



Budget Summary

*To be completed annually by each department.
Please attach Funding Request Forms for each proposed increase.*

Department:	Recreational Sports		RSF Account #	301790
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Department Budget History:

	FY2019	FY2020	FY2021	FY2022
Total Operating Budget	16,149,085	16,704,425	17,896,351	19,535,254
Total Current RSF Allocation	13,052,734	13,303,000	14,513,750	16,111,000
RSF Increases Requested				
RSF Increases Funded				
Total End-of-Year Reserve Balance Across All Operating Accounts	5,905,760	6,291,800	5,428,372	4,872,660

FY22 will be the second year the new \$145 fee is in effect therefore, based on the chart below, about 57.37% of the student body will be paying the new fee. Over the following two years, students paying at the increased fee rate will be phased in accordingly.

<i>First Year</i>	<i>38.33%</i>
<i>Second Year</i>	<i>57.37%</i>
<i>Third Year</i>	<i>76.49%</i>
<i>Fourth Year</i>	<i>100%</i>

Please provide a reserve spending plan if ending FY2020 reserves exceed University requirements.

University Required Reserves for FY20	\$3,581,857
FY20 Actual Reserves	<u>\$6,291,800</u>
Amount Reserves are expected to exceed requirements	\$3,241,940

At this time, our reserves are expected to exceed the university requirements and these additional funds are designated for ongoing capital projects. The reserves spending plan will be challenged in the next few fiscal years as we deal with the effects of COVID-19 on both generated revenue and expenses. The COVID-19 situation over the past 6-7 months has had a significant impact on our reserves. One of the big unknowns which makes it difficult to predict is potential shut down of our facilities. The impact this could potentially have on our generated revenue is significant. Consequently, we re-evaluated several capital projects and postponed in many cases until the cash flow allows while still maintaining an adequate reserve contingency fund. At this time, we are only approving Priority 1 level projects that have either a facility structural integrity or safety/risk management issue.

We are prioritizing on a regular basis what we can afford to replace at this time. Please see attachment for an itemized list of the planned capital spending.

The continued growth of the student body and 20+ years of operations of the Student Rec Center present an ongoing challenge to meet the high expectations of all Aggies. Maintenance is often an inexact science, but we need to maintain our strong commitment to Renewal & Modification to invest in maintaining healthy facilities for Aggies in the foreseeable future.

Reserves in the fee account are designated for future debt services payments. All of the funds in the R&M accounts are designated for future R&M expenses which will maintain the useful life of our facilities. Our Renewal & Modification funding continues to be based on the recommendations from the NACUBO guidelines which have been adapted to include replacement cost.

UAF Increase Request History & FY2022 Summary:

Program, Service, or Operation Requested	Amount Requested	SAFAB Recommended? (Y/N)	University/VPASA Funded (Y/N)
FY2020			
FY2021			
In FY21, the Rec Sports Fee increased from \$106 to \$145 for all incoming freshmen, graduate students and those on the variable rate tuition plan.	1,875,900	Y	
FY2022 Proposal Summary (Prioritized)			

Additional Questions: *(to assist the Board when informing the student body about stewardship of the University Advancement Fee)*

If you received additional funding in the last 2 years, please describe or explain the success or shortcomings of those new resources.

We have not received additional funding related to the University Advancement Fee over the past two years.

What do you see as your department’s financial priorities in the next 3 – 5 years (FY2022-FY2026)?

Our top priorities for the next few years are as follows:

1. Analyze the ongoing financial impact of the COVID-19 pandemic and determine appropriate responses, especially in the areas of reserve requirements, potential loss of revenue from program registrations, facility rentals and increases in COVID-related expenses.
2. Continue to work with Facilities Planning & Construction along with Treasury Services to ensure we meet all requirements for the design and construction of the new Southside Rec Center (located near the Texas A&M Golf Course clubhouse), scheduled to open fall 2022 semester (FY2023).
3. Continue to prioritize the capital needs to fund the Renewal & Modification reserve account for all Rec Sports Facilities. The original Student Rec Center building is now 25 years old and consequently maintenance, repair and replacement costs are rising. (See Capital Spending Plan)
4. Continue to evaluate our long term pro forma statement to ensure we are positioned with sufficient financial resources to fund our facility and programmatic offerings
5. Determine appropriate student staffing levels and hours of operation for the new Polo Road Rec Center (opening spring 2021) and Southside Rec Center (opening fall 2022).
6. Continue to evaluate full-time staffing needs, determine the timeline for new positions (especially as related to the two new facilities coming on line), and plan for career ladder promotions
7. We will continue to adapt our delivery of content to include both in-person and virtual modes in response to this situation.

	Total Financial Impact:
How many reclassifications did you have approved in FY2020? 1	\$2,437.47
How many equity adjustments did you have approved in FY2020? 0	0
How many one-time merit increases did you have approved in FY2020? 10	\$20,500
How many hiring adjustments did you have approved in FY2020? 4	\$8,683.31
What positions were approved to eliminate in FY2020? 0	0
What new positions did you create in FY2020? 1	\$28,000

Additional comments, special considerations, etc.

Many of the popular Rec Sports programs have been substantially impacted by COVID-19. The department quickly began repositioning to deliver our programs virtually as much as possible.

The new satellite facility, Polo Road Rec Center, is currently under construction with a scheduled opening date of January 2021. We are confident this will provide the students with an exceptional facility that offers the most needed programs on the north side of campus.

We are moving into the final design phase of the Southside Rec Center with ground breaking scheduled for January 2021.

SAFAB Comments/Notes:

**Recreational Sports Capital Plan
Highlighted Items from Capital Plan**

Description	Amount
Rec Center update and replace electrical panels. Lighting control systems as required	500,000.00
Replacement of strength equipment	285,033.00
Cardio Equipment Replacement	258,333.00
R&R Second floor office window wall (curtain wall)	250,000.00
OUTDOOR LIGHTING Project: LED lighting on outdoor basketball, volleyball and pavilion; lighting for front and Southside and front of Rec exterior; additional lighting for south entrance; lighting for balcony of 2229 and 1130 exterior	250,000.00
Luxury Vinyl Tile (LVT) second floor and third floor original \REC center	200,000.00
Replace repair AHU #6 original weightroom 14K sq ft	179,000.00
Replace repair AHU #10 serves 303 304 even racquetball courts	179,000.00
Replacement of older cardio equipment on 2nd and 3rd floors.	160,000.00
Replacement Workstations	157,500.00
Outdoor Project: outdoor volleyball new poles and stands ; repaint outdoor shade structure; remodel outdoor volleyball court seating area	135,000.00
Power clean and treat exterior of Rec	105,227.00
Roof and ceiling leakage in Rec	54,481.00
Total \$	2,713,574.00