Budget Broadcast
with the
University Budget Office

October 2024

Agenda

- Budget Transformation Update

- Texas Education Code § 51.3525-SB17

- Capital Asset Threshold Increase

- Announcements & Reminders

Budget Transformation Update

- Since September, Committees meeting weekly
- Steering Committee
  - Familiarizing with current budget/ funding model
- Technical Committee
  - Learning other school's budget transformation efforts/ approaches
  - Interviews with other schools
- Construct a model that works with UNT's priorities; don't intend to 'copy and paste' another school's solution;

Common Budget Models

Budget Model	Pros	Cons
Incremental budgeting: based on previous year's funding; only new revenue allocated; budget cuts made as a percentage of historical budget or across-the-board	easy to implement, provides stability, allows units/institutions to plan multiple years into future (predictability)	difficult to determine where costs incurred and how contribute to revenue increase/ value creation
Zero-based budgeting: clears previous budget every year, each unit reapplies for funding; continual justification of funding annually	all money allocated with purpose	Time-intensive, lots of time/energy/comm, perceived threat to stability and autonomy, requires someone to decide on requests
Activity-based budgeting: awards financial resources to institutional activities that see greatest return	may allow administrators to streamline resources to meet broader strategic objectives	does not fully allow for the budgeting of general programs, eg campus security, disability services, veterans services, etc.
Responsibility center management: delegates operational authority to units allowing them to prioritize missions; each unit receives own revenue (competes for students) and is responsible for own expenses & portion of college/univ general ops	Autonomy in achieving academic priorities; may incentivize leadership to diversify revenue sources	may risk mission/ values by launching units into a zero-sum game, pitting them against each other
Centralized budgeting: create central pool of revenue (all funds); delegates decision-making powers to upper-level administration who distribute funds to subsidiary units; typically mix of centralized & decentralized budgeting	may help institutions that have difficulty controlling allocations and managing known costs; allows leadership to change course quickly	without appropriate level of transparency or communication, could seem to employ favoritism which weakens trust; could stifle innovation by removing competition
Performance-based budgeting: awards funds based on multiple defined outcomes/standards rather than revenue alone	may show how money translates to results, adds transparency across the institution, increased control at unit level	lots of time/energy to determine performance metrics; review of metrics annually, create plan for units that struggle to perform but still promote mission

https://www.hanoverresearch.com/insights-blog/higher-education/6-alternative-budget-models-for-colleges-and-universities/

Academic Affairs: activity-based, revenue-generating, direct, linear connection between activity and output

- Denominator basis?
- Mechanism for investing in low current activity/ high potential areas?
- Research metric within AA distribution method or stand alone?

Administrative Support: may be non-linear activity, cost center

- Resource assignment basis?
- Mechanism for increase/ decrease?
- Performance expectations?

Auxiliaries: revenue-generating, self-sustaining enterprises

- Contribute to Central or no?
- Performance expectations/ measurement: hurdle rate/ amount, return on investment, return on assets?

Potential Academic Affairs Allocation Metrics

- Semester Credit Hours (SCH)
- Weighted SCH (WSCH)
  - Based on discipline
  - Course level
  - Baseline (1.0) is UG lower level liberal arts course
  - https://www.highered.texas.gov/legislative-appropriations-overviews/expenditure-study/
- College of Instruction vs College of Enrollment/ Registration
- Research metric
- Graduation metric

Comparative Data Points

Academic Area	FY24 SCH					
	Instruction-based		**Enrollment-based**		**SCH-based (weighted)**	
Col of Applied&Collab Studies	7,545	1%	33,642	3%	11,338	0%
College of Lib Arts & Soc Sci	323,881	29%	224,286	20%	479,024	17%
College of Science	156,292	14%	92,909	8%	295,490	11%
College of Engineering	106,164	9%	173,697	15%	547,640	20%
Ryan College of Business	182,580	16%	234,034	21%	433,718	16%
College of Education	80,696	7%	84,211	7%	189,096	7%
College of Information	52,186	5%	53,627	5%	295,852	11%
College of Music	38,047	3%	35,970	3%	120,036	4%
Col of Health & Public Service	77,201	7%	80,331	7%	154,905	6%
Col of Vis Arts & Design	51,090	5%	65,174	6%	100,850	4%
Col of Merch, Hosp & Tour	35,558	3%	22,497	2%	55,173	2%
Honors College	931	0%	9,931	1%	1,068	0%
Toulouse Grad School	21,926	2%	21,179	2%	93,072	3%
Registrar	0	0%	2,609	0%	0	0%
Total	**1,134,097**	100%	**1,134,097**	100%	**2,777,263**	100%

Texas Education Code §51.3525 -Senate Bill 17

Overview

- Statute is complex

- University's risk tolerance for violations is very low

- Penalties disciplinary actions by the university against individuals and loss of state funding for UNT

SB 17 Prohibited Activities

- **Compelling, required, inducing, or soliciting** a person to provide a diversity, equity, and inclusion statement

- **Giving preference** based on race, sex, color, ethnicity, or national origin

- **Promoting differential treatment or providing special benefits** to individuals based on race, color, or ethnicity

- **Promoting policies or procedures** designed in reference to race, color, or ethnicity

- **Conducting activities*** designed in reference to race, color, ethnicity, gender identity, or sexual orientation

- **Required participation** in activities* designed in reference to race, color, ethnicity, gender identity, or sexual orientation

*Activities include, but are not limited to training, program, workshop, etc.

SB 17 Exceptions

(1) Academic course instruction

(2) Scholarly research or creative work by an institution of higher education's students, faculty, or other research personnel or the dissemination of that research or work

(3) An activity of a student organization registered with or recognized by an institution of higher education

(4) Guest speakers or performers on short-term engagements

(5) A policy, practice, procedure, program, or activity to enhance student academic achievement or postgraduate outcomes that is designed and implemented without regard to race, sex, color, or ethnicity

(6) Data collection

(7) Student recruitment or admissions

Building UNT's SB17 Compliance Foundation

SB17 Tools

- UNT System Office of General Counsel (OGC)
  SB17 Guidance & FAQs

- SB17 Decision Tool

- Seek Leadership Guidance and Approval

University Integrity & Compliance (UIC) SB17 Review Process

- UIC serves as the point of contact for the UNT campus

- Email: compliance@unt.edu

Intake → Review → Justification → Determination → Follow-up → Closure

SB17 Training Module on Bridge (*coming soon*)

SB17 Questions?

Compliance@unt.edu

Toni Sorsdal

Compliance Manager, University Integrity & Compliance

Hurley 320D

Toni.Sorsdal@unt.edu

940.369.7902

Capital Asset Threshold Increase

Capital Asset Threshold Increase

- As a reminder, the State of Texas increased the capital asset threshold from $5,000 to $10,000. This

  pertains to asset class code 4 (Furniture and Equipment) and class code 5 (Vehicles, Boats and

  Aircrafts)

- This is effective for all assets **<u>physically</u>** received beginning 9/1/2024.

  - This includes PO's written before 9/1 that will be manually adjusted during our interface process.

- We have updated our policy, handbook, training, and website to reflect these changes. Please let us

  know if you find any old links so that we can update them

- More details at this link: https://fmx.cpa.texas.gov/fmx/pubs/spaproc/appendices/appa/appa_3.php

Announcements & Reminders

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- **UNT Power BI Budget Reports Training**
  - **Now available on demand in Bridge!**
  - https://unt.bridgeapp.com/learner/courses/7f6027be/enroll
  - Link also available at budget.unt.edu/training
  - Take as often as you like for a refresher
  - Training covers budget basics, running reports in Power BI, calculating balances, budget checking, and some of the most popular reports in detail

Announcements & Reminders

- **Congratulations on Steven Collins retirement**

- **Will review FY24 results in Nov (may be unaudited, ie draft)**

Questions?