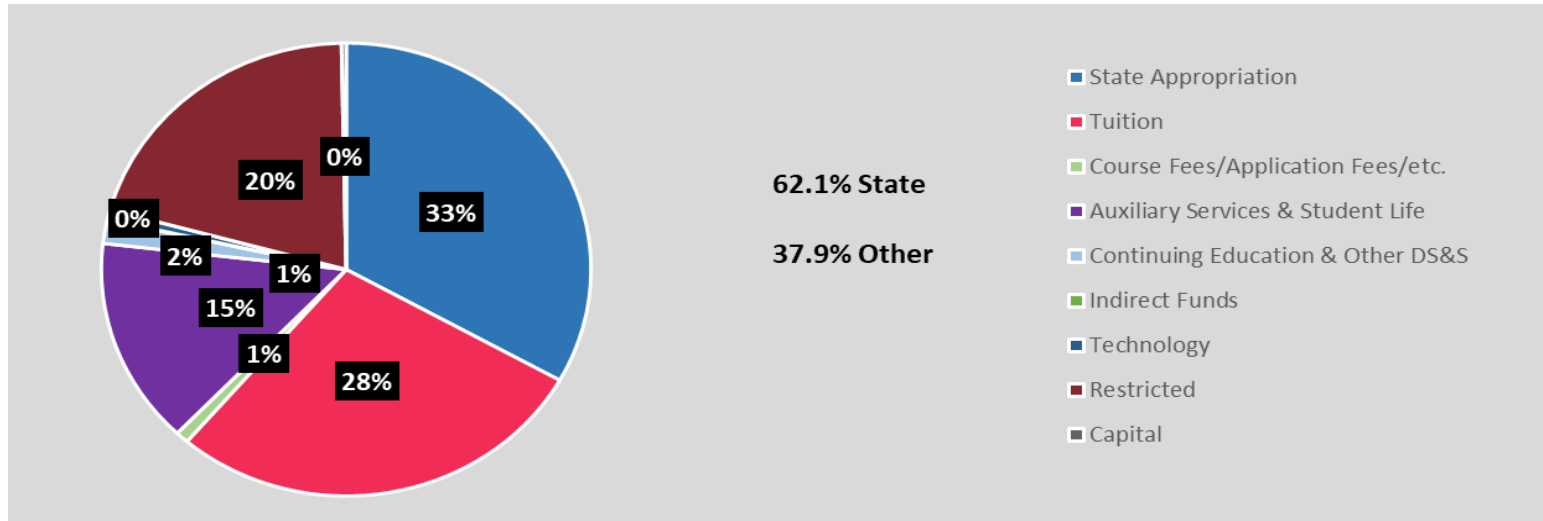


Open Budget Meeting Town Hall

June 7, 2022 | 10 a.m.

Via Teams

Clayton State University's Resources



Uses

- Salaries and Wages
- Utilities
- Supplies and Equipment
- Technology
- Facilities and Maintenance
- Public Safety
- Campus Activities and Services

Restrictions

- Capital funds can not be used to pay for salaries and wages
- State procurement guidelines must be followed
- Student fees must be used in conjunction with specific services

Realities

- Prudent fiscal management required for all sources
- State Appropriation varies
- Focus on Financial Ratios
- Economic conditions have a direct impact on our ability to collect the revenues necessary to satisfy the needs and obligations of the University

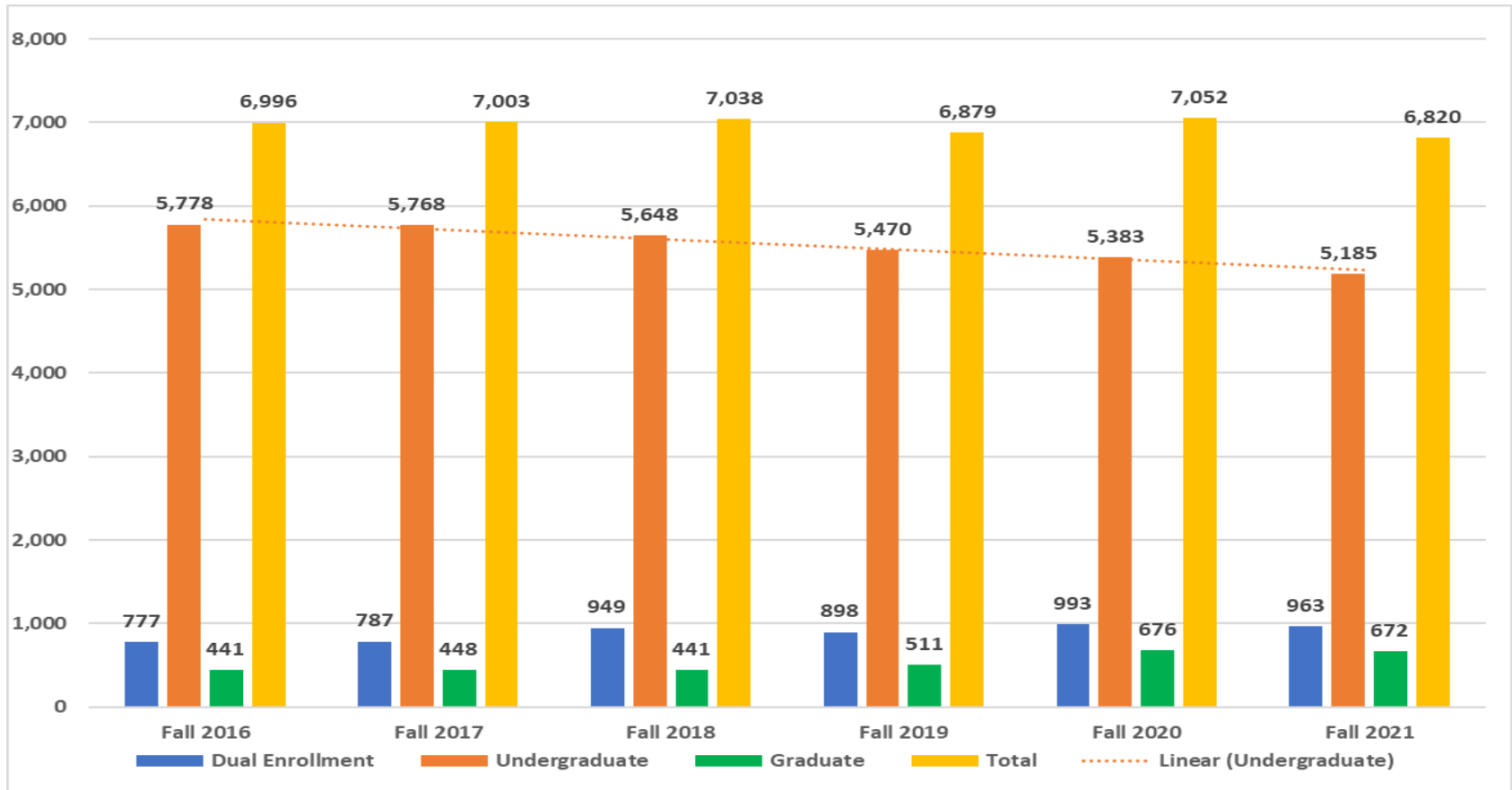
Open Budget Meeting

CSU's PRIMARY RESOURCES

- **State Appropriation** **\$34,816,866**
- **Tuition** **\$29,568,665**
- **Fees**
 - **Mandatory Fees** **\$5,607,340**
 - **Other Fees** **\$901,778**
- **PBI Grant funded items** **\$1,135,484**

Open Budget Meeting

Fall Enrollment 2016-2021-Impacts State Appropriation & Tuition Revenue



USG Funding Formula

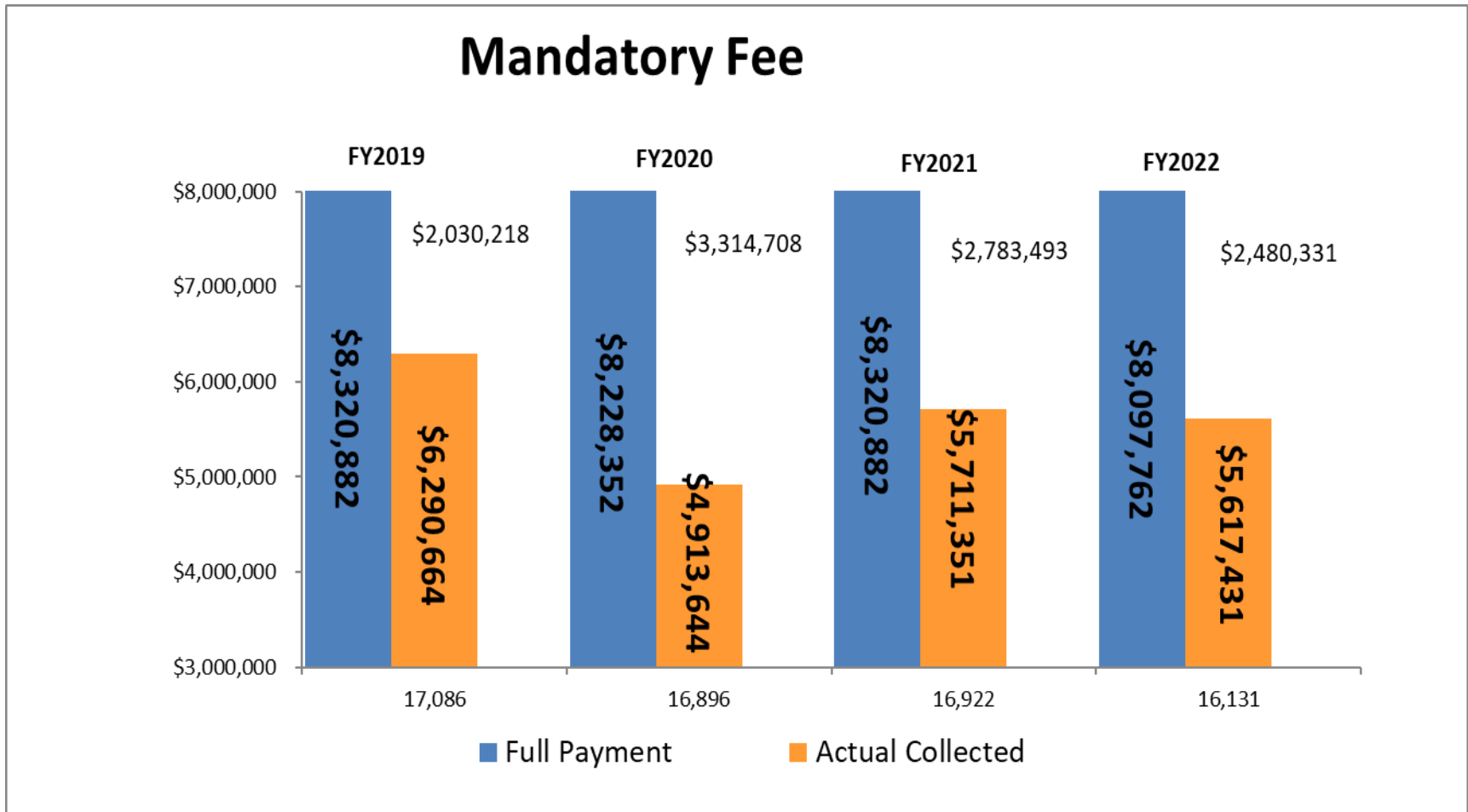
Credit hour production is the key variable for funding

- Based on a two-year lag
- FY24 state funds earnings is based on change in hours in FY22 (Summer 2021, Fall 2021 and Spring 2022) over the prior year.

Maintenance and Operations (M&O) - Based on changes in instructional square footage

Health Insurance and Retiree Benefits - Based on increases in health insurance premiums for current employees and new retirees

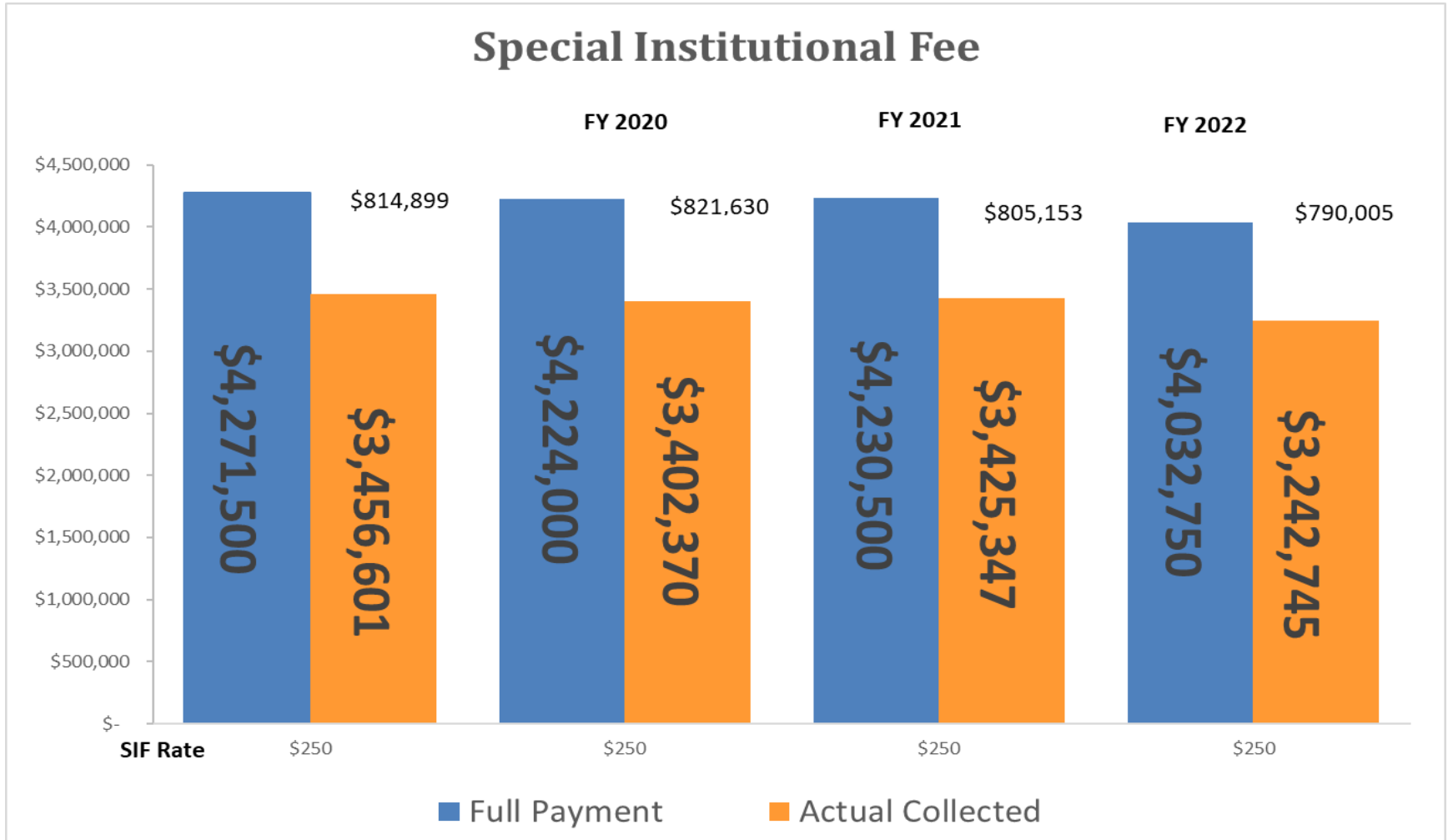
Open Budget Meeting



Categories that pay less/none: Distance Learning, eCore, Employees/TAP, Fayette County, Henry County, Dual Enrolled, Main Campus - less than 3 hrs, Senior Citizens, WebBSIT, Military

Open Budget Meeting

Special Institutional Fee



Open Budget Meeting

HEERF III FUNDING

FY22

STUDENT GRANTS

Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. **\$10,303,235** has been designated as Emergency Financial Aid Grants to students.

INSTITUTIONAL

Clayton State University was provided **\$9,631,911**.

MINORITY SERVING INSTITUTION (MSI)

Clayton State University was provided **\$1,086,738**.

Guiding Principles for Spending Institutional and MSI Allocations

- Practices to monitor and suppress COVID 19 (mandatory required use)
- Outreach to Financial Aid Applicants (mandatory required use)
- Lost revenue from state appropriation for FY22
 - Student Success Expenditures
 - TBD once BOR guidance is received
- Student debt discharge
- Outstanding lost revenue from PPV projects (housing and SAC), auxiliary units (athletics, parking, etc.), departmental sales and service, student activity fees, and tech fee.
- Minor remodeling

Open Budget Meeting

UNRESOLVED BUDGET ISSUES FY22

Vacation Payouts for Administrators that retired in June	\$126,210
Replacing furniture, carpet, and painting in UC	\$160,595
Alertus renewal for Public Safety system	\$9,950
Replacing Central Plant cooling towers	\$25,989
Lease on postage machine	\$14,456
Concrete repairs made on campus for safety concerns	\$6,090
Replacing UC Board Room chairs	\$15,972
Marketing/Branding campaign	\$100,000
Search committee for VP's and Dean	\$135,000
Booth Middle School	\$300,000
Landscaping Phase A	\$50,000
Facilities Def. Main. (Lecture & Huie roofs)(\$370k) Patch@20k	\$20,000
Unfunded portion of Cost of Living Adjustment (COLA)	\$400,000
Total	\$1,364,262

Already paid

Open Budget Meeting

Merit Increases and Compensation

- No Merit Salary Increases FY 23
- There was a \$5,000 annual Cost of Living Adjustment (COLA) given to all full time employees effective 4/1/22. FY 22

FY23 Budget Build Requests from Campus Totalled 1,055,112

- Academic Affairs (2 Requests)
- Enrollment Management (1 Request)
- ITS (2 Requests)
- Student Affairs (3 Requests)
- Business & Operations (2 Requests)
- University Advancement (0 Requests)
- Athletics (1 Request)

CSU FY 23 Budget Build

FY23 BUDGET BUILD SCENARIOS

<u>Revenue - 6,600 Fall Enrollment</u>	<u>FY23 Budget</u>
State Appropriation	34,816,866
Tuition	28,573,798
Fees & Other General	899,987
Carry Forward Funds	800,000
	<u>65,090,651</u>
 <u>Expenditures</u>	
Updated current budget with COLA increase for filled/vacant positions	65,036,453
	<u>54,198</u>
 <u>Funding Available to Distribute</u>	
Required Funding Items added:	
University Contingency <i>(4930000)</i>	200,000
Faculty Promotions including benefits <i>(Various)</i>	45,814
	<u>245,814</u>
 Additional Funds Available	 <u>(191,616)</u>

CSU FY 23 Budget Cuts

• Academic Affairs	\$106,277
• Enrollment Management	\$ 38,073
• ITS	\$ 19,886
• Student Affairs	\$ 9,853
• Business & Operations	\$ 49,407
• University Advancement	\$ 17,321
• Spivey Hall	\$ 1,928
• President	<u>\$ 7,255</u>
TOTAL	\$250,000

Clayton State University

Declining Enrollment = Declining Revenue

	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022 (projected)
Headcount	7,038	6,879	7,052	6,820	6,650
% Change in Headcount	0.5%	-2.3%	2.5%	-3.3%	-2.5%
Impact on Tuition/Fees	Immediate				
Impact on State Funds	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025

What does this mean for CSU?

Net state appropriation increase and loss in tuition and fee revenue for FY23	\$236,659
Estimated loss in state appropriations for FY24 (Based on FY22: Summer 2021, Fall 2021, and Spring 2022)	(\$3,350,000)
Early estimated loss in state appropriations for FY25 (Based on FY23: Summer 2022, Fall 2022, and Spring 2023)	????
TOTAL estimated losses for FY23-FY25 (assuming no further enrollment declines after this Fall)	(\$3,113,341)

DRAFT

**Clayton State University
Budget Reduction Principles & Considerations
For FY 2024 Planning
May 19, 2022**

Clayton State University will use the following principles, guided by the university's continuing strategic plan, goals and values, as it develops budget reduction plans:

1. Minimize to the greatest extent possible negative impacts on student learning and teaching.
2. Institutional/university-wide priorities will take precedence over individual or divisional priorities.
3. Reduce budgets strategically, not across the board.
4. Successful initiatives for enrollment growth and retention should continue to be supported where feasible.
5. Initiatives to increase revenues will continue to be explored.
6. Challenge the status quo and long-held traditions that are impediments to change.
7. Closer-term decisions to maintain a balanced budget will accompany long-term planning.
8. Each unit should analyze each program and every function within its area and the associated costs. Each recurring expense or costs must be justified for continuation. And new expenses must be justified and funded from redirection.
9. Be transparent, collaborative and accountable in making important decisions that affect the institution.
10. Reduction plan(s) will be communicated to the university community and stakeholders.

FY24 Budget Reductions

Clayton State University

Projected reduction amounts and potential impact at various levels of reduction using FY2023 State Appropriation for HYPOTHETICAL

FY 2023 State Appropriations	\$ 34,816,866
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Reduction @ 8%	Target Reduction @ 9.62%	Reduction @ 10.48%
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Budget Reduction	\$ 2,785,349	\$ 3,350,000	\$ 3,650,000
Total	\$ 2,785,349	\$ 3,350,000	\$ 3,650,000

\$ 564,651

\$ 300,000

\$ 32,031,517

\$ 31,466,866

\$ 31,166,866

FY24 Budget Reductions

PROPOSED FY24 DIVISIONAL BUDGET CUTS AT VARIOUS LEVELS

Division	Total of all State Funds Non-Personal Services Budget	% of all State Funds Non-Personal Services Budget	\$2,785,349 Budget Cut	TARGET \$3,350,000 Budget Cut	\$3,650,000 Budget Cut
Academic Affairs	1,644,122	41.32%	1,150,799	1,384,091	1,508,039
Enrollment Mgmt	555,295	13.95%	388,677	467,471	509,334
Business & Operations	777,053	19.53%	543,896	654,156	712,737
University Advancement	268,771	6.75%	188,126	226,263	246,525
Student Affairs	152,880	3.84%	107,008	128,701	140,226
ITS	431,496	10.84%	302,024	363,251	395,781
Spivey Hall	29,924	0.75%	20,945	25,190	27,447
President	119,829	3.01%	83,874	100,877	109,911
Total	3,979,370	100%	2,785,349	3,350,000	3,650,000

Planning for FY24 Budget Reductions

- OS&E reductions
- Travel reductions
- Contract eliminations
- Laser focused budgeting process
- Personnel Impacts – Staffing Levels & Academic Strategic Alignment

Academic Strategic Alignment

- Initiative across USG institutions to review academic portfolios to ensure alignment with demand
- Conducting a comprehensive program review of all academic programs
- Conducting a Course Schedule Analysis to identify inefficiencies and roadblocks to student progression
- Data is being collected this summer
- Academic departments and task forces will be formed in the fall to make recommendations

Planning Timeline for FY24 Budget Reductions

Time Frame

- June – Preplanning & Campus Notification Academic Strategic Alignment
- June/July - Budget Manager Training
- August- First Drafts of Plans
- Fall Sept-Dec. – Additional Drafts of Plans, Finalization & Town Hall(s)
- Oct/Nov – Budget Narrative Development & Submissions

Questions