



Transfers and Subsidies Budget Optimization

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Project Team

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Scope of Work

- Inventory current central transfers and subsidies, history, and agreements
- Review with unit leads and UBOs
- Recommend updates to align with budget principles and deficit reduction goals, as follows:
 - Where possible, central support should be reflected as direct central expenditure to more accurately reflect the true cost of operations
 - Central subsidies should not be provided to units that can or should operate in a self-supporting manner
 - Central transfers should be limited to policy requirements and/or budget model elements

Recommendation

As reflected on the attached schedule, all central transfers and subsidies except those related to State Board of Education policy and budget model mandatories will be phased out by FY2027.

Budget Impact

These updates will result in a reduction of \$98,480 in central expense effective FY2024. An additional \$650,823 savings will be realized in FY2027.

Central University Transfers and Subsidies

Transfer
Subsidy

Unit	Department	Index	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Purpose	Recommendation
Athletics	Athletics	LATH01	686,400	1,114,870	1,200,000	1,200,000	1,200,000	1,200,000	Athletics institutional support in compliance with SBOE policy V.X.	Maintain transfer per SBOE policy and budget model mandates.
Advancement	Advancement	LDEV01	600,000	600,000	600,000	600,000	600,000	-	Five year subsidy established as part of the Performing Arts Center MOU. The subsidy will end FY2027.	Change to direct funding of contracted personnel for the final two years of subsidy so this expense reflects in Advancement data sets. Work with Advancement staff to analyze base funding needs moving forward.
College of Technology	Continuing Education & Workforce Training	LCE001	114,806	61,975	50,823	25,000	-	-	Continuing Education support with annual review. 25% PCN 2261, 32% PCN 7620. Phase out by FY2026.	Eliminate transfer FY2026 forward. Work toward a fully self-support model for Continuing Education as part of the Continuing Education budget optimization project.
Enrollment Management	Financial Aid	LSFA02	80,004	122,727	-	-	-	-	48% PCN 5087, 100% PCN 5089, 25% PCN 1173 plus operating.	Move budget to central Financial Aid FY2024 forward so the true cost of Financial Aid operations are reflected. Net zero budget impact.
Human Resources	Employee	LHR002/ LHR003	20,579	24,276	-	-	-	-	Employee recognition luncheon and awards.	Budget moved to central HR and Staff Council to reflect true cost of operations. Net zero budget impact.
Equity & Inclusion	Staff Council	COPE01	6,400	-	-	-	-	-	Up to \$6,590 annual transfer.	Budget moved to central staff council, COPE02. Net zero budget impact.
Equity & Inclusion	Women's History Month	LIPW02	1,500	6,273	-	-	-	-	Up to \$6,273 annual transfer.	\$4,000 added to central LCNOEI. Net savings of \$2,273
Academic Affairs	Phi Kappa Phi	LPHIKA	2,500	2,585	-	-	-	-	Up to \$2,585 annual transfer.	Budget moved to central student success. Net zero budget impact.
Auxiliary Services	Student Union Rent	SUB001	51,784	51,784	51,784	51,784	51,784	51,784	Student Affairs: 2,956 sq ft at \$12.40 per sq foot. Computer Lab: 497 sq ft at \$9.92 per sq foot. Post Office: 1,700 sq feet at \$6.00 per sq foot. Rates established by the State.	Maintain transfer per auxiliary fund requirements.
Auxiliary Services	Campus Recreation Program	RECF02	54,480	54,480	-	-	-	-	Prior subsidy for reduced employee rates. Students pay \$50.47/semester; employees pay \$24/month or \$96 per semester.	Eliminate transfer as program is self-sustaining.
KDHS	Fitness/Wellness Center	LNUT02	44,000	44,000	-	-	-	-	Prior subsidy for employee services.	Eliminate transfer with program reorganization into Counseling and focus on student wellness.

Total All 1,662,453 2,082,970 1,902,607 1,876,784 1,851,784 1,251,784

Recurring Savings from FY2024 Base 98,480 98,480 98,480 98,480

Reduction of One-Time Transfers/Subsidies from FY2024 Base - 25,823 50,823 650,823