Academic Senate Retreat
Budget Update
# FY 2019-20 Year-End Summary

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>FY 2019 20 Revenues</th>
<th>FY 2019 20 Expenses</th>
<th>Surplus/ (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating</td>
<td>$380.7</td>
<td>$393.4</td>
<td>($12.7)</td>
</tr>
<tr>
<td>Enterprise</td>
<td>$89.8</td>
<td>$106.6</td>
<td>($16.8)</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>$50.7</td>
<td>$50.5</td>
<td>$0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$521.2</strong></td>
<td><strong>$550.5</strong></td>
<td><strong>($29.3)</strong></td>
</tr>
</tbody>
</table>
## FY 2019-20 Year-End Balances

($ millions)

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Beginning Balance</th>
<th>FY 2019-20 Deficit</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating</td>
<td>$74.7</td>
<td>($12.7)</td>
<td>$62.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>$53.6</td>
<td>($16.8)</td>
<td>$36.8</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>$85.7</td>
<td>$0.2</td>
<td>$85.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$214.0</strong></td>
<td><strong>($29.3)</strong></td>
<td><strong>$184.7</strong></td>
</tr>
</tbody>
</table>
Housing Loan

- University Union to loan $7.9M to Housing
  - 0% interest
  - Repayment over 7 years
  - First payment due FY 2021-22
- $3.9M to be used to fund Housing's deficit balance
- $4.0M to bring Fremont Hall back online
FY 2020-21
FY 2020-21 Challenges

- Projected Operating Budget Deficit of $35M
  - Reduction of CSU funding of $21M
  - Unfunded mandatory costs of $5M (health benefits, retirement, & insurance)
  - Campus Structural Budget Deficit of $9M

- Majority virtual learning environment

- Reduction in on campus population and housing residents
  - Parking
  - Housing
  - Dining
FY 2020-21 Challenges

- Cancellation of events
  - Athletics
  - PAC
  - Conference and Event Planning

- Costs related to operating in a COVID 19 environment
  - PPE
  - Testing
  - Technology (computers, hotspots, wireless, software etc.)
Historical CSU Funding

- **State Appropriation in Actual $**
- **State Appropriation in Equivalent 2008 $**
<table>
<thead>
<tr>
<th>Fund Type</th>
<th>FY 2020 21 Revenues</th>
<th>FY 2020 21 Expenses</th>
<th>Surplus/Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating</td>
<td>$387.4</td>
<td>$422.6</td>
<td>($35.2)</td>
</tr>
<tr>
<td>Enterprise</td>
<td>$81.2</td>
<td>$103.1</td>
<td>($21.9)</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>$50.3</td>
<td>$49.3</td>
<td>$1.0</td>
</tr>
<tr>
<td>Total</td>
<td>$518.9</td>
<td>$575.0</td>
<td>($56.1)</td>
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</tbody>
</table>

*Projections shown prior to budget mitigation actions*
FY 2020-21
Deficit Mitigation Actions

• Continuation of travel restrictions and hiring chill
• Early Exit Program (EEP)
• Strategic use one-time funds and reserves
• Centralized Benefits
• Recapture of 50% of unit carryforwards
• University wide budget reductions
• Optimization initiatives
FY 2020-21 - General Operating Budget Deficit Mitigation Plan

($ millions) | Amount
--- | ---
Projected General Operating Deficit | ($35.2)
Base Budget Reductions:
Division reduction target | $15.6
Other base adjustments | $4.0
One-time savings | $7.1
Use of Reserves | $10.0
Total Adjustments | $36.7
Projected Surplus (Deficit) | $1.5
20-21 Budget Timeline

• **September 9-11** - Budget reduction targets established and communicated to division Vice Presidents and Provost

• **September 30** – Division budget reduction plans submitted for review.

• **October 5-16** – Review of reduction plans by President, Provost/Executive Vice President and Sr. VP for Admin and Finance

• **October 30** – Reduction plans finalized.

• **November** – Adjusted budgets will be recorded

• **Late September- November** – Early Exit program rollout
CARES Allocation

- Cal Poly CARES Allocation of $14.1M
  - $7.0M designated for emergency financial aid for students
  - $7.1M for institutional support
  - $57.0K for minority serving institutions
Institutional Support

• Institutional portion of the funds are to be used to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus

• It is a Federal reimbursement grant
  • Expenses must be incurred before requesting reimbursement
  • Must be related to the impacts of COVID-19
  • Is subject to Single Audit requirements
<table>
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<tr>
<th>Type</th>
<th>Amount</th>
<th>Description</th>
</tr>
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</table>
| **COVID 19 Paid Administrative Leave (CPAL)**             |              | **Staff**  
|                                                           | $1,686,723   | Paid administrative leave up to 256 hours effective March 23 through December 31, 2020 for eligible employees unable to work due to COVID-19-related reasons |
|                                                           | 765,205      | **Emergency Pay**  
|                                                           |              | Emergency pay provisions available to certain employees assigned to work on campus during the governor’s stay at home order |
| **Academic Affairs**  
| **Resources**                                            | 367,635      | Resources and teaching materials to assist with a virtual teaching environment |
| **Technology**                                            | 394,818      | Technology equipment purchased for virtual learning and work from home resources such as laptops, hotspots, headsets, and software |
| **COVID 19 Paid Administrative Leave (CPAL)**             |              | **Students**  
|                                                           | 372,597      | Paid administrative leave for eligible student employees unable to work due to COVID-19-related reasons |
| **Faculty Stipends**                                      | 312,175      | Faculty support to assist with transitioning and training of faculty to move to a virtual teaching environment |
| **Travel**                                                | 100,283      | Cost of student travel cancellations |
| **Personal Protective Equipment (PPE)**                  | 9,195        | Equipment worn to minimize exposure to hazards that could cause workplace injuries and illnesses such as face shields, face masks, gloves, and gowns (25% of expenses, remaining 75% submitted to FEMA) |
| **Estimated Virtual Summer Instructional Support**       | 408,000      | This is covering faculty technology fellows ($47,000), training for faculty in online course development ($256,000), and faculty peer coached ($105,000) |
| **Estimated Virtual Fall Instructional Support**         | 264,000      | Covers student assistants for $131,000 and faculty technology fellows for $133,000 |
| **COVID 19 Testing**                                     | 200,000      | Viral testing, isolation/quarantine, contact tracing, and community training for Fall Quarter |
| **Housing Refunds**                                       | 2,000,000    | Reimbursed $20.2M for Spring Quarter |
| **Parking Refunds**                                       | 225,000      | Reimbursed $449K for Spring Quarter |
| **Total Reimbursement**                                  | $7,105,631   | **CALPOLY**  
|                                                           |              | **~CALPOLY** |
Questions?