

# SFA Operating Budget

## Fiscal Year 2023

University Budget Council

October 21, 2022

Prepared by Finance & Administration



# Budget Process

- The FY 2023 operating budget process started with work performed by the University Budget Council (UBC).
- Administration reviewed the priorities and allocations recommended by the UBC.
- The operating budget is the culmination of the efforts of the UBC, President's Cabinet, university department heads, and other employees with budget responsibilities.

# Budget Considerations

- Flat enrollment resulting in flat tuition and fees revenue
- Anticipated use of expenditure savings by Academic Affairs of \$2 million, included in fund balance/net position calculations
- Athletics budget fully presented and funded by \$2 million of restricted Athletics gift revenue for operations

# Budget Considerations

- Housing assigned beds increase from 2,957 to 3,388 resulting in additional housing and dining revenue
- Planned use of fund balance/net position within reserve calculations
- Employee levels of 1321 FT FTEs, 12.76 PT FTEs, 176 vacant positions, not including positions that require student status

## Stephen F. Austin State University Fiscal Year 2022-2023 Operating Budget Summary Prior Year Comparison

	2022	2023	Change	% Change
<b>Operating Funds Budget</b>	231,055,370	237,387,713	6,332,343	2.74%
<b>Restricted Funds Budget</b>	30,964,048	36,333,212	5,369,164	17.34%
<b>Total Budget</b>	262,019,418	273,720,925	11,701,507	4.47%

The SFASU Annual Budget and Operating Budget Summary are available on the University Budget website at [www.sfasu.edu/budget](http://www.sfasu.edu/budget).

## Budgeted Revenue

Revenue Type	2022	2023	Change	% Change
Tuition and Fees	106,488,885	107,057,285	568,400	
State Appropriations	60,517,966	60,660,874	142,908	
Grants and Contracts	36,013,361	40,191,255	4,177,894	
Student Housing	15,924,377	20,040,652	4,116,275	
Dining	9,746,495	13,262,411	3,515,916	
Gifts	4,907,159	8,473,157	3,565,998	
Sales and Services	3,133,391	3,142,605	9,214	
Parking	1,243,600	1,367,100	123,500	
Other Athletic Revenue	1,117,500	1,265,250	147,750	
Investment Income	1,200,555	1,145,555	(55,000)	
Camp Revenue	832,410	916,760	84,350	
NCAA Revenue	650,000	850,000	200,000	
Hazlewood Reimbursement-Interagency Transfer	-	600,000	600,000	
Orientation	402,000	404,400	2,400	
Campus Recreation	273,200	289,500	16,300	
Other Revenues	2,500	103,300	100,800	
Additions to Endowments	1,602	-	(1,602)	
Fund Balance General	4,289,538	5,306,162	1,016,624	
Faculty and Staff Compensation		3,700,000	3,700,000	
HEF Fund Balance	-	3,000,000	3,000,000	
CARES/HEERF Funding	14,911,596	996,000	(13,915,596)	
VSIP Reinvestment Funds from FY 2021	363,284	-	(363,284)	
Comprehensive Regional University (CRU)	-	948,659	948,659	
<b>Total Revenue and Transfers In</b>	<b>262,019,418</b>	<b>273,720,925</b>	<b>11,701,507</b>	<b>4.47%</b>

## Budgeted Expenditures

Expenditure Type	2022	2023	Change	% Change
Salaries and Wages	84,333,296	97,393,703	13,060,408	
Operating Expenditures	54,414,012	47,104,042	(7,309,970)	
Restricted Expenditure	30,964,048	36,333,212	5,369,164	
Benefits	31,822,196	30,058,740	(1,763,455)	
Scholarships and Fellowships	29,006,773	29,292,440	285,667	
Transfers to Retirement of Debt	21,990,944	21,538,016	(452,928)	
Capital Outlay	7,744,606	10,823,554	3,078,948	
Travel	1,037,818	1,177,218	139,400	
VSIP Annual Payback	705,726	-	(705,726)	
<b>Total Expenditures and Transfers Out</b>	<b>262,019,418</b>	<b>273,720,925</b>	<b>11,701,507</b>	<b>4.47%</b>

*\* Estimates for salaries and benefits for Faculty and Staff Compensation are included in Salaries and Wages*

# Additions for FY 2023

The following items are examples of amounts not budgeted in FY 2022 that are added for FY 2023:

## **Revenues**

- HEF fund balance carry forward \$3 million
- Hazlewood reimbursement \$600,000
- 3 peat tuition and NR electronic fee tuition \$600,000
- P-Card Rebate \$100,000
- Nursing Shortage Reduction funds \$60,000
- Restricted Gift Funds \$3.5 million
- Restricted Grant funds \$3.8 million



# Additions for FY 2023

The following items are examples of amounts not budgeted in FY 2022 that are added for FY 2023:

## **Expenditure Budgets**

- HEF expenditures \$3 million
- Housing Allowances/Scholarships \$996,000
- Restricted Gift Budgets \$1.5 million
- Athletics expenditure budget \$2 million funded from restricted gifts
- Restricted Grant funds \$3.8 million

VSIP expenditures are not included in the FY 2023 Budget as included in the Net Position analysis instead.

# University Debt

## Total Long-Term Debt as of August 31, 2022

Series	Facility	Institutional Funding Source	Principal	Interest	Total Debt Service	Final Maturity
Series 2016 (TRB)	STEM, Refund 2009 TRB	Education & General - State Appropriations	44,995,000	14,308,950	59,303,950	10/15/2036
Series 2013	Student Center	Pledged Auxiliary - Student Center Fee	5,060,000	332,344	5,392,344	10/15/2024
Series 2015	Rec Center, Housing	Designated - Recreation Center Fee, Pledged Auxiliary - Housing	20,275,000	825,155	21,100,155	10/15/2025
Taxable Series 2019B	Dining	Pledged Auxiliary - Dining	13,985,000	4,173,417	18,158,417	10/15/2035
Series 2019A	Housing, Bball Practice, Fine Arts	Pledged Auxiliary - Housing, Designated - University Services Fee, Education & General - Higher Education Fund	91,415,000	68,669,675	160,084,675	10/15/2048
Series 2020	Housing	Pledged Auxiliary - Housing	15,935,000	3,595,625	19,530,625	10/15/2029
<b>Total Bonded Debt</b>			<b>191,665,000</b>	<b>91,905,166</b>	<b>283,570,166</b>	
Municipal Lease	Energy Savings Phase 3	Education & General - Higher Education Fund	7,238,538	881,987	8,120,525	4/15/2030
<b>Total Long-Term Debt</b>			<b>198,903,538</b>	<b>92,787,153</b>	<b>291,690,691</b>	

# STEPHEN F. AUSTIN STATE UNIVERSITY

## FY 2023 HEF BUDGET

Division/Department/College	Original Divisional Priority	UBC Priority	Title/Type	Proposed FY 23 Budget	Subtotal by Priority
Enrollment Management	0	N/A	Digarc Software/Software	\$ 38,340	
Enrollment Management	0	N/A	Slate (CRM)/Software	\$ 100,000	
Enrollment Management	0	N/A	Chatbot "Jack" (Ocelot)/Software	\$ 55,000	
Enrollment Management	0	N/A	Blackbaud Software/Software	\$ 30,367	
Information Tech Svcs	0	N/A	Qualtrics Survey Tool/Software	\$ 14,872	
Information Tech Svcs	0	N/A	Bitsight/Software	\$ 45,000	
Information Tech Svcs	0	N/A	Multi-factor Authentication Solution/Software	\$ 60,000	
Information Tech Svcs	0	N/A	Endpoint Management Solution/Software	\$ 80,411	
Information Tech Svcs	0	N/A	Webfocus/Software	\$ 101,072	
Information Tech Svcs	0	N/A	Endpoint Protection Solution/Software	\$ 101,919	
Information Tech Svcs	0	N/A	TeamDynamix/Software	\$ 111,000	

Division/Department/College	Original Divisional Priority	UBC Priority	Title/Type	Proposed FY 23 Budget	Subtotal by Priority
Information Tech Svcs	0	N/A	Adobe ETLA/Software	\$ 135,000	
Information Tech Svcs	0	N/A	Firewall annual software subscriptions/Software	\$ 170,000	
Information Tech Svcs	0	N/A	Exadata/Software	\$ 435,000	
Information Tech Svcs	0	N/A	Annual Microsoft License/Software	\$ 135,000	
VP Finance & Administration/Finance & Admin Services	0	N/A	iContracts software subscription/Software	\$ 13,526	
VP Finance & Administration/Finance & Admin Services	0	N/A	Concur software for travel and pcard	\$ 52,253	
VP Finance & Administration/Human Resources	0	N/A	People Admin/Software	\$ 96,613	
VP Finance & Administration/Human Resources	0	N/A	Cornerstone/Software	\$ 68,644	
Administration/Treasury and Student Business Services/Information Tech Svcs	0	N/A	Touchnet/Software	\$ 239,004	
VP Finance & Administration	0	N/A	Debt Service - HEF/Debt Service	\$ 3,454,239	
Provost & VP Academic Affairs	0	N/A	OIR - Digital Measures	\$ 60,029	
Provost & VP Academic Affairs	0	N/A	OIE - Ad Astra	\$ 79,500	
Provost & VP Academic Affairs	0	N/A	OIE - Nuventive	\$ 55,040	
Provost & VP Academic Affairs	0	N/A	CTL - D2L	\$ 206,074	
<b>Subtotal 0 Priorities</b>					<b>\$ 5,937,903</b>

Division/Department/College	Original Divisional Priority	UBC Priority	Title/Type	Proposed FY 23 Budget	Subtotal by Priority
Provost & VP Academic Affairs	1	1	Tools: Introduce equipment, renovations, N-C Software, Classroom Tech/Various	\$ 1,589,990	
Affairs/Provost & VP Academic Affairs/Provost & VP Academic Affairs	1	1	Library Materials	\$ 1,100,000	
Information Tech Svcs	1	2	Annual Computer Refresh/Software	\$ 460,000	
Information Tech Svcs	1	5	Deferred Wireless/Other Equipment	\$ 281,819	
Information Tech Svcs	1	8	Annual Infrastructure Refresh/Technology Equipment	\$ 250,000	
VP Student Affairs	1	13	HVAC Replacement in the Health Clinic/Counseling	\$ 230,000	
Information Tech Svcs	1	17	Annual campus edge switch refresh/Technology Equipment	\$ 158,000	
Information Tech Svcs	1	18	Phone Switch/Technology Equipment	\$ 300,000	
VP Finance & Administration/Physical Plant	1	21/22	Shuttle Bus/Other Equipment (2)	\$ 272,838	
VP Finance & Administration	1	25	HEF Contingency/Contingency	\$ 500,000	
Information Tech Svcs	1	30	SEIM/Software	\$ 162,000	
<b>Subtotal 1 Priorities</b>					<b>\$ 5,304,647</b>
VP Finance & Administration/University Police Department	2	33	Ford Explorer Patrol Unit/Other Equipment	\$ 35,243	
<b>Subtotal Other Priorities</b>					<b>\$ 35,243</b>
<b>Subtotal Reconciliation to UBC Priorities</b>				<b>\$ 11,277,793</b>	<b>\$ 11,277,793</b>
<b>Total FY 2023 HEF Allocation</b>				<b>\$ 11,277,793</b>	

# Legislative Appropriations Request (LAR)

1<sup>st</sup> Submission - August 5, 2022

Revised - October 19, 2022

**SFASU Legislative Appropriations Request (LAR) 2024-2025  
Exceptional Item Requests**

<b>UBC Ranking</b>	<b>1</b>	<b>Operating Budget #1</b>	<b>3</b>	<b>2</b>	<b>None</b>	
<b>LAR Priority</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
	<b>Campus Capital Renewal &amp; Modernization</b>	<b>Increase to Institutional Enhancement</b>	<b>First Generation Student Support</b>	<b>STEM Teaacher Preparation Program</b>	<b>SFASU Center for Entrepreneurship</b>	<b>Total Biennial Request</b>
<b>Salaries and Wages</b>		22,786,000	265,000	1,481,510	667,250	25,199,760
<b>Debt Service</b>	22,026,837					22,026,837
<b>Other Operating Expense</b>			1,735,000	218,490	406,000	2,359,490
<b>Total Biennial Request</b>	<b>22,026,837</b>	<b>22,786,000</b>	<b>2,000,000</b>	<b>1,700,000</b>	<b>1,073,250</b>	<b>49,586,087</b>

# Campus Capital Renewal and Modernization (\$130 million)

- This funding request for campus capital renewal, improvements, and modernization is necessary to provide infrastructure and facilities that meet the needs of our campus community and improve safety, access, and teaching, research, and service opportunities.
- The \$130 million funding request includes \$100 million to remove two obsolete buildings with deferred maintenance needs of \$63.5 million and replace them with an interdisciplinary building or buildings for business, science, and other university programs. In addition, the university seeks to improve and preserve two of the oldest and most iconic buildings on campus – the Austin and Rusk Buildings – both nearing 100 years old, along with campus infrastructure, wayfinding, electricity, and lighting improvements.



# Increase to Institutional Enhancement (\$22.8 million)

- Institutional enhancement funds are used to fund the core operations of the university, including instruction, student support, and general administration. SFA has experienced challenges with employee recruitment and retention due to compensation levels. SFA routinely reports average FTE faculty salaries among the lowest public university values in the state. The most recent data available indicates SFA faculty salaries are 33 out of 36 among Texas public universities faculty first four ranks.
- SFA funding for faculty and staff salaries primarily comes from state appropriations and SFA tuition and fees. For fall 2021, SFA tuition and fees for an undergraduate student with 15 hours were \$5,300 compared to the statewide average of \$5,205; thus, SFA tuition and fees are slightly above the average. SFA is cognizant of the effect of raising tuition and fees on increasing student debt.
- Institutional enhancement funding is critical to the funding of SFA's strategic plan, which includes specific goals to achieve the recruitment, retention, and support of high-quality faculty and staff. The funding would help increase SFA's position of 33 out of 36 in faculty salaries among Texas public universities first four ranks.

# First-Generation Student Support (\$2 million)

- Stephen F. Austin State University proposes to more than double the size of its programs for first-generation students. In 2014, SFA started its extended first-generation learning community, Generation Jacks (GenJacks), with 25 students. The program has since grown to serve 125 new first-generation freshmen every year and over 100 sophomores. We will grow that number to at least 500 first-generation students.

# STEM Teacher Preparation Program (\$1.7 million)

- The Science, Technology, Engineering and Mathematics (STEM) program is a collaborative initiative of the College of Sciences and Mathematics (COSM), the Arthur Temple College of Forestry and Agriculture (ATCOFA) and the James I. Perkins College of Education (PCOE) to strengthen the STEM teacher workforce and remove barriers to the teaching profession by expanding existing programs focused on secondary teachers in STEM fields including mathematics, biology/life science, chemistry, physics, and agricultural science.

# Center for Entrepreneurship (\$1.07 million)

- SFA proposes to expand its role as a driver of economic growth and development in East Texas by enhancing the scope and services of the Center for Entrepreneurship, housed within SFA's Nelson Rusche College of Business. The mission of the SFA Entrepreneurship Program is to inspire, nurture and attract entrepreneurship across campus and the East Texas region.