

The Higher Education Emergency Relief Fund II (HEERF II)

Phase II – Institutional Funding Distribution Plan

Clayton State University

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Clayton State University (CSU) received \$8,565,007 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). Under CRRSAA, CSU also received \$634,557 as Strengthening Predominantly Black Institutions (PBI)/Minority Serving Institution (MSI) allocation. CSU was a recipient of the CARES Act HEERF Institution funding, therefore, 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. CSU's HEERFII Phase I plan was approved by the USG on April 26, 2021 and detailed the spending of **\$7,251,852**. The Phase I plan focused on costs related to campus safety and operations; payroll for full-time benefits-eligible employees with salaries below \$80,000; recouping lost state appropriation, housing and other auxiliary services units; and other direct expenses related to the prevention, preparation and response to coronavirus.

Phase II of the HEERFII focuses on the remaining institutional and MSI funds and recoups lost revenue for departmental sales and services (continuing education, Spivey Hall, dental hygiene clinic, and filming project) and mandatory fees (student activity center and student activity fees). Based on the expenditures outlined in phases I and II plans, CSU will recognize indirect cost revenue.

- A. Lost Revenue - Student Activity Center (SAC) and Student Activity Fees: Due to the coronavirus pandemic, summer 2020 semester courses transitioned to distance learning. Hence, the SAC and student activity fees were waived for all students enrolled. CSU will use HEERF II to replace lost revenue from summer 2020 semester. **No lost revenue from athletics facility fees is being claimed. The estimated lost revenue for SAC (the PPV project) and student activity fees is \$258,623 and \$142,634 respectively.** We will recoup all of SAC fee lost revenue and \$124,135 student activity fee using HEERF II funds. Lost revenue funds **for the SAC** will be used to cover a portion of the debt service payment **for the SAC PPV project** and funds for student activity fee will be used to increase engagement activities for the student body. The SAC is not used for intercollegiate athletics.
- B. Lost Revenue – Departmental Sales and Services (DS&S): CSU will use HEERF II funds to replace lost revenue in DS&S resulting from cancelled courses and/or decreased enrollment in continuing education, closure of the dental hygiene clinic, and cancellation of the use of campus venues by other organizations. CSU will replace \$282,811 of its lost revenue from HEERF II – institutional portion and \$634,557 from MSI. The estimated total amount of lost revenue replaced for DS&S is \$917,368. All lost revenue funds from HEERF will be used to fund the day-to-day operations of DS&S departments.

DS&S	FY 20 Lost Revenue	FY 21 Lost Revenue	Total Lost Revenue	Amount Replaced w/HEERF I-CARES	Amount to be replaced w/HEERF II Institutional	Amount to be replaced w/HEERF II MSI
Spivey Hall	86,183.00	319,262.00	405,445.00		63,073.00	
Dental Hygiene	47,814.00	58,131.00	105,945.00	47,814.00	52,324.00	
Continuing Education	150,031.00	696,982.00	847,013.00	88,371.00	79,364.00	634,557.00
Film Projects		88,050.00	88,050.00		88,050.00	
Total	284,028.00	1,162,425.00	1,446,453.00	136,185.00	282,811.00	634,557.00

C. Indirect Cost: Indirect costs may be charged to the institutional portion of HEERF II funding. Based on planned expenditures considered direct costs to the grant, CSU estimates recognizing \$647,586 in indirect cost revenue using the de minimis rate of 10%. These funds will be used to cover increased payroll costs due to an increase in the number of instructors and/or personnel needed to design, implement, and teach online courses; labor cost associated with delivering meals to housing residents in isolation due to COVID-19; temporary personnel to conduct at-risk student outreach.; and other operating expenditures. The table below shows the indirect cost revenue calculation:

Description	Amount
CARES 4/HEERF II Institutional Funds Awarded	8,565,007.00
CARES 6/HEERF II MSI Funds Awarded	634,557.00
Total Awarded	9,199,564
HEERF II Phase I Expenditures	7,251,852.00
HEERF II Phase II Expenditures	1,300,126.00
Total	8,551,978
Funds Unallocated	647,586
Indirect Cost - Max @10%	855,198
Indirect Cost Revenue Recognized	647,586

CSU used the following methods to estimate loss revenue for DS&S and fees:

- 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.

SUMMARY

CSU does not have alcohol sales; hence, this category is not included in the calculation of events for lost revenue. Lost revenue will not be used 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.

Below is a summary of CSU’s phase II plan to use \$1,947,712 of its HEERF II funding:

HEERF II Phase II Summary	
Category	Estimated Cost
Lost Revenue - Student Activity Center	258,623.00
Lost Revenue - Student Activity Fee	124,135.00
Lost Revenue - Departmental Sales and Services	917,368.00
Indirect Cost	647,586.00
Total	1,947,712

The institution's Office of the Vice President for Business and Operations is still 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.