



OFFICE OF THE PRESIDENT
DR. CYNTHIA TENIENTE-MATSON

Memorandum

TO: Members of the University Resource Commission

FROM: Cynthia Matson, President

A handwritten signature in blue ink that reads "Cynthia Teniente Matson".

RE: Budget Decisions for FY18

DATE: October 3, 2017

cc: President's Cabinet

Background

I appreciate the extensive deliberations by the University Resources Commission (URC). As you know, the University experienced a 10 percent budget reduction with a looming threat to eliminate all special line item funding. I carefully reviewed your June 15th recommendations; however, after further consultation with the President's Cabinet, I asked Dr. Spindle to reexamine the proposed fiscal model to establish a modest base budget reserve and a reasonable plan for a modest reduction, while maintaining our growth strategy. Proper fiscal planning and a commitment for continued exceptional line item support could proactively build a manageable fiscal approach. It is imperative that the URC continue to review targeted enrollment growth within the weighted credit hour methodology established in the Texas formula funding model.

Decisions

The Divisions of Academic Affairs, Business Affairs, Student Affairs and University Advancement thoughtfully prepared budget requests that reflect anticipatory needs to support the national model for student and academic success while supporting faculty, staff and student growth. **The adjusted base budget must hedge against future cuts;** thus, the cumulative requests exceeded the available funds.

Prioritization and alignment with strategic priorities and continued enrollment growth are imperative in the following decisions.

1. Allocate budget within our **actual enrollment for fall 2017 and spring 2018** and in accordance with the following growth allocation:
 - a. The amount recommended by the URC for allocation was based on a projected net revenue growth of \$5,290,759 in FY18. This amount was reduced by the following FY17 commitments: compensation, debt service, mandatory salary adjustments, scholarships

research initiatives and increasing costs on mandatory service contracts. These adjustments yield a total of \$1,869,839 available to be allocated, as detailed below and on the attached spreadsheet.

Projected Net Revenue Growth	\$5,290,759*
FY18 Commitments	
Scholarships	486,744**
Increasing costs on mandatory service contracts	463,960
Debt service (new – FY18)	269,254
Compensation (2017 adjustments)	244,838
UPD job and pay plan alignment	205,509
Research initiatives fund	200,000
Faculty equity adjustments	50,000***
Subtotal – committed expenses	1,920,305
New Base Revenue Available	3,370,454
Less: Over-realized Net Tuition/Fee Revenue FY17	1,900,615
Adjusted New Base Revenue Available	1,469,839
Add: Base budget utilized in FY17 for one-time items	400,000
Total FY18 Budget Available for Base Allocation	\$1,869,839

* Based on enrollment forecasts for FY18

** Increase due to increased set asides as a result of increased statutory tuition

*** Honoring base faculty salary adjustments negotiated the previous year

2. As noted below, VP Spindle will establish a one-time 3 percent merit pool for the entirety of the campus. Each respective Vice President, in accordance with current performance appraisal ratings and meritorious activities, will make one-time awards based on each division’s respective allocations.
 - a. **One-Time Funding Requests** - Available funding for these requests will come from University operating reserves, adjusted for (1) an amount necessary to provide sufficient emergency funds (operating funds for three months), and (2) the movement of certain FY17 items into the base budget in FY18 and FY19. In total, \$3,278,536 was available to fund one-time expenditures. The amount to be allocated, as recommended by the URC, for one-time funding requests will be \$2,048,532, as detailed below and on the attached spreadsheet.
 - b. The URC will review enrollment updates preceding the Census date for each academic term.

University Operating Reserves	\$20,297,665
Less:	
Emergency reserves	14,388,423
FY17 over-realized tuition and fees	1,900,615
FY17 items erroneously excluded from FY18 base budget	730,091
Total Available Operating Reserves	3,278,536
Proposed uses of available operating Reserves:	
One-time 3% merit payment	1,000,500
<i>Requests by Division:</i>	
Academic Affairs – administration	270,000
Student Affairs	409,382
Business Affairs	286,250
University Advancement	82,400
Total Proposed One-Time Uses of Available Operating Reserves	2,048,532
Unallocated Available Operating Reserves	1,230,004

3. The VP's for Academic Affairs and Business Affairs shall undergo an examination of the budget allocation within the Office of Academic Affairs to ensure the following needs are supported for projected enrollment growth.*
 - a. Faculty development and instructional design to meet the pedagogical needs of a growing faculty and student population.
 - b. Research development as follows: (1) enhancement to the infrastructure for both pre and post award, (2) student engagement in research activities and (3) professional development to support faculty development in research.
 - c. High-priority infrastructure needs to support Academic Affairs implementation of the strategic plan and academic program fundraising.

* Consideration may be given to one-time requests to bridge support for growth in these areas:

The findings of the review in these three (3) areas shall be submitted to the President no later than May 1, 2018.

4. The Vice Presidents from each respective area shall reexamine campus wide technology priorities to ensure alignment with the campus strategic plan. Realignment of existing IT resources may be necessary to support technology infrastructure for the highest strategic plan priorities. The VP for Business Affairs should submit a recommendation for tech-priorities for review by December 1, 2017.

5. The Vice President for Business Affairs shall lead a formal review of the University Service Fee (USF) and the Student Recreation Fee (SRF) allocation and usage. A report on the findings and recommendations for future allocation methodologies shall be completed by February 15, 2018.
6. The VP's for Academic Affairs, Business Affairs, Student Affairs and University Advancement shall ensure the existing funding plan (through current resources and strategic plan seed funds) adequately supports the national model for student and academic success and enrollment growth as follows:
 - a. An informal review of complementary programs such as the Early College High School, Enrollment Management, Student Success, Academic Advising, student academic success coaches, Financial Aid, committees reviewing high impact practices and other new core critical programs to ensure **they are meeting the expected results of the strategic plan for recruitment, retention and degree attainment**. Findings shall be presented at the President's Retreat and with the Strategic Planning Chairs no later than June 15, 2018.
7. The VP for Business Affairs shall be charged with reexamining internal resources and if needed seek one-time resources to support the following business operations.
 - a. Continued implementation of the A&M system Workday, professional development initiatives for staff and a staff recognition program.
 - b. Review of internal administrative costs to ensure maximum efficiency for internal operations between (10 – 13%) of the University's operating budget. We must continue our success in supporting the growth of the University while simultaneously maintaining low institutional administrative support expenditure overhead percentages.
8. The VP for Business Affairs shall ensure one-time resource allocation for the continual implementation of the campus master plan, consultation for space planning processes to meet enrollment growth, and partnerships across campus or with other academic enterprises to support a growing campus. Updated space plans are presented at URC meetings as needed.

In order to enhance campus communication a budget announcement will be issued to the entire university community and posted on the URC website. Additionally an **open budget forum** will occur in early November regarding the budget decisions described herein. As you are aware, we are approaching the 86th Legislative Session and it may be a constrained fiscal environment, I will keep you aware of the preliminary planning and progress throughout the session. I applaud each Commission member for your role in shared governance and the betterment of the university.

FY 2018 by Division - Recurring Base Funding

Total Amount of Recurring Funding Available			\$ 1,869,839
Division	College	Item Description	
Academic Affairs - Faculty	College of Arts & Sciences	English Lecturer	\$ 45,000
	College of Arts & Sciences	Mathematics Lecturer	47,583
	College of Arts & Sciences	Communications Lecturer	48,000
	College of Arts & Sciences	Psychology Lecturer	48,289
	College of Arts & Sciences	English TT	60,000
	College of Arts & Sciences	Criminology TT	62,200
	College of Arts & Sciences	Biology TT	62,919
	College of Business	Finance Asst. Professor	105,000
	College of Business	Marketing Asst. Professor	114,000
	College of Business	Accounting Asst. Professor	135,000
	EHD	Counseling Asst. Professor	68,000
	EHD	Counseling Asst. Professor	68,000
Total Academic Affairs - Faculty			<u>863,991</u>
Academic Affairs - Administration	Institutional Research	Web Applications Developer I	49,101
	Institutional Research	Web Applications Developer II	54,011
	Library	Library Specialist III	30,000
	Library	Increasing Licensing Fees	41,634
	Office of Sponsored Research	Grant Developer - Writer	50,000
Total Academic Affairs - Administration			<u>224,746</u>
Student Affairs	CELCE	Reclassify position to Asst. Director	11,880
	Enrollment Management	Academic Advisor IV	55,960
	Enrollment Management	Academic Advisor II	48,580
	Enrollment Management	Reclass of Financial Aid Position	19,200
	Enrollment Management	Asst. Director, Welcome Center	67,499
	Enrollment Management	Academic Advisor I	46,120
	Student Engagement	Counselor	81,540
	Student Engagement	Case Manager	56,700
	Student Engagement	Accommodations Counselor	52,000
	University College	Academic Success Coach (2)	111,602
University College	Student Worker (19)	196,786	
Total Student Affairs			<u>747,867</u>
University Advancement	Development	Stewardship Officer	29,212
			<u>29,212</u>
Total Division Recurring Base Funding Requests			<u>1,865,816</u>
Unallocated Recurring Base Funding			<u>\$ 4,023</u>

FY 2018 by Division - One-Time Funding

Total Amount of One-Time Funding Available **\$ 4,008,627**

Less:

Used to fund FY17 recurring base budget items	Will be moved to recurring base budget in FY19	730,091
3% Merit Payment Pool	See attached table for allocation	<u>1,000,500</u>

One-Time Funding Available for Allocation to Divisions **2,278,036**

Division	College	Item Description	
Academic Affairs - Administration	Academic Technologies	Academic Technologies Updates (reflects increasing costs)	\$ 50,000
	Arts & Humanities	Supplies for Arts classes	10,000
	Arts & Humanities	Support for Univision MOU	50,000
	Arts & Humanities	Support for Univision MOU - Student Worker	20,000
	College of Business	Administrative Assistant III	34,000
	Office of the Provost	Equipment and Expenses for Faculty (12 @ \$2,000)	24,000
	Office of the Provost	Funding for Faculty Searches (12 @ \$2,000)	24,000
	Office of the Provost	Funding for Faculty Relocation (12 @ \$2,000)	24,000
	Office of the Provost	Administrative Assistant III	<u>34,000</u>
Total Academic Affairs - Administration			<u>270,000</u>
Student Affairs	CELCE	Programming, Alternative Spring Break, Model UN	27,021
	CELCE	Campus Food Pantry Student Worker	9,090
	CELCE	Student Worker I	9,090
	CELCE	Community Engagement Professional Development	3,785
	CELCE	Handshake - New Jaguar Jobs Platform	1,656
	CLECE	Handshake - New Jaguar Jobs Platform	6,000
	Disability Support Services	CART and Assistive Technology	147,392
	Student Engagement	Strength Quest	12,000
	Student Engagement	Title IX Software	1,000
	Student Engagement	Student Assistants for DSS	21,200
	Student Engagement	Strength Quest	12,500
	Student Engagement	Counseling & Wellness O&M	15,730
	Student Engagement	Alcohol & Other Drug Account	5,000
	Student Engagement	Jaguar Leadership Institute	10,000
	Student Engagement	International Affairs O&M	5,950
	Student Engagement	Fraternity/Sorority Life Expansion	7,000
	Student Engagement	Title IX Software	2,500
	University College	FYE Program Funding	97,500
	University College	Stats Tutor	<u>14,968</u>

FY 2018 by Division - One-Time Funding

Total Student Affairs			<u>409,382</u>	
Business Affairs	IT	Security Information and Event Management (SIEM)	150,000	
	IT Accessibility	Assistive Technology Equipment	50,000	
	IT Accessibility	Blackboard Scanning Accessibility Tool	20,000	
	UPD	Law Enforcement Replacement Vehicle	49,000	
	UPD	Maintain required training level	<u>17,250</u>	
Total Business Affairs			<u>286,250</u>	
University Advancement	Advancement	Research Point Pro	2,400	
	Alumni Support	Alumni Program	25,000	
	Development	Donor Cultivation	<u>55,000</u>	
Total University Advancement			<u>82,400</u>	
Total Division One-Time Funding Requests				<u>1,048,032</u>
Unallocated One-Time Funding				<u>\$ 1,230,004</u>

3% One-Time Merit Payment

Faculty

3.0% merit pool	\$	420,000
Benefits		<u>63,000</u>

Total Faculty **483,000**

Staff

3.0% merit pool	\$	450,000
Promotions and market adjustments		-
Benefits		<u>67,500</u>

Total Staff **517,500**

Total Merit Payment **\$ 1,000,500**