



# **FY2020 Budget Planning**

**Board of Trustees  
Finance Committee**

August 19, 2019



# Agenda

**Meeting Purpose:** Discuss the FY2019 Year-end Projections, discuss the FY2020 Budget Planning process, and review & request approval of the FY2020 Proposed Operating Budget and Net Position Floor.

- I. FY2019 Preliminary Year-end Update
- II. FY2020 Operating Revenue Budget Planning \*
- III. FY2020 Operating Expense Budget Planning \*
- IV. FY2020 Preliminary Net Position Planning

\* Please note operating equates to Education & General (E&G), Student Activity, & Auxiliary Funding Sources



# **FY2019 Preliminary Year-end Update**



# FY2019 Preliminary Year-end Highlights

- The FY2019 Operating Budget is projected to end the year \$2.4M favorable to the revised budget
  - Includes a slight reduction in tuition & fee revenue associated with Spring enrollment decline
  - Includes \$983K in Auxiliary interest income related to investments held with the State Treasurer
  - E&G, Student Activity, and Auxiliary expense savings related to vacancy savings, planned reductions, and auxiliary scholarship support
- The FY2019 Net Position is projected to the end the year at \$21.8M or \$1.6M higher than FY2018 balance
  - Driven by operating results detailed above
  - Includes \$1.2M reduction in the Athletics fund balance to support scholarships
  - Includes increase in the Institutional Capital Project Fund (ICPF) fund balance associated with debt funds in excess of amount needed for annual debt payments



# FY2019 Preliminary Year-end Update

The following data represents the preliminary FY2019 Operating Year-end results, although please note entries are still being made to close out the year and final results will be shared in the October Board meetings.

	FY2019 Budget			FY2019 Prelim Year-end Actuals			
	A	B	C	D	E	F	G
	Original	Approved	Adjusted	Preliminary	\$ Difference	% Difference	% Utilization
	Approved	Adjusted	Budget	Year-end	Prelim Actuals	Prelim Actuals	Prelim Actuals
	Budget	Budget	Variance	Actuals	vs. Adj. Budget	vs. Adj. Budget	of Adj. Budget
<b>REVENUES:</b>							
Student Tuition and Fees	79,554,840	76,911,077	(2,643,763)	76,616,530	(294,547)	-0.4%	99.6%
Student Debt Service Fees	5,811,892	5,382,459	(429,433)	5,529,883	147,424	2.7%	102.7%
Other Fees	1,230,750	1,346,812	116,062	1,348,697	1,885	0.1%	100.1%
Housing Fees	10,239,716	9,329,996	(909,720)	10,506,021	1,176,025	12.6%	112.6%
Cafeteria Fees	6,717,543	6,026,053	(691,490)	6,265,735	239,682	4.0%	104.0%
Health Fees	1,907,941	1,815,424	(92,517)	1,817,207	1,783	0.1%	100.1%
<b>Total All Student Fee Revenue</b>	<b>105,462,682</b>	<b>100,811,821</b>	<b>(4,650,861)</b>	<b>102,084,073</b>	<b>1,272,252</b>	<b>1.3%</b>	<b>101.3%</b>
State Appropriations- Recurring	17,496,957	17,550,602	53,645	17,550,602	-	0.0%	100.0%
State Appropriations- Non-Recurring	505,189	505,189	-	475,830	(29,359)	-5.8%	94.2%
Other Revenues	1,722,187	1,869,882	147,695	1,870,345	463	0.0%	100.0%
Board Approved Net Position Usage	-	1,000,000	1,000,000	-	(1,000,000)	-100.0%	0.0%
Foundation (\$500K)/Courtyard (\$80K) Coverage	-	580,000	580,000	-	(580,000)	-100.0%	0.0%
Prior Year IT Lottery Funds	-	-	-	280,000	280,000	-	-
<b>Total Revenues</b>	<b>125,187,015</b>	<b>122,317,494</b>	<b>(2,869,521)</b>	<b>122,260,850</b>	<b>(56,644)</b>	<b>0.0%</b>	<b>100.0%</b>
<b>COMMITMENTS:</b>							
Divisional Expenses	88,958,174	88,774,166	(184,008)	83,060,602	5,713,564	6.4%	93.6%
Institutional Scholarships	13,360,981	13,360,981	-	13,702,033	(341,052)	-2.6%	102.6%
Auxiliary	17,954,786	17,711,308	(243,478)	16,797,275	914,033	5.2%	94.8%
Trf Fees to Debt Service Fund	5,811,892	5,382,459	(429,433)	5,529,883	(147,424)	-2.7%	102.7%
General Institution	2,435,899	2,035,718	(400,181)	726,960	1,308,758	64.3%	35.7%
Total Vacancy Management/Efficiency	(3,334,717)	(3,334,717)	-	-	(3,334,717)	100.0%	0.0%
Budget Coverage Planned Savings	-	(1,612,421)	(1,612,421)	-	(1,612,421)	100.0%	0.0%
<b>Total Commitments (1)</b>	<b>125,187,015</b>	<b>122,317,494</b>	<b>(2,869,521)</b>	<b>119,816,753</b>	<b>2,500,741</b>	<b>2.0%</b>	<b>98.0%</b>
<b>Surplus / (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,444,097</b>	<b>2,444,097</b>	<b>-</b>	<b>-</b>



# FY2019 Preliminary Year-end Net Position

The following data represents the preliminary FY2019 Year-end Net Position expectations.

	FY2018 Beginning Balance	FY2018 Net Activity	FY2019 Beginning Balance	FY2019 Net Activity (Rough Estimate)	FY2019 Projected Year-end Balance	
Education & General	5,195,895	1,668,620	6,864,515	527,745	7,392,260	A
Student Activity Fee	(3,736,697)	(377,630)	(4,114,327)	124,664	(3,989,663)	
Auxiliary	9,363,816	514,568	9,878,384	1,791,688	11,670,072	B
Other Revenue	1,792,064	(155,591)	1,636,473	(1,228,277)	408,196	C
Vending	376,303	21,751	398,054	(9,257)	388,797	D
Plant Funds (ICPF)	5,520,944	(235,155)	5,285,789	426,167	5,711,956	E
Quasi Endowment	238,733	-	238,733	-	238,733	
<b>Total Unrestricted Net Position</b>	<b>\$ 18,751,058</b>	<b>\$ 1,436,563</b>	<b>\$ 20,187,621</b>	<b>\$ 1,632,730</b>	<b>\$ 21,820,351</b>	
<b>A</b>	Driven by University wide initiatives to control spending which led to \$3.9M in vacancy savings and reduced spending of over \$2.8M compared to the original budget.					
<b>B</b>	Driven by three major factors: \$983K in interest expense, \$448K reduction in scholarship support, & \$300K in vacancy savings.					
<b>C</b>	Driven by Athletics unfunded scholarships (plan being executed for FY2020 with changes proposed for FY2021)					
<b>D</b>	Driven by faculty recruitment (a majority of vending revenue used to support scholarships)					
<b>E</b>	Driven by State requirement to fund Debt pool with excess returned as ICPF funding					



# **FY2020 Operating Revenue Budget Planning**



# FY2020 Revenue Planning

- The FY2020 Operating Revenue Budget is projected to increase \$1.6M compared to FY2019 preliminary year-end actuals.
  - Total Tuition and Fee revenue is projected to be down \$200K or 0.2% compared to FY2019 results and \$2.1M or 2.5% down from FY2018 results
  - Driven by undergraduate enrollment decline and shift to on-line graduate students which, based on the current model, Winthrop only receives 45% of their revenue
  - Total State Appropriations are projected to increase \$2.7M
  - Total Other Revenue is projected to decline \$191K driven by decline in both the Courtyard surplus and CERRA administrative fee
  - Given the FY2019 interest earnings are unlikely to be recognized at the same level, Housing Auxiliary Revenue is projected to decline compared to the FY2019 results





# FY2020 Tuition & Fee Revenue Planning

Excluding the approved rate increases, at this time there are no changes to the enrollment and revenue projections presented in June 2019. If changes to the budget allocations are required once final enrollment numbers are known in September, the Board will be presented with the allocation changes for approval.

	Fall 2017	Fall 2018	Fall 2019 Proj.	Change Fall	% Change Fall	2-Year
<b>Undergraduate Enrollment</b>	<b>Headcount</b>	<b>Headcount</b>	<b>Headcount</b>	<b>2019 vs 2018</b>	<b>2019 vs 2018</b>	<b>% Change</b>
In-State Regular	4,209	4,076	4,001	-75	-1.8%	-4.9%
Out-of-State Regular	450	422	457	35	8.3%	1.6%
<b>Total Regular Enrollment</b>	<b>4,659</b>	<b>4,498</b>	<b>4,458</b>	<b>-40</b>	<b>-0.9%</b>	<b>-4.3%</b>
Contract	291	325	315	-10	-3.1%	8.2%
Faculty/Staff & Senior Citizen	64	65	65	0	0.0%	1.6%
<b>Total Undergraduate Enrollment</b>	<b>5,014</b>	<b>4,888</b>	<b>4,838</b>	<b>-50</b>	<b>-1.0%</b>	<b>-3.5%</b>
<b>Graduate Enrollment - Degree Seeking</b>						
Campus Based	701	640	575	-65	-10.2%	-18.0%
On-line	0	75	200	125	166.7%	-
<b>Total Graduate Enrollment</b>	<b>701</b>	<b>715</b>	<b>775</b>	<b>60</b>	<b>8.4%</b>	<b>10.6%</b>



# FY2020 Tuition & Fee Revenue Modeling

The following data represents the FY2020 tuition & fee gross revenue planning with the Board of Trustees approved rates in undergraduate and graduate fees.

	FY2018	FY2019	% Change	FY2020	\$ Change	% Change	2-Year
	YE Actual	Forecast	FY19 vs FY18	Prelim Budget	FY20 vs FY19	FY20 vs FY19	% Change
<b><u>Undergraduate Tuition &amp; Fees</u></b>							
Education & General Fee	57,588,831	57,149,344	-0.8%	57,227,491	78,147	0.1%	-0.6%
Student Activity Fee	6,989,270	6,659,634	-4.7%	6,621,022	(38,612)	-0.6%	-5.3%
Debt Fee	5,778,302	5,069,807	-12.3%	5,255,744	185,937	3.7%	-9.0%
<b>Total Undergraduate Tuition &amp; Fees</b>	<b>70,356,403</b>	<b>68,878,785</b>	<b>-2.1%</b>	<b>69,104,257</b>	<b>225,472</b>	<b>0.3%</b>	<b>-1.8%</b>
<b><u>Graduate Tuition &amp; Fees</u></b>							
Education & General Fee	5,941,454	5,213,714	-12.2%	4,659,795	(553,919)	-10.6%	-21.6%
Student Activity Fee	509,335	421,416	-17.3%	373,211	(48,206)	-11.4%	-26.7%
On-Line Learning	-	736,127	-	1,108,381	372,254	50.6%	100.0%
Debt Fee	524,371	460,076	-12.3%	418,948	(41,128)	-8.9%	-20.1%
<b>Total Graduate Tuition &amp; Fees</b>	<b>6,975,160</b>	<b>6,831,333</b>	<b>-2.1%</b>	<b>6,560,334</b>	<b>(270,999)</b>	<b>-4.0%</b>	<b>-5.9%</b>
Summer Education & General Fee	3,811,011	3,724,091	-2.3%	3,649,609	(74,482)	-2.0%	-4.2%
Info Technology	1,471,245	1,395,984	-5.1%	1,323,861	(72,123)	-5.2%	-10.0%
Lab Fees (E&G Portion)	803,020	843,983	5.1%	869,302	25,319	3.0%	8.3%
Contract Course Revenue (E&G Portion)	505,148	348,644	-31.0%	313,780	(34,864)	-10.0%	-37.9%
Employee Enrollment Benefit	116,467	110,000	-5.6%	110,000	-	-	-5.6%
Dual Enrollment	10,595	20,050	89.2%	21,053	1,003	5.0%	98.7%
<b>Total Tuition &amp; Fee</b>	<b>84,049,050</b>	<b>82,152,870</b>	<b>-2.3%</b>	<b>81,952,196</b>	<b>(200,674)</b>	<b>-0.2%</b>	<b>-2.5%</b>



# FY2020 Operating Revenue Budget Planning

The following data represents the FY2020 total revenue planning including Tuition & Fees, State Allocations, Auxiliaries, Indirect return, Foundation & Courtyard transfers, etc.

	A	B	C		D	E	F
	FY2018	FY2019	% Change		FY2020	\$ Change	% Change
	Year-end	Prelim Year-end	FY2018 vs.		Preliminary	FY2020 Bud vs.	FY2020 Bud vs.
	Actuals	Actuals	FY2019		Budget	FY2019 Forecast	FY2019 Forecast
<b>REVENUES:</b>							
Student Tuition and Fees	77,746,375	76,616,530	-1.5%		76,277,504	(339,026)	-0.4%
Student Debt Service Fees	6,302,674	5,529,883	-12.3%		5,674,692	144,809	2.6%
Other Fees	1,402,664	1,348,697	-3.8%		1,328,467	(20,230)	-1.5%
Housing Fees	10,340,379	10,506,021	1.6%		9,707,301	(798,720)	-7.6%
Cafeteria Fees	6,503,404	6,265,735	-3.7%		6,460,786	195,051	3.1%
Health Fees	1,898,599	1,817,207	-4.3%		1,802,807	(14,400)	-0.8%
<b>Total All Student Fee Revenue</b>	<b>104,194,095</b>	<b>102,084,073</b>	<b>-2.0%</b>		<b>101,251,557</b>	<b>(832,516)</b>	<b>-0.8%</b>
State Appropriations- Recurring	16,365,381	17,550,602	7.2%		20,106,507	2,555,905	14.6%
State Appropriations- Non-Recurring	505,189	475,830	-5.8%		583,497	107,667	22.6%
Other Revenues	1,879,546	1,870,345	-0.5%		1,678,409	(191,936)	-10.3%
Prior Year IT Lottery Funds	-	280,000	0.0%		280,000	-	0.0%
<b>Total Revenues</b>	<b>122,944,211</b>	<b>122,260,850</b>	<b>-0.6%</b>		<b>123,899,970</b>	<b>1,639,120</b>	<b>1.3%</b>
		June 2019 Prelim Revenue Projection			123,101,951		
		Board Approved Rate Increase			798,019		



# **FY2020 Operating Expense Budget Planning**



# FY2020 Divisional Expense Planning

The FY2020 allocation decisions were, and will continue to be, made taking the following into consideration:

- Winthrop's spending history between Academics, Athletics, & Non-Academics with a focus on zero-base
- Industry best practices in terms of allocation funding models
- Activity based identifiers such as credit hours, sections, labs, etc.
- Athletics support in balancing all-funds funding gap in short-term, while coming up with long-term plan
- Balancing non-permanent compensation expenses with operating expenses
  - Non-permanent compensation equals adjuncts, temporary, students, and summer/extra teaching

Please note the allocations on the following pages will continue to be monitored by senior leadership and are subject to change with Board approval based on the following:

- Positive or Negative net revenue projections and/or student enrollment numbers
- Allocation changes to support mission critical activities or change in academic scheduling
- Hiring decisions within existing vacancy pool



# FY2020 Operating Expense Budget Planning

The following data represents the high-level FY2020 total expense planning.

	A	B	C		D	E	F	
	FY2018	FY2019	% Change		FY2020	\$ Change	% Change	
	Year-end	Prelim Year-end	FY2018 vs.		Preliminary	FY2020 Bud vs.	FY2020 Bud vs.	
	Actuals	Actuals	FY2019		Budget	FY2019 Forecast	FY2019 Forecast	
<b>REVENUES:</b>								
<b>Total Revenues</b>	<b>122,944,211</b>	<b>122,260,850</b>	<b>-0.6%</b>		<b>123,899,970</b>	<b>1,639,120</b>	<b>1.3%</b>	
<b>COMMITMENTS:</b>								
Divisional Expenses	83,146,188	83,060,602	-0.1%		81,084,468	(1,976,134)	-2.4%	A
Institutional Scholarships	13,461,978	13,702,033	1.8%		14,181,513	479,480	3.5%	B
Auxiliary	18,227,815	16,797,275	-7.8%		17,508,857	711,582	4.2%	C
Trf Fees to Debt Service Fund	6,302,674	5,529,883	-12.3%		5,674,692	144,809	2.6%	D
General Institution	-	726,960	0.0%		5,450,440	4,723,480	649.8%	E
<b>Total Commitments</b>	<b>121,138,655</b>	<b>119,816,753</b>	<b>-1.1%</b>		<b>123,899,970</b>	<b>4,083,217</b>	<b>3.4%</b>	
<b>Surplus / (Deficit)</b>	<b>1,805,556</b>	<b>2,444,097</b>	<b>35.4%</b>		<b>-</b>	<b>-</b>	<b>-</b>	
A - Available funding to support Divisional expense base (details in future slides and please note the general institutional methodology change noted below)								
B - Scholarship support from E&G and Student Activity funds including Proviso, Out-of-State Waivers, & Public Service Grants								
C - Auxiliary funding to support the Housing, Cafeteria, and Health programs including debt payments & scholarship support								
D - Transfer to Debt Service Fund (directly driven by debt fee revenue)								
E - General Institutional expenses (reconciled in a future slide and please note the methodology has been changed to the prior year number on this slide)								



# FY2020 General Institutional Expense Planning

The following data represents the General Institutional Budget line-items included in the FY2020 Operating Expense Budget.

	FY20 Budget	Comments
General Contingency	1,000,000	Contingency to support lost revenue, emergency funding needs, & if available to seed new initiatives
Financial Statement Contingency	250,000	Funding support for Allowance for Bad Debt, Fringe Benefits, & Vacation Payouts
Competitive Compensation	275,000	Funding to support compensation gap identified by the class & compensation study
<b>Total Contingency</b>	<b>1,525,000</b>	<b>Equals a total operating contingency of 1.2% of the FY2020 operating revenue budget</b>
Utilities	3,600,000	Annual utilities budget to support Electrical, Gas, & Water (partial amount transferred to Auxiliaries)
Master Leases	633,845	Annual lease payments for the two most recent Master Lease Equipment purchases in 2013 & 2018
Insurance	575,000	Annual premiums for the State Accident Fund and Director & Officer insurance
Telephones	331,155	Annual payments to support the existing telephone and voicemail systems (excludes long distance)
Rock Hill Bus System	200,000	Annual payment for the new Rock Hill Bus System (comes with internal & external advertising)
Faculty Promotions	123,640	Annual compensation increases to support the FY2020 faculty promotions
Lowenstein	116,800	Annual lease payment to support the Lowenstein space occupied by the Exercise and Science program
Memberships	105,000	University memberships for EAB, AASC, SACSCOC, NACUBO, etc.
Admin Overhead Assessed to Auxiliary	(760,000)	Annual transfer to the Auxiliary Enterprise for E&G institutional support from administrative areas
Utilities Assessed to Auxiliary	(1,000,000)	Annual transfer to the Auxiliary Enterprise for utility expenses in the Auxiliary residence halls, dining hall, etc.
<b>University Supported Expenses</b>	<b>3,925,440</b>	
<b>Total General Institutional Budget</b>	<b>5,450,440</b>	



# FY2020 Divisional Expense Planning

The first step in building a balanced budget is to determine the available funds to support the Education & General (E&G) and Student Activity supported Divisional Allocation Budgets.

			FY2020 Budget
A	Full Budget with Vacant Positions	\$	83,591,323
+			
B	Vacancies Pulled Out to Balance Budget *	\$	(1,756,855)
=			
<b>C</b>	<b>Available to Allocate to Divisions</b>	<b>\$</b>	<b>81,834,468</b>
+			
D	Anticipated Vacancy Savings during FY2020	\$	(750,000)
=			
<b>E</b>	<b>Balance to FY2020 Operating Expense Schedule</b>	<b>\$</b>	<b>81,084,468</b>
* Based on faculty slots on hold until Fall 2020 and planned faculty/staff mid-year & delayed hiring			





# FY2020 Divisional Expense Planning

Before we take step two in the Divisional Planning, it is important to look back at history.

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Prelim Act
VP FOR ACADEMIC AFFAIRS	45,635,310	46,584,771	48,076,900	49,389,429	49,601,177
<i>% change from prior year</i>		2.1%	3.2%	2.7%	0.4%
INTERCOLLEGIATE ATHLETICS	5,505,716	6,076,594	5,976,377	6,220,366	5,366,539
<i>% change from prior year</i>		10.4%	-1.6%	4.1%	-13.7%
VP FOR FINANCE AND BUSINESS AFFAIRS	12,033,962	11,858,877	12,234,562	12,864,494	12,030,470
VP FOR STUDENT AFFAIRS	4,169,937	4,128,928	4,228,500	4,193,312	4,074,796
VP FOR ACCESS AND ENROLLMENT	2,829,898	2,872,618	2,816,611	2,964,532	3,049,105
OFFICE OF THE PRESIDENT	2,087,054	2,306,629	2,586,859	2,115,953	2,021,472
VP FOR UNIVERSITY ADVANCEMENT	876,942	890,880	993,365	1,084,697	1,439,066
VP FOR HR DIVERSITY AND WELLNESS	848,105	796,811	914,286	955,620	1,101,784
<b>NON-ACADEMIC ADMINISTRATION</b>	<b>22,845,897</b>	<b>22,854,743</b>	<b>23,774,182</b>	<b>24,178,608</b>	<b>23,716,693</b>
<i>% change from prior year</i>		0.0%	4.0%	1.7%	-1.9%
<b>Total Divisional Expenses (excl. Gen Instit.)</b>	<b>73,986,922</b>	<b>75,516,109</b>	<b>77,827,459</b>	<b>79,788,403</b>	<b>78,684,410</b>
<i>% change from prior year</i>		2.1%	3.1%	2.5%	-1.4%
<b>Academics as a % of Total</b>	<b>61.7%</b>	<b>61.7%</b>	<b>61.8%</b>	<b>61.9%</b>	<b>63.0%</b>
<b>Athletics as a % of Total</b>	<b>7.4%</b>	<b>8.0%</b>	<b>7.7%</b>	<b>7.8%</b>	<b>6.8%</b>
<b>Non-Academics as a % of Total</b>	<b>30.9%</b>	<b>30.3%</b>	<b>30.5%</b>	<b>30.3%</b>	<b>30.1%</b>



# FY2020 Divisional Expense Planning

Step two in the Divisional Expense Planning is to allocate the available expense dollars across the three major buckets discussed in the previous slides.

		FY2020 Budget
<b>A</b>	Available Funds to Allocate	81,834,468
-		
<b>B</b>	Graduate Stipends	825,000
=		
<b>C</b>	<b>Avialable Allocations</b>	<b>81,009,468</b>
=		
	<i>Academics %</i>	<i>63.0%</i>
<b>D</b>	<b>Academics Total</b>	<b>\$ 50,995,460</b>
<b>+</b>	<i>Athletics %</i>	<i>7.4%</i>
<b>E</b>	<b>Athletics Total</b>	<b>\$ 6,002,802</b>
<b>+</b>	<i>Non-Academics %</i>	<i>29.6%</i>
<b>F</b>	<b>Non-Academics Total</b>	<b>\$ 24,011,206</b>



# FY2020 Divisional Expense Planning

The following data represents the split between the major areas and their comparisons to prior years.

Please notice the shift between compensation and operating expenses, which is being driven by State mandated increases to salaries, pensions, & health care expenses.

	FY2020 Prelim Total	Total % Chg. vs. Prior Year	Total Compensation	Comp % Chg. vs. Prior Year	Total Operating	Operating % Chg. vs. Prior Year
<b>Academics</b>						
FY2020 Modeling	50,995,460	2.8%	47,359,756	4.4%	3,635,704	-14.3%
FY19 YTD as of June 30, 2019	49,601,177	0.4%	45,356,831	0.9%	4,244,346	-4.0%
FY18 Year-end Actuals	49,389,699		44,969,245		4,420,454	
<b>Athletics</b>						
FY2020 Modeling	6,002,802	11.9%	4,438,051	6.9%	1,564,751	28.8%
FY19 YTD as of June 30, 2019	5,366,539	-13.7%	4,151,960	-3.8%	1,214,579	-36.2%
FY18 Year-end Actuals	6,220,366		4,317,293		1,903,073	
<b>Non-Academics</b>						
FY2020 Modeling	24,011,206	1.2%	19,421,345	5.2%	4,589,861	-12.7%
FY19 YTD as of June 30, 2019	23,716,693	-1.9%	18,456,563	1.5%	5,260,130	-12.3%
FY18 Year-end Actuals	24,178,337		18,178,667		5,999,670	
<b>Total</b>						
FY2020 Modeling	81,009,468	3.0%	71,219,152	4.8%	9,790,316	-8.7%
FY19 YTD as of June 30, 2019	78,684,409	-1.4%	67,965,353	0.7%	10,719,056	-13.0%
FY18 Year-end Actuals	79,788,402		67,465,204		12,323,198	



# FY2020 Divisional Expense Planning

Given the shift in required funding support for state mandated compensation increases related to salary increases/bonuses, pension, and health care benefits, operating expenses will be reduced compared to prior year spending levels. Without Net Position support requested on slide 25, this shift will require reductions related to the following activities:

- Academic programs & library subscriptions
- Enrollment & retention efforts supported by name buys/mailings, meals for visiting student and families, recruiting travel, and Winthrop personalized memorabilia
- Smart classroom/lab and technology funding
- Faculty and Staff computer replacement timeline
- Facilities infrastructure support



# FY2020 Divisional Expense Planning

The following data represents the Academic expense breakdown by area.

							\$ Change FY20 Budget vs. FY19 Actual	% Change FY20 Budget vs. FY19 Actual
	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Budget		
ASSOC VP FOR ACADEMIC AFFAIRS Total	1,513,990	1,487,249	1,752,142	2,031,153	2,030,823	1,972,733	(58,090)	-2.9%
COLLEGE OF ARTS AND SCIENCES Total	12,792,594	12,614,740	12,956,822	12,968,817	13,159,153	13,707,504	548,351	4.2%
COLLEGE OF BUSINESS ADMINISTRATION Total	5,663,957	5,931,504	6,054,108	6,005,703	5,597,605	5,509,770	(87,834)	-1.6%
COLLEGE OF EDUCATION Total	5,188,238	5,501,678	5,402,118	5,480,927	5,357,525	5,566,959	209,434	3.9%
COLLEGE OF VISUAL AND PERFORM ARTS Total	5,068,888	5,113,187	5,287,321	5,219,056	5,292,677	5,212,359	(80,318)	-1.5%
GRADUATE SCHOOL Total	986,106	1,106,823	1,092,826	1,078,961	1,092,459	1,138,447	45,988	4.2%
GRANT AND SPONSOR RESEARCH DEVELMNT Total	279,719	204,580	224,428	242,587	223,144	172,866	(50,278)	-22.5%
LIBRARY SERVICES Total	2,551,927	2,594,255	2,674,733	2,591,700	2,614,414	2,406,991	(207,423)	-7.9%
UNIVERSITY COLLEGE Total	1,351,598	1,348,474	1,488,755	1,565,882	1,331,475	1,143,350	(188,125)	-14.1%
VP FOR ACADEMIC AFFAIRS Total	476,415	480,600	483,101	587,191	677,719	749,547	71,828	10.6%
<b>Total Academics Budget</b>	<b>35,873,430</b>	<b>36,383,089</b>	<b>37,416,354</b>	<b>37,771,975</b>	<b>37,376,993</b>	<b>37,580,526</b>	<b>203,533</b>	<b>0.5%</b>
					FY2020 Planned Vacancy Hires	536,185		
					FY2020 Benefits	12,878,749		
					<b>FY2020 Total Academics Budget</b>	<b>50,995,460</b>		



# FY2020 Divisional Expense Planning

The following data represents the Non-Academic breakdown by area.

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Budget	\$ Change FY20 vs FY19	% Change FY20 vs FY19
OFFICE OF THE PRESIDENT	1,610,546	1,802,553	2,029,014	1,640,380	1,541,744	1,584,219	42,475	2.8%
ACCESS AND ENROLLMENT	2,298,292	2,333,404	2,271,182	2,391,500	2,416,948	2,267,698	(149,250)	-6.2%
STUDENT AFFAIRS	3,376,306	3,327,649	3,413,888	3,357,734	3,237,305	2,920,668	(316,637)	-9.8%
HR DIVERSITY AND WELLNESS	625,535	589,428	677,891	699,489	833,495	816,505	(16,990)	-2.0%
UNIVERSITY ADVANCEMENT	667,122	676,026	754,042	815,894	1,079,710	1,183,553	103,843	9.6%
FACILITIES	4,553,794	5,006,557	5,142,865	5,442,600	4,712,020	4,235,651	(476,369)	-10.1%
COMPUTING AND INFORMATION TECH	3,480,482	2,748,904	2,758,540	2,872,229	2,670,405	2,473,057	(197,348)	-7.4%
OTHER (ACCT, PROC, POST OFFICE, ETC.)	1,746,924	1,739,458	1,862,917	1,796,582	1,879,206	1,773,604	(105,602)	-5.6%
UNIVERSITY EVENTS	84,021	92,922	132,911	157,836	124,704	129,704	5,000	4.0%
FINANCE AND BUSINESS AFFAIRS	9,865,220	9,587,841	9,897,233	10,269,248	9,386,335	8,612,016	(774,319)	-8.2%
<b>TOTAL NON-ACADEMIC BUDGETS</b>	<b>18,443,020</b>	<b>18,316,901</b>	<b>19,043,251</b>	<b>19,174,246</b>	<b>18,495,537</b>	<b>17,384,659</b>	<b>(1,110,878)</b>	<b>-6.0%</b>
					FY2020 Planned Vacancy Hires	971,065		
					FY2020 Benefits	5,655,482		
					<b>FY2020 Total Non-Academics Budget</b>	<b>24,011,206</b>		



# FY2020 Divisional Expense Planning

The following data represents key metrics to discuss.

<b>Expense Category Metrics</b>		<b>Compensation as a % of Total Expenses</b>	<b>Benefits as a % of Total Compensation</b>	<b>Operating % Change from Prior Year</b>
	FY20 Prelim Budget	87.9%	38.3%	-8.7%
	FY19 YTD as of June 30, 2019	86.4%	37.4%	-13.0%
	FY2018 Year-end Actuals	84.6%	35.7%	
<b>Divisional Allocation Metrics</b>		<b>Total Expense % Change</b>	<b>Total Expense \$ Change</b>	<b>Divisional % Change of Total Expense</b>
	Academics	2.8%	1,394,283	60.0%
	Athletics	11.9%	636,263	27.4%
	Non-Academics	1.2%	294,513	12.7%
	<b>Total</b>	<b>3.0%</b>	<b>2,325,059</b>	<b>100.0%</b>



# **FY2020 Preliminary Net Position Planning**





# FY2020 Net Position Planning

Based on the discussions in the June 2019 Finance Committee meeting, leadership is requesting to revisit the Net Position Floor agreement.

- The original agreement was to allow leadership access to spend the difference between the final net Position and a floor of \$18M.
  - Determine the new FY2020 floor which will establish the Net Position funding to support:
    - Potential issues related to the FY2020 operating budget decline
    - Support items budgeted, but delayed in FY2019 (i.e., class and comp funding and consulting fee, small facilities projects, etc.)
    - E&G and Auxiliary deferred maintenance projects
    - Other Revenue supported program expenses
- **Please Note:** We are anticipating \$1.3M in Unrestricted Net Position associated with the potential sale of the Coke Building currently under contract.