Budget Update & Spring Semester Outlook
Budget Outlook

- Current year’s budget
  - Process and level of reductions
  - Continued actions needed
  - Year-end spending & CARES Act Impact

- Next year’s budget
  - Revenue outlook: tuition and appropriations
Current Year’s Budget
FY21 Overall Operating Budget

$111,324,444

8% reduction from prior year
What happened to furloughs?

■ **May:** CSU’s budget reduction plan included a decrease of over $1.5 million from planned systemwide furloughs

■ **June:** the Georgia Legislature determined that furloughs would not be used

■ **As a result:** the original $1.5 million had to be identified through other budget measures
FY21 Actual Budget Reductions

- Appropriations, tuition, and enrollment formula reductions applied
- Eliminated e-tuition differential; reduced fee budgets for enrollment declines
- $8.1 million total budget reductions from FY20
# Reductions Taken

**From our original 14% reduction plans:**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.0M</td>
<td>reduction in operating expenses</td>
</tr>
<tr>
<td>$205,000</td>
<td>reduction in travel expenses</td>
</tr>
<tr>
<td>$4.5M</td>
<td>reduction in vacant positions</td>
</tr>
</tbody>
</table>

**From sources outside the original plan:**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$604,000</td>
<td>5% across-the-board cut in operating expenses</td>
</tr>
<tr>
<td>$335,000</td>
<td>in expenses moved to other fund sources</td>
</tr>
<tr>
<td>$573,000</td>
<td>additional reductions in vacant positions</td>
</tr>
</tbody>
</table>
Vacant Positions Reduced

- 15 faculty positions
- 62 staff positions
- $5.03M total reduction
More Details?

The complete FY21 budget and all the budget reduction details are available online at:

https://vpbusiness.columbusstate.edu
Budget Work Remains

- Almost $1 million in “Tuition Carry Forward” contingency funds were required to finally balance the current budget.

- “Tuition Carry Forward” funds are our hedge against enrollment declines.

- We must identify expense reductions or revenue increases to offset this amount in next year’s budget.
The Budget is the Beginning

- Approved budget gives authorization to spend up to a particular amount, for a specific purpose.

- Actual spending is usually less than the amount budgeted:
  - Typically lapsed wages
  - Change in plans
  - "Budget dust"

- Unspent funds become "Year-end Funds":
  - Capital projects
  - Technology upgrades
  - Special-purpose initiatives
  - Lapsed funds are returned to the State treasury
## Significant “Year-end” Projects

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Services</td>
<td>$622,500</td>
</tr>
<tr>
<td>Corn Center Piping Project</td>
<td>$399,833</td>
</tr>
<tr>
<td>Phone System Replacement</td>
<td>$385,451</td>
</tr>
<tr>
<td>Campus Master Plan Services</td>
<td>$300,000</td>
</tr>
<tr>
<td>Robotics Lab Renovations &amp; Equipment</td>
<td>$276,914</td>
</tr>
<tr>
<td>COVID-19-related Expenses</td>
<td>$258,972</td>
</tr>
<tr>
<td>Imaging System Replacement</td>
<td>$248,444</td>
</tr>
<tr>
<td>Classroom AV &amp; Laptop Upgrades</td>
<td>$219,192</td>
</tr>
<tr>
<td>Legal Project</td>
<td>$70,000</td>
</tr>
<tr>
<td>Library Subscriptions</td>
<td>$63,970</td>
</tr>
<tr>
<td>Returned to State Treasury</td>
<td>$1,006,576</td>
</tr>
</tbody>
</table>
CSU distributed the **nearly $3.5 million** in CARES Act funds it received as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement for Student Fee refunds for Spring Semester</td>
<td>$2,395,946</td>
</tr>
<tr>
<td>Partial Reimbursement for Summer Fee revenue loss</td>
<td>$310,335</td>
</tr>
<tr>
<td>Campus WIFI upgrades to support online learning</td>
<td>$780,143</td>
</tr>
<tr>
<td><strong>Total Used:</strong></td>
<td><strong>$3,486,424</strong></td>
</tr>
</tbody>
</table>
Next Year’s Budget
Where the Money Comes From

Tuition forecast based on last year’s enrollment.

Appropriations based on credit hour production from 2 years ago.

“Other” sources are mostly fees, housing, dining — and are largely enrollment driven.

FY22 Budget: $111,324,444

Tuition and Institutional Fees:
- $42,558,233

State Appropriations:
- $39,763,294

All Other Sources:
- $29,002,917
Fund Trends

![Fund Trends Graph]

- Appropriations
- Tuition/SIF/Course Fees

<table>
<thead>
<tr>
<th>Year</th>
<th>Appropriations</th>
<th>Tuition/SIF/Course Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$30,000,000</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>2009</td>
<td>$30,000,000</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>2010</td>
<td>$35,000,000</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>2011</td>
<td>$35,000,000</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>$35,000,000</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>$35,000,000</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>$40,000,000</td>
<td>$40,000,000</td>
</tr>
<tr>
<td>2015</td>
<td>$45,000,000</td>
<td>$45,000,000</td>
</tr>
<tr>
<td>2016</td>
<td>$50,000,000</td>
<td>$50,000,000</td>
</tr>
<tr>
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</tr>
<tr>
<td>2020</td>
<td>$45,000,000</td>
<td>$45,000,000</td>
</tr>
<tr>
<td>2021</td>
<td>$40,000,000</td>
<td>$40,000,000</td>
</tr>
</tbody>
</table>
Tuition

- Tuition revenue is up for fall!
- Budget was flat from last fall.
- Realized overage helps offset this year’s deficit.
- Sustained growth will let us increase next year’s revenue forecast.
The change in credit hour production recorded last academic year (FY20) will influence state appropriations for our next budget year (FY22).

USG has instructed CSU to anticipate budget reductions of **$1.94 million** for FY22.
Fiscal Years – following the money

FY2019
Enrollment Declines
- Revenue
- Tuition FY20
- State FY21

FY2020
Enrollment Declines
- Revenue
- Tuition FY21
- State FY22

FY2021
Enrollment INCREASES (so far)
- Revenue
- Tuition FY22
- State FY23

THIS YEAR

FY2022
Enrollment ??
- Revenue
- Tuition FY23
- State FY24

FY2022
- Enrolliment Declines
- Revenue
- Tuition FY21
- State FY22

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Tuition was forecast “FLAT” with 2019/20 – which was a reduction of $1.5 Million

2018
Jul Oct Jan Apr
2019
Jul Oct Jan Apr
2020
Jul Oct Jan Apr
2021
Jul Oct Jan Apr
FY2019
Enrollment Declines
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- Tuition FY20
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Tuition for Fall, 2020 is UP (so far) by $700K. This surplus is available to use this year (by June 2021)

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• Revenue
• Tuition FY23
• State FY24

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Enrollment in 2019/20 will reduce Appropriations by $1.94 Million in FY22

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Budget Reduction Required

- Current year gap is not closed.
- Spring enrollment growth is critical.
- With continued enrollment gains, we can avoid making cuts to offset the use of funds from the tuition carry forward reserve.
- Next year’s appropriations cut must be anticipated. We have to develop a spending reduction plan of $1.94 million.
Budget Reduction Required

Opportunities for reductions are being explored, including:

- Early Retirement program: 14 participants
- Restructuring Operations
  - Shared Services: Advancement; Communication and Marketing; Advising
  - Mail Services
- Critical Hire Process
- New Efficiencies
  - Open to ideas...
Enrollment and Retention are KEY

- An average, full-time, in-state student pays $5,730 per year in tuition and institutional fees:

<table>
<thead>
<tr>
<th>Student Group</th>
<th>Tuition and Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 student</td>
<td>$5,730</td>
</tr>
<tr>
<td>10 students</td>
<td>$57,300</td>
</tr>
<tr>
<td>25 students</td>
<td>$143,250</td>
</tr>
<tr>
<td>50 students</td>
<td>$286,500</td>
</tr>
<tr>
<td>100 students</td>
<td>$573,000</td>
</tr>
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- An average, full-time, in-state student pays $5,730 per year in tuition and institutional fees:

<table>
<thead>
<tr>
<th>Number of Students</th>
<th>Total Annual Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 student</td>
<td>$5,730</td>
</tr>
<tr>
<td>10 students</td>
<td>$57,300</td>
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The impact DOUBLES if you consider the impact on state appropriations in future years!
Every Interaction...
Spring Semester Academic Forecasting

- Fall Semester Reflections
  - Successes and Challenges
  - December graduation

- Spring Semester Planning
  - Academic calendar revisions
  - USG Expectations for in-person instruction
  - Jan term
  - Student Support Services: advising, tutoring, counseling continuity
The Role of Academic Planning

- Engage in Strategic Academic Planning efforts
- College 2025: Partnerships, Internships, Integrate Essential Skills with Content
- Which programs have capacity to grow? have student interest? have job market needs?
- Continue to strengthen retention efforts
- Develop pipelines from undergraduate to graduate programs
Questions and Feedback?

Email questions, comments, ideas and suggestions to ur@columbusstate.edu