Budget FAQs

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Budget Outlook
How We Have Prepared

• Six budget efficiencies committees focused on:
  - Evaluating cost saving suggestions
  - Suggesting instructional efficiencies
  - Streamlining administrative structures and processes
  - Increasing efficiency of Physical Plant operations
  - Enhancing auxiliary enterprises
  - Developing ideas to increase revenue
  - See handout for more details on cost savings projects being implemented
Budget Outlook
Total FY2011 Revenue
($159,663,000)

General Revenue 41%
Students 31%
Other 28%
What is Funded from General Revenue?

- **Salaries, Wages, and Benefits**, $46,834,005, 89.2%
- **Operations**, $5,646,332, 10.8%
Restricted Use Funds Limit Opportunities for Cost-Shifting

(White is restricted funding, gray is partially restricted)
• Institutional Enhancement
  – 19% of total appropriations
  – 25% of all E&G salaries
  – 31% of all E&G faculty salaries
  – Funds 97 faculty positions, 23 instructional staff and 58 staff mostly in academic and student support areas
Proposed Budget
CSHB1* Reductions

FY 2012-13 Reduction of General Revenue
= $23.7 million

See Attached Spreadsheet for more details

*CSHB1 = Committee Substitute House Bill 1
## Proposed Budget

### CSHB1* Reductions

<table>
<thead>
<tr>
<th></th>
<th>Original Base 2010-2011</th>
<th>CS-HB-1 2012-2013</th>
<th>House Difference</th>
<th>Percent Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>100,363,514</td>
<td>77,622,183</td>
<td>(22,741,331)</td>
<td>-22.66%</td>
</tr>
<tr>
<td>Tuition/Other E&amp;G</td>
<td>23,062,153</td>
<td>29,740,572</td>
<td>6,678,419</td>
<td>28.96%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>123,425,667</strong></td>
<td><strong>107,362,755</strong></td>
<td><strong>(16,062,912)</strong></td>
<td><strong>-13.01%</strong></td>
</tr>
<tr>
<td>Instruction/Operations Formula</td>
<td>56,217,604</td>
<td>52,334,814</td>
<td>(3,882,790)</td>
<td>-6.91%</td>
</tr>
<tr>
<td>Teaching Supplement</td>
<td>2,525,116</td>
<td>1,984,614</td>
<td>(540,502)</td>
<td>-21.41%</td>
</tr>
<tr>
<td>Staff Group Insurance</td>
<td>2,175,021</td>
<td>3,022,781</td>
<td>847,760</td>
<td>38.98%</td>
</tr>
<tr>
<td>Workers Comp</td>
<td>198,028</td>
<td>141,094</td>
<td>(56,934)</td>
<td>-28.75%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>19,312</td>
<td>13,760</td>
<td>(5,552)</td>
<td>-28.75%</td>
</tr>
<tr>
<td>TPEG</td>
<td>3,287,810</td>
<td>3,863,128</td>
<td>575,318</td>
<td>17.50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64,422,891</strong></td>
<td><strong>61,360,191</strong></td>
<td><strong>(3,062,700)</strong></td>
<td><strong>-4.75%</strong></td>
</tr>
<tr>
<td>E&amp;G space support</td>
<td>10,836,806</td>
<td>10,808,766</td>
<td>(28,040)</td>
<td>-0.26%</td>
</tr>
<tr>
<td>Tuition Revenue Bonds</td>
<td>17,164,638</td>
<td>13,560,704</td>
<td>(3,603,934)</td>
<td>-21.00%</td>
</tr>
<tr>
<td>Small Inst. Supplement</td>
<td>256,200</td>
<td>0</td>
<td>(256,200)</td>
<td>-100.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28,257,644</strong></td>
<td><strong>24,369,470</strong></td>
<td><strong>(3,888,174)</strong></td>
<td><strong>-13.76%</strong></td>
</tr>
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<tr>
<td>School Nursing</td>
<td>581,876</td>
<td>406,294</td>
<td>(175,582)</td>
<td>-30.18%</td>
</tr>
<tr>
<td>Environmental Learning</td>
<td>332,500</td>
<td>232,168</td>
<td>(100,332)</td>
<td>-30.18%</td>
</tr>
<tr>
<td>Coastal Studies</td>
<td>505,342</td>
<td>352,854</td>
<td>(152,488)</td>
<td>-30.18%</td>
</tr>
<tr>
<td>Gulf of Mexico</td>
<td>498,752</td>
<td>348,254</td>
<td>(150,498)</td>
<td>-30.17%</td>
</tr>
<tr>
<td>Water Resources</td>
<td>125,092</td>
<td>87,346</td>
<td>(37,746)</td>
<td>-30.17%</td>
</tr>
<tr>
<td>Art Museum</td>
<td>658,648</td>
<td>459,902</td>
<td>(198,746)</td>
<td>-30.17%</td>
</tr>
<tr>
<td>Mechanical Engineering</td>
<td>4,000,000</td>
<td>2,793,000</td>
<td>(1,207,000)</td>
<td>-30.18%</td>
</tr>
<tr>
<td>Business Incubator</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Enhancement</td>
<td>20,051,842</td>
<td>14,001,198</td>
<td>(6,050,644)</td>
<td>-30.18%</td>
</tr>
<tr>
<td></td>
<td><strong>27,754,052</strong></td>
<td><strong>19,681,016</strong></td>
<td><strong>(8,073,036)</strong></td>
<td><strong>-29.09%</strong></td>
</tr>
<tr>
<td>Research Dev. Fund</td>
<td>2,991,080</td>
<td>1,952,078</td>
<td>(1,039,002)</td>
<td>-34.74%</td>
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<td>Grand Total</td>
<td><strong>123,425,667</strong></td>
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<tr>
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<th>GR Less TRBs</th>
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<tr>
<td>106,261,029</td>
<td></td>
<td>83,198,876</td>
</tr>
<tr>
<td>93,802,051</td>
<td></td>
<td>64,061,479</td>
</tr>
<tr>
<td>(12,458,978)</td>
<td></td>
<td>(19,137,397)</td>
</tr>
<tr>
<td>-11.72%</td>
<td></td>
<td>-23.00%</td>
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**Additional Funding Appropriations**

- Higher Education Performance Incentive Funds: 2,055,201 0 (2,055,201) -100.00%
- Group Insurance: 8,140,394 8,071,080 (69,314) -0.85%
- Nursing Shortage Reduction Program: 585,763 0 (585,763) -100.00%
- Overestimated Tuition Revenue (above): 0 (1,885,954)

**Total Estimated Reductions**: (23,733,629)

Notes: Article XI - If additional funds can be found, adds back $4M to Institutional Enhancement
Reduction in Nursing Shortage funds may be less severe
Impact of Outcome Based Performance Funding inside the Formula still unknown

*CSHB1 = Committee Substitute House Bill 1*
Reductions of this magnitude put in jeopardy:

- staff positions
- student worker positions
- student support services
- instructional activities (larger classes, fewer sections, etc.)
- effective maintenance of facilities and reductions in deferred maintenance
- many day-to-day operations
Reduction Impacts

Reductions in Force
If needed, how will these be determined?

- Process will be outlined in Reduction in Force (RIF) Guidelines in compliance with TAMUS Regulations
- Department Heads will:
  • Determine what, if any, vacant positions can remain vacant. This will reduce the number of RIF’s that will be necessary.
  • Determine job functions that must continue despite budget reductions
  • Evaluate employees (utilizing matrix) to determine who are most able to perform the job functions identified
  • Prepare RIF Proposal for approval through the chain of command up to and including the President
Reduction Impacts

Reductions in Force

What criteria will be used to evaluate employees?*

- Performance reviews
- Knowledge, skills and abilities to perform the duties that must remain despite budget reduction
- Relevant specialized training and certifications
- Employee’s ability to perform a wide variety of additional duties and tasks
- Employee’s ability to work independently
- Employee’s ability to adapt to change
- Employee’s ability to work in a high stress environment
- Years of service

*RIF Guidelines and criteria are in draft form pending approval by President’s Cabinet and Office of General Counsel
Reduction Impacts

Planning Timeline

- April 2011 - Complete Performance Evaluations
- May 2011 - FY12 Budget Estimates Provided to Departments
- May 2011 - Training for Department Heads on Reduction in Force (RIF) Guidelines
- June 2011 - Department Heads Complete RIF Proposals
- July 2011 - RIF Proposals Reviewed and Approved
- August 1, 2011 - Notification to Employees Impacted by RIF
- August 2011 and forward - Services provided to Impacted Employees
Message to the Legislature

• A&M-Corpus Christi appreciates the investment the state has made;
• A&M-Corpus Christi has delivered a robust return on the state’s investment and will continue to be a sound investment in the future of Texas;
• we know we will have cuts and are willing to do our share;
• cuts of this magnitude will stall or reverse the momentum of the past 20 years;
• our highest priority is to maintain base funding, including institutional enhancement and engineering.
A Dynamic Campus and a Sound Investment in the Future of Texas