

The Higher Education Emergency Relief Fund II (HEERF II)

Phase I – Institutional Funding Distribution Plan

Clayton State University

March 05, 2021

Update Submitted for Approval April 7, 2021

Clayton State University (CSU) awarded \$8,565,007 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) -Institutional. Since CSU was a recipient of the CARES Act HEERF Institution funding, CSU was not required to submit a new funding certification for HEERF II. The University can use these funds for expenditures incurred on or after March 13, 2020 to prevent, prepare for, and respond to the coronavirus. Allowable expenditures include lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, and payroll. These funds can also cover student support activities authorized by the Higher Education Act (HEA) that address needs related to coronavirus and additional financial aid grants to students that meet the HEERF II requirements for Student Grants. *HEERF II funding cannot be used for payment to contractors for the provision of pre-enrollment recruitment activities; endowments; capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship; and senior administrator and/or executive salaries, benefits, bonuses, contracts, incentives, cash, or other benefit.*

CSU will spend HEERF II funding in phases. Phase I focuses on costs related to campus safety and operations; payroll for full-time benefits-eligible employees with salaries below \$80,000; and recouping lost revenue educational and general funds, housing and other auxiliary services units.

- A. Campus safety and operations: This includes costs related to the purchase of personal protective equipment (PPE), purchases of cleaning supplies, administering COVID-19 tests and vaccinations, adding personnel to increase the frequency of cleaning, and reconfiguration of facilities to promote social distancing. The estimated total for these expenses is \$410,158.
- B. State Appropriation Lost Revenue: CSU lost 10% of its FY21 state appropriation base budget due to COVID-19. HEERF II funds will replace \$2,822,790 of state appropriation lost revenue. Below is the calculation for the lost revenue amount:

FY2020 Base Budget	28,227,903
FY2021 Budget Cut (10%)	2,822,790
10% lost revenue	\$ 2,822,790

The state appropriation lost revenue recouped from HEERF II funding will reimburse the institution for the following expenditures:

- a. Payroll - One-time Supplemental Payment: Governor Kemp approved a plan to provide a one-time pay supplement of \$1,000 to all state employees whose salaries below \$80,000 a year. In support of the state plan, the University will pay a \$1,000 one-time pay supplement to all CSU employees who are active, regular, full-time benefits-eligible on February 15, 2021, with a standard workweek of 30 hours or more, and with salaries below \$80,000. The total estimated cost is \$550,092.
- b. Technology costs incurred due to transition to distance education: These include adding cameras, display monitors, and microphones to classrooms and labs; purchase computers and computer accessories for support staff and faculty; replace surveillance system servers, network switches, and compute cluster; implement banner applications such as DegreeWorks and banner self-service; and upgrades to new and existing software. The total estimated cost is \$1,168,703.
- c. Transition to virtual activities: These include costs related to operating additional class sections and increasing online class offerings; organizing socially distant commencement ceremonies; providing contact center services to students; and supporting innovative learning methods. The total estimated cost is \$349,000.

- d. Other operating expenses: These include graduate program development for Mathematics; development of center for innovation; replace vehicles and golf carts that are at the end of useful life; renovations to storage space for PPE; and other operating expenses needed for day-to-day operations. The total estimated cost is \$754,995.

Below is a summary of expenditures covered by the lost revenue recouped from HEERF II funds:

Expense Category	Amount
One-time supplemental payment	550,092
Technology cost	1,168,703
Transition to virtual activities	349,000
Other operating expenses	754,995
Total	\$ 2,822,790

- C. Housing Lost Revenue: Due to the coronavirus pandemic, CSU's housing unit experienced a decline in its anticipated revenue. To estimate lost revenue, CSU used fiscal year 2019 as a baseline year and compared to the fiscal year 2021 revenue recognized. Estimated loss revenue for summer 2020 was included since we did not have residential students and camps.

Housing Lost Revenue Calculation				
Description	FY 2019	FY 2020	FY 2021	Total
Revenue	7,259,242.07	5,542,335.73	5,401,657.71	18,203,235.51
Reimbursement for refunds provided in Spring		1,394,899.21		1,394,899.21
Total FY Revenue	7,259,242.07	6,937,234.94	5,401,657.71	19,598,134.72
Estimated FY20 and FY21 lost revenue		322,007.13	1,857,584.36	2,179,591.49
Lost Revenue Charged to HEERF II				1,700,000

CSU will use HEERF II funds to replace its lost revenue and use these funds to complete the following projects:

- a. Laker Village Building 300: The buildout of Laker Village building 300 will create a welcoming environment for our students, improve the security of the residential area, and provide access to services that foster learning and engagement. The total estimated cost is \$900,000.
 - b. Laker Village Refinance Proforma: CSU is currently undergoing a refinance of its Laker Village housing unit. The total estimated proforma shortfall is \$800,000.
- D. Auxiliary Services Lost Revenue: CSU will use HEERF II funds to replace lost revenue in auxiliary services (excluding housing) resulting from cancelled events, disruption in food service and other auxiliary services functions, as well as cancellation of the use of campus venues by other organizations. *CSU will not use lost revenue from auxiliary services for any of the following items:*
- a. *Payment to contractors for the provision of pre-enrollment recruitment activities.*
 - b. *Endowments.*
 - c. *Capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.*
 - d. *Senior administrator and/or executive salaries, benefits, bonuses, contracts, incentives, cash, or other benefit.*

CSU used the following methods to estimate loss revenue for auxiliary services:

- A comparison with a baseline year of a fiscal year prior to the March 13, 2020 national emergency declaration. In our case, the base line year was fiscal year 2019 (July 1, 2018 – June 30, 2019).
- A comparison using a 3-year (fiscal years 2017, 2018, 2019) combined average revenue as baseline revenue.
- A comparison to previously budgeted or projected revenue for the period.

As of March 31, 2021, the estimated lost revenue for auxiliary units excluding Housing is \$2,203,612. A total of \$1,454,022 will be replaced by HEERF II funds.

- E. Other operating expenses: CSU plans to use HEERF II funds to purchase additional equipment and software to enable social distancing; purchase instructional equipment and supplies; and cover technology and training costs incurred due to transition to virtual activities. The estimated total is \$864,882.

SUMMARY

Below is a summary of CSU's Phase I plan to use \$7,251,852 of its HEERF II funding:

HEERF II Phase I - Summary	
Category	Estimated Cost
Campus safety and operations	410,158
State Appropriation Lost Revenue	2,822,790
Housing Lost Revenue	1,700,000
Auxiliary Services Lost Revenue	1,454,022
Other operating expenses	864,882
Total	7,251,852

**subject to change*

The institution's office of the Vice President for Business and Operations is prepared to follow all reporting requirements of HEERF II funding. The appropriate accounting and auditing trails will be put in place to enable accurate reporting. The official reporting requirements have not been posted on the Federal Register as of March 31, 2021, and we are monitoring the situation to ensure we comply with the necessary reporting requirements.