



## The Texas A&M University System Pre Legislative Close Budget Instructions FY 2010

*(The following Instructions, Schedules and Rates are subject to change because of the Current Legislative Session)*

### **General Guidelines**

The Texas A&M University System faces many continuing challenges including serving an increasing student population, expanding access to more potential students, improving existing programs and developing new programs to meet new demands, expanding research capabilities and activities, and increasing the services delivered to the citizens of Texas. The imperative of excellence in all we do and the reality of resource limitations in the State of Texas increase the difficulty of meeting these challenges and dictate that we devote our collective skills to ensuring that the productivity of all System resources is optimized.

Goals (Strategic Plans) and objectives (Compacts) must support fulfilling the mission and achieving the vision. Strategies are designed to ensure the accomplishment of goals and objectives. Strategies can include but are not limited to legislative, operating, financial, reputational or other activities impacting academic programs, infrastructure or auxiliary activities. Operating budgets should be designed to fund the execution of agreed strategies within the limits of available funds.

Accountability targets in excellence, efficiency, access, and success should continue to be guiding principles in budgeting and fiscal management for FY 2010. There should be a continuing effort to increase and expand programmatic excellence, to efficiently utilize available resources by prioritizing programs, facility requirements, staffing needs, and to encourage access in every way possible in our rapidly changing environment. The impact of tuition and fee increases on student access must be given careful consideration.

Budget recommendations shall be prepared within the estimated funds available. Reserve balances should only be used in special one-time situations or where a definite plan provides justification of a limited use of such balances. In self-supporting activities, total funds budgeted shall not exceed realistic estimates of income and balances brought forward. It is expected that government and private contracts will finance their proportionate share of increases being recommended. Recommendations for other operating expenses should be based upon careful estimates of actual needs, taking into account every possibility for savings. In addition, careful analysis should be made to ensure that provisions are included to accommodate items subject to possible inflationary increases during the course of this operating year.

The presidents of the academic universities, the president of the health science center, the Vice Chancellor for Agriculture and Life Sciences and the Vice Chancellor for Engineering are hereby authorized to begin the process of preparing the FY 2010 operating budgets within the limits of available resources.

The budget should be prepared using the same principles that guide the accounting and annual reporting activities (except as noted).

### ***FY 2010 Budget Changes/Reminders:***

- ◆ **Higher Education Incentive Funding (\$100M)** – since it is very probable that the allocations from this initiative will not be determined until after the budget development process, the budget agenda will include specific language requesting Board approval to appropriate any allocations made in FY 2010 with the understanding that a subsequent report (identifying the allocations made to each member) be submitted to the Board.
- ◆ **Lump Sum Vacation Payments (ACAP)** – each member should determine whether or not an adjustment to their ACAP rate should be made to cover the projected lump sum vacation payouts for FY 2010. Lump sum amounts should include salaries and the associated FICA costs. The funds should be deposited to the established service department account that would be used for the disbursement of lump sum vacation payments.
- ◆ **“OPEB” Other Post Employment Benefits** – Please be sure and include in your budget the amount in your FY 2008 AFR. Including the “OPEB” amounts in the budget process is necessary to maintain transparency and consistency between budgeting and financial reporting. **See Attachment 6.**



- ◆ **Service Department Activity Review** – Please review your institutions set-up of service department activities to ensure accuracy & consistency. The information submitted during the budget process will be used as the basis for the Service Department agenda item. To aid in your review process, the System Office of Budgets and Accounting will provide a listing (by member) of all current service department activities. Please see page 4 for additional information.
- ◆ **Budget Patterns** – there were no major changes to the revenue and expense patterns. Screen 557 in FAMIS can be used to view the System revenue and expense budget patterns.
- ◆ **Investment Income** – Based on the projected investment return rates provided by Treasury Services on page 5, each member will be required to budget a realistic estimate of their FY 2010 investment income.
- ◆ **FY 2009 Projected Revenues, Expenses, & Transfers** – As provided previously, each member will be required to provide a projection of their FY 2009 operational results. To aid in the process, the System Office of Budgets and Accounting will provide each member with an updated executive budget summary with FY 2009 year-to-date totals through April 2009. Projections will then need to be made for the final four months.
- ◆ **FTE Caps** – As part of the budget process, please keep in mind your institution's FTE cap (on appropriated funds) noted in the appropriation bill pattern. Each member will have an opportunity to submit a request to increase the cap at a later date. These requests will be consolidated and submitted to the Board via an agenda item for approval.
- ◆ **Increase in the Federal Minimum Wage** –Effective July 24, 2009, the minimum wage will increase to \$7.25/hour. (<http://www.dol.gov/esa/whd/flsa/index.htm>)
- ◆ **NACUBO function** - Many higher education institutions and systems, throughout Texas and the nation, present their expenditure budget in a NACUBO function format instead of a natural category format. Although the budget presentation (executive summaries and the official budget books) will remain unchanged, presentations to other entities (THECB, LBB, etc.) may require the presentation of budgeted expenses by NACUBO function. During the budget review process we will review the expense budget by comparing actual and budgeted expenses by NACUBO function.

### ***Indirect Cost Funds (F&A Costs)***

As a reminder, during the 80<sup>th</sup> Legislative Session, SB 1446 changed the way we account for indirect cost recovery funds. This bill removed the requirement that indirect cost recovery funds be accounted for as educational and general funds as previously prescribed by Sec. 51.009 of the Education Code. Therefore, you may want to refine the way in which these funds are segregated and accounted (i.e. ensuring that indirect cost funds used for salaries also pay the related benefits).

### ***Calendar***

The FY 2010 budget calendar (**Attachment 1**) is provided for your information.

### ***Contact Information***

A contact list (**Attachment 2**) of System Office staff is provided for your information and use on issues relating to the FY 2010 budget preparation process. A System member budget contact list (**Attachment 3**) is provided to facilitate coordination between members during the budget process (i.e. to coordinate changes to joint appointments, coordinate transfer from/to accounts, etc.). A budget distribution list has been created that can be used to disseminate budget information. The address for this distribution list is [sbo@tamu.edu](mailto:sbo@tamu.edu).

### ***FAMIS Budget Module***

Estimates for the FY 2010 annual operating budget will be entered in the FAMIS budget module. Members not using FAMIS as their accounting system must enter their budget information in the FAMIS budget module. Contact FAMIS Services for specific capabilities or instructions regarding automated methods of obtaining budget information from other source systems. The *Budget Preparation User's Manual* and the *Budget Reports Manual* is available for printing from the FAMIS website (<http://www.tamus.edu/offices/famis/usermanuals/>).

### ***B/P/P Preparation (Prep) Budget***

The B/P/P prep budget is the mechanism used to update individual personnel salaries. B/P/P will open the prep budget at the request of each System member. Per member's request, B/P/P will provide feeds from the prep budget to FAMIS on a twice-weekly basis (Tuesdays and Thursdays) beginning June 1, 2009. B/P/P will increase the frequency of feeds from prep budget



to FAMIS to a daily basis (Monday through Friday) at a date to be determined. Contact FAMIS Production to have the salary fields of the FAMIS budget module updated with new B/P/P prep budget numbers.

### ***Salary Guidelines***

The Texas A&M University System desires to recruit and retain a qualified, aggressive, and innovative workforce at salary levels that match or exceed the salaries at peer institutions, agencies, and health science centers.

- ◆ CEO Salaries – CEO salaries will be determined by the Chancellor at a later date. This information will be provided to CFOs when it becomes available.
- ◆ President's Salaries - The portion of the president's salary funded from appropriated E&G funds must not exceed \$65,945. If a house is not provided, an amount not to exceed \$7,200 from appropriated funds may be provided in lieu of a house and utilities.
- ◆ Merit Increase - A merit salary increase may be granted to an employee in recognition of superior performance that advances the purpose of the member's and the System's land-grant mission. Merit increases can be in the form of a merit raise (an increase added to the employee's salary base) or a merit payment (one-time lump sum payment). A merit increase may be awarded if: 1) a member has implemented a rule establishing criteria for the granting of merit salary increases; 2) an employee has been employed by the member for the six months immediately preceding the effective date of the merit salary increase; and 3) six months have elapsed since the employee's last merit salary increase. See System Regulation 31.01.08, *Merit Salary Increases* for further information.
- ◆ Faculty Salary Increases - The General Appropriations Act for the FY 2010/2011 biennium does not include any additional funds for faculty salary increases nor does it include any mandated faculty salary riders. All faculty salary increases must be funded through other available revenue sources. In accordance with **Article III, Section 5.5**, salary increases for faculty or faculty equivalent employees of institutions of higher education shall be awarded on the basis of merit and performance in accepted activities. This shall not be interpreted so as to preclude salary adjustments designed to avoid salary inequities.
- ◆ Pay Plan Adjustments - Adjustments to the range assignment in the pay plan for individual job classes will be made only when it can be demonstrated that current salary ranges are so out of line as to seriously impede the ability to compete effectively in the appropriate labor market.
- ◆ New Positions - New positions may be created at the discretion of the CEO. Impacts to the FTE cap as set by the Legislature (General Appropriations Act) must be considered and addressed as necessary.
- ◆ Student Rates - Rates for student workers and graduate assistants shall be established by the respective CEO. **Please keep in mind the recently passed federal legislation that provided for increases in the minimum wage.**
- ◆ Longevity pay – Longevity pay will be paid at a rate of \$20 per month for each two years of lifetime service credit. The maximum monthly longevity amount caps on the 42<sup>nd</sup> year of service or a maximum of \$420/month.
- ◆ Hazardous Duty pay – Hazardous duty pay will be paid at a rate of \$10 per month for each year of lifetime service credit. **During the 80<sup>th</sup> Legislature, Senate Bill 737 removed the \$300 cap for hazardous pay.**
- ◆ Salary Plans – After reviewing the availability of funds for FY 2010 and beyond, CEOs should also consider the uncertain economic future of the State and how this uncertainty may affect salary opportunities for the institution/agency/health science center. CEOs should outline a salary plan for their institution/agency/health science center which should seek to meet the objectives noted above, meet legislative mandates and contingencies, and attempt to reward employees for meritorious performance within the limited resources available. Please notify Joseph Duron in the office of Budgets and Accounting if your salary plan has changed from what was submitted during the programmatic budget reviews. A summary report of each member's salary plan will be compiled and sent out for final review and comments.

### ***Proportionality***

In accordance with the General Appropriations Act, **Article IX, Section 6.08**, salaries, wages, and benefits paid from appropriated funds, including local funds and educational and general funds as defined in the Education Code, Sections 51.009 (a) and (c), shall be proportional to the source of funds. Note the 1.31 percent rate reduction and the 1.19 percent employer contribution amounts for ORP (supplemental ORP) are not subject to proportionality. Supplemental ORP is not funded by the state. Any funding source available to the institution/agency/health science center may be used for the supplemental ORP,



including available General Revenue and local funds held in the state treasury. See Accounting Policy Statement 011: Benefits to Be Proportional by Fund for more detail.

Each System member having General Revenue Fund appropriations and other sources of financing shall file with the Comptroller and the State Auditor a report demonstrating proportionality. The report shall be filed **before November 20<sup>th</sup>** following the close of the fiscal year for the salaries, wages, and benefits of the preceding year ended August 31 (**Article IX, Sec. 6.08 (d)**).

### ***Designated Service Departments***

Designated service departments are defined as departments or units operated for the benefit of one or more component units of an institution, agency, health science center, or system. Examples include a motor pool, feed supply center, laboratory supply center, computer center, copy center, and office supply center. Budgets shall be prepared with a realistic estimate of revenue and expenditures for the operation of the service department. Designated service departments will be displayed on the budgeted *Statement of Changes in Fund Balance* (FAMIS FDAR670) as a single line item indicating a net increase or decrease in designated expenditures. All designated service department accounts are required to be included in the operating budget. **Designated service department accounts will be submitted for Board approval as a separate agenda item.**

### ***Budget Patterns***

The minimum detail required for revenue and expense estimates is categorized below. The specific object code ranges for each category can be found on FAMIS screen 557 (System Budget Pattern Maintenance). System members may budget revenues and/or expenditures **in more detail** by creating member pattern(s). Member pattern categories must roll up to single System pattern categories.

### ***System Revenue Categories***

Revenue estimates should be prepared in accordance with the categories listed below (System pattern). The specific object codes that are included in each category can be found on FAMIS screen 557. The System pattern name for FY 2010 is TAMUSRVP10. The actual revenue categories and any specific information relating to those categories are listed below.

- ◆ State Appropriations – General Revenue – the amount listed in the Method of Finance section as General Revenue of the General Appropriations Act.
- ◆ State Appropriations – Benefits Paid by State – Includes the following items:

Higher Education Group Insurance Premiums - Transfers from the Employees Retirement System (ERS) will be used to fund the state contribution for group insurance premiums (GIP) for employees and retirees paid from General Revenue funds. The maximum amount to be transferred from ERS for GIP can be found in the General Appropriations Act, **Article III, pages III-35 and III-36**. The funds appropriated for GIP contributions may not be used for any other purpose.

Benefits Paid Directly by the State - Estimates of the amount of direct state support that is anticipated for OASI matching, retirement contributions, unemployment compensation insurance (UCI), etc. This estimated amount should also be budgeted as expenditure within the 'benefit' category.

- ◆ State Appropriations – Other – Include state appropriations transferred from other state entities (e.g. Fund 006 transfers for TTI and Fund 036 transfers for TFS) or any amounts separately identified in the additional information following the bill pattern.
- ◆ Federal Appropriations
- ◆ Higher Education Fund (HEF) – **See attachment 4** for allocation amounts.
- ◆ Available University Fund (AUF) – The System Offices (SO) will be the only System member to budget AUF revenue. Although AUF is actually a transfer from the University of Texas System, it will be included in the budget as revenue. The AUF transferred to TAMU and PVAMU will be reflected as a transfer from SO to TAMU and PVAMU, respectively.
- ◆ Tuition - State – State tuition for FY 2010 will remain at \$50 per semester credit hour. The budgeted amount will be net of remissions and waivers and net of tuition discounts. The tuition budget should reflect the following set asides:

Texas Public Education Grant (TPEG) - The amount of resident state tuition revenue to be transferred from educational and general funds to designated funds for the Texas Public Education Grant Program is to be not less than 15% or more than 20% in FY 2010. The nonresident state tuition set aside is 3%.



Medical school tuition – The TAMHSC is required to set aside 2% of tuition charged to each resident student in a medical branch, school or college. These funds must be deposited in the State Treasury for the purpose of repaying student loans.

Dental school tuition – The TAMHSC is required to set aside 2% of tuition charged to resident dental school students (professional). These funds must be deposited in the State Treasury for the purpose of repaying student loans of dentists.

Dental hygiene tuition - The TAMHSC is required to set aside 2% of tuition charged to resident dental hygiene students. These funds must be deposited in the State Treasury for the purpose of repaying student loans of dental hygienists.

♦ Tuition - Designated – Designated tuition has no statutory maximum, however, it is limited to the amount approved by the Board of Regents. The budgeted amount will be net of remissions and waivers and net of tuition discounts. The tuition budget should reflect the following set asides:

Resident undergraduate student assistance – Institutions shall set aside not less than 20% of resident undergraduate designated tuition in excess of \$46 per semester credit hour. The 20% set aside includes the B-On-Time set aside described below.

Resident graduate student assistance – Institutions shall set aside not less than 15% of resident graduate (includes professional) designated tuition in excess of \$46 per semester credit hour.

B-On-Time loan program – Institutions shall set aside 5% of resident undergraduate designated tuition in excess of \$46 per semester credit hour. The amount of tuition set aside for the B-On-Time program is considered part of the amount required for the resident undergraduate student assistance described above. These funds must be deposited in the State Treasury.

♦ Fees – Fee estimates will be net of remissions and waivers and net of tuition discounts.

♦ Remissions and Waivers - The anticipated amount of tuition and fee ‘remissions and waivers’ will be budgeted as revenue. A corresponding scholarship and grant expense will be budgeted as an offset.

♦ Tuition and Fee Discounts and Allowances – Tuition and fee discounting is required to avoid the double counting of revenue in the single column format. The discount reduces tuition and fee revenue to recognize only those funds received directly from the student and a third party payer, such as an employer or their parents. Enter the amount of restricted funds received that will be used to pay tuition and fees on behalf of students. Tuition discounts shall be entered as a contra revenue (negative revenue).

♦ Contracts and Grants - Include a realistic estimate based on historical trends and information on future activities. It is acceptable to budget contracts and grants in one or several "lump sum" accounts (i.e. budget one account for Pell grants, one account for private contracts, etc.). Estimates of Advanced Technology Program (ATP)/Advanced Research Program (ARP) awards should be budgeted as a contract and grant revenue in the functional and general fund group in the first year of each biennium. Unexpended ATP/ARP funds will be included as a beginning balance in the second year of the biennium and will not be budgeted revenue. Also included in this category is indirect cost revenue.

♦ Gifts – Include a realistic estimate of gifts based on historical trends and known information on future gifts.

♦ Sales and Services

♦ Investment Income - For investment income on the System Endowment Fund and the Cash Concentration Pool, assume the following rates:

System Endowment Fund                      \$0.284208 per unit per year

Cash Concentration Pool                      2.0%

♦ Other Operating Income (formerly Miscellaneous)

♦ Other Non-operating Income – DO NOT BUDGET – this category is a reporting category only used to capture actual non-operating sources.

**System Expenditure Categories**

Expenditure estimates should be prepared in accordance with the categories listed below (System pattern). The specific object codes that are included in each category can be found on FAMIS screen 557. The System pattern name for FY 2010 is TAMUSEXP10. The actual expenditure categories and any specific information relating to those categories are listed below.

♦ Salaries - Non Faculty - includes longevity pay and hazardous duty pay



- ◆ Salaries – Faculty – includes graduate assistants – teaching (GAT) salaries
- ◆ Wages
- ◆ Benefits

Estimate should include benefits to be paid directly by the State (should offset that portion of state appropriation revenue, see 'state appropriations' revenue category).

Social Security and Medicare Tax - Old Age and Survivors Insurance (OASI) and Old Age Health Insurance (OAH), collectively known as FICA, will be withheld and matched at the rate of 7.65 percent. For calendar year 2009, members will withhold and match OASI (6.2 percent) on employees' wages up to \$106,800. For calendar year 2010, members should plan to withhold and match OASI on employee's wages up to an estimated \$111,300. Medicare tax (OAH) will be withheld and matched at a rate of 1.45 percent on all earnings (no maximum). Graduate and undergraduate students (at least 1/2 time status) will be exempt from OASI and OAH withholdings and matching.

Retirement:

Membership in the retirement system (TRS and ORP) will begin at the time of employment. *The 90-day wait is still applicable for employee group health insurance coverage.*

Teachers Retirement System (TRS) - The retirement contribution for employees participating in TRS is 6.58%.

The employment of any new retirees will require the employer to fund the cost of BOTH the employee and employer retirement contribution amounts. This increased employer cost does not apply to retirees who were employed before September 1, 2005.

Optional Retirement Program (ORP) - The retirement contribution for employees participating in ORP is dependent upon hire date. Employees with an ORP start date on or before August 31, 1995 are provided the same contribution during FY 2010 as they received during FY 1995 (8.5%). All other employees participating in ORP are provided an employer contribution of 6.58%. A member may make a supplemental contribution from any source of funds in an amount not to exceed 1.92% for employees who began participating in the ORP on or after September 1, 1995. However, this election to modify the ORP employer contribution rate must be made at the beginning of the fiscal year and must apply to all eligible ORP employees.

Workers' Compensation Insurance (WCI) - Assessments for the System WCI fund is based on past claims experience. The rate represents a percent of payroll (i.e. .45 = .0045 x payroll). **See Attachment 7** for the rates

Central Texas and San Antonio will pay based on the rate of the respective institution they have been affiliated with until they establish their own history.

Property Rates: Premium is subject to increase pending the addition of additional facilities in FY 2010 or valuation adjustments. **See Attachment 7** for the rates

Unemployment Compensation Insurance (UCI) - Members are directed to determine an appropriate rate for UCI operations depending upon circumstances within the specific institution/agency/health science center. One technique that can be used to estimate the UCI rate is to determine the prior year's UCI amount as a percentage of total salaries paid. UCI shall be budgeted and operated as a designated service department.

Group Insurance Premiums (GIP) –The amount of the employer contribution for each state employee will be prorated according to the sources of funds from which his/her salary is budgeted. Part-time employees will only receive one half of the State contribution for group insurance. Members may supplement part-time graduate students up to the full-time rate from non-appropriated funds. Retirees receive the full-time GIP rates regardless of their percent effort at the time of retirement. Active and retired employees who sign and submit a document to their employer indicating that they have health insurance coverage from another source are authorized to use the "Waiver" category (one half of the "employee only" state contribution) for optional insurance. Employees hired on or after 9/1/2003 are subject to a 90 day waiting period before they receive the GIP contribution. Institutions and agencies may supplement the GIP contribution from non-appropriated funds during the 90 day waiting period. The contribution begins the first month following the 90 day waiting period. Individuals are not entitled to one half the GIP contribution to purchase optional insurance if they are in the "waiver" category during this period. **See Attachment 7** for the rates

- ◆ Utilities – Includes energy and water/wastewater. This category does NOT include telecommunications. Ensure your budget reflects the increasing energy costs.



- ◆ Scholarships – This category only includes scholarships related to students. The amount budgeted should include the amount budgeted in the revenue category 'remissions and waivers' as an offsetting expenditure (see 'remissions and waivers' revenue category above).
- ◆ Scholarship Discount - The discounting of scholarships is a mechanism used to offset the revenue reduction in the fund group to maintain the correct fund balance. Scholarship discounts shall be entered as a contra expense (negative expense) to correspond with the tuition discounts.
- ◆ Operations and Maintenance - The amounts budgeted for shared services (assessments for SO, TTVN, CIS) should be included in this category.
- ◆ Claims and Losses – This category is for self insurance claims and losses and will only be used by SO.
- ◆ Capitalized Equipment – previously expenditures in this category were included in the Operations and Maintenance category. This category represents the use of cash from operating accounts to purchase furniture or equipment.
- ◆ Debt Service - This category is for the expenditure of funds for debt service only (not funds transferred to SO for RFS debt service). SO will budget all debt service payments for the PUF and RFS debt programs. Include estimates in this category only if you are planning to expend funds directly for debt service (FAMIS object codes 6100 - 6199).
- ◆ Other Non-operating Expense - DO NOT BUDGET – this category is a reporting category only used to capture actual non-operating expenses.

### ***Member Budget Pattern Requirements***

- ◆ All members are required to have a member rollup pattern titled 'ROLLUP' even if there is only one member budget pattern.
- ◆ Salary categories must have an asterisk (\*) as the last character of the description in order for the salary reallocator processing to work correctly.

### ***Transfers***

Transfers shall be reflected in the budget to the extent that they affect current operating funds. Specific examples include the following:

- ◆ RFS Debt Service - FY 2010 debt service estimates for the revenue financing program are prepared by the Office of Treasury Services. Initial estimates have been distributed to the budget contacts. If the schedules are revised by Treasury Services, the revised schedules will be distributed to CFO's and budget contacts. Any questions regarding these schedules should be directed to the Office of Treasury Services.
- ◆ Texas Public Education Grants (TPEG) - Transfer TPEG from educational and general funds to designated funds.
- ◆ Available University Fund (AUF) - SO shall transfer the appropriate amount of AUF to plant funds to pay PUF debt service. SO will also transfer \$82,500,000 of AUF to TAMU and \$12,150,000 to PVAMU.
- ◆ PUF Equipment Allocations (EA) – SO will transfer \$3.5M to Tarleton State University, \$1.708 M to the Agriculture Program, \$2.192M to the Engineering Program, and \$5.4M to the Health Science Center (TAMHSC). **The Vice Chancellor for Agriculture and Life Sciences and the Vice Chancellor for Engineering shall submit to the System Office of Budgets and Accounting the amount that is to be distributed to each agency no later than June 1, 2009.** PUF Equipment Allocations will be budgeted by SO as a transfer out and will be budgeted by Tarleton, the agencies, and the TAMHSC as a transfer in. PUF EA funds will be received in designated accounts. PUF EA funds may be transferred out of designated accounts to plant funds for expenditure.

### ***Assessments***

Assessments shall be budgeted as an operating expense in the appropriate account(s). The following functions will be assessed by various organizations for FY 2010 (see **Attachment 5**):

- ◆ System Offices (SO) – The previous year the assessment only covered Treasury Services and Internal Audit. FY 2010 assessment covers the following services: Treasury Services, Internal Audit, Budgets & Accounting, FAMIS, BPP, Enterprise Software Initiatives, Benefits Administration, General Counsel, Office of Equal Opportunity, Research, and Federal Relations.



- ◆ TAMU Computing and Information Systems (CIS) – Includes the TAMU CIS support for FAMIS. The TAMU CIS assessment will be billed monthly. FAMIS printing will be billed based on actual use. A print estimate has been provided for your information.
- ◆ TTVN/Wide Area Data Network (WAN) – This assessment provides for each member's commodity Internet, Internet2 Abilene, TAMUS wide intranet, intranet connection to the University of Texas System THENet network (TXBB), and video conferencing services. It will be billed monthly.

### ***Beginning Balances***

Estimated FY 2010 beginning fund balances by fund group will be determined by the amounts submitted in the supplemental budget information file (**see sample in Attachment 8**). An Excel version of this template will be provided later. The balances entered are projections of your fund balances as of August 31, 2009.

### ***Use of Reserves***

Reserves should only be used to fund one-time expenditures that will result in future cost reductions or increases in income or expenditures of carryover balances (e.g. ATP/ARP, special items, etc.). Any use of reserves to support the FY 2010 operating budget (e.g. expending remaining ATP/ARP funds or special item funds) should be included in the beginning fund balances as entered in the FAMIS budget module (entered on screens 589/599, SL Begin Balance line). Attachment 6 will be submitted to SOBA no later than the budget due date (see budget calendar). Each CEO must be prepared to justify the use of reserves for operating expenses.

### ***Budget Review***

The System Office of Budgets and Accounting will review all budgets prior to the review by the Chancellor and subsequent submission to the Board. Each member will be required to provide a brief narrative (to be included in the Executive Summary) to summarize the overall budget submission for FY 2010.

### ***Executive Summary/Board Presentation***

The System Office of Budgets and Accounting will prepare an Executive Summary of the proposed budgets which will be provided to the Chancellor for review. Copies of the Executive Summary will also be provided to each System member CEO and CFO.

Copies of the Executive Summaries will be distributed to the Board of Regents prior to the Board Meeting and will be used as the basis for the FY 2010 budget approvals. CEOs should be prepared to address any specific budgetary questions relating to their budget. Any changes in information to be submitted to the Board as determined by the Board Finance Committee will be relayed to CEOs and CFOs.

### ***Budget Distribution***

Upon Board approval, the System Office of Budgets and Accounting will coordinate the collection and distribution of budgets in accordance with the Education Code, the General Appropriations Act, and any other state requirements; and add the FY 2010 Executive Summary and the FY 2010 Operating Budget Statement of Changes in Fund Balance (budget lead schedule) to the TAMUS Operating Budget web site.



## Attachment 1

### The Texas A&M University System FY 2010 Budget Calendar

January 22-23	Budget guidelines presented to the Board for approval
April/May	Programmatic budget review presentations to the Chancellor and/or Board Committees on Finance and Academic and Student Affairs
May 21-22	Tuition and fee requests presented to the Board for approval
June 1	Vice Chancellor's for Agriculture and Engineering to submit to the System Office of Budgets and Accounting PUF equipment allocations to each agency
June 3	Updated Executive Budget Summary (through May) distributed
June 19	Preliminary budgets and supplemental items submitted to the System Office of Budgets and Accounting for review:  Supplemental Items:      Projected FY2009 Actuals GR Reconciliation Worksheet Est. Beginning Balances Worksheet Budget Narrative Salary Merit Plan
July 15	FY 2010 preliminary budgets and Executive Summary reviewed by the Chancellor
July 31	FY 2010 Executive Budget Summary provided to the Board
Mid August	FY 2010 Budget presented to the Board for approval

**Attachment 2****The Texas A&M University System  
Budget Contact List  
FY 2010**

<b>System Office of Budgets and Accounting</b>	<b>Functional Area</b>	<b>Phone</b>	<b>E-mail</b>
B. J. Crain	Policy	(979) 458-6100	<a href="mailto:bjcrain@tamu.edu">bjcrain@tamu.edu</a>
Joseph Duron	Policy, procedure, and calendar	(979) 458-6110	<a href="mailto:duron@tamu.edu">duron@tamu.edu</a>
Wade Wynn	Procedures, reports and analysis	(979) 458-6113	<a href="mailto:wadewynn@tamu.edu">wadewynn@tamu.edu</a>
Jarrett Eisenrich	Procedures, reports and analysis	(979) 458-6017	<a href="mailto:j-eisenrich@tamu.edu">j-eisenrich@tamu.edu</a>
<b>FAMIS Services</b>			
FAMIS Production	FAMIS Budget Reports and Programs	(979) 458-6470	<a href="mailto:famisprod@tamu.edu">famisprod@tamu.edu</a>
FAMIS Help	FAMIS Budget Module	(979) 458-6464	<a href="mailto:famishelp@tamu.edu">famishelp@tamu.edu</a>
<b>B/P/P</b>			
Randy Guillot	B/P/P	(979) 458-6300	<a href="mailto:randy-guillot@tamu.edu">randy-guillot@tamu.edu</a>
B/P/P Production	B/P/P Reports / Production	(979) 458-6301	<a href="mailto:bpp-prod@tamu.edu">bpp-prod@tamu.edu</a>



**Attachment 3**

**The Texas A&M University System  
Member Budget Contact List  
FY 2010**

<b>Member</b>	<b>Primary Contact</b>	<b>Phone</b>	<b>e-mail</b>
PVAMU	Betty Ricks Rod Mireles Diane Alexander	936-261-2201 936-261-1905 936-261-2202	<a href="mailto:baricks@pvamu.edu">baricks@pvamu.edu</a> <a href="mailto:rmireles@pvamu.edu">rmireles@pvamu.edu</a> <a href="mailto:dtalexander@pvamu.edu">dtalexander@pvamu.edu</a>
TARLETON TAMU-CT	Sandra Cox Gaylene Nunn	254-968-9877 254-519-5458	<a href="mailto:cox@tarleton.edu">cox@tarleton.edu</a> <a href="mailto:nunn@tarleton.edu">nunn@tarleton.edu</a>
TAMIU	Fred Juarez	956-326-2448	<a href="mailto:fredjuarez@tamiu.edu">fredjuarez@tamiu.edu</a>
TAMU	Kelli Holt	979-845-8145	<a href="mailto:kholt@vpfn.tamu.edu">kholt@vpfn.tamu.edu</a>
TAMUG	Susan Lee	409-740-4533	<a href="mailto:lees@tamug.edu">lees@tamug.edu</a>
TAMU-C	Alicia Currin	903-886-5034	<a href="mailto:alicia_currin@tamu-commerce.edu">alicia_currin@tamu-commerce.edu</a>
TAMU-CC	Kemberly Wedgeworth	361-825-2615	<a href="mailto:kemberly.wedgeworth@tamucc.edu">kemberly.wedgeworth@tamucc.edu</a>
TAMU-K TAMU-SA TAMU-SA	Paula Hanson Ken Mitts Joe Garcia	361-593-2897 210-313-0772 361-593-6208	<a href="mailto:p-hanson@tamuk.edu">p-hanson@tamuk.edu</a> <a href="mailto:Kenneth.mitts@tamuk.edu">Kenneth.mitts@tamuk.edu</a> <a href="mailto:Jose.garcia02@tamuk.edu">Jose.garcia02@tamuk.edu</a>
TAMU-T	Joan Beckham	903-223-3005	<a href="mailto:joan.beckham@tamut.edu">joan.beckham@tamut.edu</a>
WTAMU	Pamela Pandolfi	806-651-2092	<a href="mailto:pdickerson@mail.wtamu.edu">pdickerson@mail.wtamu.edu</a>
AgriLife RSCH	Debra A. Cummings	979-845-4783	<a href="mailto:dacummings@ag.tamu.edu">dacummings@ag.tamu.edu</a>
AgriLife EXT	Kay Schubert	979-845-1495	<a href="mailto:kschuber@ag.tamu.edu">kschuber@ag.tamu.edu</a>
TEES	Yvonne Poston	979-458-7489	<a href="mailto:y-poston@tamu.edu">y-poston@tamu.edu</a>
TEEX	John Skrabanek	979-458-6902	<a href="mailto:john.skrabanek@teexmail.tamu.edu">john.skrabanek@teexmail.tamu.edu</a>
TFS	Travis Zamzow	979-458-6643	<a href="mailto:tzamzow@tfs.tamu.edu">tzamzow@tfs.tamu.edu</a>
TTI	Don Bugh	979-845-1715	<a href="mailto:d-bugh@tamu.edu">d-bugh@tamu.edu</a>
TVMDL	Ralph Cobb	979-845-9003	<a href="mailto:r-cobb@tvmdl.tamu.edu">r-cobb@tvmdl.tamu.edu</a>
TAMHSC	Raye Milburn	979-862-1450	<a href="mailto:r-milburn@tamu.edu">r-milburn@tamu.edu</a>
System Office	Joseph Duron	979-458-6110	<a href="mailto:duron@tamu.edu">duron@tamu.edu</a>

**Attachment 4****The Texas A&M University System  
HEF Allocations**

	<b>Proposed in HB 4535</b>			
	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>TAMU</b>	\$ 3,202,241	\$ 3,796,436	\$ 3,796,436	\$ 3,796,436
<b>TAMU-C</b>	5,684,047	5,193,232	5,193,232	5,193,232
<b>TAMU-CC</b>	8,471,116	7,139,067	7,139,067	7,139,067
<b>TAMU-K</b>	5,167,540	5,046,885	5,046,885	5,046,885
<b>TAMU-T</b>	1,684,587	1,307,907	1,307,907	1,307,907
<b>WTAMU</b>	4,886,159	4,652,995	4,652,995	4,652,995
<b>TOTAL</b>	<b>\$ 29,095,690</b>	<b>\$ 27,136,522</b>	<b>\$ 27,136,522</b>	<b>\$ 27,136,522</b>



**Attachment 5**

**The Texas A&M University System  
FY 2010 Assessment Summary**

Member	TAMU CIS (for FAMIS)		TTVN/Wide Area Data Network (WAN) <sup>1</sup>				System Offices
	Operations	Print Estimate	Data Network	Video	Net Other Fees <sup>2</sup>	TOTAL	
PVAMU	\$129,232	\$64,756	\$146,498	\$34,258	\$77,830	\$258,586	\$586,935
Tarleton	58,115	130	86,150	35,199	120,204	241,553	384,514
TAMU-Central Tx	15,760	206					
TAMU	46,295	303	106,136	32,685	29,623	168,443	271,957
TAMU	754,313	65,308	1,007,590	67,547	(198,115)	877,022	2,837,337
TAMUG	54,569	4,192	87,750	29,456	31,628	148,834	108,123
TAMU-C	68,556	381	86,150	36,865	21,151	144,166	331,714
TAMU-CC	63,040	4,400	91,325	31,698	21,149	144,172	426,620
TAMU-K	67,177	8,899	104,450	42,550	46,291	193,291	403,622
TAMU-SA	15,760	2,060					
TAMU-T	28,368	412	50,400	28,661	23,502	102,563	139,206
WTAMU	8,471	0	105,625	30,937	19,889	156,451	251,198
AgriLife-PSCH	134,354	13,695	70,374	15,838	30,279	116,491	608,107
AgriLife-EXT	72,299	5,072	50,286	16,515	(5,048)	61,752	297,087
TFS	39,794	13,744	18,746	6,329	3,564	28,639	241,177
TVMDL	7,092	428	24,721	6,982	1,992	33,695	125,620
TEES	3,743	0	25,746	13,233	7,060	46,039	421,751
TEEX	4,925	2	28,045	15,119	3,190	46,353	287,087
TTI	78,406	7,332	63,589	14,067	11,977	89,633	253,763
TAMHSC	63,040	6,821	254,625	37,659	27,300	319,584	446,184
Res. Foundation	81,558	16,630					133,000
TAMUQ			27,725	30,125	0	57,850	
System Offices	175,133	4,209	62,198	27,804	10,595	100,597	
<b>TOTAL</b>	<b>1,970,000</b>	<b>218,980</b>	<b>2,498,130</b>	<b>553,527</b>	<b>284,060</b>	<b>3,335,717</b>	<b>8,555,000</b>

Deleted: -

1. This assessment provides commodity Internet, Internet2 Abilene, TAMUS wide intranet, intranet connection to the University of Texas System THENet network (TXBB), and videoconferencing services.
2. TAMU's Net Other Fees credit amount is for the "in kind" costs provided.



**Attachment 6**

**“OPEB” Other Post-Employment Benefits Schedule**

	AFR Fund Group			Total
	10 (E&G)	20 (Designated)	30 (Auxiliary)	
<b>PVAMU</b>	\$ 5,976,662	\$ 313,103	\$ 402,271	<b>\$ 6,692,036</b>
<b>TAMIU</b>	2,731,110	275,411	280,469	<b>3,286,990</b>
<b>TARLETON</b>	4,445,457	915,597	471,775	<b>5,832,829</b>
<b>TAMU</b>	36,733,182	5,863,432	5,051,566	<b>47,648,180</b>
<b>TAMUG</b>	1,645,730	267,286	159,433	<b>2,072,449</b>
<b>TAMUC</b>	4,458,374	405,196	420,944	<b>5,284,514</b>
<b>TAMUCC</b>	5,134,762	1,009,904	508,314	<b>6,652,980</b>
<b>TAMUK</b>	5,087,021	549,059	336,703	<b>5,972,783</b>
<b>TAMUT</b>	923,061	45,355	16,532	<b>984,948</b>
<b>WTAMU</b>	3,523,471	460,678	460,613	<b>4,444,762</b>
<b>TAMHSC</b>	6,342,538	797,356	17,107	<b>7,157,001</b>
<b>AL-RSRCH</b>	12,600,129	533,513	0	<b>13,133,642</b>
<b>AL-EXT</b>	9,543,480	365,291	0	<b>9,908,771</b>
<b>TFS</b>	2,529,479	114,545	0	<b>2,644,024</b>
<b>TVMDL</b>	851,034	171	0	<b>851,205</b>
<b>TEES</b>	8,743,072	1,084,653	0	<b>9,827,725</b>
<b>TEEX</b>	3,205,042	1,834	0	<b>3,206,876</b>
<b>TTI</b>	2,677,629	31,496	0	<b>2,709,125</b>
<b>System Offices</b>	885,090	1,112,889	0	<b>1,997,979</b>
<b>Total:</b>	<b>\$ 118,036,323</b>	<b>\$ 14,146,769</b>	<b>\$ 8,125,727</b>	<b>\$ 140,308,819</b>



### Attachment 7

Workers Compensation Rates:

PVAMU	0.15	AL-RSCH	0.20
Tarleton	0.10	AL-EXT	0.40
TAMIU	0.15	TFS	0.75
TAMU	0.15	TVMDL	0.10
TAMUG	0.20	TEES	0.05
TAMUC	0.50	TEEX	0.15
TAMUCC	0.25	TTI	0.05
TAMUK	0.15	TAMHSC	0.05
TAMUT	0.05	System Offices	0.05
WTAMU	0.15		

Self-insured Property Program – premiums\* for the period March 1, 2009 through February 28, 2010 are as follows:

Member	Renewal Total Insured Value	Total Premiums \$.03416 per \$100
PVAMU	\$ 415,129,055	\$ 141,811
TAMIU	\$ 227,531,748	\$ 77,727
TARLETON	\$ 294,998,560	\$ 100,774
TAMU	\$ 2,110,643,072	\$ 721,013
TAMUG	\$ 122,262,452	\$ 41,766
TAMU-C	\$ 332,962,620	\$ 113,743
TAMU-CC	\$ 310,023,502	\$ 105,907
TAMU-K	\$ 308,683,745	\$ 105,449
TAMU-T	\$ 45,792,569	\$ 15,643
WTAMU	\$ 421,948,759	\$ 144,141
TAMHSC	\$ 295,483,401	\$ 100,940
AgriLife Extension	\$ 20,430,400	\$ 6,979
TEEX	\$ 49,018,949	\$ 16,745
System Offices	\$ 20,640,565	\$ 7,051
<b>TOTAL</b>	<b>\$ 4,975,549,396</b>	<b>\$ 1,699,688</b>

System members will pay the following amounts monthly for GIP and Basic Life Insurance Premiums on behalf of their employees:

Full-Time (100%)		Part-Time (50.00% - 99.99%)	
Employee Only	385.82	Employee Only	192.91
Employee and Spouse	567.81	Employee and Spouse	283.91
Employee and Children	499.57	Employee and Children	249.79
Employee and Family	658.81	Employee and Family	329.41
Waiver	192.91	Waiver	96.46



## Attachment 8

**Sample Only**  
**Supplemental Budget Information**  
**FY 2010 Operating Budget**

### Estimated Beginning Balances

Functional & General                    \$ \_\_\_\_\_

Designated                                \$ \_\_\_\_\_

Auxiliary Enterprises                \$ \_\_\_\_\_

Restricted                                 \$ \_\_\_\_\_

### Net Decrease in Fund Balance Explanations (If Applicable)

<b>Fund Group</b>	<b>Net Decrease in Fund Balance</b>	<b>Explanation / Comment</b>
Functional & General	\$	
Designated	\$	
Auxiliary Enterprises	\$	
Restricted	\$	

*Note: The above 'Estimated Beginning Balances' should be the same or very close to the projected ending fund balances for FY 2009.*