



Town Hall

DANIEL J. ENNIS, PRESIDENT

MAY 13, 2024

**PLAN FOR
RESTRUCTURING
DELTA STATE FOR
FISCAL SUSTAINABILITY**

Budget Sustainability

- Propose a “sustainable budget,” defined as:
 - Built on reasonable revenue projections
 - Ends each year with a 3-5% contingency
 - Devotes that contingency to university’s cash position until DSU has 90 days cash on hand
 - Makes meaningful annual progress toward an appropriate debt coverage ratio

DAYS OF CASH



Cash on Hand

- FY23 (audited) Cash on Hand – 24 days (\$4.9M)
 - IHL minimum expectation of 90 days
 - FY24 IHL Mandate – additional \$1M
- FY24 Cash on Hand Projected –29 days (\$5.9M)

**Amount needed to get to 90 days
= \$12,315,040**

**AD HOC COMMITTEE
ON BUDGET
SUSTAINABILITY**

Budget Ad Hoc – Budget Modifications Needed

- 13 recommendations
 - All accepted by Cabinet
- To meet sustainable budget goals, the university needed to reduce its E&G budget by \$5.5 million:
 - \$2.4M in current FY24 budget
 - Actual – \$2,984,858
 - an additional \$3.1M for the FY25 budget
 - Actual - \$2,325,233

ACADEMIC PROGRAM REVIEW

Academic Program Review

The Ad Hoc Committee on Budget Sustainability recommended implementing an academic review process using the following metrics to assess degree viability and sustainability:

1. Instructional FTE below 1 for an individual faculty member;
2. Class size of less than 10;
3. University student-to-faculty ratio of less than 15-to-1;
4. Credit hour production of less than 120 for an individual faculty member;
5. Negative budget and credit hour production by organization calculation per program;
6. Enrollment of less than 30 students in a program.

Academic Program Review

Proposed Deleted Degrees

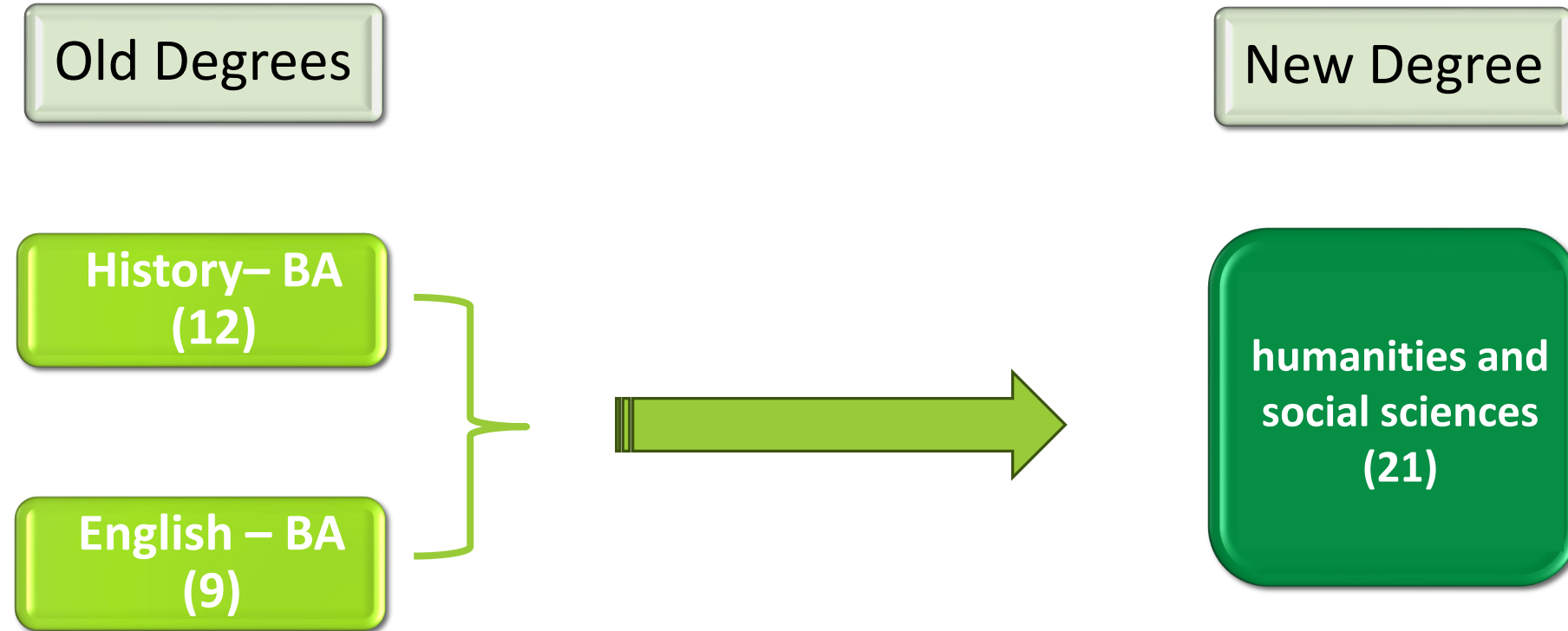
1. Accountancy – MPAC
2. Art – BA
3. Art – BFA
4. Chemistry - BS
5. Counseling – EdS (dept. initiated)
6. Digital Media Arts - BFA
7. Elementary Education – EdS (dept. initiated)
8. English – BA
9. English – BSEd
10. Finance – BBA
11. Health, Physical Ed., and Recreation - BSEd
12. History - BA
13. Mathematics – BS
14. Mathematics – BSEd
15. Music – BA
16. Music – BM
17. Music – BMEd
18. Natural Sciences - MSNS
19. Secondary Education - MEd
20. Social Studies Education – BSEd
21. Studio Art - MFA

Academic Program Review

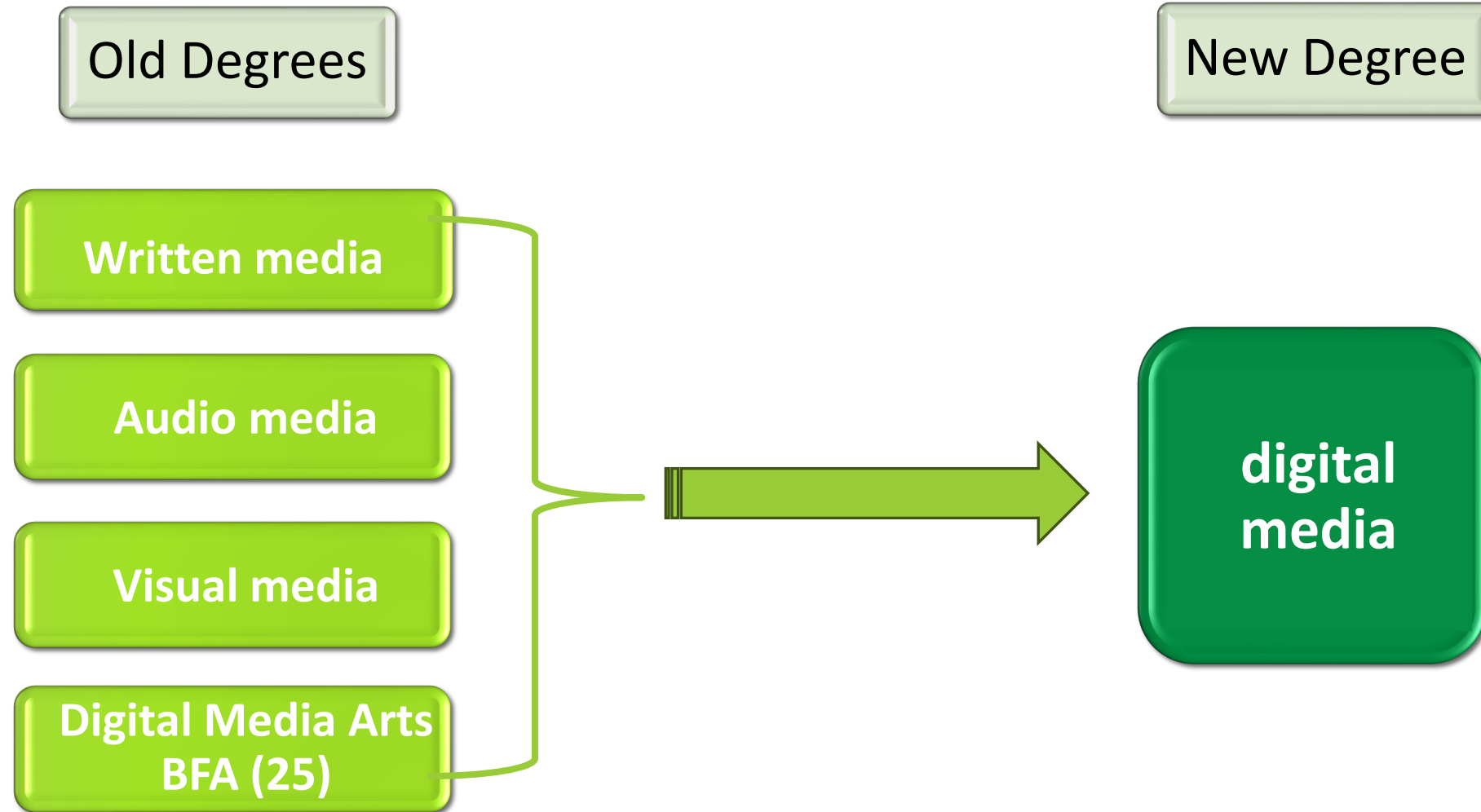
Proposed New Degrees

1. Undergraduate degree in humanities and social sciences
2. Undergraduate degree in Secondary Education
3. Undergraduate degree in digital media
4. Undergraduate degree in visual and performing arts studies

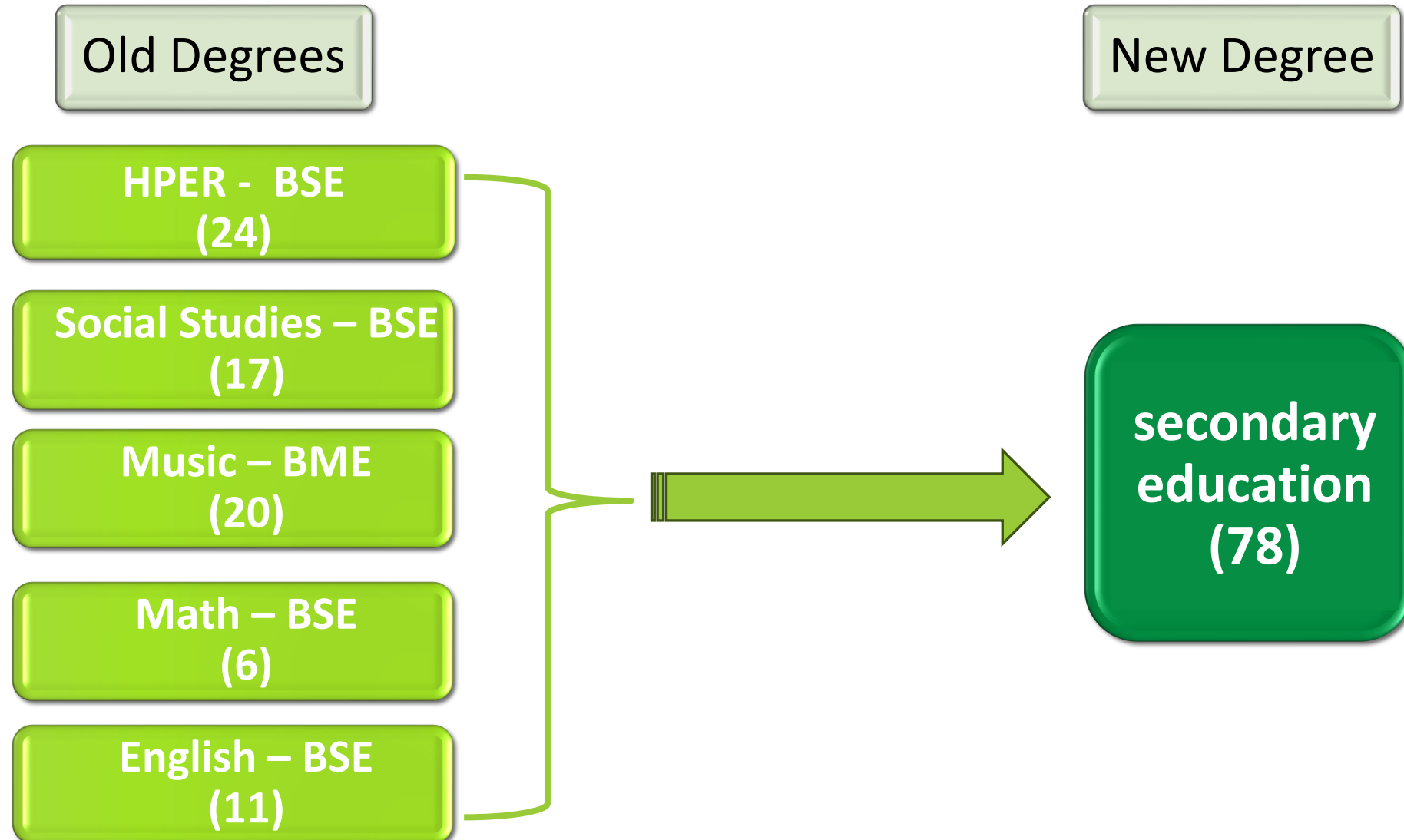
Proposed New Degree



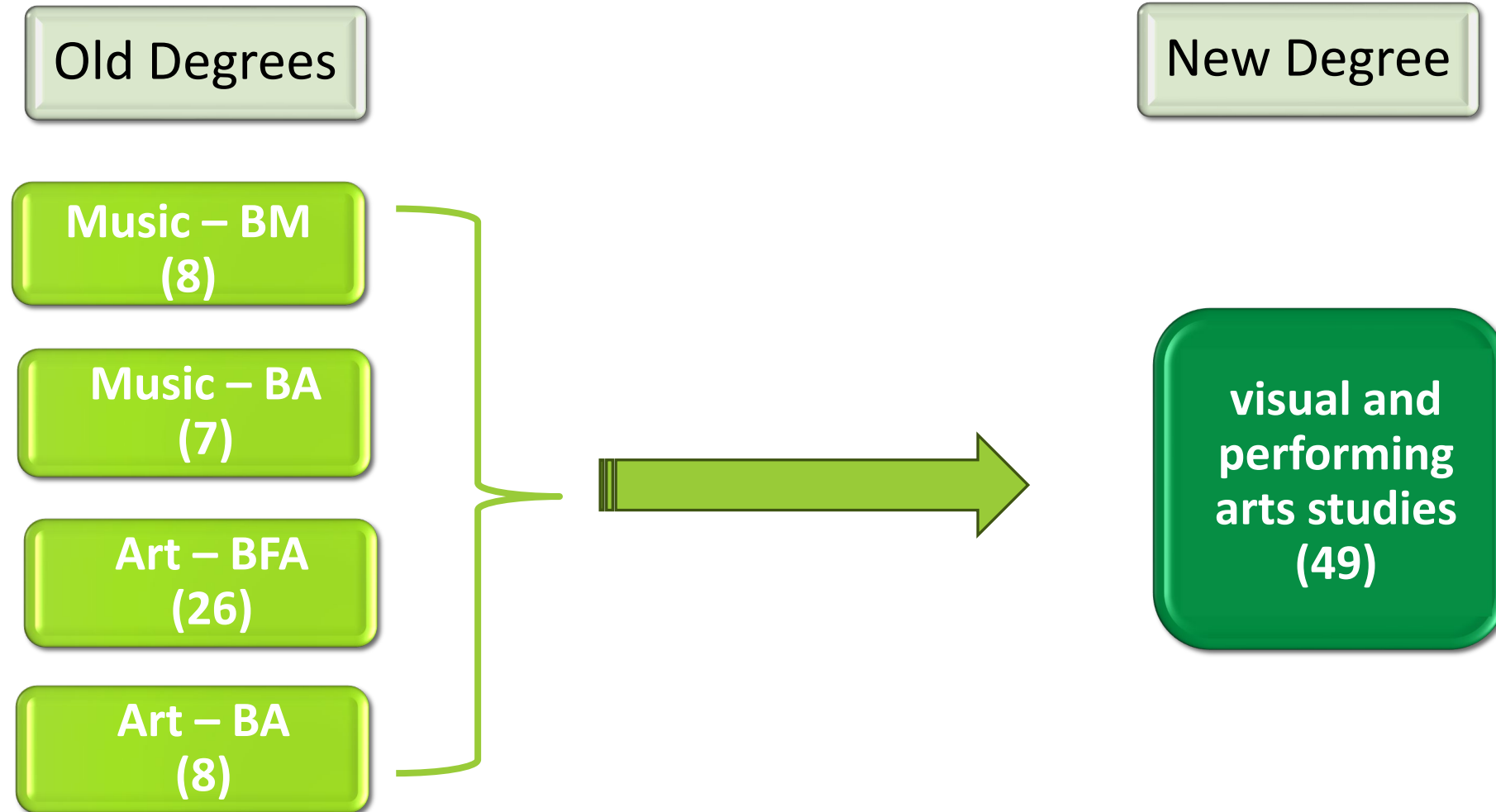
Proposed New Degree



Proposed New Degree



Proposed New Degree



Academic Program Review Savings

FY25 projected.....	\$425,000
FY26 projected.....	\$750,000
FY27 projected.....	\$750,000
<u>TOTAL PROJECTED SAVINGS</u>	<u>\$1,925,000</u>

NEXT STEPS

Next Steps and Timeline

May

- Student Success Center staff contact students affected by program changes to discuss alternate routes.
- Faculty provide constructive ideas to Chairs regarding restructuring changes
- Interim Provost works with Deans to finalize new College/School restructure
- Chairs and administrative support staff impacted by restructuring notified by end of month.

June

- Interim Provost works with Deans to rename new units and departments and determine number of positions needed for the teach out plan.

July - August

- Provost works with Deans and Department Chairs to update the curriculum, as needed.

ZERO-BASED BUDGETING FOR FY25

Results of Zero-Based Budgeting

In addition to the savings resulting from the Ad Hoc Committee on Budget Sustainability and the academic restructuring process, budget managers submitted unit budgets using the university's zero-based budgeting process.

An additional \$854,789 in cuts were realized

BUDGET INCREASES

Budget Increases for FY25

REQUIRED EXPENSES \$2,712,789

- Benefit Increases
- Utilities and Insurance increases
- Degree/Promotion Increases
- Strategic Plan Implementation
- Days of Cash
- Emergency Contingency
- Other

Anticipated increase in State Appropriations.....\$1,363,975

FY25 BUDGET

Summary of Budget Changes for FY25

Budget Restructuring Results for FY25:

- Amount cut as result of Budget Committee recs.....\$5,310,091
- Additional amount cut as result of zero-based budgeting..... \$854,789
- Required increases/amounts.....\$(2,712,789)
- New positions.....\$(1,215,000)
- TOTAL.....\$2,237,091**

Projected increase in State Appropriations.....\$1,363,974

FY26 program restructuring savings.....\$750,000

FY27 program restructuring savings.....\$750,000

Summary of Budget Changes for FY25

<u>Positions eliminated for FY25</u>	<u>Number</u>	<u>Amount</u>
Vacant positions.....	49	\$3,517,652
Retirements.....	7	\$631,472
Filled positions.....	17	\$782,269
TOTAL.....	73	\$4,931,393

New positions

Positions added.....	15	\$1,215,000
----------------------	----	-------------

Budget Sustainability

- FY 25, FY 26, FY 17 Budgets:
 - Built on reasonable revenue projections
 - Ends each year with a 3-5% contingency
 - Devotes that contingency to university's cash position until DSU has 90 days cash on hand
 - Makes meaningful annual progress toward an appropriate debt coverage ratio

QUESTIONS