

Budget Update

President's Leadership Council
October 14, 2020



CAL POLY

Budget Update

FY 2019-20

Year-End Summary

(\$ millions)

Fund Type	FY 2019-20 Revenues	FY 2019-20 Expenses	Surplus/ (Deficit)
General Operating	\$380.7	\$393.4	(\$12.7)
Enterprise	\$89.8	\$106.6	(\$16.8)
Auxiliary	\$50.7	\$50.5	\$0.2
Total	\$521.2	\$550.5	(\$29.3)

FY 2019-20

Year-End Balances

(\$ millions)

Fund Type	Beginning Balance	FY 2019-20 Deficit	Ending Balance
General Operating	\$74.7	(\$12.7)	\$62.0
Enterprise	\$53.6	(\$16.8)	\$36.8
Auxiliary	\$85.7	\$0.2	\$85.9
Total	\$214.0	(\$29.3)	\$184.7

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.)

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

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 – Completed**
 - Budget reduction targets established and communicated to division Vice Presidents and Provost.
- **September 30 – Completed**
 - Division budget reduction plans submitted for review.
- **October 1-21 – Ongoing**
 - Early Exit Program accepting applications
- **October 5-16 – Ongoing**
 - 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

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

Questions?