

Budget Town Hall

Budget: Current State and Future Steps


MARCH 2, 2021




Objectives

As discussed in the Chancellor Chat, a detailed review of our budget status was promised. This will involve three primary objectives.

- Strategy Review – provide an in depth review of all strategies used
- Current State – discuss the road map as well as reasoning for the changes from the two-year to a three-year model
- Future Steps – discuss the actions that will happen to support the campus



Strategy Review



We utilized several strategy types in the initial road map.

Expense Types

- Salary and fringe costs
- Supply costs
- Unbudgeted items

Revenue Types

- Rate changes
- Revenue changes

Some of these strategy types overlap. In the subsequent slides, we will keep items in their primary type.

Each road map item aligns with the different strategy types.

Title	Category
Vacancies	Salary and Fringe
Lump Sums	Salary and Fringe
Rock Shuttle Reduction	Salary and Fringe
Lower Summer and Winterim Pay	Salary and Fringe
Not Fill Student Affairs Vacancies	Salary and Fringe
Reduce Differential Tuition Expenses	Salary and Fringe
Reduce Admin Affairs Salary	Salary and Fringe
Lower Summer and Winterim Pay B	Salary and Fringe
Reduce Athletics Costs	Salary and Fringe
Reduce Other Academic Costs	Salary and Fringe
Dining Revenue and Expense Match	Salary and Fringe
Housing Revenue and Expense Match	Salary and Fringe
UC Revenue and Expense Match	Salary and Fringe
Staff Changes for Advancement	Salary and Fringe
Reduce Pep Band Payments	Salary and Fringe
VSIP Savings	Salary and Fringe
Bookstore/Textbook Revenue and Expense Match	Salary and Fringe

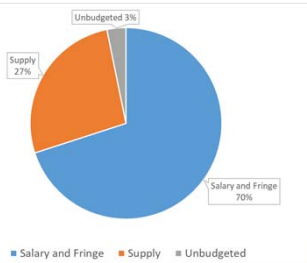
The unbudgeted items have some supply and some salary components.

Title	Category
Travel and Training	Supply
Decrease Winter Utility Cost	Supply
Reduce Academic Operating Costs	Supply
Reduce Admin Affairs Supplies	Supply
Dining Revenue and Expense Match	Supply
Housing Revenue and Expense Match	Supply
UC Revenue and Expense Match	Supply
Bookstore/Textbook Revenue and Expense Match	Supply
IRP Savings Under Supplies/Services	Supply
Maintenance Reduction	Unbudgeted
CEC Rent	Unbudgeted
Central Professional Development	Unbudgeted
Central Student Employment	Unbudgeted
Remove Unbudgeted Investment	Unbudgeted
Remove Other Unbudgeted Investment	Unbudgeted
Reduce WC Basketball Central Funds	Unbudgeted

Revenue strategies were made more significant with the federal funds

Title	Category
Additional Projected Savings	Rate
Institutional Loan Fund	Revenue
Service Based Pricing Adjustment	Revenue
Shifting expenses to program revenue	Revenue
Federal Funds	Revenue

The expense types can be evaluated relative to the budget.



A review shows how our savings compares to the budget percentages.

Strategy Type	Savings		Budget
	All Strategies	Expense Only	
Salary and Fringe	23.30%	38.69%	70.00%
Supply	24.77%	41.13%	27.00%
Unbudgeted	12.16%	20.19%	3.00%
Revenue Rate	4.82%		
Revenue Changes	34.95%		
Total	100.00%	100.00%	100.00%

Current State

The current budget road map shows a balanced budget for two years.

	Amount		
	FY2020-2021	FY2021-2022	FY2022-2023
Total Amount of Savings	5,520,746	17,300,000	14,191,808
Estimated Budget Deficit	(5,400,000)	(17,300,000)	(19,800,000)
Savings Above/(Under) Target	120,746	-	(5,608,192)

There are several items that did not have a large presence or any presence in our plan.

- Revenues
- Major Restructuring
- Federal Funds

Revenues are an important part of our long term success.

Revenues were not a larger part of the initial two year plan because we need to provide high assurances we could meet the balanced budget and revenues are not as assured as expense reduction.

Short Term (FY21 and FY22)

- Revenue shifts and sharing
- Rate increases to offset projected expense increases
- Continued investments

Long Term (FY23 +)

- Enrollment increases

Federal Funds became available for revenue losses for Spring 2021.

The federal funding for Spring 2021 was announced late December. We spent time understanding what the funds could be used for and how we could capture as much of these dollars as possible.

Federal Fund Plan (\$8.6 million available)

- \$1.0 million for testing/expense support (other state support expected)
- \$1.0 million contingency for FY21 (expenses or revenues)
- \$6.6 million revenue losses to be used for the 3 year plan

There is still information that needs to be shared by Department of Education on the rules of using these funds.

Larger restructuring is vital to the long term success and strength of the campus.

Restructuring often takes longer time because there are so many integrated parts to these types of changes. This often involves review of current state, research on leading practices, design and then rollout. Savings typically does not happen until all of these pieces are complete.

Types of Restructure Items

- iCIT and campus-wide technology restructuring
- UMC and campus-wide marketing restructuring
- Program prioritization – both academic and service

Future Steps

The roadmap will continue to be updated on a regular basis.

- Revenue Changes**
 - ✓ Additional state budget funding
 - ✓ Increases or decreases in enrollment
 - ✓ Increases or decreases in housing/dining participation
- Expense Changes**
 - ✓ Unfunded portion of pay plan
 - ✓ New expenses
 - ✓ Increases or decreases in existing expenses

We will continue to take key steps to solidify our overall roadmap and organization.

1. Continue to reduce FY21 spend
2. Track and support revenue losses for federal fund reimbursement
3. Perform gap analysis for positions to improve processes
4. Evaluate additional proposals
5. Continue developing methods to improve revenues
6. Develop strategy for larger restructure activities

Each of the activities are happening currently but will have impacts on different fiscal years.

Major Step	Impact Year	2021												2022			
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
Reduce FY21 spending	FY21																
Track and support federal fund reimbursement	FY21+																
Perform gap analysis and improve processes	FY21+																
Evaluate additional proposals	FY22+																
Develop methods to improve revenues	FY22+																+
Develop strategy for larger restructure	FY23+																+

It is important for us to continue brainstorming, identifying ideas and improve the current environment.

Questions and Answers
