

Budgeting and Managing Accounts

Dr. Debbie Thorne

Associate Provost and Professor, Marketing

Dr. Karen Meaney

Professor and Chair, Health & Human Performance

Tammy Sharp

Director, Faculty & Academic Resources

Cindy Waggoner

Budget Analyst, Faculty & Academic Resources



TEXAS STATE
FACULTY DEVELOPMENT

Session 2 | October 15, 2020



Agenda

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- 3:30 p.m. Introduction and Welcome**
Dr. Candace Hastings, Director, Faculty Development
Dr. Aimee Roundtree, Professor and Associate Dean for Research and Promotion, College of Liberal Arts
- 3:35 – 4:20 p.m. Departmental Budgeting Processes/ Strategic Budget Planning, Hiring Processes and Procedure**
Dr. Debbie Thorne, Associate Provost and Professor, Marketing
Tammy Sharp, Director, Faculty & Academic Resources
Cindy Waggoner, Budget Analyst, Faculty & Academic Resources
- 4:20 – 4:55 p.m. Developing and Managing a Budget**
Dr. Karen Meaney, Professor and Chair, Health & Human Performance
- 4:55 – 5 p.m. Wrap-Up**
Dr. Candace Hastings, Director, Faculty Development

Budgeting and Managing Accounts: Quick Review

October 15, 2020

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A Knowable and Sometimes, Controllable Budget

- Basics of SAP
- Account manager stewardship and oversight responsibility
- Dean expectations and college philosophy; dept/college budget specialist
- Timely review and reporting plan
- General budget structure, including faculty and staff positions and M&O
- Temporary and permanent funding; summer budgets
- Budget levers: Student demand, class size, curricular complexity, faculty workload assignments, general education obligations, etc...
- Know the data

Appropriated Funds

- **Educational & General (E&G)** funds are appropriated by the State Legislature to carry out and support the primary mission of the university – education, research, and public service. Sources of E&G funds include the general revenue appropriation, higher education fund (HEF) appropriation for capital, and staff benefits appropriation. There are also a number of direct appropriations for certain Non-Formula Support Items like Texas School Safety Center. Faculty and staff salaries are budgeted in the E&G fund. Fund numbers begin with 1. Included in the university's [Primary Fund Group](#).
- **Other Educational & General Funds:** Are also appropriated by the State Legislature as an estimated income. These include statutory tuition, organized activities, interest earned on state treasury funds, and lab fees. These funds are also placed in fund numbers that begin with 1.

Non-Appropriated Funds

➤ **Designated Method** funds are received from designated tuition students pay at registration. These funds are used to support the core mission – education, research, and public service. The departmental designated method account includes budget for graduate student salaries, M&O, hourly wages, travel, and capital. The fund number is 20000110xx. Included in the university's [Primary Fund Group](#).

➤ **Designated** funds are internally designated by the Board of Regents. Sources include fee-based activities and income generating activities. Fee-based activities include the international fee, student publication fee, and library fee. Income generating activities include the application fee, orientation fee, and transcript fee. Fund numbers begin with 2.

Non-Appropriated Funds, continued

- **Auxiliary** funds arise from activities which furnish services to students or third parties for which charges are made or fees are collected. For example, a department may have auxiliary funding from the student service fee. Fund numbers begin with 3.
- **Restricted** funds are gift accounts arising from donations made to the department or university. Expenditures from these funds may be restricted based on the nature of the gift. Fund numbers begin with 4.
- **Grant** funds denote sponsored programs via grants and contracts from federal, state, and private sources. Fund numbers begin with 8, although Coordinating Board Grants may begin with 1.

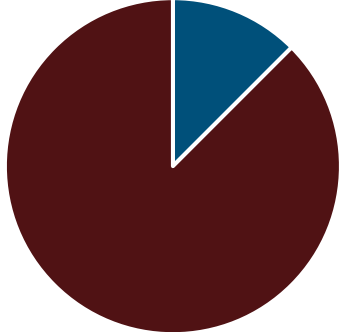
Student Credit Hours

SCH determine tuition revenue and formula funding appropriations, which are the primary funding sources for budgets in academic departments.

Student Credit Hours Matter for Appropriations

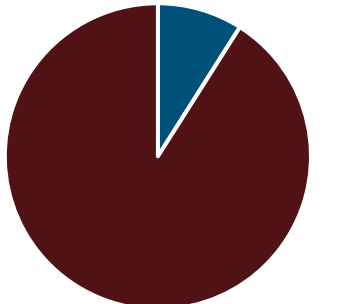
- SCH determine our share of formula funding we receive from the state. The state’s Instructions and Operations Formula uses SCH weighted by level and discipline and includes a 10% supplement for undergraduate SCH taught by tenure-line faculty members.
- Summer 2020, fall 2020, and spring 2021 SCH determine Texas State’s portion of SCH generated by Texas public universities. The legislature will determine how much is allocated to the “formula funding pie” and then our portion of SCH will determine our share of funds for 2022 and 2023.
- There may be a decline in the amount of state funding that the legislature will authorize over the next two years. In other words, the whole pie will get smaller.
- While our enrollment declined this fall, other state universities experienced enrollment growth, in some cases due to dual-enrollment of high school students; therefore our share of that smaller pie may also be smaller.

Formula Funding
2020, 2021



■ Texas State ■ All others

Formula Funding
2022, 2023



■ Texas State ■ All others

Note: Charts are for demonstration purposes only and do not reflect actual percentages

Student Credit Hours Matter for Non-Appropriated Funds

- Related to the university's budget, "enrollment" means SCH and headcount, with a primary emphasis on SCH.
- SCH paid for by students generate tuition revenue for the university. New allocations to student scholarships, uncollected student bills, and [waivers or exemptions](#) reduce available revenues. For example, Texas State will not collect about \$23 million in tuition and fees because of the Hazlewood Act and other waivers and exemptions.
- Headcount has little to no direct effect on academic department budgets, except for its relationship to SCH.

Fees Support Specific Offices and Functions

- 🦁 Some fees are headcount-driven, since they are paid by each student per semester. [Most fees collected by the university](#) go directly to support specific offices and services in other divisions (student recreation, student health, student services, student center, bus transportation, athletics, etc...).
- 🦁 A few fees support Academic Affairs, such as the Electronic Course Fee and Student Success Fee for academic advising.
- 🦁 Fee funding is not interchangeable with other types of revenue and is generally restricted to specific activities and services.

The Future

- 🦁 At the beginning of the legislative session, the Comptroller's office issues biennial revenue estimate (BRE) of the funds likely to be available from taxes and other revenue over the next two years. BRE is the cap on legislative spending for this period. Consider sales tax, federal funds, oil production, motor vehicle sales, etc...
- 🦁 The legislative session is yet to unfold regarding the budget scenario for the next biennium (2022, 2023). We currently expect a 5 percent reduction.
- 🦁 Spring 2021 and summer 2021 enrollments are yet to materialize.
- 🦁 Cost of benefits, utilities, COVID-19 supplies, and support are increasing.
- 🦁 See President Trauth's [University Budget Update](#) from University Leadership Assembly 10.6.2020.

Support Contacts

- 🦁 Tammy Sharp and [Faculty and Academic Resources](#) – questions and advice on personnel matters, tenure and promotion, faculty hiring, faculty contracts, PCRs, faculty leaves tas245@txstate.edu; 245-2475
- 🦁 Cindy Waggoner and Academic Affairs Budget – questions and advice on budget matters, faculty and staff position budgets, summer budget process, temporary budget process, budget development cw12@txstate.edu; 245-8378
- 🦁 [Office of Budgeting, Financial Planning & Analysis](#) 245-2376
- 🦁 Department/College Academic Budget Specialists