



September 30, 2022

Ms. Sarah Hicks  
Budget Director, Division of Budget and Policy  
Office of the Governor  
1100 San Jacinto  
Austin, Texas 78701  
INTERAGENCY MAIL

Mr. Jerry McGinty  
Director  
Legislative Budget Board  
Robert E. Johnson Building, Fifth Floor  
1501 North Congress  
Austin, Texas 78701  
INTERAGENCY MAIL

Dear Ms. Hicks and Mr. McGinty:

Within the *General Appropriation Act (2022-23)*, Article IX, Section 6.10 (a) and (b), - 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. It is important to note, that per the General Appropriations Act, beginning in FY 2016 employees paid with Patient Income are not counted for purposes of calculating the limitations within Article IX, Section 6.10. Summarized below are the actual four quarter averages of FTEs paid from appropriated funds in excess of the adjusted limit for FY 2022 (110% or plus 50, whichever is less) as allowed by Article IX, Section 6.10 (a) (2):

Name of Institution	FTEs Above Limit
U. T. Rio Grande Valley (746)	38.6
U. T. Rio Grande Valley School of Medicine (748)	91.8
U. T. Southwestern Medical Center (729)	51.1

The additional FTEs beyond the FTE limit for U. T. Rio Grande Valley (Agency 746) reflect the hiring of additional staff and students to support new academic programs. For U. T. Rio Grande Valley School of Medicine (Agency 748), the FTE limitation was exceeded due to continued growth in the School of Medicine and the additional funding received from the Texas Higher Education Coordinating Board for the hiring of residents into the Graduate Medical Education programs that is not taken into consideration when establishing the FTE limit.

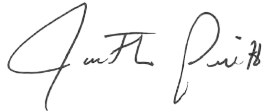
U.T. Southwestern’s process to ensure it has enough funds to proportionally cover state benefits has required retroactively moving some employee salaries from one revenue source to another late in the year. This activity

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impacted the allocation of FTEs associated with prior quarterly periods requiring an adjustment to previously submitted reports and causing U. T. Southwestern to exceed the FTE limit. For the future, U. T. Southwestern is modifying this process in order to prevent this issue from reoccurring.

Please contact Susan Sherman (512.322.3769) or me if you need additional information or further clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Pruitt". The signature is written in a cursive style with a large initial "J" and "P".

Jonathan Pruitt  
Executive Vice Chancellor for Business Affairs

c: Chancellor James B. Milliken  
Vice Chancellor Stacey Napier

JP/lae