FY 2012 Budget Kickoff
Budget Bootcamp: Back to the Basics
May 10, 2011
TAMU Budget and Planning
Agenda

• Welcome/Introduction
• State Funding Update
• Texas A&M Funding Update
• Dates to Remember
• Budget Expectations
• Budget Basics
• Budget Rates
• Advanced Topics
State Funding Update
## Budget Timeline

<table>
<thead>
<tr>
<th>Date/Period</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>January 11, 2011</td>
<td>82\textsuperscript{nd} Regular Session Begins</td>
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<tr>
<td>January</td>
<td>LBB Base Bill; Governor’s State of the State; and Comptroller’s revenue estimate issued; Legislative Committees and Chairs named in House and Senate</td>
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<td>Feb. – March</td>
<td>House Appropriations bill hearings and mark-up</td>
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<td>Feb. – March</td>
<td>Senate Finance appropriations bill hearings &amp; mark-up</td>
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<td>April – May</td>
<td>Emergency/Supplemental appropriations bill finalized</td>
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<td>April – May</td>
<td>Conference Committee on appropriations bill</td>
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<td>May 30, 2011</td>
<td>End of 82\textsuperscript{nd} Regular Session</td>
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<tr>
<td>June</td>
<td>Comptroller certification</td>
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<tr>
<td>June 19, 2011</td>
<td>Last day for Governor’s vetoes (20 days after close of session)</td>
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<tr>
<td>Summer 2011</td>
<td>Special Session (expected)</td>
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What to Expect for 2012-2013

Where will legislators spend their time:

• Texas is in a budget crisis and current estimates show a $26-$28 billion budget hole (on a $187.5B budget for 2010-2011)
  – No Washington money this session
  – Controversy over the rainy day fund
  – Possible special sessions to balance the budget

• The 82nd Legislative session is a redistricting session based upon the census done every 10 years
“One-Time” Money Balanced the 2010-2011 Budget

General Revenue (GR) $75.0 billion
Federal Incentive Funds (ARRA) 6.4 billion
Carryover from Previous Session 3.0 billion
Cash on Hand 2.6 billion

2010-2011 General Revenue Budget $87.0 billion

Actual Receipts (82.7 billion)

Projected Deficit for 2010-2011 ($4.3 billion)
## Projected Budget Deficit Entering 2012-2013

### Revenue Shortfall:
- Federal Incentive Funds (ARRA): $6.4 billion
- Carryover from Previous Session: 3.0 billion
- Cash on Hand: 2.6 billion
- 2010-2011 Shortfall: 4.3 billion

**Sub-total:** $16.3 billion

### Increased Expenses:
- Medicaid: 4.5 billion
- Education (K-12): 5.5 billion

**Total Projected General Revenue Shortfall:** $26.3 billion
Hot Topics in the 82nd Session
For Higher Education

- Budget, Budget, Budget…… oh.. And BUDGET…
  - Budget Reductions, balancing the budget, additional revenue streams
  - Rainy Day Fund
  - Medicare, Public Education, Prisons…
  - Financial Aid Funding
- Research vs. Teaching
- Competitive Knowledge Fund
- Conceal carry on Campus
- Textbooks
- Residency Status
- Bacterial Meningitis Vaccines
- $10,000 Degree
This session is unique in its lack of predictability at this point in session:

Potential Range:
From a high of…
- Committee Substitute for HB 1, less Special items
  - GR reduction of $56.7M or 11.5%.
To a low of…
- SB1 as filed
  - GR reduction of $34.8M, or 7.1%
If General Revenue is Available?

• Recommendations from Budget Reallocation Working Group
  – Invest in the people of TAMU – the President will decide funding priorities possible examples:
    • assistance for lowest paid employees
    • living wage initiatives
    • supplements to health care or other costs
    • graduate student funding
    • non-tenure track and tenured/tenure track faculty
  – Fund Overarching Strategic Objectives 1 – 3
Student’s Burden Increasing
Tuition & Fees And General Revenue
as a percentage of total current fund operating expenses

General Revenue

Tuition & Fees

Tuition Deregulation
Vision 2020
Peer Comparison

Tuition and Fees (per year)

Source: FY 2009 IPEDS Finance Survey; Tuition and Fee Revenue per FTE
Tuition and Fees State Comparison (per semester)

Based On 2010-2011 Academic Year, 15 Hours, Tuition + Required Fees Reported On University Websites.
Budget Expectations
Budget Expectations

• Perspective of Board

• System’s Interpretation

• How can we improve our budget to meet expectations?

• Challenges
Dates to Remember
Important Dates

Phase I – FAMIS budget entry

- Monday, May 23 – 26, 2011 - Budget Training
- Monday, May 23, 2011 - FAMIS Budget Module opens
- Tuesday, May 31, 2011 - Distribution of BPP Electronic Feed Template
- Wednesday, June 8, 2011 - FAMIS Budget Module closes

Phase II – BPP Prep entry and FAMIS budget reconciliation

- Monday, June 27, 2011 – Phase II budget process begins
- Wednesday, July 13, 2011 – Last day to submit BPP Feed Template
- Thursday, July 14, 2011 – BPP prep closed to users
- Monday, July 18, 2011 – FAMIS budget module locked
Budget Basics
Budget Basics

- Request access to FAMIS and BPP
  - FAMIS Budget Module Access Form
  - BPP Statement of Responsibility
    http://www.tamus.edu/assets/files/bpp/pdf/BPPSystemMainframeSOR.pdf

- Attend Training – register via budget website

- Request information needed to prepare budgets
  - Budget to Actual Trend by Account
  - Current Salary report with estimated benefits
  - Rates/Decisions (Guidelines)
Budget Basics

- Request any new accounts

- Prepare and enter budgets based on actual trends in the correct category

- Budget accounts having salaries/operations

- Print budgets and have department head or designee approve budgets

- Send email to budget@tamu.edu when finished

Example email: The budgets for the Office of Budget and Planning have been reviewed and approved. Thank you.
John Doe, Dean
Budget Rates
Budget Rates

- ORP Supplement - *pending*
- Group Insurance Premiums - *Preliminary*

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<tr>
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<th>Full-Time (100%)</th>
<th>Part-Time (50.00% - 99.99%)</th>
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<tbody>
<tr>
<td>Employee Only</td>
<td>$366.71</td>
<td>Employee Only</td>
</tr>
<tr>
<td>Employee and Spouse</td>
<td>$551.60</td>
<td>Employee and Spouse</td>
</tr>
<tr>
<td>Employee and Children</td>
<td>$482.27</td>
<td>Employee and Children</td>
</tr>
<tr>
<td>Employee and Family</td>
<td>$644.04</td>
<td>Employee and Family</td>
</tr>
<tr>
<td>Waiver</td>
<td>$183.36</td>
<td>Waiver</td>
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- Supplemental for employees:
  - Eligibility based on salaries <= $34,500
    - Monthly employees - $50/month
    - Hourly employees - $0.29/hour

- Working hours in FY 2012 – 2,096
Budget Rates

- Auxiliary Assessment Rate - 3.5%
- Auxiliary Retiree GIP - $1,500/FTE
- ACAP
  - Faculty - .66% (.0066)
  - Staff - .49% (.0049)
- Telecommunication rates - TBD
- Utilities – units contacted by utilities
- Hazelwood Act
Advanced Topic Discussion

- Wage Encumbrances
- Budgeting Accounts with Beginning Balances
- New Positions – Unallocated Salaries
- Restricted Accounts
- Account Cleanup
- Hazelwood Act
Contact Us

Budget Hotline: 845-8145

Budget e-mail: budget@tamu.edu

Website: http://finance.tamu.edu/budget

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