

From President Ricardo Romo: UTSA 2008-2009 Budget

We continue to have so much to be proud of as members of the UTSA community, and once again, I am pleased to present a solid budget for fiscal year 2008-2009. I am thankful for the leadership of the vice presidents and their staff in recommending a resource plan that will be both responsible and responsive to the needs of our rapidly growing university and strategic initiatives.

In the second half of the legislative biennium, we receive no additional state funding for the upcoming fiscal year. There are many critical funding issues facing UTSA and not all may be addressed in the FY2009 operational budget. UTSA diligently searches for opportunities to internally reallocate funds to supplement the only new discretionary funding in FY 2009 - designated tuition. Our budgeted revenue projections are based on conservative enrollment estimates given unknown impacts of our increased admissions standards. Tuition revenues and savings or reuse of previously allocated funds must cover all of our incremental mandatory costs. About two-thirds of the budget plan for next fiscal year will come from increases in the designated tuition rate paid by our students and as approved by the Board of Regents. The other third will come from internal reallocations.

Critical Budget Issues

Funding per FTE Student and reliance on designated tuition. Over the last decade, our enrollment has increased by over sixty percent but because our growth occurred as state appropriations to higher education contracted, the amount of funding UTSA receives per full time equivalent student is one of the lowest in the UT System. The University is sensitive to the cost-shifting to its students and parents necessitated by this reduction in the level of state support. There is significant legislative pressure both at the federal and state level to cap and contain future tuition increases. UTSA is highly dependent on this revenue source, especially in the second year of the biennium when state funding is flat.

Faculty and Staff Resources needed to meet workload demands of enrollment growth and our research mission. Additional tenure/tenure track faculty and staff are needed to maintain and enhance UTSA's instructional quality, increase our research capacity and improve graduation and retention rates.

- Our Student Faculty Ratio (SFR) is 24.85. UTSA needs to hire over 150 new faculty to reduce our SFR to the state average of 21.1. New faculty would allow an improvement in the availability of course sections and would positively impact the time for students to complete degrees. Additional faculty are also essential towards moving UTSA to premier research status.
- Our reliance on temporary, part-time, and adjunct faculty is at an all time high. A significant number of lower division classes are taught by part-time faculty because this labor source is less costly. However, the very nature of part-time instruction infringes on our ability to help our students reach their full potential. The role of a full time instructor extends well beyond the classroom to include mentorship, facilitating students' extracurricular activities and fostering connections within the campus community, all of which contribute to student retention. Ensuring that proper attention is given to developing and maintaining a quality curriculum is also dependent on having a more engaged and full time instructional faculty.
- Staffing levels have not kept up with the growth in enrollment, research, and the additional number of employees to serve.

Space Deficit. Based on the THECB's formula, UTSA has a deficit of over 811,809 assignable square feet (ASF) of Educational and General (E&G) space that severely impedes its ability to continue to grow. To meet the average space allocation for 4-year Texas public universities, UTSA would have to add the equivalent of twelve 205,000 gross square foot (GSF) buildings. With a target enrollment of 32,875 by the year 2016, without new facilities, the E&G deficit will reach 1,700,000 ASF.

Barnes Gromatzky Kosarek Architects of Austin continue to make progress with the development of the University's new Master Plan and recently briefed the president and vice presidents on facility growth projections based on current and planned enrollment. To 'right size' the institution from its current 159 gsf/student to 293 gsf/student, an additional 3.8 million gsf would need to be added. If the current, undersized 159 gsf/student was maintained for the additional anticipated enrollment growth of 4,257 by 2016, an additional 680,000 gsf would be required, at a total of cost of approximately \$271 million

The problem is not one of effective use as UTSA ranks 1st among Texas public universities in classroom utilization and 6th in laboratory usage, exceeding the THECB's standard in both areas. Facilities are just as crowded in the evenings as during the day; classes and labs are held Monday through Saturdays, starting as early as 7:30 a.m. and ending as late as 10:00 p.m. New classroom and laboratory facilities are also critical in recruiting and retaining top students and faculty.

SACS Reaffirmation effective December 2010.

The Southern Association of Colleges and Schools (Commission on Colleges) reaccreditation process involves two components -- preparation of the Compliance Certification Report and development of the Quality Enhancement Plan (QEP).

The QEP is a focused course of action that addresses one or more critical issues related to enhancing student learning. The QEP is a new requirement. The campus QEP development is currently underway.

To document our compliance status, UTSA has performed a readiness assessment and is currently gathering data on 12 core requirements, 53 comprehensive standards and 8 federal requirements for the draft report due next year. The SACS readiness assessment indicated one of the few areas of concern for reaffirmation is the Library, specifically collections space and collection development.

Research/Partnerships

Research and sponsored activities at UTSA continue to show growth. Research expenditures are projected to be \$40 million in 2008 and \$44 million in 2009. Facilities and Administrative indirect cost recovery is budgeted at \$6M and should begin to increase over subsequent years as our recently renegotiated F&A rate (44.5%) is charged to new grant and contract awards. The majority of research expenditures continue to come from the College of Sciences (COS). The life sciences could receive a major stimulus if the National Bio and Agro-Defense Facility (NBAF) relocates to San Antonio. The College of Engineering (COE) added 15 new faculty in 2007-2008 and is expected to show the greatest percentage growth in research concurrent with the completion of the new engineering building in mid 2009. New and expanded partnerships, such as those in bioengineering with military medicine programs and the UTHSCSA, and both the COE and COS with Southwest Research Institute (SwRI) and the Southwest Foundation for Biomedical Research (SFBR) are indicative of continued robust growth in research.

Graduation Rates

A team of retention and graduation analysts were recruited and trained to facilitate an improvement in UTSA's graduation rate. New initiatives implemented under UTSA's Graduation Initiative effort include:

- Retention analysts assigned to each college to work with college stakeholders in researching & overcoming specific barriers to graduation (\$279,000 recurring expense).

- A Graduation Incentive Award Program to assist students in reducing their outside workload, so they can increase their focus on coursework, and allow for a more timely graduation (\$500,000 budgeted each academic year –student financial aid budget).
- Sophomore Reclamation Outreach to freshman students who have not registered for their second year.
- Stop-out Recovery Plan to bring back students who left the university with 100 or more credit hours.

Future plans include:

- Recruit high-caliber faculty; increase proportion of tenured/tenure-track faculty teaching.
- Implement new Master Graduate Instructors Program (\$325,000 recurring funds).
- Provide improved academic support services: advising, tutoring and supplemental instruction; conduct a review of our advising structure and its impact on retention and graduation rates.
- Financial planning counseling for students (to encourage students to focus on a 5 year graduation target versus a 6 year graduation target).

Continuing Programs include:

- Tomas Rivera Center for Student Success
- Supplemental Instruction
- Quantitative Tutoring Lab
- Learning Communities
- Freshman Seminars
- Academic Coaching

Engineering Building, Capital Building Improvements

Many major construction projects have been wrapping up and UTSA has many beautiful new buildings and remodeled facilities - such as the University Center Expansion, Laurel Village and the RoadRunner Café Expansion - all ready to be occupied for Fall semester. The Lazy River and the entire Recreation Center Expansion are big hits with students.

Some projects still underway include:

- Engineering Building Phase II is an \$82.5 million facility funded through Permanent University Funding (PUF) and tuition revenue bonds (TRB) for which UTSA receives a state appropriation to pay 100 percent of the debt service. The project will be ready for move-in in August 2009.
- The Combined Science Facility renovation is a \$22.5 million project to upgrade the Science Building, Small Animal, Life Sciences and Physical Sciences labs. Expected completion – Summer 2010.

The University of Texas System Budget Process

UTSA's operating budget is subject to the UT System Board of Regents' approval at its August 14, 2008, meeting. We very much appreciate the support and leadership received from UT System and the Board of Regents. Through their actions, we receive funding for faculty start-up costs and other Permanent University Fund money for critical building and infrastructure needs that are so vital to the maintenance and growth of our campus.

The 2008-2009 budget allocations are consistent with the themes of our strategic plan and intended to (1) preserve the quality of the workforce by providing merit salary increases, funding for faculty promotions, and to address the most critical salary-equity issues for faculty and staff; (2) increase the number of faculty and staff to meet workload demands resulting from our rapid growth; (3) enhance research and partnerships; and (4) responsibly grow, maintain and protect our physical environment and infrastructure.

Base Budget Allocations effective September 1, 2008

Preserving the Quality of our Workforce (Compensation Increases) Total: \$3,520,000

3% Merit Salary Increases -- Faculty \$1,600,000; Staff \$1,540,000

Faculty Equity, Promotion and Tenure – \$190,000

Staff Salary Equity Pool -- \$190,000

Preserving the Quality of our Mission and Student Success Total: \$3,176,329

New Tenure/Tenure Track Faculty and full time Non Tenure Track Appointments -- \$2,000,000

Financial Aid Set-Asides – \$1,176,329

Division Strategic Initiative Funding Total: \$1,234,625

Academic Affairs – New Staff: \$160,000 Master Graduate Instructors Program: \$295,000

Extended Services – Institute for Economic Development: \$67,849

Business Affairs – New Staff: \$251,000

Research – New Staff: \$108,500

Student Affairs – Admissions, Outreach & Student Recruitment: \$37,762

University Advancement – \$314,514

Enhancing and Protecting our Infrastructure Total: \$1,383,490

Support for new facility openings – \$655,334

Reserves, Bad Debt & Texas Tomorrow Underfunding \$436,931

University Police -- \$132,000

Debt Service – \$159,225

Total Operating Base Budget Allocations -- \$9,314,444

(Includes state appropriations and tuition revenue only)

Non-base/One-time Budget Allocations

Funding from year-end savings will be allocated to important non-recurring needs:

Data Warehouse Hardware and Software Implementation & One-Year Maintenance Costs --\$685,000

Graduate Student Recruitment -- \$206,500

Police & Facility Vehicles – \$169,000

Police Digital/Voice Vehicle Records & Tech Enhancements - \$108,500

Security Camera Updates – \$41,400

Inventory Scanner Replacements – \$73,550

Computer Upgrades & replacements -- \$92,300

Housekeeping Equipment -- \$40,000

Police DSX System – \$295,490

Outreach & Engagement Website – \$29,000

Annual Fund Direct Mail Campaign -- \$70,000
Annual Fund Call Center – \$30,300
Animal Housing & Handling Costs – \$440,000
Research Maintenance & Operation Costs - \$113,750
Admissions Recruitment Costs – \$206,776
Retention Study – \$63,434
University Advancement Capital Campaign – \$260,000
University Advancement Computer System – \$50,000
Annual Giving Solicitation Materials \$25,000

Total Non-recurring needs -- \$3,000,000

Total, Base / Non-base Budget Allocations -- \$12,314,444

Conclusion

I want to thank the entire university community – our students, for choosing UTSA as the campus to pursue their educational goals; our donors and supporters, for their confidence in our ability to reach our aspirations; and faculty and staff employees who every day demonstrate the principles that guide fulfillment of our important mission: *integrity, excellence, inclusiveness, respect, collaboration and innovation*. Our collective efforts put The University of Texas at San Antonio well on its way to becoming one of the premier public research universities in Texas. The next ten years will be crucial ones as we redefine the educational landscape of our great state, and I am confident with your continued support that we will succeed. We have an important responsibility to educate our students for success in a global society and improve our community and the world through research and public service. I sincerely appreciate your outstanding work and important contributions and look forward to a successful coming academic year.