Town Meeting
Budget Plan

June 18, 2009
Cumulative Funding Reductions

<table>
<thead>
<tr>
<th>State support cuts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and General</td>
<td>$26.8 Million</td>
</tr>
<tr>
<td>Public Service Activities</td>
<td>$13.9 Million</td>
</tr>
<tr>
<td>Endowment support decline</td>
<td>$5.0 Million</td>
</tr>
</tbody>
</table>

**TOTAL CUTS IN FUNDING**  $45.7 Million

- State funding now accounts for less than 20 percent of Clemson’s budget.
- Per-student educational funding is more than 40 percent less than it was in the early 1970s.
Clemson State E&G Appropriations Per Student
(adjusted for inflation)
Category timeline

Category one
(Solve the immediate crisis; balance the 2008-2009 budget)

Category two
(Develop balanced budget for July 1, 2009 in light of reduced state funding and Top 20 goals.)

Category three
(Develop long-term strategies to position Clemson to thrive as a more “private” university)

July 1, 2008 to June 30, 2009

June 30, 2012
1. Get back to business (just not business as usual)

• The 2009-2010 plan includes:
  • Modest funding for quality improvements and to honor commitments already made to faculty and students
  • A more limited capital improvement plan
  • Flexibility to manage likely additional state cuts without disruption
  • High expectations for rigor, discipline and accountability - both at the central university and unit level.

• The 2009-2010 plan does NOT include:
  • Mandatory furloughs
  • University-wide restrictions on travel, hiring or compensation
Key Budget Strategies and Guiding Principles

2. Protect the academic core and minimize impact on students.
   • Cut administrative and support areas disproportionately
   • Maintain current level of staffing in police, fire and EMS
   • Protect Academic Success Center and Libraries
   • No further cuts to colleges beyond what was taken in 08-09
   • Address needs of students to get courses they need to graduate on time
3. Significantly reduce personnel and operating costs and create more financial flexibility.

- Eliminate 452 positions (~150 vacant at beginning of year)
  - 101 in colleges, library, centers and institutes
  - 140 in PSA
  - 211 in administrative and support units

- Conclude targeted retirement incentive programs
  - 33 in Facilities
  - 44 in PSA

- Offer reassignments where possible

- Move positions to generated funding

- Use PSA stimulus funding to fund operations as structural changes are implemented.
4. Reduce administrative costs and positions

- Reorganize and restructure to decrease the size of the Administrative Council and eliminate one executive officer position.
- Reduce the number of associate VP and associate dean positions through elimination of vacant positions or reassignment.
- Consolidate like units to reduce administrative costs and protect programming.
- Restructure executive-level staffing in Student Affairs to minimize impact on direct student services.
- Reduce PSA administrative costs
## Internal Cuts and Reallocations

<table>
<thead>
<tr>
<th>Units/Areas</th>
<th>CUT AMOUNT ($M)</th>
<th>% Cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colleges, Library, Centers &amp; Institutes</td>
<td>$7.1</td>
<td>4.2%</td>
</tr>
<tr>
<td>Administrative Support Units</td>
<td>16.2</td>
<td>10.6%</td>
</tr>
<tr>
<td><strong>Total E&amp;G Cuts</strong></td>
<td><strong>$23.3</strong></td>
<td><strong>6.3%</strong></td>
</tr>
<tr>
<td>General &amp; Administrative Contributions to E&amp;G</td>
<td>2.9</td>
<td>--</td>
</tr>
<tr>
<td>Public Service &amp; Agriculture</td>
<td>13.9</td>
<td>17.0%</td>
</tr>
<tr>
<td>Endowment Support Cuts</td>
<td>5.0</td>
<td>42.7%</td>
</tr>
<tr>
<td><strong>Total Internal Cuts and Reallocations</strong></td>
<td><strong>$45.1M</strong></td>
<td>--</td>
</tr>
</tbody>
</table>
Key Budget Strategies and Guiding Principles

5. Increase non-state revenues and move more units toward self-sufficiency

• Move research centers and institutes toward more self-supporting (phased)

• Increase county support for Extension offices and increase revenue generated by youth programs to replace lost PSA funding.

• Reduce Student Affairs direct support for student organizations and campus recreation (to become self-supporting through fees)

• Increase contributions from auxiliary units to help fund priorities

• Realign private fundraising efforts toward scholarships/fellowships, faculty support, Lee Hall renovations, and unrestricted funds.
Key Budget Strategies and Guiding Principles

6. Focus the capital improvement plan on core academic, research and student priorities.

- Complete and open the Rhodes Hall annex.
- Use part of federal stimulus funding to renovate 51-year-old Lee Hall, thus avoiding additional debt.
- Restart deferred projects on a timetable to be determined.
- Begin improvements to student housing.
- Invest in critical deferred maintenance and repair projects.
Key Budget Strategies and Guiding Principles

7. After implementing all cost-reduction and revenue opportunities, address student fees.

- Implement a fee increase for undergraduate students for 2009-2010
  - 4.5% for in-state students ($ 234 / semester)
  - 7.5% for out-of-state ($878 / semester)
- This includes modest fee increases specifically requested by students to offset the loss of state funding for Students Activities, Campus Recreation, and Career Services. There is no increase to the Library Fee or the Information Technology fee, although our students also requested that we apply the IT fee equally to all classes – freshman through senior.