



## **Budget Hearings**



# **Administration and Finance Budget Hearing Presentation FY 2017**

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## Administration and Finance



Administration and Finance

Budget Office

Controller/Business Office

Purchasing Office

Payroll

Human Resources

Facilities Services ~ Presentation to follow

Information Technology ~ Presentation on January 24th

## Division Emphasis



- Customer Service Excellence
  - High Quality
  - Efficient
  - Best Practices
- Superb Financial Stewardship
  - Transparent
  - Accurate
  - Timely
- Effective Facilities Management
  - Functional
  - Safe
  - Attractive

## **Administration and Finance and Budget Office**

### **Administration and Finance and Budget Office**

- Staff of 4 FTE (*Includes Vice President*)
- Financial stewardship
  - Provides financial leadership
  - Financial modeling
  - Project financing
  - Oversight of future bond sales
  - State financial compliance
  - State financial reporting
- Budget preparation
  - Revenue and expense forecasting
  - Salary and fringe benefits

## Administration and Finance and Budget Office



- Maintain Position Control Numbers for EPAF process and ensure budget availability
- Capture board approved salary savings
- Oversight of centralized budgets

Group health insurance accounts	TRS surcharge
Unemployment/workman's compensation	Building insurance
Tuition rebates	Debt service
FTE proportionality within state limits	Fringe expense calculations
State appropriation spending	Credit card costs
Institutional legal services	Salary savings

## Administration and Finance and Budget Office



- Calculate and/or review all revenue calculations

Resident and non-resident tuition	Three-peat income
Interest income from various sources	Indirect cost
All student paid mandatory fees	Facility rentals
Auxiliaries like housing and meal plan revenues	Library fines
Vending and bookstore commissions	Returned check charges
Installment and loan origination fees	Administrative overhead
Scholarship pass-through like Pell, SEOG	Camp incomes
Late registration and application fees	Gate receipts and ticket sales
Various sources of sales and services sold	Parking fines and decal sales
Interdepartmental transfers	Grant income

## **Administration and Finance and Budget Office**



- Fixed Rate Tuition Plans
  - Cohort headcount and SCH estimation
  - Future modeling
- Account Managers Group Meetings
- Working with departments on budget issues
- 2017 is a legislative year
  - Analysis of proposed bill patterns
  - Providing fiscal notes on proposed bills
  - General legislative follow-up

## **Administration and Finance Budget Office**



- Efficiencies Achieved
  - Reassigned 1 FTE within Division
  - Revenue and Expense modeling completed
  - Further reduced the number of bound budgets and Legislative Appropriations Requests. Utilized CDs and on-line availability
  - Digitized budget workpapers during the FY17 budget cycle

## Administration and Finance Budget Office



- Looking forward as we prepare 2018 budget:
  - Implementing any changes from the legislative session
  - Provide options to match revenue to expenses, especially with limited revenue growth and millions in new expense requests
  - Coordinate budget development with Budget Oversight Committee

## Administration and Finance Budget Office



- Mandated Increases
  - Health Insurance - \$300,000 (*TBD*)
  - Longevity - \$20,000
  - Faculty promotions - \$85,000
  - Software maintenance increases - \$100,000
  - Utility costs for new building - \$50,000
  - Scholarships - \$280,000

*We are here to help in any way needed.*

## **Controller/Business Office**

### **Controller/Business Office**

- Staff of 11 FTE, down 1 FTE from FY13
  - Controller
  - Assistant Controller
  - Director and Assistant Director of Student Business Services
  - 3 Accountants
  - 2 Accounting Assistants
  - 2 Tellers
- Front line for student billings/receivables and all campus deposits
- Accounts payable, travel, university investments, and all financial reporting
- Operations and travel budget reduced over 8% since 2010

## Controller/Business Office



### Business Office Efficiencies – Going paperless:

- 2016 postage costs compared to 2008 - reduced postage 81% - \$19,215
- All student bills and correspondence done via e-mail
- Student refunds continue to shift to direct deposit
- Continue to encourage ACH for vendor payments
- Implemented on-line budget transfers
- Electronically storing documents through BDM

## Controller/Business Office



### Student Refunds: Checks vs Direct Deposit:

Year	Checks	Direct Deposit
2013	37.13%	62.87%
2014	33.78%	66.22%
2015	31.12%	68.88%
2016	26.82%	73.18%

### Vendor Payments: Checks vs Direct Deposit

Year	Checks	Direct Deposit
2013	57.87%	42.13%
2014	64.62%	35.38%
2015	63.77%	36.23%
2016	64.07%	35.93%



## **Purchasing and Contract Management**

### **PURCHASING/CONTRACT MANAGEMENT**

#### **Current Staffing:**

- Director Purchasing/Contract Management
- Assistant Director Purchasing/Contract Management
- Contracts Coordinator
- Purchaser Accounts Payable
  - ✓ Vouchers all Invoices into Banner System for payment into Banner Document Management System. This is new responsibility added to department.
- Purchaser
  - ✓ Requisitions & other duties
- Purchasing Assistant
  - ✓ Handles Procurement Card administration. (100% audit of transactions)
- Purchasing Assistant
  - ✓ Warehouse and contract management
- ✓ Storekeeper
  - ✓ Central Receiving—Inventory control ETC.

## PURCHASING/CONTRACT MANAGEMENT



### Since adding Contract Management to department:

- Requisitions have increased 34%
- Purchase orders & Change orders have increased 27%
- Contract Management Repository (whole new department)
  - ✓ Currently >2200 contracts monitored
  - ✓ Currently ~1000 active contracts monitored
- Transferred from facilities One (1) FTE (no budget increase to MSU)
- Senate Bill 20 added many more requirements

## PURCHASING/CONTRACT MANAGEMENT



### Needs:

- Warehouse Supervisor (New title--promote from within department and eliminate budget for student worker—zero budget cost)
  - ✓ Central Receiving
    - ✓ All Incoming
    - ✓ Deliveries to departments
    - ✓ Property tagging for all assets received
  - ✓ Central Shipping
  - ✓ Inventory Control
    - ✓ Issues and billing
    - ✓ Receipts
  - ✓ Storage of departments' furnishings and equipment
  - ✓ Surplus (Auctions)

## **PURCHASING/CONTRACT MANAGEMENT**



### **NEEDS**

- **Administrative Assistant** (New Position)
  - ✓ Paperwork is enormous
  - ✓ Work with Contracts Coordinator
  - ✓ Need assistant for reporting help
  - ✓ Need assistant for backup for AP and P-Card

Staffing Analysis Contract should easily justify this request for adding staffing in the Purchasing/Contract Management department.

## **Payroll Office**



## **Payroll Office**

## Payroll Office



- Three staff
- Payroll disburses over \$36,000,000 in salaries and wages annually
- Responsible for:
  - Federal and state reporting
  - Tax deposits
  - International employee paperwork
  - Leave and time reporting

## Payroll Office



- Payroll Paper Processes for FY16:
  - 475 Staff Notices of Employment
  - 720 Faculty Contracts (includes adjunct and summer contracts)
  - 1,932 W-2's for 2015 ~ approx. 1,100 employees have chosen electronic format
- Payroll Electronic Processes for FY16:
  - 19,020 Electronic payments - only 59 paper checks
  - Leave Reporting and Time Reporting
  - 4,484 EPAFs Processed (Staff, GA and Hourly)

## Payroll Office



### Efficiencies

- Implemented Electronic Leave Reporting
- Implemented EPAFs for most personnel transactions
- Implemented electronic timesheets for non-exempt
- Continue to promote electronic W-2's
- Only 5 vendors are not electronic
- Implement electronic time keeping in this year for more accurate and efficient payroll processing

## Payroll Office



### Needs

- FY17 is the first year that Payroll will have its own budget and will be able to see actual costs separate from the Business Office.
- Provide travel funds for employees to attend payroll conferences.
- Certified Payroll Professional training is requested, which is done through the American Payroll Association. Conference geared specifically for higher education.

## Human Resources Department

# Human Resources



### **HR Mission**

The mission of the Human Resources Department is to support the vision, goals and challenges of Midwestern State University by providing services which promote a work environment characterized by fair treatment of employees, open communications, personal empowerment, accountability, trust and mutual respect.

### **Scope**

The Human Resources Department is responsible for wage and salary administration, pay plan classification, recruitment and employment, personnel policies, employee relations, equal employment opportunity and affirmative action, new employee orientation, employee training and development, employee benefits administration, personnel records and more.

# Human Resources



## HR Activity FY 2016

- Support for Total Employee Headcount of 1399 plus retirees
  - Benefit-eligible faculty and staff
  - Students, Temporary Assistants, Adjuncts
- Received 1122 Staff applications; Hired 74
- Processed Employee Personnel Action Forms
- Completed Forms I-9 & entered into USCIS E-Verify system
- HR Website accessed 336,525 times
- Entered insurance and TexFlex records into dual systems – ERS & MSU
- Issued 706 employees form 1095-C for ACA reporting
- Reconciled and remitted insurance & TexFlex premiums
- Conducted 613 criminal background checks

# Human Resources



## Programs and Services

- Conduct new employee orientation and exit processing
- Conduct mandatory training: EEO Discrimination, Ethics, Sexual Harassment, Child Protection, Campus SaVE, Camp Workers Training
- Enter employee data into Banner; maintain employee files; verify service
- Monitor and track Annual Staff Performance Reviews
- Counsel employees and retirees; resolve insurance disputes
- Resolve employee relations issues / grievances
- Respond to EEOC discrimination and sexual harassment charges
- Conduct ad hoc compensation surveys and make recommendations to administration
- Maintain Classified Pay Plan and job descriptions
- Draft personnel policies and update the MSU Policies and Procedures Manual
- Oversee International Visa Processing for Faculty and Staff
- Monitor and Implement changes to the Fair Labor Standards Act (FLSA)

# Human Resources



## Programs and Services – Benefits

- Administer programs for active and retiree insurance benefits: health, dental, prescription, vision, life, dependent life, AD&D, STD, LTD, AFLAC, & Texflex
- Serve as Plan Administrator for 403b Plans: Texas Optional Retirement Program (ORP) and Voluntary Tax-Sheltered Annuity Program (TSA)
- Responsible for TexaSaver 457 Deferred Compensation Plan
- Administer the Staff Education Incentive and the Dependent Educational Assistance Programs
- Advise TRS and ORP retirees and process retirement paperwork
- Administer the Sick Leave Pool
- Ensure compliance with Family Medical Leave Act (FMLA), the Americans with Disabilities Act Amendment Act (ADAAA); FLSA, USSERA, etc.
- Plan and host employee events: Annual Pinning Luncheon, Annual Staff Awards, Summer Sizzlers, Hardin Holiday Party

# Human Resources



## HR Staffing

Director  
Benefits Administrator  
HR Assistant III (Benefits Assistant)  
HR Assistant II  
HR Assistant III .75 FTE

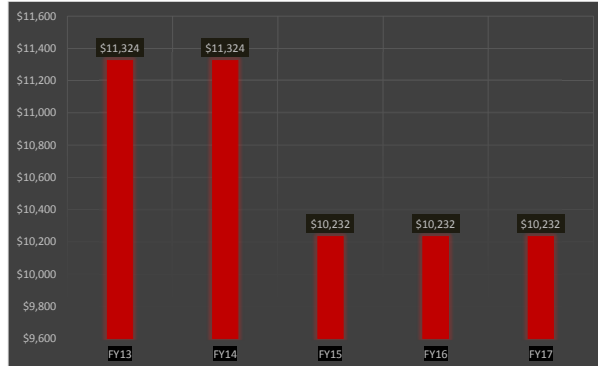
**Current MSU Human Resources staffing - 4.75 FTE**



# Human Resources



## HR Budget – Historical M&O



# Human Resources



## Educational Assistance Budget FY 2016

### Staff Education Incentive Program

FY16 -- \$56,527

### Dependent Education Assistance Program

FY16 – \$99,138

Account Funded - \$32,289

Need based scholarships - \$66,849

*\* Additional funding needed tbd by FY2017 increases to local tuition and fees*

# Human Resources



## International Fees

- Costs have increased from \$4,000 in FY13 to \$64,000 in FY16 and was as high as \$76,000 in FY15.
- We have a negotiated flat fee with an attorney which has kept costs from growing even more.
- We propose moving these expenses to the hiring department's budget because it is their decision who to hire and they can better control the cost.
- H1B - approximately \$6,000 per employee. Allows for 3 years of employment and an employee may go through twice prior to the PERM process being initiated (if the employee has not been H1B status previously elsewhere). The cost may be higher dependent upon individual circumstances.
- PERM - approximately \$16,000 - \$20,000 per employee (sometimes the fee is greater depending on the circumstance of the individual).
- We currently have 5 employees in the PERM process and 9 employees in H1B status. In FY18, we will need to extend at least 3 H1Bs and possibly begin 3 PERMs.

# Human Resources



## MSU Classification and Compensation

- **Fair Labor Standards Act (FLSA)**
  - ❖ FLSA Task Force
    - ❖ Met September – November
    - ❖ [Recommendations for compliance](#)
  - ❖ Preliminary injunction postponing effective date of rule changes beyond December 2016.
  - ❖ Continue to monitor implementation date and changes
- **Study Completed by Evergreen Solutions LLC in FY16 with the following recommendations**
  - ❖ First year (FY17):
    - ❖ Increased salaries to minimum for the paygrade, maximum of \$5,000.
  - ❖ FY18 forward:
    - ❖ Finalize the increase on salaries to the minimum for the paygrade.
    - ❖ Implement phased compensation adjustments relating to parity in position.

