Prairie View A&M University

Board of Regents’ Review
March 22, 2006
1. System Member Update
Student Demographics (Fall 2005)

- Black: 89.67%
- Hispanic: 2.83%
- Asian American: 0.99%
- Native American: 0.10%
- International: 1.64%
- Not Reported: 0.28%
- White: 4.50%

7,912 Students
- 439 student from Fall 2004

Due to Increased Admission Standards
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
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
III. Impact on Budget and Funding
FY07 Estimated Budgeted Revenue & Transfers
$152,891 (in Thousands of Dollars)
FY07 Estimated Budgeted Expenditures & Transfers $152,233 (in Thousands of Dollars)

- Personnel, $84,083, 55%
- Scholarships & Grants, $10,324, 7%
- Utilities, $4,556, 3%
- Other Transfers, $1,640, 1%
- Debt Service, $12,596, 8%
- Operations & Maintenance, $39,034, 26%
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: $125,000

Total: $2,500,000
The Texas A&M University System
FY 2007 Programmatic Budget Reviews

- Information and Technology
  - SunGard Collegis Contract $126,012
  - Equipment Enhancement $223,998
  - Web Costs $50,000

  400,000

- Library Operations
  - Fund use of carry forward balance $500,000
  - Salaries $200,000
  - Library Operations $100,000

  800,000

Estimated Expenditure Increase $3,462,432
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 658K
Net Loss in Funding $10.305M
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 $19.517M
Total $92.165M
Funds to be Cut $10.305M
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
### Agriculture Match – State Special Item is used to match Federal Funds

<table>
<thead>
<tr>
<th></th>
<th>Required Match&lt;sup&gt;1&lt;/sup&gt;</th>
<th>50% Minimum for Waiver</th>
<th>Special Item &amp; Fringe Benefits</th>
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<td><strong>2004</strong></td>
<td>$4,262,107</td>
<td>$3,044,363</td>
<td>$3,666,900</td>
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<td><strong>2005</strong></td>
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<td>3,462,908</td>
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<td><strong>2006</strong></td>
<td>5,813,558&lt;sup&gt;3&lt;/sup&gt;</td>
<td>3,229,755</td>
<td>3,247,877&lt;sup&gt;4&lt;/sup&gt;</td>
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<td><strong>2007</strong></td>
<td>6,588,700&lt;sup&gt;2&lt;/sup&gt;</td>
<td>3,294,350&lt;sup&gt;2&lt;/sup&gt;</td>
<td>3,247,877&lt;sup&gt;4&lt;/sup&gt;</td>
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1 Federal required match for 2004, 70%; 2005, 80%; 2006, 90%; 2007, 100%.
2 Estimated based on FY06 funding using 2% escalation rate for each year.
3 Information received from USDA on 02/21/2006 providing actual funding level for FY06 Cooperative Extension Program.
4 Estimated
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