



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 FY21 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



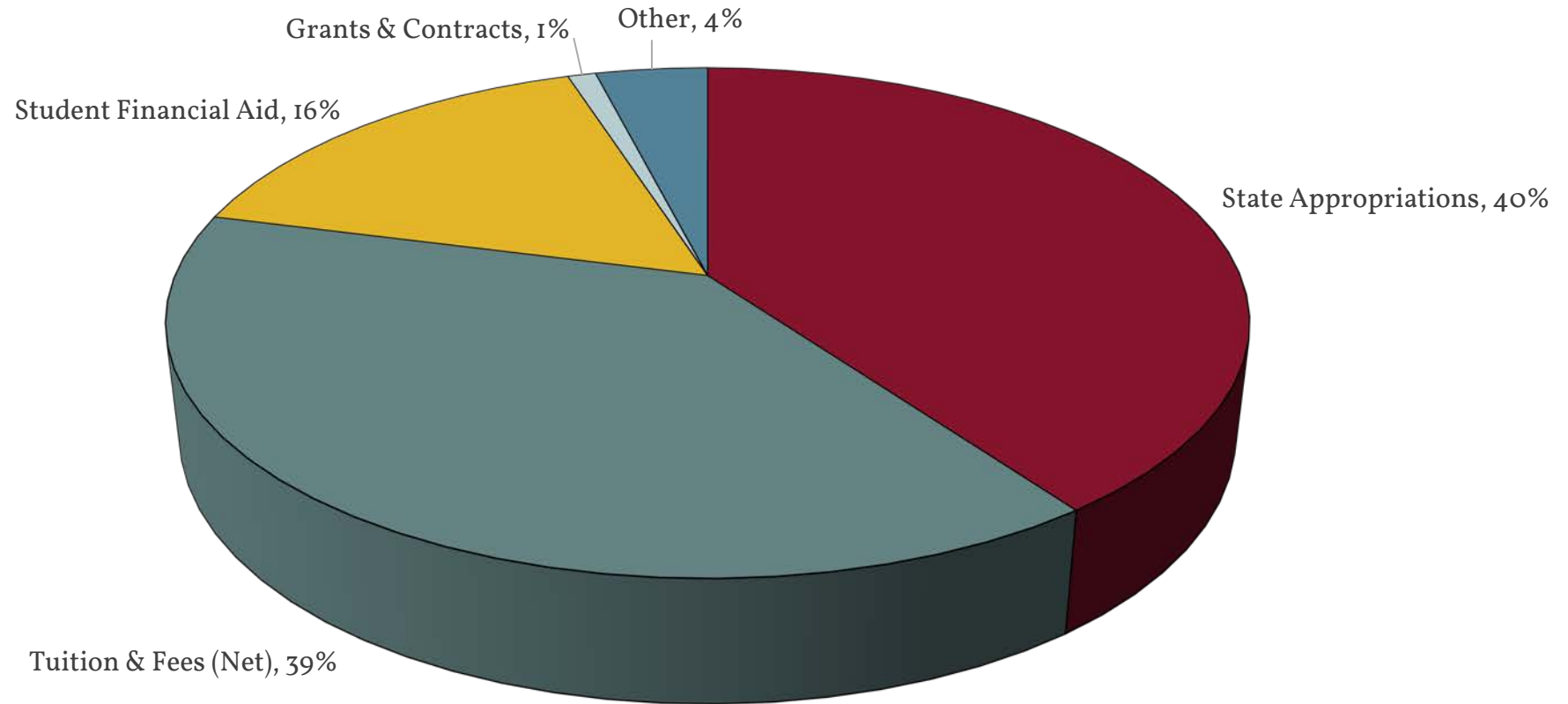
Fiscal Year 2020 in Review - Revenue Budget

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

Source: FY 2019 Actuals – 2019 Annual Financial Report ; FY20 Budget – Board Adjusted Budget



Fiscal Year 2020 in Review - Revenue Budget





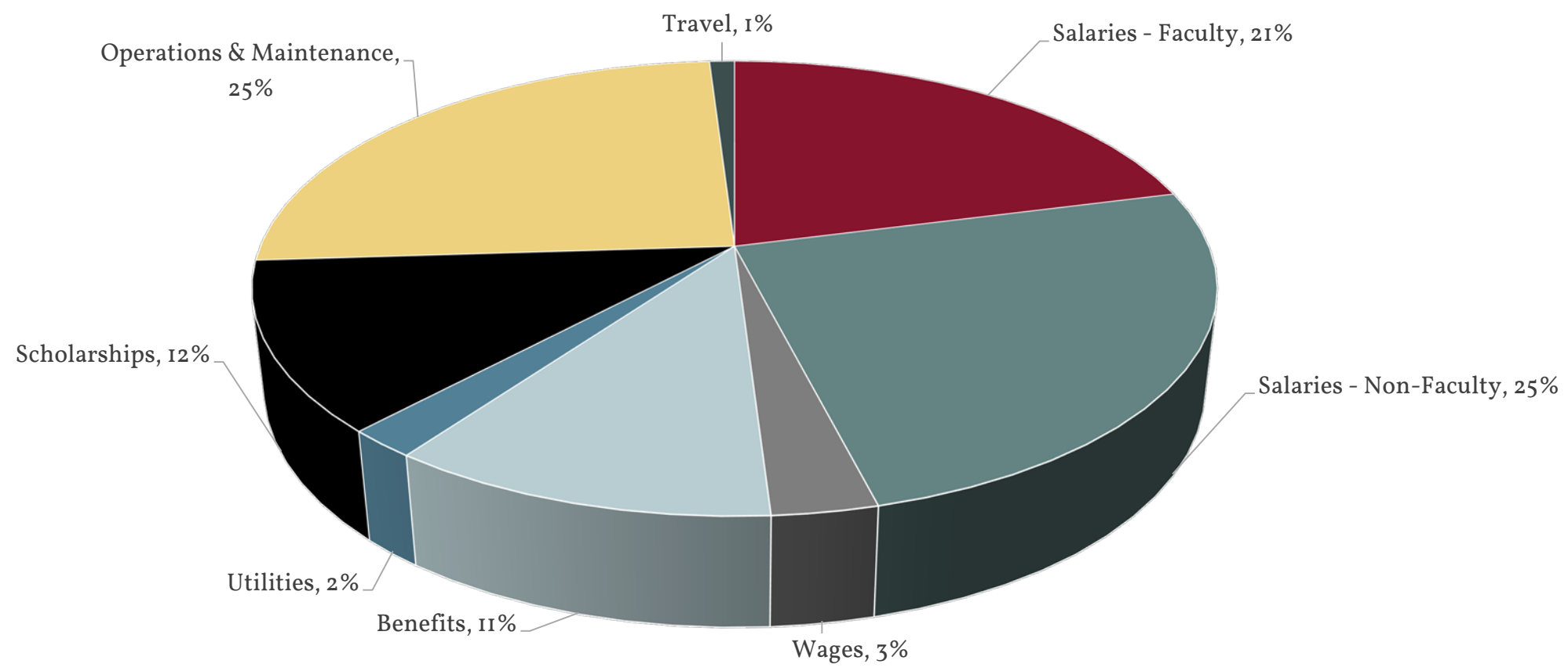
Fiscal Year 2020 in Review - Expenditure Budget

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

Source: FY 2019 Actuals – 2019 Annual Financial Report ; FY20 Budget – Board Adjusted Budget



Fiscal Year 2020 in Review - Expenditure Budget





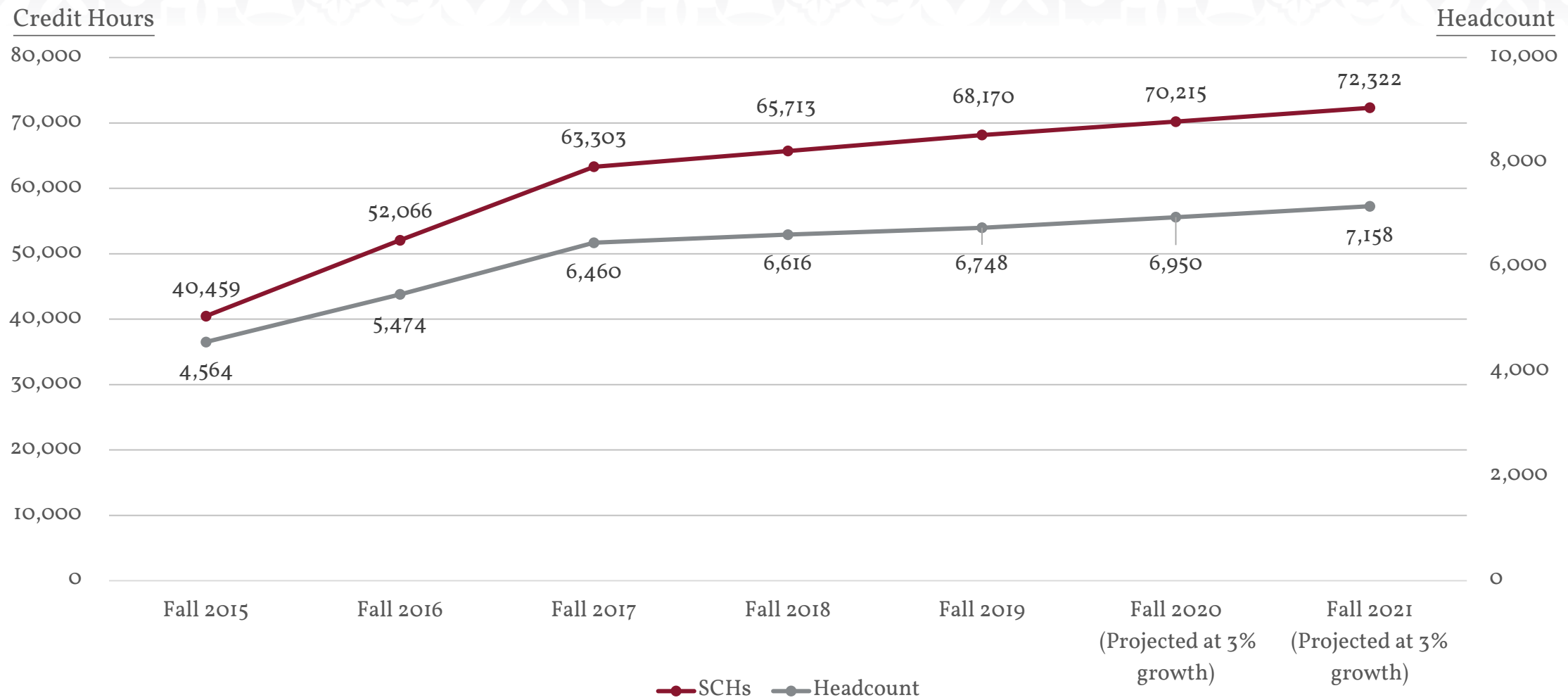
Administrative Ratio

NACUBO Expense Function	Percentage
Instruction	29.23%
Academic Support	9.24%
Research; Public Service	0.74%
Student Services	17.94%
Institutional Support	10.75%
Operation & Maintenance of Plant	9.97%
Depreciation and Amortization	9.63%
Scholarships and Fellowships	12.50%
Total	100.00%

- 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





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?