



First Fridays

with the

University Budget Office

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OF NORTH TEXAS[®]

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March, 2020

Agenda

- Icebreaker
- Annual Space Survey (impact to formula funding)
- Journal Worksheet Automation
- Office Supply Contract Update
- Announcements
- Higher Education Formula Funding

Icebreaker

Which 2 States Don't Observe
Daylight Savings?

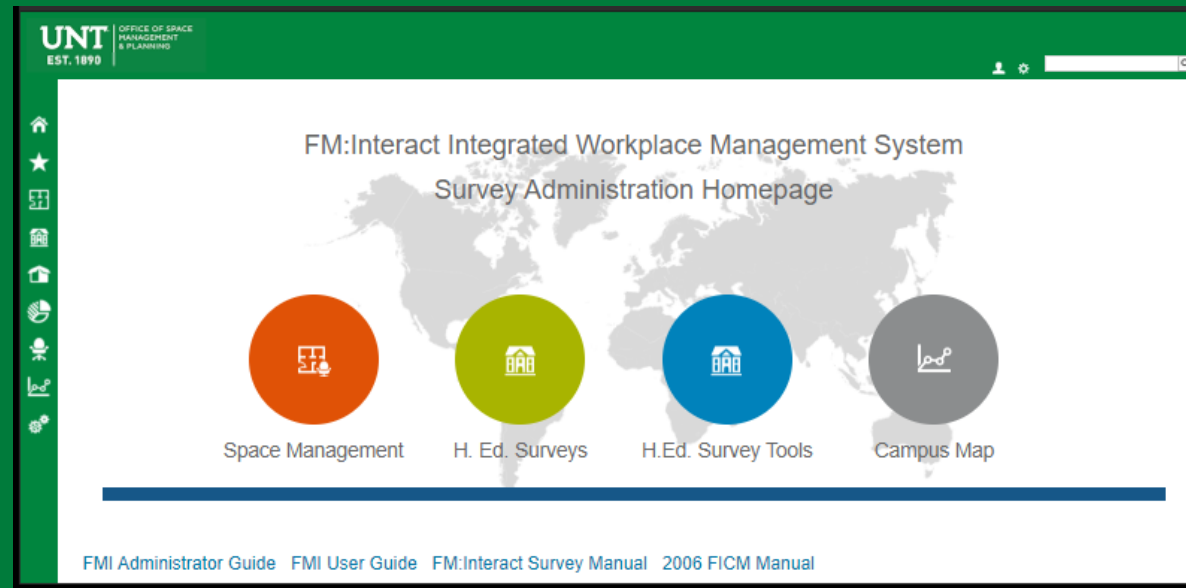
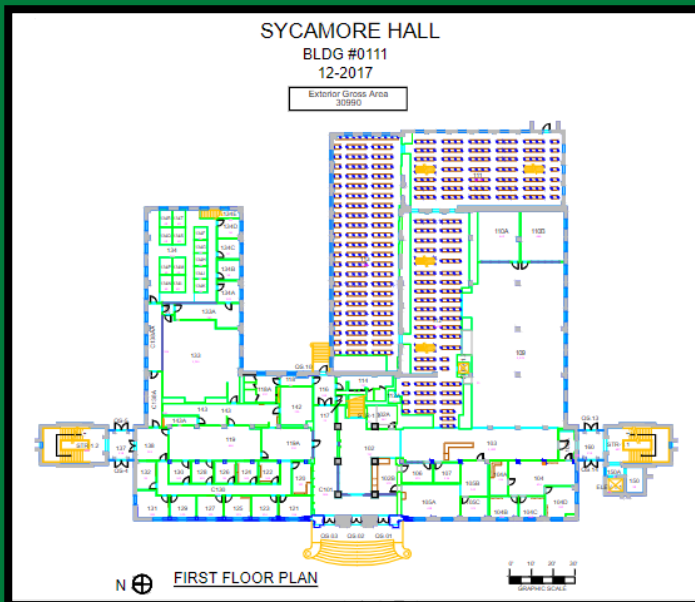
First Friday Meeting: Annual Space Survey's Impact on Funding

March 6, 2020

What is the space survey?

FM Interact web-based interface which track space on the Denton & Frisco campuses

- 175 buildings
- 23,814 rooms
- 7.8M square feet



Why must we do the survey?

- Required by State & Federal Government
- Impacts UNT's Legislative State appropriations
 - Space Use determines E&G (Education & General) funding
 - Instructional
 - Research
 - Library
 - Office
 - Support
- Determines amount of HEF received (Higher Education Funds)



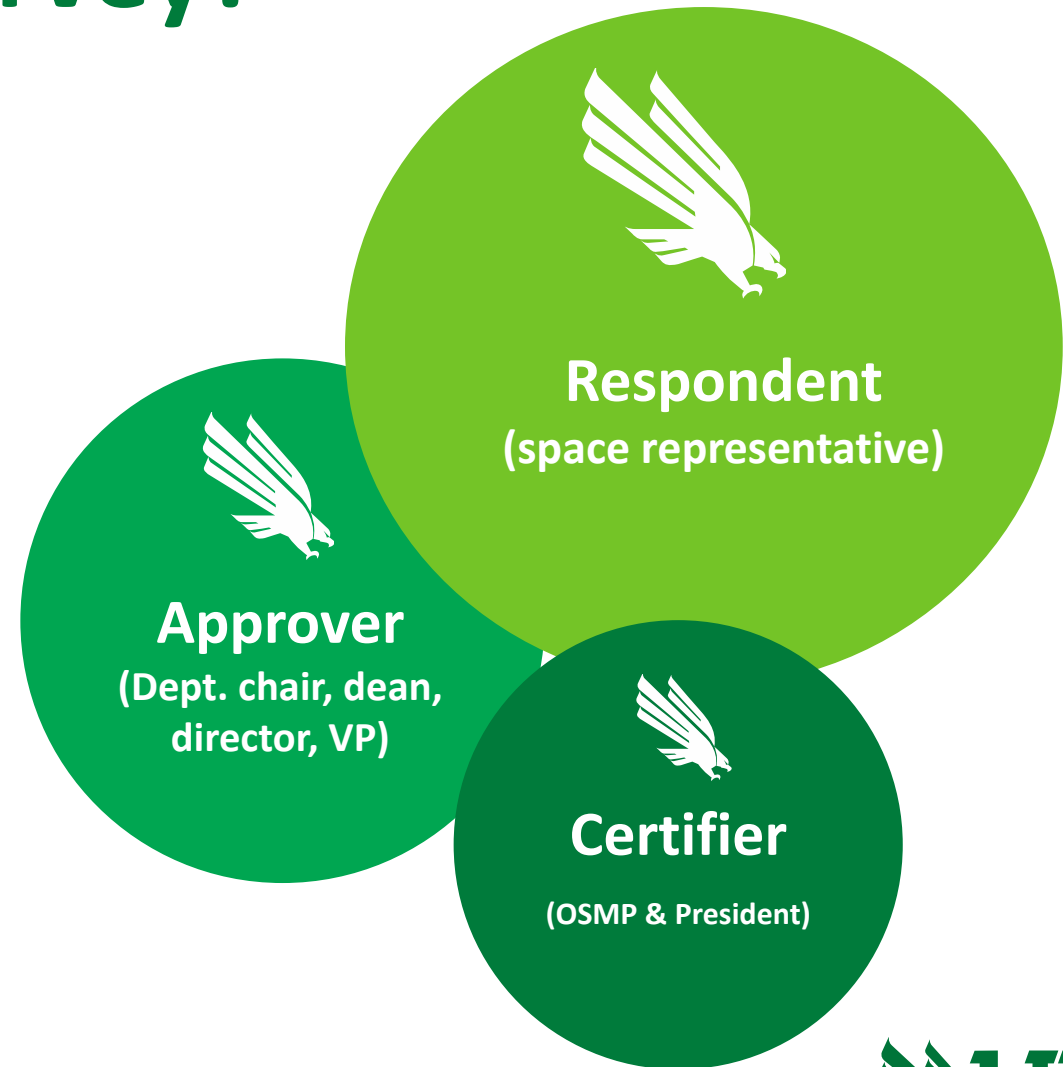
- Qualifies UNT for TRBs (Tuition Revenue Bonds) for new buildings
- F&A (Facilities and Administrative) Federal funding for research space

Who must do the survey?

Per UNT Policy, 11.002 – *Space Management and Assignment Policy*

ALL academic **AND** non-academic departments/units on campus, including auxiliary and athletics

- “All units on campus are responsible for accurately reporting assigned rooms according to State and federal codes, regulations, and laws on an annual basis and is administered by OSMP” – Policy, 11.002



When is the survey due?



- Survey opened Monday, March 2nd
- Survey is due Tuesday, March 31st
 - Delinquent surveys are reported to the VP of the division and the President
- Survey Data used for:
 - THECB Audit - April 15, 2020
 - 2020 Legislative Base Year
 - Renegotiating F&A proposal base year in FY21

Questions to Ask



Journal Worksheet Template Automation

UNT Controller's Office

Journal Worksheet Automation (JWS) Training

3/24/2020- 9am – 11am WIL-136

- This course is designed to train and assign the creation, import, edit, check journal entry status, errors and submit electronic journals to the Controller's Offices. Users will receive Journal Entry Access, Journal Import and Journal Generate roles.
- Create an Online Journal Entry (ONL)
- Create and Import a Journal template Worksheet (JWS) -
- View Journal Entry Status and Errors
- Update a Journal Entry – Header and Lines
- Compile appropriate support
- Submit journal for approval by Controller's office

UNT Controller's Office

Reminders

- IDT: Dept receiving the revenue or reimbursement is the dept that should be initiating the online IDT.
- New email address for Cash related items:
CO_CashAcctg@untsystem.edu
- Budget Open Lab – Controller's Office team members are available.



Office Supply Update

PDME/Office Supply Contract



Agenda

- Current Pricing Structure
- Current Impact
- New Pricing Structure
- Non-Core Web Pricing Example
- Future Impact



Current Pricing Structure

Core Items

- Top 250 items have aggressive pricing

Non Core Items In Business Solutions Division (BSD Catalog)

- Discount off List Price (range between 30-60%)

Non Core Items (outside BSD Catalog)

- Discount off List Price (smaller discounts than BSD Catalog)



Current Impact

Pricing on non-core is not competitive

- Discount From List is not market friendly due to inflated list prices from manufacturers
- Discount From List is outdated and causes items to be priced over current market

Time Efficiency

- Spending too much time procuring/comparing/reconciling (Soft Costs impacted)
- Increase time for PDME and Office Depot, less spend with Office Supply Partner

- Bottom line – Reduced overall spend and lower annual rebate for UNT



New Pricing Structure

Core Items

- Top 250 items that have aggressive pricing (often better than Amazon)
 - updated several times a year based on usage and value.

Non Core Items (In BSD Catalog)

- Web price with an additional 15% discount

Non Core Items (outside BSD Catalog)

- Web price



Non – Core (Web Pricing)

- Balance of catalog would move from DFL to Web Discount
 - Allows greater flexibility to respond to market conditions
 - Recognizes shift buying methods clients are embracing with other online sellers (Amazon)
 - Provide quarterly price locks to support the purchase cycle
- How does Discount from Web (DFW) differ from Discount from List (DFL) Programs?
 - List price is set by manufacturers and different manufacturer's/product categories using their own criteria.
 - In DFL scenarios some product categories have aggressive pricing, while others do not.
 - Web price is a current competitive selling price in the market place
 - DFW uses the current price market and provides the same discount in category of products regardless of manufacturer



Non-Core Web Pricing Example

SKU	OD Description	UOM	PK Qty	List Price	Discount from List Price	Web Price	Discount from Web Price
688052	TONER,305A,3PK,CYAN,YLW,MGNT	PK	2600	\$ 492.00	\$344.40	\$ 356.89	\$ 303.36
344352	BATTERY,ENERGIZER MAX AA,36PK	PK	36	\$ 45.35	\$36.28	\$ 32.99	\$ 28.04
830150	TONER,HP,410A,3PK,CMY	PK	3	\$ 454.37	\$318.06	\$ 327.89	\$ 278.71
450073	HAND SANTZR,INSTANT,8OZ,PUMP	EA	8	\$ 6.59	\$ 5.27	\$ 3.99	\$ 3.39
457727	TONER,HP,BLACK, LJ, 17A	EA	1	\$ 93.77	\$ 65.64	\$ 65.89	\$ 56.01
272498	PORTFOLIO,PAPER,2POCKET,RED	EA	1	\$ 1.32	\$ 1.06	\$ 0.89	\$ 0.76



Future Impact

Competitive Prices

- Most prices are competitive with other online vendors instead of wide variances.
- UNTS conducted thorough analysis using actual spend and new pricing methodology would have resulted in an additional 13% savings (\$32k) over a 6 month window.
- If pricing is available cheaper elsewhere, end user can proceed with order from other vendor – but we'll partner with PDME so they can review pricing and become more competitive the next opportunity.

Time Efficiency

- End users shop with more confidence which will reduce soft costs (time) in shopping for office supplies – website will show if an item belongs to the core or web discount category.

Overall Rebate

- Increased participation increases the yearly rebate that comes back to UNT World.



Comparison

Items	Previous	New
Core	Top 250	Top 250 (but with regular evaluations)
Non Core Catalog	30-60% off list	15% off web discount
Non Core Non Catalog	10-30% off list	web discount
Processes	Previous	New
	Get PDME Pricing	Get PDME Pricing
	Get online pricing	Get online pricing (if needed)
	email buyer	place order
	email PDME 1-3x	
	place order at original price	
	email PDME with order 1-2x	
	get credit back later	



Next Steps

Rollout

- System wide email announcement
- Presentations to various groups

Contract Management

- Quarterly reviews to adjust core list based on usage trends based on actual spend with PDME and p-card spend with other office supply vendors.
- Identify items in system by what category they belong in, easier for end user to navigate.



Questions?



Spoiler Alerts – Coming Soon

Copiers

Announcements

Announcements & Reminders

KK to GL Adjustments

- Beginning January, and continuing through the end of spring, the UBO is entering adjustments to match KK to the GL.
 - Adjustment journals will contain “Match Budget to GL” in the line description.
- Why? Past business processes allowed these two ledgers to get out of sync. GL is the final authority.
- Only Non-Budgetary chartstrings are being adjusted in this round.
 - NB chartstrings are Departmental chartstrings with a Fund Cat of 202 or greater (not projects).
- Chartstring balances may increase/decrease as a result.

Announcements & Reminders

Electronic Performance Evaluations

- UNTS HR is implementing electronic performance evaluations in time for UNT's annual performance evaluation period opening on 04/01/20.
- Electronic evaluations will be carried in the Performance Management module of the PeopleAdmin System.
- To prepare for the transition, HR has provided a one-time, mass-upload option of the position overview and job duties for each position.
 - The deadline to submit the completed spreadsheet to HRComp@untsystem.edu is **today, Friday, March 6, 2020**.
 - After the mass upload, edits can only be made through the PeopleAdmin Position Descriptions module.
- Questions?
 - For questions regarding completion and submission of the spreadsheet, contact HRComp@untsystem.edu or 940-369-6341.
 - For assistance with developing or editing a position overview or job duties, please contact your Campus HR representative.

Announcements & Reminders

Institutional Research Reports

- Institutional Research Reports have transitioned to Insights.
- **Cognos IRR reports will sunset on 03/15/20.**
- Email insights@unt.edu to RSVP for one of the following training sessions.
 - Tuesday, March 17th, 9:30 AM – 11:30 AM, SSB.105
 - Friday, April 3rd, 2:30 PM – 4:30 PM, SSB.105
- This only applies to Cognos IRR reports. This does not apply to Cognos Financial reports.

Announcements & Reminders

Financial Reports

- Financial Reports are migrating from Cognos 10 to Cognos 11 this month.
- A 3-day notice will be provided to users.
- The only visible difference will be the appearance of the toolbar across the top of the report. The appearance and content of the data will not change.
- Reference the [February First Fridays Slides](#) for examples.

Announcements & Reminders

Central Receiving/Printing – Planned Power Outage

- Planned Electrical Outage at the USB from 6pm, Thursday, March 5th to 6pm, Monday, March 9th.
- Central Receiving & the Printing and Distribution Center will be shut down for the duration of the power outage.
- Services are expected to resume beginning Tuesday.



DONT FORGET TO
SPRING FORWARD
THIS SUNDAY

Higher Education Formula Funding

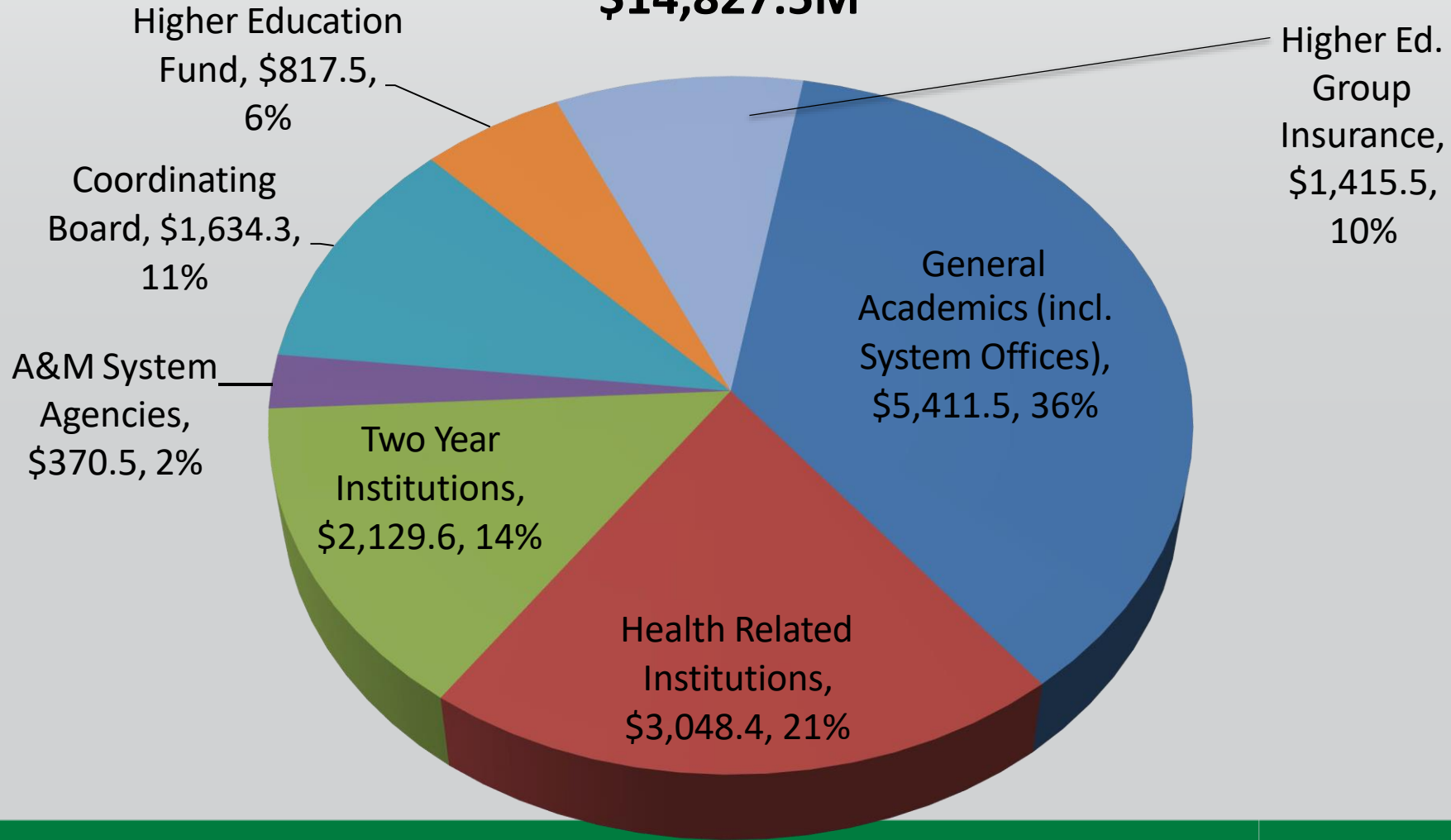
[Texas A&M Presentation Slides](#)

Higher Education Funding

Higher Education Formula Funding

General Revenue, 2020-21

\$14,827.5M



Higher Education Formula Funding Formula Basics

Formulas reflect how state funds are allocated, not how they must be budgeted or spent.

- Formulas are an allocation methodology used by the Legislature for state appropriations. The Legislature sets the rates based on available funding, including consideration of enrollment changes and other factors
- Each institution, subject to Board of Regents and system approval, makes decisions to budget appropriated funding to its departments and programs according to its own needs without regard to how the funding was generated in the appropriations process.

Higher Education Formula Funding

Formula Basics

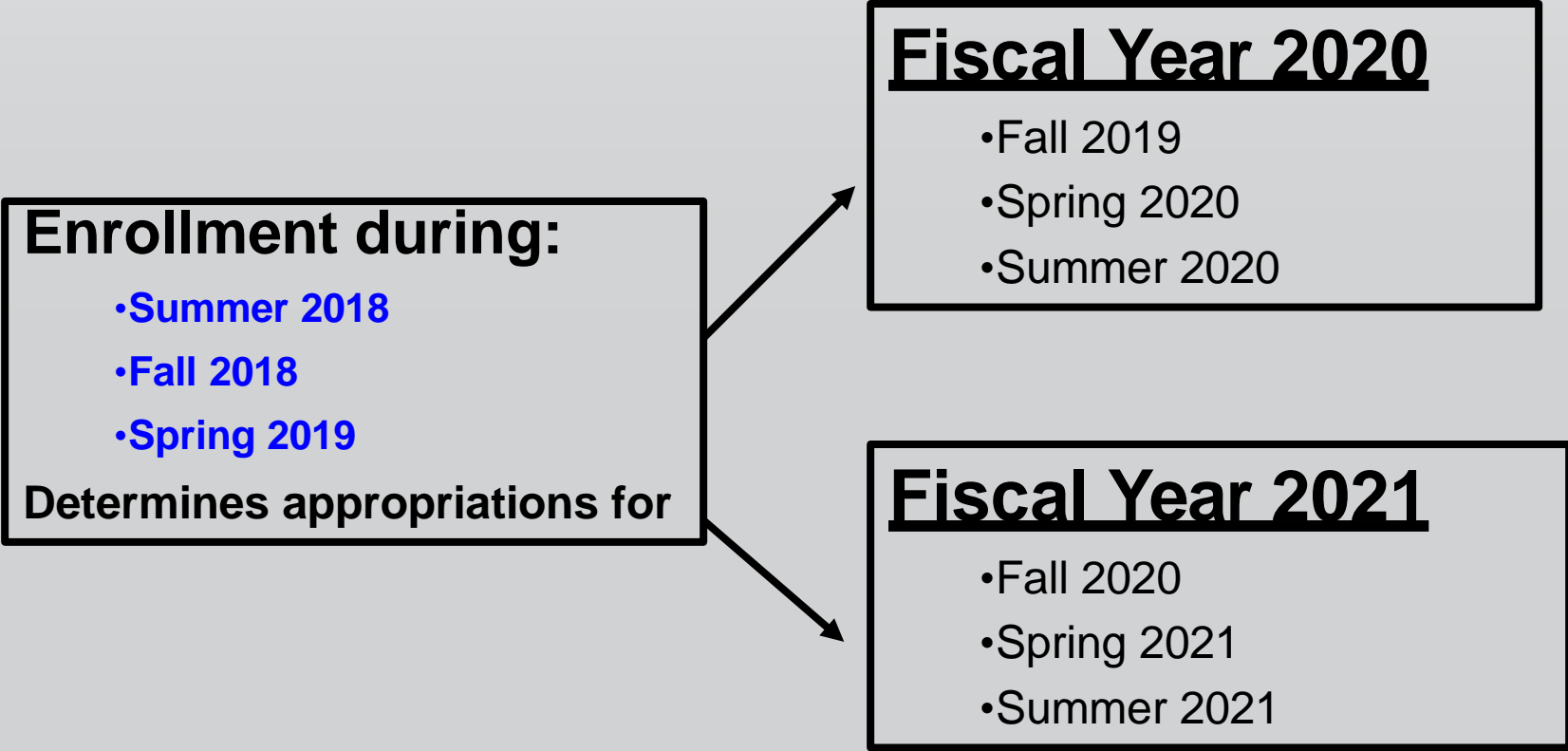
- Formulas use Base Year data
- I & O Formulas are based on weighted semester credit hours (WSCH) for General Academic Institutions and Headcount or FTSE for Health Related Institutions.
- Infrastructure is based on CB's "predicted" needs, not actual space, to encourage efficiency
- Formula Method of Finance uses the "All Funds" methodology where the amount of formula GR is offset by the amount of Other Educational and General Income (E&G) available to each institution

Higher Education Formula Funding

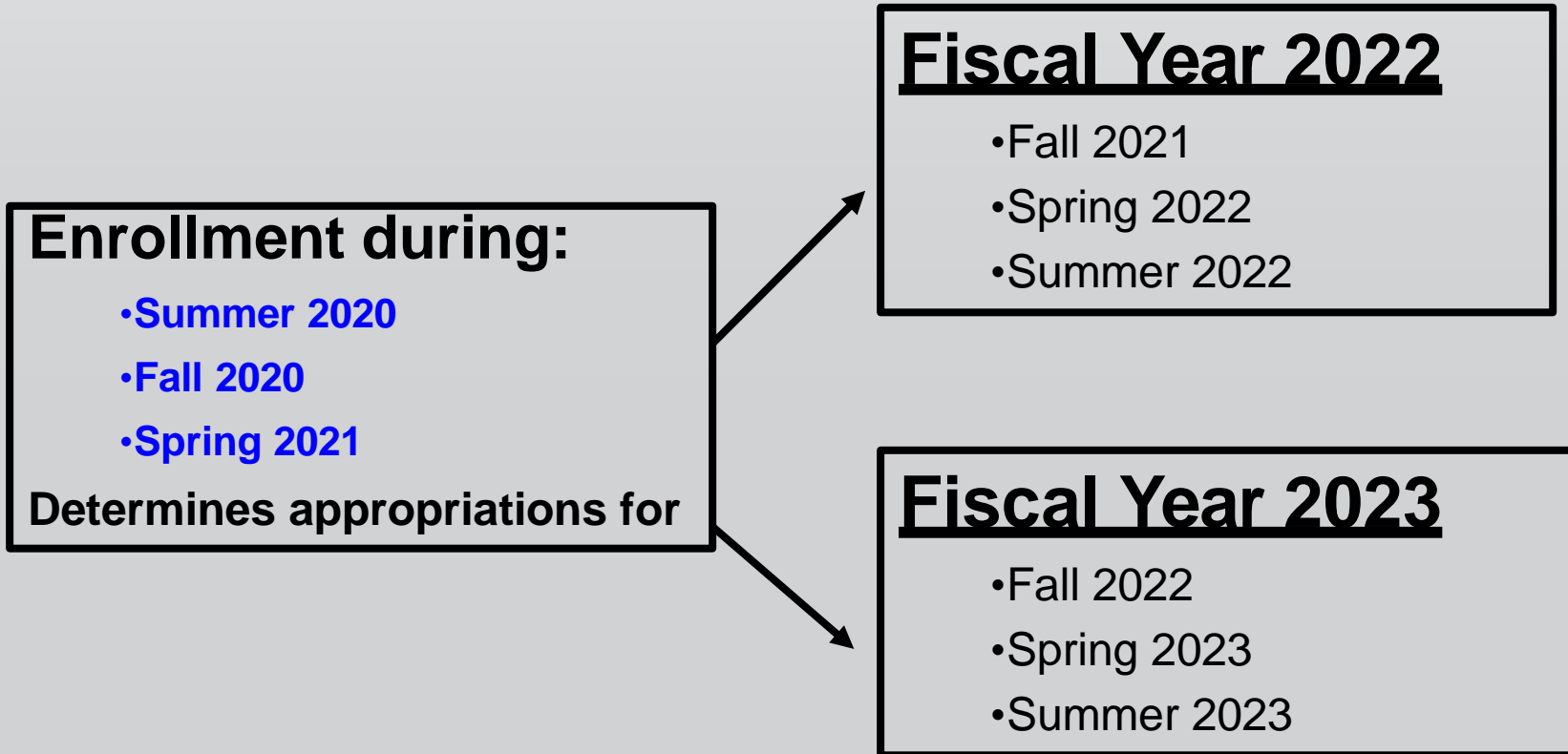
Formula Basics

- The formulas and the tuition income estimates are the mechanics of how GR formula appropriations are determined.
 - LBB takes all the inputs (SCH, **space model data**, actual expenditures) and uses same methodology for all institutions to determine appropriations.
- Biggest impact on funding is each institution's SCH production.

Higher Education Formula Funding
Formula Basics
Base Period for 2020/21 Biennium



Higher Education Formula Funding
Formula Basics
Base Period for 2022/23 Biennium



Higher Education Formula Funding

Types of Formulas

General Academic (GAI)

Base Formulas

- Instruction & Operations (I&O)
- Infrastructure

Supplemental Formulas

- Teaching Experience
- Small Institution Supplement

Higher Education Formula Funding

General Academic Institutions

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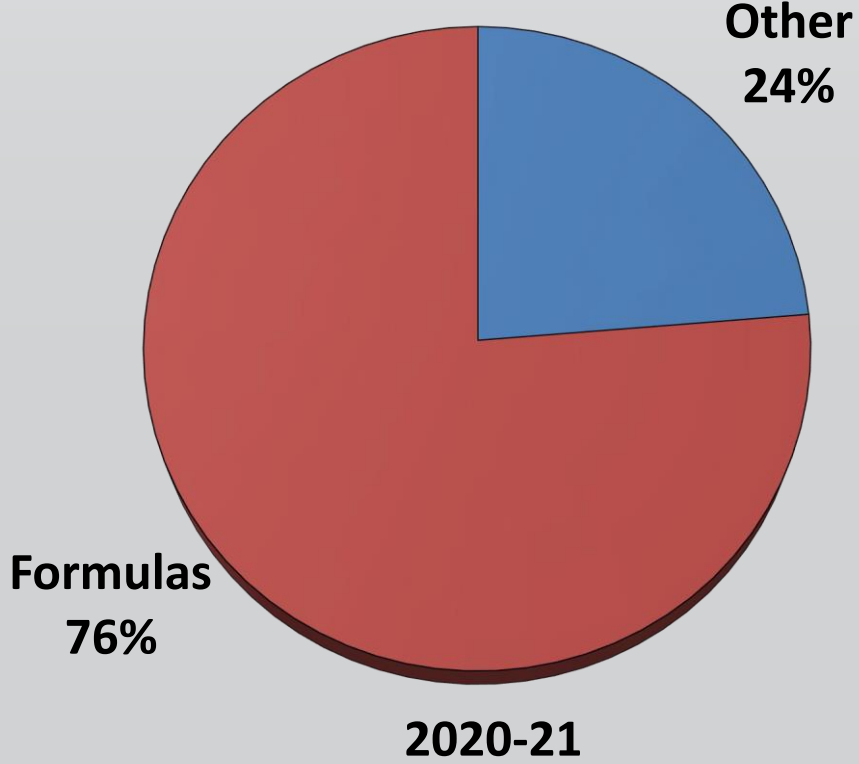
Higher Education Formula Funding

Formula Basics

State Funding

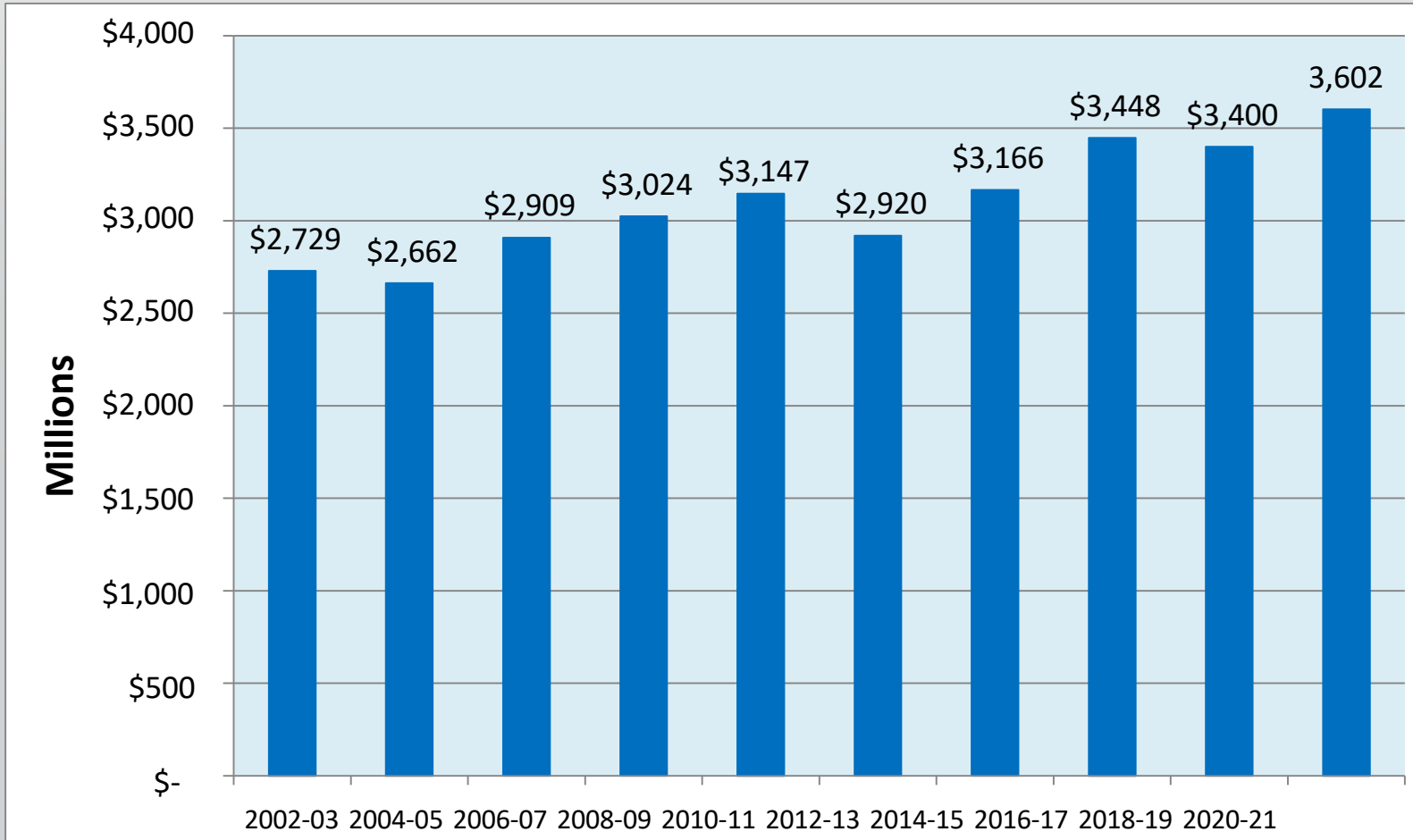
General Academics: \$4.72 b GR (less TRB debt service)*

- Formula GR as percent of Net GR (less TRB debt service) is 76 percent. No significant change since at least 2008-09 biennium.
- However, significant variation among institutions:
 - UT Arlington - 90%
 - TAMU Texarkana - 40%



*GR direct appropriations. Net of TRB debt service. Also does not include HEF, health insurance, or retirement.

Higher Education Formula Funding General Academics Formula GR in millions



Higher Education Formula Funding

Formula Basics

Two Formulas:

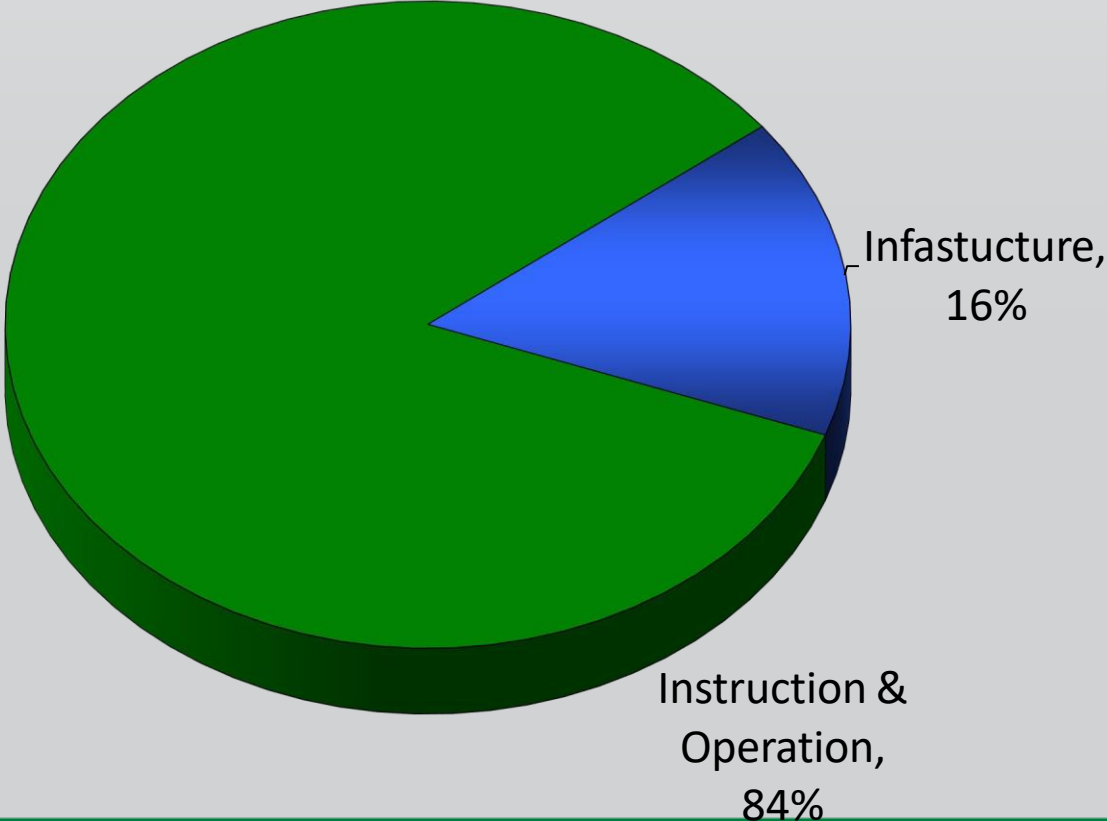
1. **Instruction and Operations:** Provides funding for faculty salaries, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support.
2. **Infrastructure:** Facility maintenance and operations, utilities.

Two Supplements:

1. **Teaching Experience:** 10% premium for all undergrad SCHs taught by tenured or tenured track faculty.
2. **Small Institution:** for universities with fewer than 10,000 headcount.

Higher Education Formula Funding Formula Basics

Distribution of General Academic Total Formula Funding
2020-21 Biennium

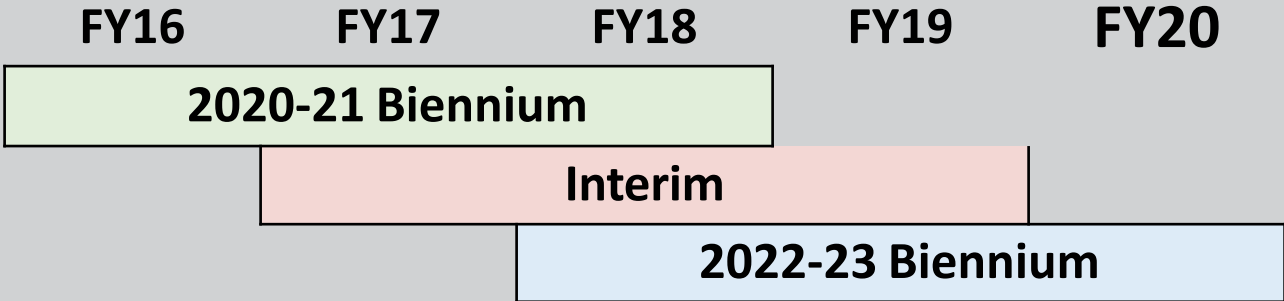


Higher Education Formula Funding Instruction and Operations Funding Matrix

- **Based on all academic and student-related expenditures, including:**
 - Faculty Salaries, Department Operating Expenses, Library, Instructional Administration (e.g. Dean's offices), Research Enhancement, Student Services, and Institutional Support.
- **Each SCH is weighted based on:**
 - program area (liberal arts, science, nursing, etc) and
 - level (lower division, upper division, masters, etc.)

Higher Education Formula Funding Expenditure Study

- **Value of the weight for each program area and each level is based on an annual expenditure study and reflects the relative expenditures.**
 - Based on data in each institution’s Annual Financial Report.
 - The relative weights contained in the matrix reflect an objective analysis of universities’ actual expenditures.
 - Uses 3-year average for all academics.



Higher Education Formula Funding 2020-21 Funding Matrix

	Lower Division	Upper Division	Masters	Doctorate	Special Professional
Liberal Arts	1.00	1.75	4.30	12.38	
Science	1.51	2.76	7.33	21.87	
Fine Arts	1.45	2.61	6.69	8.47	
Teacher Ed	1.46	1.98	2.41	8.12	
Agriculture	1.87	2.38	7.43	13.58	
Engineering	1.96	2.99	6.00	18.47	
Home Economics	1.11	1.80	3.06	10.50	
Law					4.99
Social Services	1.55	1.85	2.31	23.84	
Library Science	2.19	1.75	3.02	15.16	
Voc. Training	1.22	2.93			
Physical Training	1.38	1.33			
Health Services	0.97	1.56	2.62	11.28	2.80
Pharmacy	7.37	4.13	34.67	39.21	4.47
Business Admin.	1.13	1.79	3.27	28.23	
Optometry					7.08
Teach Ed. Practice	2.00	2.19			
Technology	1.91	2.29	3.82	11.55	
Nursing	1.37	2.04	2.74	10.29	
Developmental Ed	1.00				
Veterinary Medicine					24.58

Higher Education Formula Funding
Instruction and Operations Formula

Semester Credit Hours

SCH in base period (Summer, Fall, Spring)

X

Weight

Matrix of weights based on discipline and level of instruction

X

Rate

Funding rate set by the Legislature in the General Appropriations Act
\$55.85 for 2020-21

Higher Education Formula Funding
Teaching Experience Supplement

- Lower and upper division SCH taught by tenure and tenure track faculty are given an additional 10 percent weight.
- Intended to provide an incentive for the institution to assign tenure/tenure track faculty to teach undergraduate students.

Higher Education Formula Funding Infrastructure Support Formula

- Infrastructure formula has 3 components:
 - Operations and Maintenance (O&M)
 - Utilities
 - Small School Supplement (N/A for UNT)

- Infrastructure formula is driven by the predicted space (**Net Assignable Square Feet or **NASF**) derived from the Coordinating Board's Space Projection Model.**

Higher Education Formula Funding

Research Formulas

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Higher Education Formula Funding **Research Funding**

General Academic Research Formulas

–**Texas Research University Fund (UT/A&M)**

–**CORE** (Emerging Research institutions)

–UT Arlington

–UT Dallas

–UT El Paso

–UT San Antonio

–University of Houston

–University of North Texas

–Texas Tech University

–Texas State University

–**Comprehensive University Research Fund** (all others)

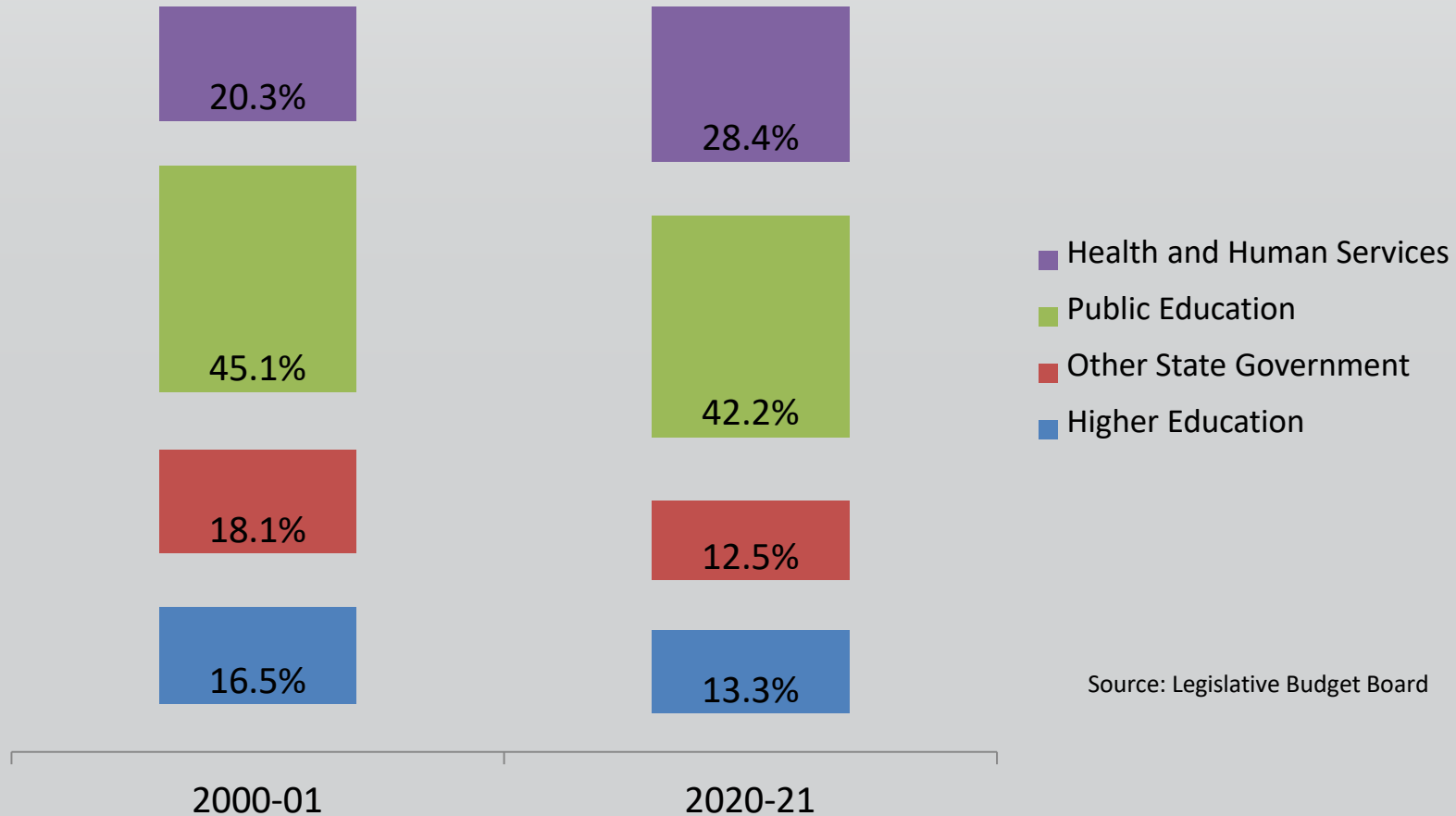
Higher Education Formula Funding Research Funding

- These funds are performance based and driven by research expenditures.
 - Texas Research University Fund:
 - –3yr average of **total** research expenditures
 - CORE:
 - –50% based on 3yr average of **total** research expenditures and
 - –50% based on 3yr average of **restricted** research expenditures
 - Comprehensive University Research Fund:
 - –3yr average of **restricted** research expenditures
- Legislature added funding rates in GAA for the 2020-21 biennium.

Higher Education Formula Funding

Appropriations Policy

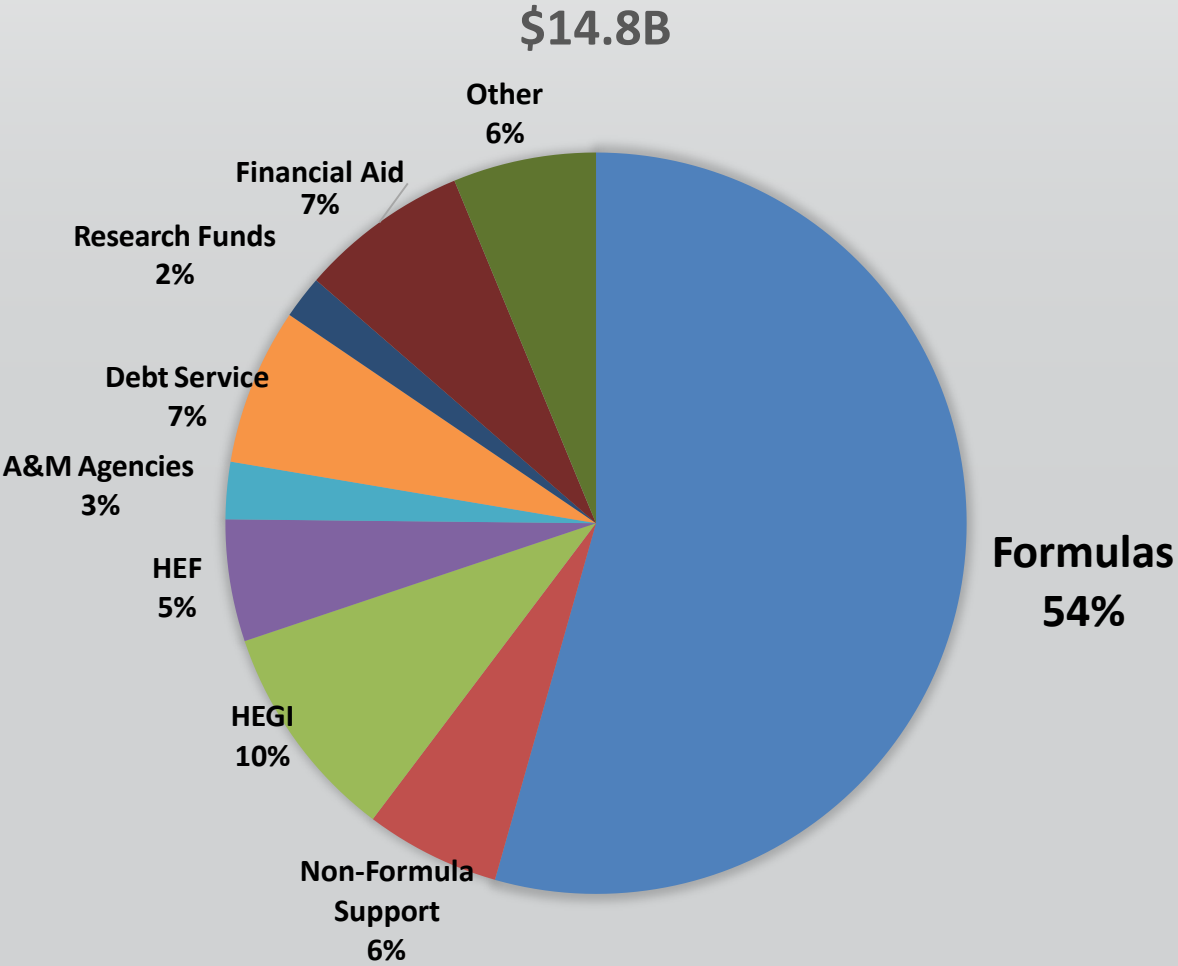
Higher Education Formula Funding Distribution of General Revenue Funds by State Government Function



Source: Legislative Budget Board

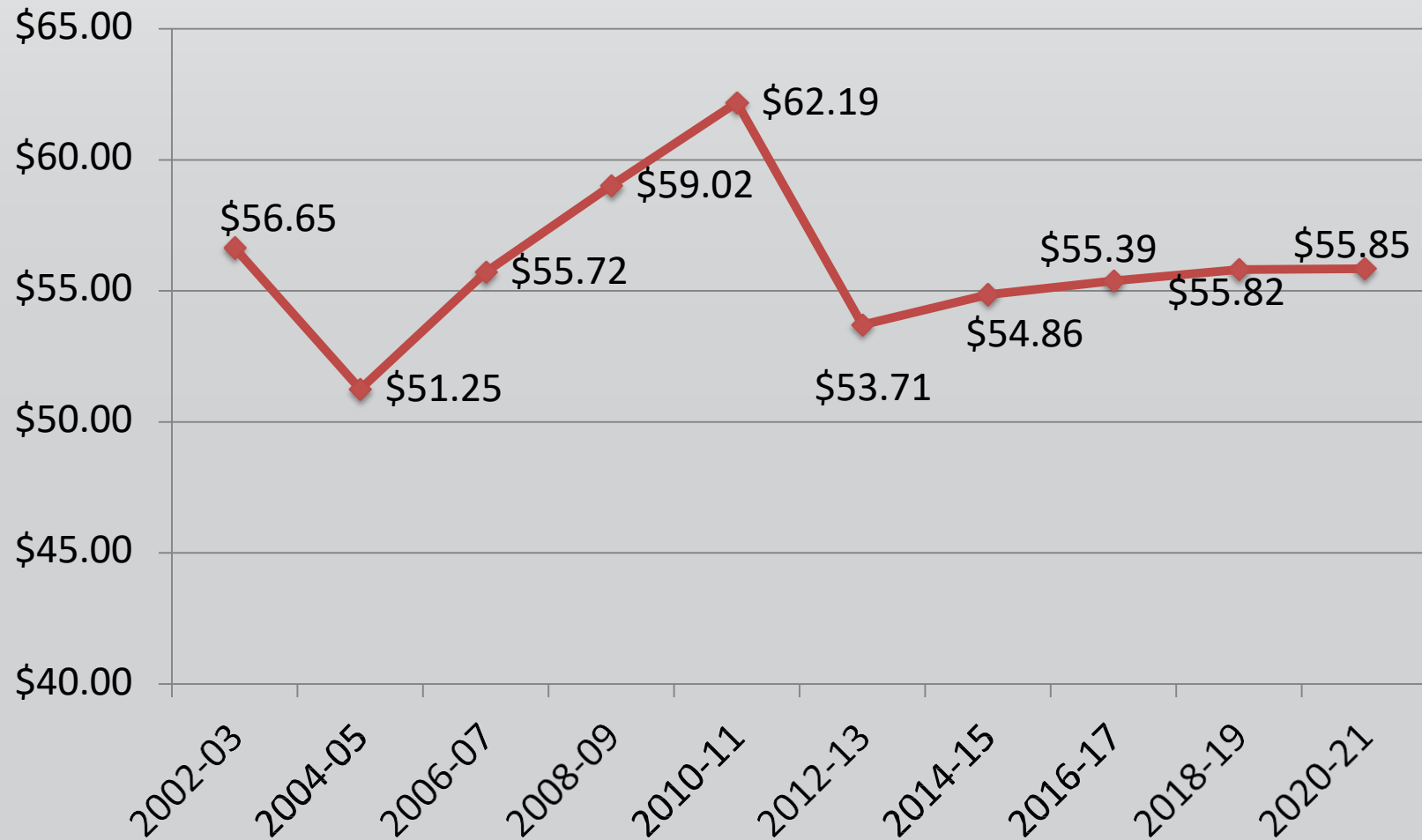
Higher Education Formula Funding

Estimated Distribution of All Higher Ed GR Funding, 2020-21 Biennium



Higher Education Formula Funding General Academics Instruction and Operations Rates

per WSCH



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Higher Education Formula Funding

General Academics Infrastructure Formula Rates

per NASF



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