

Texas A&M University- Corpus Christi

BUDGET DEPARTMENT CONTACTS:

ROSANNE GORNY, ASSISTANT VICE PRESIDENT & CHIEF BUDGET OFFICER (EXT. 2615)

ALLISON LEWIS, BUDGET MANAGER (EXT. 2189)

AMY RIVERA, FINANCIAL ANALYST I (EXT. 3290)

VALARIE FRANCO, BUDGET SPECIALIST (EXT. 5742)

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FY 2023 Phase II Operating Budget Instructions

FY 2023 BUDGET PHASE OVERVIEW

For budgeting purposes, spring of 2022 is referred to as a LAR year; this is because in addition to preparing the university's annual operating budget for submission to the Board of Regents, the university is also preparing its Legislative Appropriation Request (LAR) which is TAMU-CC's budget request for the next biennium (FY 2024 and FY 2025).

During the spring 2023 legislative session members of the legislature will review bills which may impact higher education and TAMU-CC directly, or indirectly. They will also review the legislative appropriations requests for all state agencies, including colleges and universities.

Because we are in a LAR year, the university's \$270 million dollar **Phase I Board Budget** was prepared by the Budget Department and submitted to TAMU System on March 15, 2022.

The **Phase I Board Budget** included permanent budget changes that were made between September 1, 2021, and March 14, 2022. Examples of the changes included in the **Phase I Budget** are: the mid-year merit adjustments; permanent adjustments approved through a DBR; permanent adjustments approved through a fiscal request, and permanent adjustments approved on a position review form.

The university's **Phase II Operating Budget** will primarily include adjustments approved on self-supporting accounts, and permanent adjustments which are approved by TAMU-CC's CFO and CEO.

The **Phase II Operating Budget** will be closed to additional changes on August 15, 2022.

GENERAL BUDGET REMINDERS

- ❖ **3-Year Budget Requests** – 3-Year Budget Request are on hold; TAMU-CC Leadership will monitor enrollment; additional information will follow.
- ❖ **Higher Education Funds** – Requests for HEF funds will not be collected; Previously utilized HEF funds will be applied toward debt service payments.
- ❖ **Planned Reclassifications, Promotions, & Equity Adjustments** – Supervisors and Managers are asked to consider working with HR to ensure any planned, fiscal year 2022 salary adjustments for current employees (reclassifications, promotions, or equity adjustments) are complete on or before 5/10/2022. This will allow for the salary adjustments to be picked up in the Position Budgeting Application snapshot scheduled to run on 5/11/2022. The PBA is the application used during the **Phase II Operating Budget** to load TAMU-CC's salary budgets by PIN in the new year. Having a clean snapshot on 5/11/2022 will reduce the number of manual adjustments and help to ensure salary budgets are correct at 9/1/2022.
- ❖ **Employee Retention Program** – A 3% merit plan was submitted with TAMU-CC's **FY 2023 Phase I Board Budget**, however it was submitted as "**contingent upon enrollment**" and requires the approval of the Board of Regents and TAMU-CC's CEO. Information presented here regarding the employee retention program is for **BUDGETING PURPOSES ONLY** and should not be considered and/or communicated as an official notice.

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- ❖ **Self-Supporting Budget Worksheets** – These worksheets will now be prepared in Smart Sheets which is intended to provide departments with a better workspace to build their FY 2023 Phase II Operating Budgets for self-supporting accounts. The new format also provides workflow for routing and approvals. A separate training session will be held for campus members who prepare self-supporting budgets. The target release date for the worksheets is Monday, May 2nd with a target date of Thursday, June 2nd for completion through final approval.
- ❖ **Revenue Calculation Guidelines** – If preparing revenue budgets for student fees, please do not exceed a student headcount of 34,572 or a student credit hour count of 284,737. Please remember these values include a growth factor and represent combined estimates for the following: Fall 2022; Spring 2023; Summer I; and Summer II. When preparing revenue budgets for non-student fee revenues, please ensure the methodology reflects reasonable revenue projections.
- ❖ **Expense Calculation Guidelines** – If preparing expense budgets, please remember to consider changes in personnel expenses (including longevity), benefit expenses, shift differential such as hazardous duty pay, changes to service contracts, and debt service. Debt Service amounts for FY 2023 will be provided.
- ❖ **Benefits** - The benefits rate table below estimates the benefit expense by employee type. For planning purposes all student fee, auxiliary, service department and grant & contract accounts can use the table below to estimate employee benefit expense. Benefits funded from allocated university sources will be funded and expended from centralized accounts.

Member ID	Benefit Pool	Benefit Rate
15	Faculty	26%
	Grad Student	11%
	Staff-Exec	27%
	Staff-Reg	37%
	Student	1%
	Temp-Casual	10%

- ❖ **ACAP, UCI, WCI** – Accrued Compensable Absence Payout factor for FY 2023 will remain at 1.13% for faculty and staff. The factor for Unemployment Compensation Insurance (UCI) will remain at .15% and the Workers Compensation Insurance rate will remain at .19%. These factors are applied per \$ of salary and are included in the rates above.
- ❖ **Available Fund Balance** – Please remember, accounts funded with fees and/or auxiliary revenues should maintain a fund balance sufficient to cover **four months** of operating expenses. Plans to offset FY 2023 operating expenses from available fund balance need to be explained when preparing the FY 2023 Phase II Operating Budget.

Legislative Appropriations Request (LAR)

- Texas Legislature is in session every two years
- Odd number years from January to May
- Only “must-pass” bill is the General Appropriations Act (GAA) which is the state budget for the next two years

❖ **The LAR** represents the university’s request to the legislature for funding and covers fiscal years FY 2024 and FY 2025.

Legislative Appropriations Request (LAR)

April 2022	Base Reconciliation Instructions Issued
May – June 2022	Budget (LAR) instructions issued by LBB and Governor’s Office
April 28, 2022	Base Reconciliation is due to System Office for review
May 6, 2022	Base Reconciliation is due to LBB
June – July 2022	LBB provides GR Target to Institutions
August 2022	1 st LAR submitted to LBB & Governor’s Office
August – September 2022	Public Hearings conducted by LBB and Governor’s Office
October 2022	2 nd LAR submitted

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- ❖ The Budget Department is currently working on the university's Phase II Budget and the LAR, so if we don't reply quickly to e-mails, please call or stop by our office located on the 2nd floor of the University Services Center (USC).

**TAMU-CC's Non-Formula Funding
(Special Items)**

Narratives for the following programs must be updated for the LAR:

Art Museum
Center for Coastal Studies
Civil and Industrial Engineering Program
Coastal Bend Economic Development and Business Innovation Center
Engineering Program
Environmental Learning Center
Gulf of Mexico Environment Research Laboratory
Institutional Enhancement
Lone Star Unmanned Aircraft Systems Center
LSUASC Emergency Management
School Nursing Program for Early Childhood Development Center
Water Resources Center

- ❖ Each area listed above must update its narrative for inclusion in the university's LAR.
- ❖ The Budget Department will provide a copy of the current narrative, along with the formatting guidelines provided by the LBB and the target date for the narratives to be returned to the Budget Department.
- ❖ While working on the narratives, it is especially important to follow the LBB's formatting guideline. Narratives that exceed their limits by section, will not upload into the LBB's system.

❖ **Important Dates:**

March 15, 2022	Phase I Board Budget Complete
May 2, 2022	Self Support Budget Sheets Open
April 28, 2022	LAR Base Recon Due
May 10, 2022	Target Date for Personnel Budget Changes Complete
May 11, 2022	PBA Snap-shot of Workday
May 16, 2022	Non-Formula Funding Narratives Due
June 2, 2022	Self Support Budget Sheets Final Approved
August 15, 2022	Phase II Operating Budget Closed for Adjustments

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*Additional dates will be provided/updated as they become available.