



TEXAS A&M
HEALTH SCIENCE CENTER

Executive Budget Summary

Fiscal Year Ending August 31, 2010



TEXAS A&M HEALTH SCIENCE CENTER



BUDGET NARRATIVE

Introduction

The Texas A&M Health Science Center is continuing to expand programs and facilities. In FY 2010, the Health Science Center will reach several key milestones including the enrollment of the fourth year of pharmacy students at the Irma Lerma Rangel College of Pharmacy in Kingsville, enrolling the second class of nursing students, increasing enrollment to 150 first year medical students as part of the continuing College of Medicine expansion, opening two new facilities on the new Bryan campus (a research building and multidisciplinary education building) and opening a multidisciplinary educational and clinical facility in Round Rock.

Revenues

Total Revenues are budgeted to increase by \$31.7 million, or 19%, compared to FY 2009 projected actual revenue. This increase is primarily attributable to an increase in State Appropriations.

State Appropriations reflect a significant increase of \$26 million, or 27%, over FY 2009. The increase is due to growth in base period enrollments used in the formula funding calculations for the College of Medicine (27.1%), College of Pharmacy (209%), School of Rural Public Health (30.2%), and the Baylor College of Dentistry (7.0%), and inclusion of the first year College of Nursing students (53 full-time student equivalents). Other increases include \$2.6 million in Contracts and Grants (federal pass thru stimulus funding of \$4.5 million that offsets a decrease in sponsored programs), and \$2.6 million increase in Investment Income (when compared to FY 2009 projected amount), increased lease revenue from the Alkek Building in Houston, and a new lease for clinical space in the new building on the Round Rock campus.

Expenditures

Total Expenditures are budgeted to increase by \$8.8 million over FY 2009 projected actual expenditures. The increase is attributable to expansion in programs and facilities.

Personnel costs are increasing by \$7.6 million, or 6.6%, over FY 2009. The increase is a result of additional faculty and staff hiring to support the continued expansion (approximately \$4.3 million) and the planned merit increases totaling \$3.3 million.



TEXAS A&M HEALTH SCIENCE CENTER



Utilities are projected to increase by \$2.8 million, or 42%, due to the opening of the new medical research building and the health professions education buildings in Bryan, and the educational and clinical building in Round Rock.

Transfers

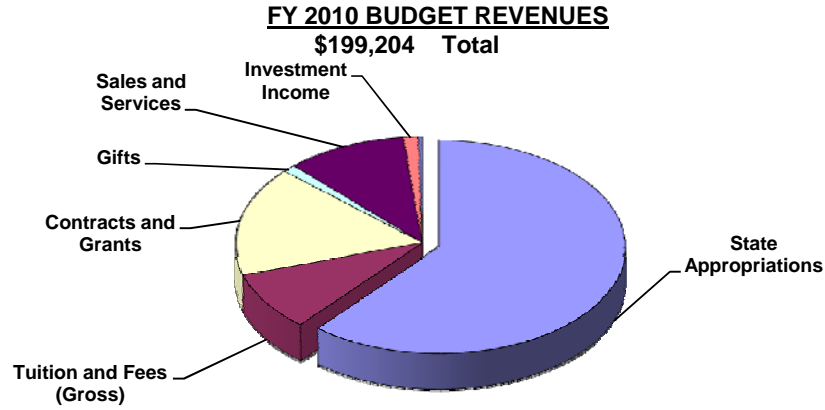
The RFS Debt Service transfer is increasing by \$3.1 million due to the acquisition of the newly constructed educational and clinical building and the remaining 35 acres in Round Rock (50 acres total including the 15 acre gift).

The RFS Debt Service transfer includes:

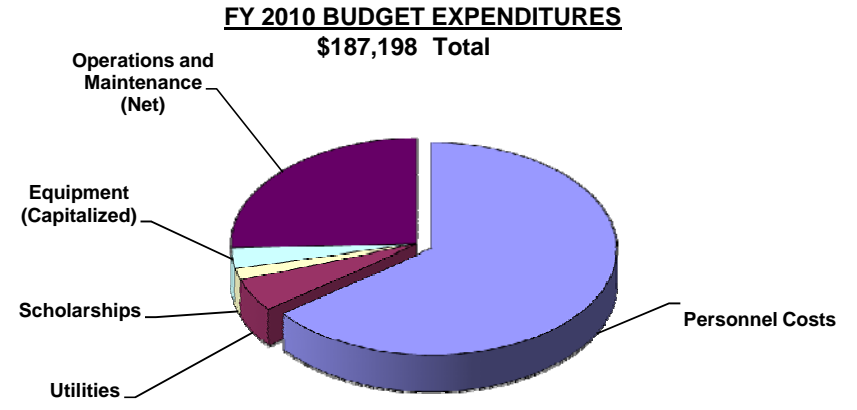
- \$1.5 million in tuition revenue bonds (TRBs) for the School of Rural Public Health building complex,
- \$3.9 million in TRBs for the Bryan research and education buildings,
- \$3.1 million for the Round Rock acquisition (subject to Board of Regent approval) paid from appropriated funds,
- \$391,162 for the Baylor College of Dentistry parking garage (paid from parking revenue and designated tuition), and
- \$320,086 for various other projects (paid from designated tuition and indirect costs).



THE TEXAS A&M UNIVERSITY SYSTEM
Texas A&M Health Science Center
FY 2010 Budget Graphs
(In Thousands)

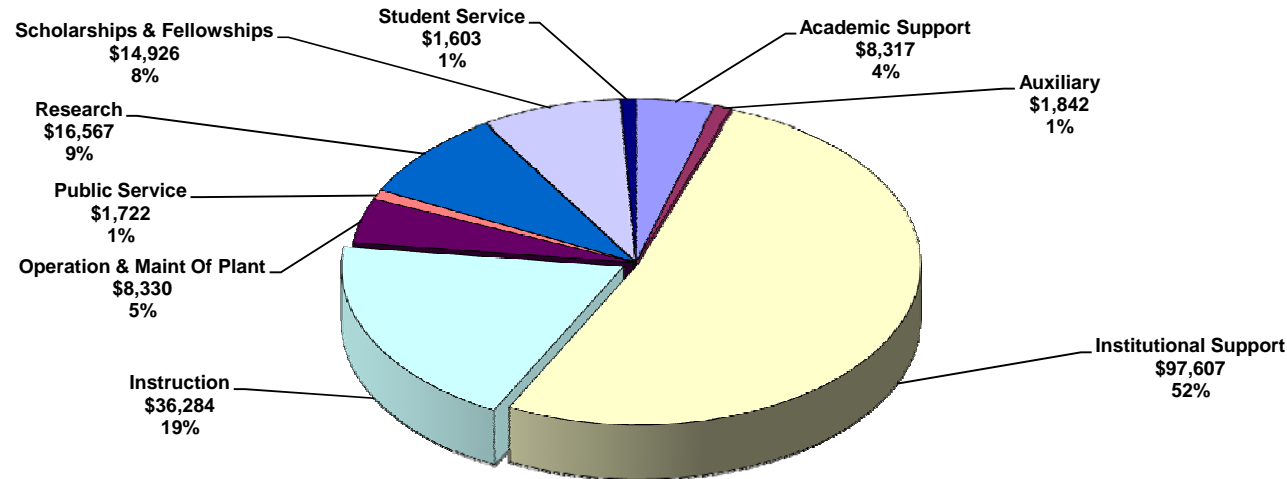


See Executive Budget Summary for amounts and percentages



See Executive Budget Summary for amounts and percentages

FY 2010 BUDGET EXPENDITURES BY NACUBO FUNCTION



NACUBO - National Association of College and University Business Officers.

(See Glossary for function definitions)



THE TEXAS A&M UNIVERSITY SYSTEM
Texas A&M Health Science Center
FY 2010 Executive Budget Summary
(dollars in thousands)



	FY 2007	FY 2008*	FY 2009*			FY 2010*		FY10 Budget to FY09 Projected	
	Actuals	Actuals	Budget	Projected Actuals	% of Budget	Budget	% of Total FY10 Budget	Dollar Variance	Percentage Variance
BEGINNING CURRENT FUND BALANCE	51,193	49,444	61,865	65,955		52,952		(13,003)	-20%
REVENUES									
State Appropriations	69,792	110,634	96,845	96,845	100%	122,848	62%	26,003	27%
Tuition and Fees (Gross)	10,853	13,335	14,278	17,380	122%	18,051	9%	671	4%
Contracts and Grants	28,887	26,543	24,231	30,633	126%	33,231	17%	2,598	8%
Gifts	4,086	4,164	2,879	4,000	139%	2,300	1%	(1,700)	-43%
Sales and Services	23,047	22,682	21,547	19,251	89%	21,000	11%	1,749	9%
Investment Income	9,542	2,898	6,012	47	1%	2,649	1%	2,602	>500%
Other Income	245	728	310	726	234%	600	0%	(126)	-17%
Discounts	(920)	(1,116)	(933)	(1,402)	150%	(1,475)	-1%	(73)	5%
TOTAL REVENUES	145,532	179,868	165,170	167,481	101%	199,204	100%	31,723	19%
EXPENDITURES									
Salaries - Faculty	34,180	34,626	38,750	37,352	96%	41,342	22%	3,990	11%
Salaries - Non-Faculty	42,565	47,402	48,119	54,736	114%	56,854	30%	2,119	4%
Wages	2,836	4,475	4,121	2,833	69%	3,000	2%	167	6%
Benefits	15,828	17,679	18,826	19,424	103%	20,713	11%	1,288	7%
Personnel Costs	95,408	104,182	109,816	114,346	104%	121,909	65%	7,563	7%
Utilities	6,248	6,159	6,451	6,736	104%	9,578	5%	2,842	42%
Scholarships	2,064	2,406	2,349	3,126	133%	3,242	2%	116	4%
Discounts	(767)	(1,004)	(783)	(1,308)	167%	(1,370)	-1%	(62)	5%
Equipment (Capitalized)	6,153	6,856	7,503	6,090	81%	5,527	3%	(563)	-9%
Operations and Maintenance (Net)	36,646	42,364	48,454	49,453	102%	48,311	26%	(1,142)	-2%
Debt Service	2	1	0	0	n/a	0	0%	0	n/a
TOTAL EXPENDITURES	145,755	160,963	173,790	178,444	103%	187,198	100%	8,754	5%
TRANSFERS									
RFS Debt Service (To System Office)	(2,195)	(5,826)	(6,180)	(6,180)	100%	(9,306)		(3,126)	51%
Other	668	3,432	4,140	4,140	100%	5,400		1,260	30%
NET TRANSFERS	(1,527)	(2,394)	(2,040)	(2,040)	100%	(3,906)		(1,866)	91%
NET INCREASE (DECREASE)	(1,749)	16,511	(10,660)	(13,003)	122%	8,100		21,103	162%
ENDING CURRENT FUND BALANCE	49,444	65,955	51,205	52,952	103%	61,052		8,100	15%

* Excludes estimated expense associated with Other Post-Employment Benefits (OPEB).
TAMHSC amount for FY 2008 is \$7.2 million.



Texas A&M Health Science Center
Net Change in Fund Balance
Current Funds
Fiscal Year 2010 Budget
(dollars in thousands)



	Estimated Beginning Balances	Estimated Ending Balances	Change In Current Fund Balance
Fund Group (Current Funds Only)			
Functional and General	\$ 15,481	\$ 22,481	\$ 7,000
Designated	26,630	27,730	1,100
Auxiliary	416	416	-
Restricted	10,424	10,424	-
Net Change in Fund Balance - Current Funds	<u>\$ 52,952</u>	<u>\$ 61,052</u>	<u>\$ 8,100</u>

Explanation for Net Decrease*

* if applicable