

Budget Update

FY 2021-22



CAL POLY

Agenda

- CSU State Budget Allocation
- Cal Poly Budget Allocation
- FY 2021-22 Budget Overview
- Federal Stimulus Funding – HEERF
- University Housing Update
- FY 2022-23 Economic Outlook

FY 2021-22 Budget

CSU State Budget Base Funding

- State Budget Act of 2021 included a \$550M increase in recurring General Fund appropriation for the California State University (CSU)
 - \$299M for restoration of FY 2020-21 General Fund reduction
 - \$186M base increase for CSU operating costs
 - \$15M for basic needs initiative component of GI2025
 - \$15M for student mental health
 - \$6M for summer financial aid
 - \$25M for new polytechnic designation for Humboldt State University
 - \$2M for common learning management system
 - \$1M for enrollment growth at Stanislaus Stockton
 - \$1M for the African American Political and Economic Institute at Dominguez Hills



CSU State Budget One-time Funds

- State Budget Act of 2021 included \$976M of one-time funds for systemwide and campus specific initiatives
 - \$325M Deferred Maintenance and Energy Projects
 - \$433M Humboldt State transition to Polytechnic
 - \$176M Projects at Dominguez Hills, Northridge, Stan State & Fullerton
 - \$30M Student Emergency Assistance Grants
 - \$10M Professional Development and Equal Opportunity Practices
 - \$2M Evaluation of salary structure for represented employees
- In addition, \$44.4M from the one-time enrollment funding per the Budget Act of 2018 was allocated to campuses



FY 2021-22 Budget Allocation

(\$ millions)

	CSU Budget	Cal Poly Budget
Retention for Systemwide Priorities	(\$133.2)	(\$7.1)
Restoration of 2020-21 General Fund	299.0	20.6
Graduation Initiative 2025	150.0	2.2
CO Systemwide Provisions	90.1	-
2021-22 Compensation Adjustment	45.1	0.05
Other Program Adjustments	43.8	-
Health Premiums	23.8	1.4
AB 1460 Ethnic Studies	16.3	0.8
New Facilities (O&M)	15.2	3.2
SUG Redistribution	-	(0.6)
Total	\$550.1	\$20.6

Cal Poly Budget One-time Funds

- One-time funding in the amount of \$2.2M
 - \$1.2M enrollment funding in support of GI2025
 - \$500K for faculty professional development
 - \$478K for emergency financial assistance grants for low-income students

(\$ millions)

FY 2021-22 Budget Summary

	Preliminary FY 2020-21 Budget	Approved FY 2020-21 Budget	Approved FY 2021-22 Budget
Beginning General Operating Budget Deficit	(\$9.0)	(\$33.6)	(\$18.1)
CSU General Operating Reduction/Restoration	(21.2)	-	20.6
Mandatory costs	-	-	1.5
New facilities			3.2
GI 2025 and Ethnic studies			3.0
Systemwide Priorities	-	-	(7.1)
SUG			(0.6)
Increase in Tuition & Fees	1.6	-	7.4
Division Base Budget Reductions	-	15.0	-
Miscellaneous Base Budget Reductions	-	3.4	-
Operating Expense increases	(5.0)	(2.9)	(16.7)
Ongoing Budget Surplus/(Deficit)	(\$33.6)	(\$18.1)	(\$6.8)
One-time Budget Deficit Mitigation Measures	-	-	3.1
Total Deficit	(\$33.6)	(\$18.1)	(\$3.7)

FY 2021-22 Base Budget

(\$ millions)

	FY 2020-21 Budget	Change	FY 2021-22 Budget
Sources:			
State Appropriation	\$139.4	\$20.6	160.0
Tuition	120.0	(1.0)	119.0
Fees	105.7	8.4	114.1
Total Sources	\$365.1	\$28.0	\$393.1
Uses:			
General Campus Allocations	\$337.1	\$6.1	\$343.2
Campus Based Scholarships	21.6	2.3	23.9
Centrally Managed/Mandatory Costs	24.5	8.3	32.8
Total Uses	\$383.2	\$16.7	\$399.9
Net Surplus/(Deficit)	(\$18.1)	\$11.3	(\$6.8)



Federal Stimulus Funding

Federal Stimulus Funding

(\$ millions)

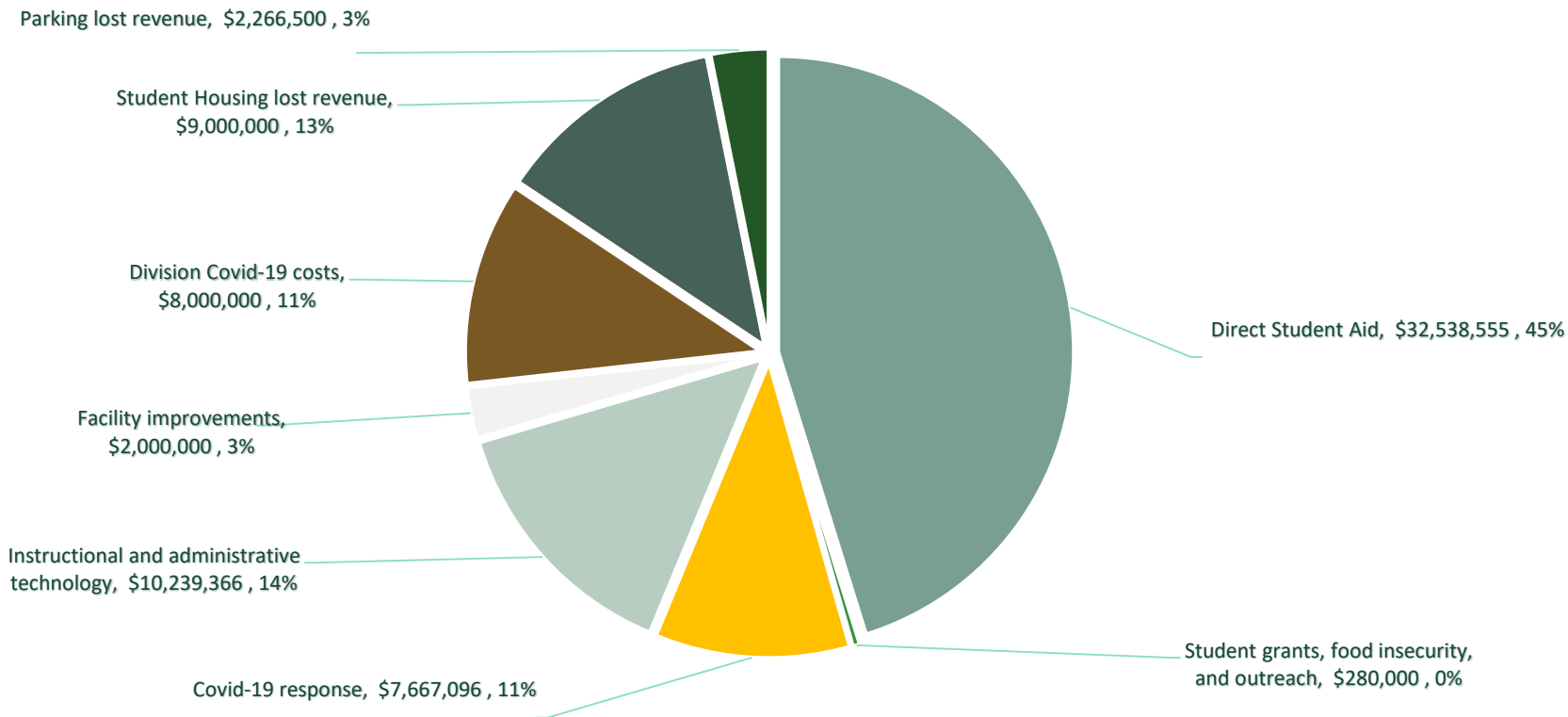
Category	HEERF I	HEERF II	HEERF III	Total
Student Financial Aid support	\$7.05	\$7.05	\$18.44	\$32.54
Institutional support	7.05	13.70	18.44	39.19
Minority Serving Institution (MSI)	0.05	0.08	0.13	0.26
Total	\$14.15	\$20.83	\$37.01	\$71.99

Federal Stimulus Allocation

Category	Amount
Direct Student Financial Aid	\$ 32,538,555
Other student grants, food insecurity, and outreach	280,000
COVID-19 response (testing, PPE, isolation/quarantine, emergency pay)	7,667,096
Division COVID-19 costs (PPE, equipment, temporary staffing, etc.)	8,000,000
Instructional and Administrative technology	10,239,366
Facility HVAC improvements	2,000,000
Student Housing lost revenue recovery/refunds	9,000,000
Parking lost revenue recovery/refunds	2,266,500
Total:	\$ 71,991,517



Federal Stimulus Allocation



University Housing Update

University Housing

- Due to the effects of COVID-19, University Housing experienced a substantial loss in revenue as students returned to their permanent residence
 - FY 2019-20 loss of revenue in the amount of \$20M
 - Resulted in a net deficit of \$14.5M
 - Addressed using reserves and \$7.9M loan from the UU
 - FY 2020-21 loss of revenue in the amount of \$34.8M
 - Resulted in a net deficit of \$18.4M
 - Addressed with a combination of HEERF funds and loan from the University
 - University loan issued to Housing for \$18.9M
 - University loan incorporated the deficit from both fiscal years
 - Reversed UU loan
 - 10 year repayment plan



FY 2022-23 Economic Outlook

FY 2022-23 Economic Outlook

- State:
 - Multi-year budget surplus = \$75 billion
 - Positive forecast through 2024-25
- CSU:
 - State General Fund upward trend since 2012-13
 - Strong support and credibility with the Governor and Legislature
- Bottom line: State is well positioned to invest more in CSU

FY 2022-23 CSU Preliminary Budget Plan

Incremental Expenditure Increases	Range (\$ millions)	
Graduation Initiative 2025	\$75.0	\$75.0
Student basic needs	10.0	20.0
Bridging equity divide through technology	50.0	100.0
Employee salary and benefit increases	199.0	245.0
Academic facilities and infrastructure	50.0	135.0
Enrollment growth	129.0	129.0
Mandatory costs	50.0	50.0
Staff salary structure study results	TBD	TBD
Total incremental budget request	\$563.0	\$754.0



Questions?



Thank You