Texas A&M San Antonio
Budget Power Hour

FY 2021
Agenda

- Budget Guiding Principles
- Revised Budget Process
- Fiscal Year 2020 Budget Review
- Enrollment Trends
- Fiscal Year 2021 Budget Update
Budget Principles

• Centralized decision making … decentralized execution
  • Centralized
    • Budget decisions made at the Cabinet level
    • Guided by URC recommendations
    • New funds allocated *en bloc* to Divisions
  • Decentralized
    • Divisions allocate funds to constituent units
    • Budget and operating plan executed by units

• Transparency - provides high level of trust
• Communication - key to successful budget planning and execution
• All funds approach
Budget Planning is Guided by Our Strategic Plan

GOAL 1:
Become a national model for student and academic success embracing all students, particularly first generation and underrepresented communities, while achieving graduation and retention rates above the national average.

GOAL 2:
Continue to build academic excellence.

GOAL 3:
To achieve enrollment growth through strategic enrollment management, student-focused academic experiences, co-curricular programs and student-support services.

GOAL 4:
Engage in partnerships that advance student growth as well as create opportunities for faculty and staff engagement, scholarship and research.
Greater Emphasis on Planning

• Infrastructural plans that support strategic plan (1-5 years) and the Office of the President (OOP) priorities
  • Academic plan – new programs
  • Capital projects – facilities and space
  • Strategic enrollment plan
  • Information technology
  • Auxiliaries
  • Athletics
  • Student Success and Engagement
  • Institutional Advancement

• Plans will intersect and articulate
• Strategic and infrastructural plans form foundation of FY 21 budget
Budget Preparation Realities

• Must maintain adequate reserves
  • System target – equivalent of three months of budget
  • Replenished by
    • Salary savings
    • Efficient use of current budget, and
    • Over-realized tuition and fees

• Enrollment realities
  • Still growing, but not as fast

• Legislative uncertainties
  • Must plan for loss of non-formula funding
    • Downward Expansion and Transitional Funding combined into single item – “Expansion Funding”
      • Expansion Funding reduced by 10%
      • Reduce by 25% per biennium, or until institution reaches 6,000 FTSE
    • Additional $3 million in Institutional Enhancement ($1.5M per year)
      • Will the legislature let us keep it?

• Infrastructural needs
  • Academic programs, IT, athletics, etc.
  • Need to bridge Mays Center funding from gift to on-going
Revised Budget Process

- Restructured URC Role
  - Changes
    - Advisory role
      - Review all strategic, OOP priorities, and infrastructural plans
      - Make broad recommendations to Cabinet and President
    - Expand URC support structure
      - Academic Planning and Institutional Research
      - Student Success
      - Enrollment Management
  - No changes
    - Representative membership from across campus
    - Same chairs – Provost and VP for Business Affairs
Revised Budget Process

• URC begins budget process by reviewing plans
  • Strategic Plan
  • Infrastructural Plans

• Budget allocations will consist of
  • On-going personnel and O&M
    • Portion of incremental revenue allocated to each division as part of an annual or multi-year strategy
    • Allocations based on need and fund availability
  • New initiatives
    • Remaining incremental revenue allocated to new programmatic initiatives
      • Derived from needs in the strategic and infrastructural plans
      • May include both personnel and O&M “seed funding”
    • Allocations for new programmatic needs based on fund availability
URC Membership

- Ex-Officio Chairs
  - Dr. William Spindle – VP Business Affairs/CFO
  - Dr. Michael O’Brien – Provost
- Faculty Senate Representative
  - Dr. Claire Nolasco
- Faculty-at-large representative
  - Dr. John Smith
  - Dr. Pablo Calafiore
  - Dr. Brian Brantley
- President-elect of Faculty Senate
  - Dr. Joe Simpson
- Student Government Representative
  - Ms. La-Tieka Sims – SGA President
- Enrollment Management Representative
  - Mr. Phillip Rodgers
- Student Affairs Representative
  - Dr. Edwin Blanton
- Advancement and External Relations Representative
  - Dr. Mary Kay Cooper
- Staff Council Representative
  - Ms. Nancy Larson
- President-elect of Staff Council
  - Ms. Miriam Magdaleno
- President’s Selections
  - Dr. Dennis Elam
  - Ms. Deanna Reynolds
Fiscal Year 2020 in Review
Budget Decisions - Fiscal Year 2020

• President’s memo dated Aug 28, 2019
  • Approved FY2020 budget – lump sum allocations
  • Dependent on meeting enrollment goals
  • Includes the following OOP directives:
    • Examine methodology and allocation of University Services Fee
    • Report on Student Recreation Fee and nascent athletics program
    • Update on administrative costs
    • Update on IT technology funding priorities
    • Update on Auxiliary funding

• President’s memo dated Oct 25, 2019
  • Allocated $840,000 of new Institutional Enhancement funds
  • Focus on strategic investments
  • Particular emphases
    • Strengthen local K-12 pipeline to improve college-readiness
    • Improve undergraduate student retention
# Fiscal Year 2020 in Review - Revenue Budget

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Actual FY 2019</th>
<th>Budget FY 2020</th>
<th>FY20 Budget Over (Under) FY 19 Actual</th>
<th>Percentage Change from FY19 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>$32,462,694</td>
<td>$37,203,583</td>
<td>$4,740,889</td>
<td>15%</td>
</tr>
<tr>
<td>Tuition &amp; Fees (Net)</td>
<td>34,246,685</td>
<td>36,290,290</td>
<td>2,043,605</td>
<td>5%</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>17,262,027</td>
<td>14,443,020</td>
<td>(2,819,007)</td>
<td>-16%</td>
</tr>
<tr>
<td>Contracts &amp; Grants</td>
<td>475,311</td>
<td>971,985</td>
<td>496,674</td>
<td>104%</td>
</tr>
<tr>
<td>Other</td>
<td>5,188,253</td>
<td>3,794,404</td>
<td>(1,393,849)</td>
<td>-26%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$89,634,970</strong></td>
<td><strong>$92,703,282</strong></td>
<td><strong>$7,068,312</strong></td>
<td><strong>8%</strong></td>
</tr>
</tbody>
</table>

Fiscal Year 2020 in Review - Revenue Budget

- State Appropriations: 40%
- Tuition & Fees (Net): 39%
- Student Financial Aid: 16%
- Grants & Contracts: 1%
- Other: 4%
## Fiscal Year 2020 in Review - Expenditure Budget

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Actual FY 2019</th>
<th>Budget FY 2020</th>
<th>FY20 Budget Over (Under) FY 19 Actual</th>
<th>Percentage Change from FY19 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries - Faculty</td>
<td>$17,447,178</td>
<td>$18,663,250</td>
<td>$1,216,072</td>
<td>7%</td>
</tr>
<tr>
<td>Salaries – Non-Faculty</td>
<td>17,864,032</td>
<td>21,579,653</td>
<td>3,714,621</td>
<td>21%</td>
</tr>
<tr>
<td>Wages</td>
<td>2,311,280</td>
<td>2,557,058</td>
<td>245,778</td>
<td>11%</td>
</tr>
<tr>
<td>Benefits</td>
<td>8,836,432</td>
<td>9,267,395</td>
<td>430,963</td>
<td>5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,082,020</td>
<td>1,343,131</td>
<td>261,111</td>
<td>24%</td>
</tr>
<tr>
<td>Scholarships</td>
<td>10,741,640</td>
<td>9,656,177</td>
<td>(1,085,463)</td>
<td>-10%</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>20,740,487</td>
<td>21,659,119</td>
<td>918,632</td>
<td>4%</td>
</tr>
<tr>
<td>Travel</td>
<td>794,050</td>
<td>1,202,147</td>
<td>408,097</td>
<td>51%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$79,817,119</strong></td>
<td><strong>$85,927,930</strong></td>
<td><strong>$6,110,811</strong></td>
<td><strong>8%</strong></td>
</tr>
</tbody>
</table>

Fiscal Year 2020 in Review - Expenditure Budget

- Salaries - Faculty, 21%
- Salaries - Non-Faculty, 25%
- Wages, 3%
- Benefits, 11%
- Utilities, 2%
- Scholarships, 12%
- Operations & Maintenance, 25%
- Travel, 1%
### Administrative Ratio

#### NACUBO Expense Function

<table>
<thead>
<tr>
<th>NACUBO Expense Function</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>29.23%</td>
</tr>
<tr>
<td>Academic Support</td>
<td>9.24%</td>
</tr>
<tr>
<td>Research; Public Service</td>
<td>0.74%</td>
</tr>
<tr>
<td>Student Services</td>
<td>17.94%</td>
</tr>
<tr>
<td><strong>Institutional Support</strong></td>
<td><strong>10.75%</strong></td>
</tr>
<tr>
<td>Operation &amp; Maintenance of Plant</td>
<td>9.97%</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>9.63%</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>12.50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

- Goal – Institutional Support between 10-12% of total operating expenses.
- Institutional Support includes: President’s Office, Advancement & External Relations, Financial Services, Procurement, Human Resources, Vice Presidents’ front offices.
Fall Enrollment Trends

<table>
<thead>
<tr>
<th>Headcount</th>
<th>Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2015</td>
<td>40,459</td>
</tr>
<tr>
<td>Fall 2016</td>
<td>52,066</td>
</tr>
<tr>
<td>Fall 2017</td>
<td>63,303</td>
</tr>
<tr>
<td>Fall 2018</td>
<td>65,713</td>
</tr>
<tr>
<td>Fall 2019</td>
<td>68,170</td>
</tr>
<tr>
<td>Fall 2020 (Projected at 3% growth)</td>
<td>70,215</td>
</tr>
<tr>
<td>Fall 2021 (Projected at 3% growth)</td>
<td>72,322</td>
</tr>
</tbody>
</table>

TEXAS A&M UNIVERSITY-SAN ANTONIO

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Fiscal Year 2021 Update
Fiscal Year 2021 Update

- Tuition and Fees increase by Higher Education Price Index (HEPI) – estimated to be 2.9%
- Student Services Fee (SSF) broken out of University Services Fee (USF)
  - SSF will be $15 per SCH, capped at $150
Fiscal Year 2021 Preliminary Budget Calendar

• November – December 2019
  • Infrastructural plans prepared, then reviewed by URC
  • Budget Office
    • Prepare FY21 budget scenarios based on enrollment projections
    • Prepare “new revenue available for allocation” estimate in two “buckets”
      • Lump sum allocation available for personnel and O&M
      • New initiatives

• January 2020
  • URC reviews Budget Office’s recommended new revenue allocations
  • Divisions present new initiative requests to URC

• February 2020
  • URC makes recommendations to President Matson and cabinet for approval
  • Allocation recommendations are at high level

• March 2020 – Fiscal Year 2021 budget due to System Office
Questions?