



Budget Reduction Town Hall

September 22, 2022

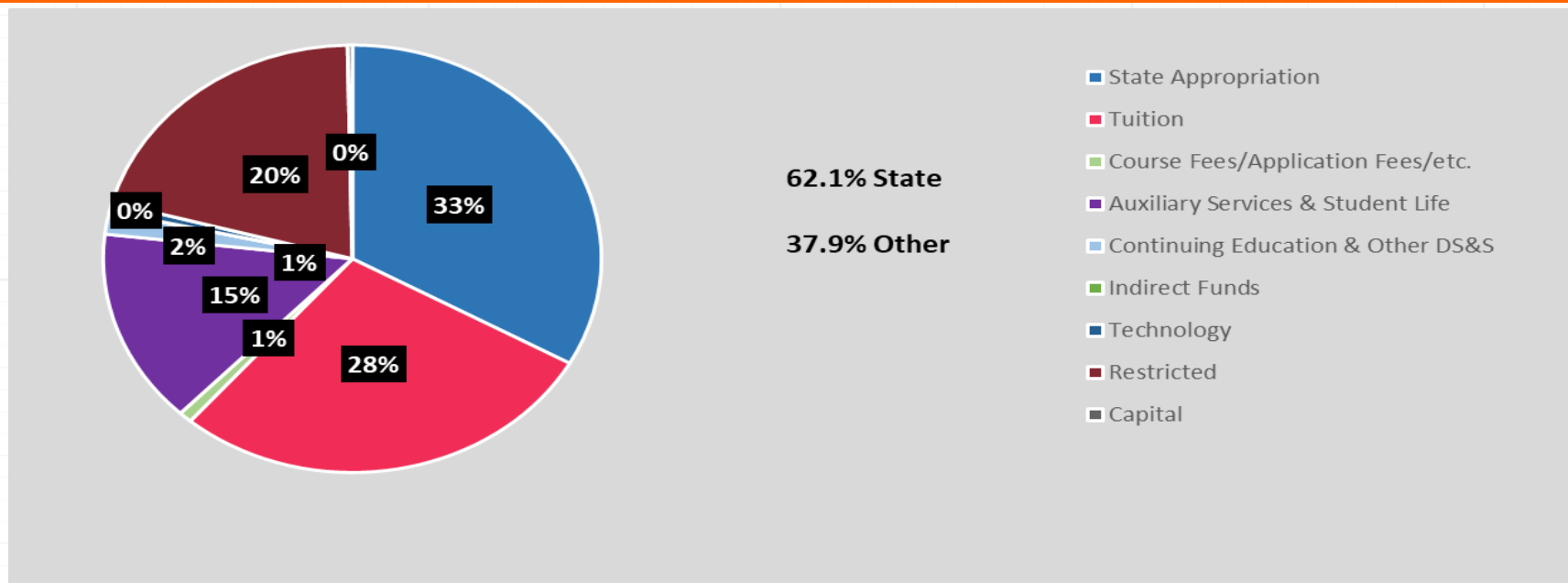
4:00 p.m.

Via Teams

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY

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 **cannot** 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

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY



CSU's Primary Resources

- **State Appropriation**
- **Tuition**
- **Fees**
 - **Mandatory Fees**
 - **Other Fees**
- **Grant funds**



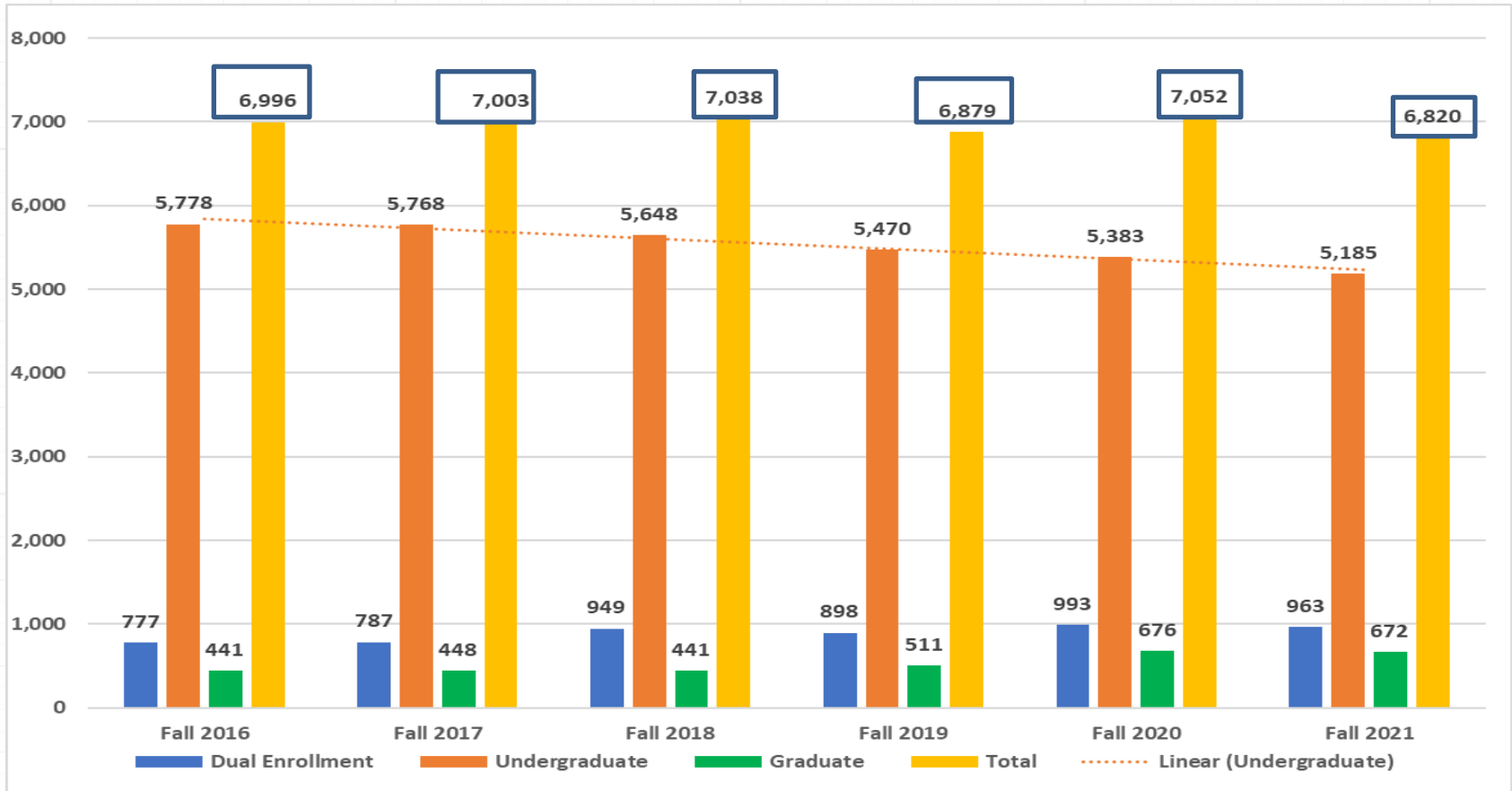
Budget Reductions

FY23 & FY24

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY

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



DREAMS. MADE REAL.

CLAYTON STATE UNIVERSITY

CSU FY 23 Budget Build HC6650



FY23 BUDGET BUILD SCENARIO

Revenue - 6,650 Fall Enrollment

	<u>FY23 Budget</u>
State Appropriation	34,816,866
Tuition	28,768,665
Fees & Other General	901,778
Carry Forward Funds	800,000
	<u>65,287,309</u>

Expenditures

Updated current budget with COLA increase for filled/vacant positions	65,038,244
Divisional budget cuts 250K	(250,000)
	<u>499,065</u>

Funding Available to Distribute

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

Additional Items Funded:

VPAA/Provost <i>(5010000)</i>	120,878
University Contingency <i>(4930000)</i>	132,373
	<u>253,251</u>

Remaining Funds

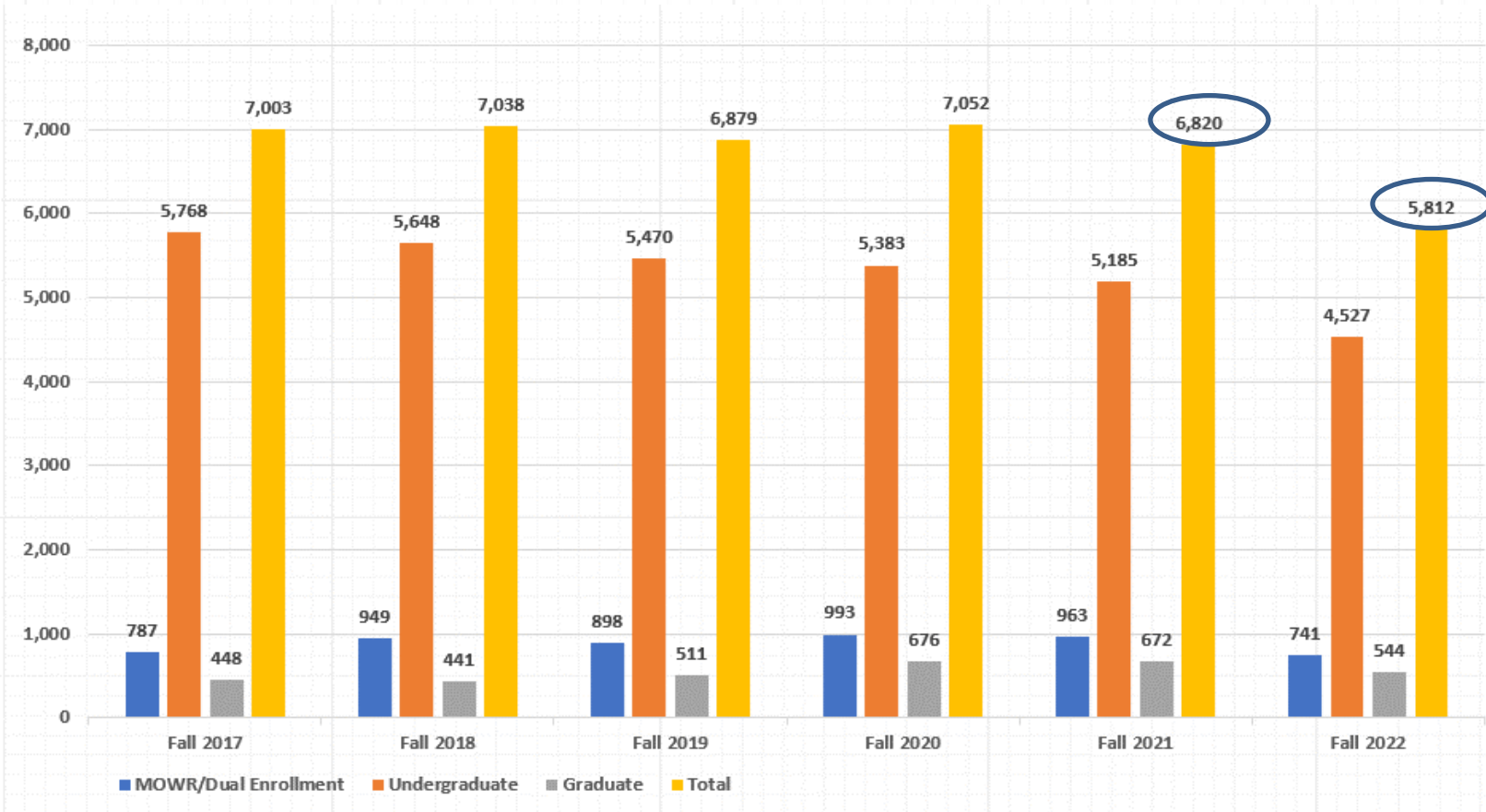
-

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY



Fall Enrollment 2017-2022-Impacts State Appropriation & Tuition Revenue



DREAMS. MADE REAL.

CLAYTON STATE UNIVERSITY



Enrollment Gap *Results* in a Tuition Shortfall-Fall Semester

TUITION ANALYSIS FALL 2022 AS OF SEPTEMBER 21, 2022

Fall 2022				
<u>Undergraduate</u>	<u>Budget</u>	<u>Collections</u>	<u>Over/(Under) Budget</u>	
Resident Tuition	10,196,512	8,480,371	(1,716,141)	
Non Resident Tuition	1,013,209	744,228	(268,981)	
	11,209,721	9,224,599	(1,985,122)	Undergraduate Under
<u>Graduate</u>				
Resident Tuition	1,596,968	1,295,299	(301,669)	
Non Resident Tuition	173,211	199,251	26,040	
	1,770,179	1,494,550	(275,629)	Graduate Under
			(2,260,751)	Total Under Fall 2022
			(100,000)	Bad Debt
			(2,360,751)	Total Net Tuition Deficit

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY



Enrollment Gap *Results* in a Fee Shortfall –Fall Semester

FALL 2022 MANDATORY FEE ANALYSIS AS OF 9/21/22			
<u>FEE</u>	<u>BUDGET</u>	<u>ACTUALS</u>	<u>SURPLUS/(DEFICIT)</u>
Health Fee	208,455	181,533	(26,922)
Parking Fee	154,092	134,142	(19,950)
Laker Card Fee	90,443	80,710	(9,733)
Athletic Fee	770,478	670,712	(99,766)
SAC Fee	531,806	463,481	(68,325)
Student Activity Fee	271,958	236,752	(35,206)
Technology Fee	313,442	275,539	(37,903)
TOTALS	2,340,674	2,042,869	(297,805)

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY

CSU FY 23 MID-YEAR CUTS



• Academic Affairs	\$879,529
• Enrollment Management	\$297,057
• ITS	\$230,830
• Student Affairs	\$81,784
• Business & Operations	\$286,909
• University Advancement	\$143,780
• Spivey Hall	\$16,008
• President	<u>\$64,103</u>
TOTAL	\$2,000,000

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY



CSU FY 23 Hiring Freeze*

- Vacant Positions
 - Posted
 - Not Posted
- Projected Salary & Benefits Savings (less supplements/replacements): **\$3,000,000**
- Effective: September 2022

* **Limited Critical Failure Exceptions**



Planning Timeline for FY 23 Reductions

FY 23

- **Sept. to Oct. 2022 – Planning & Implement Hiring Freeze**
- **Nov. to Dec. 2022 – Finalize Implementations**



FY2024 Budget Reduction Planning Considerations

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY



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.

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY



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 any efficiencies and roadblocks to student progression
- Data has been collected throughout colleges and provided to academic departments
- Academic departments and task are currently reviewing the data to make recommendations later this fall



Planning for FY24 Budget Reductions

- Personnel Impacts:
 - Hiring Freeze-Slowdown & Continuation
 - Staffing Levels
 - Academic Strategic Alignment
- OS&E Reductions
- Travel Reductions
- Contract eliminations & renegotiations
- Savings Strategies to Reduce Costs

Budget Cut Plan



- Personnel
- Travel
- OS&E
- Cost Avoidance



Clayton State University

Budget Reduction Principles & Considerations

For FY 2024 Planning

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 cost must be justified for continuation. 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

State Appropriations & Tuition



FY24 DIVISIONAL BUDGET CUTS

Division	Total of all State Funds Non-Personal Services Budget	% of all State Funds Non-Personal Services Budget	STATE APPROPRIATION \$3,430,000 Budget Cut	PROJECTED TUITION & FEES \$4,200,000 Budget Cut	TOTAL \$7,630,000 Budget Cut
Academic Affairs	\$1,644,122	43.98%	\$1,508,391	\$1,847,011	\$3,355,402
Enrollment Mgmt	\$555,295	14.85%	\$509,453	\$623,820	\$1,133,273
Business & Operations	\$536,325	14.35%	\$492,049	\$602,509	\$1,094,558
University Advancement	\$268,771	7.19%	\$246,583	\$301,938	\$548,521
Student Affairs	\$152,880	4.09%	\$140,259	\$171,746	\$312,005
ITS	\$431,496	11.54%	\$395,874	\$484,744	\$880,618
Spivey Hall	\$29,924	0.80%	\$27,454	\$33,616	\$61,070
President	\$119,829	3.21%	\$109,937	\$134,616	\$244,553
Total	\$3,738,642	100%	\$3,430,000	\$4,200,000	\$7,630,000

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY

FY24 PROPOSED UNIVERSITY BUDGET CUTS



STATE APPROPRIATION \$3.43M

• Positions Adjusted	\$3,081,019
• Reduce Travel	\$ 83,884
• Reduce OS&E	<u>\$ 265,097</u>
TOTALS	\$3,430,000

PROJECTED TUITION & FEES \$4.2M

\$920K already identified

• Positions Adjusted	\$774,674
• Reduce Travel	\$ 7,100
• Reduce OS&E	<u>\$138,226</u>
	\$920,000

Additional \$3.28M TBD by University/PBAC/Cabinet/President

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY



Planning Timelines for Reductions

FY24

- June – Preplanning & Campus Notification
- June/July/August - Budget Manager Training
- August 15, 2022 - First Drafts of Plans
- Fall (September - December) – Additional Drafts of Plans, Finalization & Town Hall 9.22.22 @ 4 pm
- September to Nov. 14, 2022 – Budget Narrative Development & Submissions



Questions?

*See next slide with follow-up to
Dual Enrollment question.*

DREAMS . MADE REAL .

CLAYTON STATE UNIVERSITY



Questions:

What is the decline in DE enrollment and the revenue loss associated with the loss?

Responses:

Loss of 234 (as of 9.23.22) Dual Enrollment students.

We do not know the number of credit hours any given DE student will take during a semester. So we have two calculations.

Actual \$155k revenue decline if comparing prior year to current year or \$260k if calculating using a DE credit hour average.