

Budget Update



CAL POLY

FY 2020-21 Challenges

- Original Projected Operating Budget Deficit of \$35.2M
 - Reduction of CSU funding of \$21M
 - Unfunded mandatory costs of \$5M (health benefits, retirement, & insurance)
 - Campus Structural Budget Deficit of \$9M
- Reduction in on campus population (faculty, staff and students) and housing residents
 - Parking
 - Housing
 - Dining

FY 2020-21 Challenges

- Cancellation/Postponement 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.)

FY 2020-21 Projection Summary

(\$ millions)

Fund Type	FY 2020-21 Revenues	FY 2020-21 Expenses	Surplus/ (Deficit)
General Operating	\$387.4	\$422.6	(\$35.2)
Enterprise	\$81.2	\$103.1	(\$21.9)
Auxiliary	\$50.3	\$49.3	\$1.0
Total	\$518.9	\$575.0	(\$56.1)

*Projections shown prior to budget mitigation actions

Budget Updates

- Increase of \$1.4M in tuition and fee revenue due to strong enrollment
 - Revised deficit \$33.6M
- Concluded Division/College Budget meetings
 - Finalized Base budget reductions
 - Finalized Roll Forward (RF) sweeps
- Executed Early Exit Program (EEP)
- Updated budget estimates for Housing and Dining based upon most current activity.

Division Reductions and Roll Forwards

(\$ millions)

Division	Base Reduction	% Base Budget Reduction	RF Sweep	% of Total RF Sweep
Academic Affairs	\$5.5	2.5%	\$2.6	32%
Colleges	\$4.5	2.3%		
Other	\$0.99	4.3%		
Administration & Finance	\$4.0	8.2%	\$4.4	56%
Enrollment Mgmt & University Strategy	\$1.3	9.6%	\$0.80	10%
Information Technology Services	\$1.8	9.9%	--	--
Research & Economic Dev.	\$0.34	17.0%	--	--
Diversity & Inclusivity	\$0.12	10.2%	\$0.24	3%
President's Office	\$0.20	10.4%		
Student Affairs	\$1.1	3.8%	\$0.76	10%
Athletics	\$0.25	3.4%		
Remainder	\$0.86	3.8%		
University Development	\$0.62	13.0%	--	--
Total	\$15.0		\$8.8	

Investments

- Strategic reserve for Academic Affairs
 - \$800k
- Enrollment Management and University Strategy
 - \$225k
- Information Technology modernization
 - \$1.8M

Early Exit Program

- 92 Participants
 - 14 MPP
 - 11 Faculty
 - 67 Staff
- Associated Salary and Benefit Costs = \$10.7M
- No projected savings in 2020 due to payout of incentive and vacation accruals. Estimated cost for 2020 = \$2M
- Estimated savings for FY21-22 = \$6M, assuming 40% refill rate

FY 2020-21 Projection Summary

(\$ millions)

Fund Type	FY 2020-21 Revenues	FY 2020-21 Expenses	Surplus/ (Deficit)
General Operating	\$370.0	\$388.1	(\$18.1)
Enterprise	\$81.0	\$103.1	(\$22.1)
Auxiliary	\$39.9	\$43.2	(\$3.3)
Total	\$490.9	\$534.4	(\$43.5)

Note: Projections shown after base budget reductions

FY 2020-21 General Operating Budget Deficit Mitigation Plan

(\$ millions)	Initial Projection	Revised Projection
Projected General Operating Deficit	(\$35.2)	(\$35.2)
Increased enrollment projection		\$1.6
General Operating Deficit	(\$35.2)	(\$33.6)
Base Budget Reductions:		
Division reduction target	\$15.6	\$15.0
Other base adjustments	\$4.0	\$3.4
Investments		(\$2.9)
One-time savings	\$7.1	\$2.2
Use of Roll Forward and Reserves	\$10.0	\$15.9
Projected Surplus (Deficit)	\$1.5	-

Other

- University Housing
 - Project deficit \$22.8M
 - Loan from university funds
- \$33.6M Budget Deficit
 - \$15.5M permanent budget net reductions
 - \$18.1M balance from one-time and reserves
- State economic forecast uncertainty
- Federal stimulus package potential

Questions?
