

Executive Budget Overview

FY 2020



Agenda

- Legislative Update
- Strategic Priorities – Build, Impact, Transform
- FY 2019 Budgeted versus Actual Tuition and USF
- FY 2019 Budgeted Revenue versus FY 2020 Projected Budgeted Revenue
- Replacement of Expansion Funding (SBI)



FY 2020 Budget Priorities

- **ADHERENCE TO IDENTIFIED PRIORITIES** – All new funding requests should be aligned and focused within the Strategic Plan *Build.Impact.Transform*.
- **STRATEGIC ENROLLMENT MANAGEMENT**–The comprehensive plan should thoughtfully contemplate a strategic mix of new degree programs and targeted growth within existing academic programs to optimize the weighted semester credit hour formula funding model.
- **EARLY INTERVENTIONS FOR ACADEMIC SUCCESS** – A greater emphasis must be placed on earlier interventions in the academic career of a student to enhance readiness for college success, particularly as our admissions standards increase. The Division of Enrollment Management should lead efforts to develop pre-college programs in close collaboration with Academic Affairs and Student Affairs. Fiscal priorities to jump-start initiatives through one-time funds or corporate foundation support should be given consideration.

TEXAS A&M UNIVERSITY-SAN ANTONIO



FY 2020 Budget Priorities

- **ADHERENCE TO IDENTIFIED PRIORITIES** – All new funding requests should be aligned and focused within the Strategic Plan *Build.Impact.Transform*.
- **STRATEGIC ENROLLMENT MANAGEMENT**–The comprehensive plan should thoughtfully contemplate a strategic mix of new degree programs and targeted growth within existing academic programs to optimize the weighted semester credit hour formula funding model.
- **EARLY INTERVENTIONS FOR ACADEMIC SUCCESS** – A greater emphasis must be placed on earlier interventions in the academic career of a student to enhance readiness for college success, particularly as our admissions standards increase. The Division of Enrollment Management should lead efforts to develop pre-college programs in close collaboration with Academic Affairs and Student Affairs. Fiscal priorities to jump-start initiatives through one-time funds or corporate foundation support should be given consideration.

TEXAS A&M UNIVERSITY-SAN ANTONIO



Legislative Update

- Session is scheduled to end May 27, 2019 – Sine Die
- Final Appropriation Bill should be available that date.
- Current budget news from the Legislature
 - Rider to combine Downward Expansion (\$8.1 mil) and Transitional Funding (\$6.6 mil) into one line item named Expansion Funding (\$14.7 mil).
 - Proposed 10% reduction (\$1.4 mil) in Expansion Funding likely for the 2020-2021 biennium.
 - A provision to eliminate Expansion Funding (\$14.7 mil) funding by 25% at the start of the 2022-2023 biennium or when 6,000 FTSE is reached. A&M-SA is poised to reach 6,000 FTSE Fall 2021.

TEXAS A&M UNIVERSITY-SAN ANTONIO



Legislative Update

Cabinet Colleagues: We have made some progress on the legislative front, as I mentioned on Monday, our budget restoration did not emerge from the Conference Committee. Early this evening Chairman Zerwas agreed to advance a restoration of \$3M in HB1. While this is 50% of what we requested, it is positive progress. As they say, it ain't over till it's over. There are still two more steps for this bill to reach adoption by the legislature. The first step is the printing of the bill, that includes this restoration language, which could occur as soon as tomorrow afternoon. Then the vote through the Conference Committee, which will occur sometime before Sunday evening. Final step is to Governor Abbott.

Progress...but not over yet. And none of this negates the step-down language for expansion funding, which is definitely an unanticipated wrinkle. The heavy lifting in this progress comes from Representative Phillip Cortez and Lyle Larson along with Senator Flores. It's a frenzy in the final days at the Capitol.

Thanks much,

Cynthia

P.S I have asked Bill for a copy of the short-list of priority requests for each respective area. Further flexibility should be anticipated in the finality of the budget adoption.

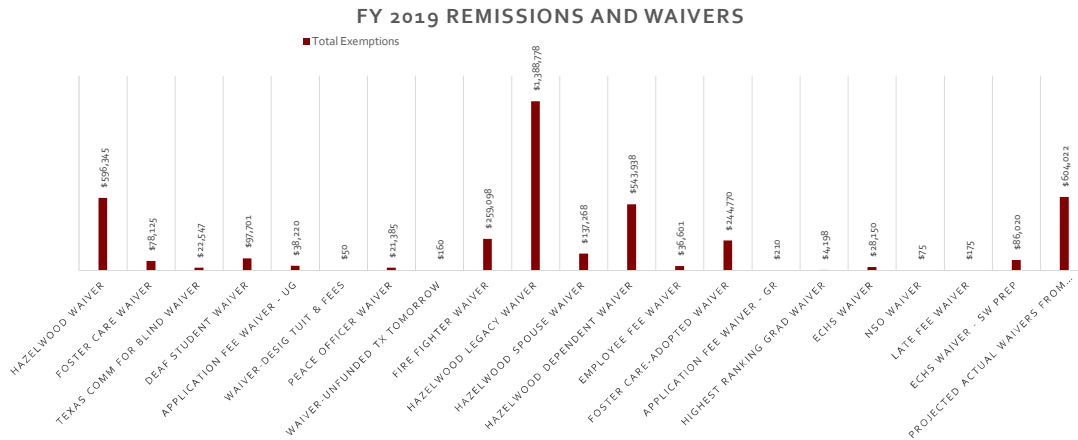


Cynthia Terrence Moore

TEXAS A&M UNIVERSITY-SAN ANTONIO



Remissions and Waivers



TEXAS A&M UNIVERSITY-SAN ANTONIO



FY 2019 Revised Budget versus FY 2020 Proposed Budget -

Revenues	FY 2019 Revised Revenue Budget	FY 2020 Proposed Budget	Increase / (Decrease)
General Revenue (GR)	\$ 32,398,667	\$ 36,037,350	\$ 3,638,683
Total Gross Tuition & USF	40,617,950	44,727,531	4,109,581
Remissions & Waivers	(3,303,601)	(4,708,287)	(1,404,686)
Total Revenues	\$ 69,713,016	\$ 76,056,594	\$ 6,343,578

Revenues based on 6.2% Projected Enrollment Increase

TEXAS A&M UNIVERSITY-SAN ANTONIO



FY 2020 Proposed Budget - 6.2% Growth

FY 2020 Incremental Expenses		
FY 2020 - New Incremental Revenue:		6,343,578
Incremental Committed Expenses:		
New Positions/Market/Comp Salary Adjustments - Including Benefits (from FY 2019 - through April 30):		
	Academic Affairs	(322,858)
	Advancement & External Relations	(1,017)
	Business Affairs	(288,897)
	Enrollment Management	(123,637)
	Student Affairs	(58,879)
	Benefits (at 27%)	(214,728)
Total Compensation Adjustments:		(1,010,016)
Property Insurance Premiums:		(128,854)
TAMUS Service Assessments:		(223,569)
1.5% Base Merit Increase (including benefits):		(588,411)
Service Contracts / Utilities (New - FY 2019):		(849,539)
New Academic Programs		-
Total Incremental Committed Expenses:		(2,800,389)
Total Available Incremental Revenue for Allocation:		\$ 3,543,189

TEXAS A&M UNIVERSITY-SAN ANTONIO



FY 2020 Proposed Budget - 6.2% Growth

FY 2020 Incremental Expenses		
Total Available Incremental Revenue for Allocation:		\$ 3,543,189
Recurring Requests:		
	Academic Affairs - FY 20 Requests	576,438
	AA - FY 2019 - Bridge Funding to Base	751,160
	Total Academic Affairs FY 20 Recurring	1,327,598
	Advancement - FY 20 Requests	208,013
	Advancement - FY 19 Bridge Funding to Base	214,190
	Total Advancement FY 20 Recurring	422,203
	Business Affairs - FY 20 Requests	692,036
	BA - FY 19 Bridge Funding to Base	120,655
	Total Business Affairs FY 20 Recurring	812,691
	Enroll. Management - FY 20 Requests	359,260
	EM - FY 19 Bridge Funding to Base	45,274
	Total Enrollment Management FY 20 Recurring	404,534
	Student Affairs - FY 20 Requests	186,964
	SA - FY 19 Bridge Funding to Base	388,815
	Total Student Affairs FY 20 Recurring	575,779
Total Recurring Requests		\$ 3,542,805
Net Change Increase/(Decrease)		\$ 384

TEXAS A&M UNIVERSITY-SAN ANTONIO



FY 2020 Projected One-Time Reserves

Campus Source	FY 2020 Beginning Balance
General Revenue – Dedicated (Statutory Tuition Reserve)	\$8,468,567
Designated Tuition Reserve	\$5,621,999
University Services Fee Reserve	\$3,780,746
Net Operating Reserve Balance	\$17,871,312
Operating Reserve Required Balance (3 months reserve)	\$14,333,770
One-Time Reserves Available for Allocation	\$3,537,543

TEXAS A&M UNIVERSITY-SAN ANTONIO



FY 2020 Projected Use of One-Time Reserves

Campus Source	Amount
Available for allocation after required 3 months reserve	3,537,543
USF unallocated budget	1,192,152
Total funds available for one time expenses	4,729,695
FY 19 EAB Contract Total	(7,874)
FY 19 One-Time Merit (Including Benefits)	(588,411)
FY 20 EAB Contract Total	(418,320)
FY 20 IT Infrastructure Debt Service	(856,000)
Subtotal - Use of FY 2019 one-time funding	(1,870,605)
Total Funds Available for one time expenses	2,859,090
FY 2020 One-Time Requests	
Academic Affairs	299,623
Advancement & External Relations	265,000
Business Affairs	323,852
Enrollment Management	248,100
Student Affairs	9,300
Subtotal - FY 2020 One-Time Requests	1,145,875
Total Funds Available after FY 2020 One-Time Expenses	1,713,215

TEXAS A&M UNIVERSITY-SAN ANTONIO



Replacement of Expansion Funding

Texas A&M University-San Antonio					
FY 2020 Operating Budget (E&G and Designated Funds)					
Senate Bill - Loss of Expansion Funding					
	Incremental				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
General Revenue	\$ 3,771,094	\$ -	\$ 2,446,790	\$ -	\$ 2,507,657
Non-Formula Funding & Hold Harmless	(733,266)	-	(905,858)	-	(2,717,575)
TRB & Benefits	272,253	72,252	-	-	-
Net Tuition & University Services Fee	2,862,540	4,289,817	5,867,635	7,748,326	10,088,294
Other Revenue	-	-	-	-	-
Allocation of replacement fund	-	-	-	-	2,373,399
Total Revenues	6,172,620	4,362,069	7,408,567	7,748,326	12,251,776
Faculty Salaries	490,280	1,092,579	1,155,490	1,919,423	1,975,400
Non-Faculty Salaries	920,956	1,451,118	738,245	1,928,201	844,902
Merit	516,589	-	777,646	-	911,140
Benefits & Other	625,322	659,541	840,725	957,232	1,144,082
Total Compensation	2,553,146	3,203,237	3,512,105	4,804,856	4,875,524
Operating & Maintenance	794,723	968,751	1,155,959	1,102,504	1,174,491
Other Operating	105,783	117,887	203,669	187,247	229,839
Total Expenses	3,453,653	4,289,875	4,871,733	6,094,607	6,279,855

NFF-Expansion Funding per SB1	
2020-21 Transition	3,623,433
2020-21 Inst'l Enhancement	-
2020-21 Downward	2,975,972
2020-21 Hold harmless	-
Non-formula funding per SB1	6,599,405

NFF-Expansion Funding to be replaced by FY24	
2020-21 Transition	3,623,433
2020-21 Inst'l Enhancement	-
2020-21 Downward	2,975,972
2020-21 Hold harmless	-
	6,599,405
Less: FY 2020 - Brooks	(1,192,152)
Funds needed, FY21 - FY24	5,407,253

TEXAS A&M UNIVERSITY-SAN ANTONIO



Replacement of Expansion Funding

Debt Service	3,472	(3,399)	-	-	-				
Incremental expenses not captured in projection model:									
Property insurance	(128,854)	(39,277)	(42,026)	(44,968)	(48,116)	FY20 and FY21 per Henry Judah 27 Mar email; 7% inflation based on total FY20 and FY21 premiums			
System Assessments	(223,569)	-	-	-	-				
Mandatory contracts	(147,000)	-	-	-	-				
SSC increase	(458,243)	-	-	-	-				
Utilities increase	(244,296)	-	-	-	-	Projected increase in excess of 5% inflation used in model			
Recurring Expenses Previously Funded with Reserves	(1,520,094)	-	-	-	-				
Available Recurring Revenue	384	29,524	2,494,807	1,608,750	5,923,805				
Replacement Fund - Target = \$6,599,405									
Brooks	1,192,152	1,192,152	1,192,152	1,192,152	1,192,152				
Less: Carve Out									
		15,874	15,874	15,874	15,874				
			1,341,375	1,341,375	1,341,375				
				864,971	864,971				
					3,185,033				
Fund value, end of fiscal year	\$ 1,192,152	\$ 1,208,026	\$ 2,549,401	\$ 3,414,372	\$ 6,599,405				
Remaining ARR	\$ 384	\$ 13,650	\$ 1,153,432	\$ 743,779	\$ 2,738,772				

	ARR	Carve out
FY21	29,524	15,874
FY22	2,494,807	1,341,375
FY23	1,608,750	864,971
FY24	5,923,805	3,185,033
	10,056,887	5,407,253

Assumptions:

- 25% reduction in Expansion Funding in FY22 - FY23 biennium; remainder lost in FY24 - FY25 biennium (after FTSE + 6,000).
- The model builds in expense growth "above the line". In other words, the "Available Recurring Revenue" is left over after projected expense growth.
- Based on Enrollment Management's scenario 2 forecast of reaching 10K students by 2022.
- In FY 2024, part of loss of Expansion funding is made up through prior year replacement fund accumulations. Remainder comes from FY 2024 operations.

TEXAS A&M UNIVERSITY-SAN ANTONIO



Tuition and Fee Projection - 2% Growth

Revenues	FY 2019 URC	FY 2020 Proposed	
	Revenue Budget	Budget	Increase / (Decrease)
General Revenue (GR)	\$ 32,398,667	\$ 36,037,350	\$ 3,638,683
Total Gross Tuition & USF	40,617,950	42,726,151	2,108,201
Remissions & Waivers	(3,303,601)	(4,708,287)	(1,404,686)
Total Revenues	\$ 69,713,016	\$ 74,055,214	\$ 4,342,198

TEXAS A&M UNIVERSITY-SAN ANTONIO



Tuition and Fee Projection - 2% Growth

FY 2020 Incremental Expenses		
FY 2020 - New Incremental Revenue:		4,342,198
Incremental Committed Expenses:		
New Positions/Market/Comp Salary Adjustments - Including Benefits (from FY 2019 - through April 30):		
	Academic Affairs	(322,858)
	Advancement & External Relations	(1,017)
	Business Affairs	(288,897)
	Enrollment Management	(123,637)
	Student Affairs	(58,879)
	Benefits (at 27%)	(214,728)
Total Compensation Adjustments:		(1,010,016)
Property Insurance Premiums:		(128,854)
TAMUS Service Assessments:		(223,569)
1.5% Base Merit Increase (including benefits):		(588,411)
Service Contracts / Utilities (New - FY 2019):		(849,539)
Total Incremental Committed Expenses:		(2,800,389)
Total Available Incremental Revenue for Allocation:		\$ 1,541,809

TEXAS A&M UNIVERSITY-SAN ANTONIO



Tuition and Fee Projection - 2% Growth

FY 2020 Incremental Expenses		
Recurring Requests		
Academic Affairs - FY 20 Requests		576,438
AA - FY 2019 - Bridge Funding to Base		751,160
Advancement - FY 20 Requests		208,013
Advancement - FY 19 Bridge Funding to Base		214,190
Business Affairs - FY 20 Requests		692,036
BA - FY 19 Bridge Funding to Base		120,655
Enroll. Management - FY 20 Requests		359,260
EM - FY 19 Bridge Funding to Base		45,274
Student Affairs - FY 20 Requests		186,964
SA - FY 19 Bridge Funding to Base		388,815
Total Recurring Requests		\$ 3,542,805
Net Change Increase/(Decrease)		\$ (2,000,996)

TEXAS A&M UNIVERSITY-SAN ANTONIO



URC Discussion/Questions

- Questions
- Motion to Recommendation

TEXAS A&M UNIVERSITY-SAN ANTONIO