



Board of Trustees Proposed FY 2015 Budget Review

16 June 2014

Finance Committee Overview



- **31 May 14 Budget to Actual Review**
Informational Item
- **Cash Flow Issue**
Informational Item
- **FY 2015 Proposed Budget**
Action Item
- **Multi-Year Projection**
Informational Item
- **Re-stabilization Plan Review**
Informational Item
- **Initiatives**
Informational Item

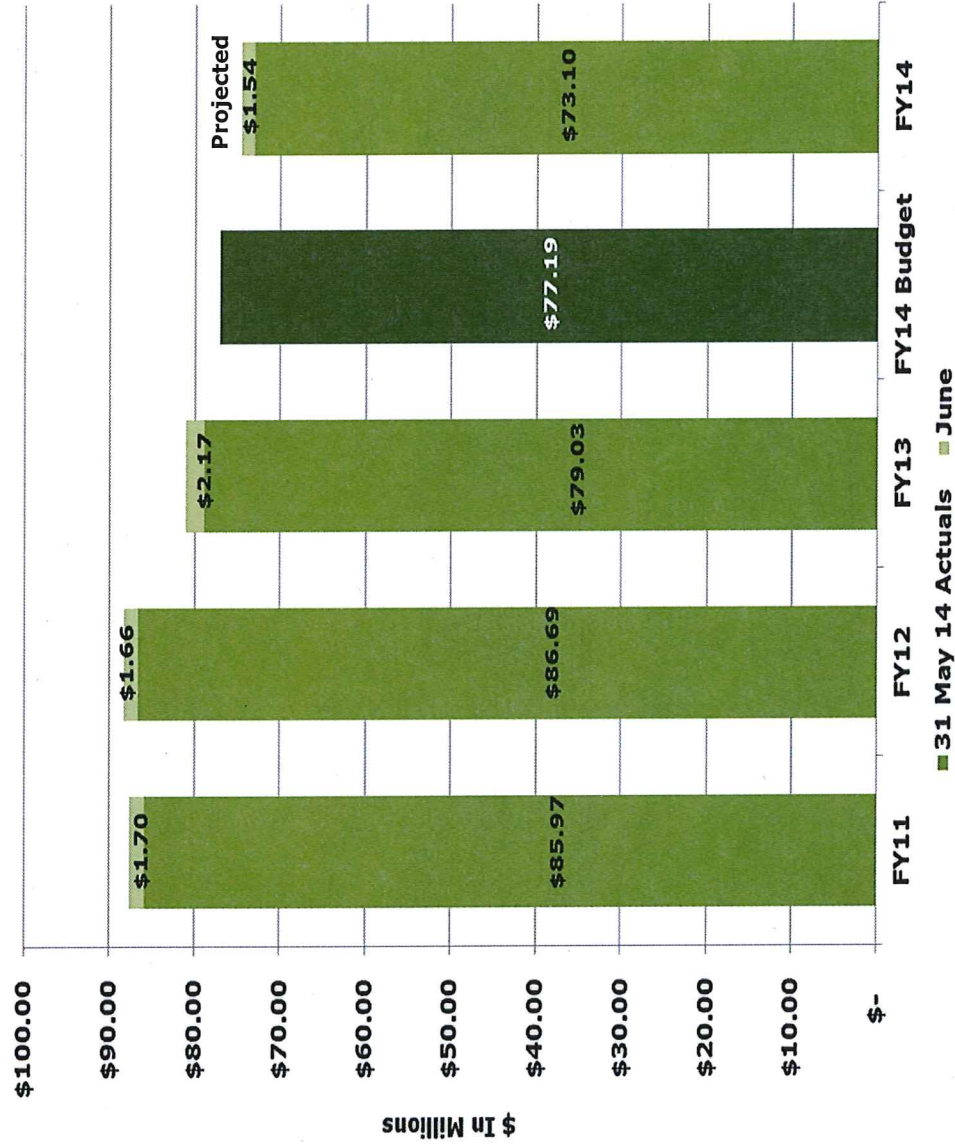


31 May 2014

Budget to Actual Review

SCSU Total Revenues Budget to Actual Analysis 31 May 2014

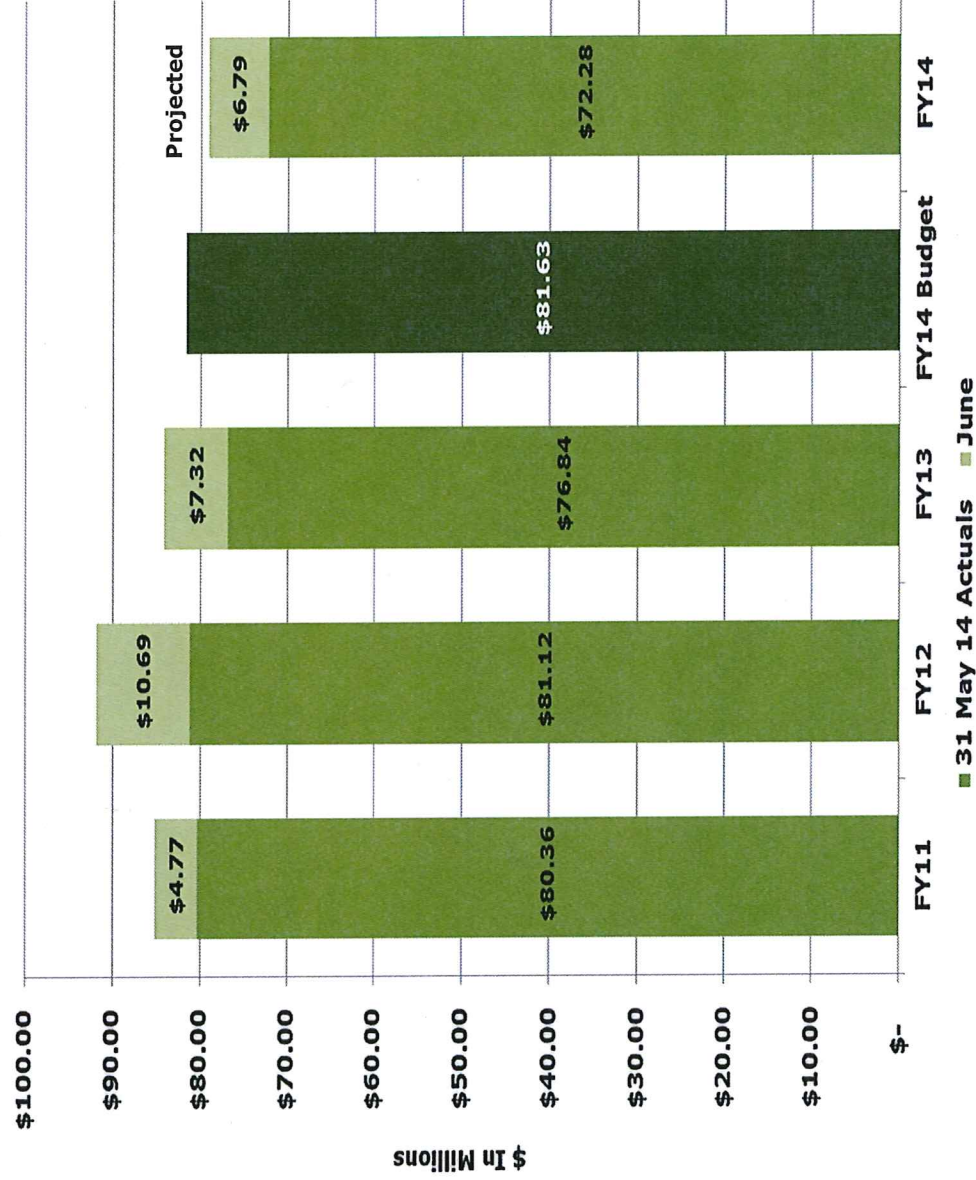
(E&G, Athletics, Earmarked and Auxiliary Funds)



- Revenue Projection below budget based on:
 - E&G trending on budget
 - Athletic revenue trending slightly below budget
 - Earmark revenue trending below budget
 - Auxiliary revenue trending below budget
- Decline in actual revenue attributable:
 - Student Enrollment Decrease
 - State Deferred Maintenance

SCSU Total Expenditures Budget to Actual Analysis 31 May 2014

(E&G, Athletics, Earmarked and Auxiliary Funds)

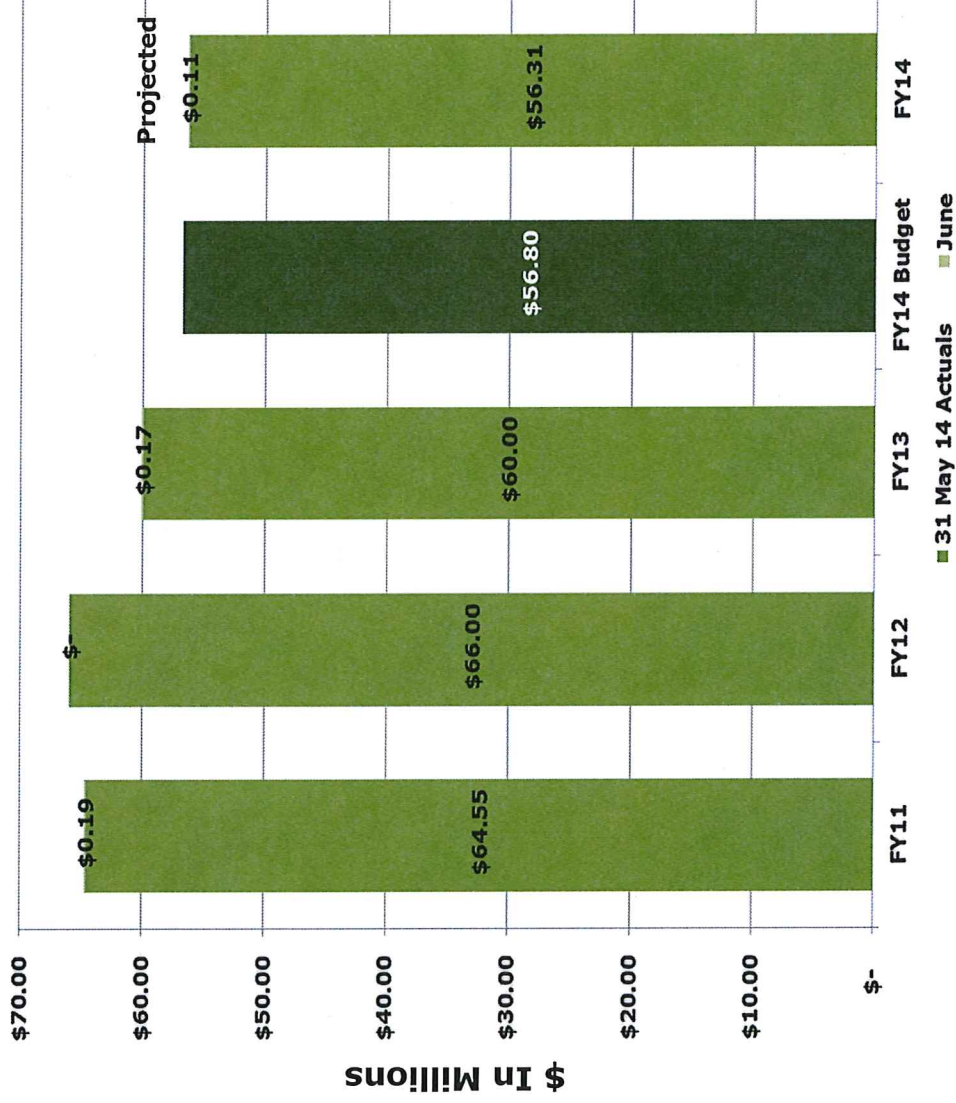


- Expenses:
 - Expenses trending below budget due to impact of:
 - Hiring freeze
 - Budget cuts

FY14 EOY Projection		
Revenue	\$	74.64
Expenses	\$	79.07
Surplus/(Deficit)	\$	(4.43)

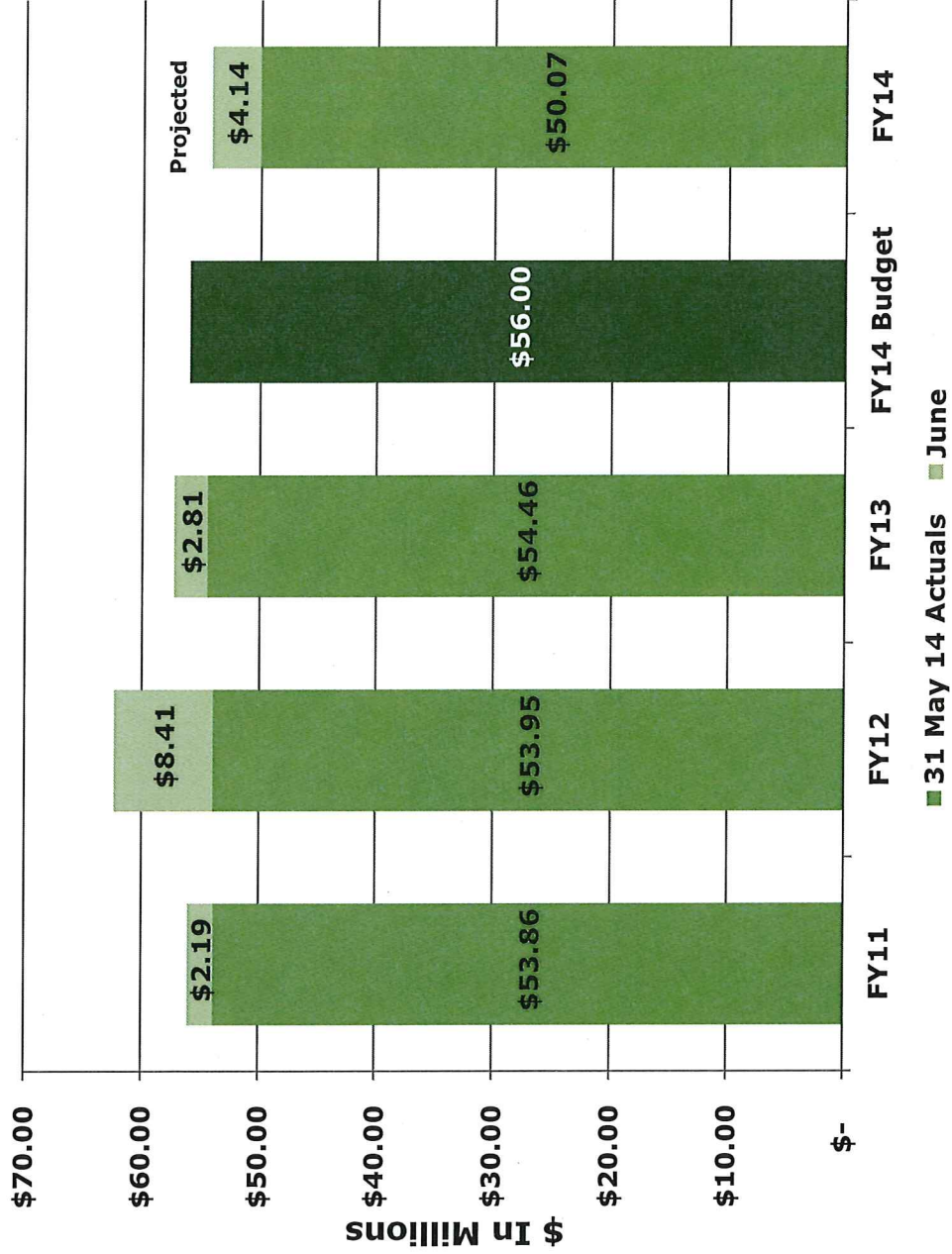


SCSU E&G Revenues Budget to Actual Analysis 31 May 2014



- Decline in Actual Revenue attributable to:
 - Student Enrollment decrease over previous year; but slightly higher than FY14 budget
 - State decrease in Deferred Maintenance

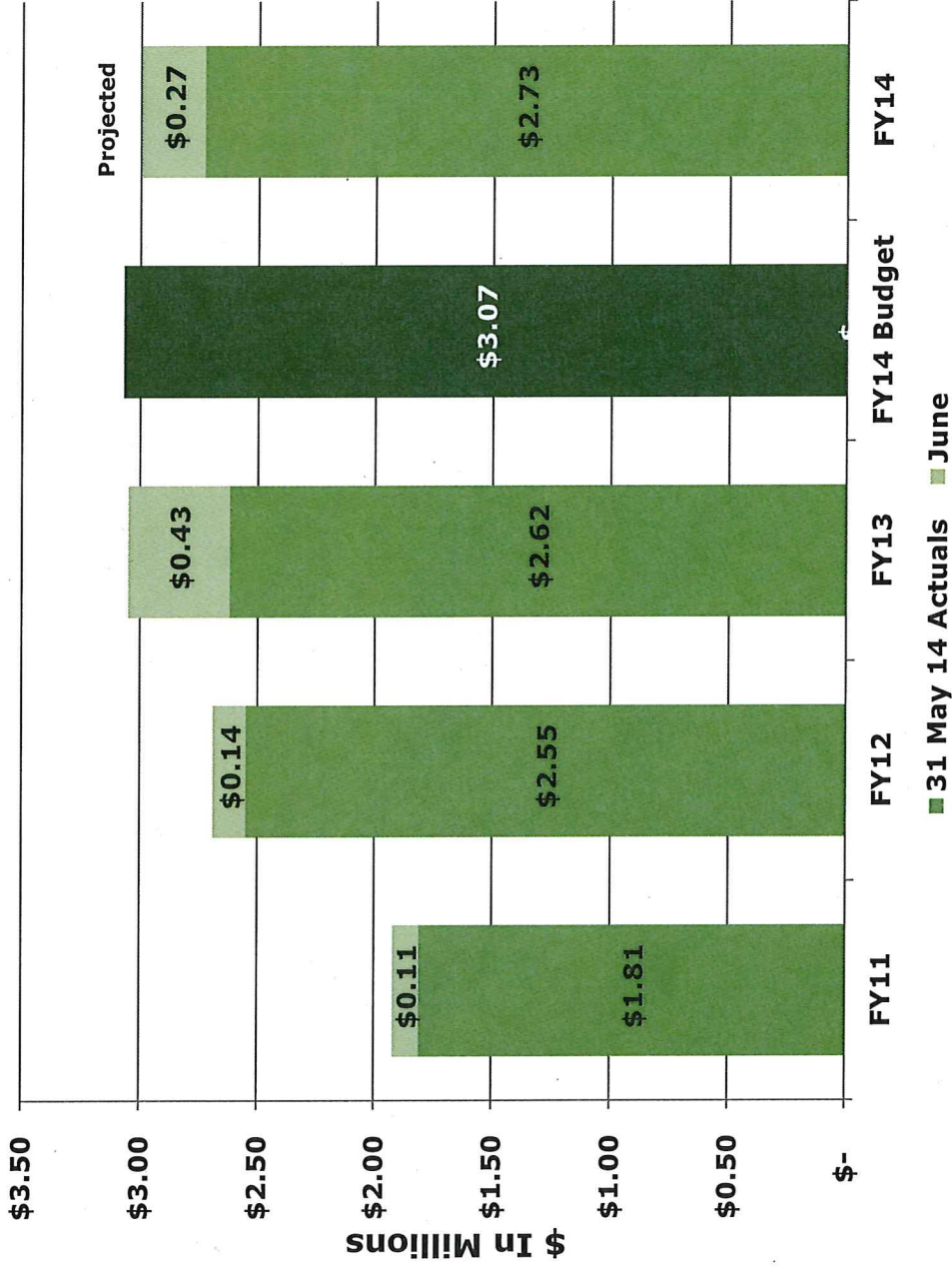
SCSU E&G Expenditures Budget to Actual Analysis 31 May 2014



- E&G Expenses are trending below budget due to recent cost containment initiatives
- Expenditures include Transfers for Debt Service

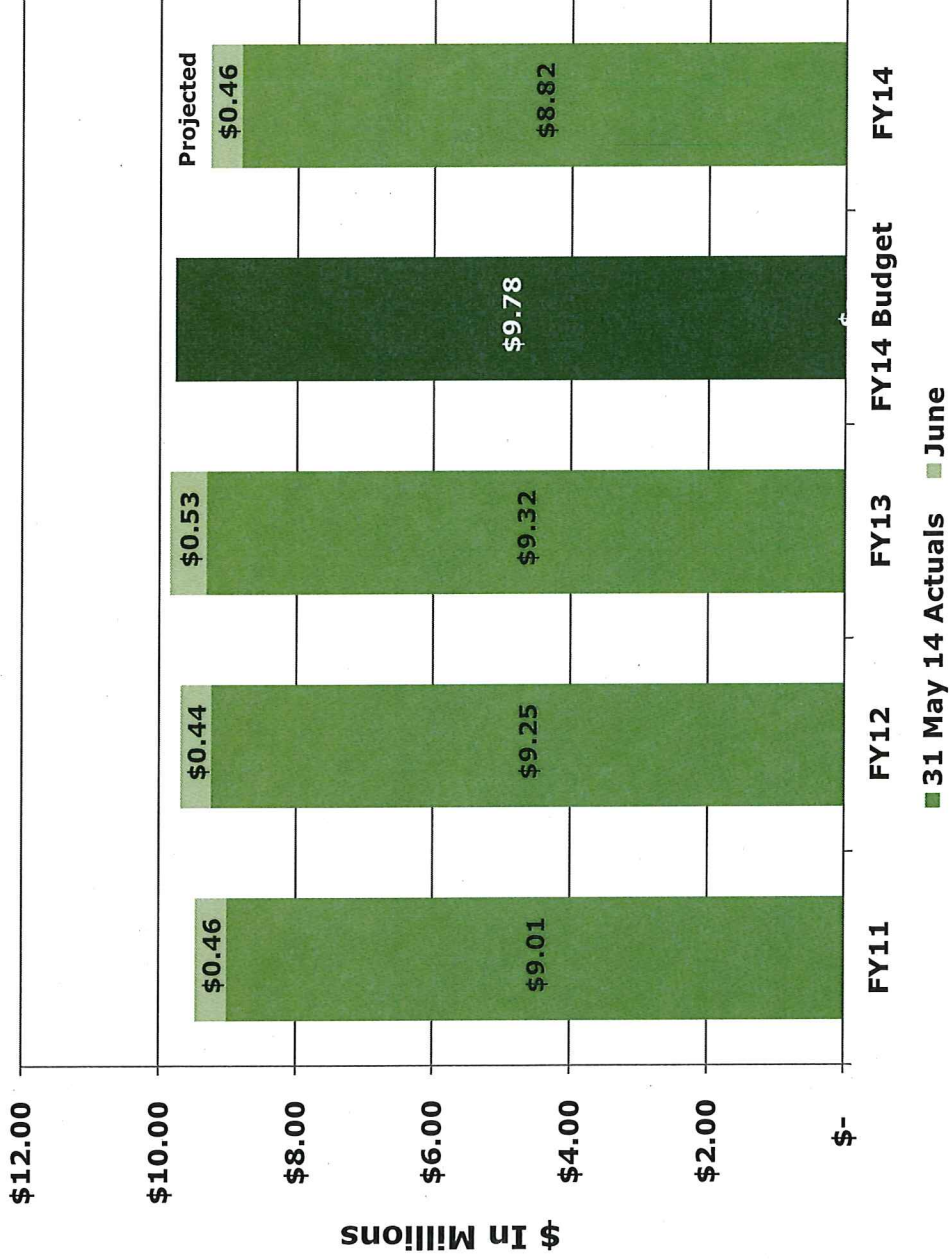
FY14 EOY Projection		
Revenue	\$	56.42
Expenses	\$	54.21
Surplus/(Deficit)	\$	2.21

SCSU Athletic Revenues Budget to Actual Analysis 31 May 2014



- Athletic revenues are trending slightly below budget due to lower than expected ticket sales
- Expect Conference and NCAA distribution by 30 June 2014

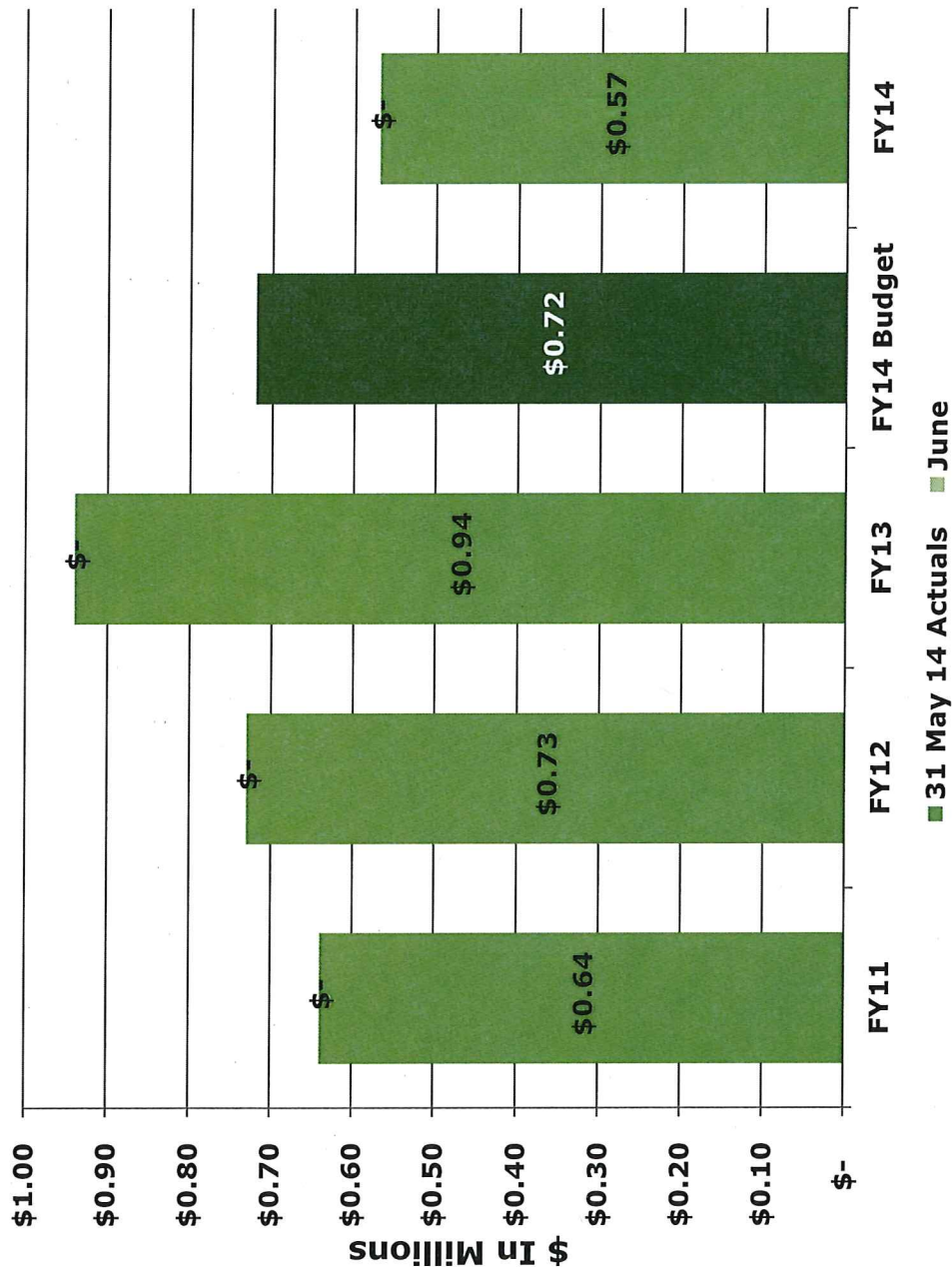
SCSU Athletic Expenditures Budget to Actual Analysis 31 May 2014



- Expenses are trending slightly below budget
- Athletics are not self-sufficient
- Deficit forecasted at \$6.3M

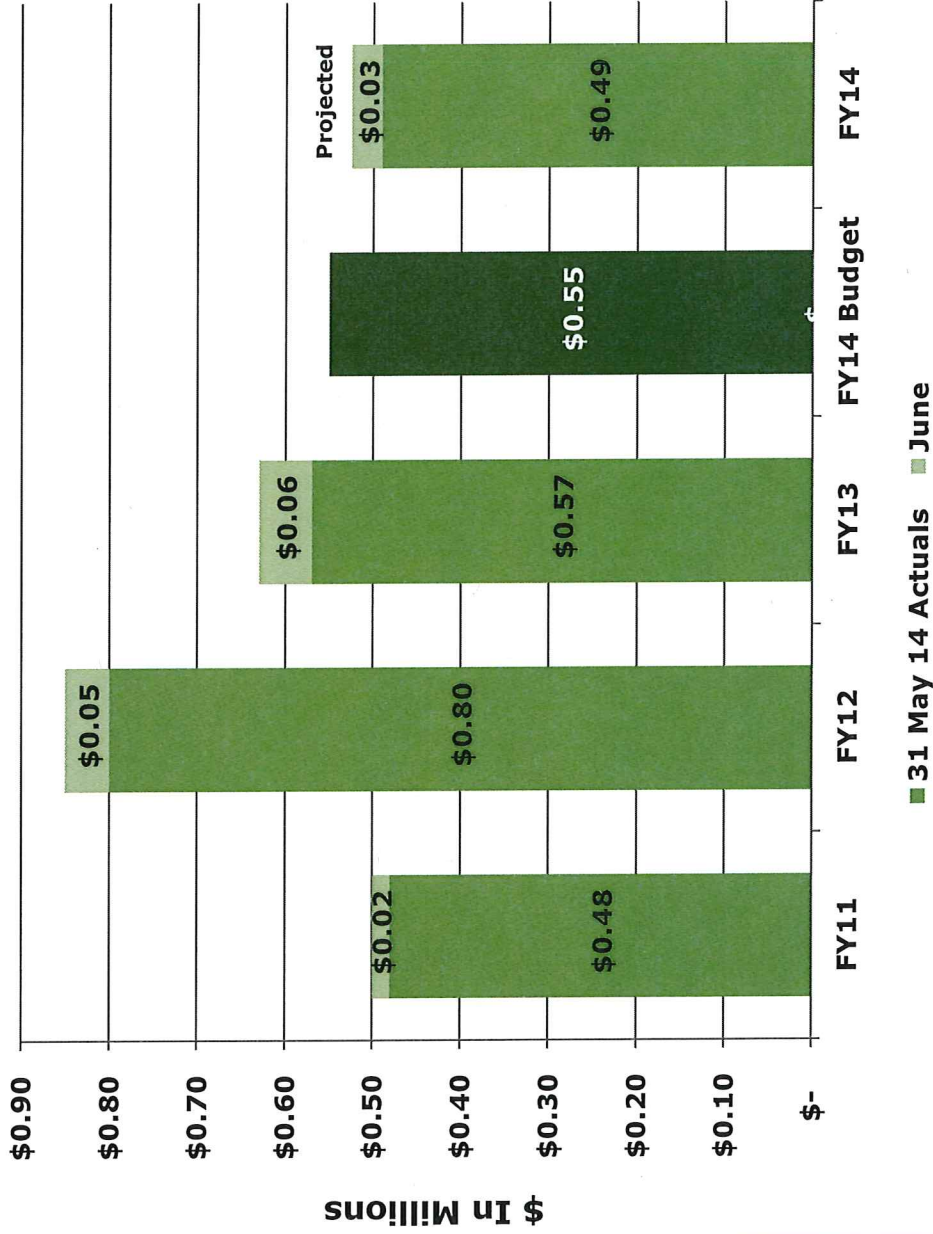
FY14 EOY Projection		
Revenue	\$	3.00
Expenses	\$	9.28
Surplus/(Deficit)	\$	(6.28)

SCSU Earmarked Funds Revenues Budget to Actual Analysis 31 May 2014



- Student Activity Fee is the largest contributor to this fund group (\$80 per semester)
- Donations and Sponsored Fund Raising Events are spending at same rate revenue is received

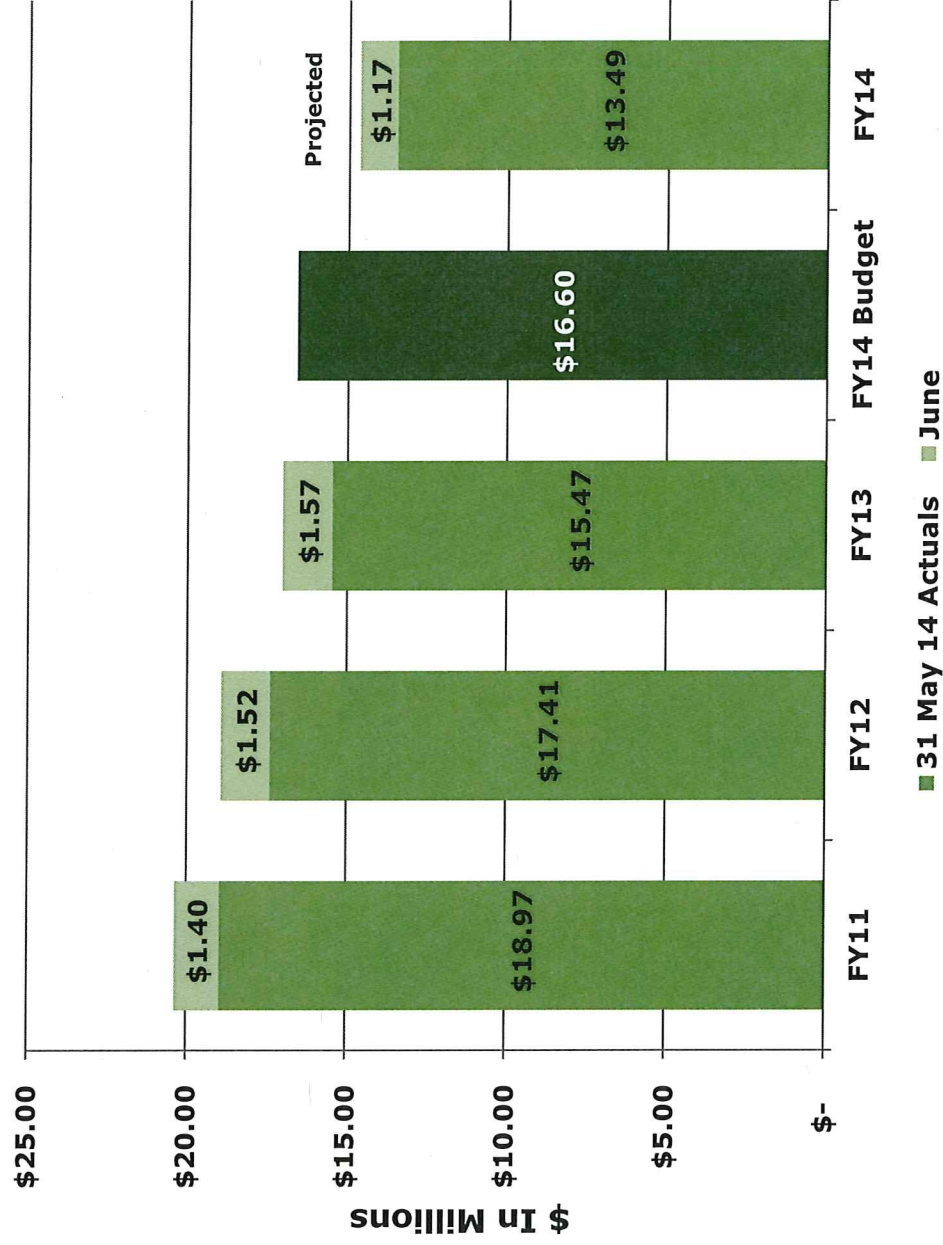
SCSU Earmarked Funds Expenditures Budget to Actual Analysis 31 May 2014



- Expense projection for FY14 trending below budget.

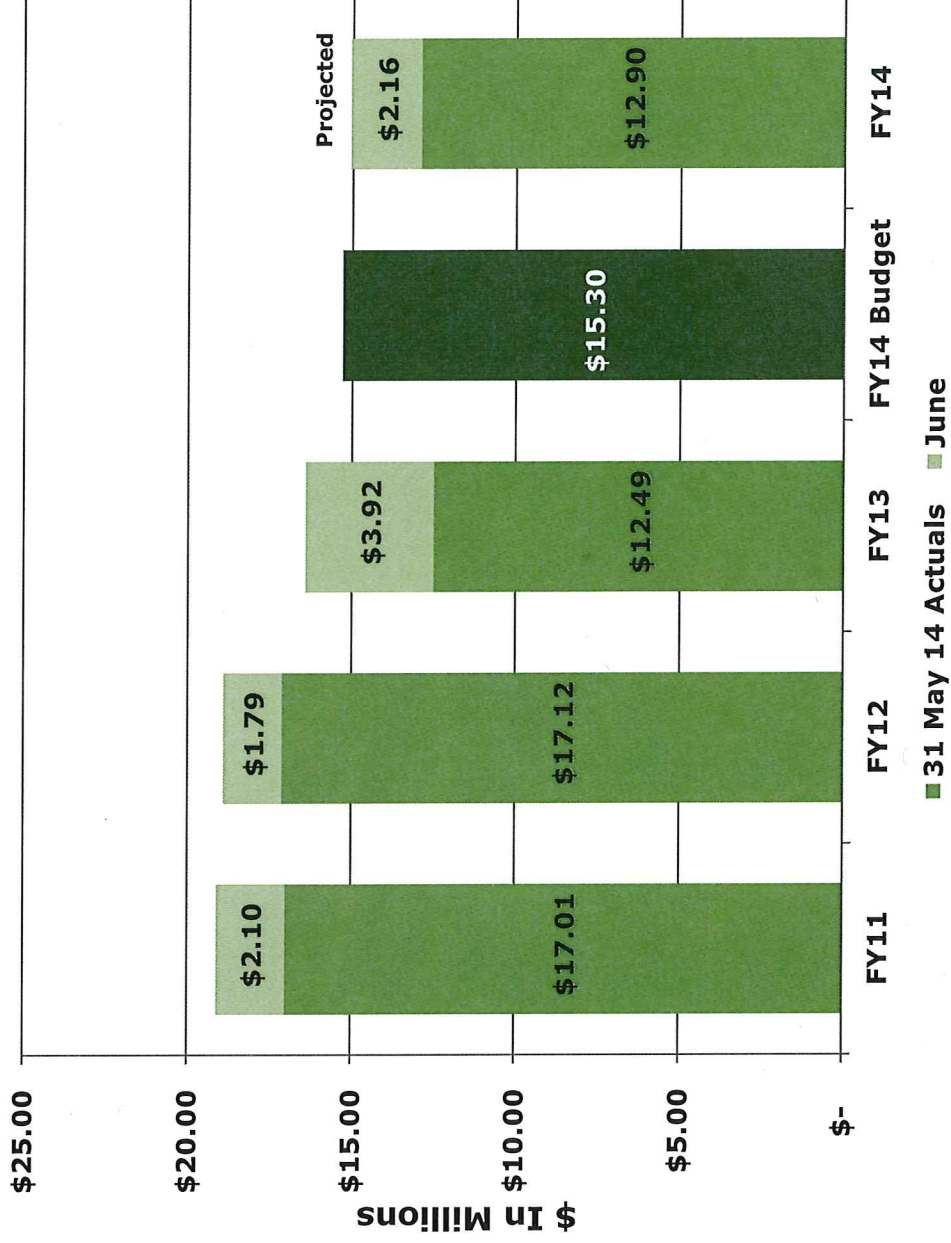
FY14 EOY Projection			
Revenue	\$	0.57	
Expenses	\$	0.52	
Surplus/(Deficit)	\$	0.05	

SCSU Auxiliary Revenues Budget to Actual Analysis 31 May 2014



- Projected Revenue below budget:
 - Reduced student body impacting revenues for Dorms and Food Service Operations.

SCSU Auxiliary Expenditures Budget to Actual Analysis 31 May 2014



- Forecasted Expenses are slightly below budget due to student enrollment and cost containment efforts.
- Expenditures included transfers for Debt Service

FY14 EOY Projection			
Revenue	\$	14.66	
Expenses	\$	15.06	
Surplus/(Deficit)	\$	(0.40)	



Cash Flow Issue

SCSU Cash Flow Projection to End of Year



Cash In Bank	6/6/2014
Less 1890 Cash	\$ 6,592,283
Cash Available to SCSU	\$ 5,445,547
	<u>\$ 1,146,736</u>

Jun 1 - 15 Projected Receipts	
Summer Tuition and Fees	\$ 60,473
Auxiliary Revenues (Profits plus Commissions)	\$ 359,000
Other Operating Revenue	\$ 39,364
Indirect Cost Recovery	\$ 18,258
Federal Reimbursements - 31 May Payroll + Ops	\$ 718,742
Federal Reimbursements - Felton	\$ 114,000
1890 Salary Reimbursement 15 & 31 May	\$ 83,014
Additional (CHE) State Appropriations	\$ 10,000
Donation Funds for Scholarships	\$ 171,633
Jun 1 - 15 Projected Expenses	
Payroll (Include P13 Cut+ Fed Funded Adds)	\$ (1,724,997)
SODEXO Payment	\$ -
Unico/DTZ	\$ -
June 15 Available Cash	<u>\$ 996,223</u>

Jun 16 - 30 Projected Receipts	
Summer Tuition and Fees	\$ 595,176
Auxiliary Revenues (Profits plus Commissions)	\$ 351,229
Athletic Revenue	\$ 70,759
Other Operating Revenue	\$ 39,364
Indirect Cost Recovery	\$ 18,258
Federal Reimbursements - 31 May Payroll	\$ 357,018
1890 Salary Reimbursement 15 & 31 May	\$ 83,014
SCB&CB Loan for Debt Service	\$ 504,748
SCB&CB Loan for Vendors	\$ 4,148,349
Jun 16 - 30 Projected Expenses	
Debt Service	\$ (504,748)
SODEXO Payment	\$ (3,618,053)
Unico/DTZ	\$ (1,000,000)
Payroll (Include P13 Cut, plus SSI)	\$ (1,824,998)
Remaining Bond Covenant Requirement	\$ (216,339)
July 1 Available Cash	<u>\$ -</u>

Planned Use of \$5.5M SCB&CB Loan as of 6/6/2014

30 May 2014 Payroll Supplement	\$ 600,000
30 May 2014 Debt Service Requirement	\$ 246,903
End of May 2014 Debt Service Requirements	<u>\$ 504,748 ✓</u>
SODEXO	\$ 3,148,349
Unico/DTZ	<u>\$ 1,000,000</u>
	\$ 5,500,000

Cash Flow Shortfall Explanation



	<u>March Update</u>	<u>June Update</u>
FY14 Budget Deficit	\$ (4,400,000)	\$ (4,430,000)
Net Projected Loss in FY14 Revenues	\$ (2,800,000)	\$ (2,550,000)
Projected Cut in Payroll (Include P13)	\$ 500,000	\$ 700,000
Projected Cut in Expenses	\$ 300,000	\$ 300,000
Transfer to Capital Projects	\$ (714,290)	\$ (714,290)
Excess Deferred Maintenance from Capital Projects	\$ 400,000	\$ 400,000
FY13 Carryover Debt Paid in FY14	\$ (5,400,000)	\$ (5,400,000)
Projected Loss in Student Receivables	\$ (1,400,000)	\$ (1,400,000)
SCB&CB Loan	\$ -	\$ 5,500,000
Net of Other Receivables	\$ 200,000	\$ 200,000
	<u>\$ (13,314,290)</u>	<u>\$ (7,394,290)</u>



FY 2015 Proposed Budget

FY 2015 Budget Build Strategy



- Priority #1: Build a Balanced FY 2015 Budget
 - **Robust Option:** Based on an enrollment of the estimated most student SCSU will matriculate during Fall and Spring semesters.
 - **Mission Ready Option:** Based on the an estimated most likely enrollment that will matriculate during Fall and Spring semesters. **Recommended Option.**
 - **Austere Option:** Based on an estimated lowest possible enrollment that will matriculate during Fall and Spring semesters.
- None of the options will contain the ability to pay off the SCB&CB \$6.0M Loan.
- All Budget Options must incorporate budget reductions to balance the budget.
- Tuition and Fee increases be held to a minimum and mandatory fees increased no higher than Sen. Leatherman's recommendation.

FY14/15 Base Budget Actions Assumption



- Enrollment Assumptions Averages
 - Robust = 3,850
 - Mission Ready = 3,700
 - Austere = 3,400
- None of the budgeting options can address the 1-year repayment of the SCB&CB Loan or any additional vendor payments from FY 2014.
- Increased In-State Mandatory Fees by Sen. Leatherman's Requested 3.2% Maximum
- Increased Out-of-State Mandatory Fees 5.0%
- In-State Ratio 90%
- Out-of-State Ratio 10%
- Increased Part-Time Fees by 3.0%
- Adjusted Athletics Base Budget to a Net \$500,000 Savings
- Academics Cut Their Budget by \$500,000
- State Mandated COLA 1.5% (Fulltime Employees Only)
- Added \$100,000 for Affordable Healthcare Act
- Added \$75,000 for Audit Scope Change
- Broke out Athletics' Budget and Reallocated Mandatory Fees

What We Have Ensured Remains Intact During the FY 2015 Budget Build



- Maintain the quality of our Academic Programs
- University Core Competencies remain solid
- Athletic programs remain competitive and meet the needs of our student athletes

HUGH K. LEATHERMAN, SR.
CHAIRMAN

MIKE SHEALY
BUDGET DIRECTOR

Senate Finance Committee



STATE SENATE
111 GRESSETTE SENATE OFFICE BUILDING
P.O. BOX 142
COLUMBIA, SOUTH CAROLINA 29202
(803) 212-6640

April 30, 2014

Dr. Thomas J. Elzey, President, President
South Carolina State University
Post Office Box 7008
Orangeburg, South Carolina 29115

Dear President Elzey:

Thank you for partnering with me over the last 5 years to substantially mitigate the rate of tuition growth that our in-state students might have otherwise faced during this historic period of economic and budgetary downturn followed by tepid recovery. In-state tuition increases, which averaged more than 16.1% per year during the 5 years following the 2001 recession, have averaged just 3.7% per year since 2008-09. This change represents a 76% decrease in the annual rate of tuition growth compared to the first half of the last decade. Since the start of the Great Recession, the annual rate of tuition growth experienced by our in-state students has been 43% less than the average annual tuition increase experienced by students from across the Southeast over the same period. You and your Board of Trustees are to be commended for your continued attention to ensuring access and affordability at a time when our state's students and families need it the most.

Understanding that you and your Boards of Trustees have begun planning next year's budget, I am happy to share my suggestion regarding tuition increases, if any, at your institution next academic year. As you may be aware, the preliminary 2014 HEPI forecast is 2.0%. However, due to a combination of cost volatility (especially in supplies and materials and utilities) coupled with the fact that funding for public higher education, while stabilized, is still below pre-recession levels, I believe there is a need for a slightly higher tolerance based on a longer term view of HEPI. That is why, when formulating my recommendation, I considered that HEPI has increased at an average annual rate of 3.1% since 2002. I also noted that over that same time horizon, two increasingly volatile HEPI sub-indices, "supplies and materials" and "utilities", each increased at average rates of 3.2% per year and 4.7% per year, respectively.

In light of these longer term trends and other factors, I feel justified in suggesting that you limit your tuition increase to 2.95% for in-state undergraduate students for the 2014-15 academic year. However, to the extent that you determine necessary, I could support an additional 0.25% fee increase over and above 2.95% (capped at the equivalent of no more than \$50/student at 4-yr. institutions and no more than \$25/student at 2-yr. institutions), provided that the fee is utilized for necessary operations and/or to pay for the maintenance, repair, or replacement of critical infrastructure, equipment and facility systems across your campus. If this additional fee is imposed, my tuition and fee increase tolerance is 3.2%.

As always, thank you and your Board for your service to your institution, your students, and our state. And thank you, as always, for your serious consideration of this recommendation. Do not hesitate to contact me with any questions.

Very Truly Yours,

Hugh K. Leatherman, Sr.
HKL:dsm

cc: Board Chairman
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SC STATE UNIVERSITY
OFFICE OF THE PRESIDENT

16-Jun-14



Budgeting Methodology

- Breakout and Budget E&G, Auxiliaries and Athletics separately.
- Increase the Athletic Operations Fee to the amount required to balance the FY15 budget.
 - Apply expenditure cuts to the FY15 Base Budget
 - Apply Athletic Department planned FY15 Revenues to the base budget
 - Balance the Athletic FY15 Budget by increasing the Athletic Operations Fee
- Decrease the E&G Tuition and Fees (College Fee) by the same dollar amount increased to the resultant FY15 Athletic Operations Fee.
 - Increase the In-State E&G Tuition and Fees (College Fee) so that the impact on Mandatory Fees does not exceed a 3.2% increase;
 - Increase the Out-of-State E&G Tuition and Fees (College Fee) so that the impact on Mandatory Fees does not exceed a 5.0% increase.

FY14/15 Budget Enrollment Assumption



Robust

	Fall	Spring	Average
Total	4,095	3,604	3,850
In-State	3,276	2,883	3,080
Out-of-State	819	721	770
Undergraduate	3,521	3,099	3,310
Graduate	574	505	540
Full-Time	3481	3063	3272
Part Time	614	541	578
Freshmen			1,500

3197

Mission Ready

	Fall	Spring	Average
Total	3,936	3,463	3,700
In-State	3,149	2,770	2,960
Out-of-State	787	693	740
Undergraduate	3,385	2,978	3,182
Graduate	551	485	518
Full-Time	3,346	2,944	3,145
Part Time	590	519	555
Freshmen			1,200

Austere

	Fall	Spring	Average
Total	3,617	3,183	3,400
In-State	2,894	2,546	2,720
Out-of-State	723	637	680
Undergraduate	3,110	2,737	2,923
Graduate	507	446	477
Full-Time	3,074	2,706	2,890
Part Time	543	478	510
Freshmen			900

898
2000 obligated to come need to
2000 obligated to come need to
1300 Freshmen bid - 1300
512

Ref: Enrollment Management

16-Jun-14

Ask BLS for students
who need to

FY14/15 Budget Option Assumption Summary



Robust

Student Enrollment = **3,850**

Tuition and Fees Increases

In-State = 3.2%

Out-of-State = 5.0%

Part-Time = 3%

Food Service Fee = **\$286**

State Mandated COLA = 1.5%

Base State Appropriations Stable

No State Deferred Maintenance Funding

Budget Reductions

Athletics Base Reduction = \$500,000

Academic Base Reductions = \$513,984

Addl. Budget Reductions = **\$2,436,531**

Total E&G Reduction = **5.4%**

Mission Ready

Student Enrollment = **3,700**

Tuition and Fees Increases

In-State = 3.2%

Out-of-State = 5.0%

Part-Time = 3%

Food Service Fee = **\$286**

State Mandated COLA = 1.5%

Base State Appropriations Stable

No State Deferred Maintenance Funding

Budget Reductions

Athletics Base Reduction = \$500,000

Academic Base Reductions = \$513,984

Addl. Budget Reductions = **\$4,140,133**

Total E&G Reduction = **8.5%**

Austere

Student Enrollment = **3,400**

Tuition and Fees Increases

In-State = 3.2%

Out-of-State = 5.0%

Part-Time = 3%

Food Service Fee = **\$770**

State Mandated COLA = 1.5%

Base State Appropriations Stable

No State Deferred Maintenance Funding

Budget Reductions

Athletics Base Reduction = \$500,000

Academic Base Reductions = \$513,984

Addl. Budget Reductions = **\$6,063,996**

Total E&G Reduction = **12.0%**

FY14/15 Budget Summary Mission Ready: Recommended



MISSION READY

	E&G Fund	E&G Earmarked	Auxiliary	Athletics	Total
Revenues	\$ 50,051,086	\$ 544,340	\$ 19,791,864	\$ 9,260,875	\$ 79,648,166
Expenditures	\$ (50,051,086)	\$ (544,340)	\$ (17,539,942)	\$ (9,571,710)	\$ (77,707,078)
Net Profit/(Loss)	\$ 0	\$ -	\$ 2,251,922	\$ (310,835)	\$ 1,941,088
Auxiliary Transfers	\$ -	\$ -	\$ (310,835)	\$ 310,835	\$ -
Total	\$ 0	\$ -	\$ 1,941,087	\$ 0	\$ 1,941,088

What will
these extra
\$1.9M do?

Mission Ready Budget Scenario



Priority	Cost Cutting Measures	Reduction Amount	Cumulative Reduction
1	Increase Parking Fees	12,700	\$ 12,700
2	WSSB Radio E&G Support	5,800	\$ 18,500
3	Reserve Contingency for Failure of Matriculation	(311,111)	\$ (292,611)
4	Target Based Budgeting AT 5% (@ 1%=\$178,613)	893,064	\$ 600,453
5	Target Reserves	(232,886)	\$ 367,567
6	Admin Personnel Reduction	196,612	\$ 564,179
7	Eliminate P13's	663,909	\$ 1,228,088
8	Felton Cut Operations and Personnel	959,433	\$ 2,187,521
9	Scholarship Waiver Cut ROTC	150,000	\$ 2,337,521
10	Outsourcing Internal Audit	190,000	\$ 2,527,521
11	Fleet Management (Added 1/2 Back for Outsource)	320,770	\$ 2,848,291
12	Reorganization of Institutional Advancement	132,000	\$ 2,980,291
13	Greenville Center	258,000	\$ 3,238,291
14	Promotion of Asst. Registrar/Eliminate P13	52,400	\$ 3,290,691
15	Museum Funded at Fees Generated Only	141,000	\$ 3,431,691
16	Reorganize Campus Police and Parking	110,400	\$ 3,542,091
17	Three Day Furlough	598,022	\$ 4,140,113

Brooks
Order
Side in
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one July 1



Academics
Student Services
Library
Athletics
Campus Safety
IT
Finance
Human Resources
Legal
Marketing
Public Affairs
Recreation
Transportation
University Relations
Veterans Affairs
Workforce Development

16-Jun-14

26

Mission Ready Fee Structure



Mission Ready Projected Average Enrollment = 3,700

In-State (Increase 3.2%)

<u>Mandatory Fee</u>	FY14	FY15	Chng	Additional Revenue
Tuition	\$ 8,906	\$ 7,259	\$ (1,647)	\$ (1,953,519)
Library	\$ 100	\$ 100	\$ -	\$ 30,447
Tech Fee	\$ 150	\$ 150	\$ -	\$ 45,670
Health	\$ 240	\$ 240	\$ -	\$ 73,073
SGA	\$ 160	\$ 160	\$ -	\$ 48,715
Museum	\$ 20	\$ 20	\$ -	\$ 6,089
Athletic	\$ 200	\$ 2,160	\$ 1,960	\$ 5,608,674
Total	\$ 9,776	\$ 10,089	\$ 313	\$ 3,859,150

Out-of -State (Increase 5.0%)

<u>Mandatory Fee</u>	FY14	FY15	Chng	Additional Revenue
Tuition	\$ 18,040	\$ 17,026	\$ (1,015)	\$ 290,849
Library	\$ 100	\$ 100	\$ -	\$ 3,380
Tech Fee	\$ 150	\$ 150	\$ -	\$ 5,070
Health	\$ 240	\$ 240	\$ -	\$ 8,112
SGA	\$ 160	\$ 160	\$ -	\$ 5,408
Museum	\$ 20	\$ 20	\$ -	\$ 676
Athletic	\$ 200	\$ 2,160	\$ 1,960	\$ 623,180
Total	\$ 18,910	\$ 19,856	\$ 946	\$ 936,675

Auxiliaries Fees

Dorms	N/A	No Change	
Food Service	\$ 2,986	\$ 3,272	\$ 286
			\$ 2,519,743

FY14/15 Budget Summary

Robust



ROBUST

	E&G Fund	E&G Earmarked	Auxiliary	Athletics	Total
Revenues	\$ 51,754,669	\$ 595,540	\$ 19,868,424	\$ 9,260,875	81,479,508
Expenditures	\$ (51,754,669)	\$ (595,540)	\$ (17,509,942)	\$ (9,571,710)	\$ (79,431,861)
Net Profit/(Loss)	\$ 0	\$ -	\$ 2,358,482	\$ (310,835)	\$ 2,047,647
Auxiliary Transfers	\$ -	\$ -	\$ (310,835)	\$ 310,835	
Total	\$ 0	\$ -	\$ 2,047,647	\$ (0)	\$ 2,047,647

Robust E&G Budget Scenario



Priority	Cost Cutting Measures	Reduction Amount	Cumulative Reduction
1	Increase Parking Fees	\$ 12,700	\$ 12,700
2	WSSB Radio E&G Support	\$ 5,800	\$ 18,500
3	Reserve Contingency for Failure of Matriculation	(411,723)	(393,223)
4	Target Based Budgeting at 5% (@ 1%=\$178,613)	\$ 893,065	\$ 499,843
5	Target Reserves	(223,266)	\$ 276,577
6	Outsourcing Internal Audit	\$ 190,000	\$ 466,577
7	Eliminate P13's	\$ 663,909	\$ 1,130,486
8	Felton Cut Operations and Personnel	\$ 959,433	\$ 2,089,919
9	Scholarship Waiver Cut ROTC	\$ 150,000	\$ 2,239,919
10	Admin Personnel Reduction	\$ 196,612	\$ 2,436,531
11	Fleet Management (Added 1/2 Back for Outsource)	\$ 320,770	\$ 2,757,300
12	Reorganization of Institutional Advancement	\$ 132,000	\$ 2,889,300
13	Greenville Center	\$ 258,000	\$ 3,147,300
14	Promotion of Asst. Registrar/Eliminate P13	\$ 52,400	\$ 3,199,700
15	Museum Funded at Fees Generated Only	\$ 141,000	\$ 3,340,700
16	Reorganize Campus Police and Parking	\$ 110,400	\$ 3,451,100
17	Two Week furlough	\$ 1,993,408	\$ 5,444,508

Robust
Cuts

Robust Fee Structure



Robust Projected Average Enrollment = 3,850

In-State (Increase 3.2%)

<u>Mandatory Fee</u>	FY14	FY15	Chng	Additional Revenue
Tuition	\$ 8,906	\$ 7,341	\$ (1,565)	\$ (879,046)
Library	\$ 100	\$ 100	\$ -	\$ 41,877
Tech Fee	\$ 150	\$ 150	\$ -	\$ 62,815
Health	\$ 240	\$ 240	\$ -	\$ 100,505
SGA	\$ 160	\$ 160	\$ -	\$ 67,003
Museum	\$ 20	\$ 20	\$ -	\$ 8,375
Athletic	\$ 200	\$ 2,078	\$ 1,878	\$ 5,614,088
Total	\$ 9,776	\$ 10,089	\$ 313	\$ 5,015,617

Out-of -State (Increase 5.0%)

<u>Mandatory Fee</u>	FY14	FY15	Chng	Additional Revenue
Tuition	\$ 18,040	\$ 17,108	\$ (932)	\$ 533,910
Library	\$ 100	\$ 100	\$ -	\$ 4,650
Tech Fee	\$ 150	\$ 150	\$ -	\$ 6,975
Health	\$ 240	\$ 240	\$ -	\$ 11,160
SGA	\$ 160	\$ 160	\$ -	\$ 7,440
Museum	\$ 20	\$ 20	\$ -	\$ 930
Athletic	\$ 200	\$ 2,078	\$ 1,878	\$ 623,781
Total	\$ 18,910	\$ 19,856	\$ 946	\$ 1,188,846

Auxiliaries Fees

Dorms	N/A	No Change		
Food Service	\$ 2,986	\$ 3,272	\$ 286	\$ 2,519,743

FY14/15 Budget Summary Austere



512 accepted
to budget
to Austere

very high
numbers

AUSTERE

	E&G Fund	E&G Earmarked	Auxiliary	Athletics	Total
Revenues	\$ 48,127,204	\$ 436,500	\$ 17,413,056	\$ 8,321,898	\$ 74,298,658
Expenditures	\$ (48,127,204)	\$ (436,500)	\$ (17,001,499)	\$ (8,632,733)	\$ (74,197,935)
Net Profit/(Loss)	\$ 0	\$ -	\$ 411,557	\$ (310,835)	\$ 100,723
Auxiliary Transfers			\$ (310,835)	\$ 310,835	\$ -
Total	\$ 0	\$ -	\$ 100,722	\$ (0)	\$ 100,723

Austere E&G Budget Scenario



Priority	Cost Cutting Measures	Reduction Amount	Cumulative Reduction
1	Increase Parking Fees	\$ 12,700	\$ 12,700
2	WSSB Radio E&G Support	\$ 5,800	\$ 18,500
3	Reserve Contingency for Failure of Matriculation	\$ -	\$ 18,500
4	Target Based Budgeting at 10% (@ 1%=\$178,613)	\$ 1,786,127	\$ 1,804,627
5	Target Reserves	\$ (310,541)	\$ 1,494,086
6	Administrative Personnel Reduction	\$ 196,612	\$ 1,690,698
7	Eliminate P13's	\$ 663,909	\$ 2,354,607
8	Felton Cut Operations and Personnel	\$ 959,433	\$ 3,314,040
9	Scholarship Waiver Cut ROTC	\$ 150,000	\$ 3,464,040
10	Outsourcing Internal Audit	\$ 190,000	\$ 3,654,040
11	Fleet Management (Added 1/2 Back for Outsource)	\$ 320,770	\$ 3,974,810
12	Reorganization of Institutional Advancement	\$ 132,000	\$ 4,106,810
13	Greenville Center	\$ 258,000	\$ 4,364,810
14	Promotion of Asst. Registrar/Eliminate P13	\$ 52,400	\$ 4,417,210
15	Museum Funded at Fees Generated Only	\$ 141,000	\$ 4,558,210
16	Reorganize Campus Police and Parking	\$ 110,400	\$ 4,668,610
17	Seven Day Furlough	\$ 1,395,386	\$ 6,063,996



Austere Fee Structure



Austere Projected Average Enrollment = 3,400

In-State (Increase 3.2%)

<u>Mandatory Fee</u>	FY14	FY15	Chng	Additional Revenue
Tuition	\$ 8,906	\$ 7,391	\$ (1,515)	\$ (3,276,127)
Library	\$ 100	\$ 100	\$ -	\$ 7,497
Tech Fee	\$ 150	\$ 150	\$ -	\$ 11,245
Health	\$ 240	\$ 240	\$ -	\$ 17,993
SGA	\$ 160	\$ 160	\$ -	\$ 11,995
Museum	\$ 20	\$ 20	\$ -	\$ 1,499
Athletic	\$ 200	\$ 2,028	\$ 1,828	\$ 4,769,622
Total	\$ 9,776	\$ 10,089	\$ 313	\$ 1,543,724

Out-of -State (Increase 5.0%)

<u>Mandatory Fee</u>	FY14	FY15	Chng	Additional Revenue
Tuition	\$ 18,040	\$ 17,026	\$ (1,015)	\$ (143,314)
Library	\$ 100	\$ 100	\$ -	\$ 830
Tech Fee	\$ 150	\$ 150	\$ -	\$ 1,245
Health	\$ 240	\$ 240	\$ -	\$ 1,992
SGA	\$ 160	\$ 160	\$ -	\$ 1,328
Museum	\$ 20	\$ 20	\$ -	\$ 166
Athletic	\$ 200	\$ 2,028	\$ 1,828	\$ 544,980
Total	\$ 18,910	\$ 19,724	\$ 814	\$ 407,227

Auxiliaries Fees

Dorms	N/A	No Change	
Food Service	\$ 2,986	3,756	

Required to make up difference to 2100

Note: Although the Food Services is showing additional revenue, because of likely being below the 2,100 student minimum taking the Full Meal Plan, this increase will cover the penalty: this is breakeven.

1400 Estimating

E&G Recap of Scenarios



Account Type	DESCRIPTION	FY2014 BASE BUDGET	FY2014 FORECASTED 30 JUNE	FY2015 BUDGET OPTIONS		
				ROBUST	MISSION READY	AUSTERE
REVENUES						
Tuitions and Fees		\$ 37,431,943	\$ 37,189,831	\$ 33,517,868	\$ 31,814,285	\$ 29,890,402
State Appropriations		\$ 16,708,137	\$ 16,708,137	\$ 16,385,202	\$ 16,385,202	\$ 16,385,202
Other Revenues		\$ 2,738,680	\$ 2,522,032	\$ 1,851,600	\$ 1,851,600	\$ 1,851,600
TOTAL REVENUES		\$ 56,878,760	\$ 56,420,000	\$ 51,754,669	\$ 50,051,086	\$ 48,127,204
EXPENDITURES						
SALARIES, WAGES AND FRINGE		\$ 33,839,350	\$ 33,163,411	\$ 32,775,746	\$ 32,775,746	\$ 32,775,746
OPERATING EXPENSES		\$ 17,528,612	\$ 17,492,409	\$ 17,861,274	\$ 17,861,274	\$ 17,861,274
DEBT SERVICE TRANSFERS		\$ 3,554,180	\$ 3,554,180	\$ 3,554,180	\$ 3,554,180	\$ 3,554,180
TOTAL OPERATING BUDGET FOR E&G		\$ 54,922,142	\$ 54,210,000	\$ 54,191,200	\$ 54,191,200	\$ 54,191,200
COST CUTTING MEASURES		\$ -	\$ -	\$ 2,436,531	\$ 4,140,114	\$ 6,063,996
BUDGET BALANCE		\$ 1,956,618	\$ 2,210,000	\$ 0	\$ 0	\$ 0

- Robust Cuts E&G by 5.4%
- Mission Ready Cuts E&G by 8.5%
- Austere Cuts E&G by 12.0%

16-Jun-14

Trusts In/out -
- Less Transp - wish
Out: Activities - 4.8m Out

Academic FY 15 Budget Reduction Initiatives



- Division of Academic Affairs made a total of \$513,984 in personnel reductions for FY15.
- Reduction initiatives:
 - Professor contract non-renewals \$151,211
 - Professor resignations, net salary savings \$9,000
 - Professor Retirements, net salary savings \$47,308
 - Reduction in Nursing Program, net salary savings \$187,854
 - Fringe Savings \$118,611
 - Total Savings \$513,984

Auxiliary Recap of Scenarios



FY2015 BUDGET OPTIONS

	FY2014 BUDGET	FY2014 FORECASTED 30 JUNE	ROBUST	MISSION READY	AUSTERE
REVENUE					
Residential Life	\$ 7,990,733	\$ 6,806,174	\$ 10,248,252	\$ 10,248,252	\$ 9,268,644
Food Service	\$ 7,506,644	\$ 6,916,000	\$ 8,394,312	\$ 8,394,312	\$ 7,157,112
Bookstore	\$ 235,000	\$ 318,531	\$ 356,396	\$ 356,396	\$ 356,396
Brooks Health Center	\$ 872,540	\$ 621,218	\$ 864,278	\$ 787,718	\$ 625,718
Vending	\$ 5,186	\$ 5,186	\$ 5,186	\$ 5,186	\$ 5,186
TOTAL AVAILABLE FUNDS	\$ 16,610,103	\$ 14,667,109	\$ 19,868,424	\$ 19,791,864	\$ 17,413,056
EXPENDITURES					
Salaries, wages and Fringe Benefits	\$ 1,564,704	\$ 1,147,225	\$ 2,047,886	\$ 2,077,886	\$ 2,047,886
Operating Expenses	\$ 13,715,502	\$ 13,912,659	\$ 15,462,056	\$ 15,462,056	\$ 14,953,613
Total Operations	\$ 15,280,206	\$ 15,059,884	\$ 17,509,942	\$ 17,539,942	\$ 17,001,499
Direct Support of Athletics	\$ -	\$ -	\$ 310,835	\$ 310,835	\$ 310,835
TOTAL EXPENDITURES	\$ 15,280,206	\$ 15,059,884	\$ 17,820,777	\$ 17,850,777	\$ 17,312,334
NET PROFIT OR (LOSS)	\$ 1,329,897	\$ (392,775)	\$ 2,047,647	\$ 1,941,087	\$ 100,722

Food Service Scenarios



ROBUST MODEL FOR FOOD SERVICE RECAP		MISSION READY FOR FOOD SERVICE RECAP		AUSTERE MODEL FOR FOOD SERVICE RECAP	
Revenues		Revenues		Revenues	
21 Day Plan	6,871,200	21 Day Plan	6,871,200	21 Day Plan	5,634,000
Commuters	101,512	Commuters	101,512	Commuters	101,512
Commissions	1,421,600	Commissions	1,421,600	Commissions	1,421,600
Donations	-	Donations	-	Donations	-
Other Donations	-	Other Donations	-	Other Donations	-
	8,394,312		8,394,312		7,157,112
Expenses		Expenses		Expenses	
Catered Meals 21	6,938,400 @14.75per day	Catered Meals 21	6,938,400 @14.75per day	Catered Meals 21	6,938,400 @14.75per day
Commuter Meals	72,540	Commuter Meals	72,540	Commuter Meals	72,540
Utilities	80100	Utilities	80100	Utilities	80100
Phone	200	Phone	200	Phone	200
Facilities Outsource	54800	Facilities Outsource	54800	Facilities Outsource	54800
	7,146,040		7,146,040		7,146,040
Reserve	1,248,272	Reserve	1,248,272	Reserve	11,072

Some places
(private establishments)
not commissions
with food services

8394312
1551112
12347200

Athletics Recap of Scenarios



REVENUE	FY2014 FY2014 BASE BUDGET	FY2014 FORECASTED 30 JUNE	FY2015 BUDGET OPTIONS		
			ROBUST	MISSION READY	AUSTERE
Athletic Fee	\$ 608,000	\$ 611,814	\$ 654,400	\$ 629,800	\$ 578,000
Season Ticket Sales	\$ 326,611	\$ 316,296	\$ 326,610	\$ 326,610	\$ 326,610
Gate Sales	\$ 550,000	\$ 670,761	\$ 550,000	\$ 550,000	\$ 550,000
Athletic Game Guarantees	\$ 940,000	\$ 965,512	\$ 855,000	\$ 855,000	\$ 855,000
MEAC Student Ath Opportunity Fund	\$ 77,655	\$ 77,655	\$ 77,655	\$ 77,655	\$ 77,655
NCAA Distribution Rev	\$ 372,683	\$ 288,100	\$ 283,438	\$ 283,438	\$ 283,438
Game Day Parking Revenues	\$ 70,000	\$ 53,333	\$ 70,000	\$ 70,000	\$ 70,000
Athletic Program Sales	\$ 16,800	\$ 36,691	\$ 25,000	\$ 25,000	\$ 25,000
Other Intercollegiate Ath Revenues	\$ 22,138	\$ 18,264	\$ 21,178	\$ 21,178	\$ 21,178
Booster Club Donations	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ 125,000
Additional Funding Raising	\$ -	\$ -	\$ 126,600	\$ 126,600	\$ 126,600
Athletic Generated Revenues	\$ 2,983,887	\$ 3,038,426	\$ 3,114,881	\$ 3,090,281	\$ 3,038,481
REALLOCATION OF STUDENT MANDATORY FEES	\$ -	\$ -	\$ 6,145,994	\$ 6,170,594	\$ 5,283,417
NON-FEE SUPPORTED PROFITS OF AUXILIARY	\$ -	\$ -	\$ 310,835	\$ 310,835	\$ 310,835
Institutional Support Funding	\$ -	\$ -	\$ 6,456,829	\$ 6,481,429	\$ 5,594,252
TOTAL AVAILABLE FUNDS	\$ 2,983,887	\$ 3,038,426	\$ 9,571,710	\$ 9,571,710	\$ 8,632,733
EXPENDITURES					
Salaries, wages and Fringe Benefits	\$ 3,562,013	\$ 3,633,984	\$ 3,474,940	\$ 3,474,940	\$ 3,474,940
Operating Expenses	\$ 6,208,627	\$ 5,684,442	\$ 6,096,770	\$ 6,096,770	\$ 5,157,793
Total Operations	\$ 9,770,640	\$ 9,318,426	\$ 9,571,710	\$ 9,571,710	\$ 8,632,733
NET PROFIT OR (LOSS)	\$ (6,786,753)	\$ (6,280,000)	\$ (0)	\$ 0	\$ (0)
DETAILS OF PROPOSED CUTS TO BALANCE					
Suspending Women's Golf			\$ 128,523	\$ 128,523	\$ 128,523
Reduce one (1) Assistant Men's Basketball Coach			\$ 105,152	\$ 105,152	\$ 105,152
Reduce one (1) Assistant Men's Football Coach			\$ 67,692	\$ 67,692	\$ 67,692
Increase Booster Club Donations			\$ 125,000	\$ 125,000	\$ 125,000
Additional Fund Raising Efforts			\$ 75,000	\$ 75,000	\$ 75,000
Men Basketball					\$ 938,977
Additional Actions not yet determined					\$ (302,438)
Total Proposed Cuts			\$ 501,367	\$ 501,367	\$ 1,137,906

7/1/14

Recommended Action (Mission Ready)



The SCSU Board of Trustees approves an FY 2015 Budget for Education and General, Auxiliaries and Athletics of **\$77,707,078.**

Slide 5 End-Year Review
Revenue 74.64
Expenditures 79.07
7/4/15



Multi-Year Projection

Multi-Year Budget Projection Using Mission Ready Scenario



Description	Actual		MISSION READY PROJECTIONS			
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Enrollment	3807	3400	3700	3850	4000	4200
REVENUES						
Tuition Revenues	\$ 41.12	\$ 38.77	\$ 32.70	\$ 34.37	\$ 35.43	\$ 38.13
State Appropriations	17.36	16.71	16.39	18.83	19.03	19.24
Other Revenues	21.97	21.58	30.56	33.29	34.38	35.59
Total Revenues	80.45	77.06	79.65	86.49	88.84	92.96
COST AND EXPENSES						
Labor &Fringe Benefits	(41.46)	(39.40)	(38.35)	(40.54)	(42.86)	(45.32)
Operating Expenses	(36.13)	(35.16)	(32.09)	(36.34)	(37.17)	(38.04)
Transfers - Out (Debt Service Payment)	(5.59)	(6.88)	(7.26)	(6.96)	(6.96)	(6.96)
New Construction	-	-	-	(0.71)	(0.71)	(0.71)
Total Costs & Expenses	(83.18)	(81.45)	(77.71)	(84.55)	(87.71)	(91.03)
Total Surplus (Deficit)	(2.73)	(4.39)	1.94	1.94	1.13	1.92

Total Revenues	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Total Costs & Expenses	80.45	77.06	79.65	86.49	88.84	92.96
	83.18	81.45	77.71	84.55	87.71	91.03

FY 15 through FY18 Surpluses are Auxiliary Maintenance Reserves



Re-Stabilization Plan

Re-stabilization Plan



	2014/15	2015/16	2016/17	2017/18	2018/19	
Scholarships and Need-Based Funds	3,000,000	3,060,000	3,060,000	3,121,200	3,121,200	2% tuition increases in 2 nd year and 4 th years.
Travel for Recruitment	100,000	100,000	100,000	100,000	100,000	In-state and out-of state recruitment fairs
Marketing	400,000	400,000	400,000	500,000	550,000	publications, billboards, print, enhancing university website
Facilities repairs and upgrades	5,000,000	5,000,000	3,000,000	3,000,000	3,000,000	Residence halls, classrooms, roads, library, asbestos removal
Technology Upgrades	1,500,000	1,500,000	500,000	300,000	300,000	Fire suppression system, computer upgrades, campus-wide video surveillance system, software upgrades and licenses
Faculty and Staff Professional Development and Training	500,000	250,000	150,000	150,000	150,000	Training on software to develop on-line courses and programs; admissions and financial aid software, advising software, etc.
Fire and Life Safety	1,500,000	1,000,000	500,000	250,000	250,000	Emergency system upgrade (call boxes, sirens, etc.), campus lighting
Total	12,000,000	11,310,000	7,710,000	7,421,200	7,471,200	



Initiatives

FY15 Initiatives



- Augment Public Safety with Title III Funds for "call boxes".
- Restore Auxiliary budget to build surpluses for maintenance reserve.
- Move Food Services to breakeven through student enrollment and fee increases
- Restore funds to Student Affairs
 - Bowling Alley Staffed
 - Security Resource Officer for Dorms
 - Residence Advisor for Dorms



Questions



Back-Up

Recommended Action (Robust)



The SCSU Board of Trustees approves an FY 2015 Budget for Education and General, Auxiliaries and Athletics of **\$79,431,861.**

Recommended Action (Austere)



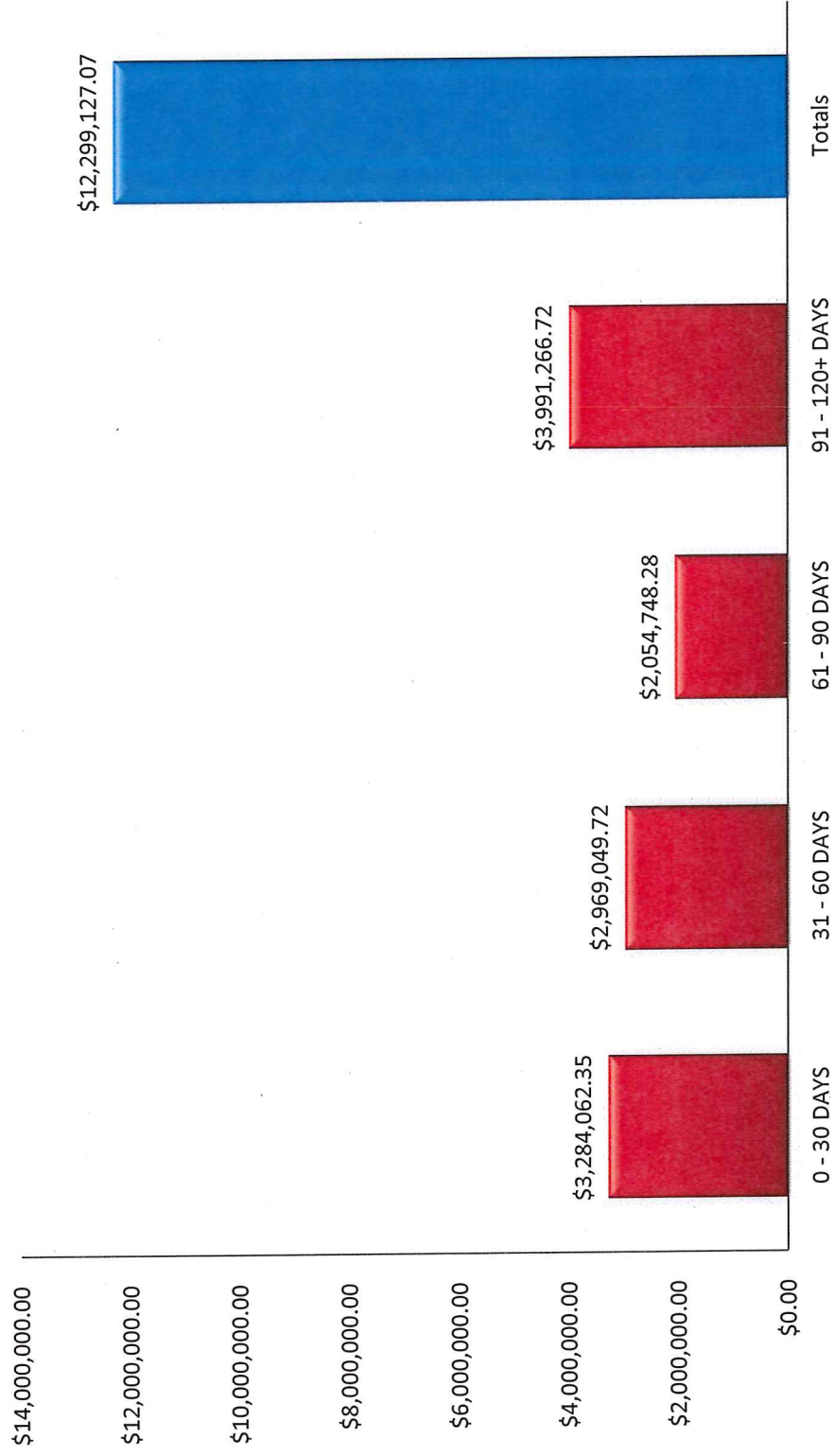
The SCSU Board of Trustees approves an FY 2015 Budget for Education and General, Auxiliaries and Athletics of **\$74,197,935.**

CONSOLIDATED LISTING OF UNFUNDED REQUIREMENTS FOR FY2015

Ranking	Category	Department Name	Requirement	Pool	Recurring Y/N	Estimated Amount	Mission Essential Justification
1	Health/Safety	Fire & Life Safety	Chemical Waste Disposal Contract		Y	12,000	Disposal is required by SC & Federal Law
2	Accreditation	UCITS	Microsoft and Oracle Annual License Maintenance Costs / Oracle = 43,650 and Microsoft = 100,000	2840	Y	143,650	Justification for Microsoft and Oracle Annual Maintenance
3	Health/Safety	Family and Consumer Sciences -5270	Asbestos removal projects needs to be completed for Annual, report for the American Association of Family & Consumer sciences Accreditation body indicating work will be completed by August 2013. An annual report will be due January 2015		N	Ken Davis	Work need to be completed on First floor of Staley hall for reaffirmation of accreditation Annual Report which is due Jan 15
4	Other	Financial Aid	Default Prevention Services	70300	Y	30,000	To reduce the default rate at SC State to ensure we can receive Title IV funds
5	Accreditation	Finance	General Expenses of University	70200	Y	450,000	Budget loaded for FY14 was very short on known expenses that are regarded as "general" and not attribute to a specific area, such as audit and insurance
6	Other	FELTON -Family and Consumer Sciences	Substitute Teachers	5450/6100	Yes	32,000	Licensing /Accreditation requirements for the
7	Other	Athletic Director	Stadium Sound/Video	75000	N	32,000	The current sound system is in disrepair and parts and services are no longer available for it. For the last three football seasons, we have been renting sound at approximately \$32,000 per year. This does not include other entities that rent sound when using the stadium. The video board system is outdated and requires software and hardware upgrades. Current technology no longer supports the system in place. The Athletics Department has corporate sponsors that require the use of the sound and video board per their contract.
8	Accreditation	Institutional Research	Starfish Retention Software	60100	Y	20,000	Retention of students is critical to the success of the university. The software will assist with creation of a database to track students.
9	Health/Safety	UCITS	UPS Battery Backup	2850	N	75,000	Justification for UPS Battery Backup - PDF
10	Personnel	Student Life & Leadership	Director of Student Life & Leadership	9465	Y	55,000	This position is crucial for the department being that this person will direct and monitor the planning and implementation of co-curricular programs and activities for social cultural, intellectual, recreational and spiritual development of students. As well as designing, developing and administers policies and programs for over 150 student organizations.
							Responsible for overseeing the day-to-day operations of the department, supervising staff (1 Events Coordinator/CAB Advisor, 1 Executive Coordinator/Greek Liaison, 1 Graduate Assistant, 1 Work Study Students), overseeing Student Government Association, Campus Activities Board, Miss SC State University and Royal Court. As well as managing budgets for the department as well as Student Government Association, Campus Activities Board and Miss SC State University.
						849,650	

ACCOUNTS PAYABLE AGING REPORT

as of June 30, 2014
report generated June 3, 2014





STUDENT RECEIVABLE BALANCE and DOUBTFUL ACCOUNTS 2010 TO May 2014

