

# University Budget Update

Fiscal Year 2021

Dr. Denise Trauth, President



*The rising STAR of Texas*

# Implications of COVID-19 on FY 2021 Planning Considerations

While much remains uncertain, the following scenario was used to create the FY 2021 Operating Budget:

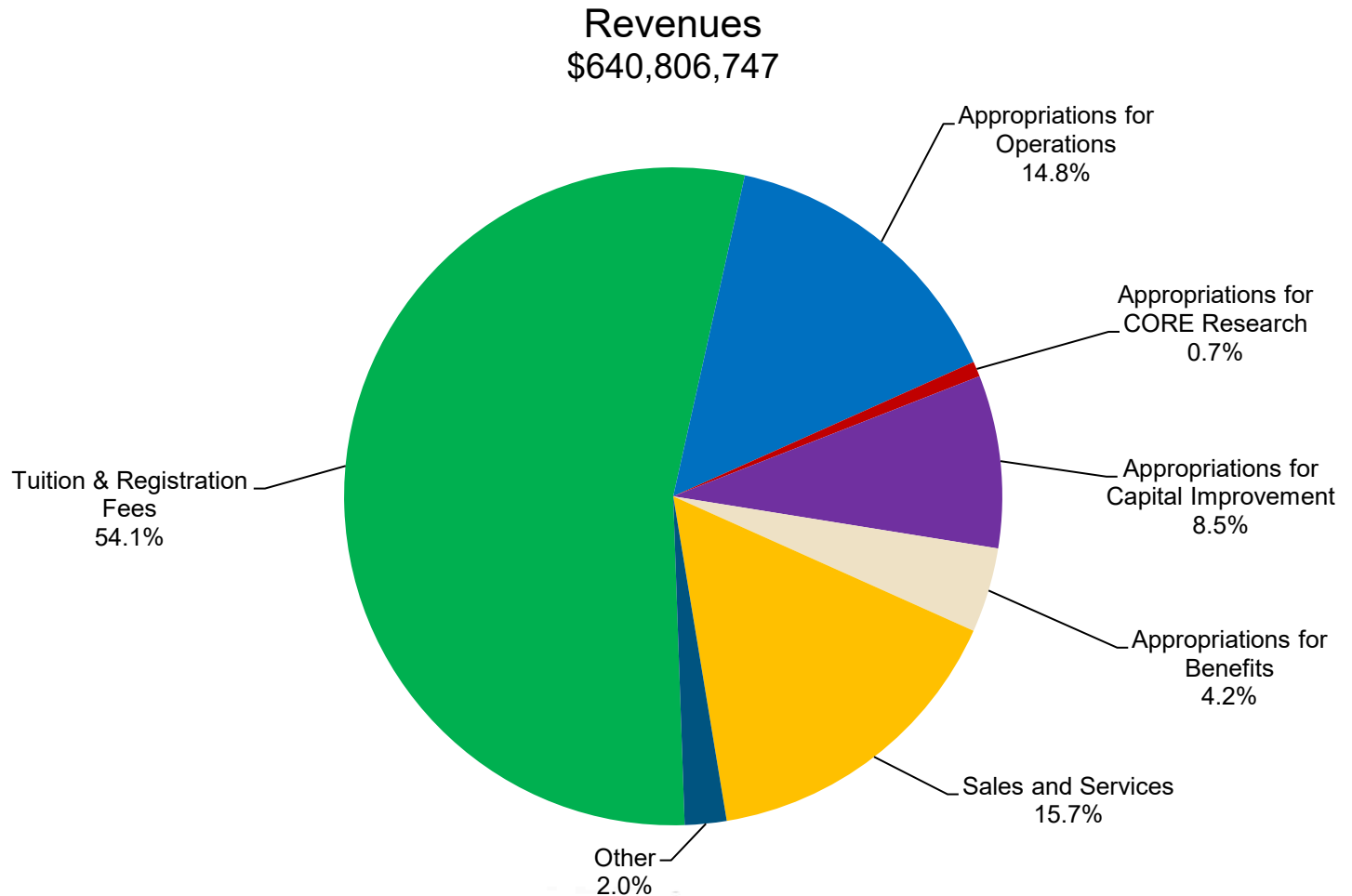
- 8% Decline in Semester Credit Hours versus Fall 2019
- 5% State Formula Appropriation Reduction
- 5% State Non-Formula Appropriation Reductions
  - ALERRT and TXSSC excluded

This represents, approximately, a 9.5% reduction across the university's primary fund group.

# Future Impacts

- ❖ We expect the financial impacts of COVID-19 to last at least five years.
- ❖ State of Texas Revenue Streams
  - Oil and gas tax revenue and sales tax fund is a significant portion of the state of Texas budget. Both will likely be slow to return.
  - The Comptroller in the certification revenue estimate for the 2020-2021 biennium available for general-purpose spending to have a projected ending shortfall of \$4.58 billion.
  - The State is already telling us to plan for another appropriation reduction in 2021-2022 and 2022-2023.
- ❖ Base Year for Formula Funding
  - Our enrollment this year (Summer 2020, Fall 2020, and Spring 2021) sets our formula funding for the following two years regardless of our enrollment changes in the future.
- ❖ Multi-year Impact of Enrollment
  - Enrollment declines travel through the enrollment pipeline and can take up to four years to correct.

# FY 2021 Operating Budget



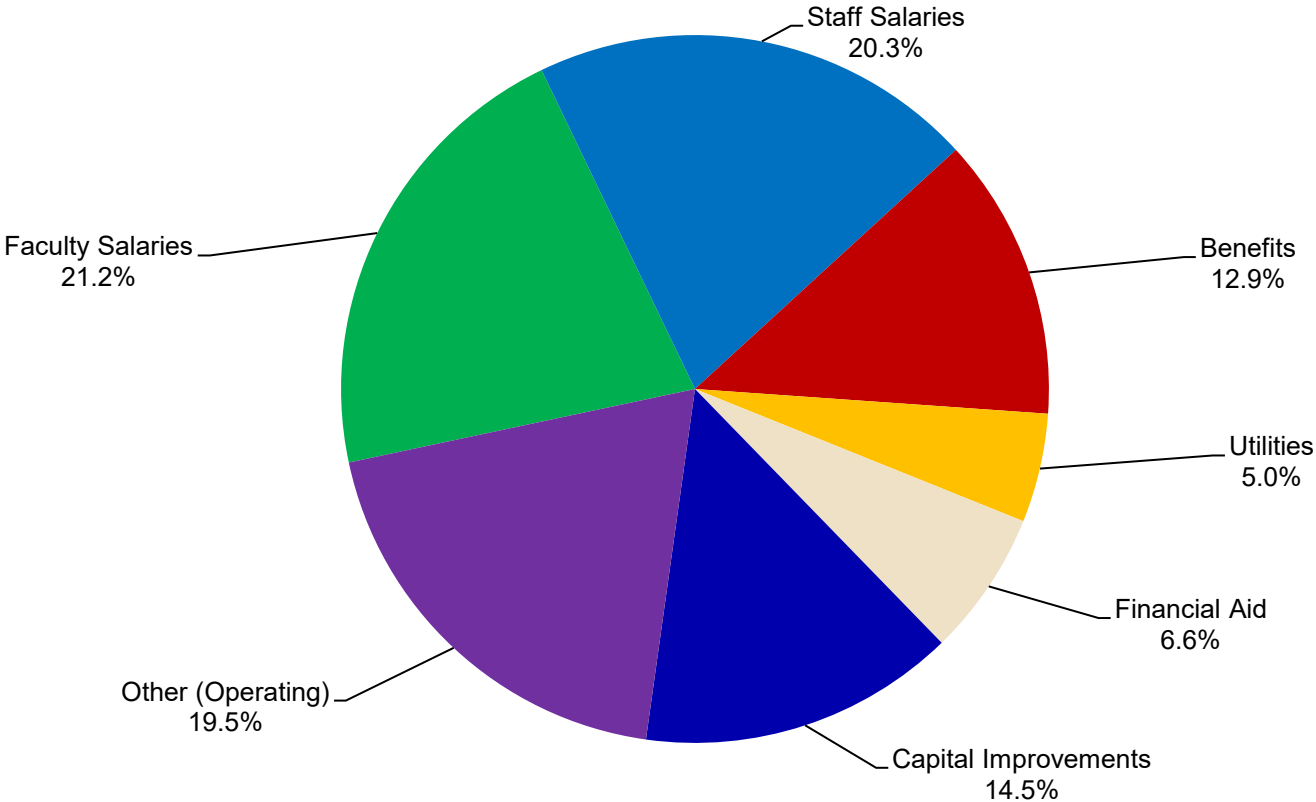
# FY 2021 Operating Budget Revenues

(Does Not Include Service Departments, Gifts and Grants)

Revenues	FY 2020	FY 2021	Change
Tuition & Registration Fees	\$357,824,300	\$346,372,337	(\$11,451,963)
Appropriations for Operations	\$99,424,471	\$94,878,615	(\$4,545,856)
Appropriations for CORE Research	\$5,028,961	\$4,777,513	(\$251,448)
Appropriations for Capital Improvement	\$54,532,431	\$54,383,958	(\$148,473)
Appropriations for Benefits	\$26,711,842	\$26,711,842	\$0
Sales and Services	\$116,755,500	\$100,568,070	(\$16,187,430)
Other	\$14,876,953	\$13,114,412	(\$1,762,541)
<b>TOTAL</b>	<b>\$675,154,458</b>	<b>\$640,806,747</b>	<b>(\$34,347,711)</b>

# FY 2021 Operating Budget

Expenses  
\$640,806,747





# FY 2021 Operating Budget Expenses

(Does Not Include Service Departments, Gifts and Grants)

Expenses	FY 2020	FY 2021	Change
Faculty Salaries	\$148,109,320	\$135,830,029	(\$12,279,291)
Staff Salaries	\$137,437,538	\$130,271,097	(\$7,166,441)
Benefits	\$83,170,568	\$82,803,453	(\$367,115)
Utilities	\$33,621,270	\$31,899,005	(\$1,722,265)
Financial Aid	\$42,946,465	\$42,511,361	(\$435,104)
Capital Improvements	\$91,658,969	\$92,834,609	\$1,175,640
Other (Operating)	\$138,210,328	\$124,657,193	(\$13,553,135)
<b>TOTAL</b>	<b>\$675,154,458</b>	<b>\$640,806,747</b>	<b>(\$34,347,711)</b>

(Does Not Include Service Departments, Gifts and Grants)

Expenses	FY 2020	FY 2021	Change
People	\$368,717,426	\$348,904,579	(\$19,812,847)
Facilities	\$125,280,239	\$124,733,614	(\$546,625)
Financial Aid	\$42,946,465	\$42,511,361	(\$435,104)
Other (Operating)	\$138,210,328	\$124,657,193	(\$13,553,135)
<b>TOTAL</b>	<b>\$675,154,458</b>	<b>\$640,806,747</b>	<b>(\$34,347,711)</b>

# Major Changes from the FY 2020 Budget to the FY 2021 Budget



# Appropriation Changes

GR Formula Funding	(\$4,294,330)
Other Appropriations (GR Dedicated Funds)	(\$5,458,405)
Non-Formula Funding (Including CORE Funds)	(\$1,095,170)
Total Appropriation Changes	<hr/> (\$10,847,905)

# Non-Appropriation Changes

Designated Tuition (net of scheduled tuition and fee increase and implementation of differential tuition offset by 8 percent enrollment decline)	(\$6,969,824)
Interest Income	(\$3,317,000)
Auxiliary Account Contributions	(\$351,000)
Other Items	\$33,495
Total Non-Appropriation Changes	<hr/> (\$10,604,329)

# Summary of Funds Reductions

Appropriation Changes (from slide 9)	(\$10,847,905)
Non-Appropriation Changes (from slide 10)	(\$10,604,329)
Funds Reductions for General Operations	<hr/> (\$21,452,234)

# Summary of Funds Available

Funds Reductions (from slide 11)	(\$21,452,234)
Prior Year Funds Available	\$2,312,656
Total Funds Reductions for General Operations	<hr/> (\$19,139,578)

# Approved Uses of Funds

## Investments in New Academic Programs

	Total Allocation	FY21 Allocation
Doctor of Philosophy in Applied Anthropology	\$1,376,583	\$258,278
Doctor of Philosophy in Computer Science	\$1,248,029	\$165,939
Master of Science in Quantitative Finance and Economics	\$502,093	\$415,814
Master of Science in Construction Management	\$347,350	\$283,045

# Approved Uses of Funds

## Investments in New Academic Programs Continued

	Total Allocation	FY21 Allocation
Master of Science in Integrated Agricultural Sciences	\$381,940	\$19,891
Master of Science in Marketing, Research and Analysis	\$433,806	\$20,856
Master of Science in Data Analytics and Information Systems	\$502,422	\$21,351
Bachelor of Science in Health Sciences	\$337,078	\$1,456



# Approved Uses of Funds

## Investments in New Academic Programs Continued

	Total Allocation	FY21 Allocation
Bachelor of Science in Civil Engineering	\$3,922,228	\$935,507
Minor in African-American Studies	\$104,466	\$364
Total Investments in New Academic Programs	\$9,155,995	\$2,122,501

# Approved Uses of Funds

Tenure & Promotion and ULP	\$604,108
Scholarships and Financial Aid	\$1,243,037
Hardware/Software Maintenance	\$807,250
Utilities	\$402,012
Maintenance and Custodial Contracts	\$230,920
Benefits	\$375,610

# Approved Uses of Funds

Property and Vehicle Insurance	\$479,177
Enrollment Services Contract	\$530,700
911 Consolidated Communications Center	\$47,075
Bobcat Travel System	\$31,680
Future-Year Academic Program Commitments	\$2,507,044
Total Approved Uses of Funds	<hr/> <u>\$9,381,114</u>

# Summary of FY 2021 Budget Changes from FY 2020

Funds Reduction for  
General Operations (\$19,139,578)  
(From slide 12)

Approved Uses of Funds (\$9,381,114)  
(From slide 17)

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Total Budget Reductions to Core  
Operations (\$28,520,692)

The FY 2021 Budget is Balanced

# CARES Act Funding

- ❖ A nationwide stimulus package, the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided approximately \$14 billion for higher education funding.
- ❖ Texas State received \$39.7 million of CARES Act funding which has all been spent or committed.
  - \$36,393,302 is dedicated to students
    - Summer Financial Aid/Grants - \$19,777,305
    - Fall Financial Aid - \$7,862,078
    - Refunds/Credits - \$8,753,919
  - \$3,260,285 –was used to defray costs associated with moving all classes online during the spring semester
- ❖ The university has received very little outside support to help offset the millions of dollars that we are spending on COVID testing, personal protective equipment, HVAC modification, classroom technology upgrades to allow for remote learning, other COVID-related safety measures we are taking.

# Enrollment Revenue Explained

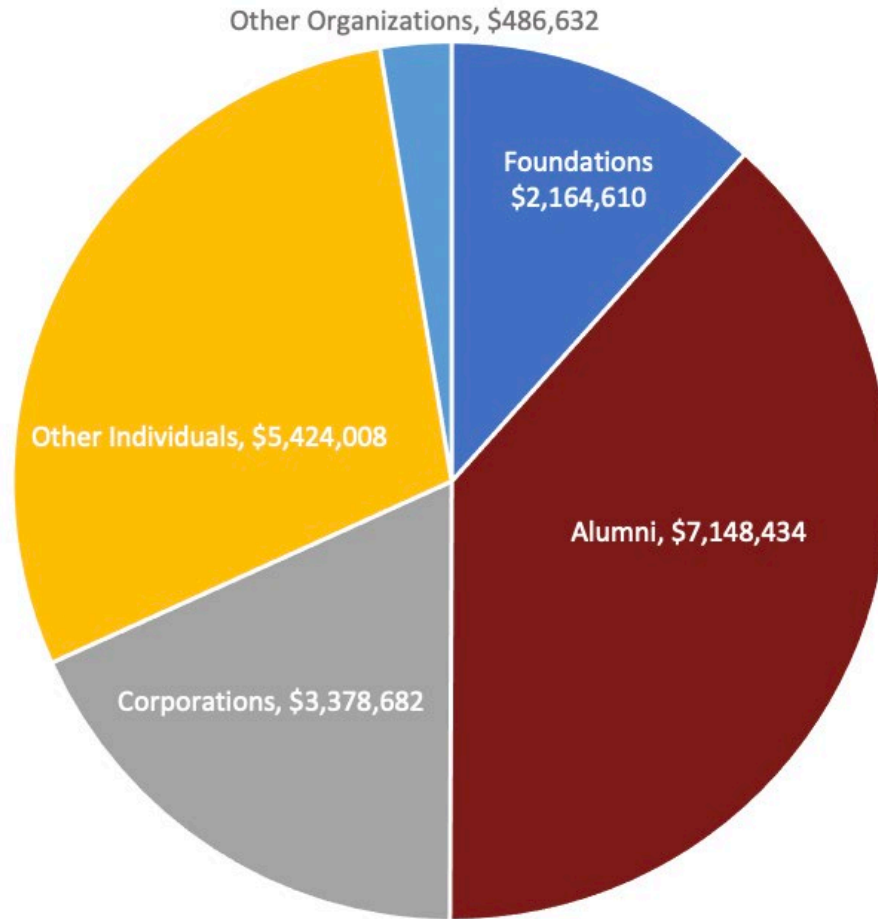
- ❖ We budgeted for an 8% enrollment decline and are only at a 2.5% decline. Isn't that good news?
  - The short answer is yes!
  - As mentioned earlier, we budgeted for a (\$6,969,824) loss of tuition revenue if enrollment was down 8%.
  - $2.5\% / 8\% = 31.25\%$  of \$6,969,824 = \$2,178,070
  
- ❖ The longer answer:
  - An “8% enrollment decline” from a budget standpoint really means an “8% enrollment-based revenue decline.”
  - There are three elements to net tuition revenue that need to be considered:
    - The number of semester credit hours we are billing
    - Changes to institutionally-funded financial aid
      - 1.1% increase in institutional aid = (\$3,358,354)
    - Changes to student accounts payable
      - 0.6% increase in uncollected student bills = (\$710,059)



# Gift Total By Constituency

As of August 31, 2020

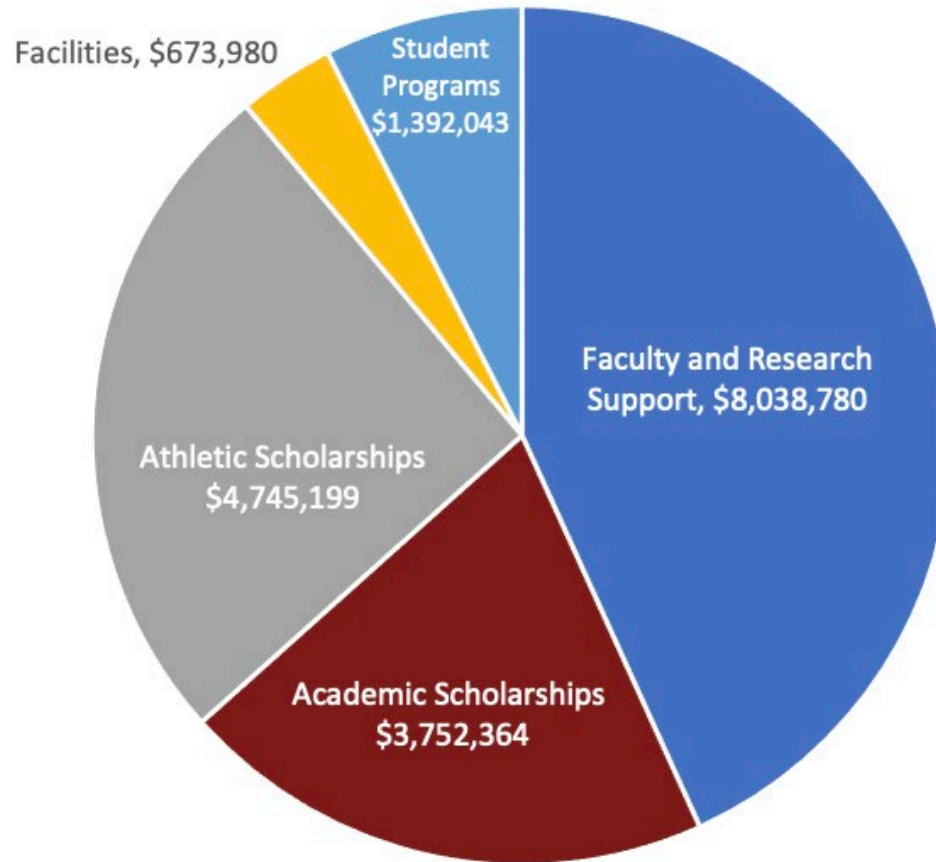
Total \$18,602,366



# FY2020 Fundraising By Use

As of August 31, 2020

Total New Gifts and Contributions: \$18,602,366



# Questions?

