



# 2020-2021 FINANCIAL PLANNING TASKFORCE

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May 21, 2020

# Committee Charge

The 2020-2021 Financial Planning Taskforce is charged with collecting, analyzing, and recommending to the Senior Leadership Team opportunities to enhance university revenues, increase administrative efficiencies, and reduce expenses, where appropriate, to offset declining enrollments and state support due to the impacts of COVID-19.

The priority for reducing expenses is to eliminate non-required items, not personnel.

# Guiding Questions

- Is this service or program critical to the University mission?
- What legal liability, if any, would be incurred if the service or program were discontinued?
- Will accreditation be affected by terminating this service or changing the way it is delivered?
- Would changes in a service or program negatively impact our ability to compete for students or for employees?
- Will affirmative action be significantly affected by terminating this service or program, changing the way it is delivered?
- Can the service or program be provided in another way, by different personnel, or by different configuration of existing personnel?
- Will services to students be significantly affected by terminating this service or program or changing the way it is delivered?
- How will students' degree/certificate completion be impacted?

# Planning Scenarios

	7%	10%	15%	20%
<i>State Appropriation</i>	\$ (3,670,700)	\$ (5,243,800)	\$ (7,865,700)	\$ (10,487,700)
<i>On-going Enrollment Decline</i>	(1,766,300)	(1,766,300)	(1,766,300)	(1,766,300)
<i>Additional Enrollment Decline Projected Fall 20</i>	(4,587,000)	(6,552,900)	(9,829,300)	(13,105,700)
<b>Total</b>	<b>\$ (10,024,000)</b>	<b>\$ (13,563,000)</b>	<b>\$ (19,461,300)</b>	<b>\$ (25,359,700)</b>
<b>Program Services</b>				
Campus Access	\$ (64,300)	\$ (91,900)	\$ (137,900)	\$ (183,800)
Health Services	(40,100)	(57,200)	(85,800)	(114,400)
Student Activity Fee	(130,700)	(186,800)	(280,200)	(373,500)
Athletics Fee	(237,300)	(338,900)	(508,400)	(677,900)
Recreation Center	(79,100)	(113,000)	(169,500)	(226,000)
Debt Service	(144,400)	(206,300)	(309,500)	(412,600)
Technology Access				
Downtown	(119,200)	(170,300)	(255,500)	(340,600)
Fort Campbell	(12,300)	(17,600)	(26,400)	(35,300)
Student Government	(5,300)	(7,500)	(11,300)	(15,000)
Sustainable Campus	(10,500)	(15,000)	(22,500)	(30,000)
Graduation	(4,200)	(6,100)	(9,100)	(12,100)
<b>Total</b>	<b>\$ (847,400)</b>	<b>\$ (1,210,600)</b>	<b>\$ (1,816,100)</b>	<b>\$ (2,421,200)</b>

# Tuition Increase

- A 1% tuition increase nets \$567,600 in new revenue.
- An 18% increase in tuition would be required to cover a projected 7% decrease in enrollment and state appropriations.

# Composite Financial Index (CFI)

- The CFI includes four commonly used financial ratios: Primary Reserve Ratio, Viability Ratio, Return on Net Assets Ratio, and Net Operating Revenues Ratio. The four calculated ratios are weighted and added together to produce the CFI. Examining the trend of an institution's CFI score over an extended period offers a more stable long-term view of an institution's overall financial performance.



# SUBGROUP ASSIGNMENTS

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Final

# Subgroups

- Instruction
  - Chad Brooks – Chair
  - Mercy Cannon – Co-Chair
- Academic Services
  - Nancy KingSanders – Chair
- Student Affairs
  - Greg Singleton – Chair
  - Joe Mills - Co-Chair
- Athletics
  - Sara Robson – Chair
  - Taylor Mott – Co-Chair
- Administration
  - Kris Phillips – Chair



# Budget Percentages by Group

- Instruction – 49%
- Academic Services – 16%
- Student Affairs – 4% (excludes student activity fees)
- Athletics – 9 %
- Administration – 22% (includes Physical Plant)



# BUDGET ENHANCEMENT MATRIX

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# OPEN DISCUSSION

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# NEXT STEPS

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- Subgroups Develop and Discuss Budget Enhancement Ideas on May 26
- Subgroups Report on May 28