



University Budget Update

Fiscal Year 2023

Dr. Kelly Damphousse, President

TEXAS  STATE
UNIVERSITY[®]

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM

TABLE OF CONTENTS

OVERVIEW

- Planning Considerations
- Revenue Projection
- Expense Projection

MAJOR CHANGES

- Appropriation Changes
- Non-Appropriation Changes
- Available Funds
- Approved Uses

FUTURE CONSIDERATIONS

- Back to Balanced
- Identified and Potential Drivers of Spending
- Potential Funding Sources
- “More with More”

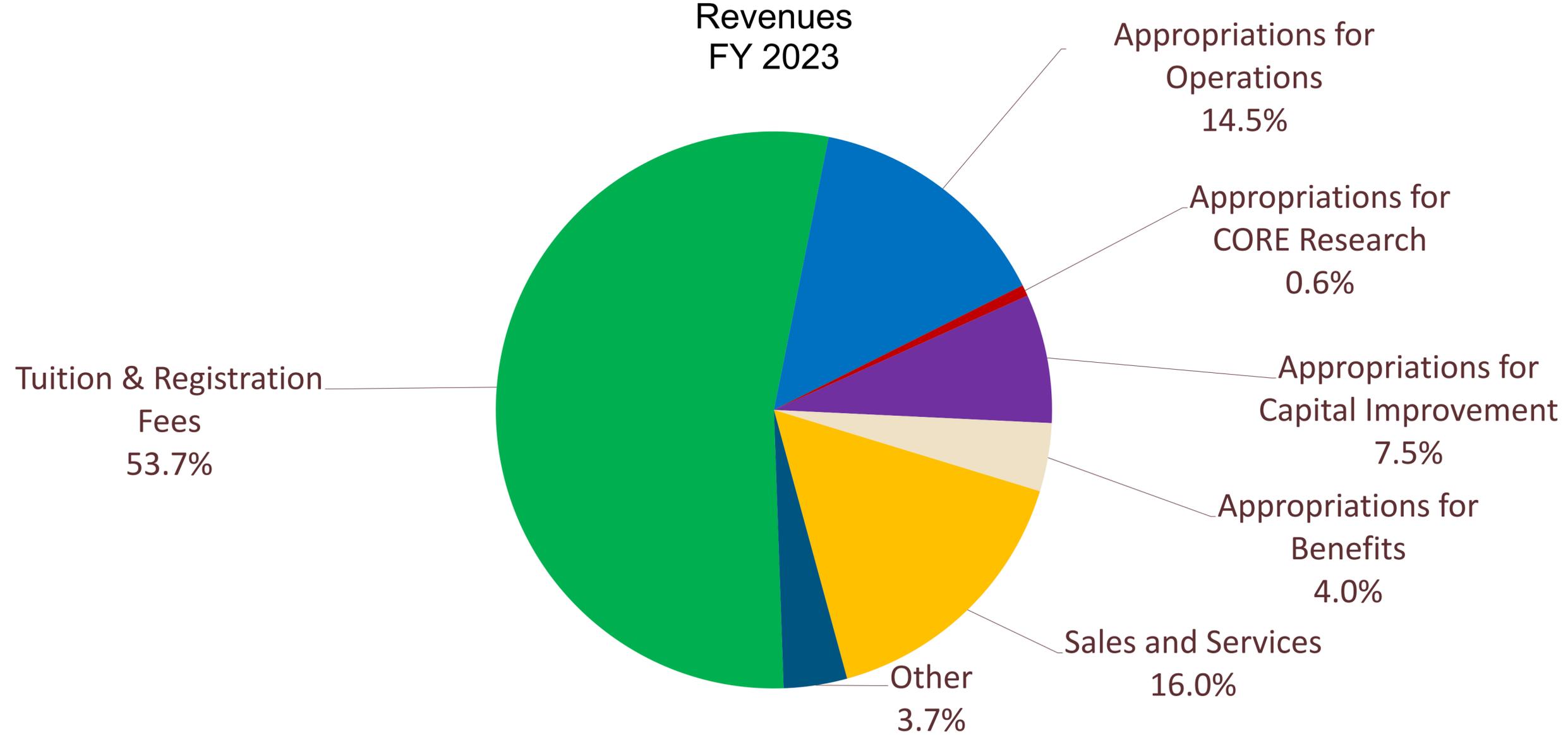
FY 2023 Planning Considerations

The following scenario was used to create the FY 2023 Operating Budget:

Tuition and Fees Projections

- Use actual semester credit hours in FY 2022 as baseline;
- Assume flat enrollment (Actual was 2.5% increase which has funded some “More”);
- No tuition and fee increase for FY 2023;

FY 2023 Operating Budget Revenue Projection

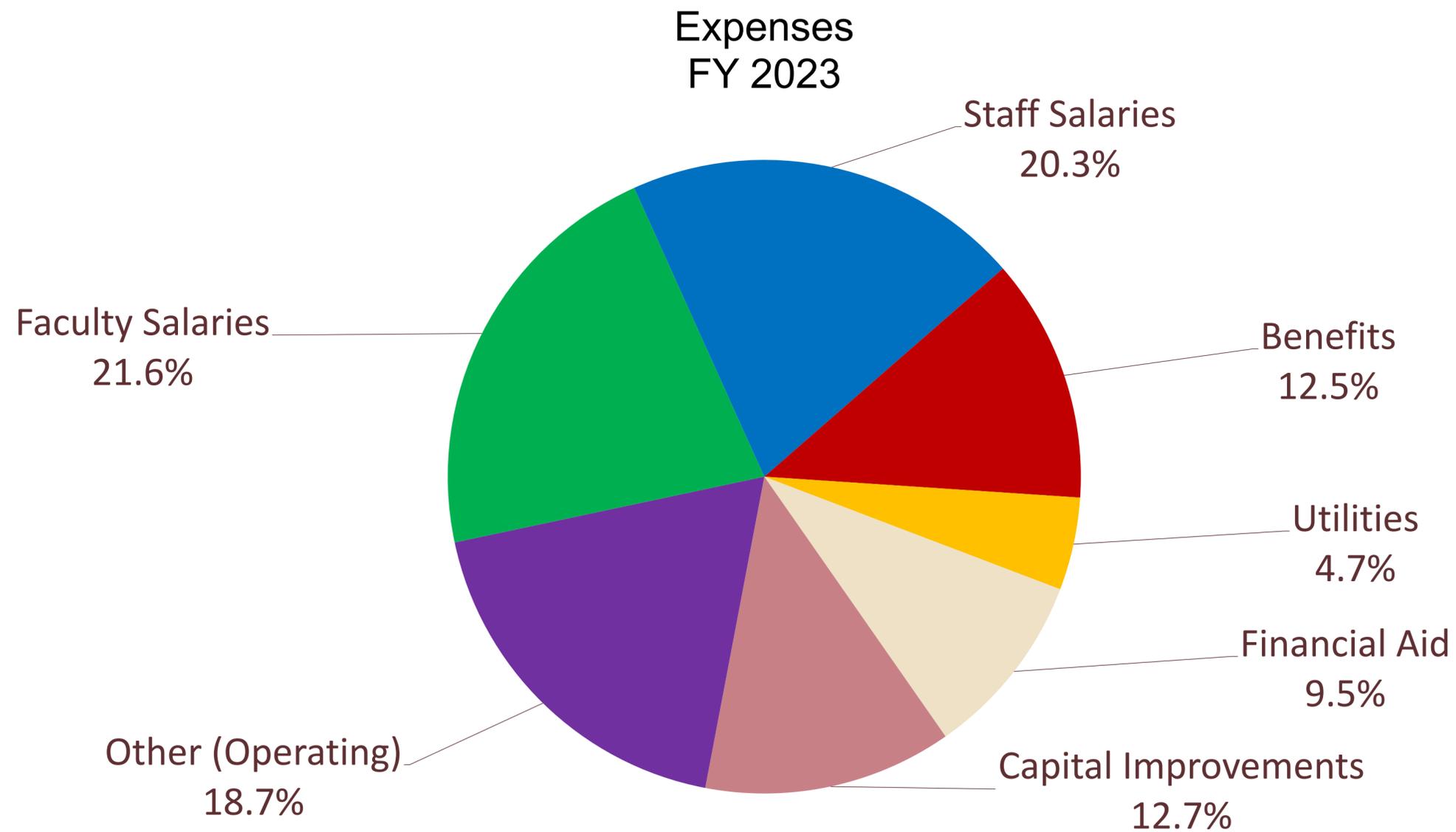


FY 2023 Operating Budget Revenues

(Does Not Include Service Departments, Gifts, Grants, or Operating Transfers)

| Revenues | FY 2022 | | FY 2023 | |
|--|----------------------|-------|----------------------|-------|
| Tuition & Registration Fees | \$375,088,384 | 53.2% | \$378,602,934 | 53.7% |
| Appropriations for Operations | \$101,940,394 | 14.5% | \$101,939,759 | 14.5% |
| Appropriations for CORE Research | \$4,579,081 | 0.6% | \$4,579,081 | 0.6% |
| Appropriations for Capital Improvement | \$54,969,941 | 7.8% | \$52,770,940 | 7.5% |
| Appropriations for Benefits | \$27,942,760 | 4.0% | \$27,942,760 | 4.0% |
| Sales and Services | \$101,805,378 | 14.4% | \$113,073,069 | 16.0% |
| Other | \$12,245,924 | 1.7% | \$25,976,487 | 3.7% |
| TOTAL | \$678,571,862 | | \$704,885,030 | |

FY 2023 Operating Budget Expense Projection



FY 2023 Operating Budget Expenses

(Does Not Include Service Departments, Gifts, Grants, or Operating Transfers)

| Expenses | FY 2022 | | FY 2023 | |
|----------------------|----------------------|-------|----------------------|-------|
| Faculty Salaries | \$145,331,058 | 20.6% | \$152,204,154 | 21.6% |
| Staff Salaries | \$136,561,554 | 19.4% | \$143,321,241 | 20.3% |
| Benefits | \$85,659,160 | 12.2% | \$87,830,913 | 12.5% |
| Utilities | \$32,357,068 | 4.6% | \$33,344,177 | 4.7% |
| Financial Aid | \$55,428,130 | 7.9% | \$67,061,428 | 9.5% |
| Capital Improvements | \$92,026,137 | 13.1% | \$89,472,591 | 12.7% |
| Other (Operating) | \$131,208,755 | 18.6% | \$131,650,526 | 18.7% |
| TOTAL | \$678,571,862 | | \$704,885,030 | |



Major Changes from the FY 2022 Budget to the FY 2023 Budget

Appropriation Changes

GR Formula Funding (\$635)

Other Appropriations (\$2,199,001)
(Primarily State Benefits/Debt Service/etc.)

Total Appropriation Changes (\$2,199,636)

Non-Appropriation Changes

| | |
|--|-----------------|
| Miscellaneous Revenue (Primarily interest income) | \$193,500 |
| Administrative Overhead (Collected from Revenue Generating Units) | \$227,000 |
| Total Non-Appropriation Changes | <hr/> \$420,500 |

Summary of Available Funds

| | |
|----------------------------------|--------------------|
| Appropriation Changes | (\$2,199,636) |
| Non-Appropriation Changes | \$420,500 |
| Prior Year Funds Brought Forward | \$5,334,303 |
| Total New Funds Available | \$3,555,167 |

Approved Use of Funds

Investments in New Academic Programs \$1,512,369

(Ph.D. in Applied Anthropology, M.S. in Quantitative Finance and Economics, M.S. in Construction Management, M.S. in Integrated Agricultural Sciences, M.S. in Marketing, Research and Analysis, M.S. in Data Analytics and Information Systems, B.S. in Civil Engineering, and B.S. in Mechanical Engineering)

Personnel Related \$1,888,963

(Tenure & Promotion, ULP, Benefits, etc.)

Approved Use of Funds

| | |
|--|--------------|
| Scholarships and Financial Aid | \$11,633,167 |
| Operational Increases (Hardware/Software Maintenance, Utilities, Insurance, Custodial, etc.) | \$2,205,551 |
| IDEA Center (QEP) | \$92,850 |

Approved Use of Funds

Miscellaneous Reductions & CCAP Expense (\$4,045,552)

Commencement \$118,500

Reserved for Future Considerations \$344,094

Total Approved New Use of Funds \$13,749,942

Summary of FY23 Budget Changes from FY22

| | |
|--|--------------------|
| Funds Available for General Operations | \$3,555,167 |
| Approved Use of Funds | \$13,749,942 |
| Budgeted Use of Reserves | <hr/> \$10,194,776 |

How to Get Back to Balanced



2, 1, 1, 1%

ENROLLMENT
INCREASES FY24-
FY27

\$3M

ENDOWMENT
DISTRIBUTION INCOME;
STARTING FY24

3%

ANNUAL SPENDING
INCREASES

95%

OF TUITION & FEE INCREASES
FOR DESIGNATED TUITION

| | FY24 | FY25 | FY26 | FY27 |
|---------------------------|----------------|---------------|---------------|---------------|
| Planning Begin Budget | (\$10,601,286) | (\$4,467,936) | (\$7,656,151) | (\$3,604,962) |
| Planning Ending Budget | (\$4,467,936) | (\$7,656,151) | (\$3,604,962) | \$726,206 |

Identified Drivers of New Spending



3% Increase
In Retiree's
Annually



1% Increase
In Insurance
Rates Annually



Increased
Financial Aid

\$14,856,309 already
Identified for
FY24 & FY25



New Academic
Programs

\$1,163,679 already
Identified for
FY24 & FY25



Increased
Debt Service

Non 100% CCAP
Funded Projects (STEM,
Star Park P3, Music)

Additional Potential Drivers of New Spending

Contractual
Increases

Tuition
Waivers
for Graduate
Students

Reduced
Teaching
Loads

Non-Tenure
Line
Career Path

R1
Institution
Staffing
Levels

Employee
Compensation
Increases

Financial
Aid

Strategic
Plan
Initiatives

Double
Ph.D.
Program
Capacity



Potential Funding Sources

- Additional Enrollment Growth
- Additional Tuition and Fees
- Reallocations within Existing Funding
- Appropriations
- Grants
- Philanthropy
- Innovative Ideas

We're Already Doing "More with More"

- September Budget Requests from Divisions
 - 8 new positions - \$563,000
 - 30+ staff salary increases - \$425,000
 - IT Enhancements – \$150,000
 - Facility Enhancements - \$660,000
- One-Time Commitments
 - International Recruiting - \$150,000
 - Employee 3% Retention Bonuses - \$6,173,000
- October \$1,000 Employee Appreciation Bonus - \$3,512,000
- Creation of Virtual Student One-Stop Shop - \$766,000

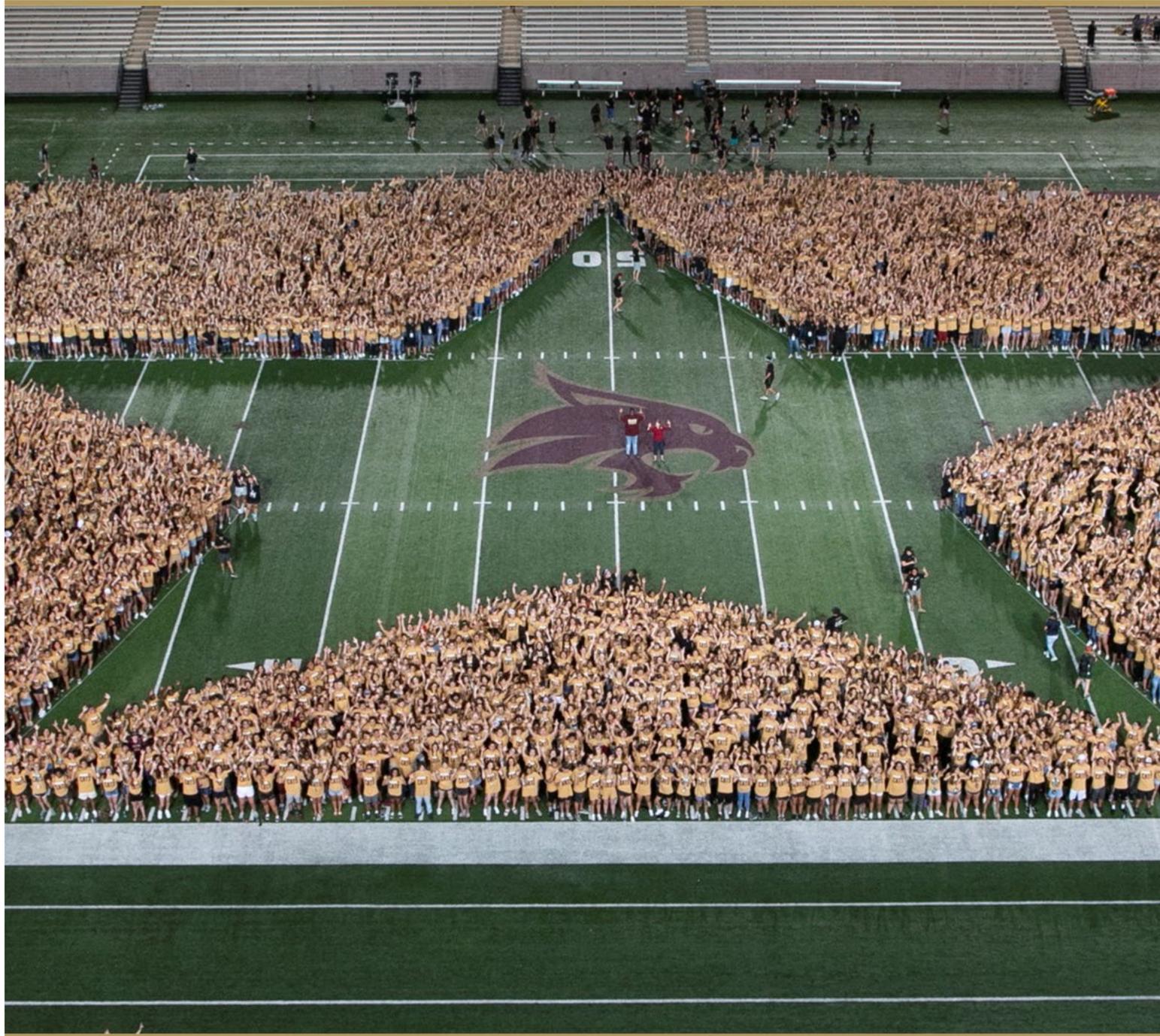
Sept Budget Requests
\$1,798,000

One-Time Commitments
\$6,323,000

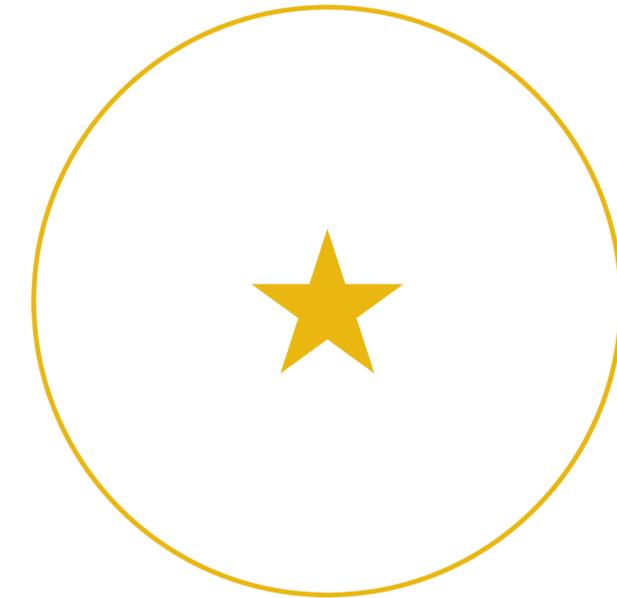
Oct Bonus
\$3,521,000

One-Stop Shop
\$766,000

Total So Far
\$12,408,000



THANK YOU



QUESTIONS?