



Budget and Funding Review

Texas A&M University

July 10, 2024

STATE OF TEXAS BUDGETING



State of Texas Budgeting



State of Texas

30,529,072 population



Public Higher Ed Funding

1,371,371 students



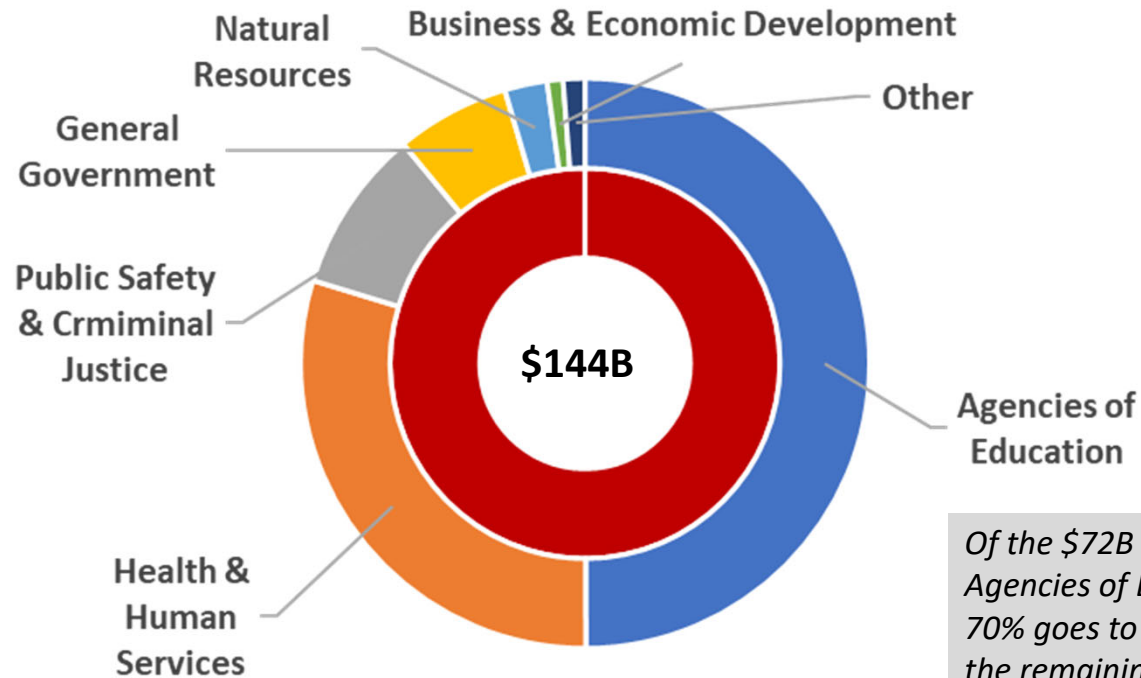
Texas A&M University

77,369 students

Texas General Revenue Appropriations



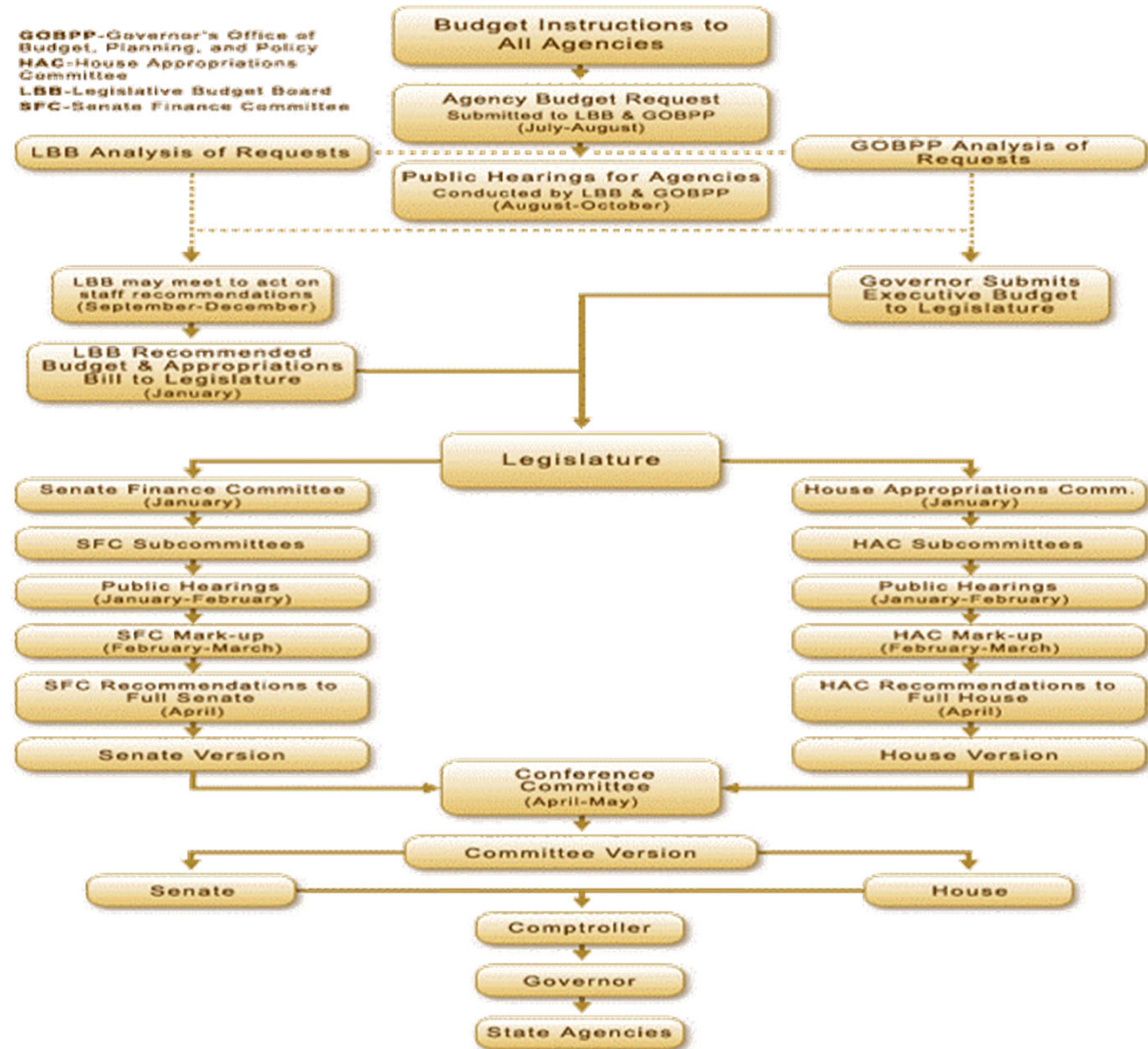
2024-25 Biennium



Of the \$72B that goes toward Agencies of Education, approximately 70% goes to Public Education while the remaining 30% goes to Higher Ed.

Source: Conference Committee Report on House Bill 1, May 2023

Texas Biennial Budget Cycle





HIGHER EDUCATION FUNDING IN TEXAS



Funding Higher Education in Texas



Formula Funding

Used to distribute funding among public state institutions

General Academic Institutions (GAI)

- Instruction & Operations
- Infrastructure
- Texas Research University Fund (TRUF)

Health Related Institutions (HRI)

- Instruction & Operations
- Infrastructure
- Research
- Graduate Medical Education
- Mission Specific

Non-Formula Funding

- Available University Fund (AUF)
- Group Insurance
- Capital Construction Assistance Projects (CCAP)
- Tobacco Settlement Funds



THE BUDGET AT TEXAS A&M UNIVERSITY



A Budget Defined



A budget is an estimation of revenue and expenses over a specified future period used to ***manage finances, set goals, measure outcomes, and plan contingencies***³

TAMU uses a form of ***incremental budgeting***, where the budget for the upcoming period is based on the budget from the previous period, with adjustments made for changes in costs, revenues, etc.

Budget Timing



The ***annual operating budget*** at TAMU is prepared in the spring and summer of each year for the fiscal year that begins on September 1 and ends on August 31

The university is reliant upon funding decisions made by the ***Texas Legislature***, which meets bi-annually, so actual timing of the budget may vary

There are two budget phases:

- Phase 1: Lump sum budget
- Phase 2: Salary budget

The ***Board of Regents approves the Phase 1 expenditure budget***

Budget Pools



General Revenue
Proceeds from State General Revenue
& Other Appropriated Funds

Statutory Tuition
Rate set by statute

Available University Fund
Proceeds from PUF
split between E&G and Designated
Funds



Funds distributed by the university through budget allocations

Budget Pools



Designated/Differential Tuition
Rate set by university and approved by
Board

University
Advancement Fees
Rate set by university and
approved by Board

Designated Budget Pool

Available University
Fund
Proceeds for PUF
Split between E&G and
Designated Funds

Funds distributed by the university through
budget allocations

*All other designated,
auxiliary & restricted funds
are budgeted in the
department in which they
are earned*

Higher Education Fund Accounting



Educational & General (E&G)

State Appropriated Funds

Available University Funds (AUF)

Proceeds from PUF
(split between E&G and Designated Funds)

Tobacco Funds

Tobacco Settlement
endowment

Designated Funds

Purpose defined by BOR

Auxiliary Enterprises

TAMU Business Enterprises

Restricted Funds

Contracts, Grants, Gifts,
Scholarships

Funds distributed by the university through budget allocations to units

Funds budgeted and held in the department in which they are earned

Strategic Budget Council (SBC)



Primary

President (Chair) - Mark Welsh

Executive Vice President & Provost - Alan Sams

Chief Financial Officer - John Crawford

Interim Chief Operating Officer – Peter Lange

Vice President for Planning, Assessment & Strategy - Joe Pettibon

Vice President for Research - Jack Baldauf

Council of Dean’s Representative - Nate Sharp

Speaker of the Faculty Senate – Angie Hill Price/Tracy Hammond

University Staff Council Chairperson - LaTia Wilson/Marcos Mendez

Student Government Representative – Grayson Sims

Ex-Officio

Deputy Chief Financial Officer - Jeff Burton

Associate Vice President for Budgets & Planning - Deborah Wright

Chief of Staff for the President – Susan Ballabina

Provost Chief of Staff – Tim Powers

Health Science Center Interim COO – Indra Reddy



Budget Discussions



Each Dean and Vice President met with the SBC and discussed:

- | | |
|--|---|
| <ul style="list-style-type: none">• Successes and highlights• Short Term Goals and Initiatives• Long Term Goals and Initiatives• Major Challenges• Central Administration Assistance Needed | <ul style="list-style-type: none">• New Base (Recurring) Requests• New One-time Requests• Planned Use of Reserves• Facilities/Infrastructure Needs |
|--|---|

Budget Requests



Recurring Budget Requests

\$116.2M

- Early Budget Decisions
- Budget Requests from Units

\$41.1M

\$75.1M

One-Time Budget Requests

\$48.3M

Facility/Infrastructure Requests

\$1,232.0M

Needs Covered Through Reserves/Existing Budget Capacity

\$32.5M

SBC Criteria for Prioritization

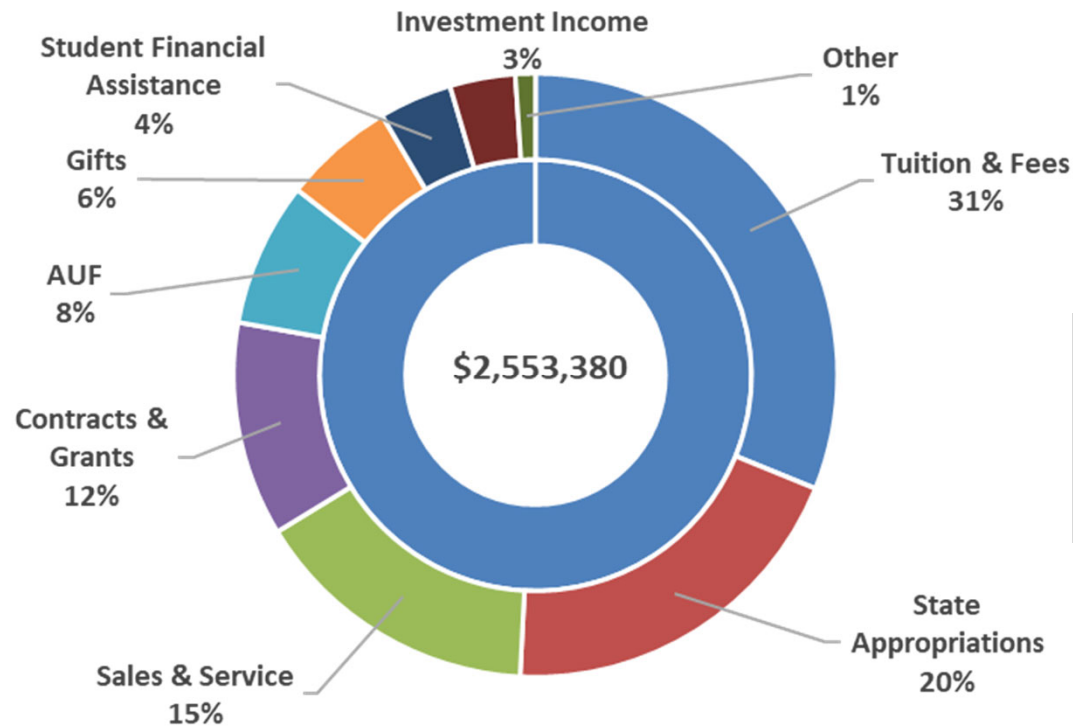


- **Fixing the Foundation**
- **Enhancing the Student Experience**
- **Is There Existing Unit Budget Capacity?**
- **Are There Unit Reserves Available?**

Texas A&M University BUDGET DATA



Texas A&M University FY 2025 Budgeted Revenue by Category



Tuition & Fees account for 31% of the budget compared to 20% for State Appropriations

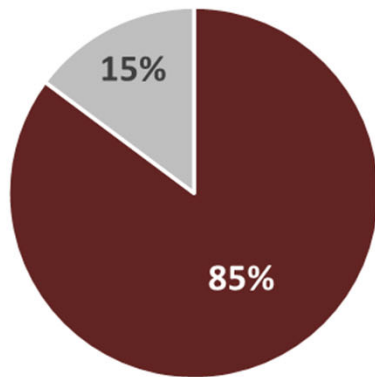
Sources in \$ Millions

Trends in Funding Sources:



Decreasing State Appropriations

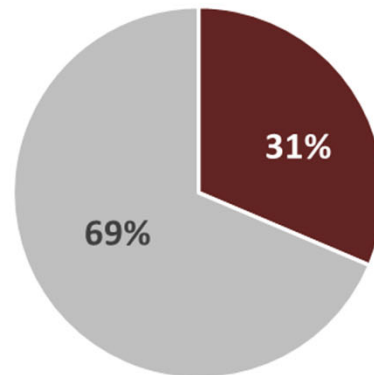
1981



■ State Appropriations ■ All Others

Total Revenue (in millions): \$108,690

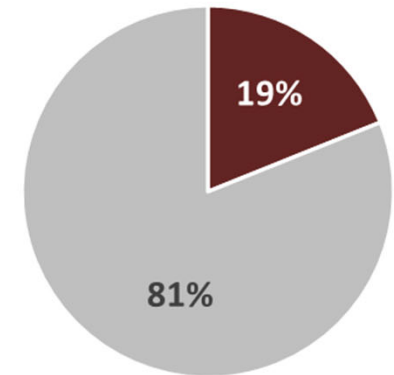
2001



■ State Appropriations ■ All Others

Total Revenue (in millions): \$771,897

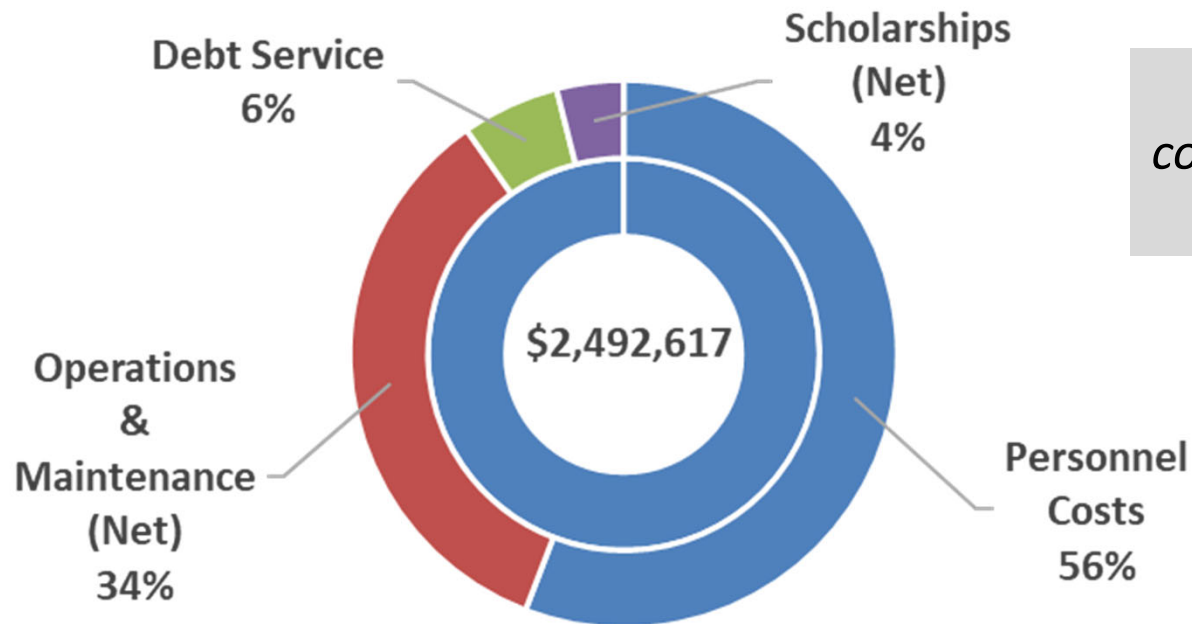
2021



■ State Appropriations ■ All Others

Total Revenue (in millions): \$2,111,997

Texas A&M University FY 2025 Budgeted Expenses by Category



*Personnel costs
comprise 56% of the
expense budget*

Expenses in \$ Millions

FY 2025 Total Uses



Academics

\$1,163,687 (47%)

Colleges

\$850,231

Academic Support

\$313,456

Administration & Operations

\$489,267 (20%)

Restricted Funds

\$410,750 (16%)

Auxiliaries

\$284,776 (11%)

Debt Service

\$144,137 (6%)

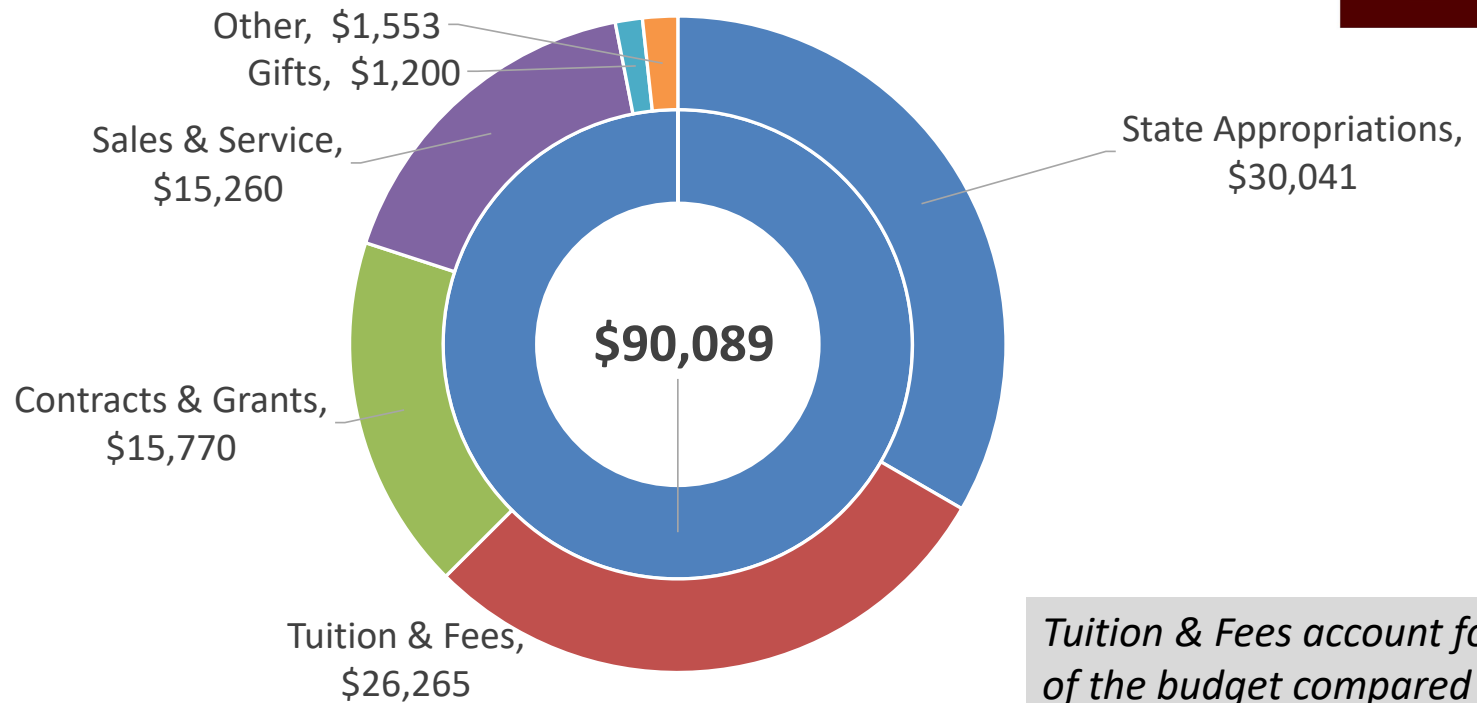
\$2,492,617

Total Budget

Texas A&M University at Galveston BUDGET DATA



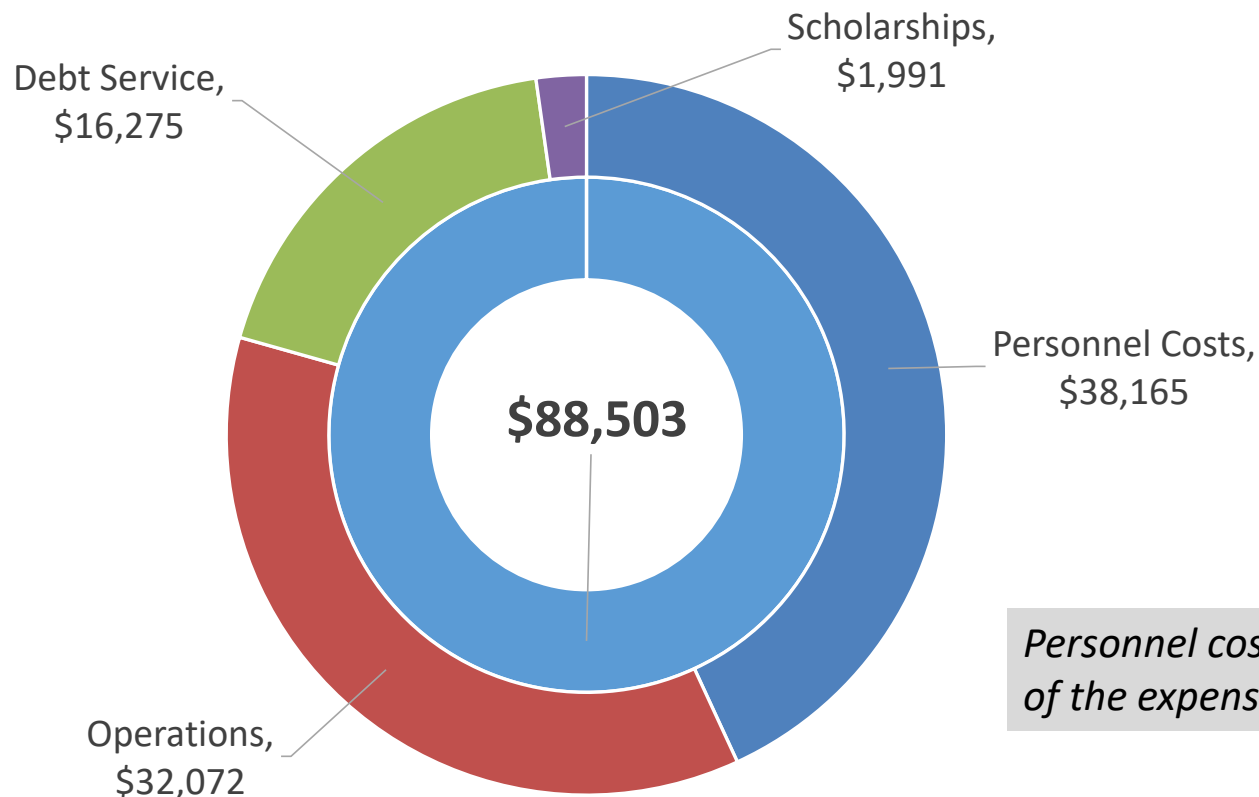
Texas A&M University at Galveston FY 2025 Budgeted Revenue by Category



Tuition & Fees account for 29% of the budget compared to 33% for State Appropriations

Sources in \$ Thousands

Texas A&M University at Galveston FY 2025 Budgeted Expenses by Category



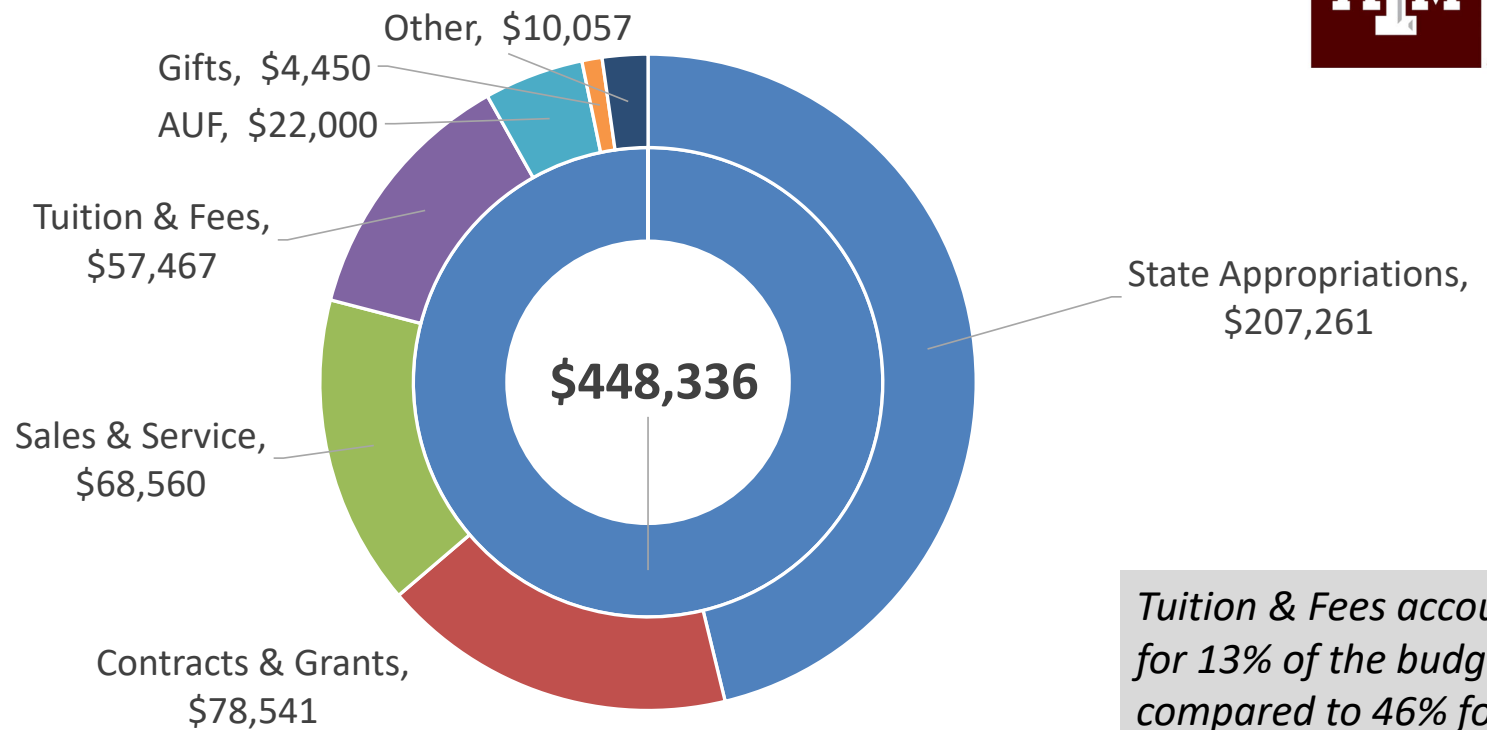
Personnel costs comprise 43% of the expense budget

Sources in \$ Thousands

A&M Health BUDGET DATA



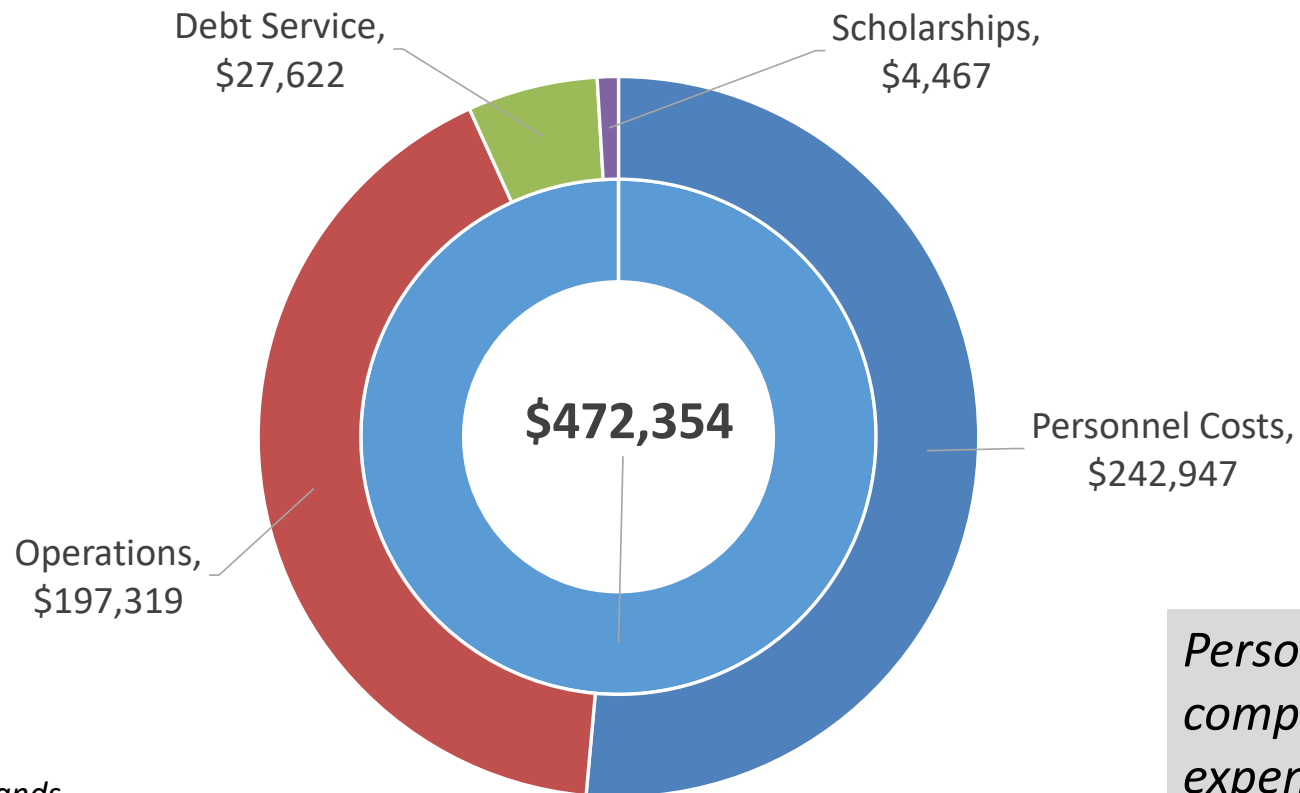
A&M Health FY 2025 Budgeted Revenue by Category



Tuition & Fees account for 13% of the budget compared to 46% for State Appropriations

Sources in \$ Thousands

A&M Health FY 2025 Budgeted Expenses by Category



Expenses in \$ Thousands

*Personnel costs
comprise 51% of the
expense budget*



Top Things to:

- Help Simplify Your Annual Budget
- Make Your Budget Work for You Throughout the Year



Thanks and Gig 'Em!