

**BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE**

**September 17, 2021
9:00 a.m., MUC 214**

Agenda

1.0 Action Items

There are no action items for this Committee meeting.

2.0 Information and Reports

2.1 Dr. Boyles, Interim VP for Finance and Administration, will report on the status of FY2021 year-end activities and first-quarter FY2022 operating-budget indicators.

2.2 Mr. Ballengee, Controller, will review the most recent Cash Reserves Investment Portfolio Report.

2.3 Ms. Johnson, Executive Director for Human Resources and Chief Diversity Officer, will provide a report on personnel activity for the period of April – June 2021.

2.4 Mr. Kotcamp, Director, Facilities, Construction & Planning will update the Committee on capital projects.

3.0 Education

Dr. Boyles will brief the Committee on the fall 2021 COVID-19 mitigation efforts and initiatives.

Shawnee State University

Finance and Administration Committee

September 17, 2021

FINANCIAL UPDATE

- FY2021 END-OF-YEAR (preliminary)
- FY2022 1ST QUARTER (PACE REPORTS)
- HIGHER EDUCATION EMERGENCY RELIEF FUNDS (HEERF)

FY2021 PROJECTED OPERATING REVENUE (as of 9/10/21)

Preliminary – EOY adjustments pending; external audit in progress

Operating Revenues – up 2.3%

- State Funding up nearly 15%
- Tuition & Student Fees down 6.8%
 - Pandemic impact on enrollment and loss of housing/meal plan revenue
- Other Income significant decline except for miscellaneous revenue that includes sell of property

HEERF Adjustment of \$5,939,681 (HEERF adjustments have had preliminary review with auditors; final auditor technical review pending)

Revenues	FY21 Operating Budget	FY21 Preliminary EOY	% Budget
State Funding			
SSI	\$11,843,169	\$13,567,123	14.6%
Supplement	\$3,495,630	\$4,037,456	15.5%
Sub Total	<u>\$15,338,799</u>	<u>\$17,604,579</u>	14.8%
Tuition & Student Fees			
Tuition & Fees	\$26,969,238	\$26,246,787	-2.7%
Housing & Meals	\$3,162,008	\$2,297,784	-27.3%
Sub total	\$30,131,246	\$28,544,571	-5.3%
<i>Less Inst & Aux scholarships</i>	<i>(\$5,380,353)</i>	<i>(\$5,470,660)</i>	1.7%
Sub total	<u>\$24,750,893</u>	<u>\$23,073,911</u>	-6.8%
Other Income			
Grants & Contracts	\$707,539	\$553,519	-21.8%
Sales & Service Fees	\$480,683	\$359,997	-25.1%
Miscellaneous Revenue	\$464,497	\$1,097,289	136.2%
Sub Total	<u>\$1,652,719</u>	<u>\$2,010,805</u>	21.7%
TOTAL OPERATING REVENUE	<u>\$41,742,411</u>	<u>\$42,689,295</u>	2.3%
<i>HEERF Transfers</i>		<u>\$5,939,681</u>	100.0%
Total Operating Revenue with HEERF	<u>\$41,742,411</u>	<u>\$48,628,976</u>	16.5%

FY2021 PROJECTED OPERATING EXPENDITURES (as of 9/10/21)

Preliminary – EOY adjustments pending; external audit in progress

Expenditures – Overall down 4.1%

- Salaries down 4.5% due to reductions from staffing furloughs and RIFs; Benefits up 5.1% (one month FY22 prepay required)
- Non-compensation reduction of 10.4% due to cost mitigation efforts that included building closures, furloughs, RIFs, and deferral or cancellation of critical activities for recruitment, classroom, other academic needs, and events; meal plan costs higher due to increased unit cost (scaled based on # of meal plans)

Expenditures	FY21 Operating Budget	FY21 Preliminary EOY	% Budget
Compensation			
Salaries	\$21,383,401	\$20,416,197	-4.5%
Benefits	\$8,761,942	\$9,212,708	5.1%
Sub total	<u>\$30,145,343</u>	<u>\$29,628,905</u>	-1.7%
Non-Compensation			
Professional Services/Communication	\$1,659,210	\$1,548,091	-6.7%
Equipment, Maint, Service Contracts	\$3,792,093	\$3,605,991	-4.9%
Meal Plan Expense	\$1,549,803	\$1,756,283	13.3%
Supplies, Travel, Ent.Misc.	\$3,175,548	\$2,341,421	-26.3%
Utilities	\$1,560,000	\$1,266,206	-18.8%
Sub Total	<u>\$11,736,654</u>	<u>\$10,517,992</u>	-10.4%
TOTAL OPERATING EXPENSE	<u>\$41,881,997</u>	<u>\$40,146,897</u>	-4.1%

FY2021 PROJECTED EOY PERFORMANCE

Preliminary – EOY adjustments pending; external audit in progress

Total operating revenue with HEERF Adjustments = 16.5% increase from FY21 budgeted revenue

Total operating expenditures down 4.1% in expenditures compared to FY21 budget

Due to combination of increased state revenue, reduced operating expenditures, and HEERF allocations, EOY projection reflects \$6.91 million positive net operating performance for FY2021

Net Operating Performance PRELIMINARY

	FY21 Operating Budget	FY21 Preliminary EOY	% Budget
TOTAL OPERATING REVENUE	\$41,742,411	\$42,689,295	2.3%
<i>HEERF Transfers</i>		<u>\$5,939,681</u>	
Total Operating Revenue with HEERF	\$41,742,411	\$48,628,976	16.5%
TOTAL OPERATING EXPENSE	\$41,881,997	\$40,146,897	-4.1%
Gross Margin	(\$139,586)	\$8,482,079	6176.6%
<i>as % of Revenue</i>	-0.3%	19.9%	6041.8%
Net Transfers	(\$1,564,725)	(\$1,564,725)	0.0%
Net Operating	(\$1,704,311)	\$6,917,354	505.9%

APPROVED

FY2022 Operating Budget

Revenues	FY21 Operating Budget	FY22 Operating Budget	\$ Diff FY21 Budget	% of FY21 Budget
State Funding				
Sub Total	\$15,338,799	\$18,449,259	\$3,110,460	20.3%
Tuition & Student Fees				
Less Inst & Aux scholarships	(\$5,380,353)	(\$5,548,908)	(\$168,555)	3.1%
Sub total	\$24,750,893	\$23,730,043	(\$1,020,850)	-4.1%
Other Income				
Sub Total	\$1,652,719	\$1,990,250	\$337,531	20.4%
TOTAL OPERATING REVENUE	\$41,742,411	\$44,169,552	\$2,427,141	5.8%
Expenditures				
Compensation				
Sub total	\$30,145,343	\$33,040,119	\$2,894,776	9.6%
Non-Compensation				
Sub Total	\$11,736,654	\$11,731,060	(\$5,594)	-0.05%
TOTAL OPERATING EXPENSE	\$41,881,997	\$44,771,179	\$2,889,182	6.9%
Gross Margin	(\$139,586)	(\$601,627)	(\$462,041)	-331.0%
As % of Revenue	-0.3%	-1.4%	-19.0%	
Net Transfer to Capital Fund	(\$1,564,725)	(\$1,567,276)	\$2,551	0.2%
Net Operating	(\$1,704,311)	(\$2,168,903)	(\$459,490)	-27.0%

Revenue Assumptions:

- Enrollment down 6%; offset by rate increase
- Housing & meal plans – return to nearly normal (FY2020 level)
- Scholarships – athletic expansion, increase for housing scholarships, some reduction in presidential scholarships
- Other income – assumes return to nearly normal – events, conferences, etc.

Expenditure Assumptions:

Compensation:

- Restoration of reduced & furloughed salaries & related benefits
- New positions for GROWTH INITIATIVES

Non-Compensation:

- Replace/upgrade equipment
- Restore travel for recruitment and other strategic planning initiatives

**HEERF: ESTIMATE FY22 AVAILABLE
APPROXIMATELY \$3M**

PACE REPORT
FY2022 1st QTR Revenue (estimates as of 9/10/21)
 Compared to 1st Qtrs.
 FY21, FY20, FY19

Revenues	Projected Qtr 1 FY22		Qtr 1 2021 Fall 2020	% to FY21 budget	Qtr 1 2020 Fall 2019	% to FY20 budget	Qtr 1 2019 Fall 2018	% to FY19 budget
State Funding								
Sub Total	\$4,341,733	23.5%	\$4,176,799	27.2%	\$3,270,203	19.2%	\$3,979,733	25.0%
Tuition/Student Fees								
Tuition & Fees	\$13,158,141	50.4%	\$13,932,553	51.7%	\$14,089,305	51.4%	\$12,399,443	49.7%
Housing & Meals	\$1,433,873	45.5%	\$1,474,246	46.6%	\$1,761,688	55.1%	\$1,601,267	55.0%
Sub total	\$14,592,014	49.8%	\$15,406,799	51.1%	\$15,850,993	51.8%	\$14,000,710	50.2%
<i>Less Inst & Aux scholarships</i>	(\$2,314,691)	41.7%	(\$2,832,225)	52.6%	(\$2,778,241)	64.7%	(\$2,255,663)	52.3%
Sub total	\$12,277,323	51.7%	\$12,574,574	50.8%	\$13,072,752	49.7%	\$11,745,047	49.9%
Other Income								
Sub Total	\$384,048	19.3%	\$585,183	35.4%	\$705,258	22.1%	\$484,123	18.2%
TOTAL OPERATING REVENUE	\$17,003,104	38.5%	\$17,336,556	41.5%	\$17,048,213	36.7%	\$16,208,903	38.5%

PACE REPORT
FY22 1st QTR Expenditures (estimates as of 9/10/21)
 Compared to 1st Qtrs.
 FY21, FY20, FY19

Expenditures	Projected Qtr 1 FY2022		Qtr 1 2021 Fall 2020	% to FY21 budget	Qtr 1 2020 Fall 2019	% to FY20 budget	Qtr 1 2019 Fall 2018	% to FY19 budget
Compensation								
Sub Total	\$6,790,704	20.6%	\$6,081,533	20.2%	\$6,942,899	20.1%	\$6,763,139	18.6%
Non Compensation								
Sub Total	\$2,583,324	22.0%	\$2,328,227	19.8%	\$3,549,211	28.7%	\$3,493,095	32.5%
Total	\$9,374,028	20.9%	\$8,409,760	20.1%	\$10,492,110	22.4%	\$10,256,234	21.7%

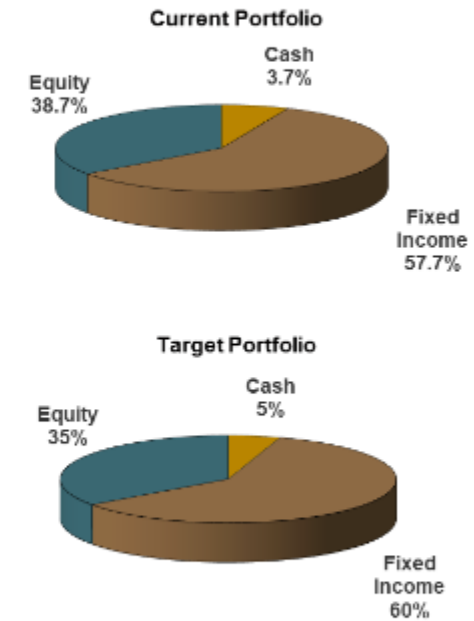
HEERF Status Investment Portfolio

Award Description (G/L Unit #)	FY21		Total Allocated Expenditures	Total Award Amount	Remaining Award 5/31/21	HEERF SIP		
	FY20 Expenditures	Expenditures (as of 5/31/2021)				Allocated 8/6/21	Disbursements 6/1-30/2021	Remaining Award 7/1/21
TOTAL HEERF FINANCIAL AID AWARDS	\$506,928.00	\$2,986,068.00	\$3,492,996.00	\$8,365,469.00	\$4,872,473.00		\$0.00	\$4,872,473.00
INSTITUTIONAL AWARDS								
HEERF I Institutional (#35041)	\$506,928.00	\$1,047,275.10	\$1,786,454.00	\$1,786,454.00	\$0.00			
HEERF II Institutional (#35041)	\$0.00	\$405,995.10	\$405,995.10	\$3,676,771.00	\$3,270,775.90			
HEERF III Institutional (#35041)	\$0.00		\$0.00	\$4,778,815.00	\$4,778,815.00			
TOTAL HEERF INSTITUTIONAL AWARD	\$506,928.00	\$1,453,270.20	\$2,192,449.10	\$10,242,040.00	\$8,049,590.90	\$0.00	\$5,707,581.27	\$2,342,009.63
HEERF SIP AWARDS								
HEERF I SIP (#35043)	\$0.00	\$176,226.00	\$176,226.00	\$176,226.00	\$0.00			
HEERF II SIP (#35043)	\$0.00		\$0.00	\$230,959.00	\$230,959.00			
HEERF III SIP (#35043)	\$0.00		\$0.00	\$0.00	\$0.00			
TOTAL HEERF SIP AWARDS	\$0.00	\$176,226.00	\$176,226.00	\$407,185.00	\$230,959.00	\$420,557.00	\$230,959.00	\$420,557.00
CRF AWARDS (FEDERAL PASS-THRU)								
CRF First allocation (#30100)	\$0.00	\$430,154.50	\$1,810,959.00	\$1,810,959.00	\$0.00			
CRF Second (Oct 2020) allocation (#30105)	\$0.00	\$500,891.41	\$905,480.00	\$905,480.00	\$0.00			
TOTAL CRF AWARDS (FEDERAL PASS-THRU)	\$0.00	\$931,045.91	\$2,716,439.00	\$2,716,439.00	\$0.00	\$0.00	\$0.00	\$0.00
CRF MENTAL HEALTH AWARDS								
CRF Mental Health allocation (#30106)	\$0.00	\$49,028.00	\$49,028.00	\$49,028.00	\$0.00			
CRF-GEER Mental Health Support #30108)	\$0.00	\$4,364.75	\$4,364.75	\$83,348.00	\$78,983.25			
TOTAL CRF MENTAL HEALTH AWARDS	\$0.00	\$53,392.75	\$53,392.75	\$132,376.00	\$78,983.25	\$0.00	\$1,140.25	\$77,843.00
TOTAL INSTITUTIONAL AWARDS	\$506,928.00	\$2,613,934.86	\$5,138,506.85	\$13,498,040.00	\$8,359,533.15	\$420,557.00	\$5,939,680.52	\$2,840,409.63
GRAND TOTALS INSTITUTIONAL AND STUDENT	\$1,013,856.00	\$5,600,002.86	\$8,631,502.85	\$21,863,509.00	\$13,232,006.15	\$420,557.00	\$5,939,680.52	\$7,712,882.63

Shawnee State University

Asset Allocation – As of August 31, 2021

Asset Class	Market Value	% of Assets	Target %
Cash Equivalents			
TIAA Cash Deposit Account	\$320,066	3.7%	
Total Cash Equivalents	\$320,066	3.7%	5.0%
Fixed Income			
Fixed Income Separately Managed Account	\$3,331,221	38.0%	
Vanguard Short Term Bond Index Fund	\$846,906	9.7%	
DFA Inflation Protected SEC Fund	\$444,365	5.1%	
PIMCO 1-5 Year U.S. TIPS Index Fund	\$426,431	4.9%	
Total Fixed Income	\$5,048,923	57.7%	60.0%
Domestic Equity			
TIAA-CREF Large Cap Growth Index Fund	\$1,015,602	11.6%	
TIAA-CREF Large Cap Value Index Fund	\$1,004,853	11.5%	
Vanguard Mid Cap Growth Index Fund	\$198,228	2.3%	
iShares Russell Mid Cap Value ETF	\$197,665	2.3%	
TIAA-CREF Small Cap Blend Index Fund	\$244,207	2.8%	
Wasatch Small Cap Growth Fund	\$32,654	0.4%	
Cohen & Steers Real Estate Fund	\$45,918	0.5%	
Vanguard REIT Index Fund	\$67,032	0.8%	
Total Domestic Equity	\$2,806,159	32.1%	29.0%
International Equity			
iShares Core MSCI EAFE ETF	\$332,558	3.8%	
Harding Loevner Institutional Emerging Markets Fund	\$158,758	1.8%	
MFS International New Discovery Fund	\$45,328	0.5%	
iShares MSCI EAFE Small Cap ETF	\$43,434	0.5%	
Total International Equity	\$580,078	6.6%	6.0%
Total Equity	\$3,386,237	38.7%	35.0%
Total Portfolio Market Value	\$8,755,226	100.0%	100.0%



PERSONNEL REPORT

APRIL - JUNE

Malonda Johnson, Executive Director Human Resources & Chief
Diversity Officer

PERSONNEL ACTIVITY REPORT FY21 (April – June)

September 17, 2021

New Hires

- Administrative
 - DeWayne Burroughs, Head Coach for Women's Basketball & Asst. AD Community Engagement, effective June 21, 2021
 - Samuel White, Softball Head Coach & Asst. AD Academic Compliance, effective June 28, 2021

Change of Status

- Administrative
 - Misty Moore, Assistant Bursar, effective May 01, 2021
 - Aimee Welch, Director, Institutional Budgeting, effective May 03, 2021
 - Marla Beebe, Librarian (Research & Instruction), effective May 17, 2021
 - Suzanne Johnson-Varney, Director, Clark Memorial Library, effective May 17, 2021
 - Sthefany Thomas, Assistant Director (Residence Life/Student Housing Operations), effective June 01, 2021

Departures

- Faculty – Retirement
 - Jeff Spriggs- Instructor, Engineering Technologies, effective April 30, 2021
 - Edward Kehres- Assistant Professor, Rehabilitation Sciences-MOT, effective May 01, 2021
 - Jinlu Li- Professor, Mathematics, effective May 01, 2021
 - William Turner- Assistant Professor, Allied Health Sciences- EMT, effective May 01, 2021
- Administrative – Resignations
 - Astra Ng, Coordinator (Communications), effective May 31, 2021
 - Abigail Jenkins, CLC Classroom Teacher, effective June 30, 2021
- Public Safety - Resignations
 - Charles Hosey, Police Officer, effective May 15, 2021
 - Nicholas Broughton, Police Officer, effective May 28, 2021

Capital Projects

Butch Kotcamp
Director Facilities

CAPITAL PROJECTS STATUS REPORT

August 31, 2021

Library/CFA HVAC Renovation - \$2.2M - Capital

- Includes replacement of all pneumatic and obsolete DDC controls in both buildings. A new generator will be installed in the CFA and will be sized to provide emergency power for both the CFA and Library. All new VAV boxes will be installed in the CFA. Multiple air handlers will be replaced in the Library.
- Bids were received mid-July; construction contract being reviewed.

Kricker Innovation Hub - \$3.4M (est.) - EDA Grant/Capital/Private

- Project on schedule; approximately 30% complete.

Paving Project - \$1.286M - Capital

- Project complete; close-out underway.

Gateway and Third Street Development - \$3M (est.)

- Architect selected; Controlling Board request for release of Capital funds being developed.