



September 29, 2017

Mr. Steven Albright
Budget Director, Division of Budget and Policy
Office of the Governor
1100 San Jacinto
Austin, Texas 78701
INTERAGENCY MAIL

Ms. Ursula Parks
Director
Legislative Budget Board
Robert E. Johnson Building, Fifth Floor
1501 North Congress
Austin, Texas 78701
INTERAGENCY MAIL

Dear Mr. Albright and Ms. Parks:

Within the General Appropriation Act, Article IX, Section 6.10 (a) and (e), - Limitations on State Employment Levels require state agencies and institutions of higher education to report when the number of full time equivalent (FTE) employees paid from appropriated funds exceed the limit established by the Act.

For The University of Texas System, the table below presents the institutions meeting the conditions requiring this reporting. Summarized below is the original request to exceed the FTE limit submitted at the beginning of the fiscal year as well as the actual four quarter average of FTEs paid from appropriated funds in excess of the adjusted limit for FY 2017 (110% or plus 50, whichever is less) as allowed by Article IX, Section 6.10 (a) (2):

Name of Institution	Requested	Actual
U. T. System Administration	130.0	184.4
U. T. Arlington	10.5	N/A
U. T. Dallas	75.0	108.1
U. T. Permian Basin	9.2	N/A
U. T. Southwestern Medical Center	55.0	N/A
U. T. Medical Branch - Galveston	325.3	N/A
U. T. Health Science Center - Houston	179.2	N/A

Mr. Steven Albright
Ms. Ursula Parks
September 29, 2017
Page Two

The original request to exceed the FTE cap submitted on September 21, 2016, sets forth for each institution the justification for the increased number of FTEs and the source of funds for their compensation for all institutions. The additional FTEs beyond the original request to exceed the FTE cap for U. T. Dallas reflects the hiring of faculty and academic support services necessary to meet growing student enrollment during FY 2017. For U. T. System Administration, the original request to exceed the FTE cap reflected the Board of Regents desire that the FY 2017 budget be reduced by 130 FTEs over the course of the year. This was accomplished by year end through a combination of a voluntary separation incentive program, attrition, vacant position eliminations, return of certain audit function back to campuses and a limited reduction in force. Because the reduction occurred over the course of the year, the full impact of the reductions is not reflected in the yearly average.

It is important to note, per the *General Appropriations Act*, beginning in FY 2016 employees paid with Patient Income were not counted for purposes of calculating the limitations within Article IX, Section 6.10.

Please contact Alan Werchan (512.499.4275) or me if you need additional information or further clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Wallace", written over a white background.

Randy Wallace

Associate Vice Chancellor – Controller and Chief Budget Officer

c: Vice Chancellor Barry McBee

RW:AW/jm