

# UNT System Administration Budget Overview

## Executive Summary and Highlights

### Strategic Impact and Major Goals Addressed by FY 2019 Budget

The FY2019 budget is a measured request, built in conjunction with the on-going System-wide administrative cost reviews, and in collaboration with member institution leadership.

#### **Motion – Item #12**

I move approval of item 12, Approval of the FY18 UNT System Consolidated budget, with the commitment that the Board will, in collaboration with the Chancellor, establish an ad hoc work group to review administrative costs throughout the System with the goal of improving services, eliminating duplication, and reducing overhead expenses wherever possible in both campus and System operations. The Chancellor will be expected to report to this Board with preliminary findings not later than the May, 2018 meeting.

It includes Expenses needed to ensure the UNT System Administration can successfully execute its mission and strategic goals, and supports the actions approved by the Board of Regents at the August, 2017 Board of Regents' Meeting.

The continued goal of the administrative cost reviews is to improve services, eliminate duplication, and reduce overhead expenses wherever possible in both campus and System operations. These ongoing reviews are a natural and necessary progression of the original financial transformation which was undertaken to strengthen governance, and provide process efficiency, accountability, data transparency, and savings where applicable.

This budget and the related adjustments to processes, services, and expectations, have put in place a structure for continuous improvement that will bring further opportunities for cost savings, operational efficiencies, innovation, quality evaluation, customer satisfaction, communications, and collaboration.

System Administration's commitment to fiscal responsibility is demonstrated by the actions taken during FY2018 and for FY2019 including, but not limited to:

Finance:

- Organizational restructure
  - Consolidated budget planning/execution, reduced management positions
  - Automated internal call center
  - Resulted in reduced staffing by 17 FTE
- Moved Student Accounting to campuses and consolidated student facing operations
- Conducted a line-by-line review of System Administration Budget – eliminated software/subscription costs, fees, promotional items, sponsorships, professional, and other non-critical costs

- Automating areas of accounts payable
- Streamlining payroll processing and assessing outsourcing
- Implementing Budget Forecasting and Strategic Decision-making Tool-- beyond current spreadsheet approach
- Establish cost efficiency key performance indicators for Systems Administration and University Administration (services) through CFOs Council

ITSS:

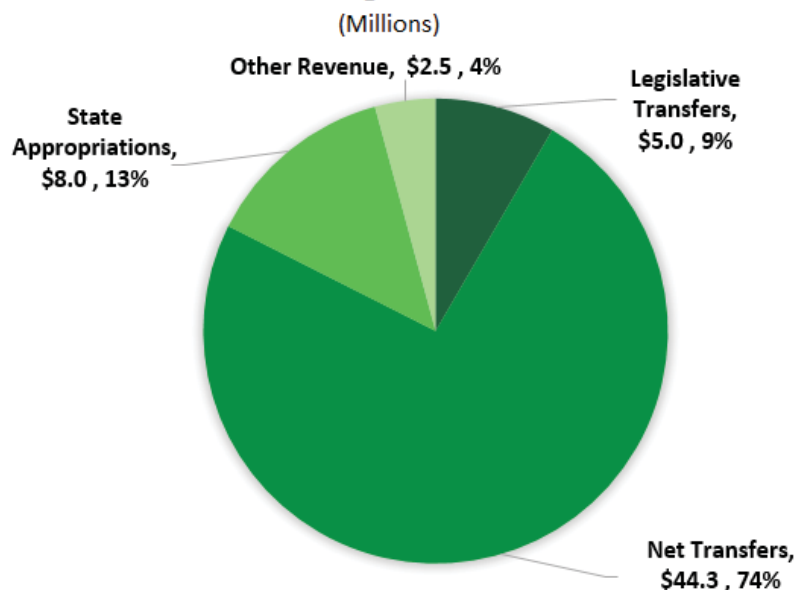
- Organizational delayering underway
- Consolidating external call center and CRM Development and Operations at UNT
- Consolidating HSC IT Security with System IT Security
- Assessing HSC telecom move to Cloud PBX
- Establishing plan to move to next generation technology for ERP

Revenues

State Appropriations

- Supports salaries for the System Administration
- Remainder of the appropriation supports the Universities Center at Dallas and Federation of North Texas Universities, which will be transferred to other state institutions as appropriate

FY 2019 Budgeted Revenues



Sales of Goods and Services – Lofts

- The Lofts maintain average of approximately 96% occupancy
- Due to the healthy downtown market, rents continue to increase for newly signed leases
- FY2019 budget reflects expenses in excess of revenues totaling \$300K
- Continue to seek tenants for other available space

## Transfers

### *Intra-Campus Transfers Between Funds*

- Represents transfers from Current Funds to Plant Funds for debt service

### *Transfers Between UNTS Components*

- Transfers to System Administration from member institutions support services provided to the institutions and debt service held by System Administration.
- Project based construction management fees support the operation of the Office of Facilities, Planning and Construction

### *Other Transfers - Legislative*

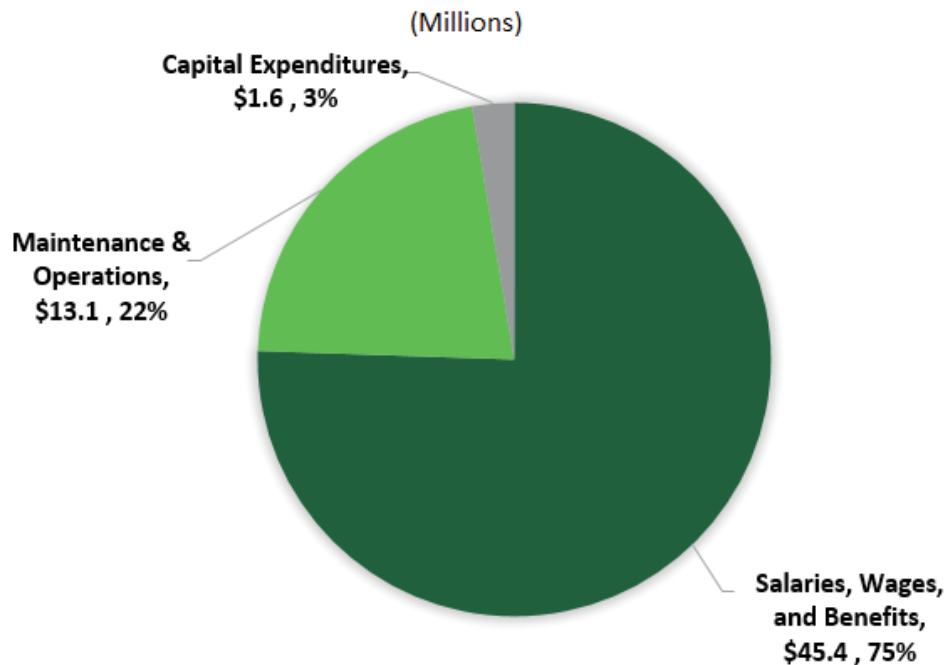
- Transfers to member institutions from System Administration reflect required legislative transfers of appropriations

## Expenses

The variance of Expenses between FY2018 and FY2019 is a net of multiple factors:

- System Administration savings and reductions resulting from administrative reviews;
- Transfers of some services formerly provided by System Administration back to member institutions

### FY 2019 Budgeted Expenses and Net Transfers



FTE Categories	FY 2017		FY 2018		FY 2019
	Budget	Actuals	Budget	Actuals	Budget
Administrators	17.0	17.7	18.0	17.4	18.0
Faculty	0.0	0.0	0.0	0.0	0.0
Other Staff	542.3	524.8	530.3	493.5	466.0
<b>Total FTE</b>	<b>559.3</b>	<b>542.5</b>	<b>548.3</b>	<b>510.8</b>	<b>484.0</b>

### Reserves and Capital Expenses

In FY 2019, there are no new capital projects. However, the renovation of the Municipal Building is on schedule and continues to be within budget.

System Administration’s FY2019 budget reflects a potential use of reserves for the 1900 Elm Street lofts (auxiliary) but administration will closely manage the lofts’ budget during FY2019 in order to avoid a loss.

### Summary

UNT System Administration continues to strengthen its commitment to innovation, collaboration, and fiscal responsibility in support of the UNT System member institutions and the communities we serve.

## FY 2019 Summary – Current Funds

### Budget for Revenues, Expenses & Other Changes in Fund Balances

	FY 2018 Budget	FY 2018 Forecast (Actuals)	FY 2019 Budget	Increases (Decreases)	
				FY 2019 to FY 2018 Est Amount	Actuals Percent
<b>Revenues</b>					
Net Tuition and Fees	-	-	-	-	-
Sales of Goods and Services	1,975,485	1,975,485	2,200,000	224,515	11.4%
Grants and Contracts	-	-	-	-	-
State Appropriations	4,089,548	8,457,298	7,969,916	(487,382)	-5.8%
Investment Income	201,139	486,090	316,818	(169,272)	-34.8%
Other Revenue	-	197,399	-	-	-
<b>Total Revenues</b>	<b>6,266,172</b>	<b>11,116,272</b>	<b>10,486,734</b>	<b>(629,538)</b>	<b>64.2%</b>
<b>Expenditures</b>					
Salaries - Faculty	-	-	-	-	-
Salaries - Staff	36,832,263	35,432,263	34,994,645	(437,618)	-1.2%
Wages and Other Compensation	1,209,373	262,566	1,348,500	1,085,934	413.6%
Benefits and Other Payroll-Related Costs	9,773,428	10,297,803	9,026,138	(1,271,665)	-12.3%
<b>Subtotal - Personnel Costs</b>	<b>47,815,064</b>	<b>45,992,632</b>	<b>45,369,283</b>	<b>(623,349)</b>	<b>-1.4%</b>
Professional Fees and Services	3,632,559	4,010,484	3,350,400	(660,084)	-16.5%
Travel	492,531	327,252	488,818	161,566	49.4%
Materials and Supplies	841,165	1,430,246	589,916	(840,331)	-58.8%
Communication and Utilities	806,322	1,102,332	757,333	(344,999)	-31.3%
Repairs and Maintenance	5,254,369	3,298,357	5,560,658	2,262,301	68.6%
Rentals and Leases	535,358	1,736,253	973,428	(762,825)	-43.9%
Printing and Reproduction	83,658	47,957	85,936	37,979	79.2%
Other Expenditures	1,189,125	1,315,752	1,302,459	(13,293)	-1.0%
<b>Subtotal - Maintenance &amp; Operation Costs</b>	<b>12,835,087</b>	<b>13,268,634</b>	<b>13,108,948</b>	<b>(159,687)</b>	<b>-1.2%</b>
Capital Expenditures	2,582,991	2,582,991	1,585,429	(997,562)	-38.6%
<b>Total Expenditures</b>	<b>63,233,142</b>	<b>61,844,258</b>	<b>60,063,660</b>	<b>(1,780,598)</b>	<b>-2.9%</b>
<b>Transfers</b>					
<b>Intra-campus Transfers Between Funds</b>					
Inter-Fund Transfer In/(Out)	-	-	-	-	-
<b>Transfers Between UNTS Components</b>					
System Service Allocations	52,054,327	50,566,827	50,009,404	(557,423)	-1.1%
Debt Service Transfer In (Out)	(6,985,609)	(6,985,609)	(6,976,059)	9,550	-0.1%
Other Inter-Unit Transfers In/(Out)	1,168,467	1,168,467	1,233,399	64,932	5.6%
<b>Other Transfers</b>					
Transfer to Other State Agencies In/(Out)	(141,823)	-	-	-	0.0%
Legislative Transfers In/(Out)	11,627,374	7,117,801	5,006,944	(2,110,857)	-4.1%
<b>Total Transfers</b>	<b>57,722,736</b>	<b>51,867,486</b>	<b>49,273,688</b>	<b>(2,593,798)</b>	<b>-5.0%</b>
<b>Estimated Impact on Fund Balance</b>	<b>755,766</b>	<b>1,139,500</b>	<b>-303,237</b>	<b>-1,442,737</b>	<b>-126.6%</b>
<b>Planned Use of Fund Balance &amp; Debt Proceeds</b>	<b>142,276</b>	<b>1,139,500</b>	<b>303,237</b>	<b>(836,263)</b>	<b>-73.4%</b>

**FY 2019 – UNT System Administration**  
**Budget Detail by Fund Group – Current Funds**

	Current Funds				Current Funds
	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	
<b>REVENUES</b>					
Net Tuition and Fees	-	-	-	-	-
Sales of Goods and Services	-	-	2,200,000	-	2,200,000
Grants and Contracts	-	-	-	-	-
State Appropriations	7,969,916	-	-	-	7,969,916
Capital Appropriations	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Gift Income	-	-	-	-	-
Investment Income	-	316,818	-	-	316,818
Other Revenue	-	-	-	-	-
<b>Revenues</b>	<b>7,969,916</b>	<b>316,818</b>	<b>2,200,000</b>	<b>-</b>	<b>10,486,734</b>
<b>EXPENDITURES</b>					
Salaries - Faculty	-	-	-	-	-
Salaries - Staff	6,657,123	28,337,522	-	-	34,994,645
Wages and Other Compensation	140,323	1,208,177	-	-	1,348,500
Benefits and Other Payroll-Related Costs	1,811,667	7,214,471	-	-	9,026,138
Cost of Goods Sold	-	-	-	-	-
Professional Fees and Services	-	2,897,640	452,760	-	3,350,400
Travel	-	488,818	-	-	488,818
Materials and Supplies	-	571,134	18,782	-	589,916
Communication and Utilities	-	565,938	191,395	-	757,333
Repairs and Maintenance	-	5,175,643	385,015	-	5,560,658
Rentals and Leases	-	891,166	82,262	-	973,428
Printing and Reproduction	-	84,986	950	-	85,936
Debt Service - Principal	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-
Capital Expenditures	-	1,385,429	200,000	-	1,585,429
Federal and State Pass-Through Expense	-	-	-	-	-
Scholarships	-	-	-	-	-
Other Expenditures	-	1,009,309	293,150	-	1,302,459
<b>Expenditures</b>	<b>8,609,112</b>	<b>49,830,233</b>	<b>1,624,314</b>	<b>-</b>	<b>60,063,660</b>
<b>TRANSFERS</b>					
<i>Intra-campus Transfers Between Funds:</i>					
Inter-Fund Transfer In/(Out)	-	-	-	-	-
<i>Transfers Between UNTS Components:</i>					
System Services Allocations	-	50,009,404	-	-	50,009,404
Debt Service Transfer In (Out)	(4,367,747)	(1,729,388)	(878,923)	-	(6,976,059)
Other Inter-Unit Transfers In/(Out)	-	1,233,399	-	-	1,233,399
<i>Other Transfers:</i>					
Transfer to Other State Agencies In/(Out)	-	-	-	-	-
Legislative Transfers In/(Out)	5,006,944	-	-	-	5,006,944
<b>Transfers</b>	<b>639,197</b>	<b>49,513,415</b>	<b>(878,923)</b>	<b>-</b>	<b>49,273,688</b>
<b>Estimated Impact on Fund Balance</b>	<b>0</b>	<b>0</b>	<b>(303,237)</b>	<b>-</b>	<b>(303,237)</b>
<b>Planned Use of Fund Balance &amp; Debt Proceeds</b>					
Planned Use of Fund Balance ? Lofts	-	-	303,237	-	303,237
Debt Proceeds	-	-	-	-	-
<b>Planned Use of Fund Balance &amp; Debt Proceeds</b>	<b>-</b>	<b>-</b>	<b>303,237</b>	<b>-</b>	<b>303,237</b>

**FY 2019 - UNT System Administration**  
**Budget Detail by Fund Group – Non-Current Funds**



	Non-Current Funds				FY19
	Endowment Funds	Loan Funds	Plant and Debt	Non-Current	Allfunds
<b>REVENUES</b>					
Net Tuition and Fees	-	-	-	-	-
Sales of Goods and Services	-	-	-	-	2,200,000
Grants and Contracts	-	-	-	-	-
State Appropriations	-	-	-	-	7,969,916
Capital Appropriations	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Gift Income	-	-	-	-	-
Investment Income	-	-	-	-	316,818
Other Revenue	-	-	-	-	-
<b>Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,486,734</b>
<b>EXPENDITURES</b>					
Salaries - Faculty	-	-	-	-	-
Salaries - Staff	-	-	-	-	34,994,645
Wages and Other Compensation	-	-	-	-	1,348,500
Benefits and Other Payroll-Related Costs	-	-	-	-	9,026,138
Cost of Goods Sold	-	-	-	-	-
Professional Fees and Services	-	-	-	-	3,350,400
Travel	-	-	-	-	488,818
Materials and Supplies	-	-	-	-	589,916
Communication and Utilities	-	-	-	-	757,333
Repairs and Maintenance	-	-	-	-	5,560,658
Rentals and Leases	-	-	-	-	973,428
Printing and Reproduction	-	-	-	-	85,936
Debt Service - Principal	-	-	44,393,272	44,393,272	44,393,272
Debt Service - Interest	-	-	34,599,261	34,599,261	34,599,261
Capital Expenditures	-	-	18,260,000	18,260,000	19,845,429
Federal and State Pass-Through Expense	-	-	-	-	-
Scholarships	-	-	-	-	-
Other Expenditures	-	-	-	-	1,302,459
<b>Expenditures</b>	<b>-</b>	<b>-</b>	<b>97,252,533</b>	<b>97,252,533</b>	<b>157,316,193</b>
<b>TRANSFERS</b>					
<i>Intra-campus Transfers Between Funds:</i>					
Inter-Fund Transfer In/(Out)	-	-	-	-	-
<i>Transfers Between UNTS Components:</i>					
System Services Allocations	-	-	-	-	50,009,404
Debt Service Transfer In (Out)	-	-	6,976,059	6,976,059	-
Other Inter-Unit Transfers In/(Out)	-	-	72,016,474	72,016,474	73,249,873
<i>Other Transfers:</i>					
Transfer to Other State Agencies In/(Out)	-	-	-	-	-
Legislative Transfers In/(Out)	-	-	-	-	5,006,944
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>78,992,533</b>	<b>78,992,533</b>	<b>128,266,221</b>
<b>Estimated Impact on Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(18,260,000)</b>	<b>(18,260,000)</b>	<b>(18,563,238)</b>
<b>Planned Use of Fund Balance &amp; Debt Proceeds</b>					
Planned Use of Fund Balance ? Lofts	-	-	-	-	303,237
Debt Proceeds	-	-	18,260,000	18,260,000	18,260,000
<b>Planned Use of Fund Balance &amp; Debt Proceeds</b>	<b>-</b>	<b>-</b>	<b>18,260,000</b>	<b>18,260,000</b>	<b>18,563,237</b>



**FY 2019 – UNT System Administration**  
**Budgeted Revenue Breakout by Fund – Current Funds**



	Current Funds				Current Funds
	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	
Resident Undergrad Tuition	-	-	-	-	-
Non-resident Undergrad Tuition	-	-	-	-	-
Other Undergrad Tuition	-	-	-	-	-
Waivers Undergrad Tuition	-	-	-	-	-
<b>Gross Undergraduate Tuition</b>	-	-	-	-	-
Resident Graduate Tuition	-	-	-	-	-
Non-resident Graduate Tuition	-	-	-	-	-
Other Graduate Tuition	-	-	-	-	-
Waivers Graduate Tuition	-	-	-	-	-
<b>Gross Graduate Tuition</b>	-	-	-	-	-
Fees - Instructional	-	-	-	-	-
Fees - Mandatory	-	-	-	-	-
Fees - Incidental	-	-	-	-	-
Waivers - Fees	-	-	-	-	-
<b>Gross Fees</b>	-	-	-	-	-
Disc & Allow-Tuition and Fee	-	-	-	-	-
<b>Discount and Allowances</b>	-	-	-	-	-
Tuition and Waiver Conversion	-	-	-	-	-
<b>Net Tuition and Fees</b>	-	-	-	-	-
Athletics	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-
Discounts and Allowances - Auxiliaries	-	-	-	-	-
Other Sales of Goods and Services	-	-	2,200,000	-	2,200,000
<b>Sales of Goods and Services</b>	-	-	2,200,000	-	2,200,000
Federal Programs and Contracts	-	-	-	-	-
Federal Financial Aid	-	-	-	-	-
State Programs and Contracts	-	-	-	-	-
State Financial Aid	-	-	-	-	-
Other Grants and Contracts	-	-	-	-	-
<b>Grants and Contracts</b>	-	-	-	-	-
State Appropriations - General	7,969,916	-	-	-	7,969,916
State Appropriations - Additional	-	-	-	-	-
<b>State Appropriations</b>	7,969,916	-	-	-	7,969,916
Capital Appropriations - HEF	-	-	-	-	-
<b>Capital Appropriations</b>	-	-	-	-	-
Gross Professional Fees	-	-	-	-	-
Contractual Allowances and Discounts	-	-	-	-	-
<b>Net Professional Fees</b>	-	-	-	-	-
<b>Gift Income</b>	-	-	-	-	-
<b>Investment Income</b>	-	316,818	-	-	316,818
<b>Other Revenue</b>	-	-	-	-	-
<b>Revenues</b>	<b>7,969,916</b>	<b>316,818</b>	<b>2,200,000</b>	<b>-</b>	<b>10,486,734</b>



**FY 2019 – UNT System Administration**  
**Budget - Current Funds by Quarter**



**University of North Texas System**  
**FY19 - Quarterly Spread Worksheet**

Revenues	Q1 FYTD Estimate	Q2 FYTD Estimate	Q3 FYTD Estimate	Q4 FYTD Budget
Net Tuition and Fees				-
Sales of Goods and Services	550,000	1,100,000	1,650,000	2,200,000
Grants and Contracts				-
State Appropriations	6,611,166	7,064,083	7,517,000	7,969,916
Capital Appropriations				-
Net Professional Fees				-
Gift Income				-
Investment Income	79,205	158,410	237,615	316,818
Other Revenue				-
<b>Total Revenues</b>	<b>7,240,371</b>	<b>8,322,493</b>	<b>9,404,615</b>	<b>10,486,734</b>
<b>Expenditures</b>				
Salaries - Faculty				-
Salaries - Staff	8,748,661	17,497,323	26,245,984	34,994,645
Wages and Other Compensation	337,125	674,250	1,011,375	1,348,500
Benefits and Other Payroll-Related Costs	2,256,535	4,513,069	6,769,604	9,026,138
Cost of Goods Sold	-	-	-	-
Professional Fees and Services	837,600	1,675,200	2,512,800	3,350,400
Travel	122,205	244,409	366,614	488,818
Materials and Supplies	147,479	294,958	442,437	589,916
Communication and Utilities	189,333	378,667	568,000	757,333
Repairs and Maintenance	3,165,103	3,931,640	4,842,092	5,560,658
Rentals and Leases	243,357	486,714	730,071	973,428
Printing and Reproduction	21,484	42,968	64,452	85,936
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
Capital Expenditures	1,312,804	1,403,679	1,494,554	1,585,429
Federal and State Pass-Through Expense	-	-	-	-
Depreciation and Amortization	-	-	-	-
Scholarships	-	-	-	-
Other Expenditures	325,615	651,230	976,844	1,302,459
<b>Total Expenditures</b>	<b>17,707,300</b>	<b>31,794,106</b>	<b>46,024,826</b>	<b>60,063,660</b>
<b>Transfers</b>				
<i>Intra-campus Transfers Between Funds:</i>				
Inter-Fund Transfer In/(Out)				-
<i>Transfers Between UNTS Components:</i>				
System Services Allocations	12,502,351	25,004,702	37,507,053	50,009,404
Debt Service Transfer In (Out)	(1,901,318)	(1,901,318)	(6,976,058)	(6,976,059)
Other Inter-Unit Transfers In/(Out)	512,948	753,098	993,249	1,233,399
<i>Other Transfers:</i>				
Transfer to Other State Agencies In/(Out)				-
Legislative Transfers In/(Out)	1,122,601	2,417,382	3,712,163	5,006,944
<b>Total Transfers</b>	<b>12,236,582</b>	<b>26,273,864</b>	<b>35,236,407</b>	<b>49,273,688</b>

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