

## **College of Southern Nevada Budget Reduction Proposal, FY20 and FY21**

### **FY 2019-20 4% Budget Reduction Plan**

In the current fiscal year, the College of Southern Nevada will need to take a cut of \$4,312,708. Cuts of this magnitude in the fourth quarter are difficult given mechanisms could not be implemented earlier to reduce spending.

### ***Higher Education Capital Construction (HECC)/Special Higher Education Capital Construction (SHECC)***

The College will request that projects that were funded by HECC/SHECC be allowed to be moved to Capital Improvement Fees (CIF), totaling \$537,600. The projects, including an Air Handler (\$343k) and a Cooling Tower (\$193K), both at the North Las Vegas campus, are critical to address our aging mechanical units that ensure proper life safety for students, faculty and staff. These projects require Board of Regents approval. Unfortunately, this does mean that regular CIF projects will be deferred, including projects that are prioritized for life safety, ADA, regulatory compliance, infrastructure sustainability and program support.

### ***Vacant Position Savings***

All positions were frozen at CSN, effective March 16, 2020. The College was able to recognize vacant position savings for full-time positions primarily in the Capacity Budget and Letter of Appointment (LOA) savings for adjunct positions in the State Budget totaling \$1,440,557, including fringe benefits.

### ***Operating Budget Reductions***

The College will also revert \$903,960 in operating, primarily again in the Capacity Budget. These funds were originally designated for supplies, software, and professional development in relation to those specific capacity enhancement areas. Part of the funds reverted are also due to a savings in utilities due to the campuses being shut down and anticipated shut down for several months in this current fiscal year.

### ***Reductions in Travel***

Once restrictions on travel went into effect, the College saw almost all travel cancelled through the end of the fiscal for conferences for professional development as well as other essential business travel. Savings on travel amounts to \$264,552.

### ***Transfer Expenditure to Non-State Funds***

Given the expenses that remain, the College finds it necessary to transfer \$945,367 worth of expenses to a non-state account, special investment income distribution. The College will forgo some of the activities that were being developed through that fund and had not yet been completed, including labs for math classes, funds for testing center expansion, and funds to develop programs for Adult Basic Education college courses and a concurrent welding certificate.

### ***Excess Student Registration Fees/Tuition***

The College is anticipating additional fees of \$220,672 within the Capacity Budget over what was originally budgeted, and will revert those to the State to cover this budget reduction. Those fees would have been used for important enhancement expenditures including supplies and equipment for our Health Sciences or Advanced Manufacturing programs.

### **FY 2020-21 6% Budget Reduction Plan**

The initial 6% reduction for CSN in FY21 amounts to \$6,550,485.

### ***Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds***

CSN's portion of CARES funds is \$14,078,408, 50% of which can be used by the institution to offset lost revenues and/or expenditures related to COVID-19. Therefore, CSN will apply a portion of that 50%, \$6,550,485 to this initial 6% reduction.

### **FY 2020-21 10% Budget Reduction Plan** (only include the additional 4% in cuts necessary to achieve 10%)

The second tier of the FY21 budget cuts, an additional 4%, amounts to \$4,366,990 for CSN. This level of cuts start to impact the level of services that CSN can provide its students, as we freeze positions in all areas of the institution. As an example, the College was already below its mandate of advisors at 350:1, having not yet funded 28 needed advisor positions. A freeze means we drop even further behind in that ratio. We will also need to review programs and courses and determine where it is necessary to continue full-time staff at the current full time to part time ratio. Faculty reductions would place an increased reliance on part-time instructors, which will directly impact students and potentially affect retention.

### ***Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds***

CSN will apply the remaining amount (\$488,719) of applicable CARES Act funding portion to the second tier reduction.

### ***2.3% Professional Furlough***

An NSHE professional staff furlough of 2.3% will yield approximately \$1,384,585 to mitigate the second tier of cuts.

### ***Vacant Position Savings***

CSN would need to freeze positions, salary and fringe, totaling \$1,943,252, which would be approximately 24 positions across the institution. The first line of freezing will be executive level positions, but as mentioned previously this level requires freezing across all levels and functions of the institution.

### ***Redistribution of Student Fee Revenue***

CSN is also planning to request a change in the distribution allocation for FY21, to move \$1 from General Improvement Fees (GIF) to State Supporting Operating Budget. This change will generate approximately \$550,434.

### **FY 2020-21 14% Budget Reduction Plan** (only include the additional 4% in cuts necessary to achieve 14%)

The third tier of the FY21 budget cuts, an additional 4%, amounts to \$4,366,990 for CSN.

#### ***4.6% Professional Furlough***

A NSHE professional staff furlough of 4.6% will yield approximately \$1,384,585 in addition to the amount in the second tier.

#### ***Higher Education Capital Construction (HECC)/Special Higher Education Capital Construction (SHECC)***

As delineated in the FY20 cuts, the College will be requesting that projects that were previously funded by HECC/SHECC funding be allowed to be moved to Capital Improvement Fees (CIF), for an additional amount of \$1,100,147. The projects, including Charleston campus roofs (\$210k), rural center roofs (\$294k), a mechanical unit at the Henderson campus (\$322k), electric panels (\$137k) and HVAC equipment (\$137k), are all critical to ensure proper life safety for students, faculty and staff. These projects require Board of Regents approval for expenditure on CIF. Other projects on CIF will need to be deferred.

#### ***Vacant Position Savings***

CSN would need to freeze additional positions at this tier, totaling \$196,007, including salary and fringe. In total, at this third tier, CSN would be freezing \$2.1 million worth of positions, approximately 26 positions total.

#### ***Student Fee Surcharge***

An NSHE student fee surcharge at \$3 per student credit hour for upper and lower division courses will yield approximately \$1,686,252 at CSN.

Institution Name: College of Southern Nevada

	FY 2019-20		FY2020-21		Total Budget Cuts
	4% Budget Reduction Plan	6% Budget Reduction Plan	Additional 4% Budget Reduction (To achieve 10%)	Additional 4% Budget Reduction (To achieve 14%)	
Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds		\$ 6,550,485.00	\$ 488,719.00		
2.3% Professional Staff Furlough			\$ 1,384,585.00		\$ 1,384,585.00
4.6% Professional Staff Furlough				\$ 1,384,584.00	\$ 1,384,584.00
Capital Improvement Projects	\$ -				\$ -
Higher Education Capital Construction (HECC)/ Special Higher Education Capital Construction (SHECC)	\$ 537,600.00			\$ 1,100,147.00	\$ 1,637,747.00
Vacant Position Savings	\$ 1,440,557.38		\$ 1,943,252.00	\$ 196,007.30	\$ 3,579,816.68
Operating Budget Reductions	\$ 903,960.00				\$ 903,960.00
Reductions in Travel	\$ 264,552.10				\$ 264,552.10
Elimination of Equipment/One-Shot Purchases	\$ -				\$ -
Transfer Expenditure to Non-State Funds	\$ 945,366.52				\$ 945,366.52
Excess Student Registration Fees/Tuition	\$ 220,672.00				\$ 220,672.00
Redistribution of Student Fee Revenue			\$ 550,434.00	\$ -	\$ 550,434.00
Student Fee Surcharge				\$ 1,686,251.70	\$ 1,686,251.70
<b>Total Budget Cuts</b>	\$ 4,312,708.00	\$ -	\$ 3,878,271.00	\$ 2,680,738.30	\$ 10,871,717.30
<b>Institutional Target Amount</b>	\$ 4,312,708.00	\$ 6,550,485.00	\$ 4,366,990.00	\$ 4,366,990.00	\$ 19,597,173.00
<b>New Revenue</b>	\$ -	\$ 6,550,485.00	\$ 488,719.00	\$ 1,686,251.70	\$ 8,725,455.70
<b>Remaining Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -