



One of the goals of evaluating affiliation with a university system has been to determine what resources and/or cost savings might be available to SFA as a system member that are not available to us as a stand-alone institution.

Following the face-to-face meetings of the board subcommittee with the representatives of each system, Gina Oglesbee, Vice President for Finance and Administration, assisted by Jane Ann Bridges, Chief Audit Executive and Judi Kruwell, Associate VP Finance and Administration, worked closely with the chief financial officers (CFO) of each system to clarify and expand upon their responses to financial questions posed and receive the best and final response from each.

This work focused on developing a concise comparison of the financial benefits offered by each system to SFA over and above what is available to the university should we should choose to remain unaffiliated. The schedules that follow outline the quantifiable additional financial value to SFA through affiliation by system.

These schedules should be read as value provided above and beyond the value of enhanced bond ratings, investment management, purchasing power, construction management, system efficiencies and economies of scale that will be gained through affiliation with any of the systems. On the schedules, “HEF” stands for the Higher Education Fund and “PUF” stand for the Permanent University Fund.

Thank you to these CFOs and their teams for their work with us:

- Texas A&M University System, **Billy Hamilton**, Deputy Chancellor and CFO
- Texas State University System, **Daniel Harper**, Vice Chancellor and CFO
- Texas Tech University System, **Penny Harkey**, Interim Vice Chancellor and CFO
- University of Texas System, **Jonathan Pruitt**, Executive Vice Chancellor for Business Affairs

Texas A&M University System

Category	SFA Year 1	SFA Year 2	SFA Year 3	SFA Year 4	Total
Calculation of Additional Resources for SFA:					
Resources Paid to SFA					
HEF or PUF Funding	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 45,111,172
Transition Support **	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -	\$ 7,000,000
Financial Aid	\$ 1,110,000	\$ 1,110,000	\$ 1,110,000	\$ 1,110,000	\$ 4,440,000
Affordability and Access Initiatives	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 3,000,000
Subtotal Resources Paid to SFA	\$ 16,887,793	\$ 16,887,793	\$ 13,387,793	\$ 12,387,793	\$ 59,551,172
Resources Paid on Behalf of SFA					
PUF Bond Proceeds - Shared Building *	\$ 15,190,000	\$ -	\$ -	\$ -	\$ 15,190,000
Subtotal Resources Paid on Behalf of SFA	\$ 15,190,000	\$ -	\$ -	\$ -	\$ 15,190,000
Total Resources	\$ 32,077,793	\$ 16,887,793	\$ 13,387,793	\$ 12,387,793	\$ 74,741,172
Less SFA Current HEF Funding	\$ (11,277,793)	\$ (11,277,793)	\$ (11,277,793)	\$ (11,277,793)	\$ (45,111,172)
Total Additional Resources for SFA	\$ 20,800,000	\$ 5,610,000	\$ 2,110,000	\$ 1,110,000	\$ 29,630,000
Estimated Savings for SFA:					
Estimated Insurance Savings	\$ 67,610	\$ 67,610	\$ 67,610	\$ 67,610	\$ 270,440
Estimated IT Savings	\$ 250,000	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 2,500,000
Audit/GC/Board/Gov Relations Savings	\$ 1,425,000	\$ 1,425,000	\$ 1,425,000	\$ 1,425,000	\$ 5,700,000
Total Estimated Savings for SFA	\$ 1,742,610	\$ 1,992,610	\$ 2,242,610	\$ 2,492,610	\$ 8,470,440
Estimated Assessments Paid to A&M by SFA:					
Estimated Assessment for Shared Services	\$ (470,087)	\$ (470,087)	\$ (470,087)	\$ (470,087)	\$ (1,880,348)
Estimated Assessment for IT Services	\$ (250,000)	\$ (500,000)	\$ (750,000)	\$ (1,000,000)	\$ (2,500,000)
Total Estimated Assessments Paid to A&M by SFA	\$ (720,087)	\$ (970,087)	\$ (1,220,087)	\$ (1,470,087)	\$ (4,380,348)
Total Additional Value to SFA	\$ 21,822,523	\$ 6,632,523	\$ 3,132,523	\$ 2,132,523	\$ 33,720,092

*Shared Building of \$31 million proposed for Texas A&M agencies 51% and SFA 49%. Building will be carried on the system's books.

**Transition support of \$3.5 million for two years can be used for debt service, salaries, information technology, etc.

Texas State University System

Category	SFA Year 1	SFA Year 2	SFA Year 3	SFA Year 4	Total
Calculation of Additional Resources for SFA:					
<i>Resources Paid to SFA</i>					
Transition Funding	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
HEF Funding	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 45,111,172
<i>Subtotal Resources Paid to SFA</i>	\$ 16,277,793	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 50,111,172
Total Resources	\$ 16,277,793	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 50,111,172
Less SFA Current HEF funding	\$ (11,277,793)	\$ (11,277,793)	\$ (11,277,793)	\$ (11,277,793)	\$ (45,111,172)
Total Additional Resources for SFA	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
Estimated Savings for SFA:					
Estimated Insurance Savings	\$ 288,281	\$ 288,281	\$ 288,281	\$ 288,281	\$ 1,153,124
Estimated IT Savings	\$ 368,000	\$ 368,000	\$ 368,000	\$ 368,000	\$ 1,472,000
Estimated Audit/GC/Board/Gov Relations Savings	\$ 1,425,000	\$ 1,425,000	\$ 1,425,000	\$ 1,425,000	\$ 5,700,000
Total Estimated Savings for SFA	\$ 2,081,281	\$ 2,081,281	\$ 2,081,281	\$ 2,081,281	\$ 8,325,124
Estimated Assessments Paid to TSUS by SFA:					
Estimated Assessment for Shared Services *	\$ (1,476,522)	\$ (1,476,522)	\$ (1,476,522)	\$ (1,476,522)	\$ (5,906,088)
Total Estimated Assessments Paid to TSUS by SFA	\$ (1,476,522)	\$ (1,476,522)	\$ (1,476,522)	\$ (1,476,522)	\$ (5,906,088)
Total Additional Value to SFA	\$ 5,604,759	\$ 604,759	\$ 604,759	\$ 604,759	\$ 7,419,036

*Assessment is .65% of actual revenues - TSUS estimated at \$1.4 million to be offset by audit, legal, board and other shared savings.

Texas Tech University System

Category	SFA Year 1	SFA Year 2	SFA Year 3	SFA Year 4	Total
Calculation of Additional Resources for SFA:					
Resources Paid to SFA					
HEF Funding	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 45,111,172
Subtotal Resources Paid to SFA	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 45,111,172
Total Resources	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 11,277,793	\$ 45,111,172
Less SFA Current HEF funding	\$ (11,277,793)	\$ (11,277,793)	\$ (11,277,793)	\$ (11,277,793)	\$ (45,111,172)
Total Additional Resources for SFA	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated Savings for SFA:					
Estimated Audit/GC/Board Savings	\$ 186,000	\$ 186,000	\$ 186,000	\$ 1,299,000	\$ 1,857,000
Total Estimated Savings for SFA	\$ 186,000	\$ 186,000	\$ 186,000	\$ 1,299,000	\$ 1,857,000
Estimated Assessments Paid to TTUS by SFA:					
Estimated Assessment for Shared Services *	\$ -	\$ -	\$ -	\$ (1,500,000)	\$ (1,500,000)
Total Estimated Assessments Paid to TTUS by SFA	\$ -	\$ -	\$ -	\$ (1,500,000)	\$ (1,500,000)
Total Additional Value to SFA	\$ 186,000	\$ 186,000	\$ 186,000	\$ (201,000)	\$ 357,000

*TTUS stated no assessments for the first three years.

University of Texas System

Category	SFA Year 1	SFA Year 2	SFA Year 3	SFA Year 4	Total
Calculation of Additional Resources for SFA:					
Resources Paid to SFA					
PUF Bond Proceeds \$20 mil Forestry	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 20,000,000
PUF Bond Proceeds \$45 million University's Choice	\$ 45,000,000	\$ -	\$ -	\$ -	\$ 45,000,000
PUF Bond Proceeds Forestry Lab and Agriculture Tech Shop	\$ 15,000,000	\$ -	\$ -	\$ -	\$ 15,000,000
PUF LERR	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	\$ 16,800,000
PUF STARS	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 3,200,000
Financial Aid	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,000,000
Additional Support *	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 22,000,000
Grant Support Forestry	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 3,500,000
Subtotal Resources Paid to SFA	\$ 92,000,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 129,500,000
Resources Paid on Behalf of SFA					
PUF Interest Debt Service on \$80 mil paid by System	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 12,000,000
Mental Health Resources	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,000,000
Cyber Security Initiative	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 800,000
Direct Campus Support	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 14,000,000
Advancement Support	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 800,000
Subtotal Resources Paid on Behalf of SFA	\$ 4,150,000	\$ 8,150,000	\$ 8,150,000	\$ 8,150,000	\$ 28,600,000
Total Resources	\$ 96,150,000	\$ 20,650,000	\$ 20,650,000	\$ 20,650,000	\$ 158,100,000
Less SFA Current HEF Funding	\$ (11,277,793)	\$ (11,277,793)	\$ (11,277,793)	\$ (11,277,793)	\$ (45,111,172)
Total Additional Resources for SFA	\$ 84,872,207	\$ 9,372,207	\$ 9,372,207	\$ 9,372,207	\$ 112,988,828
					\$ -
Estimated Savings for SFA:					\$ -
Estimated Insurance Savings	\$ 912,768	\$ 912,768	\$ 912,768	\$ 912,768	\$ 3,651,072
Estimated IT Savings	\$ 500,000	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 2,750,000
Estimated Library Savings - digital library	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 3,500,000
Estimated Mental Health Resources Savings	\$ 48,750	\$ 48,750	\$ 48,750	\$ 48,750	\$ 195,000
Board and Gov Relations Savings	\$ 312,000	\$ 312,000	\$ 312,000	\$ 312,000	\$ 1,248,000
Total Estimated Savings for SFA	\$ 2,273,518	\$ 2,773,518	\$ 3,023,518	\$ 3,273,518	\$ 11,344,072
Total Additional Value to SFA	\$ 87,145,725	\$ 12,145,725	\$ 12,395,725	\$ 12,645,725	\$ 124,332,900

*Additional Support of \$5.5 million for four years can be used for salaries.

Summary of Additional Value over next Four Years (FY2024-27)

System	Summary of Additional Value - 4 Years
Texas A&M University System	\$ 33,720,092
Texas State University System	\$ 7,419,036
Texas Tech University System	\$ 357,000
University of Texas System	\$ 124,332,900

All of the schedules should be read as additional value above and beyond the perceived value of enhanced bond ratings, investment management, purchasing power, construction management, and system efficiencies and economies of scale that will be gained through affiliation with any of the systems.

In the schedules, HEF = Higher Education Fund and PUF = Permanent University Fund

HEF amounts shown are the current value and could increase in the future based on legislative review.