

The Citadel, The Military College of South Carolina Budget Request FY21

Briefing for the House Ways and Means Committee
Higher Education & Technical Colleges Subcommittee

Honorable Gary Simrill, Chairman

Honorable Gilda Cobb-Hunter

Honorable Kirkman Finlay

General Glenn M . Walters, USMC (Retired)

President, The Citadel

January 21, 2020

US News and World Report Rankings

#1 Public College in the South for Nine Consecutive Years*

#1 College in the South for Veterans*

#2 Best College in the South (Public and Private Universities)*

#3 Best Value College in the South*

#6 Best Undergraduate Teaching College in the South*

#6 Most Innovative College in the South*

#21 Best Undergraduate Engineering Program (Non Doctorate)

* Colleges Offering Up to a Master's Degree



FY20 State Fund Recap

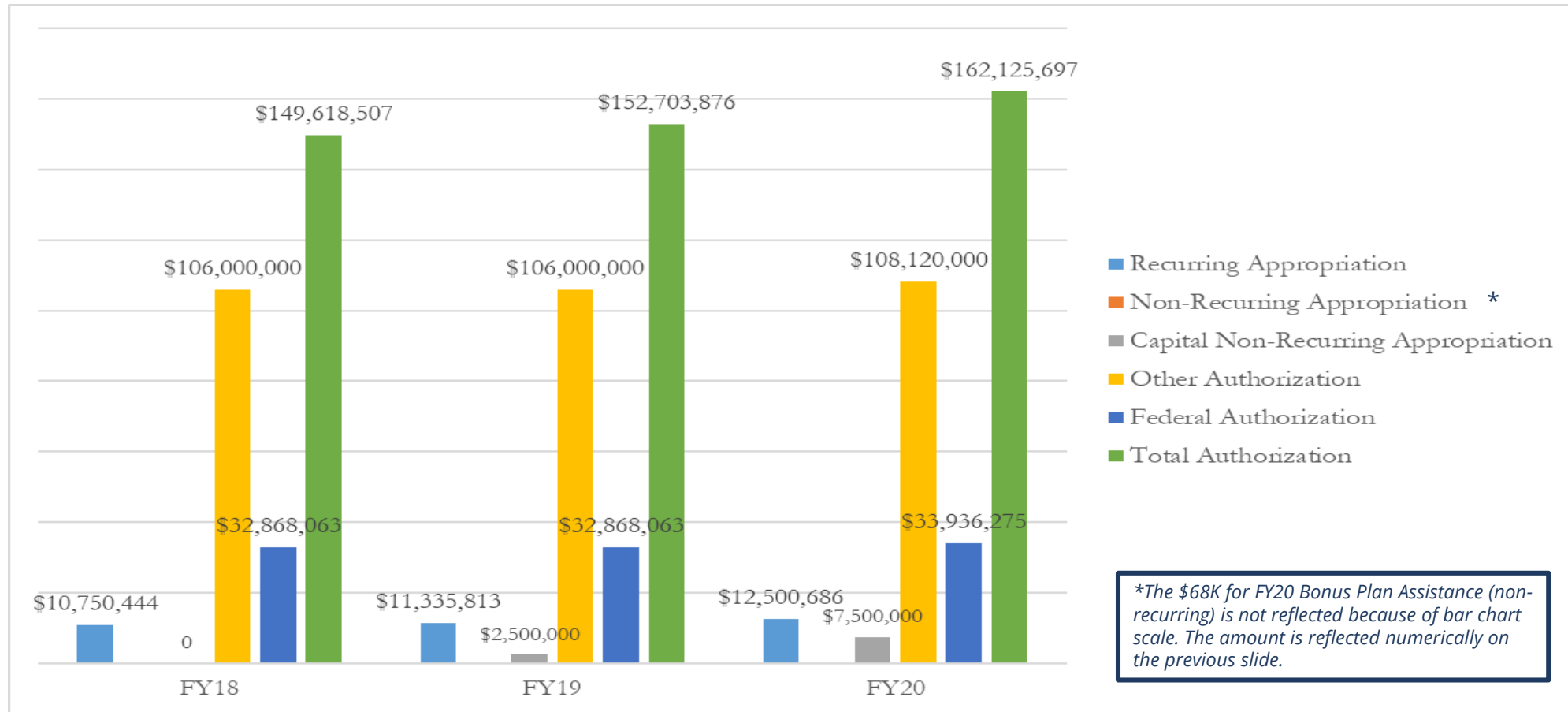
- For FY20, The Citadel received an **additional \$764,651** for its base appropriation. This allowed the Citadel to fund faculty and staff salaries (including the 2% COLA) **while keeping tuition low** (increase of 0.8%) for our students and families.
- **Additional allocations** of state funds included:
 - \$216,941 for the 2% Pay Plan
 - \$85,209 for the 1% Pension Rate Increase
 - \$98,072 for the Health Insurance Allocation
 - \$68,736 in one-time funding for Bonus Pay Assistance (Non-Recurring)
- **Lottery Funds**
 - \$267,228 in Lottery Technology funds for purchasing IT Equipment

Appropriations and Authorizations History

Appropriation/Authorization	FY18	FY19	FY20
Recurring Appropriation	\$10,750,444	\$11,335,813	\$12,500,686*
Non-Recurring Appropriation	-	-	\$68,736**
Capital Non-Recurring Appropriation	-	\$2,500,000	\$7,500,000
Other Authorization	\$106,000,000	\$106,000,000	\$108,120,000
Federal Authorization	\$32,868,063	\$32,868,063	\$33,936,275
Total	\$149,618,507	\$152,703,876	\$162,125,697

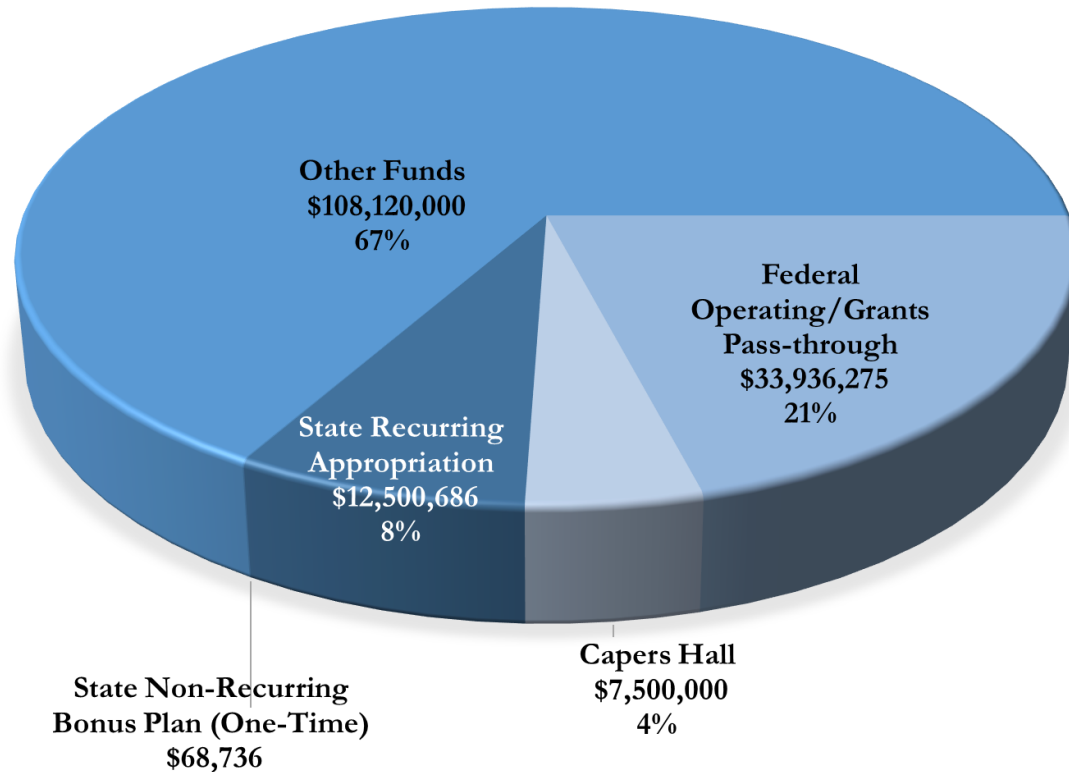
*In addition to the base appropriation of \$12,100,464 provided by the legislature, The Citadel received addition allocations for the 2% Pay Plan, the Pension Increase, and Health Insurance Allocation. **One time Bonus Plan assistance funding is not included in the base recurring appropriation, but is reflected in the \$68,736 (non-recurring appropriation line item).

Appropriations and Authorizations History



FY20 Projected Revenue

Total Projected Revenue: \$162,125,697



State Appropriation Highlights

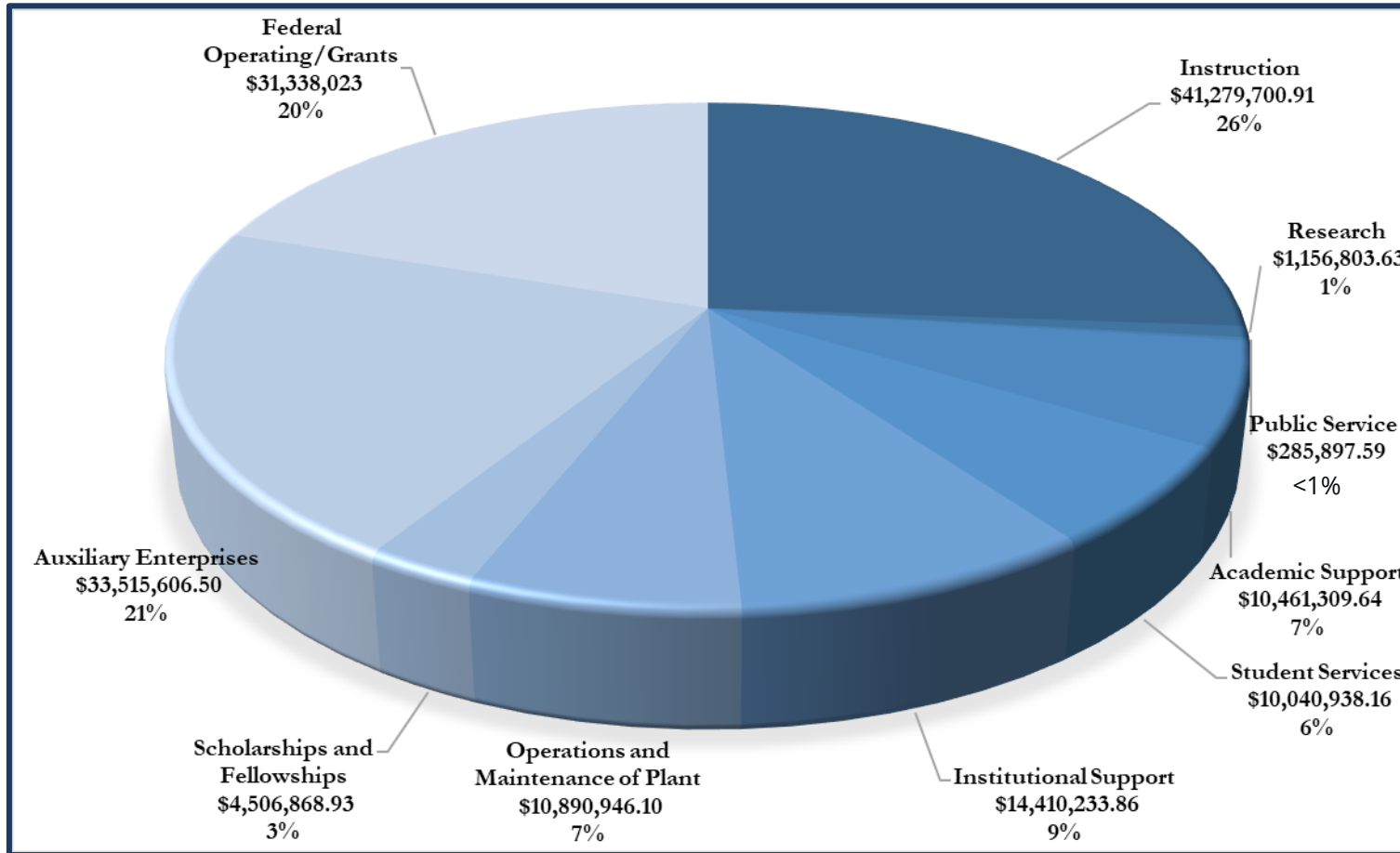
FY20 Recurring: \$12,500,686

- \$12,100,464 (Base Appropriation)
- \$216,941 (2% Pay Plan)
- \$85,209 (Pension Plan)
- \$98,072 (Health Insurance Allocation)

FY20 Non-Recurring

- \$7,500,000 Capers Hall
- \$68,736 Bonus Plan Assistance

FY20 Projected Expense



Total Projected Expense: \$157,886,328

- Majority of Expenses:**
- **Instruction**
 - \$41.3M (26%)
 - **Auxiliary Enterprises**
 - \$33.5M (21%)
 - **Federal Operating/Grants**
 - \$31.3M (20%)
 - **Institutional Support**
 - \$14.4M (9%)
 - **Operation/Maintenance**
 - \$10.9M (7%)
 - **Academic Support**
 - \$10.5M (7%)
 - **Student Services**
 - \$10M (6%)

FY21 Recurring Requests

Tuition Mitigation Funding

Recurring Request: Ranked 1 of 3

Request: \$988,194 (in recurring funds)

With a 1% State Employee Pay Raise -- \$1,413,194 (in recurring funds)

With a 2% State Employee Pay Raise -- \$1,838,194 (in recurring funds)

With a 3% State Employee Pay Raise -- \$2,263,194 (in recurring funds)

Request Change Since Governor's Budget Submission:

- **Addition of \$425K increments to assist with potential COLA**

Without a state employee COLA, this request at \$988K will allow The Citadel to freeze tuition for in-state students in the South Carolina Corps of Cadets (\$480,059 reduction in new revenue) and in-state students enrolled in The Citadel Graduate College (\$232,792 reduction in new revenue).

Should the state pass legislation directing a 1% to 3% employee pay raise, The Citadel requests additional increments of \$425K to partially offset the additional labor costs and still keep tuition increases low (mitigates the need to increase in-state tuition by HEPI (2.7%))

The Tuition Mitigation Funding request also partially supports The Citadel's funding of the mandatory state pension increase for FY21 (\$275,343 to offset non-appropriated required E&G costs)

Required Four-Year Residential Mitigation Funding for SC Students

Recurring Request: Ranked 2 of 3

This request is in addition to requests provided with the Governor's Budget Request.

Request: \$493,251 (in recurring funds)

Higher costs inherent in our four-year residential model: Full time residential, community engagement/service learning, physical fitness requirements, leadership/ROTC education curriculum,.

- Every Citadel cadet experiences our Leadership Development Model, which includes supplemental leadership education courses, training programs and experiences. The robust training model educates and develops our cadets to become principled leaders for all walks of life.
- The Citadel cadet experience is a 100% residential model—in South Carolina, we are the only higher ed institution that requires this. It's critical to the Citadel's Leadership Training Model that cadets experience the leadership lab environment of our barracks
- The Citadel uses teach, advise and coach (TAC) officers to integrate cadet leadership development and assess cadet performance. These officers perform a much more robust function than resident advisors.
- About 50% of The Citadel Corps of Cadets major in the fields of business, engineering or computer science. These programs yield a talent pipeline into in high demand professions that support South Carolina's booming economy.
- This model yields unmatched outcomes.

Increasing Engineering and Intelligence Programs

Recurring Request: Ranked 3 of 3

Request: \$612,780

Assistant and Associate Professors in Intelligence and Cyber Security Studies (Salary = \$150,000; Fringe = \$60,000). Financial support for 1.5 FTEs

- Positions are required as part of the growth of The Citadel's new baccalaureate in Intelligence degree program, Cyber initiatives, and Master of Arts in Intelligence and Security Studies
- Designed to grow enrollment, especially in CGC

Assistant Professor in Mechanical Engineering (Salary = \$112,700; Fringe = 45,080). Financial support for 0.75 FTE

- Addresses high demand for engineers in the low country
- Addresses faculty overload
- Enhances the quality of instruction and research opportunities for electrical and autonomous vehicles

Assistant Professors in Construction Engineering (Salary = \$175,000; Fringe = 70,000). Financial support for 1.5 FTEs

- Supports the new Construction Engineering BS degree, which provides talent for the construction industry in the low country, state, and nation (high demand field)

No new
FTEs are
requested.

FY21 Non-Recurring Requests

Academic Building Replacement (Capers Hall)

Non-Recurring/Capital Request: Ranked 1 of 2

Request: \$15,000,000 (State Funds)

- This project will replace a 67-year-old academic building that has outlived its useful lifespan as The Citadel's flagship academic building
- Academic Building Replacement (Capers Hall) was submitted in the 2019 CPIP as the number four priority for FY20 at a Schematic Design estimate of \$67,074,358
- The Citadel has raised over \$15.5M to date (and projects that to grow to \$21M) not including state appropriations
- The Citadel received \$7.5M in state appropriations for FY20; this request is in addition to that amount
- The Citadel received Phase II approval from JBRC on October 2, 2019, and from SFAA on October 15, 2019

Barracks Life Extension

Non-Recurring/Capital Request: Ranked 2 of 2

Request: \$3,500,000 (State Funds)

- This investment will provide needed replacement of critical safety items associated with the Barracks and campus life.
 - Repairs are needed for exterior windows, doors, and electrical maintenance, especially for Stevens (the oldest Barracks built in 1942)
 - Replacement of furniture in the barracks will ensure cadet safety
 - Support for P25 Public Safety Radio system will ensure interoperability for public safety throughout the United States with the stated goal that all public safety entities in a geographical will be able to communicate during normal operations as well as during emergency or crisis periods

FY21 Other Funds Request

Authorization Increase for Other Funds

Request: \$2,919,240

- No cost to state
- Increase in Authorization Level – Other Funds
- All funds implicit in the authorization increase for Other Funds will comport with any applicable section of the Citadel's Strategic Plan.
 - The Citadel's operating costs will increase in a manner consistent with the Higher Education Price Index (HEPI – 2.7%).
 - The ability to meet mission critical programming is essential for the efficient operations of the agency. This is not a request for additional funding, only spending authorization.
 - Current authorization is \$108,120,000
 - New authorization would be \$111,039,240 for FY21

FY21 Federal Funds Request

Authorization Increase for Federal Funds

Request: \$916,279 (Federal Pass Through Funding)

- No cost to state
- Increase in Authorization Level – Federal Funds
- This authorization increase will ensure that The Citadel is able to serve as a pass through entity for students utilizing any federal student aid programs
- Based on the projected tuition increases consistent with the Higher Education Price Index (HEPI) June 2019 projection of 2.7% for FY19
- Current authorization is \$33,936,275
- New authorization would be \$34,852,554 for FY21

FTE Requests

The Citadel has no FTE requests.

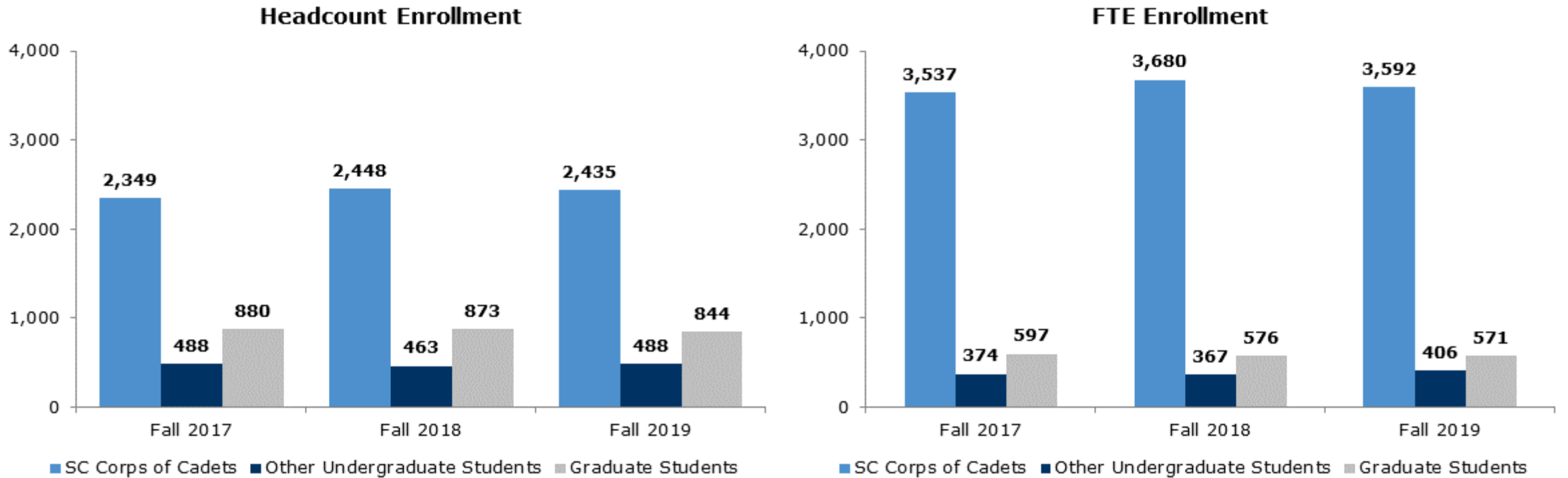
New Recurring Requests for new positions will assign vacant FTEs already granted to The Citadel.

Provisos

3.1	Audit	Keep
11.9	Tuition Age	Keep
11.14	Other Funded FTE Revenue	Keep
11.15	Abatements	Keep
11.16	Outstanding Institutional Debt	Keep
117.11	Fixed Student Fees	Keep
117.15	Allowance for Residences & Compensation Restrictions	Keep
117.2	Travel Subsistence Expenses and Mileage	Keep
117.23	Carry Forward	Keep
117.26	Travel Report	Keep
117.29	Base Budget	Keep
117.3	Collection on Dishonored Payments	Keep
117.32	Voluntary Separation Incentive Program	Keep
117.34	Debt Collection Reports	Keep
117.42	LIFE and Palmetto Fellows Scholarship Waiver Exemption	Keep
117.45	Parking Fees	Keep
117.47	Insurance Claim Forms	Keep
117.48	Organizational Charts	Keep
117.55	Employee Bonus	Keep
117.58	Year End Financial Statements	Keep
117.59	Purchase Card Incentive Rebates	Keep
117.6	Universities and Colleges – Allowance for Presidents	Keep
117.68	Voluntary Furlough	Keep
117.7	Fee Increases	Keep
117.71	Reduction in Force/Agency Head Furlough	Keep
117.8	State Institutions – Revenue and Income	Keep
117.9	Per Diem	Keep

Appendix

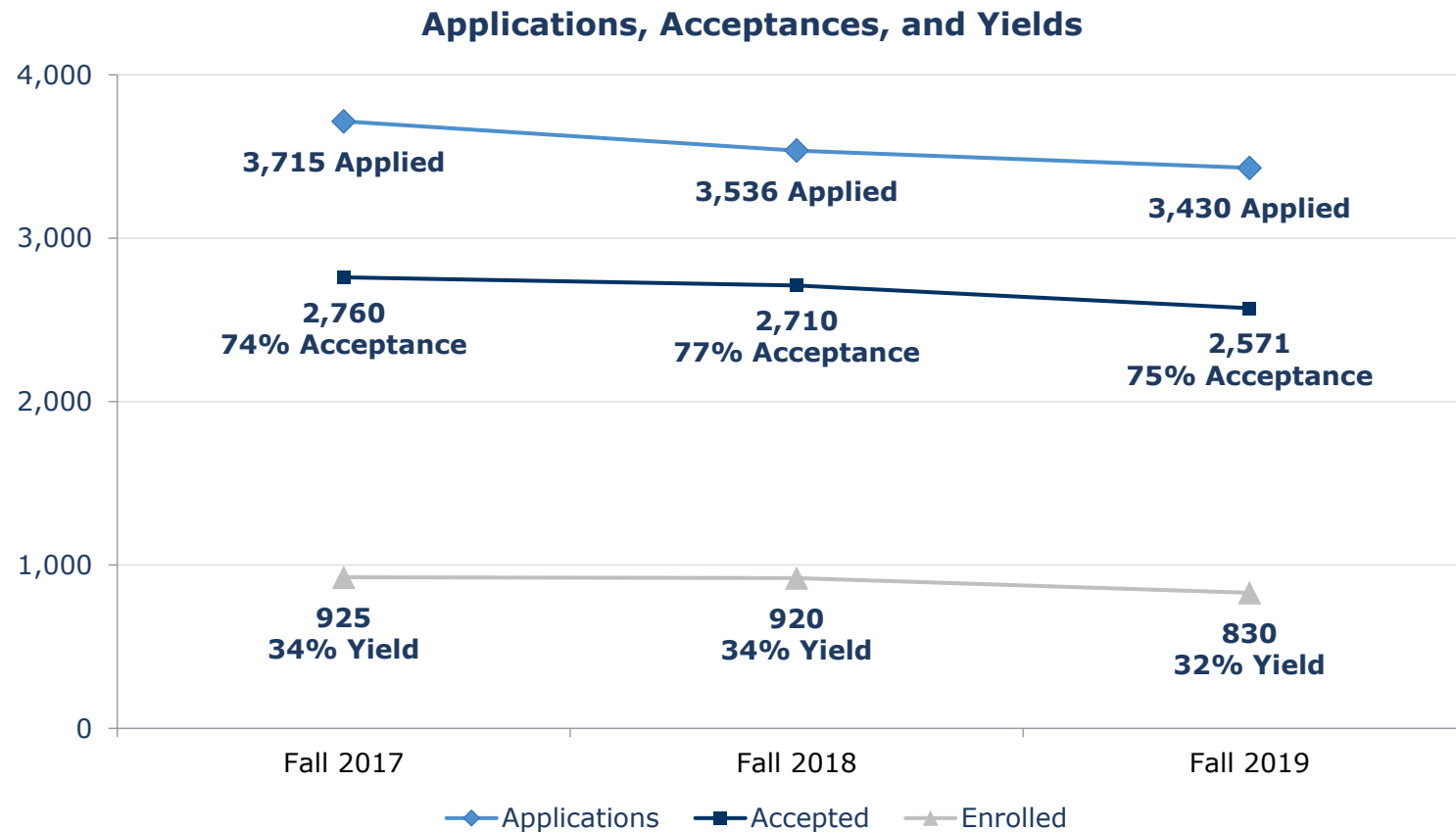
Student Enrollment Headcount vs. FTE



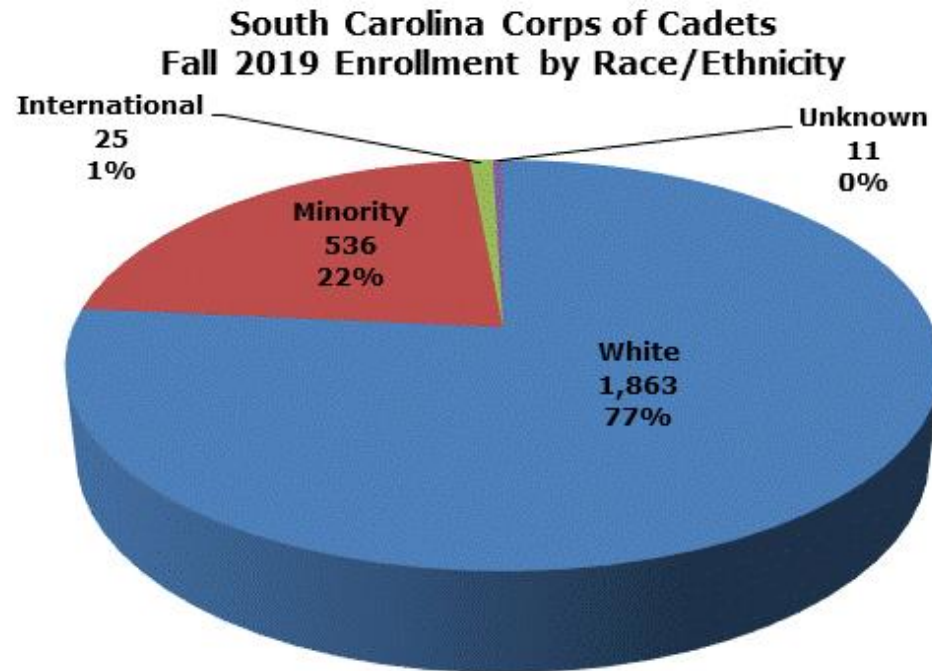
Notes:

- 1) Other Undergraduate Students include Active Duty, Veteran, Evening Undergraduate, Transient and Day Students
- 2) Enrollment as of the college's official census date
- 3) FTE is defined: 1 Undergraduate FTE = 12 credit hours; 1 Graduate FTE = 9 credit hours

Applied, Admitted, and Enrolled



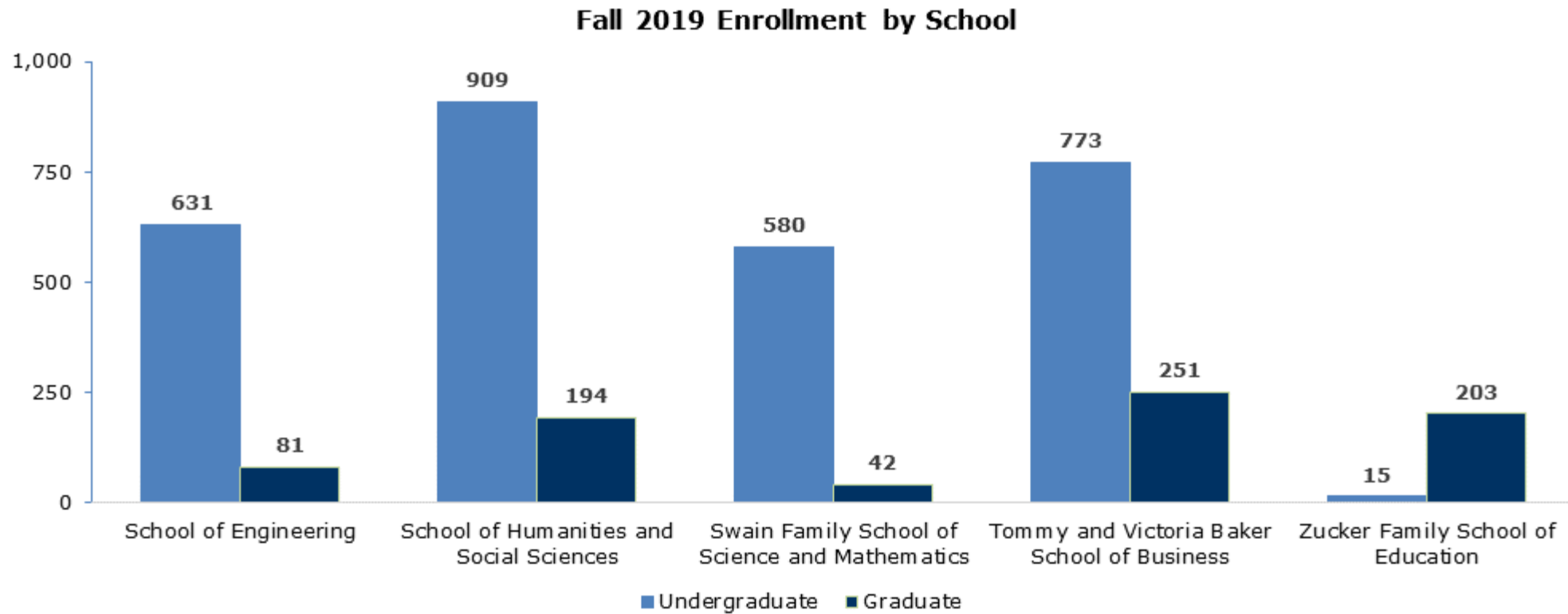
Minority Student Enrollment



American Indian or Alaskan Native		Asian		Black or African American		Hispanic		More Than 1 Race		Native Hawaiian or Pacific Islander		Total	
#	%	#	%	#	%	#	%	#	%	#	%	#	%
11	2%	43	8%	174	32%	172	32%	131	24%	5	1%	536	100%

Note: 1) Enrollment as of the college's official census date

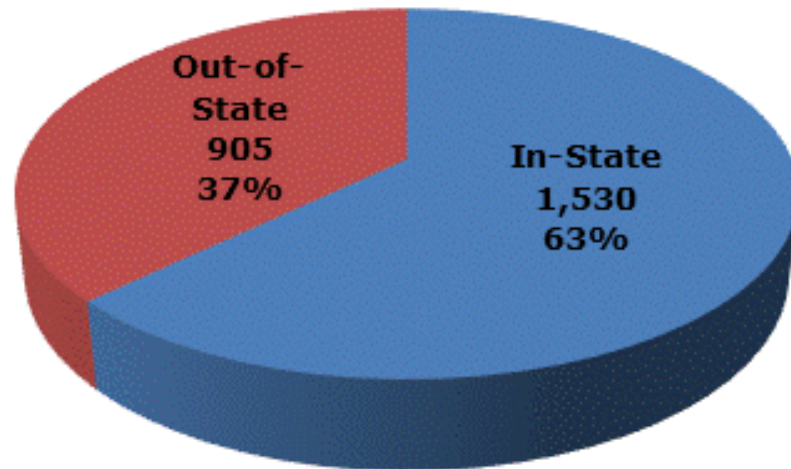
Student Enrollment by School



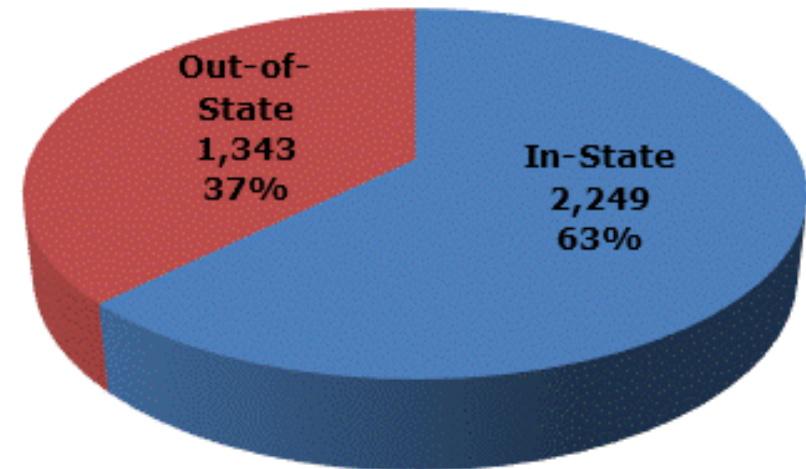
Note: 1) Enrollment as of the college's official census date

Student Enrollment In-State/Out-of-State

**South Carolina Corps of Cadets
Fall 2019 Headcount by Residency**



**South Carolina Corps of Cadets
Fall 2019 FTE by Residency**

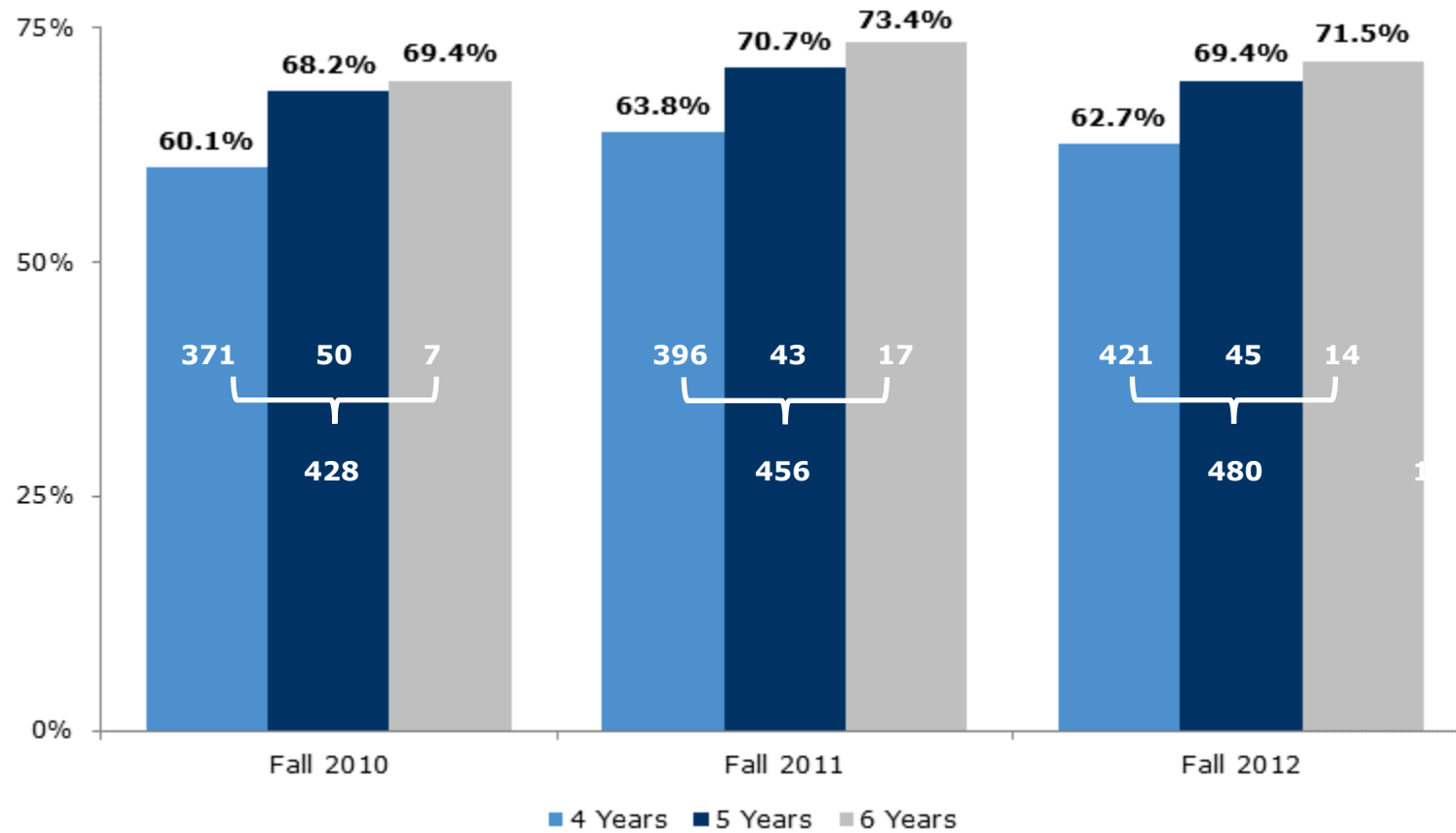


Notes:

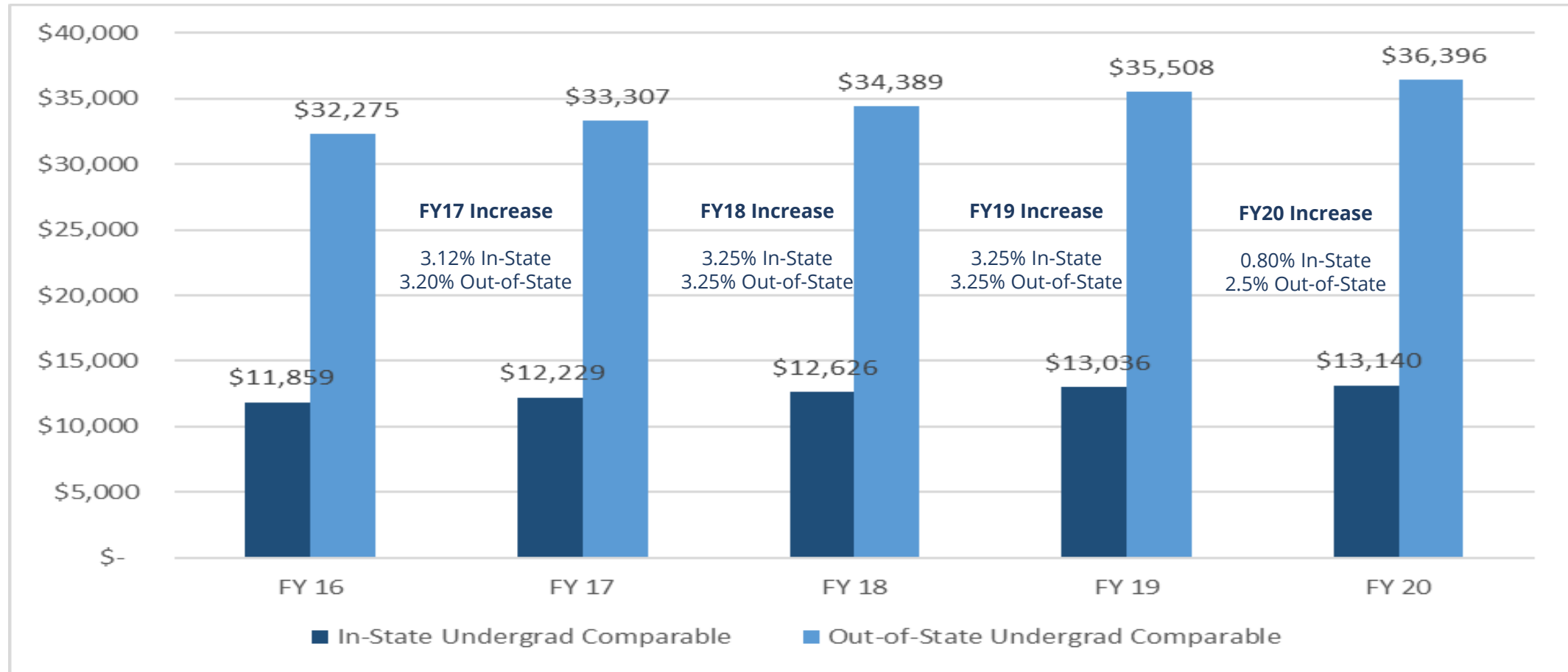
1) Enrollment as of the college's official census date.

2) FTE is defined: 1 Undergraduate FTE = 12 credit hours; 1 Graduate FTE = 9 credit hours.

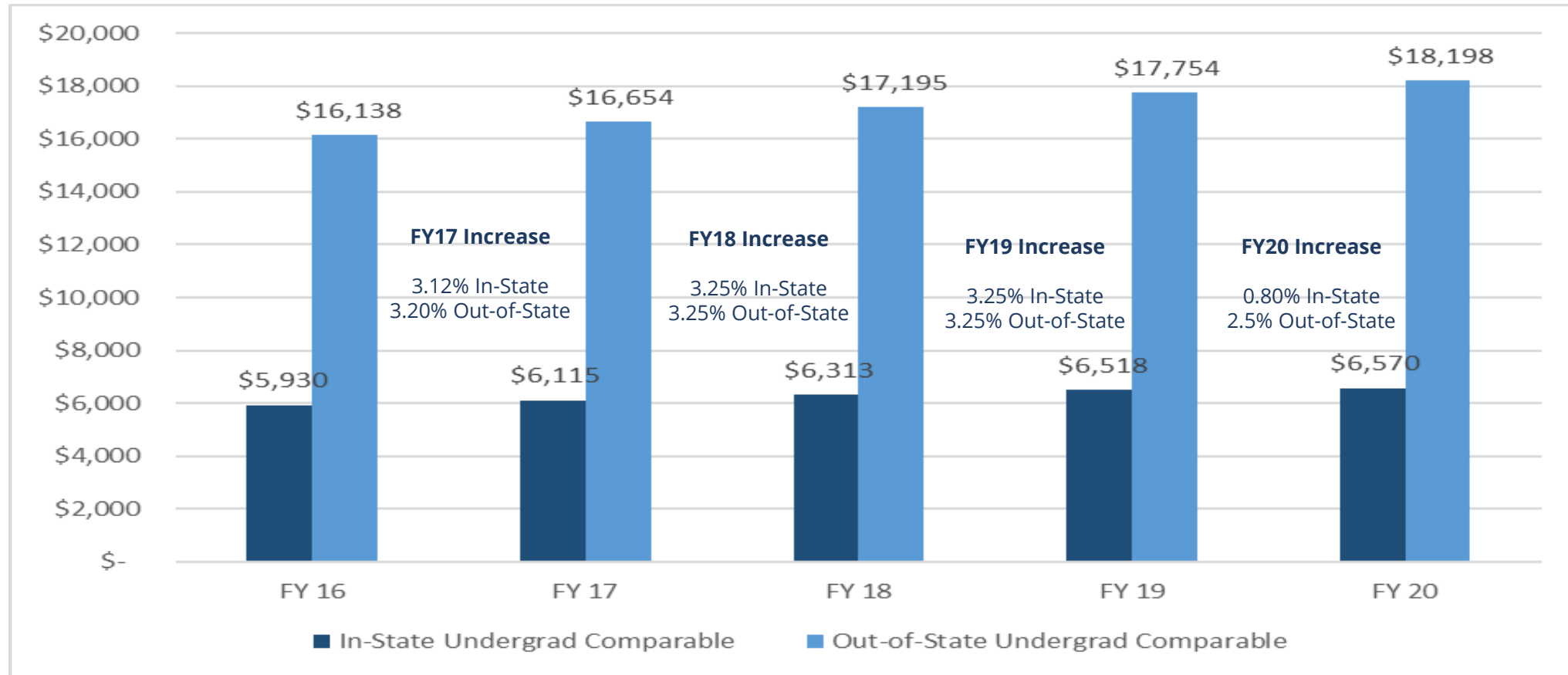
Student Graduation Rates



Five Year Tuition History (Annual Comparable Costs)



Tuition & Fees per Semester, 2019-20



Detailed Tuition & Fees 2019-20, South Carolina Corps of Cadets

Fulltime Undergraduate

Mandatory Fees	In-State	Out-of-State
Registration	\$ 25	\$ 25
Debt Service (Capers)	\$ 1,000	\$ 1,755
E&G (Other) Fee	\$ 8,165	\$ 30,047
Instructional Technology	\$ 50	\$ 50
Plant Imprv/Capital Mx	\$ 321	\$ 940
Athletic Operations Fee	\$ 2,713	\$ 2,713
Athletic Facility Fee	\$ 346	\$ 346
Infirmary	\$ 520	\$ 520
Subtotal	\$ 13,140	\$ 36,396

Auxiliary Fees

Room	\$ 3,275	\$ 3,275
Board	\$ 3,834	\$ 3,834
Laundry/Dry Cleaning	\$ 625	\$ 625
Subtotal	\$ 7,734	\$ 7,734

Continued

Leadership Lab	In-State	Out-of-State
Freshmen	\$ 1,148	\$ 1,148
Upperclassmen	\$ 988	\$ 988
Subtotal	\$ 2,136	\$ 2,136

Deposit

Freshman	\$ 8,000	\$ 8,000
Upperclassmen	\$ 2,950	\$ 2,950

Total All-In Costs	In-State	Out-of-State
Freshmen	\$ 30,022	\$ 53,278
Upperclassmen	\$ 24,812	\$ 48,068

Detailed Tuition & Fees 2019-20, Citadel Graduate College

Evening Undergraduate

Tuition and College Fees	In-State	Out-of-State
Application Fee	\$ 40	\$ 40
Per Credit Hour Fee	\$ 488	\$ 925
Registration Fee	\$ 15	\$ 15
Instructional Technology	\$ 75	\$ 75

Graduate

Tuition and College Fees	In-State	Out-of-State
Application Fee	\$ 40	\$ 40
Per Credit Hour Fee	\$ 595	\$ 1,020
Registration Fee	\$ 15	\$ 15
Instructional Technology	\$ 75	\$ 75

Online Degree Programs

Tuition and College Fees	In-State	Out-of-State
Registration Fees	\$ 15	\$ 15
Grad Per Credit Hour Fee	\$ 695	\$ 695
Undergrad Per Credit Hour Fee	\$ 500	\$ 500
Instructional Technology per term	\$ 75	\$ 75
Infrastructure Fee per term	\$ 75	\$ 75

Citadel Graduate College

- Evening Undergraduate
- Graduate
- Online

Scholarships and Grants (FY19)

2019 Scholarship/Grant Type	Awards		Dollars	% of Total
Pell Grant	700	\$	3,155,683	8.2%
Supp Education Opportunity Grants	143	\$	152,000	0.4%
HOPE, Life, Palmetto, Space, & Need-Based	1,069	\$	5,452,781	14.2%
Institutional Scholarships	2,512	\$	15,099,249	39.4%
Other Federal	27	\$	347,111	0.9%
SC National Guard CAP	31	\$	130,500	0.3%
ROTC Scholarships				
Army	389	\$	10,596,503	27.6%
Navy/Marines	79	\$	2,414,172	6.3%
Air Force	63	\$	994,621	2.6%
Total:	5,013	\$	38,342,620	100%

Outstanding Debt

	Original Date Incurred	Financing Purpose	Initial Debt Balance	Balance as of June 30, 2019	Maturity Date	Repayment Debt Service (FY2020)
Citadel Bonds Payable						
Series 2015 Revenue Bond	6/22/2015	Student Housing (Law Barracks)	\$ 13,940,000	\$ 8,440,000	4/1/2029	\$ 1,014,556
Series 2015 Athletics Facilities Bond	6/22/2015	Stadium Skybox, Club Level, Readiness Center	\$ 11,950,000	\$ 9,765,000	2/1/2031	\$ 1,081,026
Total Bonds Payable as of June 30, 2019				\$ 18,205,000		\$ 2,095,582

Employees

The Citadel has 1,212 full time and temporary employees with a total payroll of slightly more than \$73.9 million.

662 Full-Time Employees

207 Full Time Faculty

455 Full Time Staff

550 Temporary Employees

271 Hourly Workers

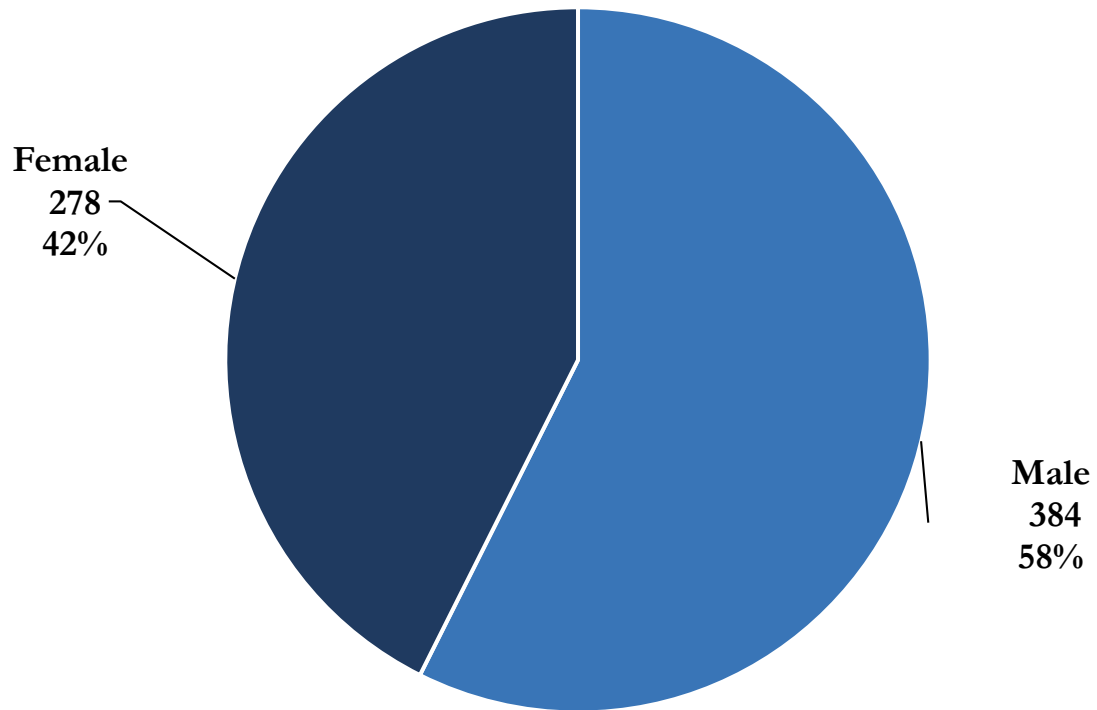
134 Adjunct Faculty

145 Student Workers

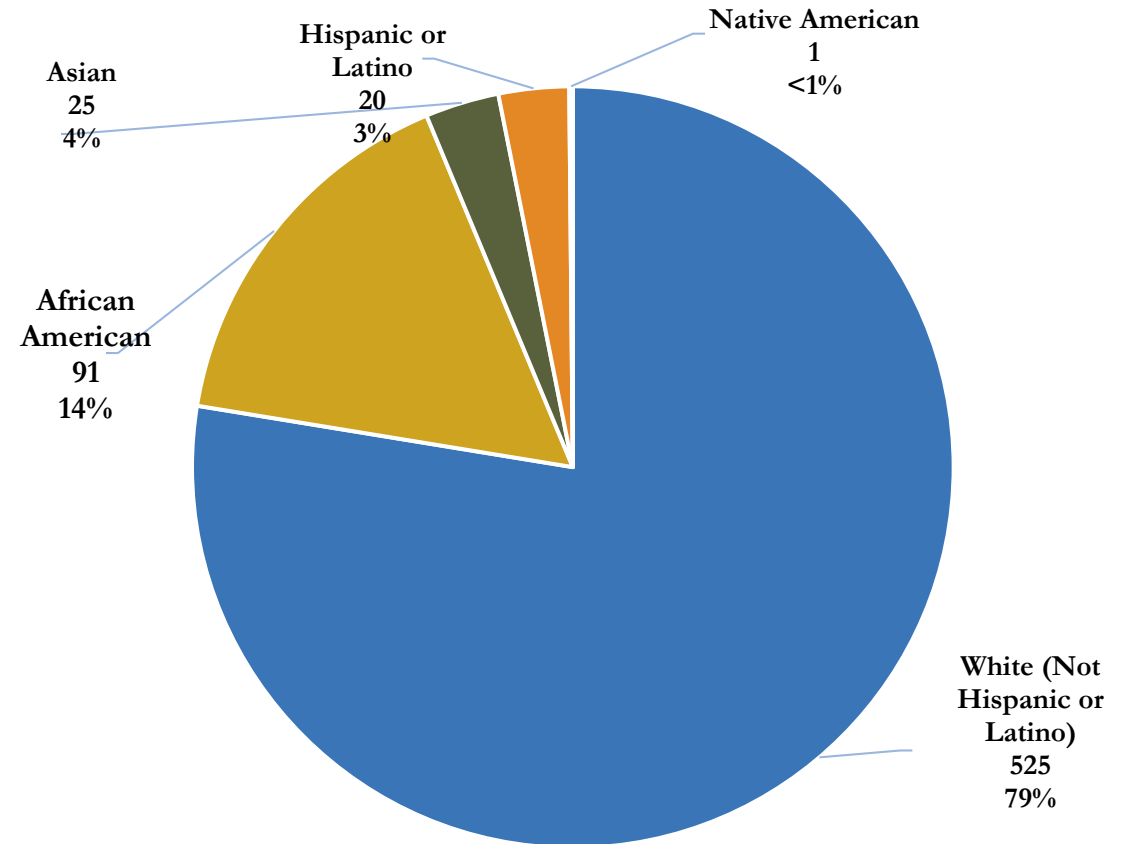
	FY20 FTEs	Authorized	Vacant (Recruiting)
State FTEs		269.64	15.94
Federal FTEs		0	0
Other FTEs		402.11	50.20
Total FTEs		671.75	66.14
Note: As reported in the system of record on November 1, 2019.			

Faculty/Staff Demographics

Total FTE Employees by Gender

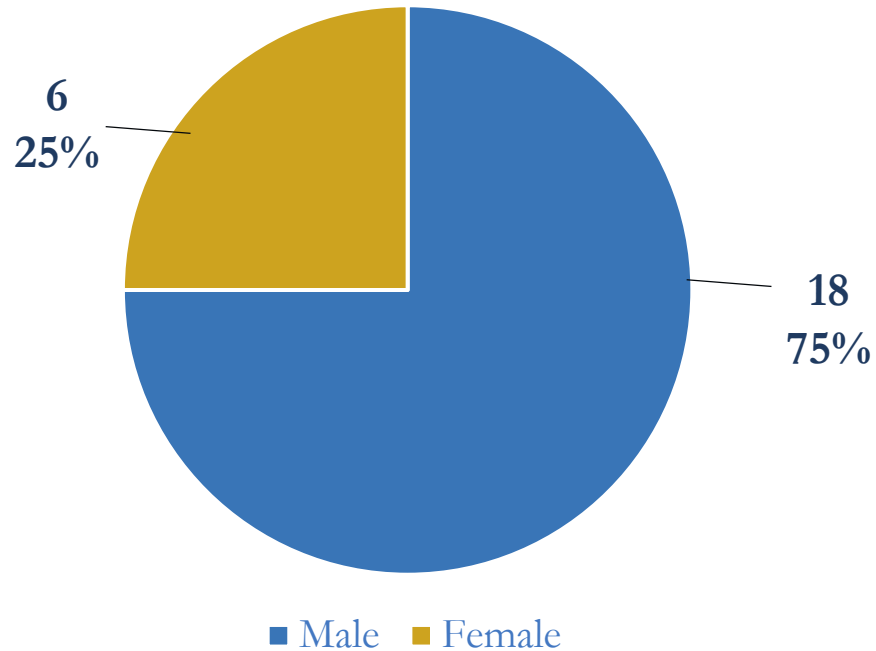


Total FTE Employees by Race

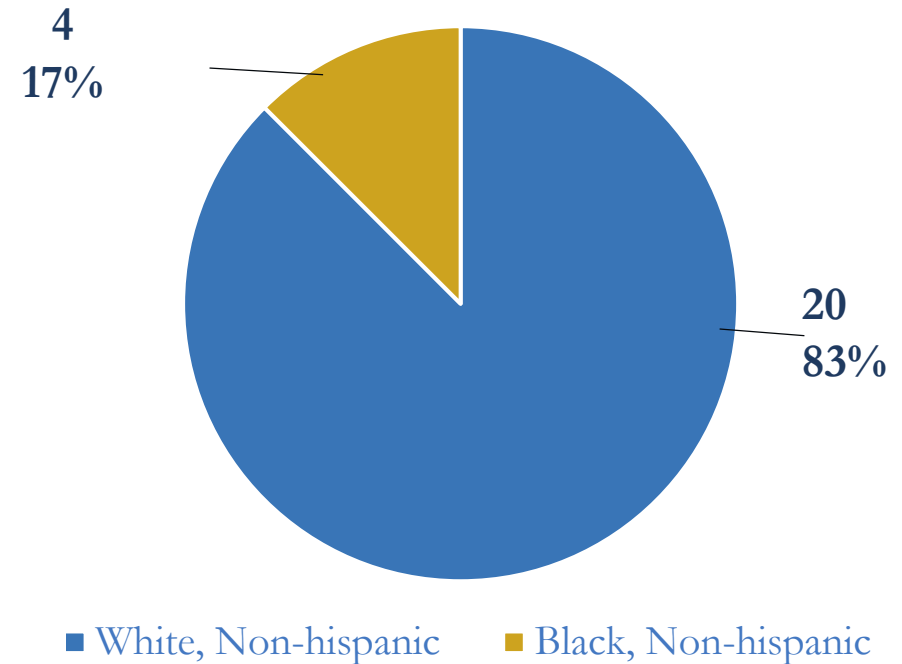


Senior Administration Demographics

Administration by Gender



Administration by Race



Diversity & Inclusion Efforts

- Strategic Plan is inclusion driven with an increased emphasis on expanding diversity among students, faculty, and staff.
- Continued work with the Diversity, Equity, and Inclusion Council, the National Coalition Building Institute Team, and the Truth, Racial Healing & Transformation (TRHT) Center.
- Expanded Minority Contractor Program in collaboration with the National Action Network (NAN), National Association for the Advancement of Colored People (NAACP) and the Hispanic Business Association (HBA).

Four Percent Tuition Waivers & Abatements

Type	Level	2016-2017			2017-2018			2018-2019		
		Res	Non-Res	Total Students	Res	Non-Res	Total Students	Res	Non-Res	Total Students
4% Waivers	Freshman	11	18	29	16	1	17	11	1	12
	Sophomore	4	5	9	4		4	15	3	18
	Junior	3	10	13	6	8	14	9	1	10
	Senior	12	6	18	4	4	8	19	1	20
	Other	126	4	130	88	1	89	64	2	66
Total		156	43	199	118	14	132	118	8	126

Type	Level	2016-2017			2017-2018			2018-2019		
		Res	Non-Res	Total Students	Res	Non-Res	Total Students	Res	Non-Res	Total Students
Abatement Full	Freshman	n/a	36	36	n/a	42	42	-	40	40
	Sophomore	n/a	25	25	n/a	18	18	-	25	25
	Junior	n/a	19	19	n/a	28	28	-	21	21
	Senior	n/a	20	20	n/a	27	27	-	23	23
	Other	n/a	6	6	n/a	7	7	-	7	7
Total		-	106	106	-	122	122	-	116	116

Type	Level	2016-2017			2017-2018			2018-2019		
		Res	Non-Res	Total Students	Res	Non-Res	Total Students	Res	Non-Res	Total Students
Abatement Partial	Freshman	n/a	12	12	n/a	8	8	-	13	13
	Sophomore	n/a	13	13	n/a	8	8	-	13	13
	Junior	n/a	10	10	n/a	10	10	-	7	7
	Senior	n/a	9	9	n/a	21	21	-	7	7
	Other	n/a	3	3	n/a	3	3	-	-	-
Total		-	47	47	-	50	50	-	40	40

4% Calculation Methodology

4% Fee Waiver- SC Code of Laws 59-101-620

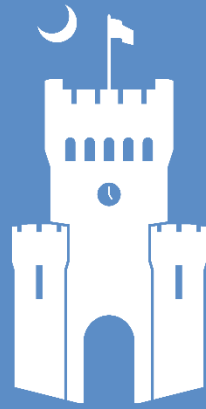
- The Citadel can offer education fee waivers to no more than 4% of the undergraduate student body.
- The educational institutional can apply this 4% in terms of **number of students** or the **dollar equivalent of 4%** of the undergraduate headcount.
- **The Citadel uses the dollar equivalent.**

Open Capital Projects

H09-	Capital Projects	Where in process?	Active	Amount	Account Balance	Revenue Source
9611	New Academic Building (Capers Hall)	Phase II Approved, In Design	X	\$ 67,074,358	\$ 66,307,573	State Institution Bonds, State Appropriations, Tuition & Fees, Gifts
9612	New School of Business - Bastin Hall	Construction In Progress	X	\$ 25,840,000	\$ 2,942,055	Gifts
9617	Boat Center Redevelopment	Construction In Progress	X	\$ 8,000,000	\$ 646,938	Gifts
9618	Daniel Library HVAC Replacement	Phase II Approved, In Design	X	\$ 3,050,000	\$ 3,026,960	Gifts
9619	Johnson Hagood Stadium CRC Exterior Repairs	Schematic Design Complete, Phase II Submitted	X	\$ 19,500	\$ -	SC Army National Guard, Athletic Facility Fees
9620	Johnson Hagood Stadium Sansom Field Turf Repl	Phase II Approved, In Construction	X	\$ -	\$ -	\$1.5M Gift In-Kind
9622	Byrd Hall Renovation	Phase I Approved	X	\$ 2,537,500	\$ 2,537,500	State Appropriation, Capital Reserve Funds
Total:				\$ 106,521,358	\$ 75,461,027	

Maintenance Plan

- The Citadel has developed an Asset Management process to define our facility health and forecast our long-term maintenance and repair requirements.
 - Completed an analysis of all E&G, Auxiliary, Athletics and Barracks on campus
 - Provides a clear picture of condition, remaining life expectancy and projected costs.
 - Establishes the immediate maintenance needs and long term funding levels required to keep The Citadel's facilities and infrastructure in good condition.
 - In FY 19, The Citadel spent \$10.5M on maintenance needs (in-house work & projects). The Citadel has ongoing projects for an additional \$9.52M.
 - **To ensure funds are available for maintenance needs, The Citadel established reserve accounts for Back-logged Maintenance (\$8.1M).**
 - **An Institutional Capital Reserve Fund (\$2.2M) and Barracks Replacement Capital Reserve (\$14.5M) are established for large capital projects.**



THE CITADEL