

July 12, 2007

Board of Regents
The Texas State University System
Austin, TX 78701

The Honorable Regents:

We provide the following representations, at your request, in connection with the Annual Operating Budget Request and the supporting Budget Summary of Sam Houston State University for the fiscal year ending August 31, 2008.

We provide the following statements to the best of our knowledge and belief:

1. We are responsible for the accuracy and appropriateness of the operating budget and the budget summary for FY 2008.
2. The proposed Annual Operating Budget for fiscal year 2008 has been prepared in accordance with the Board of Regents' *Rules and Regulations* Chapter III Sec. 6.71.
3. All budgetary plans or budgetary intentions that might be considered material are reflected in the FY 2008 Operating Budget. We are considering a FY 2008 budget increase after September 1, 2007, to Research and Grants from the educational and general fund balance. This increase will equal the unexpended indirect cost from grants and contracts for fiscal year 2007, as of 08/31/07.
4. All General Revenue Fund appropriations have been budgeted to the extent they are known and available per the General Appropriations Act for FY 2008.
5. All Local Funds (unrestricted current funds held outside the State Treasury) estimated income accruing to Educational and General Funds, Designated Funds, and Auxiliary Funds have been budgeted, to the extent they are available for operational purposes. The FY 2008 total income and expense budgets for Cheerleading-Music Camps will be determined after year end closing on 08/31/07, and presented in November 2007 or February 2008, to the Board of Regents at the quarterly meeting.
6. The budgeted revenues for local funds are based upon conservative, reasonable and supportable estimates of funds to be generated by Sam Houston State University.
7. Higher Education Assistance Funds have been budgeted to the extent they will be utilized in the Educational and General function and reflect a \$3.3 million increase.

8. All budgeted appropriations and receipts are allocated to functions for which they may be utilized as authorized by State of Texas statute or Comptroller of Public Accounts rules and regulations.
9. Local fund revenues not budgeted to operating accounts are disclosed as being profits estimated for each specific budget account.
10. Student Service Fees have been budgeted in accordance with the allocation schedule recommended by the Student Service Fee Advisory Committee to the Vice President for Student Services and approved by Dr. James F. Gaertner, University President.
11. Department heads and appropriate account managers are consulted in preparing their operating budget by the appropriate University Vice President.
12. There are no anticipated contingent liabilities, other claims, or unfavorable settlement(s) of any outstanding lawsuit involving Sam Houston State University known as of this date that would have a material effect on the proposed Operating Budget for fiscal year 2008.
13. No depleting or non-recurring funding sources, such as reserve balances, are being used for ongoing activities in the recommended budget for fiscal year 2008.
14. All budget adjustments for fiscal year 2007 have been or will be reported to the Board for their approval. Budget adjustments for fiscal year 2008 will be presented at the quarterly meetings of the Board during fiscal year 2008.
15. For fiscal year 2007, no funds authorized for a specific purpose by the Board have been redirected to another use without express approval of the Board. This procedure will be followed in fiscal year 2008.
16. Budgetary controls are in place at the University that prevents payment of vendor invoices, inter-departmental transfers, and payroll if sufficient funds do not exist in an account. Guidelines have been established for a formal process to temporarily bypass the controls allowing payment, with budget transfers being made within a timely manner to cover any resulting deficit.
17. The budget contains a total of \$6,201,924 for unassigned faculty salaries and wages to be subsequently allocated, for summer school, class overloads, adjunct teaching staff and teaching assistants and fringe benefits for fiscal year 2008.
18. We desire to provide the following additional information regarding the financial condition of Sam Houston State University:
 - a. The Educational and General (E&G) portion of the proposed FY 2008 budget does not utilize any E&G fund balances. We believe this is a very favorable financial strategy. The proposed FY 2008 budget for auxiliaries and designated funds does not use any fund balances for the budgeted expenditures.

- b. Budgeted Income is estimated in a very conservative manner utilizing the past two years realized amounts and a realistic estimate and assessment of FY 2008 of enrollment trends and users' interest in the activities and programs being budgeted for fiscal year 2008.
- c. Sam Houston State University is very involved in the University Center-North Harris County, Montgomery Campus. We anticipate providing approximately 72% total SCH's produced by six universities of course work at the Center, during fiscal year 2008.

The FY '08 appropriation for Higher Education Assistance Fund (HEAF) monies increased by \$3,300,000. The additional funds are being budgeted for capital equipment purchases, major renovation and repair projects and the educational and general portion of a new voice over internet protocol (VOIP) telecommunications system.

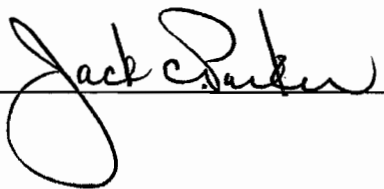
Designated tuition is increasing \$9 per semester credit hour to replace academic course fees. This increase is providing budgeting of \$2.8 million for academic departments use for operations, hourly wages, budgeted wages and salaries of the academic departments. This funding provides more flexibility in support of the academic departments.

Designated tuition is increasing an additional \$5 per semester credit hour for fiscal year '08 in support of educational and general (E&G) operations. An estimated \$2.1 million in additional revenue is providing monies for additional educational and general support staff, additional financial aid set aside in support of students, monies for fringe benefit support (not funded by insufficient state appropriations) and increased funding for purchased utilities for educational and general buildings. A 4% merit pool for faculty salaries and a 1% minimum merit and 3% merit pool for educational and general staff positions is also being provided in the FY '08 proposed budget.

The fiscal year '08 proposed budget contains the following initiatives:

• Increase Educational & General operations and maintenance, hourly wages, budgeted wages and budgeted salaries for 11.25 FTE Staff Positions	\$ 458,884
• Increase for 11 faculty positions and fringe benefits and workload	\$ 1,480,000
• Funds for Employee Insurance benefits (Shortfall General Revenue and 259)	\$ 534,334
• 4% Merit Pay for Faculty Salaries	\$ 1,141,062
• 4% Merit Pay for Educational & General Staff	\$ 757,832
• Financial Aid Set Aside from Tuition and Designated Tuition	\$ 6,361,781
• Increase of Purchased Utilities	\$ 563,000
• Increase for Principal & Interest for Bonds for ABV (\$15,000,000) and Performing Arts Center \$25,000,000)	\$ 3,300,000
• Course Fee Replacement using Designated Tuition	<u>\$ 2,897,787</u>
Total Initiatives	<u>\$ 17,494,680</u>

In summary, the financial health of Sam Houston State University is excellent. Our enrollment is stable and growing steadily in semester credit hours, headcount and is estimated to grow 2% during fiscal year '08. We will end fiscal year 2007 in very sound financial condition. The budget for fiscal year 2008 is an excellent foundation for the continued financial growth and stability of Sam Houston State University.



Jack C. Parker, Vice President
for Finance and Operations

7/12/07
Date



James F. Gaertner, President

7/12/07
Date

SAM HOUSTON STATE UNIVERSITY

Table I
Discretionary Funds
As of 05/31/07

<u>Title Account/Department</u>	<u>Balance</u> <u>05/31/07</u>	<u>Source</u>
1. Friends of Student Services	\$ 313.70	Gifts-Individuals
2. Friends of Museum	\$ 12,289.90	Gifts-Individuals; Sam Houston Folk Festival
3. Friends of Enrollment Management	\$ 10,018.50	Gifts-Individuals
4. Friends of Curriculum & Instruction	\$ 3,399.00	Gifts-Individuals
5. Friends of VP-Academic Affairs	\$ 1,457.20	Gifts-Individuals
6. Friends of Recreational Sports	\$ 12,254.00	Gifts-Individuals
7. Friends of Admissions	\$ 665.62	Gifts-Individuals
8. Friends of Humanities & S.S.	\$ 6,150.90	Gifts-Individuals
9. Friends of Visitor Center	\$ 100.00	Gifts-Individuals
10. Friends of Graduate Studies	\$ 500.00	Gifts-Individuals
11. Friends of Multicultural Intl.	\$ 3,372.00	Gifts-Individuals
12. Friends of Language, Literature and Special Populations	\$ 6,486.00	Gifts-Individuals
13. Friends of Residence Life	\$ 332.63	Gifts-Individuals
14. Friends of Sam Center	\$ 515.00	Gifts-Individuals
15. Friends of Field Station	\$ 250.00	Gifts-Individuals
16. Friends of Family and Consumer Sciences	\$ 6,868.61	Gifts-Individuals
17. Friends of Art	\$ 8,484.11	Gifts-Individuals
18. Friends of Dance	\$ 26,862.27	Gifts-Individuals
19. Friends of Journalism	\$ 9,650.43	Gifts-Individuals
20. Friends of Radio, Television, and Film	\$ 4,097.27	Gifts-Individuals
21. Friends of Speech Communication	\$ 3,063.22	Gifts-Individuals
22. Friends of CJC	\$ 29,510.03	Gifts-Individuals
23. Friends of Sciences	\$ 32,538.41	Gifts-Individuals
24. Friends of Cheerleaders/Orange Pride	\$ 19,546.11	Gifts-Individuals
25. Friends of Texas Review	\$ 54,139.65	Gifts-Individuals
26. Friends of Public Information	\$ 445.73	Gifts-Individuals
27. Friends of Technology	\$ 9,052.86	Gifts-Individuals
28. Friends of Photography	\$ 5,411.49	Gifts-Individuals
29. Friends of Placement Office	\$ 70,000.95	Gifts-Individuals
30. Friends of Theatre	\$ 24,693.21	Gifts-Individuals
31. Friends of Music	\$ 2,180.22	Gifts-Individuals
32. Friends of Computer Science	\$ 7,655.07	Gifts-Individuals
33. Friends of Liberal Arts	\$ 76,336.38	Gifts-Individuals
34. Friends of Arts & Sciences Alum	\$ 13,233.41	Gifts-Individuals
35. Friend of National Institute Victims	\$ 1,055.87	Gifts-Individuals
36. York President Endow-Excell	\$ 49,799.39	Gifts-Individuals
37. Presidents Fund For Excellence	\$ 44,136.67	Gifts-Individuals
38. Friends of Registrar's Office	\$ 354.12	Gifts-Individuals
39. Friends of Advancement Office	\$ 1,122.95	Gifts-Individuals

40. Friends of Kappa Delta Pi	\$ 1,372.18	Gifts-Individuals
41. Friends of International Programs	\$ 4137.00	Gifts-Individuals
42. James W. Rockwell	\$ 97,795.52	Gifts-Individuals
43. President's Discretionary Fund S.A.	\$ 40,444.96	Gifts-Individuals

SAM HOUSTON STATE UNIVERSITY
FY 2008 Budget Questionnaire
July 12, 2007

1. Sam Houston State University employees who will be provided perquisites during FY 2008 in addition to their salary/wage base are as follows:

<u>Name</u>	<u>Annual Estimated Value/Cost</u>	<u>Perquisites</u>
a. Dr. James Gaertner, President (Perquisites for FY 2008 are anticipated to be approved by Board of Regents at the August, 2007 meeting)	\$ 6,500 \$ 25,000 \$ 10,000 \$ 3,500	Purchased Car - '07 Ford Expedition Housing Allowance Maid Service - 20 hours per week Grounds Service - 8 hours per week
b. Mark Johnson, Baseball Coach	\$ 7,040	Auto for Recruiting Only-No charge
c. Deuane Dirk, Asst. Football Coach	\$ 1,280	Auto for Recruiting Only-No charge
d. Jeremy Eddings, Asst, Athletic Trainer	\$ 40	Auto for Recruiting Only-No charge
e. Trent Grona, Asst. Football Coach	\$ 2,800	Auto for Recruiting Only-No charge
f. Tommy Mainord, Football Coach	\$ 3,240	Auto for Recruiting Only-No charge
g. Hope Parker, Head Athletic Trainer	\$ 440	Auto for Recruiting Only-No charge

2. Budgeted lump sum hourly wages of the FY 2008 budget are listed, by program of activity, on pages 259 – 275 of the printed budget. Part-time hourly waged employees are paid from these listed accounts.

“Instructional Reserve” for faculty salaries Summer Salaries FY 2008 is budgeted at \$4,424,038. Off Campus/Instruction is budgeted at \$105,300 for honors and SAM 101-overloads. Correspondence hourly wages is budgeted at \$125,000. Faculty members who participate in teaching classes for these activities will receive appropriate amounts added to their nine-month budgeted salary. These amounts will be budgeted/assigned to faculty members during FY 2008 and reported quarterly to the Board of Regents, The Texas State University System.

3. Sam Houston State University is not utilizing any non-recurring funding sources in the FY 2008 budget. Student Service Fee fund balance is not being utilized in the budgeted expenditures of Student Service Fee for FY 2008. The income and expense estimates of the FY 2008 budget utilize educational and general appropriations and conservative estimates of revenue for auxiliary and designated funds. Sam Houston State University did not receive any “hold harmless” funding from the Texas Legislature for fiscal years 1997-2001 and fiscal years 2004, 2005, 2006, 2007 and 2008. Sam Houston State University received “hold harmless funding” of \$ 96,290 for FY 2002 and \$ 96,290 for FY 2003 from State Appropriated monies.
4. Items presented for payment from operation and maintenance accounts are paid only if sufficient funds are available. If a budgeted operation and maintenance account is insufficient, the department is notified to provide a change of account number or a budget transfer from another budgetary account having funds.

There is one exception to this procedure at Sam Houston State University and it is as follows:

Hourly payroll accounts and operational accounts may be insufficient to pay costs for hourly wages and payroll benefit costs when payroll is run. A change of budget is requested and completed immediately after the payroll.

The payroll and accounting departments identify the deficits, if any, and work with the department managers to clear the accounts within five working days.

5. Sam Houston State University has no instances to report where funds authorized by the Board for a specific purpose in the FY 2007 were redirected to another use without the prior approval of the Board. All funds authorized by the Board for a specific purpose are being expended in FY 2007 for the purpose authorized.

SAM HOUSTON STATE UNIVERSITY

**Table A 1
Educational & General Funds
Budgeted Revenues and Transfers
Year Ending August 31, 2008**

ITEM DESCRIPTION	FY 2007 APPROVED BUDGET	FY 2008 PROPOSED BUDGET	AMOUNT CHANGED	PERCENT CHANGED	NOTES
REVENUES					
Tuition and Fees					
Tuition	\$23,504,111	\$23,571,000	\$66,889	0.28%	
TPEG Awards	(3,501,781)	(2,978,932)	522,849	-14.93%	1)
Graduate Tuition	1,595,309	1,760,600	165,291	10.36%	2)
Lab Fees	160,000	160,000	0	0.00%	
Other Fees	607,398	856,500	249,102	41.01%	3)
Total Tuition and Fees	\$22,681,745	\$23,369,168	\$1,004,131	3.03%	
State Appropriations					
General Revenue Appropriation - HB 1	\$39,303,827	\$44,480,170	\$5,176,343	13.17%	4)
Less: General Revenue Reduction					
Revenue Bond Debt Services	(2,080,339)	(2,882,898)	(802,559)	38.58%	5)
Staff Benefit Appropriation	9,247,893	9,736,682	488,789	5.29%	6)
HEAF Appropriation	6,610,870	9,916,306	3,305,436	50.00%	7)
LEMIT Appropriation	3,628,050	7,163,000	3,534,950	97.43%	8)
Other Appropriations	4,080,665	4,080,665	0	0.00%	
CMIT-Criminal Justice Center	1,814,025	4,053,000	2,238,975	123.43%	8)
Forensic Science Office	0	22,500	22,500	100.00%	
Total State Appropriations	\$62,604,991	\$76,569,425	\$13,964,434	22.31%	
Current Funds					
Indirect Cost Recovery	\$290,000	\$175,000	(115,000)	-39.66%	9)
Investment Income	300,000	840,000	540,000	180.00%	10)
Sales and Services	301,000	443,397	142,397	47.31%	11)
Other Income	148,000	99,000	(49,000)	-33.11%	
Total Current Funds	\$1,039,000	\$1,557,397	\$518,397	49.89%	
TOTAL REVENUES	\$86,325,736	\$101,495,990	\$15,486,962	17.57%	
TOTAL BUDGETED REVENUES AND TRANSFERS	\$86,325,736	\$101,495,990	\$15,486,962	17.57%	

SAM HOUSTON STATE UNIVERSITY

**Table A 1
Educational & General Funds
Budgeted Revenues and Transfers
Year Ending August 31, 2008**

NOTES	ITEM DESCRIPTION	AMOUNT CHANGED	Explanations
	REVENUES		
	Tuition and Fees		
1)	Tuition-TPEG Awards	\$522,849	Financial Aid TPEG Awards overestimated in error for FY '07. Software rewritten for program application for FY '08.
2)	Graduate Tuition	\$165,291	Graduate tuition approved increase of \$6 per semester credit hour (\$44/SCH to \$50/SCH) with an estimated 2% increase in semester credit hours to be generated for FY '08.
3)	Other Fees	\$249,102	Fees for correspondence courses, library, music classes (special arranged), distance learning and science labs experiencing actual realized income over budget estimates for fiscal year '07 and fiscal year '08 estimates built using fiscal year '07 actual.
4)	State Appropriations General Revenue Appropriation - HB 1	\$5,176,343	Legislative formulas generated increased appropriations from general revenue for fiscal '08 due to semester credit hour and headcount growth during base period used for formula generation of monies.
5)	Less: General Revenue Reduction Revenue Bond Debt Services	(\$802,559)	90th Legislature appropriated \$80,256 per million for \$10 million tuition revenue bond issue for the performing arts center at SHSU.
6)	Staff Benefit Appropriation	\$488,789	90th Legislature appropriated additional funds for staff benefits for fiscal year '08.
7)	HEAF	\$3,305,436	Higher Education Assistance Funds (HEAF) appropriation for next 10 years increased by 90th Legislature in the amount of \$3,305,436 per year due to enrollment growth of past five years at SHSU.
8)	LEMIT Appropriation CMIT Appropriation	\$3,534,950 \$2,238,975	90th legislature appropriated the fund balances of LEMIT and CMIT for biennium '08 and '09.
9)	Current Funds Indirect Cost Recovery	(\$115,000)	Overhead on grants and contracts estimated lower due to fewer expected grants and contracts for FY '08..
10)	Investment Income	\$540,000	Investment income calculated at 4.9% for fiscal year '08 and utilizes actual interest income for fiscal year '07.
11)	Sales and Services	\$142,397	Sales and services calculated using actual for fiscal year '07.

SAM HOUSTON STATE UNIVERSITY

Table A 2
Educational & General Funds
Budgeted Expenditures
Year Ending August 31, 2008

ITEM DESCRIPTION	FY 2007 APPROVED BUDGET	FY 2008 PROPOSED BUDGET	AMOUNT CHANGED	PERCENT CHANGED	NOTES
RESIDENT INSTRUCTION					
College of Arts and Sciences	\$11,615,088	\$12,384,013	\$768,925	6.62%	1)
College of Business Administration	6,941,584	7,306,585	365,001	5.26%	1)
College of Criminal Justice	3,267,152	3,641,140	373,988	11.45%	1)
College of Education and Applied Science	6,534,810	5,802,223	(732,587)	-11.21%	1)
College of Humanities & Social Sciences	9,640,027	10,446,664	806,637	8.37%	1)
Other Programs-Vice President Academic Affairs	1,310,596	1,389,086	78,490	5.99%	
Reserves	151,485	141,254	(10,231)	-6.75%	
TOTAL RESIDENT INSTRUCTION	\$39,460,742	\$41,110,965	\$1,650,223	0.00%	
INSTRUCTIONAL ADMINISTRATION					
INDIRECT COST	\$1,514,141	\$1,715,064	\$200,923	13.27%	2)
ORGANIZED ACTIVITIES	290,000	175,000	(115,000)	-39.66%	
RESEARCH	75,000	86,885	11,885	15.85%	
LIBRARY	205,230	499,400	294,170	143.34%	3)
LIBRARY	1,854,944	1,908,632	53,688	2.89%	
PLANT SUPPORT					
Physical Plant Support	\$892,980	\$967,780	\$74,800	8.38%	
Building Maintenance	1,503,156	1,561,080	57,924	3.85%	
Custodial Services	1,486,888	1,522,360	35,472	2.39%	
Grounds Maintenance	600,072	620,364	20,292	3.38%	
Purchased Utilities	480,515	720,333	239,818	49.91%	4)
Longevity-Infrastructure	148,080	159,840	11,760	7.94%	
TOTAL PLANT SUPPORT	\$5,111,691	\$5,551,757	\$440,066	0.00%	
STUDENT SERVICES					
INSTITUTIONAL SUPPORT	\$2,464,718	\$2,568,345	\$103,627	4.20%	
STAFF BENEFITS	5,439,213	6,560,600	1,121,387	20.62%	5)
SPECIAL ITEMS	12,152,984	14,045,617	1,892,633	15.57%	6)
OTHER APPROPRIATIONS	7,065,538	13,254,254	6,188,716	87.59%	7)
HIGHER EDUCATION ASSISTANCE FUND	4,080,665	4,103,165	22,500	0.55%	
HIGHER EDUCATION ASSISTANCE FUND	6,610,870	9,916,306	3,305,436	50.00%	8)
TOTAL BUDGETED EXPENDITURES	\$86,325,736	\$101,495,990	\$15,170,254	0.00%	

SAM HOUSTON STATE UNIVERSITY

**Table A 2
Educational & General Funds
Budgeted Expenditures
Year Ending August 31, 2008**

NOTES	ITEM DESCRIPTION	AMOUNT CHANGED	EXPLANATIONS
	RESIDENT INSTRUCTION		
1)	College of Arts & Sciences	\$768,925	Allocation of Faculty Salaries for fiscal year '08 utilized actual growth of programs in fiscal year '07 and expected growth for fiscal year '08.
1)	College of Business Administration	\$365,001	
1)	College of Criminal Justice	\$373,988	
1)	College of Education	(\$732,587)	
1)	College of Humanities and Social Sciences	\$806,637	
2)	INSTRUCTIONAL ADMINISTRATION	\$200,923	Operational budgets of academic deans increased due to 27% increase of students in the past six years.
3)	RESEARCH	\$294,170	90th Legislature increased appropriation for FY '08 for academic research.
	PLANT SUPPORT		
4)	Purchased Utilities	\$239,818	Educational and General purchased utilities increased 21% during fiscal year '07 above initial budget and a 15% increase in costs is expected in FY '08.
5)	INSTITUTIONAL SUPPORT	\$1,121,387	90th Legislature increased appropriation for instruction and operations and staff positions and operations of educational and general departments being increased . for FY '08.
6)	STAFF BENEFITS	\$1,892,633	90th Legislature increased appropriation for employee benefits i.e.. health insurance and FICA.
7)	SPECIAL ITEMS	\$6,188,716	90th Legislature appropriated LEMIT and CMIT fund balances for fiscal year 2008.
8)	HIGHER EDUCATION ASSISTANCE FUND	\$3,305,436	89th Legislature increased appropriation for HEAF for next ten years by \$3,305,436 due to primarily the student growth during past six years.

SAM HOUSTON STATE UNIVERSITY

**Table B 1
Designated Funds
Budgeted Revenues and Transfers
Year Ending August 31, 2008**

ITEM DESCRIPTION	FY 2007 APPROVED BUDGET	FY 2008 PROPOSED BUDGET	AMOUNT CHANGED	PERCENT CHANGED	NOTES
REVENUES					
Designated Tuition (General Use Fee)	\$29,578,483	\$36,489,096	\$6,910,613	23.36%	1)
TPEG Designated Tuition	(1,984,429)	(4,265,353)	(2,280,924)	114.94%	2)
Computer Use Fee	5,493,147	6,515,910	1,022,763	18.62%	3)
International Education Fee	40,544	41,585	1,041	2.57%	
International Study Fee	20,000	20,000	0	0.00%	
Recreation Fee	2,877,621	2,946,653	69,032	2.40%	
Deficiency Plan Fee	7,000	7,000	0	0.00%	
Admissions Application Fee	221,600	315,783	94,183	42.50%	
Installment Payment Fee	333,168	300,000	(33,168)	-9.96%	
Returned Check Fee	9,000	5,500	(3,500)	-38.89%	
University Center Fee	978,758	984,900	6,142	0.63%	
Library Fee	1,065,777	1,275,855	210,078	19.71%	4)
Advisement Fee	1,776,296	1,822,650	46,354	2.61%	
Academic Course Fee	2,693,379	0	(2,693,379)	-100.00%	5)
TDCJ Unit Fee	3,375	3,375	0	0.00%	
Records Fee	0	437,436	437,436	100.00%	6)
Other Income	2,498,602	2,426,663	(71,939)	-2.88%	
TOTAL REVENUES	\$45,612,321	\$49,327,053	\$3,714,732	0.00%	
TRANSFERS IN					
Educational and General - TPEG Scholarships	\$3,501,781	\$2,978,932	(\$522,849)	-14.93%	7)
TOTAL TRANSFERS IN	\$3,501,781	\$2,978,932	(\$522,849)	0.00%	
BUDGETED FUND BALANCE	\$0	\$0	\$0	0.00%	
TOTAL BUDGETED FUNDS	\$49,114,102	\$52,305,985	\$3,191,883	0.00%	

SAM HOUSTON STATE UNIVERSITY

**Table B 1
Designated Funds
Budgeted Revenues and Transfers
Year Ending August 31, 2008**

NOTES	ITEM DESCRIPTION	AMOUNT CHANGED	EXPLANATION
REVENUES			
1)	Designated Tuition (General Use Fee)	\$6,910,613	Designated Tuition increased \$9 per semester credit hour (SCH) for course fee replacement and \$5 per semester hour for operations for FY '08 estimated income (increase from \$70 per SCH to \$84 per SCH).
2)	TPEG Designated Tuition	(\$2,280,924)	Financial aid set aside increased due to \$14 per SCH increase for designated tuition for fiscal year '08.
3)	Computer Use Fee	\$1,022,763	Computer Use Fee approved increase of \$2/SCH for fiscal year '08 and an increase of 2% for total semester credit hours to be generated, (\$13/SCH to \$15/SCH).
4)	Library Fee	\$210,078	Library Fee approved increase of \$5/per student per semester used in estimating revenue for fiscal year '08 (\$30 to \$35).
5)	Academic Course Fee	(\$2,693,379)	Academic course fees eliminated for fiscal year '08 and replaced with a \$9.00 increase per SCH for designated tuition.
6)	Records Fee	\$437,436	A new approved records fee of \$12 per semester per student for fiscal year '08 used in estimating revenue for fiscal year '08. The records fee replaces add/drop fee, later registration fee and transcript fee for enrolled students.
TRANSFERS IN			
7)	Educational and General - TPEG Scholarships	(\$522,849)	Tuition public education grant (TPEG) overestimated in fiscal year '07, utilizing a more accurate estimate for fiscal '08.

SAM HOUSTON STATE UNIVERSITY

**Table B 2
Designated Funds
Budgeted Expenditures
Year Ending August 31, 2008**

ITEM DESCRIPTION	FY 2007 APPROVED BUDGET	FY 2008 PROPOSED BUDGET	AMOUNT CHANGED	PERCENT CHANGED	NOTES
INSTRUCTION					
Sam Center-Academic Enrichment Center	\$3,000	\$3,000	\$0	0.00%	
Phd. Counseling	214,464	221,110	6,646	3.10%	
Faculty Salaries, Reserves, Summer School	2,059,032	2,135,317	76,285	3.70%	
Montgomery Center	950,000	950,000	0	0.00%	
Writing Across Curriculum	5,000	5,000	0	0.00%	
Travel and Academic Support	2,774,661	3,195,671	421,010	15.17%	
International Education	40,544	41,585	1,041	2.57%	
International Fees	20,000	20,000	0	0.00%	
University Center Fee	978,758	984,900	6,142	0.63%	
Advisement Fee	1,776,296	1,822,650	46,354	2.61%	
Academic Course Fee	2,693,379	0	(2,693,379)	-100.00%	1)
TDCJ Unit Fee	3,375	3,375	0	0.00%	
PGA/PGM Fee	52,220	97,901	45,681	87.48%	
Executive MBA Program	185,000	185,000	0	0.00%	
Visitor's Center	0	124,088	124,088	100.00%	2)
TOTAL INSTRUCTION	\$11,755,729	\$9,789,597	(\$1,966,132)	-16.72%	
RESEARCH					
Research and Sponsored Programs	\$104,840	\$256,866	\$152,026	145.01%	3)
Institutional Research	188,705	196,097	7,392	3.92%	
Indirect Cost Recovery	278,731	169,300	(109,431)	-39.26%	4)
TOTAL RESEARCH	\$572,276	\$622,263	\$49,987	8.73%	
PUBLIC SERVICE					
President's Office-Public Relations	\$80,000	\$80,000	\$0	0.00%	
Advancement Office	570,514	585,737	15,223	2.67%	
Law Enforcement Education	4,300	4,300	0	0.00%	
Donor Appreciation Luncheon	10,000	10,000	0	0.00%	
TOTAL PUBLIC SERVICE	\$664,814	\$680,037	\$15,223	2.29%	
ACADEMIC SUPPORT					
Computer Services	\$5,493,147	\$6,515,910	\$1,022,763	18.62%	5)
Admissions Application Fee	222,080	315,783	93,703	42.19%	6)
Small Business Develop Ctr Training	9,000	9,000	0	0.00%	
Deficiency Plan Fee	7,000	7,000	0	0.00%	
ADA Interpreters	151,536	210,340	58,804	38.81%	7)
TOTAL ACADEMIC SUPPORT	\$5,882,763	\$7,058,033	\$1,175,270	19.98%	

Table B 2
Designated Funds
Budgeted Expenditures
Year Ending August 31, 2008

ITEM DESCRIPTION	FY 2007 APPROVED BUDGET	FY 2008 PROPOSED BUDGET	AMOUNT CHANGED	PERCENT CHANGED	NOTES
STUDENT SERVICES					
Admissions Recruitment	\$65,492	\$65,492	\$0	0.00%	
VP-Student Services	76,728	76,728	0	0.00%	
Catalogues and Bulletins	61,970	30,880	(31,090)	-50.17%	
Recreation Fee	2,877,621	2,946,653	69,032	2.40%	
Administration Allow-Financial Aid	47,000	47,000	0	0.00%	
TOTAL STUDENT SERVICES	\$3,128,811	\$3,166,753	\$37,942	1.21%	
LIBRARY					
Library	\$1,416,185	\$1,626,263	\$210,078	14.83%	8)
TOTAL LIBRARY	\$1,416,185	\$1,626,263	\$210,078	14.83%	
PLANT SUPPORT					
Purchased Utilities	\$3,501,220	\$4,621,200	\$1,119,980	31.99%	9)
Physical Plant Administration	1,004,214	1,012,110	7,896	0.79%	
State Risk Management Support	3,800	3,800	0	0.00%	
Maintenance Services	165,000	200,000	35,000	21.21%	
Summer Camp Administration	15,930	18,241	2,311	14.51%	
TOTAL PLANT SUPPORT	\$4,690,164	\$5,855,351	\$1,165,187	24.84%	
INSTITUTIONAL SUPPORT					
Faculty/Staff Wellness	\$0	\$7,750	\$7,750	100.00%	
Capital Campaign	698,323	713,707	-15,384	2.20%	
President's Contingency	56,000	73,000	17,000	30.36%	
President's-Homecoming	10,000	12,000	2,000	20.00%	
Home Rentals	22,500	22,500	0	0.00%	
Bus. Office - Credit Card Overhead	335,314	505,004	169,690	50.61%	10)
SACS Self Study	26,512	91,512	65,000	245.17%	
Accreditation	75,000	75,000	0	0.00%	
Financial Aid	312,249	322,569	10,320	3.31%	
Human Resources	93,352	97,134	3,782	4.05%	
Internal Audit	173,810	178,970	5,160	2.97%	
Administrative Accounting	187,311	197,487	10,176	5.43%	
President's Salary Supplements	156,865	165,777	8,912	5.68%	
Returned Checks	9,000	5,500	(3,500)	-38.89%	
Installment Payment Fee	333,168	300,000	(33,168)	-9.96%	
Public Information	52,772	54,308	1,536	2.91%	
Computer Services	31,853	31,853	0	0.00%	
VP-for Finance & Operations	62,003	51,231	(10,772)	-17.37%	
Marketing Advancement	105,000	105,000	0	0.00%	
Public Safety Services	88,740	91,836	3,096	3.49%	
Raven Nest	100,672	193,382	92,710	92.09%	
VP Enrollment Management	117,500	289,693	172,193	146.55%	11)

Table B 2
Designated Funds
Budgeted Expenditures
Year Ending August 31, 2008

ITEM DESCRIPTION	FY 2007 APPROVED BUDGET	FY 2008 PROPOSED BUDGET	AMOUNT CHANGED	PERCENT CHANGED	NOTES
AB5 and Performing Arts Center	3,776,030	3,300,000	(476,030)	-12.61%	12)
Construction Contingency	1,412,257	70,000	(1,342,257)	-95.04%	13)
Business Office	104,794	108,610	3,816	3.64%	
President's Office	144,943	143,423	(1,520)	-1.05%	
Bond Principal & Interest	2,192,518	3,001,571	809,053	36.90%	14)
TSUS Shared Billings	754,364	954,364	200,000	26.51%	15)
E&G Employee Insurance Shortfall	710,000	1,244,334	534,334	75.26%	16)
90 Day Employee Insurance	259,000	259,000	0	0.00%	
90 Day New Employee-TRS	27,909	27,909	0	0.00%	
Staff Council	2,500	2,500	0	0.00%	
Keying and Card Access	260,348	385,000	124,652	47.88%	17)
Records Fee	0	437,436	437,436	100.00%	18)
TOTAL INSTITUTIONAL SUPPORT	\$12,692,607	\$13,519,360	\$795,985	6.51%	
SCHOLARSHIPS/FELLOWSHIPS					
TPEG	\$5,486,210	\$7,244,285	\$1,758,075	32.05%	19)
All Others	6,500	6,500	0	0.00%	
Scholarships	1,100,000	1,065,000	(35,000)	-3.18%	
TOTAL SCHOLARSHIPS/FELLOWSHIPS	\$6,592,710	\$8,315,785	\$1,723,075	26.14%	
OTHER DEPARTMENTS					
Telephone Operations	\$151,500	\$51,500	(\$100,000)	-66.01%	20)
Postage	450,000	450,000	0	0.00%	
TRIES Labs	92,500	15,000	(77,500)	-83.78%	
University Press	730,000	862,000	132,000	18.08%	21)
Store	215,843	215,843	0	0.00%	
Network Services	78,200	78,200	0	0.00%	
TOTAL OTHER DEPARTMENTS	\$1,718,043	\$1,672,543	(\$45,500)	-2.65%	
TOTAL BUDGETED EXPENDITURES	\$49,114,102	\$52,305,985	\$3,161,115	6.50%	

SAM HOUSTON STATE UNIVERSITY

**Table B 2
Designated Funds
Budgeted Expenditures
Year Ending August 31, 2008**

NOTES	ITEM DESCRIPTION	AMOUNT CHANGED	EXPLANATIONS
	INSTRUCTION		
1)	Academic Course Fee	(\$2,693,379)	Academic course fee was eliminated for FY '08.
2)	Visitor's Center	\$124,088	Visitor's Center opened during FY '07 and an operational budget was established.
	RESEARCH		
3)	Research & Sponsored Programs	\$152,026	Additional funding provided for faculty research during FY '08.
4)	Indirect Cost Recovery	(\$109,431)	Revenue decreased due to estimated fewer grants and contracts with indirect cost for FY '08 and operations decreased accordingly.
	ACADEMIC SUPPORT		
5)	Computer Services	\$1,022,763	Operations reflect a \$2/SCH increase for Computer Use Fee for FY '08.
6)	Admissions Application Fee	\$93,703	Admission application fee operations increased
7)	ADA Interpreters	\$58,804	FY '08 budget increased for ADA Interpreters for students.
8)	LIBRARY	\$210,078	Operations increased with \$5/semester increase for Library Fee for FY '08.
	PLANT SUPPORT		
9)	Purchased Utilities	\$1,119,980	Budget increased due to 21% increase in costs for FY '07 and an estimated 15% increase during FY '08.
	INSTITUTIONAL SUPPORT		
10)	Business Office-Credit Card Overhead	\$169,690	Budget increased due to increased use by students for payment of fees and tuition via credit cards.
11)	Vice President for Enrollment Management	\$172,193	Budget for FY '08 increased for additional positions approved for financial aid and admissions and increase to operations.
12)	AB5 and Performing Arts Center	(\$476,030)	Principal and interest annual payment for bond issue of \$25 million - Performing Arts Center and \$15 million for Academic Building 5.
13)	Construction Contingency	(\$1,342,257)	Contingency reduced due to completion of programming and hiring a Construction Manager at Risk for new Mall and new Academic Building 5.
14)	Bond Principal & Interest	\$809,053	Principal and interest annual payment increased per bond payment schedules for previous bond issues using designated tuition as revenue source.
15)	TSUS Shared Billings	\$200,000	Budgeted for estimated costs to be billed from TSUS and additional cost allocated due to departure of Angelo State University from the TSUS system.
16)	E&G Employee Insurance Shortfall	\$534,334	Budgeted estimated shortfall of health insurance appropriation for employee benefit of E&G personnel for FY '08.

17)	Keying and Card Access	\$124,652	Estimated cost of card access project for E&G buildings is increasing and being budgeted accordingly.
18)	Records Fee	\$437,436	An operations budget established for new approved records fee for FY '08.
SCHOLARSHIPS/FELLOWSHIPS			
19)	TPEG	\$1,758,075	A \$14 increase in designated tuition requires a set aside of approximately 20% for financial aid.
OTHER DEPARTMENTS			
20)	Telephone Operations	(\$100,000)	Costs of telephone operations decreased for FY '08. budget for FY '07 was estimated too high.
21)	University Press	\$132,000	Revenue of University Press based upon FY '07 actual and operations increased by appropriate increase.

SAM HOUSTON STATE UNIVERSITY

Table C 1
 Auxiliary Funds
 Budgeted Revenues and Transfers
 Year Ending August 31, 2008

ITEM DESCRIPTION	FY 2007 APPROVED BUDGET	FY 2008 PROPOSED BUDGET	AMOUNT CHANGED	PERCENT CHANGED	NOTES
AUXILIARIES					
REVENUES					
Fees					
Student Service Fee	\$6,844,846	\$7,122,803	\$277,957	4.06%	
LSC Fee	2,131,555	2,187,180	55,625	2.61%	
Medical Service Fee	1,065,777	1,202,949	137,172	12.87%	1)
Total Fees	\$10,042,178	\$10,512,932	\$470,754	4.69%	
Sales and Services					
Athletics	\$844,628	\$844,628	\$0	0.00%	
Athletic Van Rental	700	0	(700)	-100.00%	
Summer Camps	165,000	145,000	(20,000)	-12.12%	
Stadium Operations	30,000	30,000	0	0.00%	
Athletic Concessions	26,000	26,000	0	0.00%	
University Clinic	60,000	70,000	10,000	16.67%	
Clinic Pharmacy	60,000	70,000	10,000	16.67%	
Rodeo Activities	17,074	17,074	0	0.00%	
Legal Services	1,100	1,100	0	0.00%	
Bearkat One-Card Services	25,000	30,000	5,000	20.00%	
LSC Game Room	30,000	30,000	0	0.00%	
University Bookstore	200,000	200,000	0	0.00%	
Houstonian	39,000	81,000	42,000	107.69%	
Biology Lab Manual	19,500	19,500	0	0.00%	
University Kindergarten	2,000	2,000	0	0.00%	
Smith-Hutson Banking	19,500	19,500	0	0.00%	
University Hotel	800,000	800,000	0	0.00%	
Center for Professional Development	16,342	31,342	15,000	91.79%	
Continuing Education	155,000	155,000	0	0.00%	
Diplomas and Transcripts	230,000	100,000	(130,000)	-56.52%	2)
I E Materials Fund	350	350	0	0.00%	
University Mail Services	221,000	223,000	2,000	0.90%	
English as a Second Language	64,196	91,096	26,900	41.90%	
Reading Clinic	3,750	3,750	0	0.00%	
Raven Nest Golf Course	924,700	924,700	0	0.00%	
SHSU Freshman Orientation	155,000	155,000	0	0.00%	
Sam Houston Home and Grounds	38,000	38,000	0	0.00%	
Speech Program Support	3,500	3,500	0	0.00%	
Surplus - Scrap Materials	8,000	8,000	0	0.00%	
Student Program Development	1,500	1,500	0	0.00%	
Standardized Testing - Materials	200	200	0	0.00%	
Thesis Binding	5,500	5,500	0	0.00%	
Smith-Hutson Banking	9,500	9,500	0	0.00%	
Testing Center	73,000	73,000	0	0.00%	
Cheerleading, Music Camps	60,300	60,300	0	0.00%	
Dietetic Internship Program	1,500	1,500	0	0.00%	
Vending Machine Funds	710,000	575,000	(135,000)	-19.01%	3)
Xerox Machine - Library	61,000	61,000	0	0.00%	
CJ International Field Schools	3,600	3,600	0	0.00%	
Italy Field School	20,865	0	(20,865)	-100.00%	
Puebla Field School	12,500	12,500	0	0.00%	
Center for Research-Ed.D.	2,550	2,550	0	0.00%	
Agriculture Annual Judging Con	7,000	7,000	0	0.00%	
Ag Shortcourses	1,000	1,000	0	0.00%	

School Administration Workshop	3,000	3,000	0	0.00%	
Library Science Conferences	44,000	44,000	0	0.00%	
Encuentro Conference	2,000	2,000	0	0.00%	
COE District Educator of Year	12,050	10,000	(2,050)	-17.01%	
Academic Challenge	6,600	6,600	0	0.00%	
Office of Alumni Relations	300,000	386,000	86,000	28.67%	
CJ Summer Camp	3,570	3,570	0	0.00%	
Psychology Workshop	1,050	0	(1,050)	-100.00%	
CJC Fee Based Programs	57,867	70,000	12,133	20.97%	
Dining	5,400,000	5,700,000	300,000	5.56%	4)
Housing	10,040,820	10,991,000	950,180	9.46%	5)
Parking	1,348,000	1,380,000	32,000	2.37%	
Total Sales and Services	\$22,348,312	\$23,529,860	\$1,181,548	5.29%	
Investment Income-Interest	\$306,500	\$592,450	\$285,950	93.30%	6)
TOTAL REVENUES	\$32,696,990	\$34,635,242	\$1,938,252	5.93%	
TRANSFERS IN					
From Designated Funds					
in Support of Athletics					
Athletics-Capital Project	\$210,372	\$210,372	\$0	0.00%	
Athletics	1,560,000	1,560,000	0	0.00%	
TOTAL TRANSFERS IN	\$1,770,372	\$1,770,372	\$0	0.00%	
BUDGETED FUND BALANCE	\$0	\$0	\$0	0.00%	
TOTAL AUXILIARIES	\$34,467,362	\$36,405,614	\$1,938,252	5.62%	

SAM HOUSTON STATE UNIVERSITY

**Table C 1
Auxiliary Funds
Budgeted Revenues and Transfers
Year Ending August 31, 2008**

NOTES	ITEM DESCRIPTION	AMOUNT CHANGED	EXPLANATIONS
	AUXILIARIES REVENUES		
	Fees		
1)	Medical Service Fees	\$137,172	Medical fee approved increase of \$3 per student per semester and a 2% increase estimated for enrollment growth for fiscal year '08.
	Sales and Services		
2)	Diplomas & Transcripts	(\$130,000)	A records fee approved for FY '08 replaces the transcript fee for enrolled student for fiscal year '08.
3)	Vending Machine Funds	(\$135,000)	Vending sales estimated for fiscal year '08 utilizes actual revenues for fiscal year '07.
4)	Dining	\$300,000	Dining cash sales and board plans revenue for fiscal year '08 utilizes actual revenues for fiscal year '07 with a 2% increase of sales estimated.
5)	Housing	\$950,180	Housing revenue estimated for fiscal year '08 at 95% occupancy and at approved increased rates for fiscal year '08.
6)	Investment Income Interest	\$285,950	Interest income estimated at a rate of 4.9% and utilizes actual incomes for fiscal year '07.

SAM HOUSTON STATE UNIVERSITY

**Table C 2
Auxiliary Funds
Budgeted Expenditures
Year Ending August 31, 2008**

ITEM DESCRIPTION	FY 2007 APPROVED BUDGET	FY 2008 PROPOSED BUDGET	AMOUNT CHANGED	PERCENT CHANGED	NOTES
AUXILIARIES					
Student Service Fee					
Athletics-Student Service Fee	\$3,385,071	\$3,518,665	\$133,594	3.95%	
Non-Athletics Accounts	3,459,775	3,604,138	144,363	4.17%	
Total Student Service Fee	\$6,844,846	\$7,122,803	\$277,957	0.00%	
Athletics-Other Revenue and Designated					
Tuition Support	\$2,836,700	\$2,864,174	\$27,474	0.97%	
Medical Service Fee and Services	1,185,777	1,342,949	157,172	13.25%	1)
Lowman Student Center Fee	2,361,555	2,417,180	55,625	2.36%	
Houstonian	39,000	81,000	42,000	107.69%	
Continuing Education	155,000	155,000	0	0.00%	
University Hotel	800,000	800,000	0	0.00%	
Diplomas and Transcripts	230,000	100,000	(130,000)	-56.52%	2)
University Mail Services	221,000	223,000	2,000	0.90%	
Raven Nest Golf Course	924,700	924,700	0	0.00%	
Freshman Orientation	155,000	155,000	0	0.00%	
Music Camps	60,300	60,300	0	0.00%	
Vending	676,852	575,000	(101,852)	-15.05%	3)
Xerox-Library	61,000	61,000	0	0.00%	
Office of Alumni Relations	356,922	442,922	86,000	24.09%	
Other Programs	550,861	537,755	(13,106)	-2.38%	
Dining	5,400,000	5,700,000	300,000	5.56%	4)
Housing	10,040,820	10,991,000	950,180	9.46%	5)
Parking and Public Safety	1,348,000	1,380,000	32,000	2.37%	
TOTAL AUXILIARY FUNDS EXPENDITURES	\$34,248,333	\$35,933,783	\$1,685,450	4.92%	

SAM HOUSTON STATE UNIVERSITY

**Table C 2
Auxiliary Funds
Budgeted Expenditures
Year Ending August 31, 2008**

NOTES	ITEM DESCRIPTION	AMOUNT CHANGED	EXPLANATIONS
AUXILIARIES			
1)	Medical Service Fee and Services	\$157,172	Medical Fee increases from \$30 to \$33 per student per fall and spring semester and from \$15 to \$16.50 per student per summer term for fiscal year '08.
2)	Diplomas and Transcripts	(\$130,000)	A new records fee of \$12 per student per fall and spring semester and \$6 per student per summer term replaces and eliminates add/drop fee and transcript fee of enrolled students.
3)	Vending	(\$101,852)	Vending revenue actual for fiscal year '07 utilized for revenue estimated for fiscal year '08 and operations reduced accordingly.
4)	Dining	\$300,000	Dining revenue estimate for FY '08 based upon actual revenue for FY '07 and a 5% increase in board plan cost to students.
5)	Housing	\$950,180	Housing rates increased for fiscal year '08 and revenue and operations increased based upon a 95% occupancy.