

 TEXAS A&M UNIVERSITY
SAN ANTONIO



URC Budget Update

November 12, 2018

Agenda

 TEXAS A&M UNIVERSITY
SAN ANTONIO

- FY 2019 URC recommended Budget Approval
- Types of Funding
- Formula Funding
- Budget Plan

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FY 2019 URC Budget Approval



- FY 2019 URC revised budget recommendations reviewed and approved.
- Additional funding of \$100,000 provided to Enrollment Management from one-time reserves.

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URC Budget Update



Funding Structure

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Types of Funding



- Appropriated Funds
 - Direct
 - ✦ General Revenue (GAA – General Appropriations Act)
 - Formula Funding (Educational and General (E&G) Funding)
 - Other
 - Non-Formula Funding
 - Transition
 - Downward Expansion
 - Institutional Enhancement
 - ✦ Tuition Revenue Bonds

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Types of Funding



- Appropriated Funds
 - General Revenue – Dedicated (GR-D)
 - ✦ Also known as:
 - Other Educational and General (E&G) Income
 - Statutory Tuition - \$50/semester credit hour
 - Generated locally by the institution but held at the State Treasury and are drawn down as needed (expensed). – Usually for one-time projects.

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Types of Funding



- Appropriated Funds
 - Indirect
 - ✦ Not made directly to the institution in the bill pattern
 - Used to cover costs related to health insurance, retirement, and social security

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Formula Funding



- Two funding formulas
 - **Instruction and Operations:**
 - ✦ Instruction and Operation Formula. The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2016-17 biennium is \$55.39 in fiscal year 2016 and fiscal year 2017 . The rate for the 2018-19 biennium is \$55.82. The proposed rate for the 2020-2021 biennium has not been determined.
 - **Infrastructure:**
 - ✦ Facility maintenance and operations, utilities.

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Formula Funding



- **Two Supplements**
 - **Teaching Experience**
 - ✦ Teaching Experience Supplement. For the 2018-19 biennium, an additional weight of 10 percent is added to lower division and upper division semester credit hours taught by tenured and tenure-track faculty. Furthermore, it is the intent of the Legislature that the weight shall increase by 10 percent per biennium, up to 50 percent
 - **Small Institution**
 - For universities with fewer than 10,000 headcount.

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Formula Funding



- **Instruction/Operations Formula**
 - Two basic concepts:
 - ✦ Weighted Semester Credit Hours
 - ✦ Base Period
 - Formulas are an allocation methodology for state appropriations.
 - ✦ Formula Method of Finance uses the “All Funds” methodology where the amount of formula GR is offset by the amount of Other Educational and General Income (E&G) available to each institution. In TAMU-SA’s case other E&G income is Statutory Tuition.

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Formula Funding



Formula - Base Period

Enrollment during:

- Summer 2018
- Fall 2018
- Spring 2019*

Determines appropriation for

Fiscal Year 2020

- Fall 2019
- Spring 2020
- Summer 2020


Fiscal Year 2021

- Fall 2020
- Spring 2021
- Summer 2021

*For base bill spring 2018 will be used as a proxy for Spring 2019. Updates for Spring data are provided in March or April during the Session.

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Formula Funding



- **Instruction/Operations Formula**
 - Funded by the number of credit hours taught in the base period based on a weighting formula
 - ✦ Semester Credit Hours X Program/Level Weight X Rate
 - ✦ Graduate courses, for example, are expected to be taught in smaller class sections than undergrad, so weighted heavier

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Formula Funding



THECB Weighting Matrix

Discipline	Lower Div.	Upper Div.	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.73	4.01	10.90	
Science	1.64	2.81	7.04	20.70	
Fine Arts	1.46	2.51	6.07	7.48	
Teacher Ed	1.53	2.07	2.39	6.91	
Agriculture	2.08	2.58	6.54	11.80	
Engineering	2.15	3.22	5.50	17.15	
Home Economics	1.11	1.76	2.79	9.09	
Law					4.77
Social Services	1.57	1.89	2.47	19.33	
Library Science	1.44	1.54	3.35	14.64	
Vocational Training	1.16	2.74			
Physical Training	1.46	1.26			
Health Services	1.02	1.55	2.54	10.19	2.50
Pharmacy	2.46	4.73	28.55	32.17	4.23
Business Admin	1.16	1.83	3.26	24.70	
Optometry					7.65
Teacher Ed Practice	1.91	2.18			
Technology	2.08	2.32	3.42	14.79	
Nursing	1.49	2.04	3.00	9.57	
Developmental Ed	1.00				
Veterinary Medicine					23.30

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Formula Funding



- Instruction/Operations Formula
 - Courses in different fields are also weighted relative to each other
 - ✦ For example, a credit hour in a lower division History course earns less formula funding than that of a lower division course in Art or Engineering

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Formula Funding Matrix



- Weighted credit hours are credit hours taught multiplied by the weighting matrix
- For example:
 - A 3 hour lower division history course with 20 students enrolled would generate 60 weighted SCHs (20 students x 3 SCH x 1.00 weight)
 - A 3 hour masters level business course with 20 students enrolled would generate 195 weighted SCHs (20 students x 3 SCH x 3.26 weight)
 - A 3 hour doctoral education course with 20 students enrolled would generate 414 weighted SCH (20 students x 3 SCH x 6.91 weight)

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Formula Funding



- Infrastructure Support Formula:
 - Funded on a space-need projection model developed by the Coordinating Board
 - Infrastructure formula is driven by the predicted space (Net Assignable Square Feet or NASF)
 - Dimensions
 - ✦ Teaching Space
 - ✦ Library Space
 - ✦ Research Space
 - ✦ Office Space
 - ✦ Support Space
 - ✦ Utilities

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Formula Funding




- Coordinating Board Space Model

<u>Factor</u>	<u>Variables</u>
Teaching Space	SCH by program and level
Library Space	Faculty, students, approved programs, and holdings
Research Space	SCH and Research Expenditures
Office Space	Faculty, non-faculty, and current fund E&G Expenditures
Support Space	Percent of total predicted square feet for all other factors

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Formula Funding FY 2018-19



Formula	Formula Funding Appropriations 2016-2017	Biennium Formula Funding 2018-2019	Increase/Decrease	Percent Change	Formula Funding 2018	Formula Funding 2019
Teaching Experience Supplement	\$ 659,686.29	\$ 716,495.00	\$ 56,808.71	8%	\$ 358,247.50	\$ 358,247.50
E&G Space Support	3,375,841.46	3,480,004.00	104,162.54	3%	1,740,002.00	1,740,002.00
Small Institution Supplement	1,500,000.00	1,357,800.00	(142,200.00)	-9%	678,900.00	678,900.00
Instruction & Operations	21,139,769.49	27,118,526.00	5,978,756.51	28%	13,559,263.00	13,559,263.00
Graduation Bonus	-	-	-	0%	-	-
Formula Funding Total	\$ 26,675,297.24	\$ 32,672,825.00	\$ 5,997,527.76	15%	\$ 16,336,412.50	\$ 16,336,412.50

- TAMU-SA is projected to exceed the 6,000 FTSE Fall 2023. As of Spring 2018 TAMU-SA was at 5,337.40 FTSE.

Types of Funding



- Non-Appropriated Funds
 - Designated (Local) -Designated for a specific purpose
 - ✦ Tuition
 - ✦ Fees
 - University Services Fee
 - Rec Services
 - Auxiliaries
 - ✦ Parking
 - ✦ Food Services
 - ✦ Bookstore

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Budget Plan



- Departments given a base budget
 - Combination of appropriated and non-appropriated funds
- Budget Office maintains the base budget at the executive level
- Departments allocations are made to the appropriate divisions (VPs and President's Office)
- Budget Office will work with each division budget representative

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Budget Plan



- Primary allocations
 - Personnel – salaries and wages
 - ✦ Primary use of General Revenue
 - Receive benefit of state funded benefits for salaries funded from General Revenue.
 - O&M – Funded from Designated Tuition, Fees and (limited) Auxiliary funds.
- Salary savings
 - Currently held centrally
 - ✦ Helps provide funding for institutional priorities
 - ✦ Ensures appropriated funds don't lapse

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Preliminary Budget Calendar



FY 2020 Proposed Budget Calendar Texas A&M University-San Antonio

- | | |
|--------------------------|--|
| • Sept – Dec | Budget office preparation of projections and scenarios |
| • January | State of Texas legislature convenes |
| • March | System budget pattern distributed to the members |
| • March 25 | URC convenes. Budget workbooks and instructions distributed to division budget contacts. Division heads distribute out further as necessary. |
| • Mar 25 – Apr 10 | Preparation of budgets |
| • April 22 | Completed budget workbooks due back to URC. |
| • May 6 – 7 | University budget requests reviewed by URC and recommendation made to President Matson. |

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