

State error may cost Clemson \$1.5 million

By Mike Ellis

Thursday, April 15, 2010

CLEMSON — Clemson University could be looking at a loss of \$1.5 million in state money after a \$60 million state accounting error was discovered this week.

Brett Dalton, chief financial officer for the university, talked about the state mistake Thursday as he met with the Clemson trustees' finance and facility committee.

Dalton said the university is in good financial shape but the next two years would pose serious challenges.

Other comparable universities have been able to maintain larger unrestricted fund balances than Clemson's current \$45.7 million, Dalton said. That amount is the lowest that Clemson has had in many years and is 6.3 percent of the university's total operating revenue.

Unrestricted funds include reserve money and dollars that are largely committed to programs but have the potential to be moved.

However, Clemson has less debt per student than the comparable schools with bigger fund balances, Dalton said. He said at least part of the decline in the unrestricted funds was planned by the university, which anticipated lots of turnover and added new capital programs around 2007.

"Clemson is in a better position than our peers," he said. "I think it's easy for us to say 'the sky's falling, the sky's falling.' But the sky is not falling."

Dalton said dramatic action taken by the university beginning in October 2008 — including furloughs and big cuts — has left Clemson in a better position than its competitors.

University President James Barker said one of the less-noticed aspects of the university is that it is inexpensive and tuition is far cheaper than the published rates for the great majority of students.

Dalton said the "sticker price" of Clemson's tuition gets much more attention than the actual rate that students pay.

Several board members said they had received calls from parents who complained about what they said were high tuition rates.

Board member Patti McAbee said some of those complaints could be due to first-year students losing scholarships, which other board members said should be balanced against students who earned scholarships in their second year.

Dalton said the average freshman pays \$1,731 per semester in tuition and fees, compared with the published rate of \$5,839 per semester.

That significant difference is because of scholarships and grants, Dalton said. He said both South Carolina and Clemson had increased how much they pay in scholarships by as much as 800 percent since 2000.



© 2010 Scripps Newspaper Group — Online