



The Texas A&M University System
FY 2007 Programmatic Budget Reviews

Prairie View A&M University

Board of Regents' Review
March 22, 2006



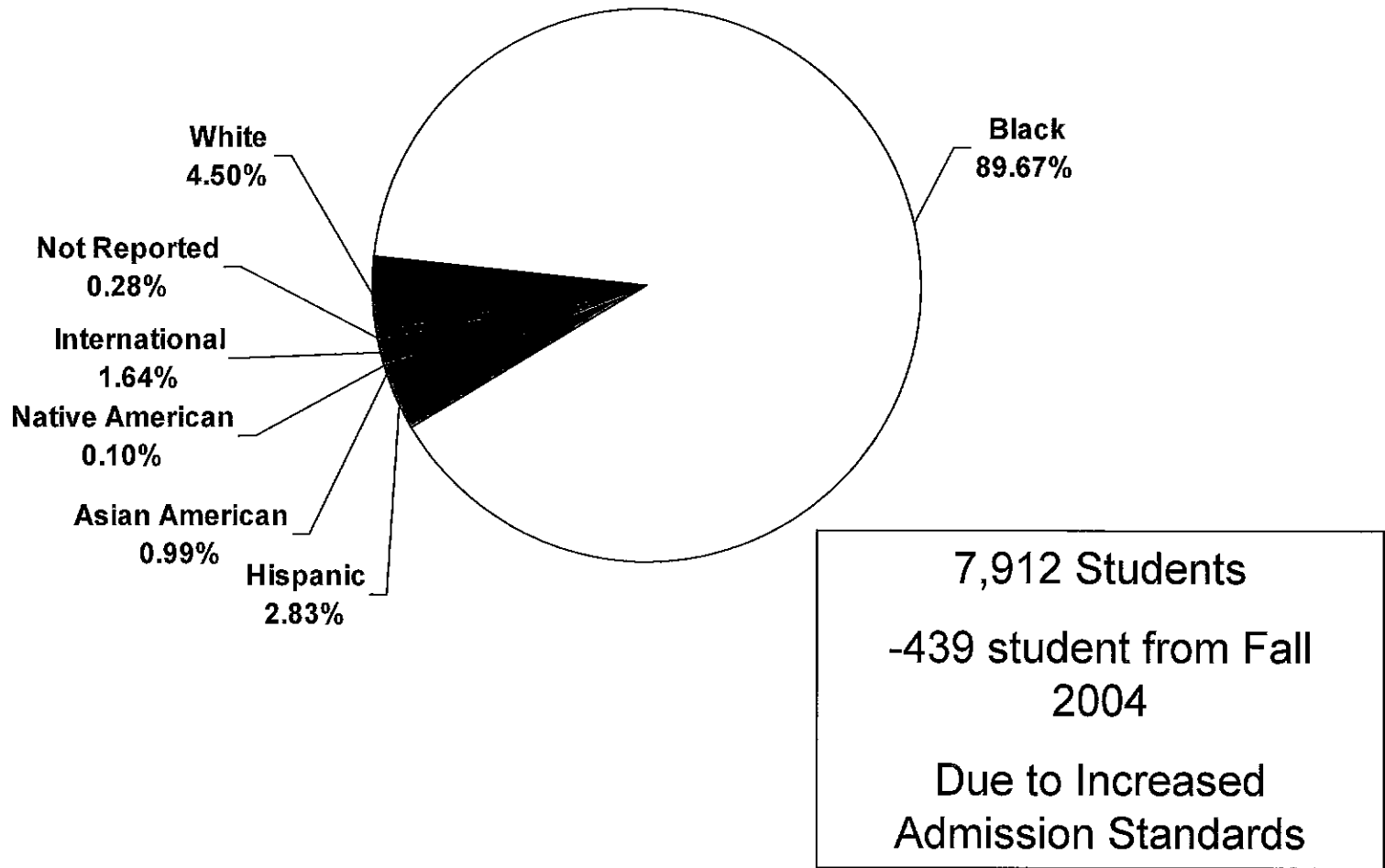
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I. System Member Update



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Student Demographics (Fall 2005)





Academic Highlights

- Nursing
 - State licensure rate exceeds 95% and all graduates pass the exam within one year of degree completion
 - Received \$2.5M technology grant from the Houston Endowment
- Business
 - AACSB Peer Review team “unanimously” recommended initial accreditation for Business Programs at PVAMU-the best possible outcome



Academic Highlights

- **Architecture**
 - 100% placement of December graduates
 - Received \$1M gift from the Brown Foundation
- **Undergraduate Medical Academy**
 - 31 accepted to date; 99.69% retention rate
 - Highest entrance scores
 - SAT=1250
 - ACT=28
 - Internship Sites include TAMUHSC, UC-San Francisco, UTHSC, UTMB, Baylor College of Medicine, Northwestern University, Gambia-West Africa



Campus Infrastructure

Juvenile Justice & Psychology Building

Due to open in July/August 2006

New Athletic Building to open soon

Rehab of the John B. Coleman Library brick facing-\$3.2M project approved

Projects for students: Basketball courts and Weight rooms



Technology

- PVAMU included in “InfoWorld Top 100 Most Innovative Corporate IT Solutions”
- All campus housing now has wireless access
- Late night computing services added
- VOIP being installed throughout the main campus with completion estimated for mid-summer 2006
- PC inventory underway to develop a systematic PC replacement program
- Banner Implementation on target for rollout with Fall 2008 registration



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II. Goals and Objectives



University Goals

- **Strengthen the Quality of Academic Programs**
 - Eliminate, merge, or recommend continuation with conditions $\geq 25\%$ of low productivity, low demand degree programs



University Goals Continued

- **Improve the Academic Indicators of the Student Body**
 - Distribute scholarship reserves through early notification process to attract/retain better academically prepared students
 - Increase the number of articulation agreements with community colleges by 30%



University Goals Continued

- **Achieve (and maintain) Financial Stability**
 - Increase tuition revenue stream through enrollment growth
 - Move fee supported enterprises to self-sustaining status
 - Limit faculty/staff growth and review vacant positions
- **Increase Applied and Basic Research**
 - Align University research goals with federal, state, and industry needs



University Goals Continued

- **Increase the Efficiency of University Operations**
 - Automate University payments and employment processes
- **Promote Programs that Contribute to Student Success**
 - Implement service learning requirement for all students
 - Obtain funding for at least one additional pre-college program in each college/school



University Goals Continued

- **Strengthen University Advancement Programs Including Fund-raising**
 - Identify funding for OCR match for endowed chairs
 - Launch the Alumni/Special Gifts Phase of the Capital Campaign to raise \$4M
- **Increase and Enhance the Visibility and Awareness of the University to the Community-at-Large/All Stakeholders**
 - Establish two new K-16 initiatives



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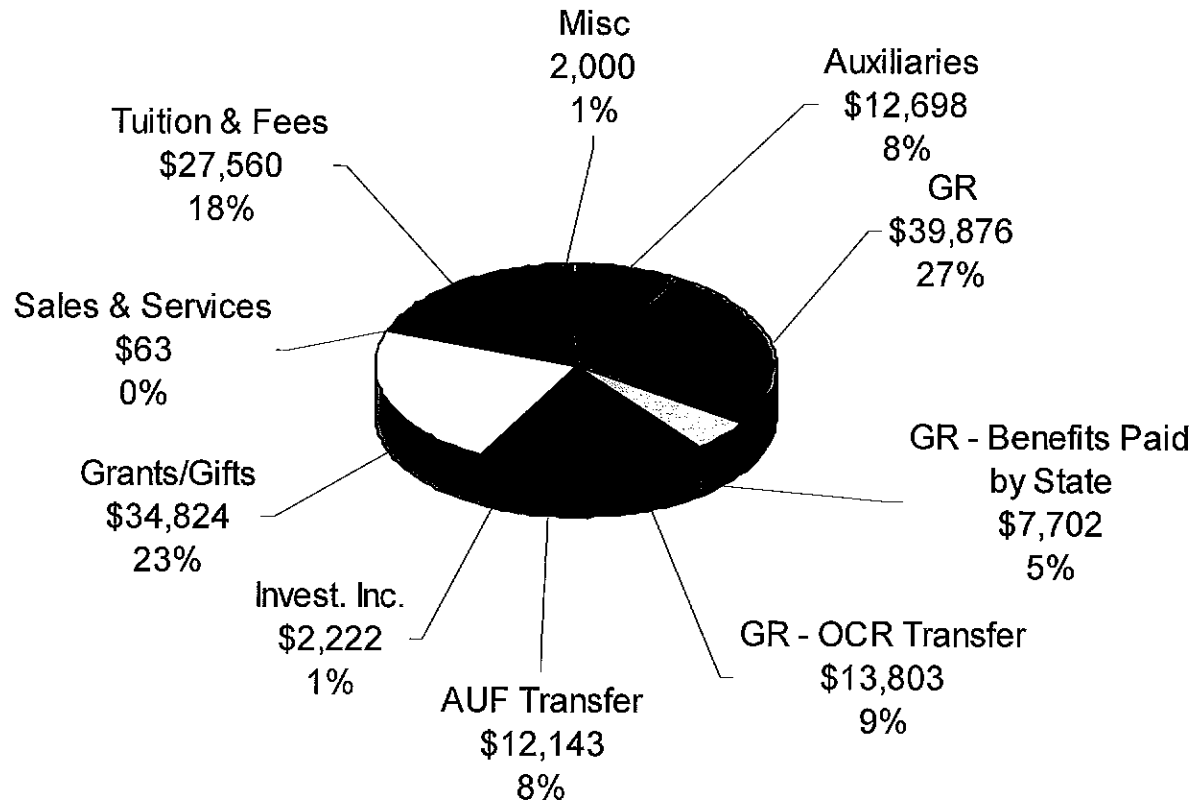
III. Impact on Budget and Funding



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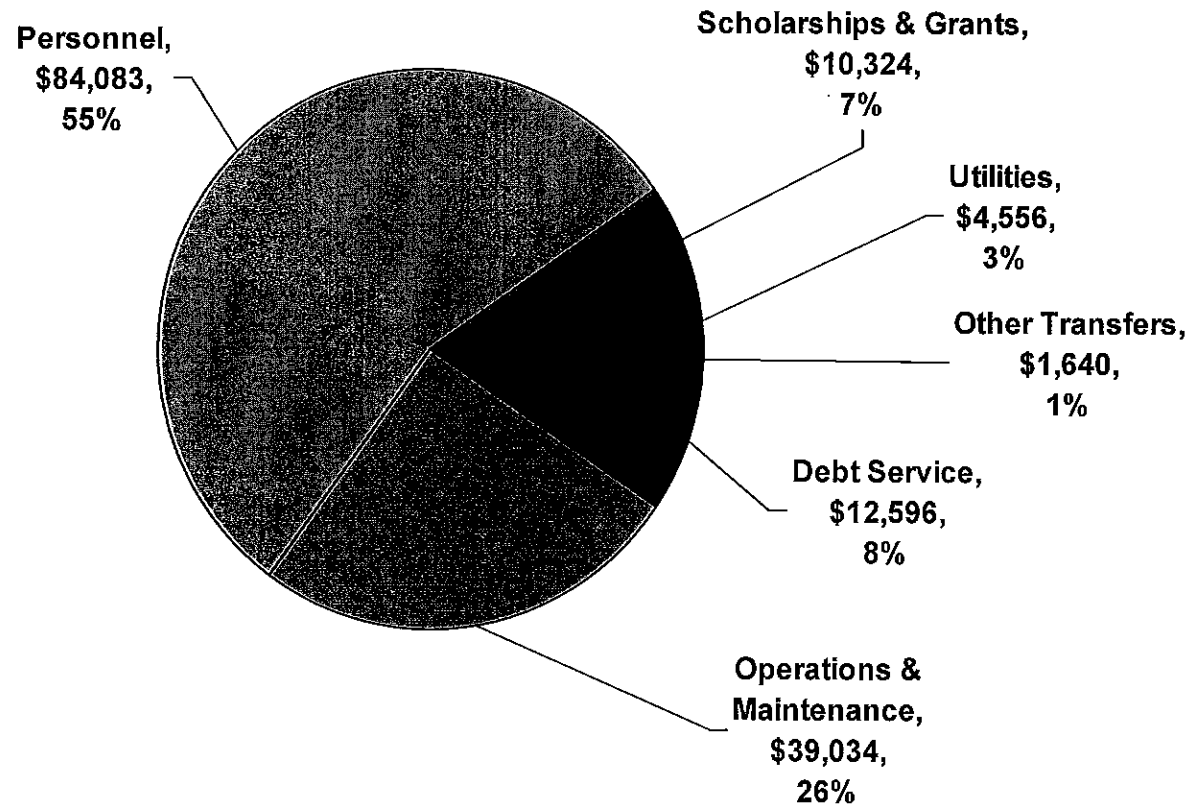
FY07 Estimated Budgeted Revenue & Transfers \$152,891 (in Thousands of Dollars)





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FY07 Estimated Budgeted Expenditures & Transfers \$152,233 (in Thousands of Dollars)





Expenditure Change Summary

Designated Tuition

Campus Infrastructure	\$250,000
Utilities	\$500,000
Faculty/Staff Merit Increase	\$1,000,000
Financial Aid Set-aside	\$500,000
New Positions	\$125,000
Cost Increases	<u>\$125,000</u>
	\$2,500,000



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• Information and Technology		
– SunGard Collegis Contract	\$126,012	
– Equipment Enhancement	\$223,998	
– Web Costs	<u>\$ 50,000</u>	
		400,000
• Library Operations		
– Fund use of carry forward balance	\$500,000	
– Salaries	\$200,000	
– Library Operations	<u>\$100,000</u>	
		<u>800,000</u>
Estimated Expenditure Increase		<u>\$3,462,432</u>



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IV. Barriers/Challenges to Achievement of Goals and Objectives



Barriers/Challenges

- Texas Commitment (OCR) Funding
- Deferred Maintenance and Maintenance of New Buildings
- USDA Grant Match Requirements
- Closing the Gap
- Professionalism/Accountability



Texas Commitment (OCR)

Assume OCR funding is eliminated and nothing else changes. What is the financial impact in estimated FY07 dollars?

Revenue Lost	\$13.803M
Less OCR Transfers for UMA and Endowments	2.840M
Less Unallocated FY07 Budget	<u>658K</u>
Net Loss in Funding	\$10.305M



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Budget Untouchables

- Tenured Faculty Salaries & Benefits
- Utilities
- Scholarships & Grants
- Operations & Maintenance
- Debt Service

Where would the cuts come from?

Non-tenured Faculty/Staff	\$72.648M
Operations and Maintenance	<u>\$19.517M</u>
Total	\$92.165M
Funds to be Cut	<u>\$10.305M</u>
	11.2%



How are we going to solve this problem?

- Diversify our revenue structure
- Hold the line on costs
- Eliminate redundancy in our processes
- Eliminate excess capacity in our classes
- Remove unproductive programs
- **GROW OUR ENROLLMENT**



Deferred Maintenance

- OCR Funds & Lone Star Priority Project provided some funds for deferred maintenance BUT \$21M remains
- Coming--maintenance costs for new buildings



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Agriculture Match – State Special Item is used to match Federal Funds

	Required Match¹	50% Minimum for Waiver	Special Item & Fringe Benefits
2004	\$4,262,107	\$3,044,363	\$3,666,900
2005	5,060,783	3,162,990	3,462,908
2006	5,813,558 ³	3,229,755	3,247,877 ⁴
2007	6,588,700 ²	3,294,350 ²	3,247,877 ⁴

Section 1444 and 1445 Combined Cooperative Extension Program Cooperative Ag Research

¹Federal required match for 2004, 70%; 2005, 80%; 2006, 90%; 2007, 100%.

²Estimated based on FY06 funding using 2% escalation rate for each year.

³Information received from USDA on 02/21/2006 providing actual funding level for FY06 Cooperative Extension Program.

⁴Estimated



Closing the Gap

- Recruitment to Grow Student Body and Increase Resources
 - Fall 2005 – 7,912
 - Fall 2010 – 9,307
- Challenges:
 - Must diversify student body
 - Cost of higher education for our “underserved” students
 - Funding for faculty growth
 - Lack of community infrastructure (housing/services)



Professionalism and Accountability

- Blocking and Tackling
- “Being on Time is a courtesy shared among Kings”
- False Sense of Entitlement