

# Fiscal Year 2024-2025 Adopted Budget



**JAX STATE**  
Jacksonville State University



*The FRIENDLIEST CAMPUS in the SOUTH*

# Economic Outlook

## National Fiscal Forecast

Despite persistent concerns surrounding the durability of growth and interest rate policy, the US economy remains fundamentally strong. All available evidence suggests that policymakers may have managed to bring inflation under control without causing a recession. However, risks like geopolitical tensions and persistently high inflation remain.

## 2025 Fiscal Risks

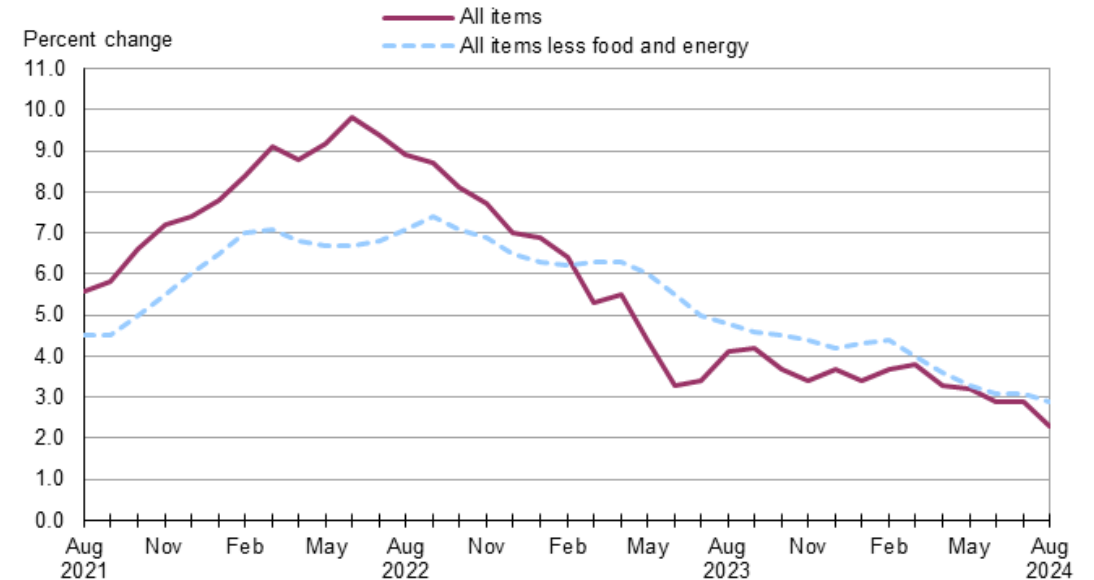


Additionally, The U.S. higher education industry continues to grapple with a multitude of emerging risks. These range from the need for changes to academic offerings based on labor market and student demand, the probable heightening of demographic pressures in certain regions of the country, evolving climate risks, and rising cyber security risks. For fall 2024, delayed processing of the Free Application for Federal Student Aid has created heightened uncertainty for colleges and universities amid a rising percentage of prospective college students opting for trade schools or directly entering the labor market after high school.

Source: [Deloitte Global Economics Research Center](#) and S&P Global Ratings

## Consumer Price Index, South Region — August 2024

Area prices were unchanged in August; up 2.3 percent over the past year



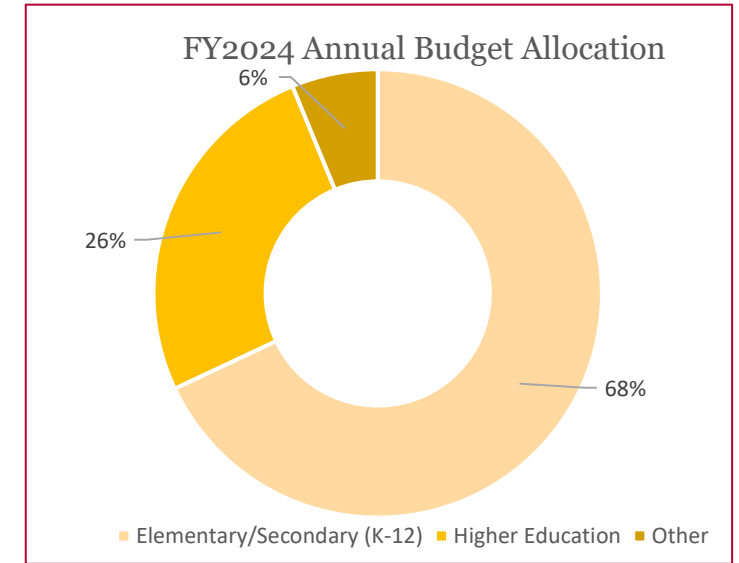
\*The items CPI-U for the South increased 2.3 percent for the 12 months ending in August, after increasing 2.9 percent for the 12-month period ending in July. The index for all items less food and energy advanced 2.9 percent over the past 12 months. The food index continued to increase, up 2.0 percent over the past year. In contrast, the energy index declined 4.6 percent over the same period. Source: [U.S. Bureau of Labor Statistics](#)



# 2024-25 Proposed Budget Assumptions

## Alabama State Budget & Educational Trust Fund

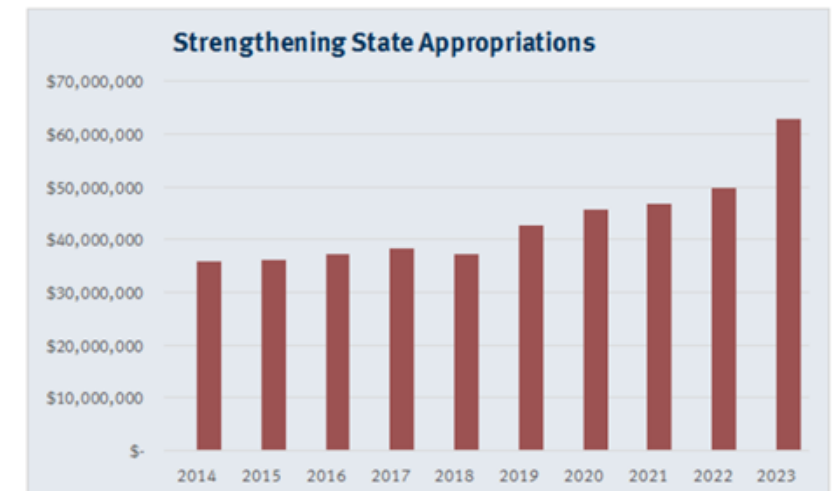
The Governor's budget for 2024-25 is comparable to the prior year's budget that it contains a significant number of appropriations for higher education. With surplus projected revenues for this year being similar to last, the State of Alabama has seen growth in both ongoing and one-time funds. While the economic outlook and revenue have improved, the same budget resiliency that helped the state through the pandemic will continue to be critical to protect programs in the future and to prepare the state for future emergencies. The forecast does not project any structural deficits in the future or appropriation prorations. Nevertheless, a return to high levels of inflation and sales taxes will impact state revenues. These risks could constrain the state's ability to significantly continue ongoing commitments. However, the state's Rainy-Day Fund and Budget Stabilization Fund are available to partially mitigate the impact of these risks.



\*Source: [State of Alabama Budget](#)

## Jacksonville State University

As Jacksonville State University (Jax State) continues operationalize the recently approved [Strategic Plan](#), the university is transitioning operations from managing the significant impacts of the COVID-19 pandemic to one that looks to proactively address the campus transformation. The annual budget process provides an opportunity to assess Jax State's operations and is a key element of the overall business planning process. The Governor's proposed budget appropriation for Jax State was approximately a 7.2% increase. The Fiscal Year 2024-25 Proposed Budget was developed to sustain the university's academic programs and support student retention.



# Strategic Priority Investment Areas

FISCAL YEAR 2025

Jax State's Fiscal Year 2025 annual budget submission reflects its continued commitment to the success of its students, and the employees who work to support those students, as well as the long-term mission and viability of the institution. Renewed focus on a culture of compliance and utilization of best practice to effectively respond and mitigate risks. Also, dedicated to maintaining a budget that aligns revenue with expenditures is a critical component to the fiscal health and operational structure required to remain a viable institution (sustainability).

## Prudent Fiscal Stewardship

- AEMA & FEMA tornado project reimbursements
- Monitoring cash flow viability based on expenditures to meet regulatory requirements
- Implement framework to replenish and increase the general unrestricted fund balance
- Utilization of existing reserves for one-time expenditures and enhanced a sustainability focus

## Overall Investments

Also, the budget reflects the compensation study recommendations (Phase II). Conference USA will result in timing differences between revenue recognition and expenses. JSU remains committed to monitoring the impacts that both revenue and spending has on its balance sheet, and in turn, its credit ratings.

## Cash Flow Monitoring

On a cash, or annual budgeting view, the budget submitted is balanced. The average monthly days cash on hand metric is expected to be 115 days based on the projected expenditure level for this upcoming year but will position the university to maintain a positive financial liquidity range.

## Campus Transformation Investments

- **Investments in Jax State Faculty, Staff and Students:** Investment in Jax State's faculty, staff and students (human capital) is an important university initiative.
- **Capital Projects:** Jax State's planned investments include those for the continued enhancement of several programs.
- **Investments in Infrastructure and Technology:** Investments in software platforms, data center, fiber, camera systems, and deferred maintenance/improvements to support generational equity.



# COMPENSATION STUDY UPDATE



# Compensation Philosophy

Jacksonville State University utilizes a **total compensation philosophy** that includes both direct salary and indirect benefits as compensation. The compensation provides a basis for sustaining pay and benefits programs that will attract, retain, and engage talented faculty, administrators, and staff to support the University's mission and strategic plan.

## Guiding Principles

- The collective work and contributions of all individual staff members are valued.
- The institution supports a fair, equitable, and consistently achievable approach to compensate all employees.
- Compensation is clear, easy to administer, and communicated to employees.
- Salaries and pay scales are reviewed on a regular basis by campus stakeholder groups, considering such factors as cost of labor, federal and state minimum wage guidelines, market data for relevant labor market data, and demand fluctuations.
- The salary and benefit programs are designed to be flexible and to reflect the ever-changing circumstances and issues important to multi-generational employees.



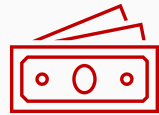


## KEY OBJECTIVES OF THE STUDY

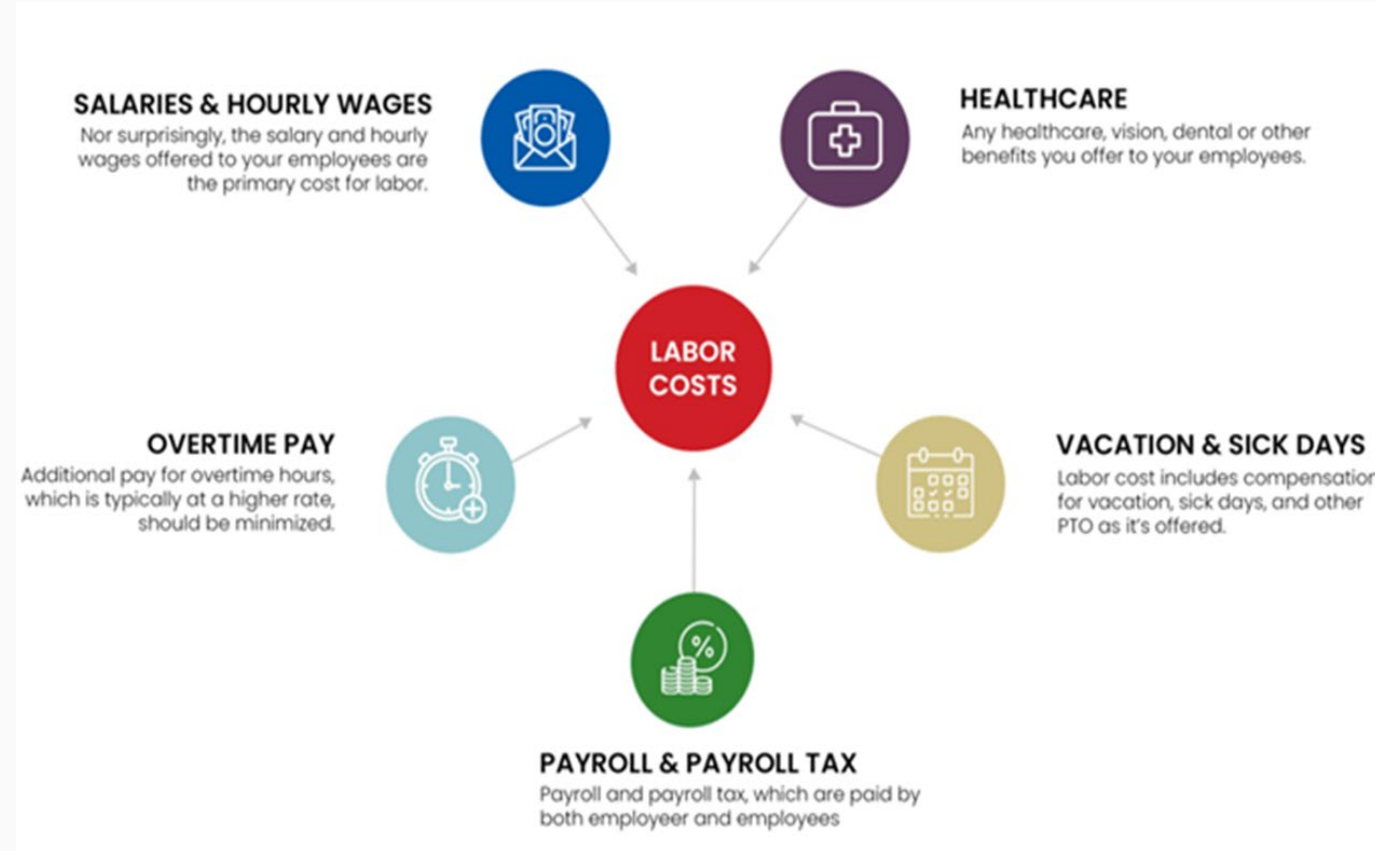
- Develop a PHASED strategic, achievable, and fiscally responsible total compensation philosophy.
- Create a compensation system that promotes competitive salaries, ensuring Jax State's ability to retain and attract high quality faculty, administrators, and staff.
- Provide sustainable, competitive, and transparent compensation structure(s) and guidelines.
- Ensure internal equity.
- Help to establish a multiyear financial plan to support approved recommendations from the study.

# COMPENSATION STUDY

Like most employers, Jax State considers the cost-of-labor as a factor in our compensation strategy and design. This helps ensure that salaries remain competitive in the job market while taking into consideration the personal spending of our faculty and staff. Although cost-of-labor and cost-of-living have both increased in recent years, they do not always correlate directly; in years when cost-of-living is low, cost-of-labor may increase.



$$\text{Cost of Labor Formula} = \text{Total Direct Labor Cost} + \text{Total Indirect Labor Cost}$$



Our compensation philosophy and the mechanics of our compensation program are based on these factors:

- Market-based pay studies and surveys (reflecting cost-of-labor by job)
- Experience, competencies/skills, and abilities
- Internal equity

Cost-of-labor refers to the going rate for jobs in a particular market. The cost of labor is the sum of all wages paid to employees, as well as the cost of employee benefits and payroll taxes paid by an employer. Although there is a strong correlation between cost-of-living and cost-of-labor, higher cost-of-living areas tend to have a higher cost-of-labor.



# DEBT SERVICE & CAPITAL PROJECTS



# Jacksonville State University

## Debt Service Fund Budget

Description		Maturity Interest Rate	Interest	Principal	Total Annual Debt Service	Amortization	Total Outstanding 9/30/2025
Series 2015 Bonds	Stadium & Housing	2.20%	335,455	65,000	400,455	60,630	8,400,000
Series 2016 Bonds	Stadium & Housing	2.00%	342,738	65,000	407,738	60,618	8,625,000
Series 2017 Bonds	Stadium & Housing	5.00%	1,008,169	1,380,000	2,388,169	130,920	22,140,000
Series 2017A Bonds	Foundation UREC Lease	4.00%	1,711,494	450,000	2,161,494	80,258	39,500,000
Series 2020 Bonds	Stadium, Housing, & General Construction Refunding	3.00%	1,613,381	1,450,000	3,063,381	9,990	40,005,000
Series 2023A Tax-Exempt	Foundation Athletics, Housing, & Dining Facilities		2,054,100	-	2,054,100 **		77,085,000
Series 2023B Taxable	Foundation Athletics, Housing, & Dining Facilities		1,615,115	530,000	2,145,115 **		46,750,000
2018 Line of Credit	Construction Line of Credit (\$30.0 M)*						
2021 Line of Credit	General Purpose Line of Credit (\$5.0 M)						
			<u>8,680,451</u>	<u>3,940,000</u>	<u>12,620,451</u>	<u>342,416</u>	<u>242,505,000</u>

\*Line of Credit Payment Balance is \$9.2 million to be repaid with FEMA reimbursements (\$5.9 million) and at close of bond projects (\$3.3 million) on or before October 30, 2024. This line will also provide bridge financing for the Randy Owen Center (ROC) non-PSCA covered 2025 construction costs.

\*\*\*Foundation Series 2023A & B - Net Debt Service reflects the use of capitalized interest through February 1, 2025, but does not reflect any estimated interest earnings. The University's first out-of-pocket payment to the Foundation will be August 2025, one year after all facilities are opened.

# Jacksonville State University

## CAPITAL PROJECT OUTLAY BUDGET – FISCAL YEAR 2025

Jax State's FY25 annual budget submission reflects its continued commitment to the success of its students and the employees who work to support those students as well as the long-term mission and viability of the institution. Renewed focus on a culture of compliance and utilization of best practice to effectively respond and mitigate risks. Also, dedicated to maintaining a budget for that aligns revenue with expenditures is a critical component to the fiscal health operational structure required to remain a viable institution (sustainability).

Facility	Scope of Work	Project Costs (NTE)	FY25 Budget
SIF Stadium Fire Repairs*	Concessions, bathroom, sound system, temp facilities	\$650,000	\$386,000
FEMA Storm Shelter*	3,000-person shelter	\$6 million	\$3.4 million
FEMA Angle Hall Windows*	Window Replacement	\$1.3 million	\$650,000
ALDOT - TAP Grant*	Hwy 21 Safety Improvements	\$1.1 million	\$1.1 million
Pedestrian Safety*	Camera, signage, lighting	\$3 million	\$2 million
Dixon Hall	HVAC, bathroom, tiles, etc.	\$6 million	\$5.4 million
Campus Maintenance	Campus-wide (multiple projects)	\$375,000	\$375,000
Compliance	Campus-wide (ADA & Fire alarms multiple projects)	\$300,000	\$3.5 million
Ramona Wood	Window Replacements	\$625,000	\$0
Stephenson	Multiple restoration projects	\$30,000	\$30,000
Self Hall	Philanthropy renovations	\$150,000	\$150,000

\*Funded (partially or fully) from external source.



# Jacksonville State University FY 2024-2025 Adopted Budget

## BUDGET HIGHLIGHTS FISCAL YEARS 2024 AND 2025

<b>Enrollment Projections</b>	First-year incoming student goals of 1940 in fall 2022 and 1815 in fall 2023 Undergraduate credit hour goals of 102,272 in fall 2022 and 106,337 in fall 2023 Graduate credit hour goals of 9,296 in fall 2022 and 9,115 in fall 2023
<b>Tuition for Enrollment Categories</b>	1.5% increase for FY25 and 3% FY24 in undergraduate graduate, and block rate categories
<b>Residence Halls</b>	2% or 3% increase for FY25 and 2.0% increase for FY24
<b>Meal Plan</b>	4% increase for FY25 and 4% increase FY24
<b>Unrestricted Gifts</b>	\$6.0 million target in FY25 to support debt service and \$403,000 in FY24
<b>Investment Income</b>	\$600,000 target in FY25 and \$600,000 in FY24
<b>Investments in Our People</b>	Continued multi-year investment in our employees over three – to five years, includes restructuring base salary and total compensation. 1% RSA Employer FY25 increase for Tier I (13.57%) & Tier II (12.60%)
<b>Financial Aid</b>	43% of undergraduate tuition and mandatory fees Increase in athletic scholarships with the transition to Conference USA.
<b>Other Operating Expenses</b>	A wide range of initiatives including research, athletics, residence halls, student health and wellness, and programming expenses.
<b>Infrastructure Technology Capital Funding</b>	A wide range of technology initiatives including campus technology and infrastructure portfolio, lifecycle replacement, increase to support enterprise infrastructure needs, funding towards a productivity enhancement software.

	FY25 Proposed Budget	FY25 Adopted Budget	Budget Change	% Change
<b>Revenues</b>				
Tuition and Fees	101,698,643	101,698,428	(215)	0.00%
State Appropriations	57,283,222	57,283,222	-	0.00%
Athletics	6,287,889	7,396,889	1,109,000	17.64%
Auxiliaries	24,826,664	24,826,664	-	0.00%
Other	6,750,000	5,641,000	(1,109,000)	-16.43%
Restricted Funds	5,500,000	5,500,000	-	0.00%
<b>Total Revenue</b>	<b>202,346,418</b>	<b>202,346,203</b>	<b>(215)</b>	<b>0.00%</b>
<b>Expenses</b>				
Salaries	92,575,556	94,075,556	1,500,000	1.62%
Utilities	4,881,635	4,881,635	-	0.00%
Debt Service	12,694,096	12,694,096	-	0.00%
Scholarships	30,000,000	32,000,000	2,000,000	6.67%
Insurance	3,200,000	3,510,865	310,865	9.71%
Other Expenses	28,589,467	28,767,909	178,442	0.62%
Auxiliaries	24,905,664	20,916,142	(3,989,522)	-16.02%
Restricted Funds	5,500,000	5,500,000	-	0.00%
<b>Total Expenses</b>	<b>202,346,418</b>	<b>202,346,203</b>	<b>(215)</b>	<b>0.00%</b>

\* Includes the following earmarks:

Little River Canyon Field School	450,000	450,000
Center for Applied Forensics	500,000	500,000
Economic Development Initiative	225,000	225,000
Center for Manufacturing Support	700,000	700,000
Center for Law Enforcement Best Practices	475,000	475,000
Correctional Professional Training	150,000	150,000

# SUMMARY REVENUE AND EXPENDITURE BUDGET

FISCAL YEAR 2024 to 2025 – Adopted vs Adopted (Dollars in thousands)

This schedule summarizes the total revenue and expenditure budgets by operating funds.



## Jacksonville State University FY2024-2025 Adopted Budget Comparison

	FY24 Adopted Budget	FY25 Adopted Budget	Budget Change	% Change
<b>Revenues</b>				
Tuition and Fees	99,278,867	101,698,428	2,419,561	2.44%
State Appropriations	53,428,224	57,283,222	3,854,998	7.22%
Athletics	6,287,889	7,396,889	1,109,000	17.64%
Auxiliaries	23,435,846	24,826,664	1,390,818	5.93%
Other	6,750,000	5,641,000	(1,109,000)	-16.43%
Restricted Funds	5,500,000	5,500,000	-	0.00%
<b>Total Revenue</b>	<b>194,680,826</b>	<b>202,346,203</b>	<b>7,665,377</b>	<b>3.94%</b>
<b>Expenses</b>				
Salaries	90,609,000	94,075,556	3,466,556	3.83%
Utilities	4,437,850	4,881,635	443,785	10.00%
Debt Service	6,586,324	12,694,096	-	0.00%
Scholarships	30,000,000	32,000,000	2,000,000	6.67%
Insurance	3,000,000	3,510,865	510,865	17.03%
Other Expenses	30,824,605	28,767,909	(2,056,696)	-6.67%
Auxiliaries	23,723,047	20,916,142	(2,806,905)	-11.83%
Restricted Funds	5,500,000	5,500,000	-	0.00%
<b>Total Expenses</b>	<b>194,680,826</b>	<b>202,346,203</b>	<b>7,665,377</b>	<b>3.94%</b>

\* Includes the following earmarks:

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