

Faculty Senate Budget Committee - Minutes
October 6, 2020
10:00 am – 12:00 pm

Approved: November 3, 2020

Members present in person: Laurie Kimbrel (Senator, COE, Chair), Blynn Olivieri (LIBR), David Jenks (Interim Provost and Vice President of Academic Affairs), Lucretia Gibbs (Director of Academic Budgeting, Planning, and Finance and Part-time Instructor in Accounting),

Members present virtually: Charles Hodges (Senator, RCOB), Marjorie Snipes (Senator, COSS), Shelly Elman (Senator, COAH), Gavin Lee (UC), Hannes Gerhardt (CASCI), Jack Wei (RCOB), Kala Crobarger (THSSON), Martavious Gordon (SGA VP of Budget & Finance), Megumi Fujita (COSM), James Schwab (COE), Holly Sailors (UA rep).

- I. Meeting called to order at 10:00 am
- II. Committee Norms were reviewed
- III. September minutes unanimously approved
- IV. Budget Workshop – recording and Power point available in the Faculty Senate Budget Committee shared drive
- V. Meeting adjourned at 12:00 pm

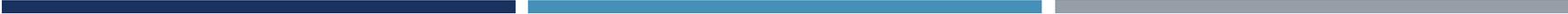


Faculty Senate Budget
Committee Presentation
Tuesday, October 3, 2020

Dr. David Jenks, UWG Interim Provost

Lucretia T. Gibbs Director of Academic Budgeting, Planning, and Finance

Sonya Adams, Strategic Data Analyst Academic Affairs

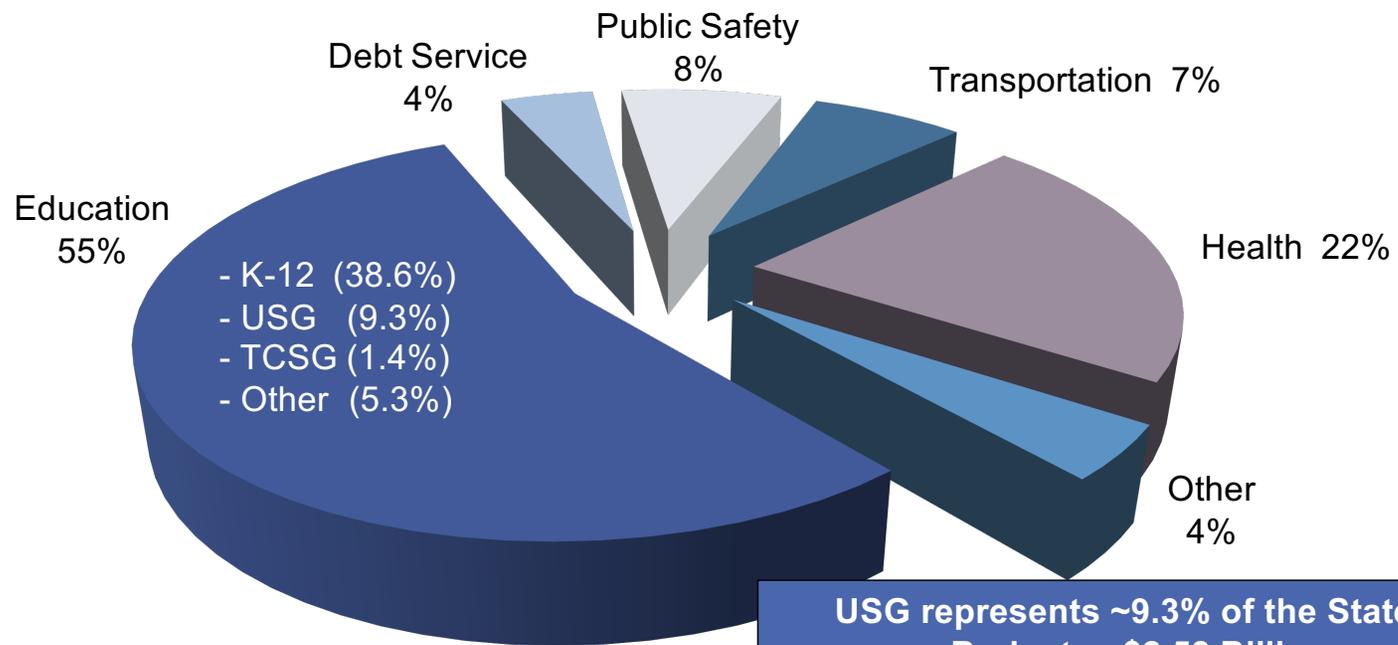


AGENDA

1. State Budget
2. Strategic Priorities/Initiatives
3. Mitigation Strategies
4. General Budget Information
5. Academic Data

STATE OF GEORGIA

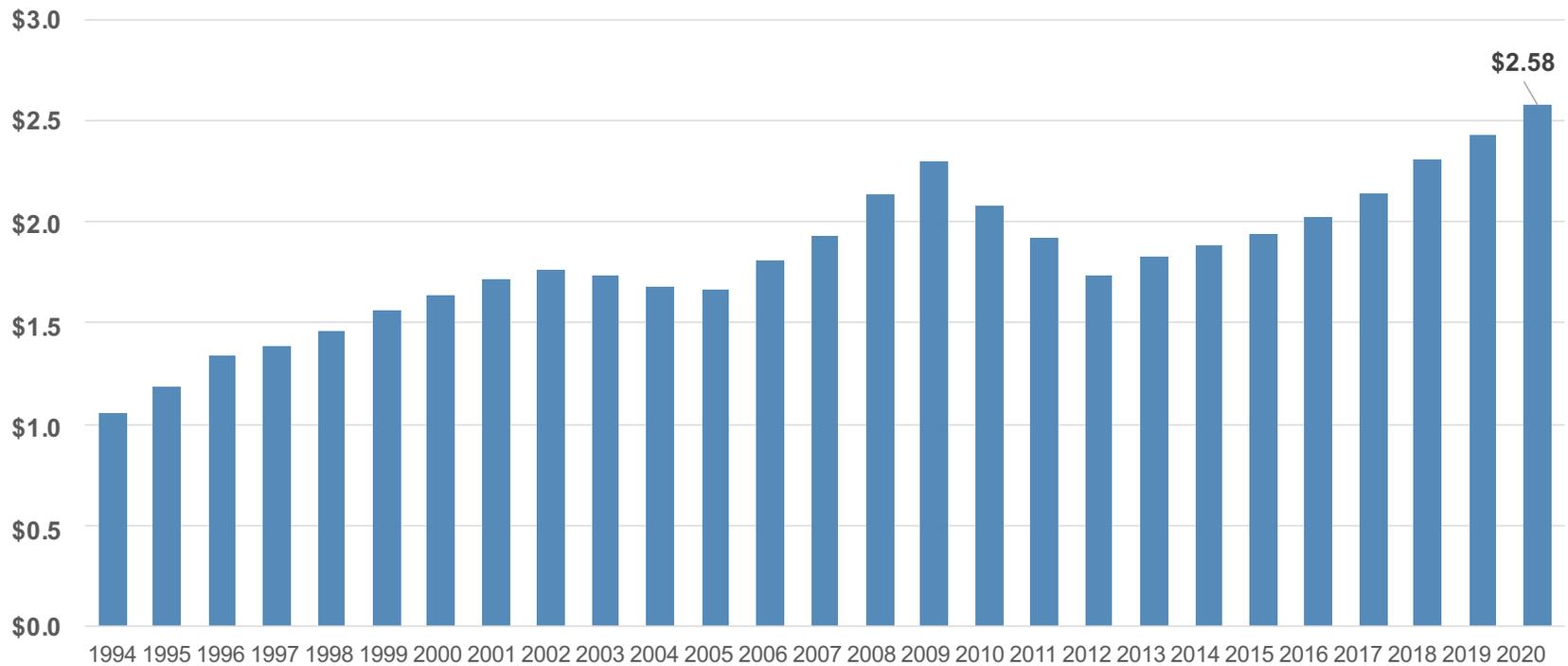
FISCAL YEAR 2020 BUDGET BY POLICY AREA



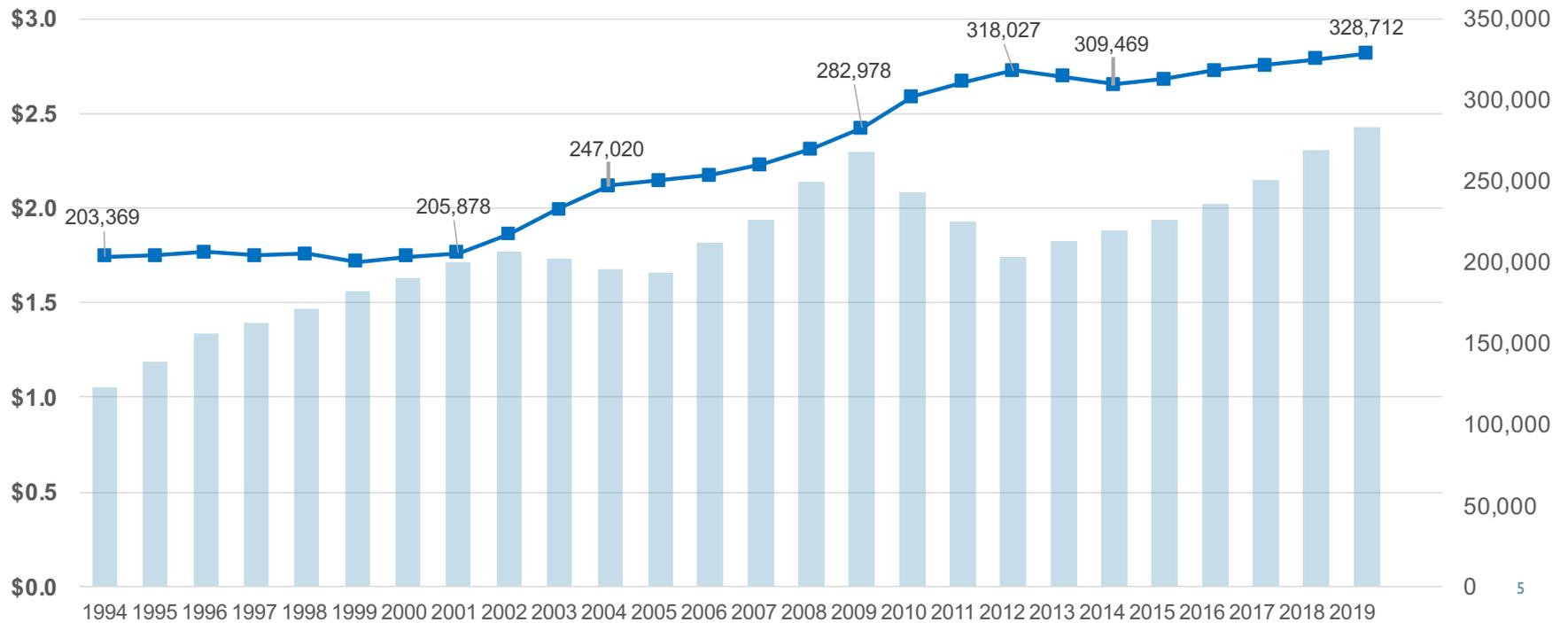
USG represents ~9.3% of the State's Budget = \$2.58 Billion

UNIVERSITY SYSTEM OF GEORGIA APPROPRIATIONS

FY 1994 – FY 2020 (IN BILLIONS)



USG FALL STUDENT HEADCOUNT



FUNDING FORMULA

- Funding formula used to calculate an amount that approximates the cost to educate students (*faculty, support services, etc.*)
- Funding appropriated annually by the General Assembly
- The funding formula is primarily driven by credit hours generated in a year, with square feet of buildings also being used as an input
- The BOR is allowed to request changes to funding based on increases (or decreases) in credit hours
- The funding formula is on a two-year lag

BUDGET CYCLE for FY2022

- September 2020 -USG Forwards to Institutions Budget FY2022 Information
- October 2020- Institutions gather information, analyze data, divisions work with requested information from the Board to develop FY2022 Budget changes
- November 2020 –March 2021-Institutional Budget Hearings
- January 2021-Governor’s Releases Budget Recommendations
- March 2021-General Assembly Finalizes FY22 Appropriations
- April 2021-Board Approval Allocations, Tuition and Fees
- April –May 2021 Institutions Develop and Submit FY22 Budget
- May 2021 Board Approval FY22 Budget (By Institution)
- May-June 2021 FY2022 Annual Operating Budget Submitted to OPB

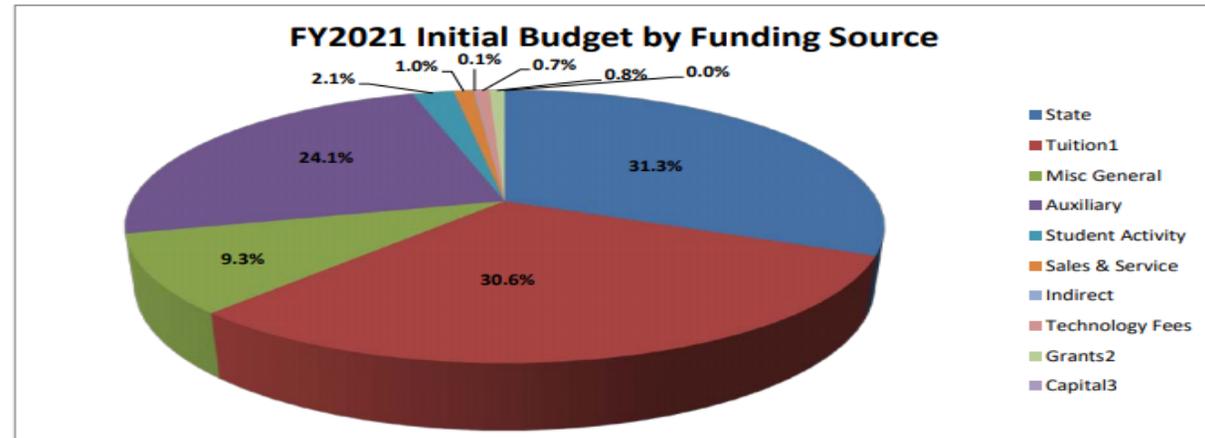
FY22 UWG Budget



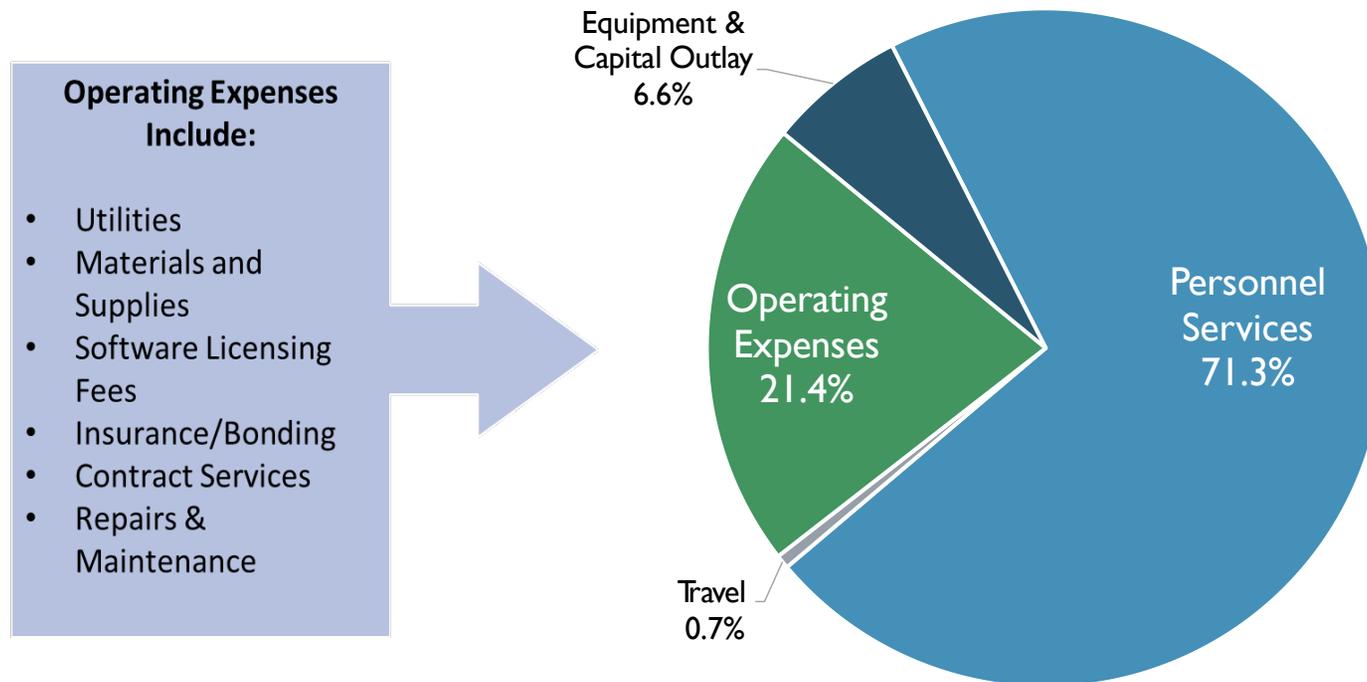
UWG Total Initial Budget

	FY 2021		FY 2020	
	Amount	% Total	Amount	% Total
State	\$60,547,250	31.28%	\$67,426,850	32.52%
Tuition ¹	59,230,184	30.60%	62,892,224	30.33%
Misc General	18,064,336	9.33%	15,483,992	7.47%
Auxiliary	46,605,144	24.08%	51,218,595	24.70%
Student Activity	4,090,137	2.11%	4,152,845	2.00%
Sales & Service	1,977,052	1.02%	1,909,008	0.92%
Indirect	164,321	0.08%	168,196	0.08%
Technology Fees	1,388,090	0.72%	2,814,256	1.36%
Grants ²	1,501,613	0.78%	1,289,381	0.62%
Capital ³	-	0.00%	-	0.00%
Total	\$193,568,127	100.00%	\$207,355,347	100.00%

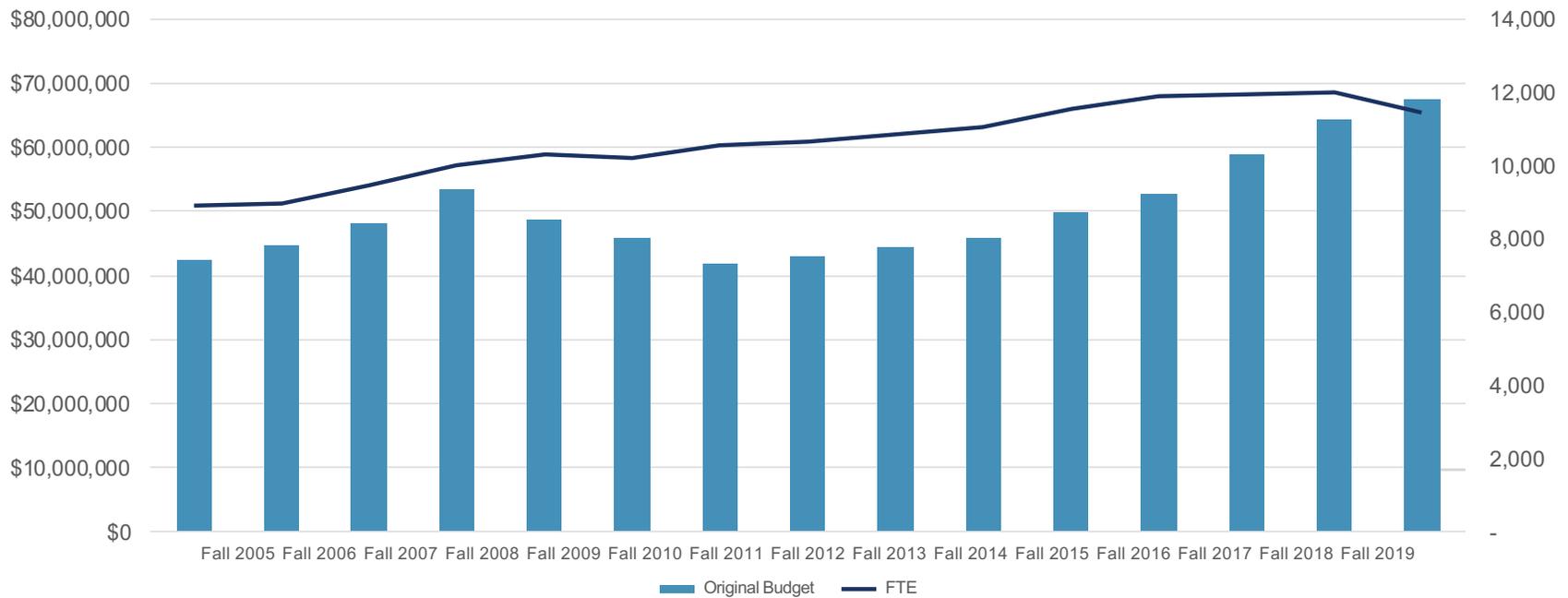
¹Tuition carryforward of 1.9 million in FY 21 and 1.5 million in FY20 not included in chart. ²Does not include Federal Financial Aid or Scholarships. Federal Financial Aid in Initial Budget total \$26,325,068 in FY21 and \$24,765,973 in FY19. ³MRR Capital funding excluded from chart.



FY 2020 Expenditure Budgets University of West Georgia



UNIVERSITY OF WEST GEORGIA APPROPRIATIONS AND FTE ENROLLMENT HISTORY



UNIVERSITY OF WEST GEORGIA

DECLINING ENROLLMENT = DECLINING REVENUE

	Fall 2016 (FY17)	Fall 2017 (FY18)	Fall 2018 (FY19)	Fall 2019 (FY20)
Total Headcount	13,308	13,520	13,733	13,238
% Change in HC	3.7%	1.6%	1.6%	-3.6%
Impact on Tuition/Fees	Immediate			
Impact on State Funds	FY 2019	FY 2020	FY 2021	FY 2022

WHY DOES THIS MATTER?

- Enrollment results in changes to tuition and fee revenue
 - Changes in staffing levels were necessary to accommodate students
- Evaluating the impact to the budget for fiscal years 2022 and beyond
- The immediate impact was felt last fall on tuition and fees
- Impact to state funds will begin in FY22

NEW ENROLLMENT STRATEGY

- Enrollment is EVERYONE's responsibility
- Beyond Traditional New Students:
 - Graduate students
 - Dual enrollment
 - International students
 - Non-traditional students (some college/no degree)
 - Retention of current students

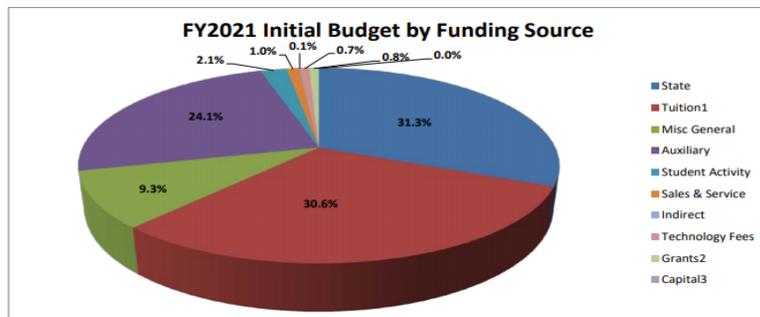
Budget Fund Codes



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10000 State

10500 Tuition

10600 Misc. (Course Fees)

13000 SAFBA

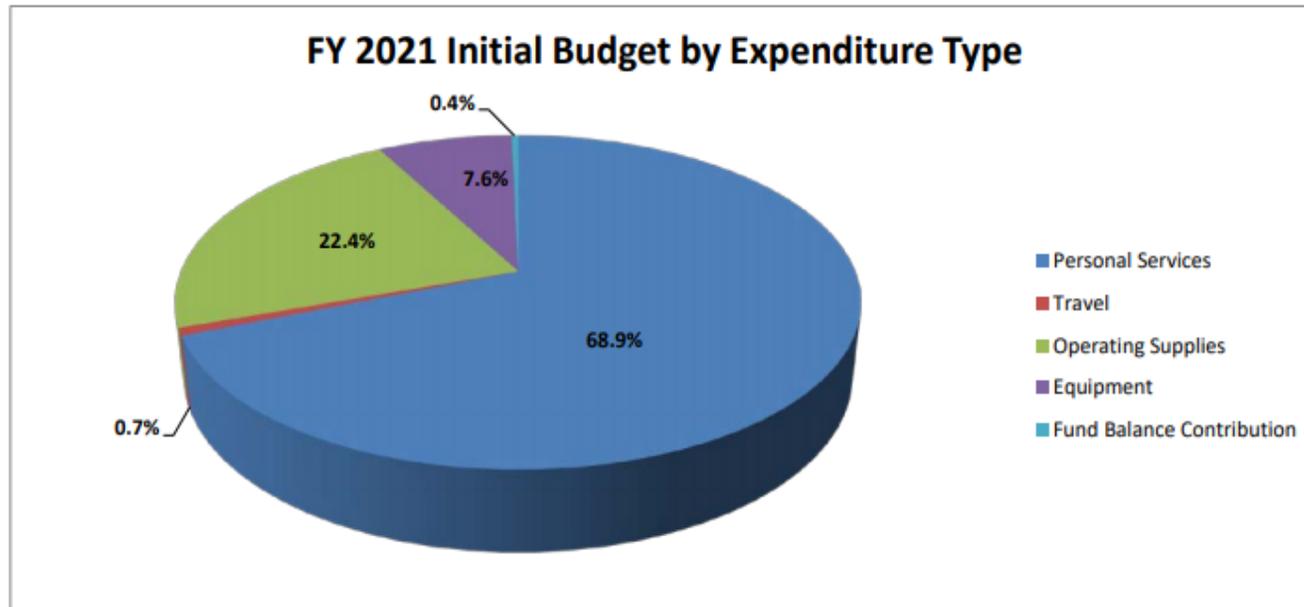
14000 Sales and Services

15000 Indirect

16000 Tech Fees

20000 Grants

University of West Georgia



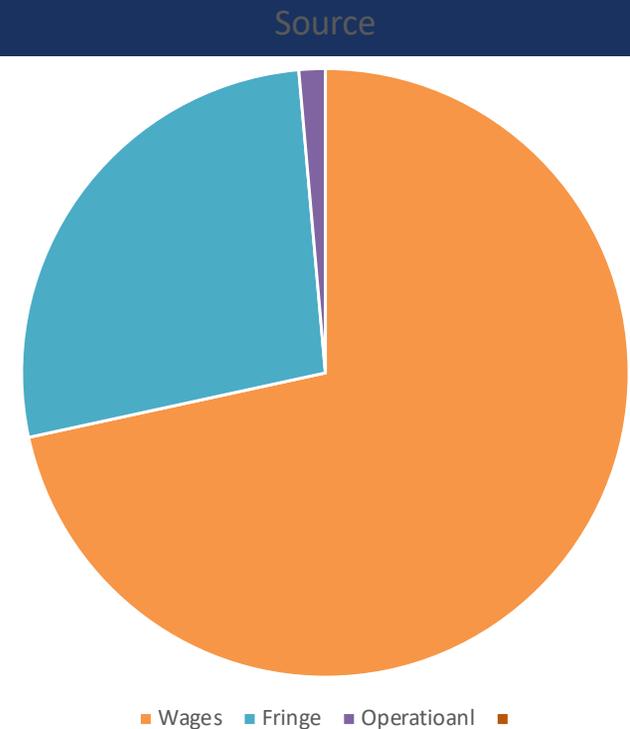
Typical Academic Department Budget Structure FY2021

Personnel Wages - 71.6%
\$1,643,822

Fringe- 27%
\$616,160

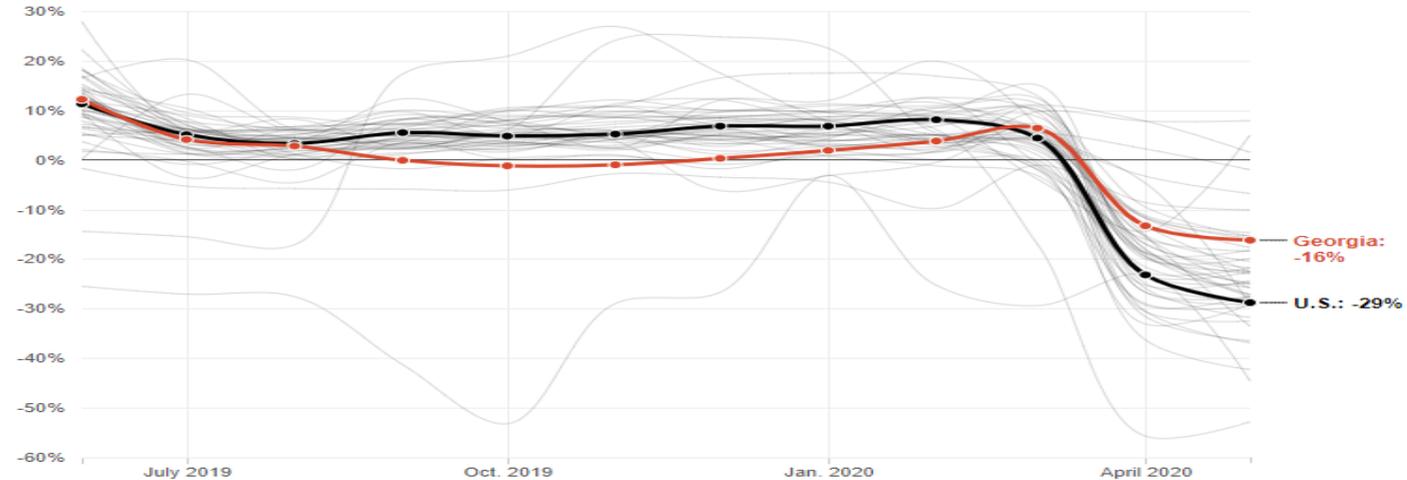
Operational Funds- 1.4%
\$33,718

**Includes State and Tuition Funds only*



State of Georgia's Revenues Down by 16%

CHANGE IN MONTHLY REVENUE VS. PREVIOUS YEAR (3-MONTH AVERAGE)



Notes

Each data point represents the three-month moving average of a state's tax revenue compared with the same period the previous year. The U.S. average excludes states without data for the month of May (New Mexico and Wyoming).

Source: Data and analysis from the Urban Institute's State and Local Finance Initiative

Credit: Daniel Wood/NPR

FY2021 Budget Reductions-Direct Impact to Academic Affairs

\$1 million in travel for UWG (\$339,434 from Academic Affairs)

\$1.6 million in Undergraduate eTuition

(this was the third year of the three year reduction plan established at the System level at \$1.6 million per year)

\$1.2 tuition due to lower enrollments as of Fall FY2020

\$930k in Voluntary Separation Program (Early Retirements)

9 Faculty members

7 Staff from Academic Affairs

\$2.3 million Spring Round due to reduced State revenues (COVID)

Operating Leases and Debt

Description	Lessor	Original Principal	Lease Term	Begin Month/Year	End Month/ Year	Outstanding Principal	
University Suites	UWG Foundation, Inc.	\$ 5,883,088	10 Yrs	Mar 2019	Jun, 2029	\$ 5,417,690	(1)
Arbor View Apartments	UWG Foundation, Inc.	9,358,981	10Yrs	MAR 2019	Jun, 2029	8,546,486	(1)
Greek Village	UWG Foundation, Inc.	17,722,384	20 Yrs	MAR 2019	JUN 2039	17,007,256	(1)
University Campus Ctr.	UWG Real Estate Foundation, Inc.	27,100,000	23 Yrs	AUG 2012	JUN 2035	22,964,890	(1)
Athletic Complex	UWG Real Estate Foundation, Inc.	27,660,000	24 Yrs	JAN 2015	JUN 2039	26,198,634	(1)
Center Pointe Suites	UWG Real Estate Foundation, Inc.	23,900,106	29 Yrs	JUL 2012	JUN 2041	21,498,765	(1)
Athletic Office Bldg.	UWG Real Estate Foundation, Inc.	3,756,636	27 Yrs	AUG 2012	JUN 2039	3,127,414	(1)
Evergreen - Parking Lots	UWG Foundation, Inc.	6,040,451	20Yrs	MAR 2019	JUN 2039	5,815,427	(1)
University Bookstore	USG Real Estate Foundation III, Inc.	4,434,260	21 Yrs	MAR 2020	JUN 2041	4,411,025	(1)
East Commons	UWG Real Estate Foundation, Inc.	11,681,410	29 Yrs	AUG 2013	JUN 2042	10,367,981	(1)
Bowdon Hall	UWG Real Estate Foundation, Inc.	9,141,259	29 Yrs	AUG 2013	JUN 2042	8,112,944	(1)
The Oaks	UWG Real Estate Foundation, Inc.	21,434,416	29Yrs	AUG 2013	JUN 2042	19,021,750	(1)
Student Health Center	TMC/Campus Health Center, LLC	3,501,944	20Yrs	JAN 2018	DEC 2038	2,866,362	
Total Leases		<u>\$ 171,614,935</u>				<u>\$ 155,356,624</u>	

(1) These capital leases are related party transactions. Certain capital leases provide for renewal and/or purchase options. Generally purchase options at bargain prices of one dollar are exercisable at the expiration of the lease terms.

The Institution leases land, facilities, office and computer equipment, and other assets. Some of these leases are considered for accounting purposes to be operating leases. Although lease terms vary, many leases are subject to appropriation from the General Assembly to continue the obligation. Other leases generally contain provisions that, at the expiration date of the original term of the lease, the Institution has the option of renewing the lease on a year-to-year basis. Leases renewed yearly for a specified time period, i.e. lease expires at 12 months and must be renewed for the next year, may not meet the qualification as an operating lease. **The Institution's operating lease expense for fiscal 2020 was \$599,241 and does not include any payments to related parties.**

UWG Capital Leases Cash Flows



- Campus Center- FY2020 \$377k
- Athletics Complex/Athletic Office Building- FY2020 \$680,883
- Bookstore- FY2020 \$2,584,382
- East Village-FY2020 \$1,770,036
- University Suites-FY2020 \$3,113,358
- Arbor View-FY2020 \$1,398,484
- The Village-FY2020 \$571,706 (with equity transfer)
- Center Pointe Suites- \$2,069,844

What Happens When a Position Becomes Vacant for the Division of Academic Affairs

Faculty

Critical Hire is required

- The Provost and the Deans discuss the vacant position and approval to refill, redirect, etc... based on the Academic Affairs Budget Metrics (detailed later)

Staff

- State requires position to remain vacant for 60 days-the State captures the lapsed to balance the budgets
- Critical Hire is required
 - If the salary is over \$40k the Board of Regents must also approve



Data to Colleges

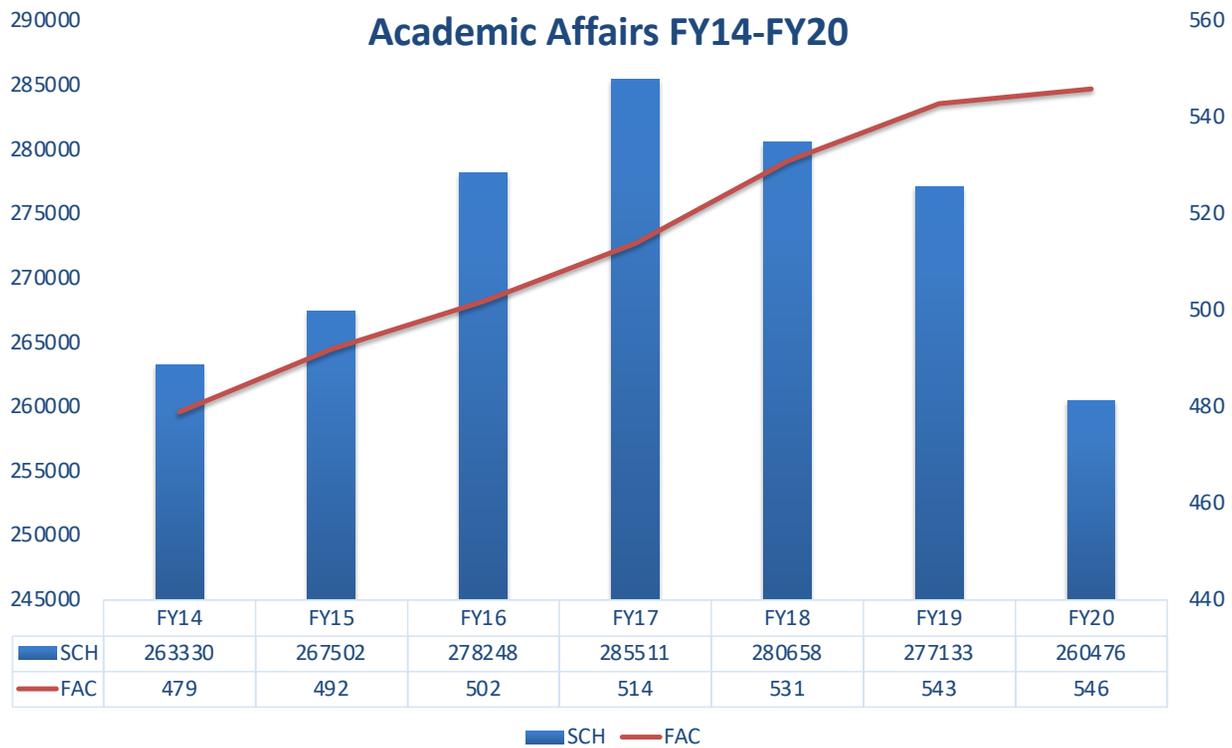
- The Provost's Office runs reports every semester, on census date, to determine SCH (student credit hours). In June, deans are given academic year (fall and spring) data.
- These reports are broken down by program/department for the budget metrics that are given to the deans.
- The metrics worksheet – discussed in following slides – is sent to the deans, to assist them in making data informed decisions.
- Data is also broken down by SCH taught by full-time and part-time faculty, as well as by UG and GR SCH.
- The budget metrics worksheet contains five years of data for each metric. This allows deans and other stakeholders to see increases or decreases over time.

Budget Metrics

- SCH (student credit hours) – undergraduate
- SCH in the core
- Percent of core in the SCH undergraduate
- SCH – graduate
- LD (lower division – 1000 and 2000 level) class size
- UD (upper division – 3000 and 4000 level) class size
- GR (graduate) class size
- UG majors
- UG degrees conferred
- GR majors
- GR degrees conferred
- Minors awarded
- UG Majors/Degrees conferred
- GR Majors/Degrees conferred
- LD DFW rate
- UD DFW rate

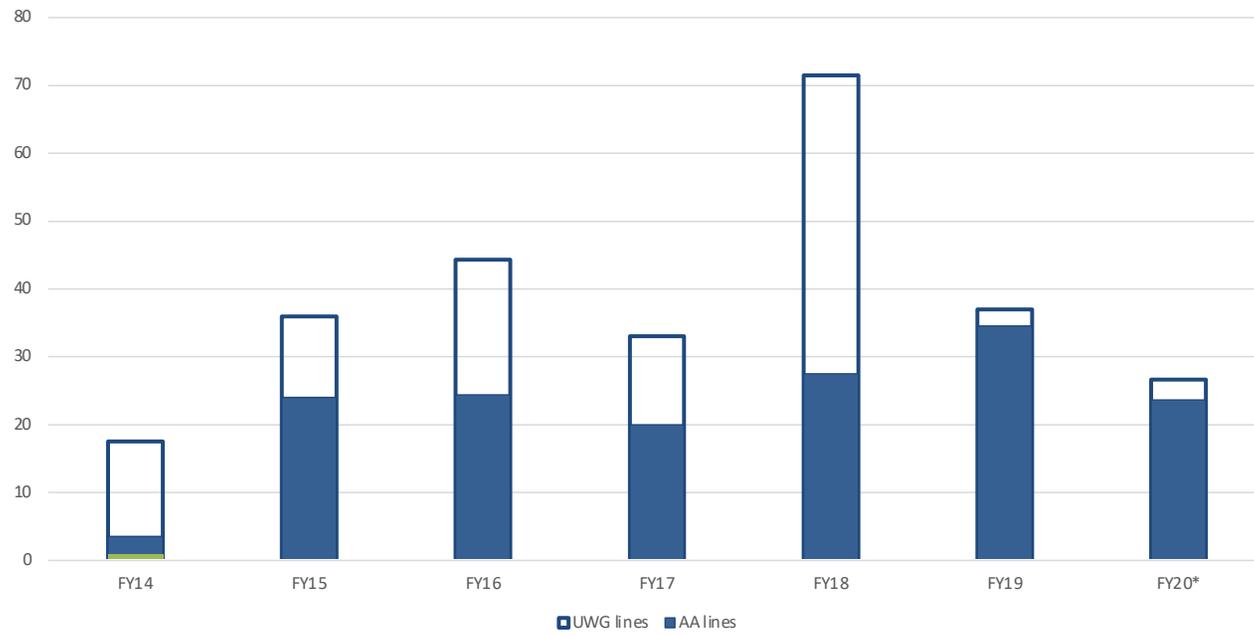
Budget Metrics cont'd

- Data for budget metrics is gathered from IEA and Banner ARGOS reports
- From IEA – Declared majors, degrees conferred, minors awarded
- SCH – student credit hours – ARGOS report PRO0200 run on census for every semester and combined for AY.
- XIDS courses are included in the faculty member's home department, unless the faculty is teaching the course as an overload – i.e., for first year programs. eCampus courses are not included in SCH computations.
- Class size – mathematical average of all course sections within a department with a cap size greater than 5.
- Percentage of UG SCH taught in the core was calculated by dividing Core SCH/total UG SCH.
- DFW rates are calculated by dividing number of (D, F, W, WF, I) grades/total number of student grades.
- Majors/Degrees conferred ratio is calculated by dividing the department's declared majors in a given year by the number of degrees conferred in that same year.
- Degrees conferred includes certificates awarded in the GR numbers.

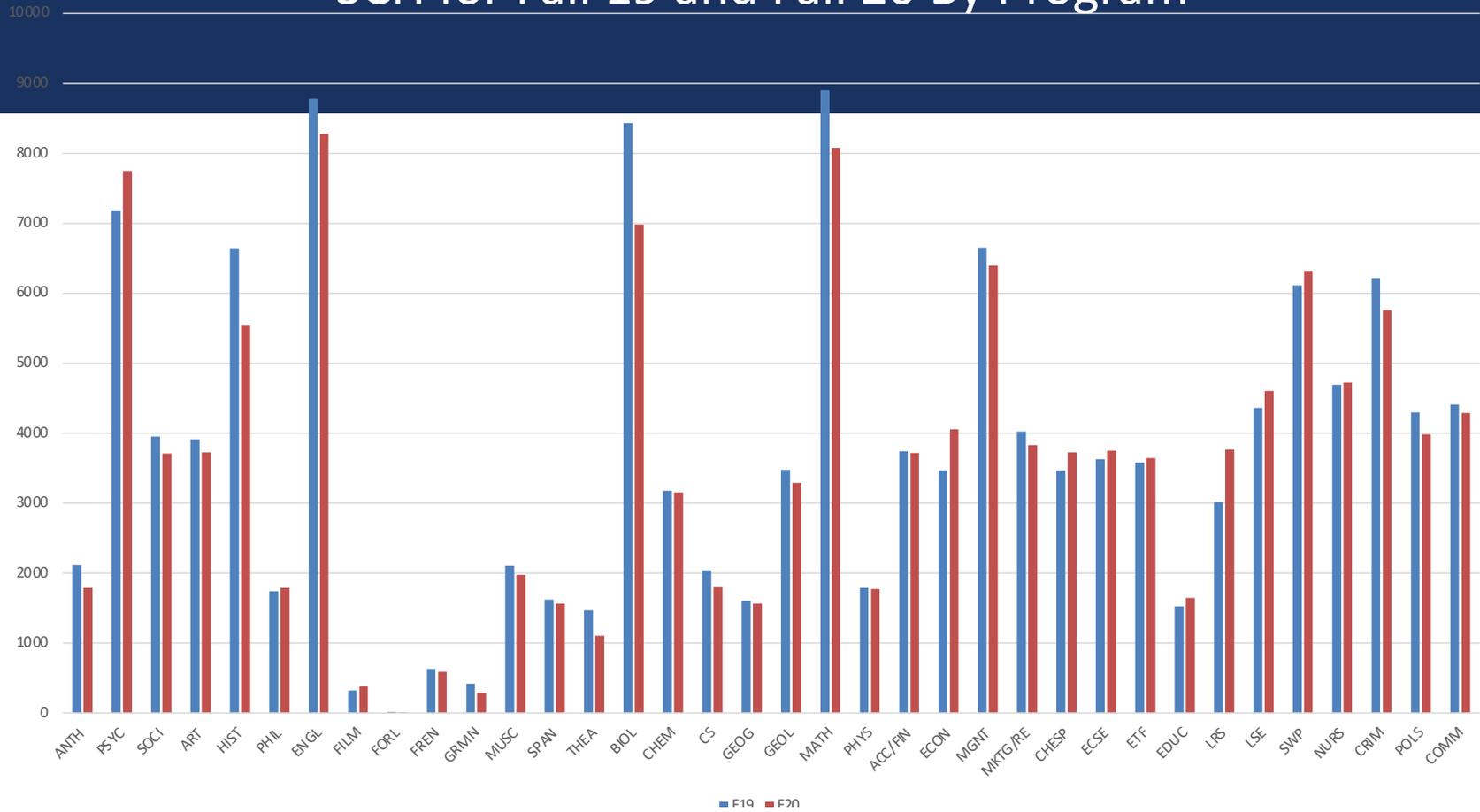




FY14-FY20 New Personnel



SCH for Fall 19 and Fall 20 By Program



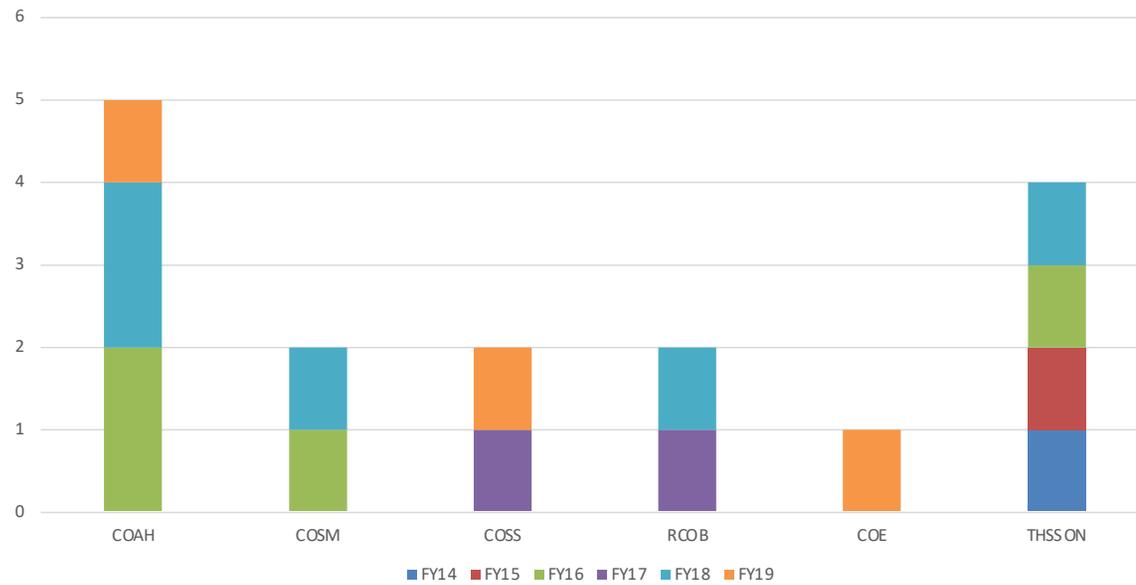



Highlighted Program Reductions in SCH

Trend for Fall-Spring

Dept.	AY17-18	AY18-19	AY19-20	AY20-21	4 Yr Change
English	20970	20111	17706	16918	-4052
Math	20014	19419	15989	15339	-4675

New Staff Lines FY14-FY19



FY22 AND BEYOND

- Strategically aligning budget and priorities
 - Student Success
 - Enrollment Management
 - Academic Program Management
 - Student Safety and Mental Health

FY22 AND BEYOND

- Expenditure Management
 - Faculty Support
- Strategic alignment of faculty and staff to support new student levels
 - Part-time faculty
 - Vacancy/Position management
 - Critical hiring process continued



QUESTIONS?