

3rd Quarter Budget Update

April 20, 2021

CSUDH

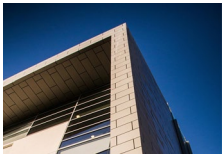
DIRECTORY

CSUDH

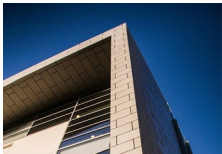
CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS

Agenda

- I. 2020-21 Budget
- II. 3rd Quarter Actuals
- III. CARES Funding
- IV. 2021-22 Budget Planning

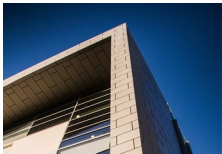


2020-21 BUDGET



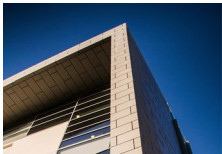
Budget Reduction

- When we started the fiscal year in July, the campus was facing a base shortfall of \$9.9M and a one-time shortfall of \$14.9M
- There were a number of base and one-time measures implemented to mitigate the shortfall
- One-Time
 - Swept travel = \$820k
 - Utilities savings = \$1M
 - Reduction/ Elimination of 1x Items = \$4M
- Base
 - Stoplight Chart = \$5.3M
 - Proportionate Reduction to Divisions = \$4.6M

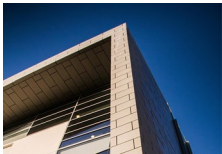


Budget Reduction

- The strategy that had the largest impact was a campus-wide commitment to not deficit spend
- This allowed any surplus funds to be used for the shortfall versus addressing new deficits
- An overall reduction of spending is a grassroots effort, and every member of the community contributed
- **The ENTIRE campus is to be commended for maintaining quality of education while remaining cognizant of budgetary constraints**

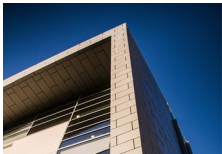


3rd Quarter Actuals



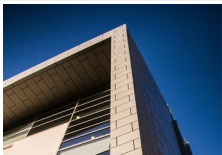
AADHT Actuals and Projections

- We closely monitor progress in addressing the budget deficit by running projection reports at the close of each month
- These reports reflect three categories of expenses:
 - 1) Actuals to Date. These are the real actual expenses that have taken place up until the close of the reporting period.
 - 2) Projected Actuals. These are projections for the remainder of the year based on the assumption that spending will continue at the same rate. This approach averages the spending of the previous months.
 - 3) Encumbrances. These are financial commitments that have already been made, that we know we will have to pay. Encumbrances can vary drastically based on timing of contracts or payments.



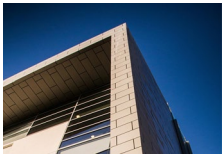
AADHT Actuals and Projections

- **These budgets and actuals are a snapshot in time.**
- The Total Base Budget will not change; however, the Base Budget in each division may fluctuate slightly throughout the year due to re-organizations or allocations from Centrally Monitored
- Projected actuals are based on average spending to date. This means that if the amount of spending changes drastically, the projections of future expenses will also change



Third Quarter Report

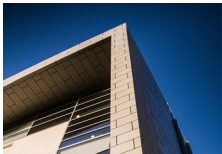
- Third Quarter is typically when we have a more refined set of projections for the remainder of the year
- With a clear idea of what the year-end balance will look like, we can begin planning for the next fiscal year
 - These conversations include preparing for year-end close and reserve designations
- Most of the anticipated payments have been made or are reflected within the projections



Third Quarter Report

- Revenues over budget will be approximately \$7M- this excess revenue will be collected within Centrally Monitored.

Revenue	Original Budget	Revised Budget	Actuals (July-Mar)	Projected Actuals (Apr-June)	Encumbrances	Projected YE Actuals	Projected YE Balance
State Allocation	\$ (103,393,000)	\$ (103,393,255)	\$ (77,547,393)	\$ (25,845,862)	\$ -	\$ (103,393,255)	\$ -
Student Fees	\$ (86,994,000)	\$ (86,994,000)	\$ (94,294,106)	\$ -	\$ -	\$ (94,294,106)	\$ 7,300,106
Cost Recovery	\$ (2,790,417)	\$ (2,790,417)	\$ (437,477)	\$ (2,352,940)	\$ -	\$ (2,790,417)	\$ (0)
Total	\$ (193,177,417)	\$ (193,177,672)	\$ (172,278,976)	\$ (28,198,802)	\$ -	\$(200,477,778)	\$ 7,300,106



Third Quarter Report

- Projected YE Balance is \$10.8M, essentially splitting the difference between Base Budget and the Revised Budget

Division	Original Budget	Revised Budget	Actuals (July-Mar)	Projected Actuals (Apr-June)	Encumbrances	Projected YE Actuals	Projected YE Balance
ACADEMIC AFFAIRS	\$ 63,134,546	\$ 65,316,374	\$ 47,488,530	\$ 14,590,932	\$ 303,924	\$ 62,383,387	\$ 2,932,988
ADMIN AND FINANCE	\$ 15,166,381	\$ 16,919,581	\$ 11,501,114	\$ 3,362,967	\$ 1,169,561	\$ 16,033,642	\$ 885,939
ADVANCEMENT	\$ 2,953,660	\$ 4,300,070	\$ 1,680,013	\$ 622,732	\$ 209,048	\$ 2,511,793	\$ 1,788,277
INFO TECHNOLOGY	\$ 9,172,737	\$ 11,125,903	\$ 11,532,174	\$ 3,268,094	\$ 1,879,513	\$ 16,679,781	\$ (5,553,878)
PRESIDENTS	\$ 3,155,873	\$ 3,818,640	\$ 2,056,472	\$ 705,135	\$ 191,685	\$ 2,953,292	\$ 865,348
STUDENT AFFAIRS	\$ 11,307,225	\$ 11,262,074	\$ 7,613,542	\$ 2,203,444	\$ 216,224	\$ 10,033,210	\$ 1,228,864
CENTRALLY MONITORED	\$ 88,286,996	\$ 100,671,098	\$ 74,224,495	\$ 17,055,536	\$ 721,203	\$ 92,001,234	\$ 8,669,864
<i>Benefits</i>	\$ 46,623,121	\$ 44,407,524	\$ 37,037,296	\$ 12,567,607	\$ -	\$ 49,604,903	\$ (5,197,379)
<i>Utilities</i>	\$ 3,278,078	\$ 3,344,527	\$ 1,619,336	\$ 539,779	\$ 163,911	\$ 2,323,025	\$ 1,021,502
<i>Financial Aid</i>	\$ 32,299,701	\$ 32,814,797	\$ 28,677,737	\$ 3,017,547	\$ -	\$ 31,695,284	\$ 1,119,513
<i>Other CM</i>	\$ 6,086,096	\$ 20,104,249	\$ 6,890,126	\$ 930,604	\$ 557,292	\$ 8,378,022	\$ 11,726,227
TOTAL	\$ 193,177,417	\$ 213,413,740	\$ 156,096,341	\$ 41,808,840	\$ 4,691,158	\$ 202,596,339	\$ 10,817,400

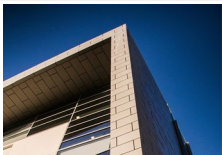
*IT over-spending associated with response to virtual environment- some expenses will be reimbursed by CARES



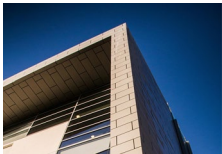
Third Quarter Report

- As we look at the year-end balances, we can begin to project the available balance for the 21-22 year. If we build intention and goals into the balance, it becomes a Reserve.

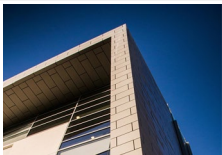
Current Projected CM YE (w/no transfers)*	\$ 8,669,864
Plus Over Revenue	\$ 7,300,106
<i>Total Projected "Reserve"</i>	<i>\$ 15,969,969</i>
Hold: CM Designated Funds	\$ 2,418,160
Transfer to I&I	\$ 1,500,000
Transfer to Library Moves	\$ 1,500,000
Hold: Future Reserve	\$ 4,500,000
<i>Total Projected Allocations</i>	<i>\$ 9,918,160</i>
Unallocated 21-22 Reserve	\$ 6,051,809
*Includes all CARES funds that have been collected centrally	



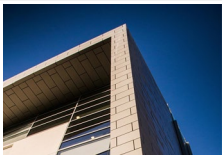
CARES FUNDING



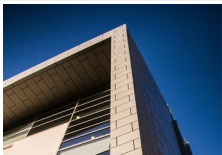
- In March 2020 Congress authorized the Coronavirus Aid, Relief, and Economic Security Act (CARES)
- The portion of these funds were deposited into the Higher Education Emergency Relief Fund (HEERF), and distributed to universities across the country
- There have been supplemental appropriation bills that have been passed with different names, but these funds are included under the umbrella of “CARES”



- CSUDH received an additional allocation as a Minority Serving Institution. This additional funding is called the “MSI Portion”
- CARES requires that half of the funding allocated to the campus is distributed directly to students in the form of Emergency Aid Grants
 - (CARES II only required 30% to be allocated to Emergency Aid Grants)
- The remaining funding is the “Institutional Portion” of the grant, which can be used for COVID- related expenses on campus.
- These funds are 1x in nature, so they can’t be used for any on-going expenses

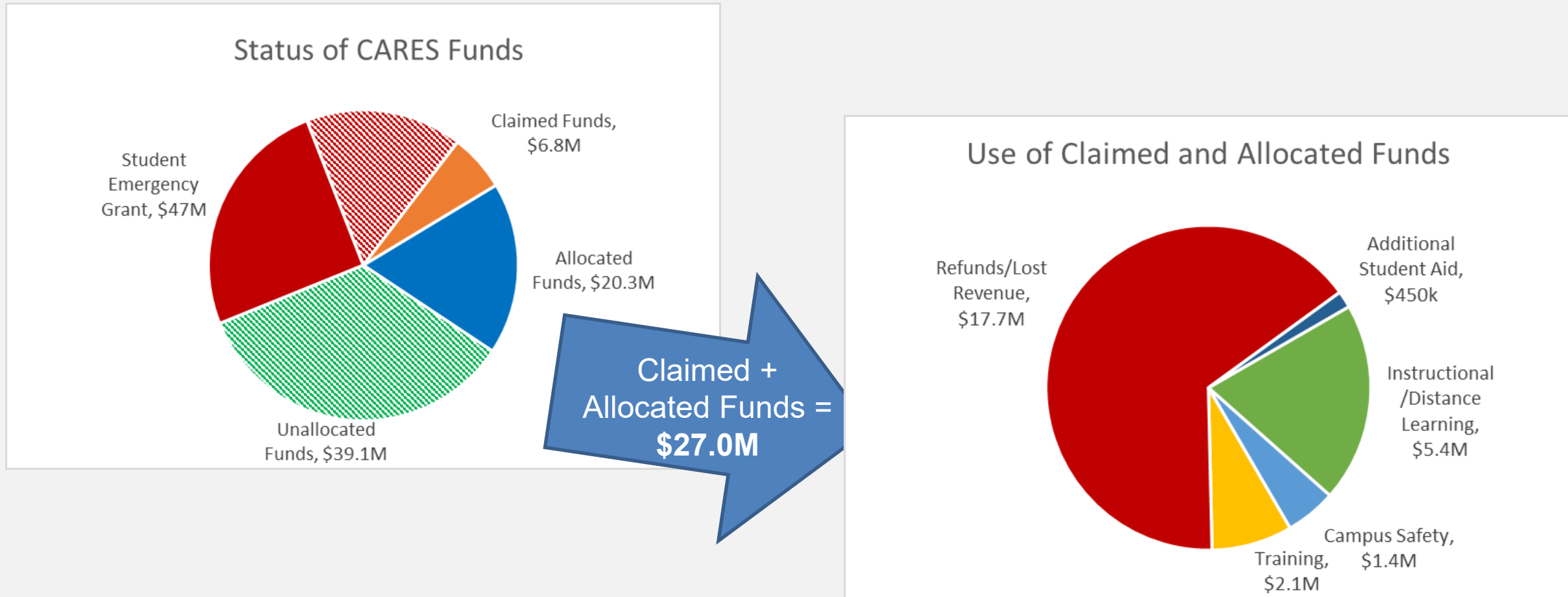


	CARES I	CARES II	CARES III	TOTAL
Allocation- Institutional Funds	\$ 9,240,638	\$ 22,602,924	\$ 27,439,117	\$ 59,282,679
Allocation- MSI Funds	\$ 1,312,563	\$ 1,980,621	\$ 3,550,249	\$ 6,843,433
Student Grants	\$ 9,240,639	\$ 9,240,639	\$ 28,476,293	\$ 46,957,571
Total Allocation	\$ 19,793,840	\$ 33,824,184	\$ 59,465,659	\$ 113,083,683
<i>(Less Student Grants)</i>	<i>\$ (9,240,639)</i>	<i>\$ (9,240,639)</i>	<i>\$ (28,476,293)</i>	<i>\$ (46,957,571)</i>
Available Institutional Portion	\$ 10,553,201	\$ 24,583,545	\$ 30,989,366	\$ 66,126,112
Drawn Down	\$ 6,752,366	\$ -	\$ -	\$ 6,752,366
Allocated	\$ 3,800,834	\$ 12,237,378	\$ 4,240,249	\$ 20,278,461
Unallocated	\$ 0	\$ 12,346,167	\$ 26,749,117	\$ 39,095,284



CARES Funding

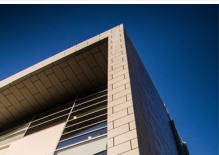
- CSUDH has received approximately \$113M in CARES funding, and has drawn down or allocated approximately \$27M of it



\$39 million?! That seems like it should solve ALL our budget problems, right?

Not quite! CARES funds are *extremely* restrictive in how they can be used. There are many sets of guidelines, but essentially these funds can only be used for expenses that are directly related to the pandemic in two ways:

- 1) COVID-related health and safety on campus. This means expenses like protective equipment and testing. General health and safety (like the Student Health Center) are not applicable.
- 2) Change in instruction to a virtual environment. The expenses are only applicable if it's directly related to moving into a virtual environment, and the campus wasn't doing it *before* the pandemic.

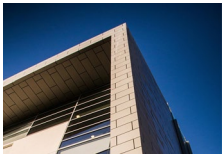


So, what is the plan for the other \$39 million?

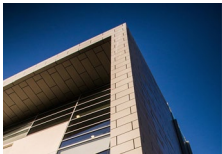
The Executive Policy Group is continuing to brainstorm uses of these funds that can support students, staff, and faculty as we safely repopulate the campus.

These uses can't be too creative, as they still need comply with the guidelines provided by the Federal Government, and we know we will be audited on these funds.

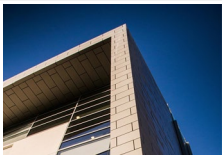
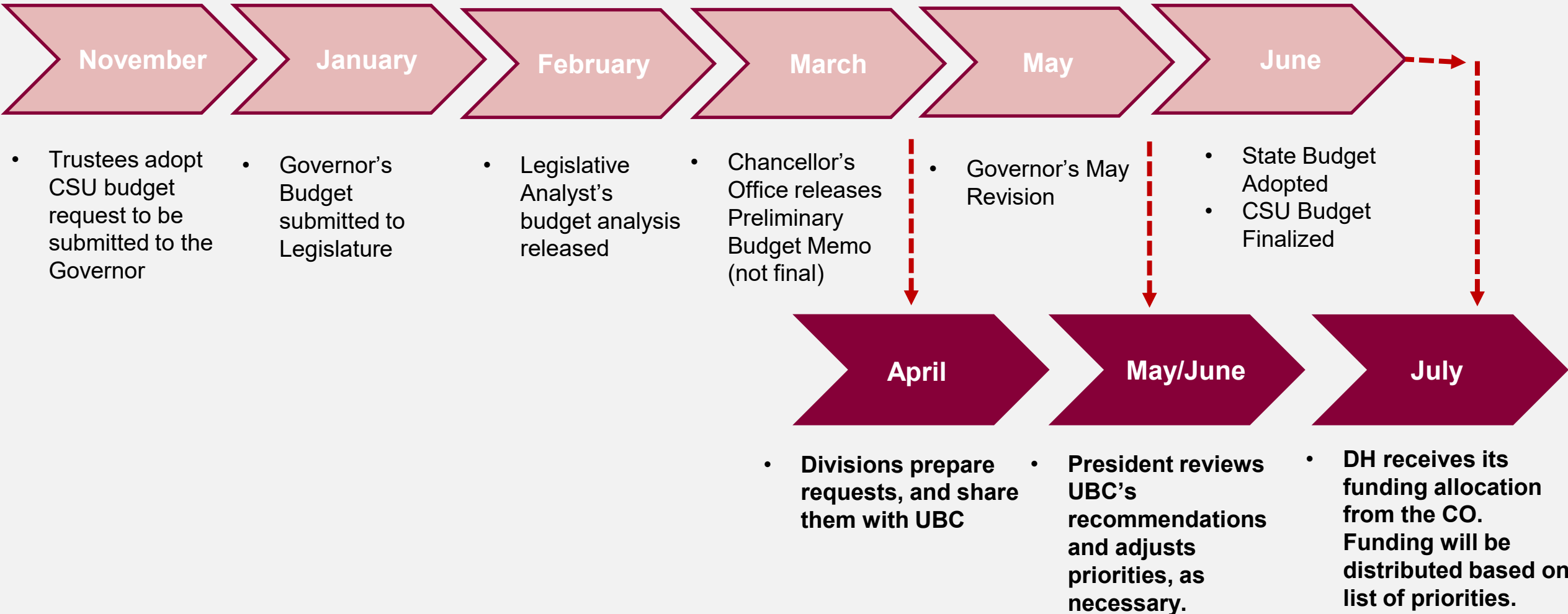
The guidelines continue to be amended and expanded, and as they are, we will work to reimburse the University for those expenses that have already been incurred, as well as plan for new costs.



2021-22 BUDGET PLANNING

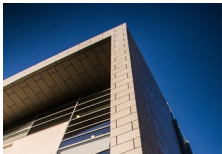


2021-22 Budget Timeline



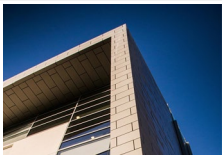
FY21-22 Preliminary Budget Allocations

- The CSU system is anticipating an increase of \$443.5 million
- The CSU Preliminary Budget Allocation Memo allocates \$338 million for restoration of the 2020-21 General Fund reduction and some mandatory costs.
- Resident enrollment targets for 2021-22 remain unchanged from 2020-21.
CSUDH Res Enrollment Target: 11,473
- All other funding proposals for specific programs (e.g., Basic Needs Initiative, student mental health and technology, etc.) as well as additional operational and mandatory cost allocations will be made after the budget is finalized in June.



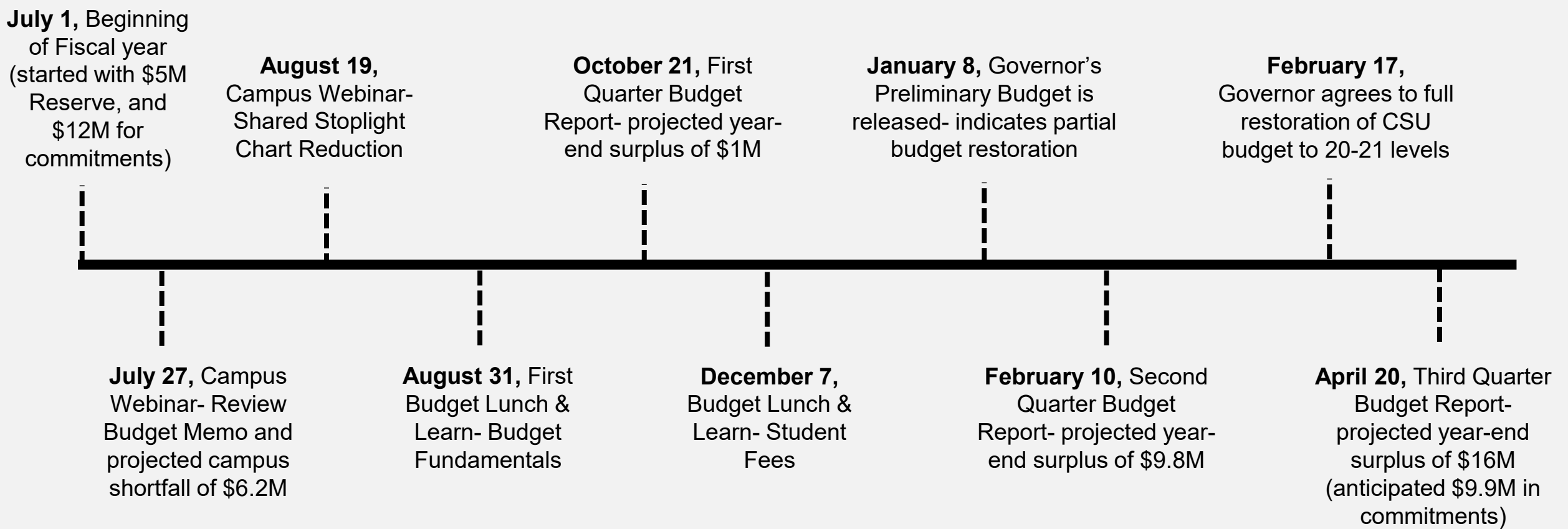
FY21-22 Budget Allocation Priorities

- CSUDH is continuing to work to absorb the previous year's budget reduction while receiving restored funding, and implementing strategic budgeting in a year without a strategic plan
- In order to budget strategically, funding will be allocated in the following priorities:
 - 1) Restore budget to unfunded activities, namely, those campus activities that were still happening despite eliminating funding
 - 2) Requests that have been proposed in the 21-22 budget and are supported conceptually, but have not had funding identified to support them
 - 3) Requests intended to not just restore CSUDH to where it used to be, but address the transformational needs of the campus
- Historically, each division requested budget allocations in silos; this budget cycle is different in that the VPs have been asked to look at the list collectively and in aggregate to support the broader campus planning goals.



Summary- Year To Date

- We committed to Budget transparency and education
 - So far in 20-21 we've had 11 Budget Presentations



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