

Student-led University Budget Breakdown Task Force Spring 2023 Report

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Executive Summary

This report details the cumulative findings of the Student-led Budget Breakdown Task Force during the Fall 2022 and Spring 2023 terms. Relying on extensive research and an interview with the UT Dallas Chief Budget Officer, the task force has compiled university budget information in a public website designed for student use. This website provides breakdowns of the overall university budget as well as specific case studies requested by students: fees, instruction, housing, recreation, parking/transportation, and dining. Furthermore, the website provides comparisons of budgetary items across time and allows students to view estimates of where their tuition dollars are spent. Beyond charts and explainers, the website provides a repository of answers to frequently-asked questions and a searchable database of specific university department budgets. With these resources as a guideline, the task force recommends coordination with the UTD Office of Budget and Finance to improve the availability of budget visualizations directly from the university administration.

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1. Introduction

Budgetary transparency is a point of contention at any university. Throughout the Fall 2022 Student Union Building Fee and Intercollegiate Athletics Fee Referendums, it became apparent that neither the Student Government Senate nor the student body as a whole understood the university budget. At the October 11, 2022 general meeting of the Senate, the Student-led University Budget Breakdown (SUBB) Task Force was established [11]. This task force was charged with:

1. Analyzing the university's 2023 fiscal year budget to understand how tuition funds all university departments,
2. Comparing a breakdown of the university's budget across years,
3. Producing visualizations to show how the university finances academic and auxiliary expenses, and
4. Creating a resource for students to see how their tuition is distributed to academic and auxiliary units within the university [10].

After presenting a preliminary report at the December 12, 2022 general meeting of the Senate, the task force recommended a renewal for the remainder of the 2022-2023 Senate term. This renewal was completed through the passage of Senate Resolution 2022-20 at that meeting [12].

The task force researched the university's public budget information as well as relevant statutes in the Texas Education Code, sections of the Texas Constitution, university policies, and Regents' Rules and Regulations of the University of Texas System. The findings of this research and other products of this task force are summarized here.

2. Policy Findings

Following a review of relevant laws and policies, the task force has determined a set of basic rules that dictate the spending of university budgetary items. The outline that follows does not enumerate the full extent of policies to which the Office of Budget and Finance, and university in its entirety, are beholden. Furthermore, these findings do not constitute an interpretation of any policies for legal purposes. Instead, we aim to summarize and simplify some of the basic budget rules for the general student body.

2.1 Student Fees in Statute

The following student fees are established for the University of Texas at Dallas by state law in the Texas Education Code, Title 3, Subtitle A, Chapter 54:

Fee Name	Maximum per student <i>(each regular semester)</i>
Student Union Building Fee	\$60
Transportation Fee	\$18
Student Services Building Fee	\$71
Intramural and Intercollegiate Athletics Fee	\$45
Recreational Facility Fee	\$65

With the exception of the Student Union Building Fee, each of the aforementioned fees was originally imposed following a majority vote of the students participating in a general student election for that purpose [1].

The Student Union Building Fee may not be increased above 40 dollars per student for each regular session without a majority vote of the students participating in an election for that purpose. The Transportation Fee, Student Services Building Fee, and Intramural and Intercollegiate Athletics Fee function similarly, disallowing an increase of 10 percent or more beyond the previously approved amount without a majority vote of students. Finally, the Recreational Facility Fee may not be increased at all without a majority vote of students [1].

The Texas Education code explicitly places the following two notable restrictions on the usage of these mandatory fees:

1. “No portion of the compulsory fees collected may be expended for parking facilities or services, except as related to providing shuttle bus services” [1], and
2. For the purposes of fees, the term ‘student services’ does not include services “for which a fee is charged under another section of this code” [1].

2.2 Texas Constitution

The other foremost legal restriction we have found involves state-appropriated funds. Under Article 7, Sec. 18 of the Texas Constitution, bonds issued by the Board of Regents of the University of Texas System, funded by the Available University Fund, may not be used for buildings or other permanent improvements to be used for student housing, intercollegiate athletics, or auxiliary enterprises [2].

2.3 Other Restrictions

In addition to these legal requirements, the University Office of Budget and Finance publishes a Use of Funds Guide to outline internal university restrictions and recommendations on the allocation of funds [5]. One of the most notable guidelines is the spending of general state appropriations on faculty and staff salaries and wages. The university aims to fund faculty and staff salaries and wages through legislative appropriations because this allows the state to pay for the benefits of such employees¹.

One of the more restrictive fund categories is university endowments. These are funds established by donations to the university that are often earmarked for specific purposes. The initial donations are generally invested, through the University of Texas/Texas A&M System Investment Management Company (UTIMCO) General Endowment Funds (GEF) [9], and the interest and gains from the investments provide the basis for the endowment expenditures¹. A list of current endowments is provided by the University Office of Development and Alumni Relations [6].

1. Based on an interview with Orkun Toros, UT Dallas Vice President and Chief Budget Officer

3. Budget Findings

Prior to the start of each fiscal year, the university sends an operating budget to the Board of Regents of the University of Texas System for approval, and following approval the operating budget is made publicly available on the UT Dallas Office of Budget and Finance website as a portable document format (PDF). We manually converted the published budget to the necessary formats to conduct the calculations and transformations necessary to produce the visualizations provided in this report.

We created interactive diagrams that demonstrate the flow of funds from various revenue sources to intermediary categories and their corresponding expense segments. These diagrams provide users with an easy method of determining both the dollar amounts of specific revenue sources and expenses as well as the proportion of individual fund categories that are directed to certain areas. The interactive diagrams are available at <https://utd.link/subb>, along with other key findings of and information about the task force. Key figures are shown here with data from [7].

3.1 Overall University Budget

Utilizing the core line items of the university's budget, we have constructed a chart to document the flow of funds through the university, from revenue sources to expenses. Due to the limited information available, some aspects of the flow diagram is constructed by hand. Moreover, due to the operational budget deficit the university reported, some expense categories are larger than their corresponding revenues.

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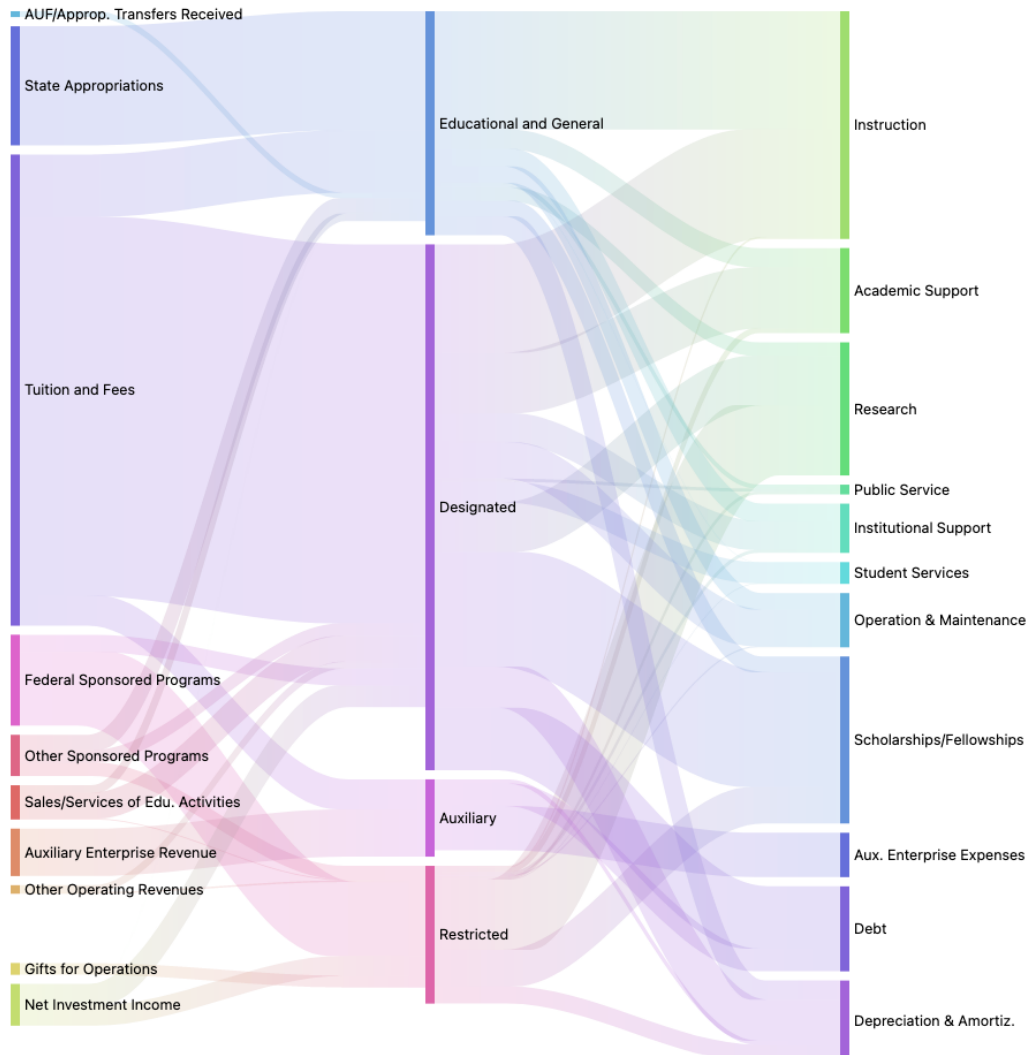


Figure 1: High-level breakdown of the university budget

As noted in Figure 1, the primary source of university funds are tuition and fees paid by students, followed by state appropriations. Transfers from the Available University Fund (AUF), in the form of UT System bonds, are the only source of income the university receives related to the Permanent University Fund (PUF). These AUF-guaranteed bonds may only be used for capital expenditures (generally the construction of new academic buildings) [8], and only represent a small portion of university revenue. Auxiliary enterprises at UTD, defined as services unrelated to the core purpose of the institution – educating degree-seeking students, are expected to be self-sufficient¹. This requires they receive the revenue necessary for their operations through sales of goods and services, in the case of housing and dining, or student fees, in the case of recreation. For this reason, the auxiliary enterprise expenses noted in this diagram are funded through a portion of student fees and auxiliary enterprise revenue.

3.2 Budget over Time

The UT Dallas Office of Budget and Finance publishes Annual Financial Reports (AFRs) that outline the revenues and expenditures realized by the university in the prior fiscal year [7]. Utilizing these reports, we have compiled timelines of notable university revenue and expense line items from 2015 to 2021, the full extent of available data (see Figures 2 through 5).

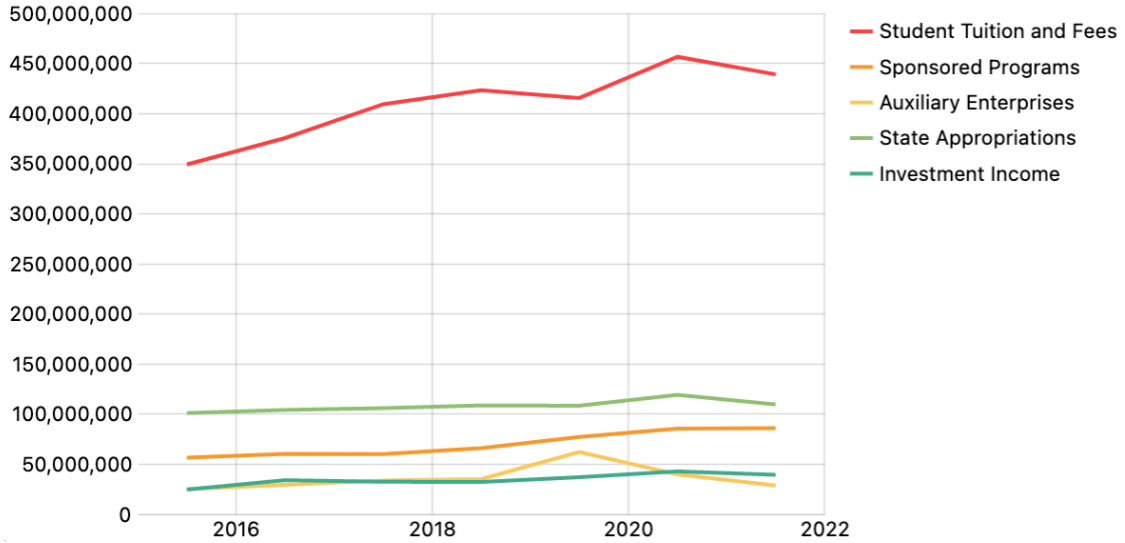


Figure 2: Revenues from 2015 to 2021, line chart

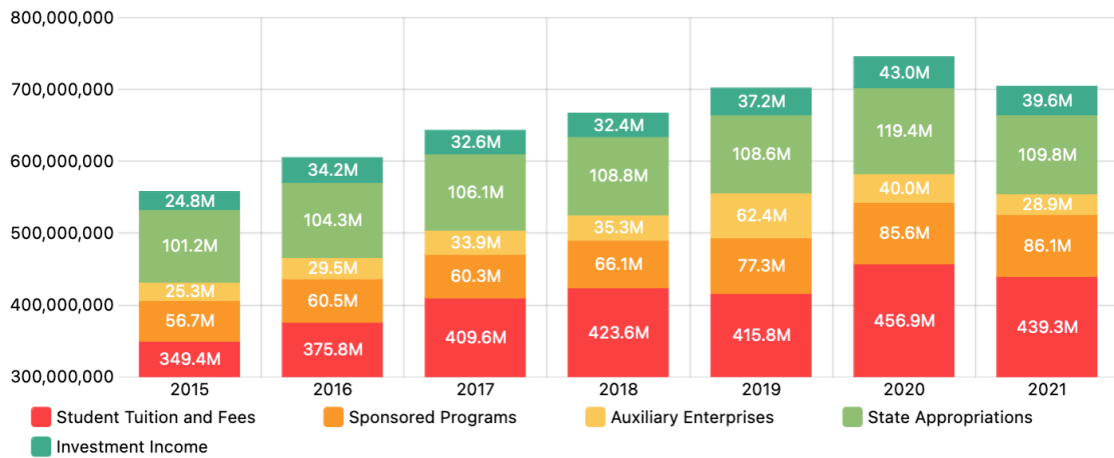


Figure 3: Revenues from 2015 to 2021, stacked column chart

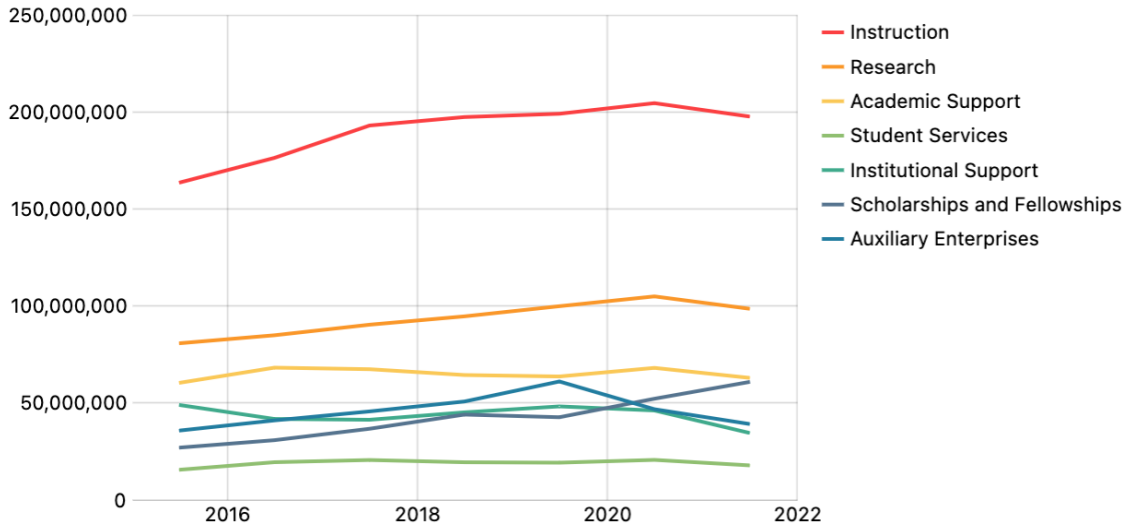


Figure 4: Expenses from 2015 to 2021, line chart

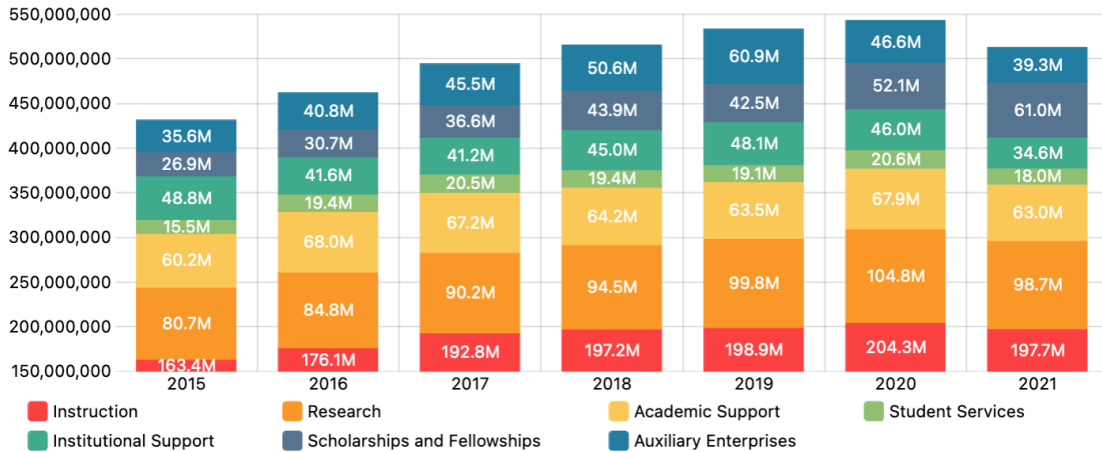


Figure 5: Expenses from 2015 to 2021, stacked column chart

These charts demonstrate growing tuition and fees revenues, likely due to growing enrollment, but few other consistent revenue improvements. Expenses for instruction, research, and scholarships have grown along with enrollment, while other expense categories have remained largely similar across the years.

3.3 Tuition Bill Estimates

In sections G.30 to G.42 of the public university budget, the university outlines the destination of various transfers of tuition funds [7]. Merging these expenses into general categories, combined with tuition estimates from the UTD Bursar’s Office [3], allowed us to approximate the destinations of specific tuition dollar amounts. As seen in Figure 6, large portions of student tuition are spent on scholarships and instruction.

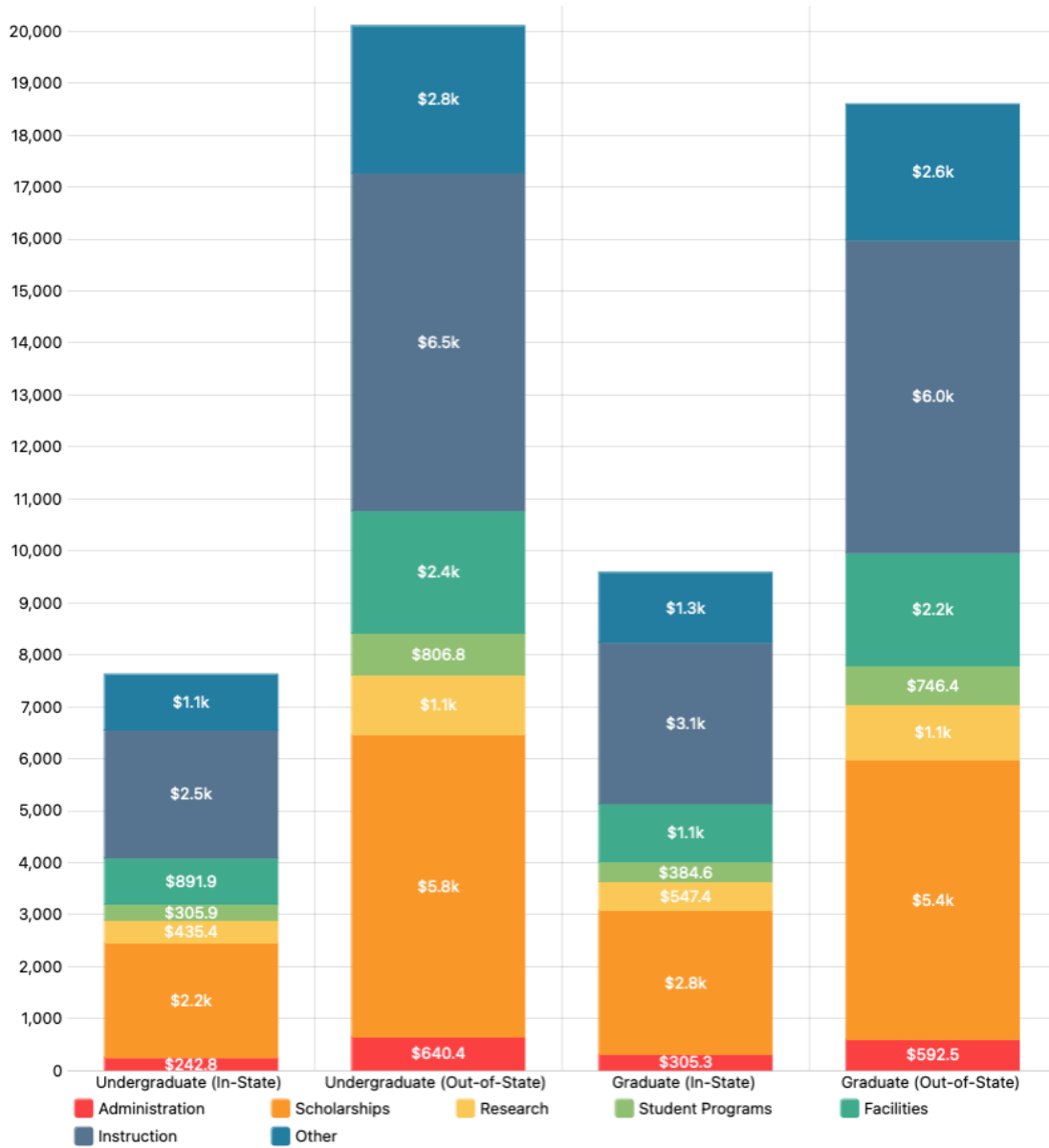


Figure 6: Estimated tuition bills

3.4 Student Fees

As noted in Section 2.1, the university charges students various fees in addition to their tuition. These fees fund various services provided to students, both related to instruction and auxiliary services. In addition to the mandatory fees discussed in this section, there are other fees related to certain programs. As seen in Figure 7, the Information Technology Fee is the targets of the mandatory fees charged to students. This fee is largely spent on the general categories of operations, institutional support, academic support, and media services (see Figure 8). As with the other fees noted here, more detailed accountings of

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fee expenditures are not available in the public data. The advising fee is split amongst schools and other programs based on the staff needed for the enrollment of those schools (see Figure 10). As shown in Figure 9, the most significant infrastructure expenditure is for reserves, likely for future capital investments/constructions. The student services fee is spent on various student programs, as shown in Figure 11. Finally, the library and student services building fees each provide the funding necessary for the debt and operations of each building (see Figures 12 and 13).

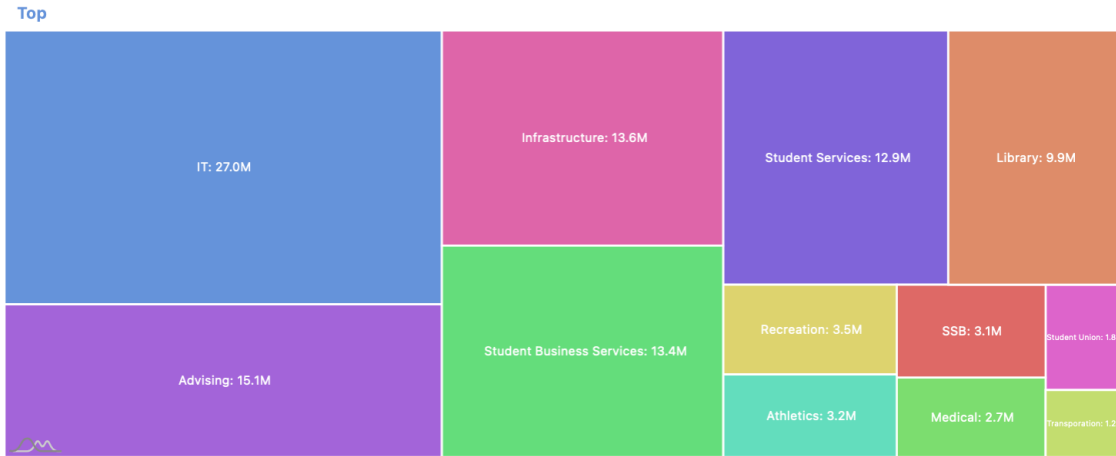


Figure 7: Student fees

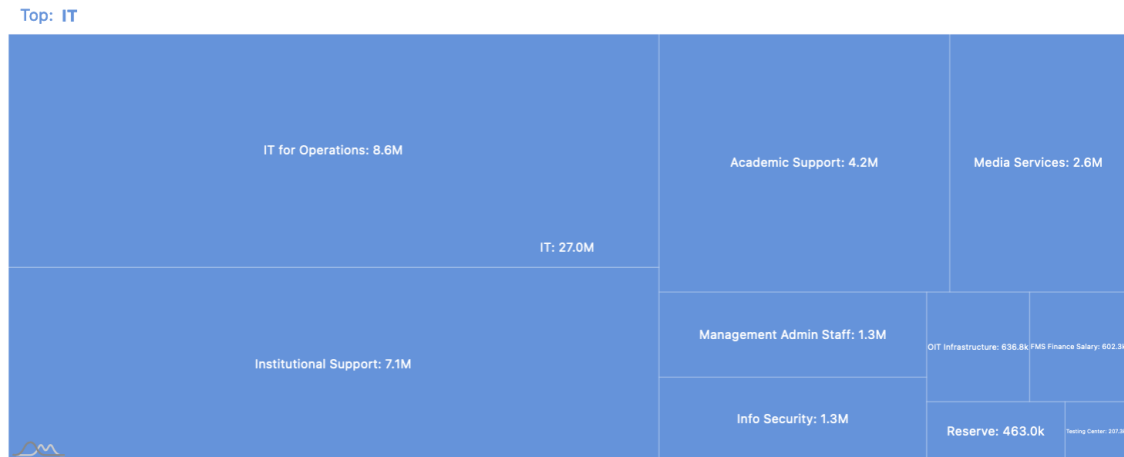


Figure 8: Student fees: IT

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Top: Infrastructure



Figure 9: Student fees: Infrastructure

Top: Advising

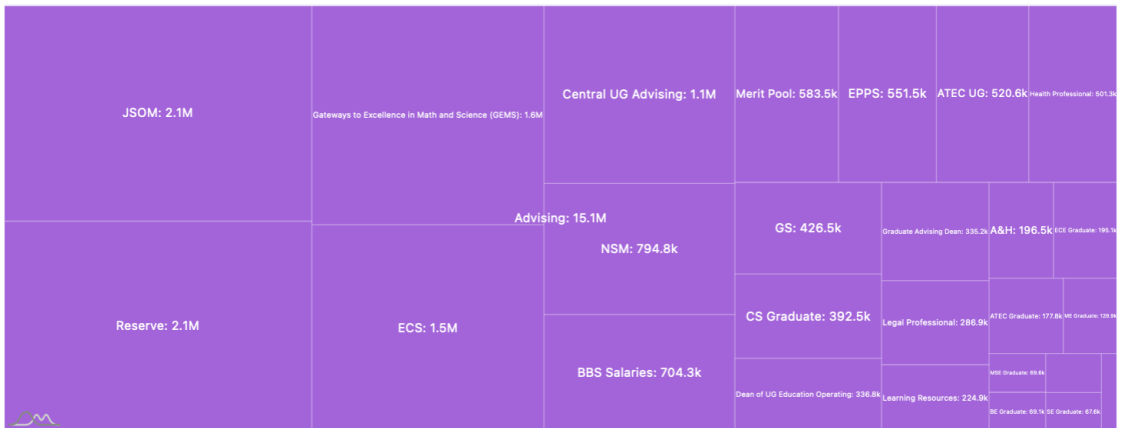


Figure 10: Student fees: Advising

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Top: Student Services

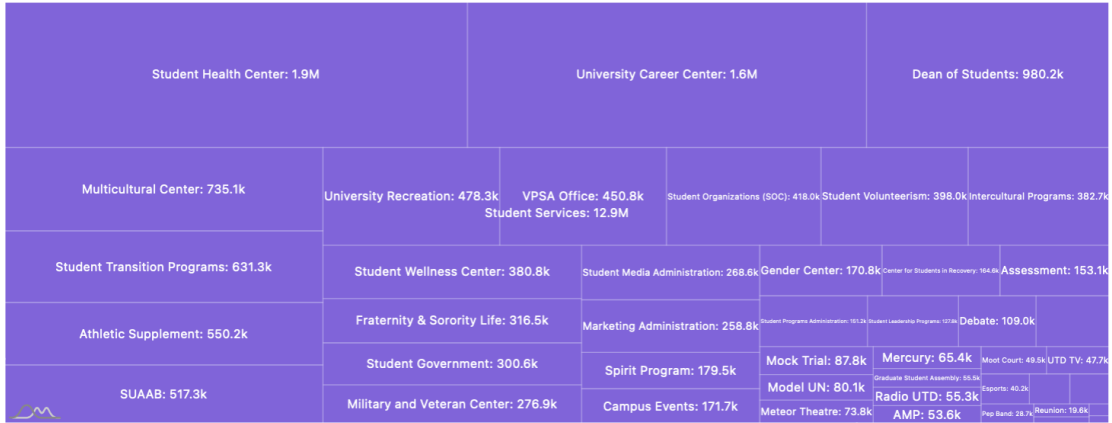


Figure 11: Student fees: Student Services

Top: Library

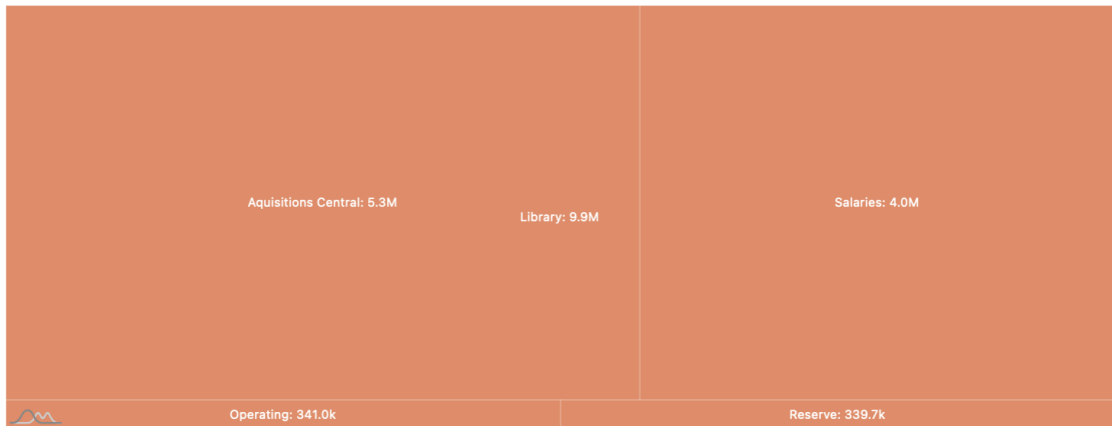


Figure 12: Student fees: Library

Top: SSB

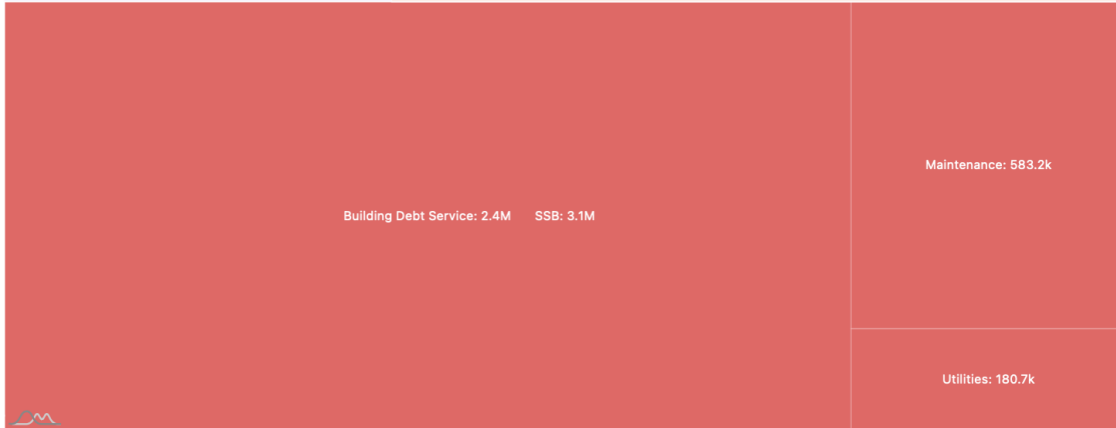


Figure 13: Student fees: Student Services Building

3.5 Instruction

The expenses related to the instruction of students form one of the most significant components of the university budget. These expenses, broken down by school here, are largely spent on the wages and salaries of faculty and staff. This is demonstrated through the budgeted expenses of the two largest schools, the Jonsson School of Engineering and Computer Science (ECS) and the Jindal School of Management (JSOM), as seen in Figures 14 and 15. ECS and JSOM account for 29 and 30 percent of instructional spending respectively, as necessitated by their high enrollment and research expenditures. These schools spend approximately 36.1 million and 49.3 million on faculty and staff salaries and wages respectively. The salaries of specific university employees can be found at texascollegesalaries.com.

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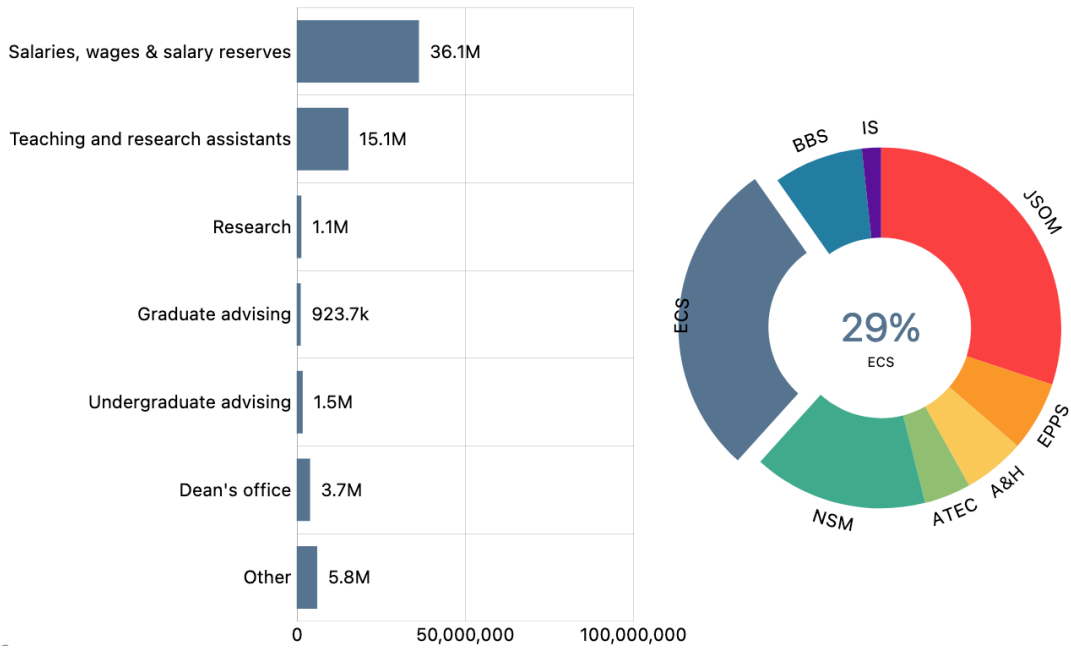


Figure 14: Instruction: ECS

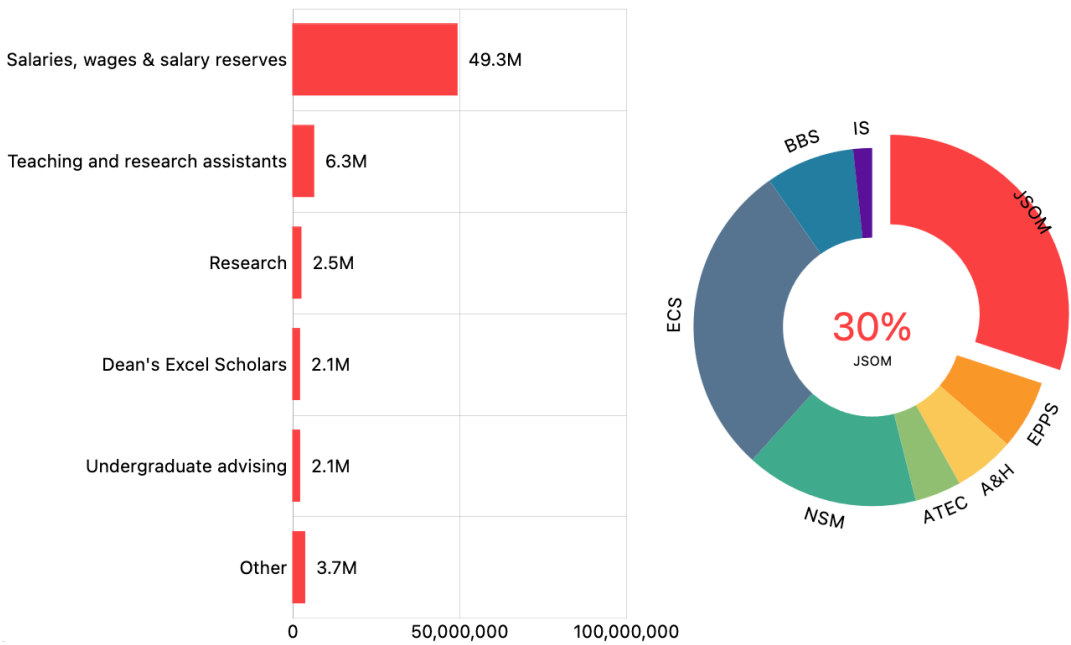


Figure 15: Instruction: JSOM

3.6 University Housing

University Housing at UTD provides three primary sources of housing: University Commons (first-year dormitories), Canyon Creek Heights (furnished apartments), and University Village (unfurnished apartments). Although Northside is located on land owned by UTD, those apartments are operated by an outside company (Balfour Beatty Communities) that leases the land from the university. The revenues earned for the operation of university housing primarily comes through the form of rents paid by tenants. These revenues are then spent on the administration, operation, and debt service for the buildings (see Figure 16).

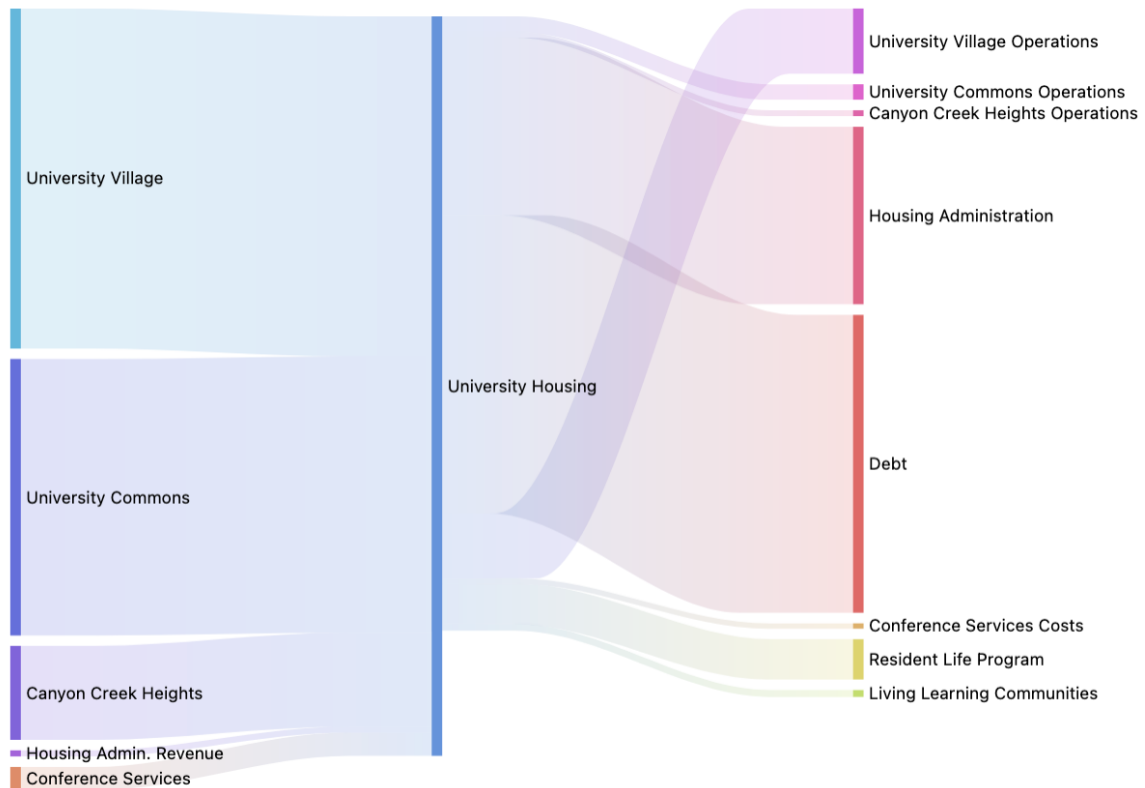


Figure 16: Univeristy Housing

3.7 Recreation

With the exception of the University of Texas at Austin and Texas A&M University, every public university in Texas spends more on intercollegiate athletics than they earn from ticket sales, sponsorships, and other forms of income. For more information on athletics at other Texas public universities, see [Ballpark Figures](#) from the Texas Tribune. It is unclear whether the situation is different for private schools since they are not required to release this information.

The two fees that fund these services are a Recreation Fee (\$65 per student per semester) and Intramural and Intercollegiate Athletics Fee (\$45 per student each semester) (see

Section 2.1). UTD has by far the lowest Intercollegiate Athletic Fee of any public university in Texas. For example, the University of Texas at Tyler charges students \$7 per credit hour per student each semester, capped at the cost for 15 hours (\$105).

The revenues from these fees are spent on the operations of intercollegiate sports teams in the NCAA Division III and the operations and maintenance of the Activity Center and fields, as shown in Figure 17.

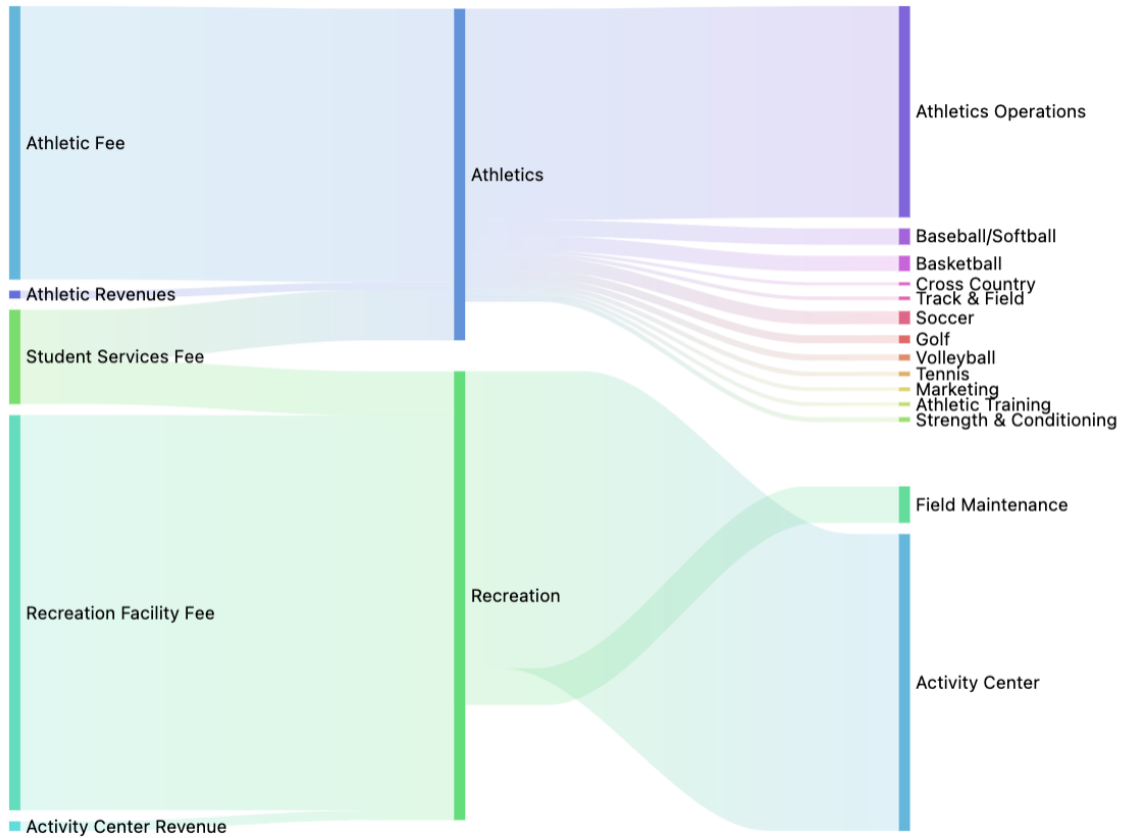


Figure 17: University Recreation

3.8 Parking & Transportation

As an auxiliary service parking and transportation is funded through a Transportation Fee (\$18 per student each semester) and revenue from parking passes and fines. A large portion of the expenses for this category is the debt service for the construction of parking lots and garages, see Figure 18.

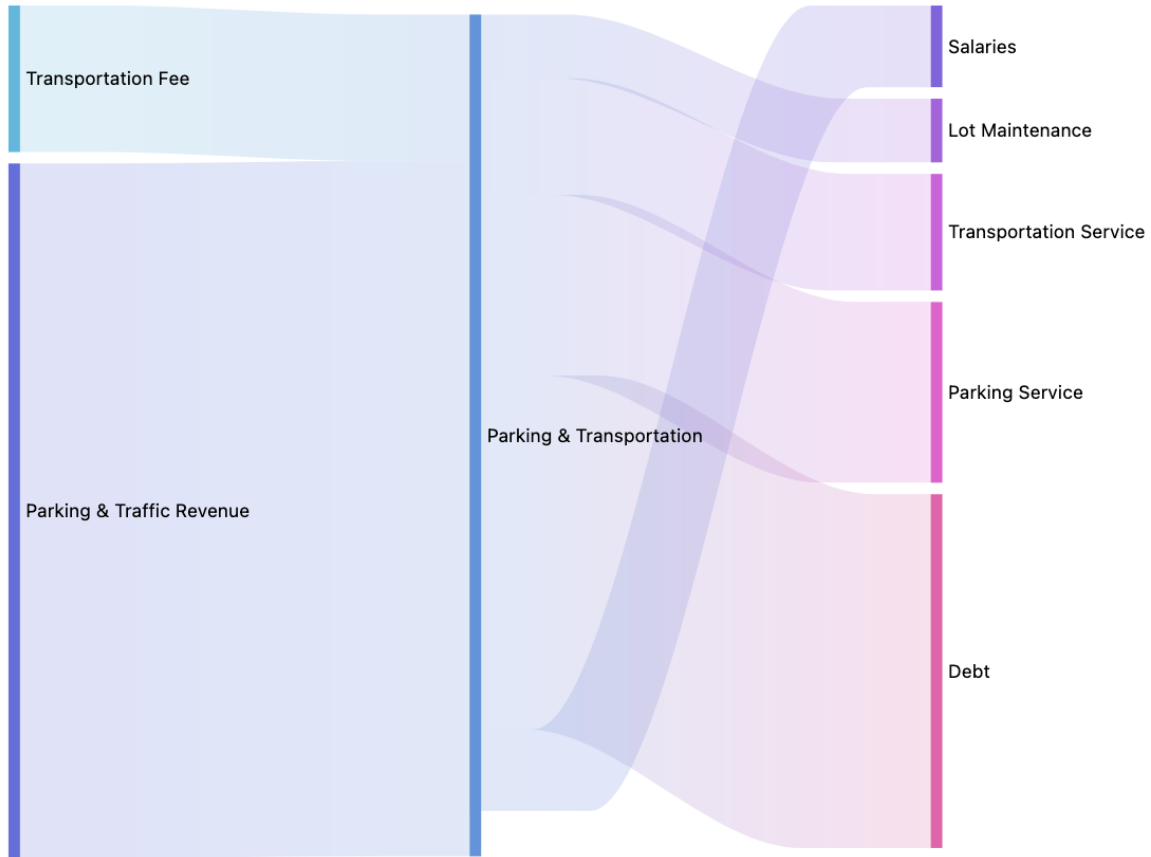


Figure 18: Parking & Transportation

3.9 Dining

The services provided by UTD Dining are primarily handled through an outside company, Chartwells Higher Education, a subsidiary of the multinational foodservice company Compass Group. The operations of Chartwells at UTD are determined by a contract renewed in 2019 [4]. Although significant portions of the released contract are redacted, we do know that Chartwells pays a royalty to the university according to the following table:

Adjusted Gross Revenue	Royalty Percentage
\$0 - \$9,500,000	10%
\$9,500,001 or greater	15%

Based on the public portions of the contract and available budget data, we cannot determine the specifics of UTD Dining’s finances, beyond what is shown in Figure 19.

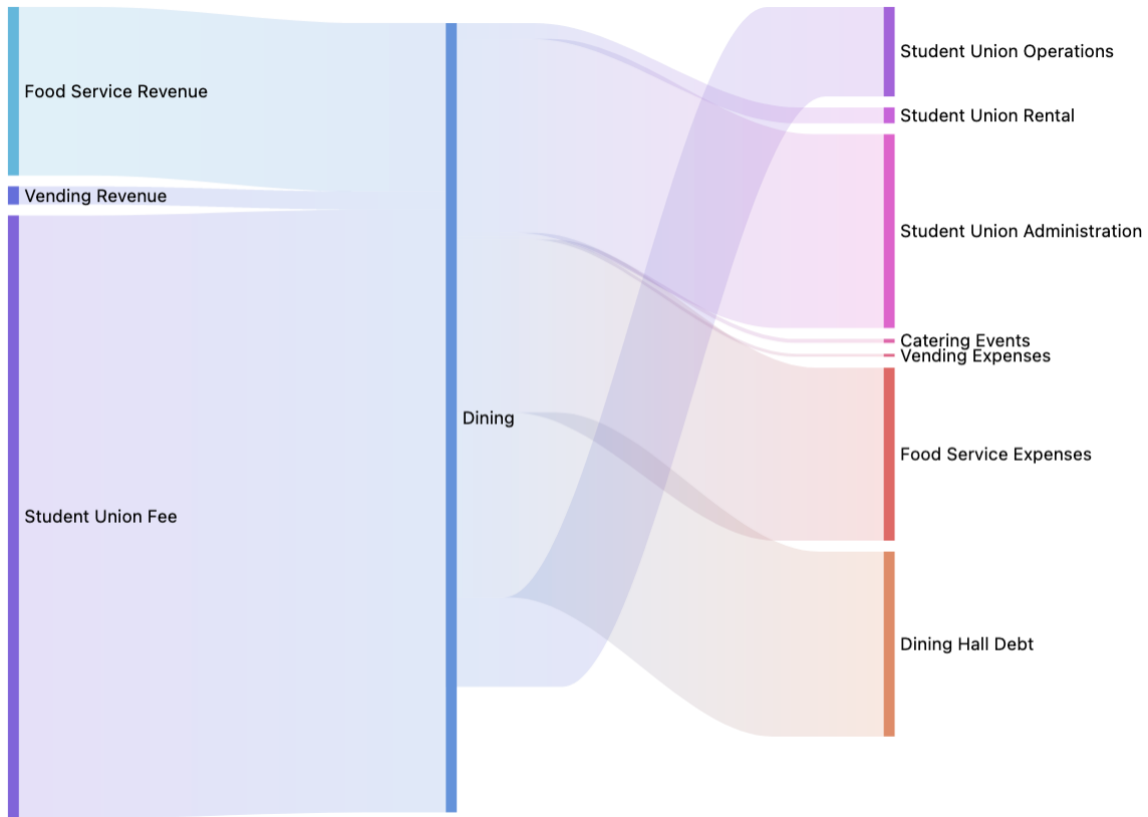


Figure 19: UTD Dining

4. Recommendations

As the University of Texas System Student Advisory Council works to improve budgetary transparency throughout the member institutions, UT Dallas has a unique opportunity to be at the forefront of these efforts. The finances of higher education are the foundation of every other aspect of university life, from classrooms to student organizations. If we endeavor to build a more transparent, equitable institution for our student stakeholders, accessible and usable budgetary information is the cornerstone.

Although we recommend Student Government continue to play a role in researching the university budget and educating the student population, building and updating the diagrams in this report by hand from PDF data is not a sustainable practice. The construction of this website required significant efforts from multiple individuals over the course of a year, and any attempts to update for a new fiscal year would likely be similarly time-consuming. Alternatively, we recommend that the Office of Budget and Finance use the blueprint established by this task force to provide more convenient and relevant budget information directly to students. The task force will send this report and the corresponding website to the office and will seek to provide any assistance in the creation of similar visualizations by office staff. The task force recommends the Student Government President of the 2023 to 2024 term follow-up on these requests and encourage further collaboration

with the Office of Budget and Finance. Finally, the task force recommends the Student Government President of all future terms ensure the passage of custody of the website and its source code repository through designated members of Student Government.

Acknowledgments

The Student Government Budget Breakdown Task Force thanks Orkun Toros, Assistant Vice President and Chief Budget Officer, for his willingness to answer each and every question we presented to him.

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