of Finance

10/18/2024 11:01:39AM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:	710	Agency name:	Texas A&M University System Administrative and General Offices			
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>GENERAL REVENUE</u>						
<u>1</u>	General Revenue Fund					
	REGULAR APPROPRIATIONS					
	Regular Appropriations from MOF Table (2022-23 GAA)	\$731,526	\$0	\$0	\$0	\$0
	Comments: Scholarship Support					
	Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$4,517,551	\$4,517,551	\$0	\$0
	Comments: Scholarship Support and CCAP Debt Service					
	Regular Appropriations from MOF Table (2026-27	\$0	\$0	\$0	\$4,517,551	\$4,517,555
	Comments: Scholarship Support and CCAP Debt Service					
	RIDER APPROPRIATION					
	Art. IX, Sec 17.35 Study on Mental Health	\$0	\$750,000	\$750,000	\$0	\$0
	TRANSFERS					
	SB 8, 87th Leg, Third Called Session					

2.B. Summary of Base Request by Method of Finance

10/18/2024 11:01:39AM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:	710	Agency name:	Texas A&M University System Administrative and General Offices			
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>GENERAL REVENUE</u>		\$4,219,085	\$0	\$0	\$0	\$0
Comments: CCAP Debt Service - RELLIS STEM Education Center						
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>						
SB 30, 88th Leg, Regular Session		\$200,000,000	\$0	\$0	\$0	\$0
Comments: Quantum and Artificial Intelligence Chip Fabrication						
SB 30, 88th Leg, Regular Session		\$26,400,000	\$0	\$0	\$0	\$0
Comments: Center for Micro-devices & Systems						
<i>UNEXPENDED BALANCES AUTHORITY</i>						
SB 30, 88th Leg, Regular Session		\$(199,963,000)	\$199,963,000	\$198,720,017	\$0	\$0
Comments: Quantum and Artificial Intelligence Chip Fabrication						
SB 30, 88th Leg, Regular Session		\$(26,400,000)	\$26,400,000	\$0	\$0	\$0
Comments: Center for Micro-devices & Systems						

2.B. Summary of Base Request by Method of Finance

10/18/2024 11:01:39AM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code:	710	Agency name:	Texas A&M University System Administrative and General Offices			
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>GENERAL REVENUE</u>						
SB 30, 88th Leg, Regular Session						
		\$0	\$(198,720,017)	\$0	\$0	\$0
Comments: Quantum and Artificial Intelligence Chip Fabrication						
TOTAL,	General Revenue Fund	\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555
TOTAL, ALL	GENERAL REVENUE	\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555
GRAND TOTAL		\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555

2.B. Summary of Base Request by Method of Finance

10/18/2024 11:01:39AM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 710	Agency name: Texas A&M University System Administrative and General Offices				
METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2022-23 GAA)	104.9	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	98.5	98.5	0.0	0.0
Regular Appropriations from MOF Table (2026-27 GAA)	0.0	0.0	0.0	117.8	117.8
RIDER APPROPRIATION					
Art. IX, Sec. 17.35 Study on Mental Health	0.0	15.0	15.0	0.0	0.0
Art IX, Sec 6.10(a)(1), Board or Administrator FTE Adjustment (2024-25 GAA)	0.0	0.0	4.3	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Adjusted FTE	(4.7)	(1.1)	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	100.2	112.4	117.8	117.8	117.8

**NUMBER OF 100% FEDERALLY FUNDED
FTEs**

2.C. Summary of Base Request by Object of Expense

10/11/2024 12:40:27PM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

710 Texas A&M University System Administrative and General Offices

OBJECT OF EXPENSE	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1001 SALARIES AND WAGES	\$0	\$506,897	\$1,356,850	\$0	\$0
1002 OTHER PERSONNEL COSTS	\$0	\$86,317	\$249,650	\$0	\$0
2001 PROFESSIONAL FEES AND SERVICES	\$37,000	\$408,146	\$1,727,717	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$0	\$1,576	\$8,511	\$0	\$0
2004 UTILITIES	\$0	\$401	\$1,522	\$0	\$0
2005 TRAVEL	\$0	\$27,015	\$128,775	\$0	\$0
2008 DEBT SERVICE	\$4,219,085	\$3,786,025	\$3,786,025	\$3,786,025	\$3,786,029
2009 OTHER OPERATING EXPENSE	\$0	\$17,743	\$20,251,917	\$0	\$0
4000 GRANTS	\$731,526	\$27,913,709	\$4,476,601	\$731,526	\$731,526
5000 CAPITAL EXPENDITURES	\$0	\$162,705	\$172,000,000	\$0	\$0
OOE Total (Excluding Riders)	\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555
OOE Total (Riders)					
Grand Total	\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555

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2.E. Summary of Exceptional Items Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/11/2024
TIME : 12:41:17PM

Agency code: 710

Agency name: Texas A&M University System Administrative and General Offices

		2026			2027			Biennium	
Priority	Item	GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Energy Proving Ground	\$28,000,000	\$28,000,000	6.0	\$172,000,000	\$172,000,000	12.0	\$200,000,000	\$200,000,000
2	BAM Range	\$31,300,000	\$31,300,000		\$0	\$0		\$31,300,000	\$31,300,000
3	Workforce Development Center	\$6,974,765	\$6,974,765		\$6,974,765	\$6,974,765		\$13,949,530	\$13,949,530
Total, Exceptional Items Request		\$66,274,765	\$66,274,765	6.0	\$178,974,765	\$178,974,765	12.0	\$245,249,530	\$245,249,530
Method of Financing									
	General Revenue	\$66,274,765	\$66,274,765		\$178,974,765	\$178,974,765		\$245,249,530	\$245,249,530
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$66,274,765	\$66,274,765		\$178,974,765	\$178,974,765		\$245,249,530	\$245,249,530
Full Time Equivalent Positions				6.0				12.0	
Number of 100% Federally Funded FTEs									

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2.F. Summary of Total Request by Strategy
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/11/2024
TIME : 12:42:19PM

Agency code: 710 Agency name: Texas A&M University System Administrative and General Offices

Goal/Objective/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
2 Provide Infrastructure Support						
1 <i>Provide Operation and Maintenance of E&G Space</i>						
2 CCAP REVENUE BONDS	\$3,786,025	\$3,786,029	\$6,974,765	\$6,974,765	\$10,760,790	\$10,760,794
TOTAL, GOAL 2	\$3,786,025	\$3,786,029	\$6,974,765	\$6,974,765	\$10,760,790	\$10,760,794
3 Provide Non-formula Support						
1 <i>INSTRUCTIONAL SUPPORT</i>						
1 SCHOLARSHIPS	731,526	731,526	0	0	731,526	731,526
2 <i>Research</i>						
1 CENTER FOR MICRODEVICES AND SYSTEMS	0	0	0	0	0	0
2 QUANTUM AND AI CHIP FAB	0	0	0	0	0	0
3 <i>Public Service</i>						
1 STUDY ON MENTAL HEALTH	0	0	0	0	0	0
5 <i>Exceptional Item Request</i>						
1 EXCEPTIONAL ITEM REQUEST	0	0	59,300,000	172,000,000	59,300,000	172,000,000
TOTAL, GOAL 3	\$731,526	\$731,526	\$59,300,000	\$172,000,000	\$60,031,526	\$172,731,526

2.F. Summary of Total Request by Strategy
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/11/2024
TIME : 12:42:19PM

Agency code: 710	Agency name: Texas A&M University System Administrative and General Offices					
Goal/Objective/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
TOTAL, AGENCY STRATEGY REQUEST	\$4,517,551	\$4,517,555	\$66,274,765	\$178,974,765	\$70,792,316	\$183,492,320
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$4,517,551	\$4,517,555	\$66,274,765	\$178,974,765	\$70,792,316	\$183,492,320

2.F. Summary of Total Request by Strategy
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/11/2024
TIME : 12:42:19PM

Agency code: 710		Agency name: Texas A&M University System Administrative and General Offices					
Goal/Objective/STRATEGY		Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
General Revenue Funds:							
1	General Revenue Fund	\$4,517,551	\$4,517,555	\$66,274,765	\$178,974,765	\$70,792,316	\$183,492,320
		\$4,517,551	\$4,517,555	\$66,274,765	\$178,974,765	\$70,792,316	\$183,492,320
TOTAL, METHOD OF FINANCING		\$4,517,551	\$4,517,555	\$66,274,765	\$178,974,765	\$70,792,316	\$183,492,320
FULL TIME EQUIVALENT POSITIONS		117.8	117.8	6.0	12.0	123.8	129.8

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710 Texas A&M University System Administrative and General Offices

GOAL:	1	Provide Instructional and Operations Support				
OBJECTIVE:	1	Provide Instructional and Operations Support			Service Categories:	
STRATEGY:	11	System Office Operations			Service: 02	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)

TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)

FULL TIME EQUIVALENT POSITIONS:	100.2	110.0	111.8	111.8	111.8
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STRATEGY DESCRIPTION AND JUSTIFICATION:

Under the direction of the Board of Regents and Chancellor, The A&M System Office provides leadership and certain shared services for the system institutions including (but not limited to) financial, legal, auditing, and administrative services, academic and student program coordination, and HUB reporting, and oversight of board policy implementation. This strategy is to include FTE's for the System Office Operations Strategy even though we do not get appropriations for operational funding .

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

710 Texas A&M University System Administrative and General Offices

GOAL: 1 Provide Instructional and Operations Support
OBJECTIVE: 1 Provide Instructional and Operations Support
STRATEGY: 11 System Office Operations

Service Categories:
Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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- External:
- 1. Changing demographics
 - 2. Shifting economic base
 - 3. International competitiveness
 - 4. Environmental concerns
 - 5. Quality and accessibility of education
 - 6. Shifts in approach to higher education

- Internal:
- 1. Demand on infrastructure
 - 2. Inter-institutional relationships
 - 3. Statewide preference
 - 4. Minority students and faculty
 - 5. Faculty performance

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (+)	Baseline Request (+)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
			\$0	Total of Explanation of Biennial Change

710 Texas A&M University System Administrative and General Offices

GOAL: 2 Provide Infrastructure Support

OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space

Service Categories:

STRATEGY: 2 Capital Construction Assistance Projects Revenue Bonds

Service: 10

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
2008	DEBT SERVICE	\$4,219,085	\$3,786,025	\$3,786,025	\$3,786,025	\$3,786,029
TOTAL, OBJECT OF EXPENSE		\$4,219,085	\$3,786,025	\$3,786,025	\$3,786,025	\$3,786,029
Method of Financing:						
1	General Revenue Fund	\$4,219,085	\$3,786,025	\$3,786,025	\$3,786,025	\$3,786,029
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,219,085	\$3,786,025	\$3,786,025	\$3,786,025	\$3,786,029
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,786,025	\$3,786,029
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,219,085	\$3,786,025	\$3,786,025	\$3,786,025	\$3,786,029

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

General revenue debt service on RELLIS STEM building authorized by the 87th legislature.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

710 Texas A&M University System Administrative and General Offices

GOAL: 2 Provide Infrastructure Support
OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space
STRATEGY: 2 Capital Construction Assistance Projects Revenue Bonds

Service Categories:
Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,572,050	\$7,572,054	\$4	\$4	Difference is the result of slight fluctuations in bond amortization payments from year to year.
			<u>\$4</u>	Total of Explanation of Biennial Change

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support
OBJECTIVE: 1 INSTRUCTIONAL SUPPORT
STRATEGY: 1 Scholarships

Service Categories:

Service: 20 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
4000	GRANTS	\$731,526	\$731,526	\$731,526	\$731,526	\$731,526
TOTAL, OBJECT OF EXPENSE		\$731,526	\$731,526	\$731,526	\$731,526	\$731,526
Method of Financing:						
1	General Revenue Fund	\$731,526	\$731,526	\$731,526	\$731,526	\$731,526
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$731,526	\$731,526	\$731,526	\$731,526	\$731,526
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$731,526	\$731,526
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$731,526	\$731,526	\$731,526	\$731,526	\$731,526

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

The program provides The Texas A&M University System Universities the ability to recruit and retain deserving students based on need. These funds are awarded to our resident undergraduate, first-time degree seeking students. In FY 2023, 953 students received an average scholarship award of approximately \$746.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Reduced state funding could seriously impact this program and efforts to provide postsecondary education to students in Texas.

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support
OBJECTIVE: 1 INSTRUCTIONAL SUPPORT
STRATEGY: 1 Scholarships

Service Categories:
Service: 20 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,463,052	\$1,463,052	\$0	\$0	Scholarship Support
			<u>\$0</u>	Total of Explanation of Biennial Change

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support
OBJECTIVE: 2 Research
STRATEGY: 1 Center for Microdevices and Systems

Service Categories:

Service: 14 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
4000	GRANTS	\$0	\$26,400,000	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$26,400,000	\$0	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$0	\$26,400,000	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$26,400,000	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$26,400,000	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:						
STRATEGY DESCRIPTION AND JUSTIFICATION:						

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support
OBJECTIVE: 2 Research
STRATEGY: 1 Center for Microdevices and Systems

Service Categories:

Service: 14 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Microelectronics and microsensors are integral to daily life, seen in cell phones, smartwatches, and household devices. Texas must enhance its domestic semiconductor supply chain and support vital R&D to lead future advancements. With this funding, TEES will establish a Center for Microelectronics and Microsensors Systems, providing cutting-edge R&D infrastructure to boost domestic expertise in design, prototyping, and testing. This resource will be accessible to small and medium-sized companies, which often lack the means to compete. By accelerating prototyping, testing, and validation, TEES will help speed up commercialization and expand domestic capabilities. The center will focus on micro-sensors, crucial for sectors like transportation, manufacturing, healthcare, agriculture, and defense. The funding will be allocated to:

- 1) Developing a workforce program for hands-on nanofabrication and device development training to equip Texas' industry with essential skills.
- 2) Providing prototyping services to startups and small to medium-sized businesses in Texas.
- 3) Expanding the AggieFab Nanofabrication Facility by enhancing cleanroom infrastructure and acquiring advanced micro/nano fabrication tools for next-generation microelectronics and micro-sensors.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

There is a global chip shortage and Governor Abbott, through the establishment of the National Semiconductors Research Centers Task Force, aims to make Texas competitive. This funding will strengthen Texas' ability to compete for the extensive federal and private investments expected in the coming decade as well as the associated economic development to support the effort to bring back microelectronics manufacturing to the United States and Texas. TEES has several foundational strengths in this arena: TEES has core strengths in R&D in the key areas of advanced manufacturing, materials, micro/nano technologies, circuit design, computation, networking, and cybersecurity, which can be leveraged to rapidly advance the goal of leading the nation in smart microsensors research, development, and workforce training. TEES also has significant existing research expertise and infrastructure that the proposed center can leverage, including top-notch specialized programs in engineering that support key facets of modern chip manufacturing. Finally, this is an industry that requires a large number of highly trained personnel at advanced levels. Skilled labor shortage in recent years is stunting growth in the industry, which has been echoed by industry leaders. TEES has a strong workforce development arm and can help address these needs.

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support
OBJECTIVE: 2 Research
STRATEGY: 1 Center for Microdevices and Systems

Service Categories:
Service: 14 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$26,400,000	\$0	\$(26,400,000)	\$(26,400,000)	Funding being transferred to TEES through approved budget structure change.
			<u>\$(26,400,000)</u>	Total of Explanation of Biennial Change

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support

OBJECTIVE: 2 Research

Service Categories:

STRATEGY: 2 Quantum and Artificial Intelligence Chip Fabrication

Service: 14

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$506,897	\$1,356,850	\$0	\$0
1002	OTHER PERSONNEL COSTS	\$0	\$86,317	\$249,650	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$37,000	\$408,146	\$1,727,717	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$1,576	\$8,511	\$0	\$0
2004	UTILITIES	\$0	\$401	\$1,522	\$0	\$0
2005	TRAVEL	\$0	\$27,015	\$128,775	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$0	\$17,743	\$20,251,917	\$0	\$0
4000	GRANTS	\$0	\$32,183	\$2,995,075	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$162,705	\$172,000,000	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$37,000	\$1,242,983	\$198,720,017	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$37,000	\$1,242,983	\$198,720,017	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$37,000	\$1,242,983	\$198,720,017	\$0	\$0

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support

OBJECTIVE: 2 Research

STRATEGY: 2 Quantum and Artificial Intelligence Chip Fabrication

Service Categories:

Service: 14

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$37,000	\$1,242,983	\$198,720,017	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:		0.0	2.4	6.0	6.0	6.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Provide funding to support the Texas A&M Semiconductor Institute (TSA) with new facilities, research and educational initiatives, and operational expenses.

- Construct a new semiconductor cleanroom research and development fabrication facility at Texas A&M University on RELLIS campus.
- The SSII facilities will enable disruptive and innovative research in semiconductor devices and manufacturing processes. Research and development will focus on semiconductor devices which enable quantum and artificial intelligence and leap ahead processing technologies. As envisioned the facility will be unique in the nation with respect to the versatility and fidelity of the semiconductor manufacturing.

We are requesting UB rider into the 2026-7 biennium because funding will be needed in the 2026-27 biennium to complete and operate the program.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

There is a global chip shortage and Governor Abbott, through the establishment of the National Semiconductors Research Centers Task Force, aims to make Texas competitive. This funding will strengthen Texas' ability to compete for the extensive federal and private investments expected in the coming decade as well as the associated economic development to support the effort to bring back microelectronics manufacturing to the United States and Texas.

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support
OBJECTIVE: 2 Research
STRATEGY: 2 Quantum and Artificial Intelligence Chip Fabrication

Service Categories:
Service: 14 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$199,963,000	\$0	\$(199,963,000)	\$(199,963,000)	Funding provided in the 2024-25 biennium. UB requested for 206-27 biennium.
			<u>\$(199,963,000)</u>	Total of Explanation of Biennial Change

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support

OBJECTIVE: 3 Public Service

STRATEGY: 1 Study On Mental Health Services For Children And Adolescents

Service Categories:

Service: 19

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
4000	GRANTS	\$0	\$750,000	\$750,000	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$750,000	\$750,000	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$0	\$750,000	\$750,000	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$750,000	\$750,000	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$750,000	\$750,000	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:		0.0				

STRATEGY DESCRIPTION AND JUSTIFICATION:

These one-time funds enable a Study on Mental Health Services for Children and Adolescents, providing an in-depth analysis of the currently available pediatric mental health resources in the state of Texas, particularly with respect to resources required for acute care episodes (e.g., inpatient psychiatric beds for children and adolescents).

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support
OBJECTIVE: 3 Public Service
STRATEGY: 1 Study On Mental Health Services For Children And Adolescents

Service Categories:
Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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This analysis is vital to estimate the need for mental health services for children and adolescents. Understanding the number, types, and locations of services needed across the state will guide the appropriate allocation of resources.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$1,500,000	\$0	\$(1,500,000)	\$(1,500,000)	SB 30, 88th Leg, Regular Session one-time funding for Study on Mental Health.
			<u>\$(1,500,000)</u>	Total of Explanation of Biennial Change

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support
OBJECTIVE: 5 Exceptional Item Request
STRATEGY: 1 Exceptional Item Request

Service Categories:

Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

710 Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support
OBJECTIVE: 5 Exceptional Item Request
STRATEGY: 1 Exceptional Item Request

Service Categories:
Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL CHANGE	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$0	\$0	\$0		
			\$0	Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555
METHODS OF FINANCE (INCLUDING RIDERS):				\$4,517,551	\$4,517,555
METHODS OF FINANCE (EXCLUDING RIDERS):	\$4,987,611	\$32,910,534	\$203,987,568	\$4,517,551	\$4,517,555
FULL TIME EQUIVALENT POSITIONS:	100.2	112.4	117.8	117.8	117.8

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3.B. Rider Revisions and Additions Request

Agency Code: 710	Agency Name: The Texas A&M University System Offices	Prepared By: Lauri Deviney/Emily Howell	Date: August 2024	Request Level: Base
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Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
Texas A&M University System (NEW)	III-109 (NEW)	<p><u>Quantum and Artificial Intelligence Chip Fabrication.</u> (a) Included in amounts above in Strategy X.X.X., Quantum and Artificial Intelligence Chip Fabrication, is General Revenue authorized in Senate Bill 30, Acts of the 88th Legislature, Regular Session, 2023 (the Supplemental Appropriations Act), to the Texas A&M University System for quantum and artificial intelligence chip fabrication.</p> <p>(b) <u>Any unexpended balances as of August 31, 2025, from the appropriations under subsection (a) (estimated to be \$167 million) are appropriated to the system for the same purposes for the biennium beginning September 1, 2025.</u></p> <p>(c) <u>This appropriation is contingent on approval by a two-thirds majority in each chamber of the legislature. In accordance with Article 7, Section 18(i), Texas Constitution, the legislature finds that there is a demonstrated need for the purpose above at the Texas A&M University System.</u></p> <p><i>Texas A&M System requests UB authority for quantum and artificial intelligence chip fabrication authorized in Section 4.34(a)(1) of SB30, Supplemental Appropriations Act, 88th Legislature. Funding will be needed in the 2026-27 biennium to complete and operate the program.</i></p> <p><i>Because a portion of these requested funds are for permanent capital improvements, also included is language required by the constitution expressing a demonstrated need for the project.</i></p>
Texas A&M University System (NEW)	III-109 (NEW)	<p><u>Energy Proving Ground.</u> Any unexpended balance as of August 31, 2026, from the general revenue fund to Texas A&M University System for the Energy Proving Ground is hereby appropriated for the same purposes for fiscal year 2027.</p> <p><u>Included within amounts appropriated to the Texas A&M University System is general revenue to construct the necessary facilities associated with the Energy Proving Ground. This appropriation is contingent on approval by a two-thirds majority in each chamber of the legislature. In accordance with Article 7, Section 18(i), Texas Constitution, the legislature finds that there is a demonstrated need for the Energy Proving Ground.</u></p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p><i>If the legislature provides funding for the requested exceptional item (Energy Proving Ground), the Texas A&M System requests UB authority between years in the biennium to allow for the efficient use of funds and provide increased flexibility as we implement this item. Because a portion of these requested funds are for permanent capital improvements, also included is language required by the constitution expressing a demonstrated need for the project.</i></p>
New	n/a	<p><u>Ballistic, Aero-optics, and Materials (BAM) Range.</u> Any unexpended balance as of August 31, 2026, from the general revenue fund to Texas A&M University System the Ballistic, Aero-optics, and Materials (BAM) Range is hereby appropriated for the same purposes for fiscal year 2027.</p> <p><u>Included within amounts appropriated to the Texas A&M University System is up to \$31 million in general revenue to construct the necessary facilities and infrastructure associated with the Ballistic, Aero-optics, and Materials (BAM) Range. This appropriation is contingent on approval by a two-third majority in each chamber of the legislature. In accordance with Article 7, Section 18(i), Texas Constitution, the legislature finds that there is a demonstrated need for additional infrastructure to support the Ballistic, Aero-optics, and Materials (BAM) Range.</u></p> <p><i>Explanation: If the legislature provides funding for the requested exceptional item (Ballistic, Aero-optics, and Materials (BAM) Range), the Texas A&M University System requests UB authority between years in the biennium to allow for the efficient use of funds and provide increased flexibility as we implement this item.</i></p> <p><i>Because a portion of these requested funds are for permanent capital improvements, also included is language required by the constitution expressing a demonstrated need for the project.</i></p>
Special Provisions Relating Only to State Agencies of Higher Education, Sec. 4.1	III-282	<p>Sec. 4. Transfer Provisions.</p> <p>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</p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p>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. <u>With the approval of the system administration, transfers may be made from the Texas A&M system to the Texas A&M System Agencies or among the Texas A&M System Agencies.</u> 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 medicine, 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 System Agencies to Texas A&M University.</p> <p><i>The proposed language would allow for increased collaborations and efficiencies in operations by authorizing transfer among the A&M system agencies and to the A&M System agencies from the System. No changes are requests to other sections of this provision.</i></p>

The following requested revisions are common requests with other systems.

Support for Military and Veterans Exemptions, Rider 4 (NEW)	III-82 (NEW)	<p><u>4. Texas Veterans Commission Veterans Exemption Data.</u> By November 30 of each year of the biennium, <u>the Texas Veterans Commission shall provide a report to eligible institutions and their system office on veteran, child, spouse and legacy participants in the Hazlewood exemption program. At a minimum, the report would include all institutions, broken down by institution and exemption type, and would contain numbers of students, total exemption hours, total value of exemptions. Any information provided would not be personally identifiable, so as to not violate the federal Family Educational Rights and Privacy Act.</u></p> <p><i>The A&M System requests the addition of this reporting rider to allow institutions of higher education to better understand the Hazlewood funding distributions and to effectively administer them.</i></p>
Special Provisions Relating Only to State Agencies of Higher Education,	III-282	<p>Sec. 4. Transfer Provisions.</p> <p>1. Intercomponent Transfers. With the approval of the respective governing board, appropriation transfers may be made among medically-related components and their associated system</p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
Sec. 4.1		<p>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. <u>With the approval of the system administration, transfers may be made from the Texas A&M system to the Texas A&M System Agencies or among the Texas A&M System Agencies.</u> 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 medicine, 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 System Agencies to Texas A&M University.</p> <p><i>The proposed language would allow for increased collaborations and efficiencies in operations by authorizing transfer among the A&M system agencies and to the A&M System agencies from the System.</i></p>
Special Provisions Relating Only to State Agencies of Higher Education, Rider 58	III-305	<p>Sec. 58. Higher Education Affordability. Due to the unprecedented revenue surplus for the State of Texas, it is the intent of the Legislature that certain institutions of higher education may receive additional state funding. Such funding is contingent upon the passage of Senate Bill 17 or other similar legislation relating to the powers and duties of the governing boards of public institutions of higher education and the passage of Senate Bill 18 or other similar legislation relating to tenure and employment status at public institutions of higher education in this state. Additionally, the below funding for general academic institutions (as that term is defined by Sec. 3. Definition of Terms, Special Provisions Relating Only to State Agencies of Higher Education) will be distributed to the institutions contingent on an institution's adoption of policies to maintain total resident undergraduate academic costs, including tuition, mandatory academic fees, all academic-related general fees, and college course fees at currently approved levels for the next two academic years and submission to the Legislative Budget Board a letter from the Board of Regents certifying that the above policies have been met by September 1, 2023.</p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p>In addition to the amounts appropriated elsewhere in this Act, is an amount allocated among each institution to supplement the following strategies:</p> <p>(a) \$263,797,853 for the Instruction & Operations and Infrastructure formulas of general academic institutions and Texas State Technical Colleges, allocated across institutions according to the current methodologies of the respective formulas as utilized elsewhere in this Act;</p> <p>(b) \$18,663,225, proportionally divided, for the Texas Research University Fund, Core Research University Fund, and Comprehensive Research University Fund at general academic institutions, allocated across institutions according to the methodologies specified in Education Code, Chapter 62 for the respective funds;</p> <p>(c) \$71,507,517 for the Performance-based funding for at-risk students at comprehensive regional universities, allocated across eligible institutions according to the methodology set forth by Education Code, Section 62.183;</p> <p>(d) \$184,866,466 for the Support for Military Veterans Exemptions to reimburse the Hazlewood Legacy Program costs in accordance with 72.0 percent of the 2022 total cost of reimbursement, allocated across institutions according to the methodology as utilized elsewhere in this Act for the Support for Military Veterans Exemptions; and</p> <p>(e) \$159,666,416 for Higher Education Group Insurance to fund Higher Education Group Insurance coverage for employees in accordance with 88.6 percent of the full Employees Retirement System of Texas premium.</p> <p>Each General Academic Institution shall post on each student's tuition statement the following notice: "As a result of actions taken by the Texas Legislature to address affordability in higher education, all tuition and fees have been frozen effective September 1, 2023, until August 31, 2025."</p> <p><i>The A&M System requests the deletion of this rider as contingencies have been met.</i></p>
Article IX, Section 6.08(g)	IX-30 to IX-31	<p>Sec. 6.08. Benefits Paid Proportional by Method of Finance.</p> <p><i>(Paragraphs (a) through (f) omitted due to space considerations)</i></p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p>(g) Each agency or institution of higher education (excluding a community or junior college) having General Revenue Fund appropriations and other sources of financing shall file with the Comptroller and the State Auditor a report demonstrating proportionality. The report shall be filed before November 20 following the close of the fiscal year for the salaries, wages, and benefits of the preceding year which ended August 31. The report shall be in a format prescribed by the Comptroller in collaboration with the Legislative Budget Board and the State Auditor's Office. <u>The Comptroller shall have 180 days after the due date to review this report, after which the report is considered final and approved. This deadline shall not apply if an agency or institution of higher education has not satisfactorily resolved issues raised by the Comptroller.</u></p> <p><i>(Paragraphs (h) through (l) omitted due to space considerations)</i></p> <p><i>The A&M System requests that a deadline for review of the Benefits Proportionality reports (APS 11 Reports) be established. In recent times reviews are often in excess of 18 months, making it difficult to administer the provisions of the Higher Education Group Insurance (HEGI) reallocation rider (Rider 6.a) on a timely basis. Appropriations lapse two years after the end of a fiscal year and this leaves little time to ensure an appropriate reallocation has occurred.</i></p>
Article IX, Section 6.10	IX-31 to IX-34	<p>Sec. 6.10. Limitation on State Employment Levels.</p> <p>(a) (1) (A) A state agency that is subject to the requirements of Subsection (c) may not use monies appropriated by this Act to pay all or part of the salaries or benefits of a number of employees which would cause the number of full-time equivalent employees (FTEs) paid from monies appropriated by this Act by the state agency for a fiscal quarter to exceed the figure indicated by this Act for that state agency without reporting that use of monies to the Governor's Office and the Legislative Budget Board at a time not later than the last day of the first month following each quarter of the fiscal year, for which the FTEs exceed the figure indicated by this Act for that state agency.</p> <p>(B) A state agency that is subject to the requirements of Subsection (c) may not expend monies appropriated by this Act to pay all or part of the salaries or benefits of a number of employees</p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p>which would cause the number of FTEs paid from monies appropriated by this Act by the state agency for a fiscal quarter to exceed the lesser of either:</p> <p>(i) 110 percent of the FTE figure indicated by this Act for that state agency; or</p> <p>(ii) 100 percent of the figure indicated by this Act for that state agency plus 50 FTEs.</p> <p>(2) (A) A state agency or institution of higher education that is subject to the requirements of Subsection (d) may not use monies appropriated by this Act to pay all or part of the salaries or benefits of a number of employees which would cause the number of FTEs paid from monies appropriated by this Act by the state agency or institution of higher education for a fiscal year to exceed the figure indicated by this Act for the state agency or institution of higher education for a fiscal year without reporting that use of monies to the <u>Governor's Office</u> and the Legislative Budget Board at a time not later than the last day of the first month following the last quarter of the fiscal year, for which the FTEs exceed the figure indicated by this Act for that state agency or institution.</p> <p>(B) <u>Unless a report is submitted in accordance with Subsection (a)(2)(A),</u> a state agency or institution of higher education that is subject to the requirements of Subsection (d) may not expend monies appropriated by this Act to pay all or part of the salaries or benefits of a number of employees which would cause the number of FTEs paid from monies appropriated by this Act by the state agency or institution of higher education for a fiscal year to exceed the lesser of either:</p> <p>(i) 110 percent of the FTE figure indicated by this Act for that state agency or institution; or</p> <p>(ii) 100 percent of the figure indicated by this Act for that state agency or institution plus 50 FTEs.</p> <p>(b) A report by a state agency or institution of higher education of exceeding the FTE limitations established by Subsection (a)(1)(A) or (a)(2)(A), <u>inclusive of the additional FTEs appropriated by Subsection (a)(1)(B) or (a)(2)(B),</u> must be submitted by the governing board of the state agency or institution of higher education (if the agency has a governing board) or by the chief administrative officer (if the agency does not have a governing board or the governing board has not met) and must include at a minimum:</p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p>(1) the date on which the board (if the agency has a governing board) or the chief administrative officer (if the agency does not have a governing board or the governing board has not met) approved the report;</p> <p>(2) a statement justifying the need to exceed or reduce the limitation;</p> <p>(3) the source of monies to be used to pay any additional salaries; and</p> <p>(4) an explanation as to why the functions of any proposed additional FTEs cannot be performed within current staffing levels.</p> <p>(c) For the purpose of Subsections (a) and (b), the number of FTEs employed by a state agency (not including the agencies and institutions listed under Subsection (d)) for a fiscal quarter:</p> <p>(1) shall be determined in accordance with the report filed pursuant to Government Code, Section 2052.103;</p> <p>(2) shall include only employees paid with monies appropriated through this Act;</p> <p>(3) shall not include overtime hours; and</p> <p>(4) shall include a position filled by temporary or contract workers for more than one-half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific positions customarily filled by state employees. The State Auditor may provide interpretations of this provision.</p> <p>(d) For the purpose of Subsections (a) and (b), the number of FTEs employed by the Texas Historical Commission, the State Preservation Board, the Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, or an institution of higher education or an affiliated entity, for a fiscal year:</p> <p>(1) shall be determined in accordance with the reports filed pursuant to Government Code, Section 2052.103;</p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p>(2) shall be an average of the four reports filed for that fiscal year;</p> <p>(3) shall include only employees paid with monies appropriated through this Act;</p> <p>(4) shall not include overtime hours; and</p> <p>(5) shall include a position filled by temporary or contract workers for more than one-half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific positions customarily filled by state employees. The State Auditor may provide interpretations of this provision.</p> <p>(e) This section shall not apply to appropriations made by this Act to the:</p> <p>(1) Office of the Governor's Office; or</p> <p>(2) Comptroller.</p> <p>(f) The limitations on FTEs under this section do not apply to a state agency or institution in instances of employment, including employment of temporary or contract workers, directly associated with events declared disasters by the Governor. Each state agency or institution shall annually notify the State Auditor, Comptroller, Legislative Budget Board, and Governor's Office of FTEs exempted under this section.</p> <p>(g) (1) The limitations on FTEs under this section do not apply to a state agency or institution in an instance of employment for a project, including employment of a temporary or contract worker, if the FTEs associated with that project are not included in the number of FTEs allowed in the agency's bill pattern and the employees are associated with:</p> <p>(A) implementation of a new, unanticipated project that is 100 percent federally funded; or</p> <p>(B) the unanticipated expansion of an existing project that is 100 percent federally funded.</p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p>(2) With regard to the exemption from the FTE limitations provided by this subsection, a state agency or institution is exempt from the FTE limitations only for the duration of the federal funding for the employment related to the project and all salaries, benefits, and other expenses incurred related to employment must be paid from federal funds.</p> <p>(3) This subsection does not exempt any employees associated with existing projects (with "existing projects" including those projects existing at the time of the preparation of this Act by a legislative conference committee and therefore included in the number of FTEs allowed in the agency's bill pattern) that are 100 percent federally funded and included in the number of FTEs allowed in the agency's bill pattern.</p> <p>(4) Each state agency or institution shall notify the State Auditor, Comptroller, Legislative Budget Board, and Governor's <u>Office</u> of FTEs exempted under this subsection.</p> <p>(h) If a program is transferred from a state agency or institution of higher education, then at any time during the biennium, the Legislative Budget Board and the Governor's <u>Office</u> may agree to reduce the number of FTEs paid from monies appropriated by this Act by the state agency or institution of higher education for one or more fiscal quarters to a figure below that indicated by this Act for that agency or institution.</p> <p>(i) The limitations on FTEs under this section do not apply to a state agency or institution of higher education in an instance of employment of:</p> <p style="padding-left: 40px;">(1) an intern; or</p> <p style="padding-left: 40px;">(2) a worker who is paid from appropriations of gifts and grants under Section 8.01.</p> <p>(j) The requirements of reporting under this section do not apply to a state agency or an institution of higher education with fewer than 50 FTEs allowed in the agency's or institution's bill pattern.</p> <p>(k) In this section, an "institution" or an "institution of higher education or affiliated entity" includes the affiliated service agencies of Texas A&M University System.</p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p><i>The A&M System requests the revision of this requirement to provide regulatory relief and conform to its historic understanding of the rider.</i></p> <ol style="list-style-type: none"> <i>1) The proposed changes to (a)(2)(B) clarifies this provision and allows the provisions of (a)(2)(A) to be primary.</i> <i>2) For (a)(2)(B), allow the rider appropriation of FTEs made by that provision to be counted when determining whether or not a report is required. Since the Act appropriates these FTEs in addition to what may be listed in the actual bill pattern, it would still comply with the provisions of (a)(2)(A) and would reduce administrative burden.</i>
Article IX, Section 7.04	IX-38 to IX-39	<p>Sec. 7.04. Contract Notification: Amounts Greater than \$<u>150,000</u>.</p> <ol style="list-style-type: none"> (a) In this section "contract" includes a grant, or agreement for the purchase or sale of a good or service, revenue generating contract, interagency or interlocal grant or agreement, purchase order, or other written expression of terms of agreement or an amendment, modification, renewal, or extension of such that was entered into or paid for, either in whole or in part by a state agency or institution of higher education. (b) In this section "contract" does not include: <ol style="list-style-type: none"> (1) a contract with a value of less than or equal to \$<u>150,000</u>, or (2) a contract paid for exclusively using federal grant monies for which all parties to the contract and the terms of the contract have been determined by the federal government. (c) In this section "contract" includes an amendment, modification, renewal or extension which increases a contract's value from a value less than or equal to \$<u>150,000</u> to a value greater than \$<u>150,000</u>. (d) Before the 30th calendar day after awarding a contract or granting an amendment, modification, renewal, or extension, a state agency or institution of higher education shall report to the Legislative Budget Board in the manner prescribed by Legislative Budget Board all contracts, amendments, modifications, renewals, and extensions to which the agency or institution was a party.

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p>(e) A state agency or institution of higher education receiving an appropriation under this Act shall report a contract pursuant to this section without regard to source of monies or method of finance associated with the expenditure, including a contract for which only non-appropriated funds will be expended.</p> <p>(f) The Legislative Budget Board may conduct reviews of contracts required to be submitted under this section and valued at \$1,000,000 or more.</p> <p>(g) The Director of the Legislative Budget Board may provide written notification to the Comptroller, the Governor's Office, and/or the Legislative Budget Board detailing the requirements of this section that the agency did not meet and any recommendations to address identified risks related to the procurement or contract if the procurement or contract reported under this section is found to violate:</p> <p style="padding-left: 40px;">(1) State of Texas Procurement and Contract Management Guide; or</p> <p style="padding-left: 40px;">(2) Any applicable statutes, rules, policies and procedures related to the procurement and contracting of goods and services, including compliance with conflict of interest disclosure requirements</p> <p>(h) The recommendations of the Director of the Legislative Budget Board may include:</p> <p style="padding-left: 40px;">(1) enhanced monitoring by Legislative Budget Board staff;</p> <p style="padding-left: 40px;">(2) auditing by the State Auditor's Office;</p> <p style="padding-left: 40px;">(3) required agency consultation with the Quality Assurance Team and/or Contract Advisory Team; or</p> <p style="padding-left: 40px;">(4) contract cancellation.</p> <p>(i) For contracts with an initial award value greater than \$1 million, a state agency or institution of higher education shall provide notice of a contract for services for which the expected total value of the contract subsequent to amendment or renewal exceeds the total value of the initial contract award by 10 percent or more, in accordance with procedures established by the Legislative Budget Board, to:</p> <p style="padding-left: 40px;">(1) the Governor's Office;</p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p>(2) the Lieutenant Governor; and</p> <p>(3) the Speaker of the House of Representatives.</p> <p>(j) A state agency or institution of higher education must provide the notice required under Subsection (i) not later than the 30th day after the date of the disclosure or discovery that the expected total value of the contract after amendment or renewal exceeds the total value of the initial contract award by 10 percent. The notice must include:</p> <p>(1) the amount of the cost increase;</p> <p>(2) the reason for the cost increase; and</p> <p>(3) any opportunity the state agency had to lessen the cost or to purchase the service from another vendor after the first dollar of the increased cost was discovered or disclosed to the agency or institution.</p> <p>(k) The Legislative Budget Board shall establish the procedures for the notice required by Subsections (i) or (j).</p> <p><i>The A&M System requests the adjustment of the reporting threshold of this reporting requirement as regulatory relief. The existing threshold of \$50,000 has been in place for over twenty years.</i></p>
Article IX, Section 9.09	IX-52 to IX-53	<p>Sec. 9.09. Assignment of Contract Responsibility.</p> <p>(a) In this section:</p> <p>(1) "Agency" and "state agency" mean a state officeofficer, board, commission, or department in the executive branch of government appropriated monies under this General Appropriations Act.</p> <p>(2) "Assignment" includes any legal means for transferring the responsibilities for fulfillment of any duties, rights, or obligations due to a state agency or institution of higher education under a contract,</p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p>from the original party obligated to the agency or institution (the assignor) to another party (the assignee) assuming the duties, rights, or obligations due to a state agency or institution of higher education under a contract.</p> <p>(3) “Contract” has the meaning provided by Section. 7.04. <u>A “contract” does not include items listed in Section 7.04(a) which do not meet the notice requirements of Government Code, Section 322.020(a)(1) and (2).</u></p> <p>(4) “Institution of higher education” or “institution” has the meaning provided by Education Code, Section 61.003(8), except that the term does not include a public junior college.</p> <p>(5) “Sensitive personal information” has the meaning provided by Business & Commerce Code, Section 521.002.</p> <p>(6) “Total value of the contract” includes the value of all payments, as calculated by the Quality Assurance Team, made and expected to be made in the future by a state agency or institution of higher education over the life of the contract beginning from the date of execution of the original contract between the state agency or institution of higher education and the original party with responsibilities for fulfillment of any duties, rights, or obligations due to a state agency or institution of higher education under the contract and including total payments made before assignment of the contract and the total payments expected to be made in the future after the assignment of the contract.</p> <p><i>(no changes proposed to the remainder of this section)</i></p> <p><i>The A&M System requests the modification of this section conform with the statutory definitions associated with the reports in Section 7.04 of the Act. Government Code Section 322.020, which is the basis for the Section 7.04 report, allows certain contracts paid only from non-appropriated sources to be exempt from the statutory reporting requirements. Given that this reporting requirement is also tied to that LBB contract reporting pursuant to provision (a)(3), it is believed that the Legislature intends that the standards for this report be consistent.</i></p> <p><i>The A&M System also proposes a correction to a potential typo in Section (a) from “state officer” to “state office”.</i></p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
Article IX, Section 11.03	IX-60 to IX-61	<p>Sec. 11.03. Statewide Capital Planning.</p> <p><i>(no changes proposed to subsection (a) through (c) except routine updates)</i></p> <p>(d) (1) This section applies to each anticipated state project requiring capital expenditures for:</p> <ul style="list-style-type: none"> (A) land acquisition; (B) construction of buildings and other facilities <u>without regard to amount for state agencies and in excess of \$10 million per individual project for institutions of higher education;</u> (C) renovations of buildings and other facilities estimated to exceed \$5 million in the aggregate for a single state agency or <u>\$10 million per individual project for</u> institution of higher education; or (D) major information resources projects estimated to exceed \$5 million. <p>(2) In this section "major information resources project" means:</p> <ul style="list-style-type: none"> (A) any information resources technology project identified in a state agency's biennial operating plan whose development costs exceed \$5 million and that: <ul style="list-style-type: none"> (i) requires one year or longer to reach operations status; (ii) involves more than one state agency; or (iii) substantially alters work methods of state agency personnel or the delivery of services to clients; (B) construction of buildings and other facilities; (C) any information resources technology project of a state agency designated for additional monitoring under Government Code, Section 2261.258(a)(1) if the development costs for the project exceed \$5 million. <p><i>(no changes proposed to subsection (e))</i></p>

3.B. Rider Revisions and Additions Request (continued)

Current Rider Number	Page Number in 2024-25 GAA	Proposed Rider Language
		<p><i>The A&M System requests the modification of this section to align facilities reporting for institutions of higher education with the project reporting requirements of the Texas Higher Education Coordinating Board (Texas Administrative Code, Title 19, Part 1, Chapter 17, Subchapter B(a)(1) and (2)).</i></p>
Article IX, Section 17.10	IX-85	<p>Sec. 17.10. Energy Efficiency Savings for State Facilities.</p> <p>(a) In this section, "facility" means a facility with at least 100,000 gross square feet.</p> <p>(b) It is the intent of the legislature that a state agency that is appropriated money by this Act with charge and control over a facility shall have a remote or on-site assessment of the facility performed by the Energy Systems Laboratory at Texas A&M Engineering Experiment Station or another qualified provider to determine whether implementation of continuous commissioning or existing building commissioning practices would result in estimated savings of at least 10 percent in utility costs for the facility. A state agency shall supply any documents necessary to perform the assessment. The state agency shall report to the Legislative Budget Board on the results of the assessment.</p> <p>(c) If the results of an assessment performed under Subsection (b) of this section show estimated utility cost savings of at least 10 percent, the state agency shall have the Energy Systems Laboratory at Texas A&M Engineering Experiment Station or another qualified provider prepare a plan for implementation of continuous commissioning or existing building commissioning practices and monitoring of the implementation for the state agency.</p> <p><i>The A&M System requests the deletion of this requirement as regulatory relief.</i></p>

4.A. Exceptional Item Request Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/15/2024**
TIME: **2:23:31PM**

Agency code: **710** Agency name: **Texas A&M University System Administrative and General Offices**

CODE	DESCRIPTION	Excp 2026	Excp 2027
<p style="text-align: center;"> Item Name: Energy Proving Ground Item Priority: 1 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request </p>			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	1,000,000	2,000,000
2001	PROFESSIONAL FEES AND SERVICES	10,000,000	10,000,000
5000	CAPITAL EXPENDITURES	17,000,000	160,000,000
TOTAL, OBJECT OF EXPENSE		\$28,000,000	\$172,000,000
METHOD OF FINANCING:			
1	General Revenue Fund	28,000,000	172,000,000
TOTAL, METHOD OF FINANCING		\$28,000,000	\$172,000,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		6.00	12.00

DESCRIPTION / JUSTIFICATION:

By 2050, Texas is expected to nearly double its electric demand, driven by factors such as population growth, increased reshoring of manufacturing, the expansion of artificial intelligence and other data centers, and the proliferation of electric vehicles. This surge in demand necessitates significant additions to the state's dispatchable electric generation capacity which will require strategic decisions to be made well in advance.

Key technologies poised to play a crucial role in this expansion are geothermal, hydrogen, and nuclear power. Texas is uniquely positioned to excel in these areas due to its expertise in drilling, its established refinery infrastructure, its leadership in renewable energy production, and its welcoming acceptance of diverse energy options. However, implementing new technologies, particularly in the energy sector and at a relevant scale, is challenging. This is where state support becomes vital.

The Texas A&M University System is prepared to facilitate this support by hosting enabling aspects for multiple emerging technologies . Acting as an R&D partner, a workforce development partner, and an early adopter, the System can accelerate the development and adoption of new technologies in a pre-competitive arena. To meet these needs, the A&M System will develop the Energy Proving Ground—a location where innovative energy technologies can demonstrate first-of-a-kind commercial viability with reduced barriers to entry. We will manage shared facilities that research and commercial collaborators can utilize.

The Texas A&M REllIS campus will facilitate collaboration by bringing together end users, such as data center testbeds and manufacturers, with diverse energy providers. Companies participating will have the opportunity to refine their technologies and business models, eventually scaling up to produce larger commercial facilities across the state. This ecosystem will drive the growth and advancement of the energy sector in Texas.

Agency code: **710**

Agency name: **Texas A&M University System Administrative and General Offices**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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EXTERNAL/INTERNAL FACTORS:

Major Accomplishments Expected During the Next Two Years: The System will begin creating a testing and development site dedicated to advancing energy research and innovations at the demonstration phase, just before commercial viability. It will host various technologies, including nuclear, fusion, geothermal, hydrogen, and battery systems. The test pads will range from 100 kW to 10 MW of dispatchable electrical generation at RELLIS, aiming to achieve up to 1 GW of dispatchable electricity on regional commercial sites within 5-10 years.

Year Established: 2026

Prior Funding Source: N/A

Formula Funding: None

Non-General Revenue Sources of Funding: The initiative will generate future revenue through usage fees and revenue sharing from the sale of electricity, hydrogen, and other energy products that will be reinvested into the Energy Proving Grounds.

Consequences of Not Funding: These initiatives will provide a critical platform for innovation and collaboration, ensuring that Texas remains at the forefront of energy technology and infrastructure development. The Energy Proving Ground will play a pivotal role in meeting Texas' future energy demands and solidifying its position as a leader in the energy sector. Without state support, Texas could miss the opportunity to take the lead on these important energy issues.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Estimated out-year costs include ongoing program maintenance and administrative expenses including personnel, capital maintenance, and safety and regulatory maintenance, all with annual escalation.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$15,000,000	\$15,750,000	\$16,537,500

4.A. Exceptional Item Request Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/15/2024**
TIME: **2:23:31PM**

Agency code: **710** Agency name: **Texas A&M University System Administrative and General Offices**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 89.00%

CONTRACT DESCRIPTION :

Construction Contracts: Standard procedures will be followed through Facilities Planning and Construction (FPC).

NRC Regulatory Site License: A company will be contracted to assist Texas A&M in obtaining and maintaining an NRC site license, with the contract awarded through standard Texas A&M University System (TAMUS) procurement processes.

4.A. Exceptional Item Request Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/15/2024**
TIME: **2:23:31PM**

Agency code: **710** Agency name: **Texas A&M University System Administrative and General Offices**

CODE	DESCRIPTION	Excp 2026	Excp 2027
Item Name: Ballistic, Aero-Optics, & Materials Range Phase II Infrastructure Item Priority: 2 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 03-05-01 Exceptional Item Request			
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	100,000	0
2003	CONSUMABLE SUPPLIES	200,000	0
5000	CAPITAL EXPENDITURES	31,000,000	0
TOTAL, OBJECT OF EXPENSE		\$31,300,000	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	31,300,000	0
TOTAL, METHOD OF FINANCING		\$31,300,000	\$0

DESCRIPTION / JUSTIFICATION:

The Texas A&M University System, in partnership with the state of Texas and Army Futures Command, designed and built the largest fully-enclosed hypersonic and directed energy range in the free world. The Ballistic, Aero-Optics, and Materials (BAM) Range is located at Texas A&M-RELLIS in Bryan, TX and Phase I is scheduled to be completed in spring 2025 with a total length of 565 meters. The Army and NASA have contributed \$18.6M and \$4.5M, respectively, for Phase I equipment and instrumentation. DoD research for a variety of partners is already being planned and conducted using the existing capabilities of Phase I.

The full embodiment of the BAM Range includes a total length of 1km (Phase II) to hit relevant operational distances for directed energy and expand the hypersonic flight envelope relevant to defense and space missions. The federal government appropriated \$35M in FY24 and is considering an additional \$30M appropriation in FY25 for the necessary specialized equipment to expand the range to 1 km. Federal funds cannot be used to fund infrastructure—the support facilities required to house controls, equipment and instrumentation. This is where state support becomes vital. State funding will enable TAMUS to build the necessary infrastructure at Texas A&M-RELLIS to install, house, and integrate up to \$65M of federally-funded specialized equipment and to bring the full RDT&E capability to fruition, with the potential to acquire additional exquisite instrumentation as part of federal and commercial research in the future.

The Texas A&M University System is prepared to facilitate this support by building upon existing RDT&E capabilities in the BAM Range and enabling collaborations by bringing together stakeholders from all national security sectors – including NASA, the semiconductor industry, government, and Texas’ aerospace and defense industrial base – to develop new technology solutions utilizing this unique RDT&E range.

EXTERNAL/INTERNAL FACTORS:

Major Accomplishments Expected During the Next Two Years: The System will begin executing long-range hypersonic ground-based “flight” tests and directed energy tests in

Agency code: **710**

Agency name: **Texas A&M University System Administrative and General Offices**

CODE	DESCRIPTION	Excp 2026	Excp 2027
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a fully enclosed range. The BAM Range Phase I (565m long) will be extended to a full 1km operational length, to be the largest facility of its kind in the free world. This is a much-needed RDT&E range to support accelerated national security technology development, workforce development and training, and economic growth for the Texas industrial base.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

N/A

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$0	\$0	\$0

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 99.00%

CONTRACT DESCRIPTION :

Construction Contracts: Standard procedures will be followed through Facilities Planning and Construction (FP&C).

4.A. Exceptional Item Request Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/15/2024**
TIME: **2:23:31PM**

Agency code: **710** Agency name: **Texas A&M University System Administrative and General Offices**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Workforce Development Center - Fort Worth Debt Service Item Priority: 3 IT Component: No Anticipated Out-year Costs: Yes Involve Contracts > \$50,000: No Includes Funding for the Following Strategy or Strategies: 02-01-02 Capital Construction Assistance Projects Revenue Bonds		
OBJECTS OF EXPENSE:			
2008	DEBT SERVICE	6,974,765	6,974,765
TOTAL, OBJECT OF EXPENSE		\$6,974,765	\$6,974,765
METHOD OF FINANCING:			
1	General Revenue Fund	6,974,765	6,974,765
TOTAL, METHOD OF FINANCING		\$6,974,765	\$6,974,765

DESCRIPTION / JUSTIFICATION:

This CCAP would support construction of an additional two floors to house a premier Workforce Development Center (WDC). The estimated 75,000 GSF is an opportunity to energize workforce development in the Metroplex with statewide impact. The plan includes:

- High-tech classroom spaces-all industries
- Medical simulation labs-healthcare
- Robotics lab-aerospace
- Commercial kitchen and/or food processing lab-advanced food manufacturing
- Collaboration spaces dedicated to creating new and innovative programming to further develop workforce training opportunities

Goal: Create a “best in class” facility as a model and learning lab for next generation workforce development programming and activity throughout the state.

While robust programming exists, industry leaders identified high-impact areas of interest that would complement the local/statewide workforce development ecosystem. Specific ideas include:

- Programmatic—Invest in micro-credentialing/executive education programs. Both considered high-need areas and currently not being robustly provided in Fort Worth. Programming can target the upskilling of an industry’s current workforce or prospective job seekers creating a stronger pipeline of talent to strengthen industries in North Texas.
- Ecosystem Coordination/Pathway Creation—Coordinate industry and workforce development partners across the city, county, and region to strengthen pathways between workforce development organizations and industry partners to provide better access for North Texans to 1)a family-sustaining job in an industry in North Texas or 2)a pathway into a four-year degree program at A&M.

Agency code: 710

Agency name: Texas A&M University System Administrative and General Offices

CODE	DESCRIPTION	Excp 2026	Excp 2027
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• A&M Gateway and Industry Convening-Convene industry partners to collaborate in the district through programming and engagement. Share best practices across the state to more effectively mobilize workforce development at scale. Create a centralized point of entry for industries to partner with A&M in Fort Worth will hold immeasurable value.

EXTERNAL/INTERNAL FACTORS:

The completion of this facility will further enhance opportunities for synergistic collaboration by co-locating industry partners with Texas A&M University System members conducting research in similar fields of study. The shared vision of this new urban campus is to create a hub for collaboration between key Fort Worth industries and top research, education and workforce training assets of the Texas A&M University System. The shared goal is to spur business and job growth in one of the nation's fastest growing cities and throughout North Texas.

Thanks to collaborative efforts from the onset of the project, Texas A&M – Fort Worth enjoys the support of the City of Fort Worth, Tarrant County, numerous community organizations such as Fort Worth – Tarrant County Innovation Partnership, and many Fort Worth based industry partners including Lockheed Martin, Raytheon, Elbit America and Alcon. Collaboration with these local leaders in aerospace, advanced manufacturing, healthcare, and visualization to identify workforce needs in micro-credentialing and upskilling is important prior to planning the physical space. The creation of the WDC should be led by the real-time and future needs of the industries that anchor the North Texas economy, resulting in the creation of a highly-skilled workforce that these industries seek.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Debt Service Payments

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
\$6,974,765	\$6,974,765	\$6,974,765

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Agency code:	710	Agency name:	Texas A&M University System Administrative and General Offices		
Code	Description		Excp 2026		Excp 2027
Item Name:		Energy Proving Ground			
Allocation to Strategy:		3-5-1	Exceptional Item Request		
OBJECTS OF EXPENSE:					
1001	SALARIES AND WAGES		1,000,000		2,000,000
2001	PROFESSIONAL FEES AND SERVICES		10,000,000		10,000,000
5000	CAPITAL EXPENDITURES		17,000,000		160,000,000
TOTAL, OBJECT OF EXPENSE			\$28,000,000		\$172,000,000
METHOD OF FINANCING:					
1	General Revenue Fund		28,000,000		172,000,000
TOTAL, METHOD OF FINANCING			\$28,000,000		\$172,000,000
FULL-TIME EQUIVALENT POSITIONS (FTE):			6.0		12.0

Agency code:	710	Agency name:	Texas A&M University System Administrative and General Offices			
Code	Description				Excp 2026	Excp 2027
Item Name:		Ballistic, Aero-Optics, & Materials Range				
Allocation to Strategy:		3-5-1	Exceptional Item Request			
OBJECTS OF EXPENSE:						
2001	PROFESSIONAL FEES AND SERVICES			100,000	0	
2003	CONSUMABLE SUPPLIES			200,000	0	
5000	CAPITAL EXPENDITURES			31,000,000	0	
TOTAL, OBJECT OF EXPENSE				\$31,300,000	\$0	
METHOD OF FINANCING:						
1	General Revenue Fund			31,300,000	0	
TOTAL, METHOD OF FINANCING				\$31,300,000	\$0	

Agency code: 710		Agency name: Texas A&M University System Administrative and General Offices	
Code	Description	Excp 2026	Excp 2027
Item Name:		Workforce Development Center - Fort Worth Debt Service	
Allocation to Strategy:		2-1-2	Capital Construction Assistance Projects Revenue Bonds
OBJECTS OF EXPENSE:			
2008 DEBT SERVICE		6,974,765	6,974,765
TOTAL, OBJECT OF EXPENSE		\$6,974,765	\$6,974,765
METHOD OF FINANCING:			
1 General Revenue Fund		6,974,765	6,974,765
TOTAL, METHOD OF FINANCING		\$6,974,765	\$6,974,765

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Agency Code: 710 Agency name: Texas A&M University System Administrative and General Offices

GOAL: 2 Provide Infrastructure Support

OBJECTIVE: 1 Provide Operation and Maintenance of E&G Space

Service Categories:

STRATEGY: 2 Capital Construction Assistance Projects Revenue Bonds

Service: 10 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2026	Excp 2027
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OBJECTS OF EXPENSE:

2008	DEBT SERVICE	6,974,765	6,974,765
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Total, Objects of Expense		\$6,974,765	\$6,974,765
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METHOD OF FINANCING:

1	General Revenue Fund	6,974,765	6,974,765
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Total, Method of Finance		\$6,974,765	\$6,974,765
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Workforce Development Center - Fort Worth Debt Service

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/11/2024
TIME: 12:50:29PM

Agency Code: 710 Agency name: Texas A&M University System Administrative and General Offices

GOAL: 3 Provide Non-formula Support

OBJECTIVE: 5 Exceptional Item Request

STRATEGY: 1 Exceptional Item Request

Service Categories:

Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Excp 2026	Excp 2027
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OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	1,000,000	2,000,000
2001	PROFESSIONAL FEES AND SERVICES	10,100,000	10,000,000
2003	CONSUMABLE SUPPLIES	200,000	0
5000	CAPITAL EXPENDITURES	48,000,000	160,000,000
Total, Objects of Expense		\$59,300,000	\$172,000,000

METHOD OF FINANCING:

1	General Revenue Fund	59,300,000	172,000,000
Total, Method of Finance		\$59,300,000	\$172,000,000

FULL-TIME EQUIVALENT POSITIONS (FTE):

6.0	12.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Energy Proving Ground

Ballistic, Aero-Optics, & Materials Range

6.A. Historically Underutilized Business Supporting Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/11/2024
Time: 1:07:07PM

Agency Code: 710 Agency: Texas A&M University System Administrative and General Offices

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2022			Total Expenditures		HUB Expenditures FY 2023			Total Expenditures	
			% Actual	Diff	Actual \$	FY 2022	% Goal	% Actual	Diff	Actual \$	FY 2023	
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
21.1%	Building Construction	26.0 %	35.3%	9.3%	\$74,983,612	\$212,256,436	30.0 %	27.1%	-2.9%	\$75,558,822	\$278,491,656	
32.9%	Special Trade	10.0 %	0.0%	-10.0%	\$0	\$1,044,023	2.0 %	0.0%	-2.0%	\$0	\$168,621	
23.7%	Professional Services	38.0 %	28.4%	-9.6%	\$5,887,321	\$20,746,018	35.0 %	40.3%	5.3%	\$18,181,374	\$45,153,196	
26.0%	Other Services	11.0 %	7.5%	-3.5%	\$2,086,450	\$27,748,584	11.0 %	4.0%	-7.0%	\$1,699,706	\$42,755,167	
21.1%	Commodities	45.0 %	31.3%	-13.7%	\$6,325,968	\$20,188,923	45.0 %	62.0%	17.0%	\$19,475,167	\$31,394,528	
	Total Expenditures		31.7%		\$89,283,351	\$281,983,984		28.9%		\$114,915,069	\$397,963,168	

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

In FY 2022, THE TEXAS A&M UNIVERSITY SYSTEM attained or exceeded one of the five applicable THE TEXAS A&M UNIVERSITY SYSTEM HUB procurement goals.

In FY 2023, THE TEXAS A&M UNIVERSITY SYSTEM attained or exceeded two of the five applicable THE TEXAS A&M UNIVERSITY SYSTEM HUB procurement goals.

Applicability:

For fiscal years 2022 and 2023, the Heavy Construction category was not deemed applicable to the agency's operations and minimal expenditures were reported in this category.

Factors Affecting Attainment:

Heavy Construction: Not applicable.

Building Construction: FY23 HUB attainment decreased slightly due to the phasing of active construction projects.

Special Trade Construction: FY22's total accounts for 0.3% of the agencies total FY22 expenditures and included few opportunities for HUB attainment. FY23 included only one contract accounting for 0.04% of the FY23 expenditures.

Professional Services: FY22 includes an error in which some professional services HUB expenditures were mistakenly coded as Building Construction expenditures.

Agency Code: 710 Agency: Texas A&M University System Administrative and General Offices

Other Services: FY22 included a \$3.96M payment to the company that manages the operations of our airport and a \$10.21M payment to an insurance provider, neither of which had subcontracting opportunities and significantly affected HUB goal attainment. FY23 included a \$2.84M payment and a \$16.41M payment to two insurance providers with no subcontracting opportunities.

Commodities: FY22 included a \$4.28M payment to a company that provided COVID tests and services, which significantly affected the attainment.

C. Good-Faith Efforts to Increase HUB Participation

Outreach Efforts and Mentor-Protégé Programs:

1) Outreach Efforts: The agency regularly and actively participates in economic opportunity forums throughout the state, including the annual Spot Bid Fair in Irving, the Dallas/Fort Worth Minority Supplier Development Council (DFWMC) Hard Hat Expo, the annual Regional Hispanic Contractors Association (RHCA) Build Fort Worth Expo, the annual TAMU-SSC Construction HUB Expo. The agency also collaborates with prime contractors on construction projects to host HUB pre-bid meetings to attract and inform HUBs about subcontracting opportunities available on the agency's capital projects.

HUB Program Staffing:

2) HUB Program Staffing: In FY22, the agency hired a full-time HUB Program Director. In FY23, the agency hired an additional full-time HUB Coordinator to support the administration of the HUB program.

Current and Future Good-Faith Efforts:

3) Current and Future Good Faith Efforts: The Texas A&M System distributes a weekly newsletter informing businesses about upcoming bid and networking opportunities available system-wide and with the agency. The agency updates the HUB webpage with relevant information regarding the HUB Program and available subcontracting opportunities, utilizes the Centralized Master Bidders List (CMBL) to send notices to HUBs when opportunities equal to or greater than \$100,000 are posted on the Electronic State Business Daily (ESBD), and continues to attend Education and Outreach Forums (EOFs) throughout the state.

6.H Estimated Funds Outside the Institution's Bill Pattern

Texas A&M University System (710)
Estimated Funds Outside the Institution's Bill Pattern
2024-25 and 2026-27 Biennia

	2024-25 Biennium				2026-27 Biennium			
	<u>FY 2024 Revenue</u>	<u>FY 2025 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>	<u>FY 2026 Revenue</u>	<u>FY 2027 Revenue</u>	<u>Biennium Total</u>	<u>Percent of Total</u>
APPROPRIATED SOURCES INSIDE THE BILL PATTERN								
State Appropriations (excluding HEGI & State Paid Fringes)	\$ 33,560,469	\$ 203,337,633	\$ 236,898,102		\$ 4,517,551	\$ 4,517,555	\$ 9,035,106	
Tuition and Fees (net of Discounts and Allowances)	-	-	-		-	-	-	
Endowment and Interest Income	-	-	-		-	-	-	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Other Income	-	-	-		-	-	-	
Total	<u>\$ 33,560,469</u>	<u>\$ 203,337,633</u>	<u>\$ 236,898,102</u>	<u>72.0%</u>	<u>\$ 4,517,551</u>	<u>\$ 4,517,555</u>	<u>\$ 9,035,106</u>	<u>9.1%</u>
APPROPRIATED SOURCES OUTSIDE THE BILL PATTERN								
State Appropriations (HEGI & State Paid Fringes)	\$ 60,000	\$ 120,000	\$ 180,000		\$ 126,000	\$ 132,300	\$ 258,300	
Higher Education Assistance Funds	-	-	-		-	-	-	
Available University Fund	34,042,000	34,600,000	68,642,000		34,600,000	34,600,000	69,200,000	
State Grants and Contracts								
Total	<u>\$ 34,102,000</u>	<u>\$ 34,720,000</u>	<u>\$ 68,822,000</u>	<u>20.9%</u>	<u>\$ 34,726,000</u>	<u>\$ 34,732,300</u>	<u>\$ 69,458,300</u>	<u>69.6%</u>
NON-APPROPRIATED SOURCES								
Tuition and Fees (net of Discounts and Allowances)	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Federal Grants and Contracts	257,280	257,280	514,560		257,280	257,280	514,560	
State Grants and Contracts	-	-	-		-	-	-	
Local Government Grants and Contracts	-	-	-		-	-	-	
Private Gifts and Grants	194,000	150,000	344,000		150,000	150,000	300,000	
Endowment and Interest Income	9,980,000	7,984,000	17,964,000		7,984,000	7,984,000	15,968,000	
Sales and Services of Educational Activities (net)	-	-	-		-	-	-	
Sales and Services of Hospitals (net)	-	-	-		-	-	-	
Professional Fees (net)	-	-	-		-	-	-	
Auxiliary Enterprises (net)	-	-	-		-	-	-	
Other Income	2,246,413	2,246,413	4,492,826		2,246,413	2,246,413	4,492,826	
Total	<u>\$ 12,677,693</u>	<u>\$ 10,637,693</u>	<u>\$ 23,315,386</u>	<u>7.1%</u>	<u>\$ 10,637,693</u>	<u>\$ 10,637,693</u>	<u>\$ 21,275,386</u>	<u>21.3%</u>
TOTAL SOURCES	<u>\$ 80,340,162</u>	<u>\$ 248,695,326</u>	<u>\$ 329,035,488</u>	<u>100.0%</u>	<u>\$ 49,881,244</u>	<u>\$ 49,887,548</u>	<u>\$ 99,768,792</u>	<u>100.0%</u>

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8. Summary of Requests for Facilities-Related Projects
89th Regular Session, Agency Submission, Version 1

Agency Code: 710		Agency: Texas A&M University System		Prepared by: Kelli Holt											
Date: August 1, 2024				Amount Requested											
Project ID #	Capital Expenditure Category	Project Description	New Construction	Project Category			2026-27 Total Amount Requested	MOF Code #	MOF Requested	Can this project be partially funded?	Requested in Prior Session?	Value of Existing Capital Projects	2026-27 Estimated Debt Service (If Applicable)	Debt Service MOF Code #	Debt Service MOF Requested
				Health and Safety	Deferred Maintenance	Maintenance									
1	5002	Texas A&M-Fort Worth: Research and Innovation Building – Workforce Development Center	\$ 200,000,000				\$ 80,000,000	0001	Capital Construction Assistance Project	No	No	\$ -	\$13,949,530	0001	General Revenue

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Higher Education Schedule 2: Selected Educational, General and Other Funds

10/11/2024 2:35:45PM

89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

710 Texas A&M University System Administrative and General Offices

	Act 2023	Act 2024	Bud 2025	Est 2026	Est 2027
General Revenue Transfers					
Transfer from Coordinating Board for Texas College Work Study Program (2021, 2022, 2023)	0	0	0	0	0
Transfer from Coordinating Board for Professional Nursing Shortage Reduction Program	0	0	0	0	0
Transfer of GR Group Insurance Premium from Comptroller (UT and TAMU Components only)	0	0	0	0	0
Less: Transfer to Other Institutions	0	0	0	0	0
Less: Transfer to Department of Health, Disproportionate Share - State-Owned Hospitals (2021, 2022, 2023)	0	0	0	0	0
Other (Itemize)					
Other: Fifth Year Accounting Scholarship	0	0	0	0	0
Texas Grants	0	0	0	0	0
B-on-Time Program	0	0	0	0	0
Texas Research Incentive Program	0	0	0	0	0
Less: Transfer to System Administration	0	0	0	0	0
GME Expansion	0	0	0	0	0
Subtotal, General Revenue Transfers	0	0	0	0	0
General Revenue HEF	0	0	0	0	0
Transfer from Available University Funds (UT, A&M and Prairie View A&M Only)	25,872,000	34,042,000	34,600,000	34,600,000	34,600,000
Other Additions (Itemize)					
Increase Capital Projects - Educational and General Funds	0	0	0	0	0
Transfer from Department of Health, Disproportionate Share - State-owned Hospitals (2021, 2022, 2023)	0	0	0	0	0
Transfers from Other Funds, e.g., Designated funds transferred for educational and general activities (Itemize)	0	0	0	0	0
Other (Itemize)					
Gross Designated Tuition (Sec. 54.0513)	0	0	0	0	0
Indirect Cost Recovery (Sec. 145.001(d))	0	0	0	0	0
Correctional Managed Care Contracts	0	0	0	0	0

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710 Texas A&M University System Administrative and General Offices

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
GR & GR-D Percentages					
GR %	1.25%				
GR-D/Other %	98.75%				
Total Percentage	100.00%				
FULL TIME ACTIVES					
1a Employee Only	2	0	2	2	109
2a Employee and Children	1	0	1	1	47
3a Employee and Spouse	0	0	0	0	42
4a Employee and Family	0	0	0	0	66
5a Eligible, Opt Out	0	0	0	0	6
6a Eligible, Not Enrolled	0	0	0	0	8
Total for This Section	3	0	3	3	278
PART TIME ACTIVES					
1b Employee Only	0	0	0	0	0
2b Employee and Children	0	0	0	0	0
3b Employee and Spouse	0	0	0	0	0
4b Employee and Family	0	0	0	0	0
5b Eligible, Opt Out	0	0	0	0	1
6b Eligible, Not Enrolled	0	0	0	0	1
Total for This Section	0	0	0	0	2
Total Active Enrollment	3	0	3	3	280

710 Texas A&M University System Administrative and General Offices

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
FULL TIME RETIREES by ERS					
1c Employee Only	0	0	0	0	90
2c Employee and Children	0	0	0	0	2
3c Employee and Spouse	0	0	0	0	68
4c Employee and Family	0	0	0	0	8
5c Eligible, Opt Out	0	0	0	0	0
6c Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	168
PART TIME RETIREES by ERS					
1d Employee Only	0	0	0	0	0
2d Employee and Children	0	0	0	0	0
3d Employee and Spouse	0	0	0	0	0
4d Employee and Family	0	0	0	0	0
5d Eligible, Opt Out	0	0	0	0	0
6d Eligible, Not Enrolled	0	0	0	0	0
Total for This Section	0	0	0	0	0
Total Retirees Enrollment	0	0	0	0	168
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	2	0	2	2	199
2e Employee and Children	1	0	1	1	49
3e Employee and Spouse	0	0	0	0	110
4e Employee and Family	0	0	0	0	74
5e Eligible, Opt Out	0	0	0	0	6
6e Eligible, Not Enrolled	0	0	0	0	8
Total for This Section	3	0	3	3	446

710 Texas A&M University System Administrative and General Offices

	E&G Enrollment	GR Enrollment	GR-D/OEGI Enrollment	Total E&G (Check)	Local Non-E&G
TOTAL ENROLLMENT					
1f Employee Only	2	0	2	2	199
2f Employee and Children	1	0	1	1	49
3f Employee and Spouse	0	0	0	0	110
4f Employee and Family	0	0	0	0	74
5f Eligible, Opt Out	0	0	0	0	7
6f Eligible, Not Enrolled	0	0	0	0	9
Total for This Section	3	0	3	3	448

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Higher Education Schedule 4: Computation of OASI
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

10/11/2024 4:00:30PM

Agency 710 Texas A&M University System Administrative and General Offices										
Proportionality Percentage Based on Comptroller Accounting Policy Statement #011, Exhibit 2	2023		2024		2025		2026		2027	
	% to Total	Allocation of OASI	% to Total	Allocation of OASI	% to Total	Allocation of OASI	% to Total	Allocation of OASI	% to Total	Allocation of OASI
General Revenue (% to Total)	0.0000	\$0	1.2120	\$32,686	1.5215	\$49,163	2.0000	\$75,311	2.0000	\$85,998
Other Educational and General Funds (% to Total)	100.0000	\$2,369,637	98.7880	\$2,664,219	98.4785	\$3,182,072	98.0000	\$3,690,254	98.0000	\$4,213,897
Health-Related Institutions Patient Income (% to Total)	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0	0.0000	\$0
Grand Total, OASI (100%)	100.0000	\$2,369,637	100.0000	\$2,696,905	100.0000	\$3,231,235	100.0000	\$3,765,565	100.0000	\$4,299,895

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Higher Education Schedule 5: Calculation of Retirement Proportionality and ORP Differential
89th Regular Session, Agency Submission, Version 1

10/11/2024 2:06:39PM

Automated Budget and Evaluation System of Texas (ABEST)

710 Texas A&M University System Administrative and General Offices

Description	Act 2023	Act 2024	Bud 2025	Est 2026	Est 2027
Proportionality Amounts					
Gross Educational and General Payroll - Subject To TRS Retirement	12,508,030	15,448,445	15,911,898	16,230,136	16,554,739
Employer Contribution to TRS Retirement Programs	1,003,593	1,274,320	1,312,550	1,338,801	1,365,576
Gross Educational and General Payroll - Subject To ORP Retirement	3,968,087	4,395,056	4,526,907	4,617,446	4,709,794
Employer Contribution to ORP Retirement Programs	285,526	311,760	321,112	327,535	334,085
Proportionality Percentage					
General Revenue	0.0000 %	1.2500 %	1.5215 %	2.0000 %	2.0000 %
Other Educational and General Income	100.0000 %	98.7500 %	98.4785 %	98.0000 %	98.0000 %
Health-related Institutions Patient Income	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Proportional Contribution					
Other Educational and General Proportional Contribution (Other E&G percentage x Total Employer Contribution to Retirement Programs)	1,289,119	1,566,254	1,608,806	1,633,009	1,665,668
HRI Patient Income Proportional Contribution (HRI Patient Income percentage x Total Employer Contribution To Retirement Programs)	0	0	0	0	0
Differential					
Differential Percentage	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
Gross Payroll Subject to Differential - Optional Retirement Program	0	0	0	0	0
Total Differential	0	0	0	0	0

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Higher Education Schedule 6: Constitutional Capital Funding

10/11/2024 2:05:33AM

89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

710 Texas A&M University System Administrative and General Offices					
Activity	Act 2023	Act 2024	Bud 2025	Est 2026	Est 2027
A. PUF Bond Proceeds Allocation	85,297,033	112,960,486	32,756,200	29,305,800	0
Project Allocation					
Library Acquisitions	0	0	0	0	0
Construction, Repairs and Renovations	81,897,033	107,359,436	28,256,200	29,305,800	0
Furnishings & Equipment	0	0	0	0	0
Computer Equipment & Infrastructure	0	0	0	0	0
Reserve for Future Consideration	0	0	0	0	0
Other (Itemize)					
PUF Bond Proceeds					
Equipment/Minor Renovation Projects	3,400,000	2,001,050	4,500,000	0	0
Software	0	3,600,000	0	0	0
B. HEF General Revenue Allocation	0	0	0	0	0
Project Allocation					
Library Acquisitions	0	0	0	0	0
Construction, Repairs and Renovations	0	0	0	0	0
Furnishings & Equipment	0	0	0	0	0
Computer Equipment & Infrastructure	0	0	0	0	0
Reserve for Future Consideration	0	0	0	0	0
HEF for Debt Service	0	0	0	0	0
Other (Itemize)					

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Higher Education Schedule 7: Personnel
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 10/18/2024
Time: 11:09:27AM

Agency code: 710 Agency name: Texas A&M Univ System Admin

	Actual 2023	Actual 2024	Budgeted 2025	Estimated 2026	Estimated 2027
Part A.					
FTE Postions					
Directly Appropriated Funds (Bill Pattern)					
Educational and General Funds Faculty Employees	0.0	2.4	6.0	6.0	6.0
Subtotal, Directly Appropriated Funds	0.0	2.4	6.0	6.0	6.0
Other Appropriated Funds					
AUF	100.2	110.0	111.8	111.8	111.8
Subtotal, Other Appropriated Funds	100.2	110.0	111.8	111.8	111.8
Subtotal, All Appropriated	100.2	112.4	117.8	117.8	117.8
Non Appropriated Funds Employees	173.0	172.7	172.6	172.6	172.6
Subtotal, Other Funds & Non-Appropriated	173.0	172.7	172.6	172.6	172.6
GRAND TOTAL	273.2	285.1	290.4	290.4	290.4

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Higher Education Schedule 8A: Capital Construction Assistance Projects Revenue Bond Projects

89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/11/2024
TIME: 2:29:06PM

Agency 710 Texas A&M University System Administrative and General Offices

Project Priority:	Project Code:	Capital Construction Assistance Projects Revenue Bond Request	Total Project Cost	Cost Per Total Gross Square Feet
1	1	\$ 80,000,000	\$ 200,000,000	\$ 2,667
Name of Proposed Facility: TAMUS-Fort Worth:Workforce Development C		Project Type: New Construction		
Location of Facility: Fort Worth		Type of Facility: Research		
Project Start Date: 09/01/2025		Project Completion Date: 09/01/2027		
Gross Square Feet: 75,000		Net Assignable Square Feet in Project 0		

Project Description

The Research & Innovation Building is the second of a three-building planned campus in downtown Fort Worth. The Texas A&M University System will locate multiple member agencies and academic units in this complex, with a goal that these units will activate dedicated space to attract industry partners and entrepreneurs interested in working in tandem with members of the Texas A&M University System. The new campus will strengthen collaboration between education, industry and our entrepreneurial community in Fort Worth, Tarrant County, the region and the state.

This CCAP request will support the new construction of an additional two floors which will house a premier Workforce Development Center (WDC). The estimated 75,000 GSF is an opportunity to both galvanize and energize workforce development from the metroplex to have a statewide impact.

- High-tech classroom spaces
- Medical simulation labs
- Robotics lab
- Commercial kitchen and/or food processing lab
- Collaboration spaces

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Higher Education Schedule 8B: Capital Construction Assistance Projects Revenue Bond Issuance History

10/11/2024 2:29:56PM

89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

710 Texas A&M University System Administrative and General Offices

Authorization Date	Authorization Amount	Issuance Date	Issuance Amount	Authorized Amount Outstanding as of 08/31/2024	Proposed Issuance Date for Outstanding Authorization	Proposed Issuance Amount for Outstanding Authorization
1991	\$60,000,000	Nov 24 1992	\$10,000,000			
		Apr 28 1993	\$40,000,000			
		Mar 28 1994	\$10,000,000			
		Subtotal	\$60,000,000	\$0		
1993	\$75,000,000	Mar 28 1994	\$40,000,000			
		Feb 1 1995	\$961,000			
		Jun 5 1995	\$16,114,000			
		Jul 17 1997	\$17,925,000			
		Subtotal	\$75,000,000	\$0		
1997	\$145,200,000	Mar 4 1998	\$4,417,000			
		Aug 3 1999	\$4,960,000			
		Aug 9 1999	\$56,113,000			
		Feb 16 2000	\$14,860,000			
		Jun 14 2001	\$37,140,000			
		Jul 2 2001	\$5,790,000			
		Jan 23 2002	\$4,200,000			
		Jul 23 2002	\$3,520,000			
		Oct 10 2002	\$2,700,000			
		May 20 2003	\$11,500,000			
		Subtotal	\$145,200,000	\$0		
2001	\$241,450,000	Feb 24 2003	\$25,000,000			
		May 20 2003	\$115,380,000			
		Jul 31 2003	\$8,135,000			
		Sep 1 2003	\$315,000			
		Aug 25 2004	\$76,420,000			
		May 16 2006	\$16,200,000			
		Subtotal	\$241,450,000	\$0		
2003	\$12,500,000	Aug 25 2004	\$12,500,000			
		Subtotal	\$12,500,000	\$0		
2006	\$465,560,600	Aug 15 2007	\$8,252,000			
		Jul 24 2008	\$80,195,400			

Higher Education Schedule 8B: Capital Construction Assistance Projects Revenue Bond Issuance History

10/11/2024 2:29:56PM

89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

710 Texas A&M University System Administrative and General Offices

Authorization Date	Authorization Amount	Issuance Date	Issuance Amount	Authorized Amount Outstanding as of 08/31/2024	Proposed Issuance Date for Outstanding Authorization	Proposed Issuance Amount for Outstanding Authorization
2006	\$465,560,600	Aug 14 2008	\$954,000			
		Sep 26 2008	\$11,011,257			
		Mar 11 2009	\$211,318,743			
		Jul 27 2009	\$32,565,000			
		Nov 10 2009	\$55,239,706			
		Jun 3 2010	\$66,024,494			
		Subtotal	\$465,560,600	\$0		
2009	\$5,000,000	Jun 3 2010	\$5,000,000			
		Subtotal	\$5,000,000	\$0		
2016	\$800,792,000	Dec 14 2016	\$32,014,000			
		Jan 31 2017	\$386,860,000			
		Jun 21 2017	\$381,918,000			
		Subtotal	\$800,792,000	\$0		
2022	\$727,422,237	Dec 6 2022	\$36,100,000			
		May 9 2023	\$27,000,000			
		Aug 18 2023	\$7,523,282			
		Sep 5 2023	\$12,450,000			
		Nov 16 2023	\$19,897,000			
		Mar 4 2024	\$30,987,668			
		May 30 2024	\$381,634,000			
		Subtotal	\$515,591,950	\$211,830,287		
					Sep 1 2024	\$211,830,287

Schedule 8C: CCAP Revenue Bonds Request by Project

Agency Code: **710**

Agency Name: **The Texas A&M University System**

Project Name	Authorization Year	Estimated Final Payment Date	Requested Amount 2026	Requested Amount 2027
RELLIS STEM Education Center	2022	5/15/2042	\$ 3,786,025.00	\$ 3,786,029.00
			<u>\$ 3,786,025.00</u>	<u>\$ 3,786,029.00</u>

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710 Texas A&M University System Administrative and General Offices

Ballistic, Aero-Optics, & Materials Range Phase II Infrastructure**(1) Year Non-Formula Support Item First Funded:** 2026

Year Non-Formula Support Item Established: 2026

Original Appropriation: \$31,300,000

(2) Mission:

Texas has been a long-standing leader in the aerospace and defense sectors and plays a critical role in our nation's security. When coupled with the state's leadership in space and semiconductor technology development, a unique ecosystem enabling leap ahead advancements in national security technologies is born. Additional investments into exquisite research, development, test, and evaluation (RDT&E) capabilities at relevant scales will provide unique workforce and economic development opportunities to Texans, as well as significantly contribute to our nation's security through partnerships across the country.

The full embodiment of the Ballistic, Aero-Optics, and Materials (BAM) Range includes a total length of 1km (Phase II) to hit relevant operational distances for directed energy and to expand the hypersonic flight envelope relevant to defense and space missions. The federal government appropriated \$35M in FY24 and is considering an additional \$30M appropriation in FY25 for the necessary specialized equipment to expand the range to 1 km. Federal funds cannot be used to fund infrastructure—the support facilities required to house controls, equipment, and instrumentation. This is where state support becomes vital. Funding from the state will be utilized to provide the necessary infrastructure at Texas A&M-RELLIS to install, house, and integrate up to \$65M of federally funded specialized equipment and to bring the full RDT&E capability to fruition.

(3) (a) Major Accomplishments to Date:

The Texas A&M University System – in partnership with the state of Texas and Army Futures Command – has designed and built the largest fully -enclosed hypersonic and directed energy range in the free world. The BAM Range is located at Texas A&M-RELLIS in Bryan, TX and Phase I is scheduled to be completed in spring 2025, with a total length of 565 meters. The Army and NASA have contributed \$18.6M and \$4.5M, respectively, for Phase I equipment and instrumentation. DoD research for a variety of partners is already being planned and conducted using the existing capabilities of Phase I.

(3) (b) Major Accomplishments Expected During the Next 2 Years:

The System will begin executing ballistic impact, long-range hypersonic ground-based "flight" and directed energy tests in a fully enclosed range. The BAM Range Phase I (565m long) will be extended to a full 1km operational length, to be the largest facility of its kind in the free world. This is a much-needed RDT&E range to support accelerated national security technology development, workforce development and training, and economic growth for the Texas industrial base.

(4) Funding Source Prior to Receiving Non-Formula Support Funding:

Federal Funding: The Army and NASA have contributed \$18.6M and \$4.5M, respectively, for Phase I equipment and instrumentation.

(5) Formula Funding:

N/A

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(6) Category:

Research Support

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

N/A

(9) Impact of Not Funding:

These initiatives will provide a critical platform for innovation and collaboration, ensuring that Texas remains at the forefront of national security technology development. The expanded BAM Range at Texas A&M-RELLIS will play a pivotal role in meeting our nation's needs in advancing critical technologies while also solidifying Texas' position as a leader in the national security sector. Without this essential state support, Texas could miss the opportunity to take the lead on these important national security issues.

(10) Non-Formula Support Needed on Permanent Basis/Discontinuation:

N/A

(11) Non-Formula Support Associated with Time Frame:

One-time

(12) Benchmarks:

N/A

(13) Performance Reviews:

The System will measure progress due to extension of the enclosed range by monitoring the number of long-range hypersonic ground-based "flight" and directed energy tests, the value (\$) and impact of direct support to national security organizations, and the value (\$) and impact of direct support and partnerships with Texas based defense companies, the number of researchers and students who have used the facility.

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Energy Proving Ground**(1) Year Non-Formula Support Item First Funded:** 2026

Year Non-Formula Support Item Established: 2026

Original Appropriation: \$28,000,000

(2) Mission:

By 2050, Texas is expected to nearly double its electric demand. As an R&D/Workforce Development partner, and an early adopter, the Texas A&M University System can accelerate the development and adoption of new technologies in a pre-competitive arena to meet this surge in electric demand. The System will develop the Energy Proving Ground — a location of shared facilities where innovative energy technologies can demonstrate first-of-a-kind commercial viability with reduced barriers to entry.

Key technologies poised to play a crucial role in this expansion are geothermal, hydrogen, and nuclear power. Texas is uniquely positioned to excel in these areas due to its expertise in drilling, its established refinery infrastructure, its leadership in renewable energy production, and its welcoming acceptance of diverse energy options. However, implementing new technologies in the energy sector is challenging. This is where state support becomes vital.

The Texas A&M RELLIS campus will function as both a testing site and an initial adopter. It will facilitate collaboration by bringing together end users, such as data center testbeds and manufacturers, with diverse energy providers. RELLIS will also play a pivotal role in developing the energy workforce, preparing a new generation of professionals equipped to lead in the evolving energy landscape. This ecosystem of innovation and collaboration will drive the growth and advancement of the energy sector in Texas.

(3) (a) Major Accomplishments to Date:

The System has identified facilities that multiple research and commercial collaborators can utilize including:

- Substation: A critical infrastructure component to manage and distribute generated electricity, ensure efficient integration with the existing grid, and provide a reliable connection point for various energy sources.
- Microgrid Controller: An advanced system designed to optimize the operation of interconnected microgrids, enhancing energy reliability, efficiency, and resilience. This controller will enable real-time monitoring and management of energy flows, facilitating the seamless integration of renewable and conventional energy sources.
- Test Pads and Buildings: These spaces will be equipped with the necessary utilities and safety features to support a wide range of experimental setups, from small-scale prototypes to larger demonstration units. The buildings will house laboratories, control rooms, and equipment storage, providing a comprehensive environment for research and development activities.
- Operations Building: Office space for researchers and administrative staff, meeting rooms for collaboration and planning, and state-of-the-art communication and monitoring systems to ensure smooth operation and management of the facility.
- Cooling Infrastructure: This essential infrastructure will include advanced cooling systems such as cooling ponds, cooling towers, and heat exchangers with sharable interfaces.

(3) (b) Major Accomplishments Expected During the Next 2 Years:

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The System will begin creating a testing and development site dedicated to advancing energy research and innovations at the demonstration phase, just before commercial viability. The site will host various technologies, including nuclear, fusion, geothermal, hydrogen, and battery systems. The test pads will range from 100 kW to 10 MW of dispatchable electrical generation at RELLIS, aiming to achieve up to 1 GW of dispatchable electricity on regional commercial sites within 5-10 years. The initiative will attract research funding, industry partnerships, and commercial investments, thereby fostering innovation and reducing barriers to market entry. The benefits also extend to societal gains, such as improved energy reliability, environmental sustainability through the integration of clean energy solutions, and the establishment of Texas as a leader in the energy sector. In summary, while the initial investment is substantial, the long-term economic, environmental, and technological gains, along with revenue-generating mechanisms, provide a compelling case for the project's viability and success.

(4) Funding Source Prior to Receiving Non-Formula Support Funding:

N/A

(5) Formula Funding:

N/A

(6) Category:

Research Support

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

N/A

(9) Impact of Not Funding:

These initiatives will provide a critical platform for innovation and collaboration, ensuring that Texas remains at the forefront of energy technology and infrastructure development. The Energy Proving Ground will play a pivotal role in meeting Texas' future energy demands and solidifying its position as a leader in the energy sector. Without state support, Texas could miss the opportunity to take the lead on these important energy issues.

(10) Non-Formula Support Needed on Permanent Basis/Discontinuu

N/A

(11) Non-Formula Support Associated with Time Frame:

Permanent

(12) Benchmarks:

N/A

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(13) Performance Reviews:

The System will measure progress by monitoring the amount of research conducted and the number of industry partnerships formed. Additionally, performance will be measured more generally through improved energy reliability and environmental sustainability through the integration of clean energy solutions in Texas .

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Quantum and Artificial Intelligence Chip Fabrication**(1) Year Non-Formula Support Item First Funded:** 2023

Year Non-Formula Support Item Established: 2023

Original Appropriation: \$200,000,000

(2) Mission:

- Provide funding to support the Texas A&M Semiconductor Institute (TSI) with new facilities, research and educational initiatives, and operational expenses.
- Construct a new semiconductor cleanroom research and development fabrication facility at Texas A&M University on RELLIS campus.
- The TSI facility will enable disruptive and innovative research in semiconductor devices and manufacturing processes. Research and development will focus on semiconductor devices which enable quantum and artificial intelligence and leap ahead processing technologies. As envisioned the facility will be unique in the nation with respect to the versatility and fidelity of the semiconductor manufacturing.

(3) (a) Major Accomplishments to Date:

Programming Stage: Initiated the programming phase; the design phase is anticipated to begin at the end of the year.

Leadership Recruitment: Recruited and onboarded a highly qualified inaugural director from the semiconductor industry to lead the Texas A&M Semiconductor Institute, bringing a wealth of experience and expertise.

Statewide Leadership: A&M System leadership serving on state committee.

Engagement Events: Hosted an external summit with 240 attendees, fostering collaboration and knowledge sharing among stakeholders in the semiconductor industry; Facilitated an internal workshop to enhance synergy and align on strategic goals; Another external summit is planned for October 2024, with an anticipated attendance of 300, focusing on cross-functional collaboration.

Internal Funding Success: Awarded 8 internal grants totaling over \$685,709 to support innovative research and development within the Texas A&M System.

Active Funding Engagement: Responded to 23 funding calls as both lead and partner, demonstrating proactive engagement with potential funding opportunities;

Achieved early success, with 4 submissions advancing to the next round of consideration, showcasing our rigorous proposal development process. Pursuing many paths to drive overhead revenue.

International Collaboration: Signed a Memorandum of Understanding (MOU) with the Taiwan Ministry of Education to foster cross-functional research and language collaboration, building international research partnerships.

(3) (b) Major Accomplishments Expected During the Next 2 Years:

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- Operational Texas A&M Semiconductor Institute Facility: Targeting full operational status of the facility, enabling cutting-edge research and development in semiconductor technology.
- Workforce: Establish TSI as a nationally recognized center of excellence in WFD for semiconductor research and manufacturing by building a state-wide consortium of academia and industry.
- Expansion of Leadership Team: Anticipating the recruitment of key staff, including a Chief Research Officer, Workforce Development Director, and Facility and Construction Director to enhance operational capacity and strategic direction.
- Research Expenditures for Research Engagements: Establishing facility use and service contracts to facilitate collaboration with external and internal stakeholders.
 - o More about collaboration across academia and industry
 - o Leveraging existing assets to bring TSI to life / avoiding duplication
- Manufacturing USA Institute Subawardee: Positioning the Texas A&M Semiconductor Institute as a sub-awardee in the Manufacturing USA Institute, further establishing our role in advancing semiconductor manufacturing capabilities.

(4) Funding Source Prior to Receiving Non-Formula Support Funding:

N/A

(5) Formula Funding:

N/A

(6) Category:

Research Support

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

N/A

(9) Impact of Not Funding:

• The widespread use of chips is a fact of modern daily life, supporting national defense, health, energy, manufacturing, automobile, communications and computing applications. The nationwide chip shortage and an over-dependence on overseas manufacturing is causing a national security risk that underscores the urgent need to increase domestic production of this critical technology. The security risk is not just a product of the pandemic's impact on the supply chain but also an issue of technical limitations in existing U.S. manufacturing capabilities. As a leader in semiconductor exports, Texas is poised to help fill domestic manufacturing capability gaps, solve R&D challenges and train the future semiconductor manufacturing workforce in the U.S. – it is essential not only to the state's economy but to the nation's security. In the summer of 2022, Congress passed the CHIPS and Science Act to strategically position the U.S. in this sector and ensure leadership in semiconductor manufacturing. Over \$13 billion is available in federal R&D funds, and many states are seeking a portion of this funding. Texas must make a state-level investment in semiconductor R&D efforts to ensure chips independence and be competitive for federal allocations toward cutting-edge fabrication technologies and semiconductor workforce development.

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(10) Non-Formula Support Needed on Permanent Basis/Discontinuu

N/A

(11) Non-Formula Support Associated with Time Frame:

Permanent

(12) Benchmarks:

N/A

(13) Performance Reviews:

The System will measure progress by monitoring the amount of research conducted and the number of industry partnerships formed. Additionally, performance will be measured more generally through new innovations in chip manufacturing technologies, workforce training to respond to short- and longer-term needs of the industry, and increased effectiveness and efficiency in all aspect of current fabrication technology.

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Scholarships**(1) Year Non-Formula Support Item First Funded:** 1998

Year Non-Formula Support Item Established: 1998

Original Appropriation: \$2,500,000

(2) Mission:

Provide need based Scholarships to first-time resident undergraduate students for the Texas A&M University System academic members.

(3) (a) Major Accomplishments to Date:

In FY 2023, 953 scholarships were awarded at an average of approximately \$746 per student.

(3) (b) Major Accomplishments Expected During the Next 2 Years:

The expected impact is 953 scholarships awarded at an average of approximately \$746 per student.

(4) Funding Source Prior to Receiving Non-Formula Support Funding:

None

(5) Formula Funding:

None

(6) Category:

Instructional Support

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

None

(9) Impact of Not Funding:

Possible reduction in graduation rates and enrollment for need based students who count on this support to continue their education.

(10) Non-Formula Support Needed on Permanent Basis/Discontinuation:

None

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(11) Non-Formula Support Associated with Time Frame:

None

(12) Benchmarks:

None

(13) Performance Reviews:

Performance can be measured by the number of scholarships and the average amount of an award.
