

Financial Update
FY 2019-20
FY 2020-21
FY 2021-22
FY 2022-23

Budget Subcommittee • September 22, 2020
Planning and Budget • September 24, 2020

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Disclaimer-figures may not add due to rounding

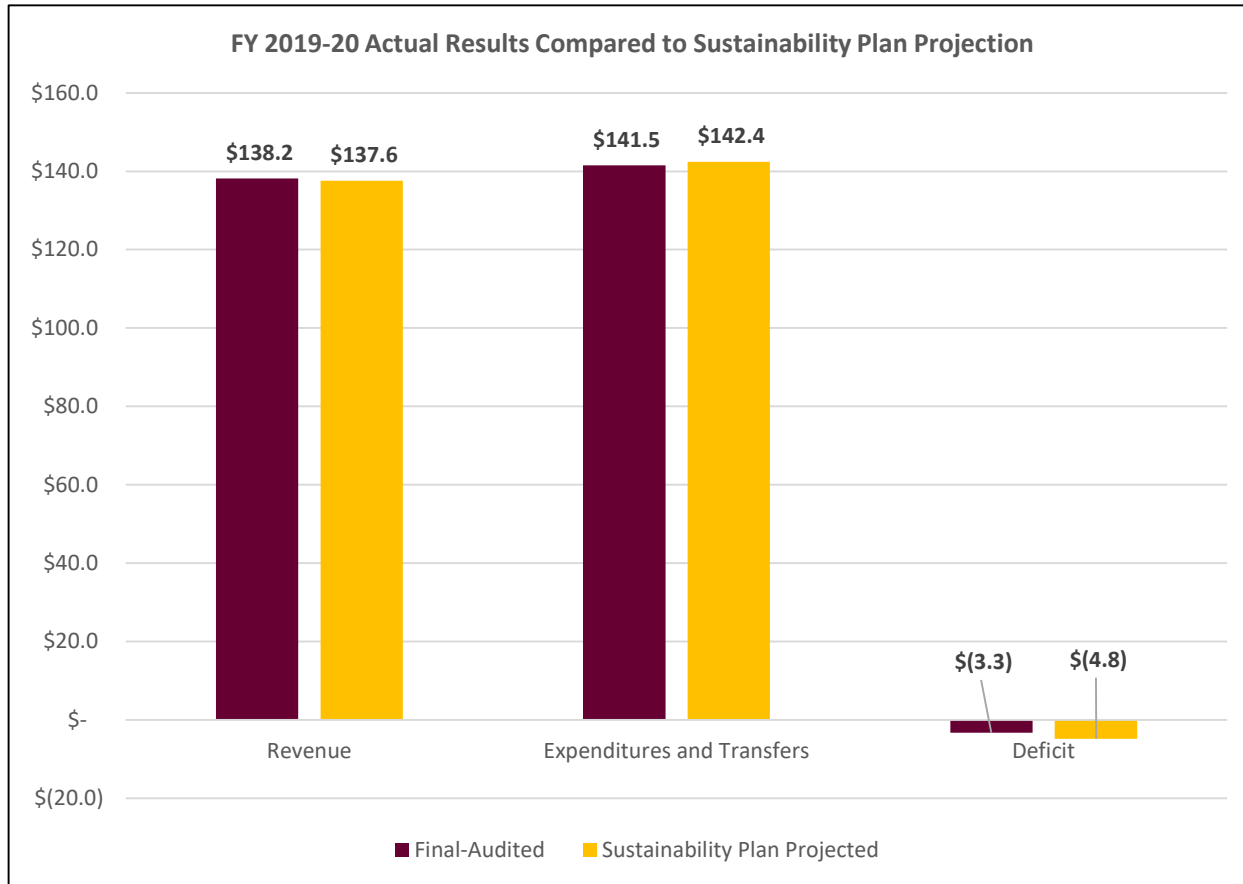
BLOOMSBURG UNIVERSITY®

E&G Operations Actual Results FY 2019-20



Actual Results – FY 2019-20

E&G Operations (as of 6.30.20 - audited)



- Actual shortfall \$1.5M better than projected on Sustainability Plan v. 2 (June 2020) primarily due to:
 - Delayed transfer to plant for sound mitigation projection to 2021 to better align with project expenditures (\$1.0M)
 - ESCO bond refinancing not included in Sustainability Plan v.2 (\$.4M)
- Shortfall (use of unrestricted net assets) composition:
 - E&G General Fund - \$2.4M
 - E&G Special Programs/Self-Supporting - \$.9M

Comprehensive Planning Process Submission (CPP)¹ E&G FY 2020-21, 2021-22, 2022-23

¹ CPP – comprehensive, strategic planning toolset that aligns multiyear System and university goals, net price strategies, budgets, and academic planning to ensure results and underpin individual and institutional accountability and sustainability. The CPP is v.3 of the sustainability plan submitted in June 2020.



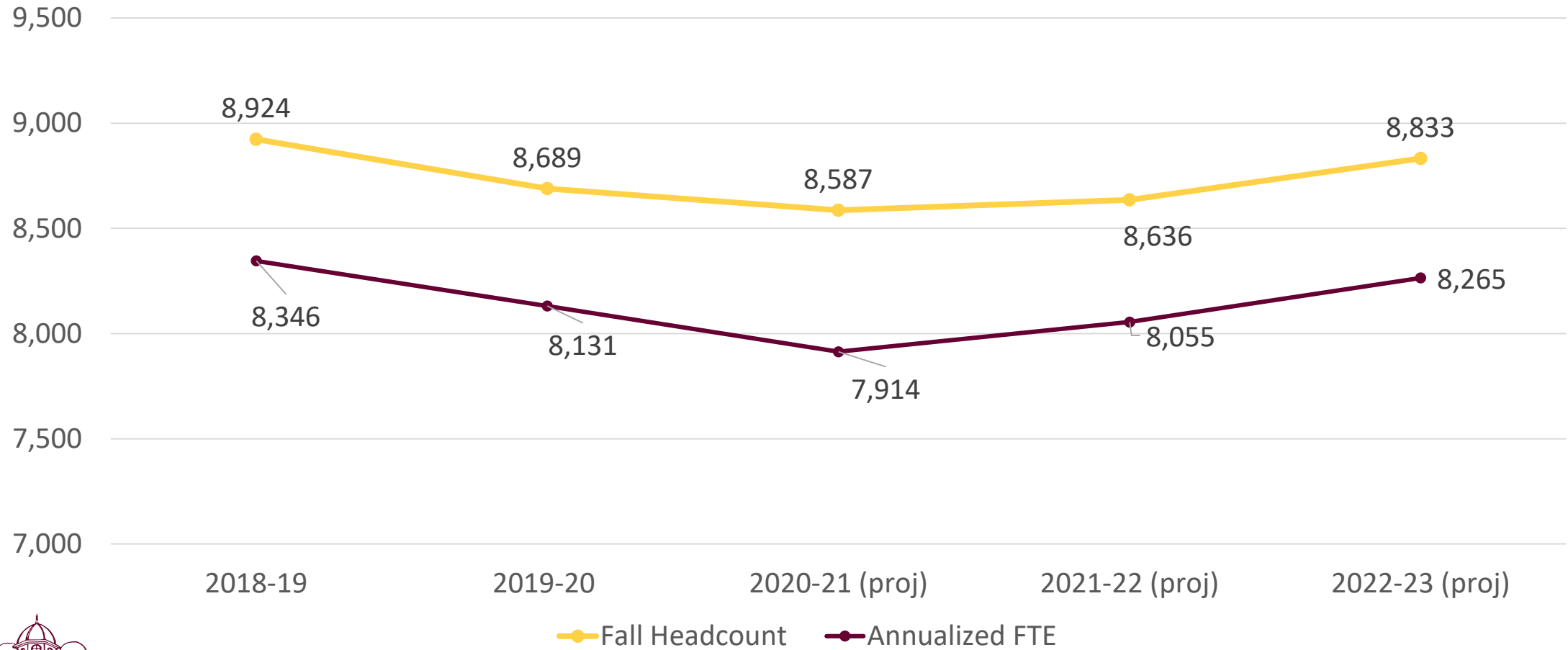
Key Assumptions

	FY 2020-21	FY 2021-22	FY 2022-23
Tuition and Fees	0% increase	1% increase	1% increase
Student Retention	2 year weighted average continuing rate	2 year weighted average continuing rate + 1.5%	2 year weighted average continuing rate + 1.5%
Appropriation	0% increase	0% increase	0% increase
Compensation/Benefits	Salary increases incorporated per collective bargaining agreements; projections include effect of Enhanced Sick Leave Payout (ESLP); benefit increases/decreases incorporated based on negotiated rates	Salary increases incorporated per collective bargaining agreements; benefit increases/decreases incorporated based on negotiated rates	Salary increases incorporated per collective bargaining agreements; benefit increases/decreases incorporated based on negotiated rates
Vacant Positions	Only those expected to be filled are included (based on expected start date); all others have been eliminated or frozen	Only those expected to be filled are included (full-year, unless otherwise known); all others have been eliminated or frozen	Only those expected to be filled are included (full-year, unless otherwise known); all others have been eliminated or frozen
COVID-19	Assumes all revenue received will be expended (see supplementary information for detail)		
Self-Supporting/Auxiliary Funds	Balanced in line with available revenue/unrestricted net assets	Balanced in line with available revenue/unrestricted net assets	Balanced in line with available revenue/unrestricted net assets

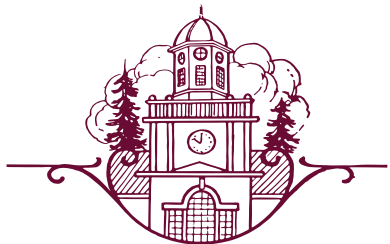
Key Assumptions (cont.)

	FY 2020-21	FY 2021-22	FY 2022-23
Implementation of Temp Faculty Reduction Target (21 FTE in order to achieve balanced budget and, therefore, required student to faculty ratio)	Completed by Fall 2020; projected savings based on average cost of a temp (\$79K)	Maintain same reduction as prior year; projected savings based on average cost of a temp (\$79K)	Maintain same reduction as prior year; projected savings based on average cost of a temp (\$79K)
Implementation of Non-Faculty Reduction Target (70 FTE in order to achieve balanced budget)	Completed by March 1, 2021 (33% of year); projected savings based on weighted avg cost of non-faculty (\$93K)	Maintain reduction for full year; projected savings based on weighted avg cost of non-faculty (\$93K)	Maintain reduction for full year; projected savings based on weighted avg cost of non-faculty (\$93K)

CPP - Enrollment



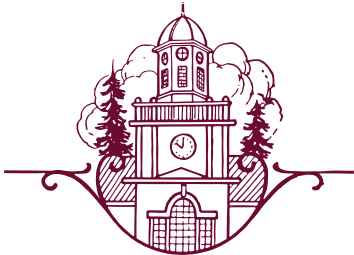
Note: Fall 2020 Official freeze date headcount enrollment = 8,436



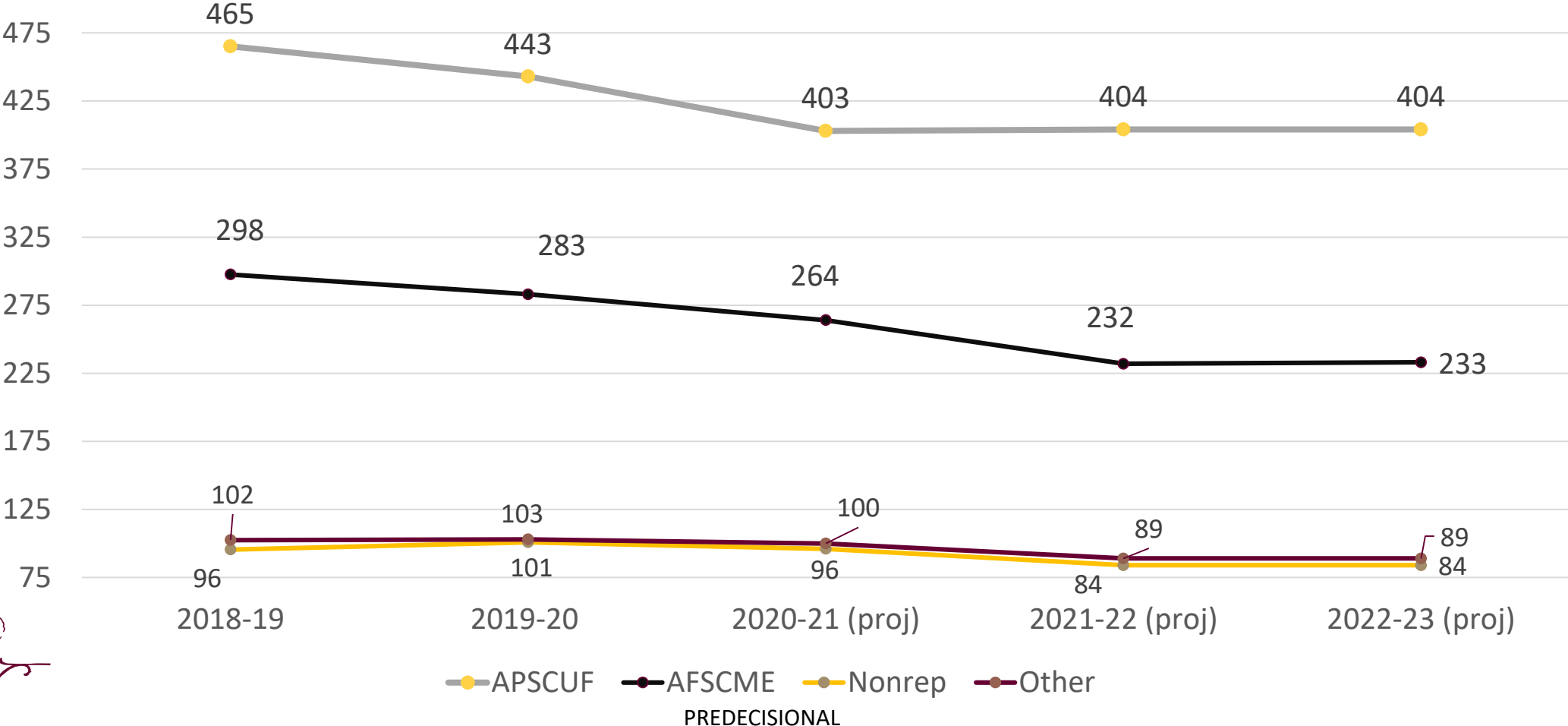
Annualized FTE Enrollment Decline

	2018-19	2019-20	Annual Change		2020-21 Proj.	Annual Change		2021-22 Proj.	Annual Change		2022-23 Proj.	Annual Change		Five Year Change ¹	
Annualized FTE Enrollment	8346	8131	-215	-2.6%	7914	-217	-2.7%	8055	-141	1.8%	8265	210	2.6%	-81	-1.0%

¹ Enrollment peak – 2011-12 (9788 annualized FTE); 2022-23 projected decline from peak = 1523 or 15.6%



CPP - Annualized E&G FTE Employees (Workforce)



Workforce Reductions

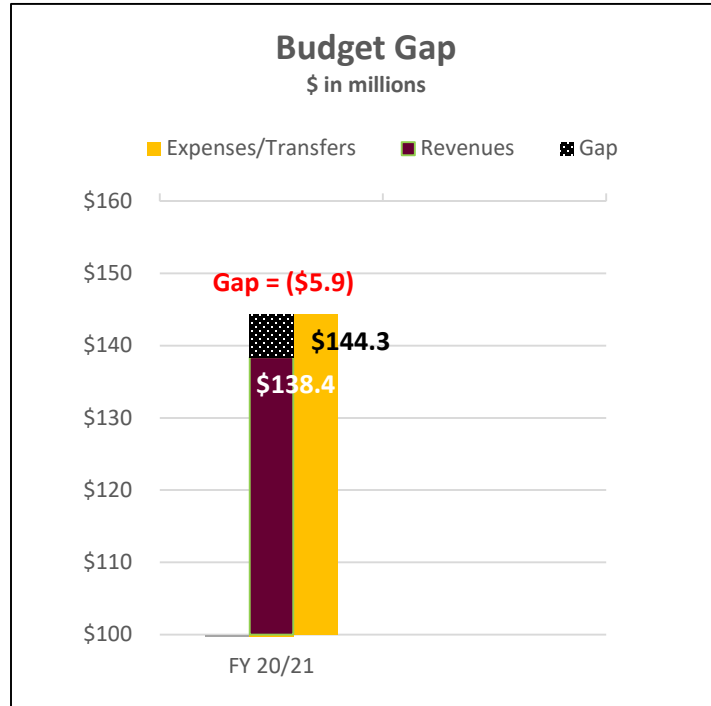
	2018-19	2019-20	Annual Change		2020-21 Proj	Annual Change		2021-22 Proj	Annual Change		2022-23 Proj	Annual Change		Five Year Change	
APSCUF	465	443	-22	-4.7%	403	-40	-9.0%	404	1	0.2%	404	0	0.0%	-61	-13.1%
AFSCME	298	283	-15	-5.0%	264	-19	-6.7%	232	-32	-12.1%	233	1	0.4%	-65	-21.8%
Other Represented Employees	102	103	1	1.0%	100	-3	-2.9%	89	-11	-11.0%	89	0	0.0%	-13	-12.7%
Non-Represented Employees	96	101	5	5.2%	96	-5	-5.0%	84	-12	-12.5%	84	0	0.0%	-12	-12.5%
TOTAL	961	930	-31	-3.6%	863	-67	-7.2%	809	-54	-6.3%	810	1	0.1%	-151	-15.7%



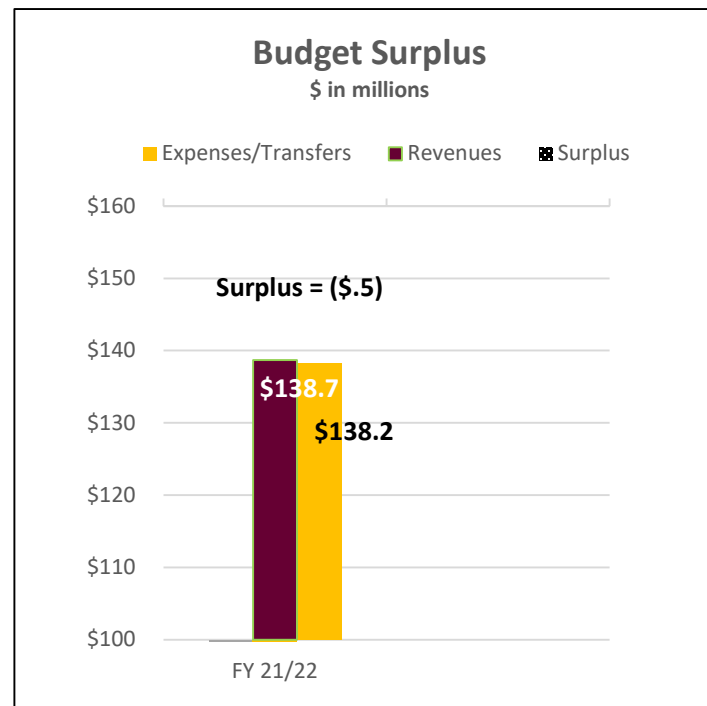
CPP Projections – FY 2020-21 through FY 2022-23

E&G Operations

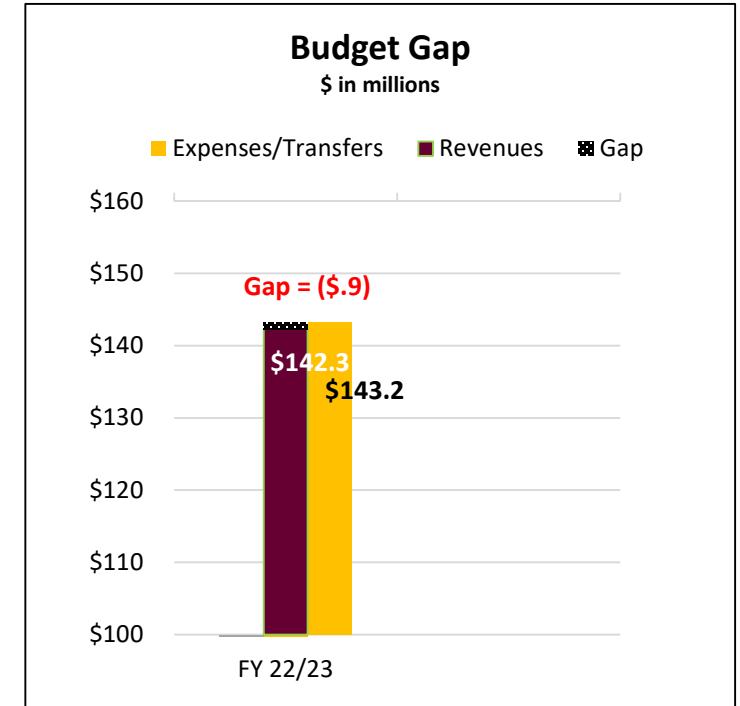
FY 2020-21



FY 2021-22



FY 2022-23



Budget gap composition:

- Balance budget = \$4.5M (fund from institutional reserves)
- Planned use of net assets (fund sound mitigation project) = \$1.0M
- Planned use of net assets (final year of marketing/branding project) = \$.4M

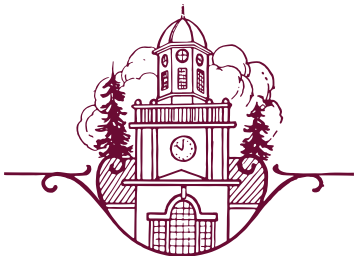
Budget gap composition:

- Balance budget = \$.9M (fund from institutional reserves)

CPP Ending Net Assets, Including E&G Plant Funds

Fiscal Year	Balance June 30 (in millions)
2019-20 (actual)	\$38.3
2020-21 (projected)	\$26.2
2021-22 (projected)	\$25.6
2022-23 (projected)	\$24.9

- **2020-21 change = \$12.1M reduction**
 - \$4.5M to balance E&G operations budget;
 - \$.4M planned use of net assets-marketing/branding campaign (final year);
 - \$7.2M net capital investment
- **2021-22 change = \$.6M reduction**
 - \$.6M E&G operations surplus offset by:
 - \$1.1M net capital investment
- **2022-23 change = \$.7M reduction**
 - \$.9M to balance E&G operations budget offset by:
 - \$.2M plant savings (E&G operations transfer in to E&G plant exceeds planned capital investment)

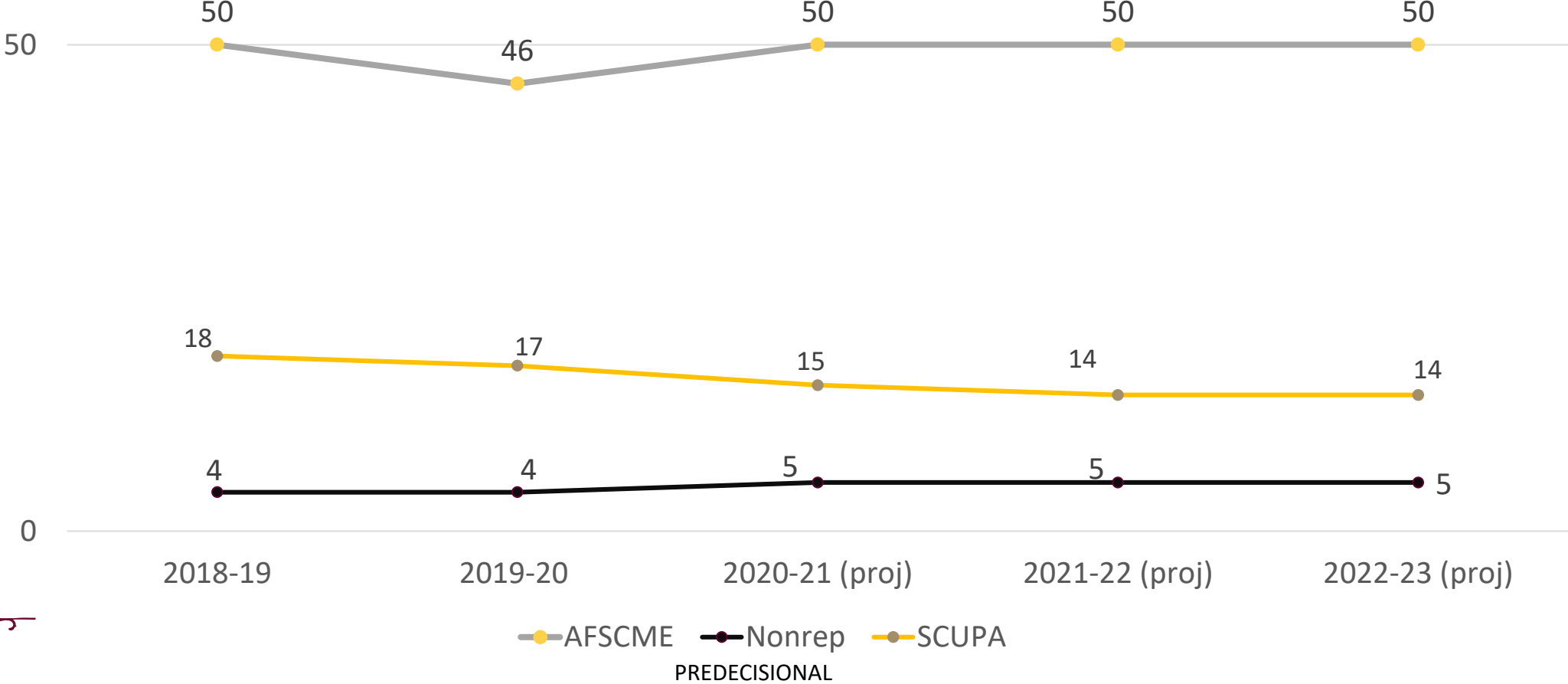


Comprehensive Planning Process Submission (CPP)¹ Auxiliary FY 2020-21, 2021-22, 2022-23

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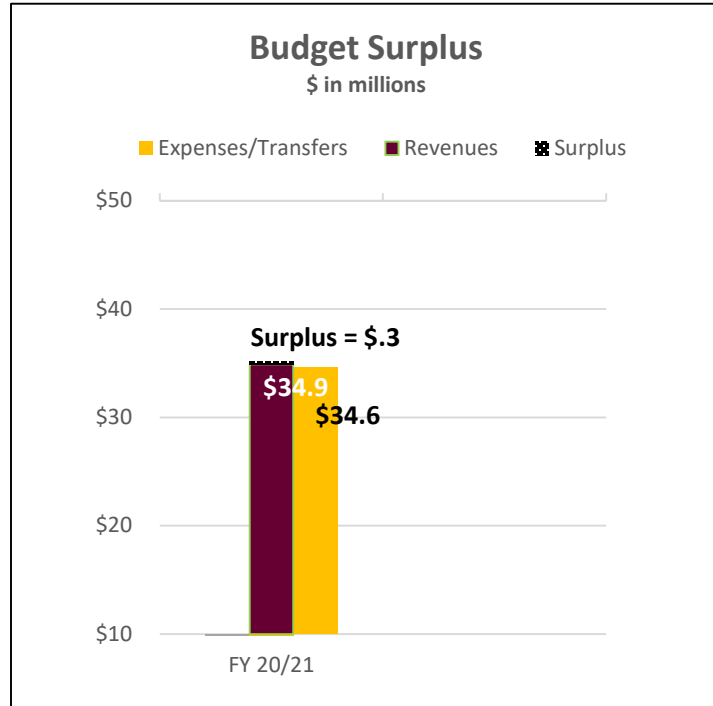
CPP - Annualized Auxiliary FTE Employees (Workforce)



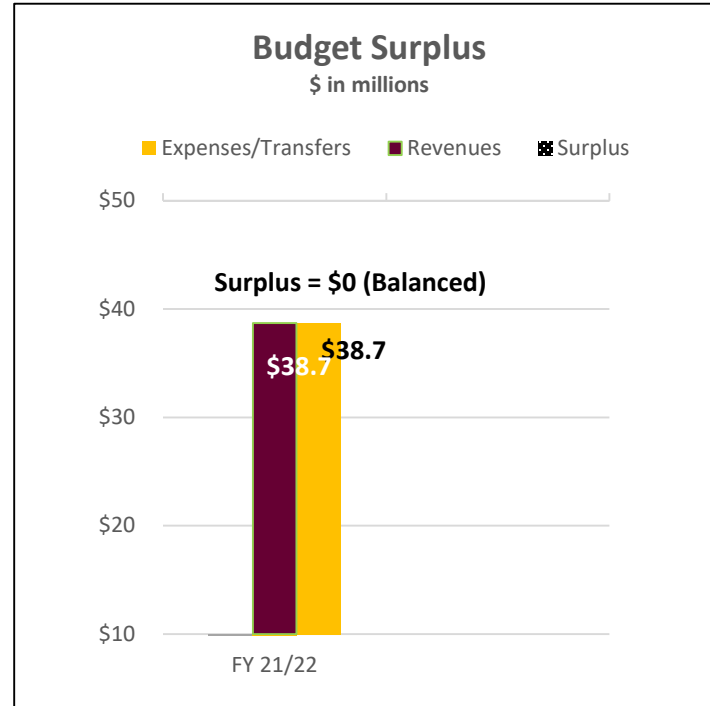
CPP Projections – FY 2020-21 through FY 2022-23

Auxiliary Operations

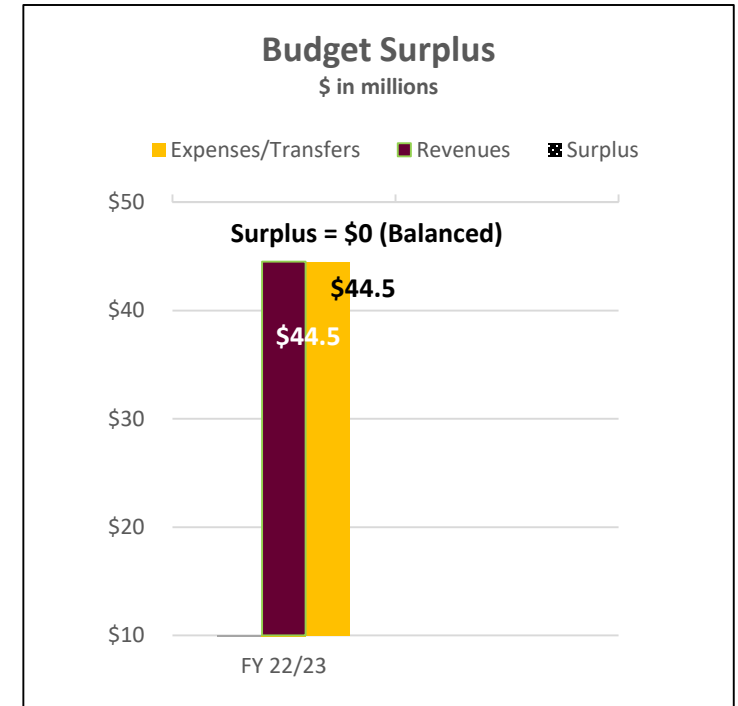
FY 2020-21



FY 2021-22



FY 2022-23



- Projected surplus the result of a \$0.3M adjustment to the institutional portion of CARES Act revenue recognition (late NACUBO guidance)
- Projection requires \$4.1M transfer in from Auxiliary Plant fund to fund operations

- Projection requires \$1.0M transfer in from Auxiliary Plant fund to fund operations

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CPP Ending Net Assets, Including Auxiliary Plant Funds

Fiscal Year	Balance June 30 (in millions)
2019-20 (actual)	\$29.5
2020-21 (projected)	\$25.6
2021-22 (projected)	\$26.9
2022-23 (projected)	\$29.6

- **2020-21 change = \$3.9M reduction**
 - \$4.1M to balance auxiliary operations budget offset by;
 - \$.2M plant savings (auxiliary operations transfer in to auxiliary plant exceeds planned capital investment)
- **2021-22 change = \$1.3M increase**
 - \$ 1.0M to balance auxiliary operations budget offset by;
 - \$2.3M plant savings (auxiliary operations transfer in to auxiliary plant exceeds planned capital investment)
- **2022-23 change = \$2.7M increase**
 - \$2.7M plant savings (auxiliary operations transfer in to auxiliary plant exceeds planned capital investment)



**E&G and Auxiliary
Consolidated
Financial Projections**
(all funds, including E&G and Auxiliary
plant funds)
FY 2020-21, 2021-22, 22-23



E&G and Auxiliary (Including Plant Funds) Consolidated Financial Projections

(dollars in millions)	FY 2020-21	FY 2021-22	FY 2022-23
E&G and Auxiliary Operations:			
Revenues	\$173.3	\$177.4	\$186.7
Operating Exp./Net Trfs. To Plant	(178.9)	(176.9)	(187.7)
(Deficit)/Surplus	\$(5.6)	\$.5	\$(.9)
Net Assets, Beginning of Year	32.9	27.3	27.8
Net Assets, End of Year	\$27.3	\$27.8	\$26.9
E&G and Auxiliary Plant:			
Net Trfs. (Out To)/In From E&G and Aux Operations	\$-	\$2.3	\$3.7
Capital Investments	(10.6)	(2.0)	(.8)
Net Assets, Beginning of Year	35.0	24.4	24.7
Net Assets, End of Year	\$24.4	\$24.7	\$27.6
Total Net Assets, End of Year	\$51.7	\$52.5	\$54.5

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CPP Submission Key Takeaways - FY 2020-21 through 2022-23

- 2019-20 performance resulted in relatively strong sustainability metrics indicators; maintained “stable” plan status

	2019 Results				2020 Results			
University	FTE Students	Operating Margin	Primary Reserve	Minimum Reserves	FTE Students	Operating Margin	Primary Reserve	Minimum Reserves
Bloomsburg	(8.9)%	2.4%	47.0%	193	(7.3%)	1.7%	44.5%	191

- Fall 2020 enrollment results were solid despite the pandemic; FY 2020-21 annualized FTE enrollment projected to drop by only 2.7%; rebound expected beginning in FY 2021-22 as incoming cohorts are projected to return to pre-pandemic levels
- Despite expected rebound in enrollment, FY 2022-23 projections are still 16% below actual peak enrollment (FY 2011-12); in order to meet 2022-23 enrollment projections, retention must remain a priority
- Workforce reductions incorporated into the CPP will achieve balanced budgets and, thus, required ratio targets and financial sustainability by FY 2021-22
- Restoration of E&G capital funding needs to be considered for FY 2023-24 or sooner, if possible (annual E&G transfer to plant has been reduced by 50% (\$1.0M) for FY 2020-21 and FY 2021-22 to help balance the budget
- Auxiliary performance (FY 2019-20 required reallocation of funds from Auxiliary plant to Auxiliary operations to cover COVID-19 refund deficits (\$4.5M) and FY 2020-21 requires significant use of Auxiliary plant reserves to balance the Auxiliary operations budget (\$4.1M))

Supplemental Information



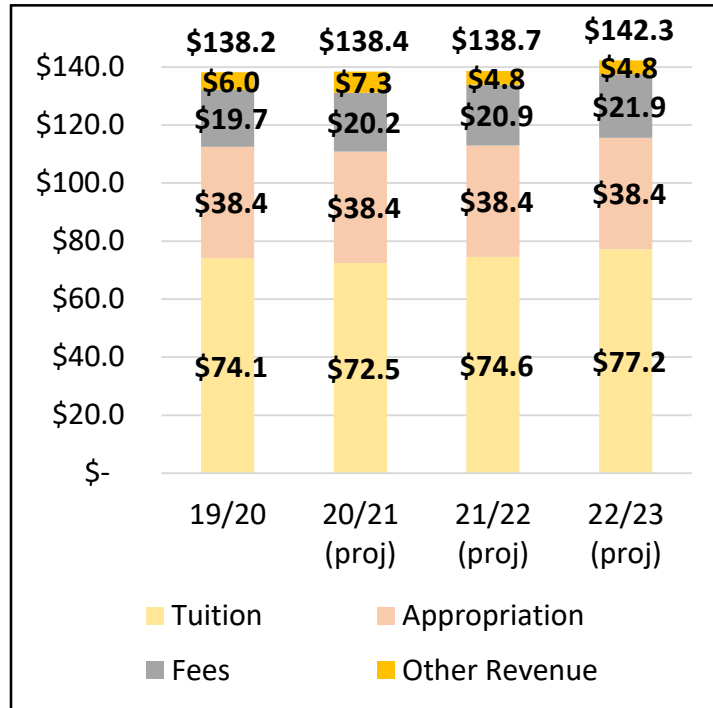
Supplemental Information-Estimated Financial Impact, Not Included in CPP, Related to 8/31 Pivot to Remote Learning (as of 9.11.20)

(dollars in millions)	University (E&G)	University (Auxiliary)	Affiliate	Total	Funding Source if Additional Stimulus Not Received
Tuition (difference b/w “after drop/add” & “official”)	\$.5			\$.5	Reserves
Housing Fee (Including Utility Charge)		\$2.6		\$2.6	Op Cost Reductions/Reserves
Meal Fee, Including Flex \$		1.0		1.0	Contract Reductions/Reserves
Student Union Operation Fee		1.2		1.2	Op Cost Reductions/Reserves
Community Activity Fee			1.0	1.0	Op Cost Reductions/Reserves
Recreation Fee		.4		.4	Op Cost Reductions/Reserves
Transportation Fee	.3			.3	Op Cost Reductions/Reserves
Addt'l Distance Ed Payments (Fall/Spring)	\$.6			\$.6	Reallocation of Title V Funds (Fall)/GEER Funds (Spring)
Total	\$1.4	\$5.2	\$1.0	\$7.6	

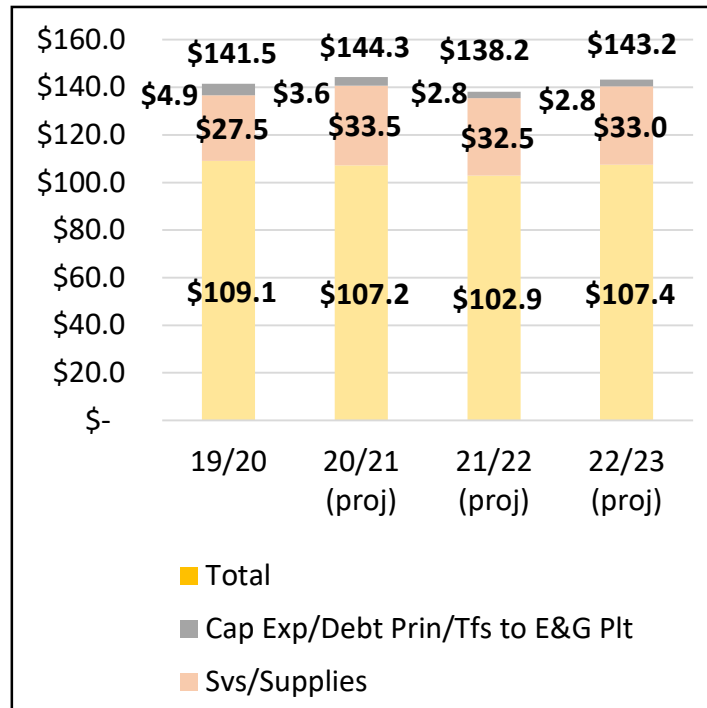
Supplemental Information – E&G Operations Trends

FY 2019-20 through FY 2022-23

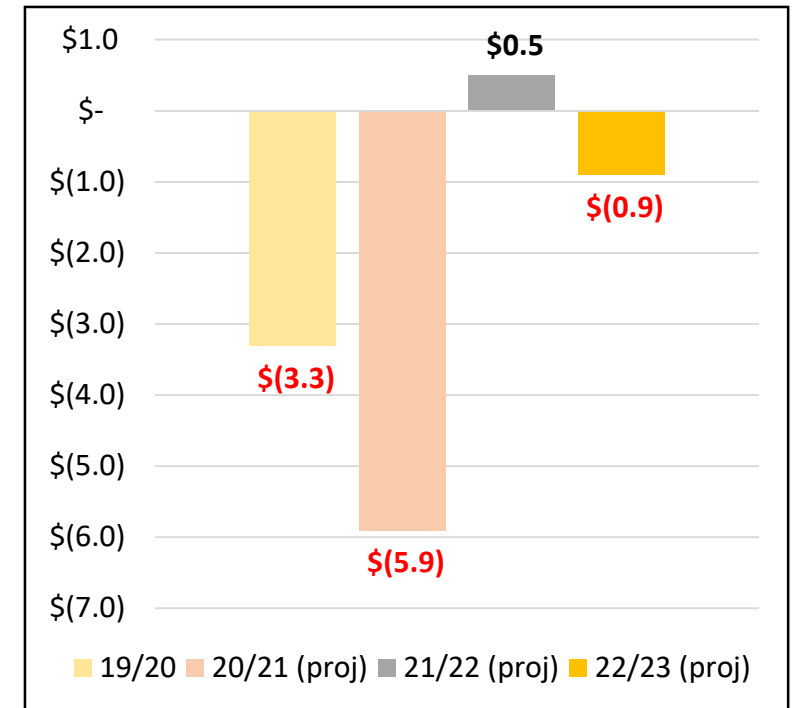
Revenue



Expenditures and Transfers

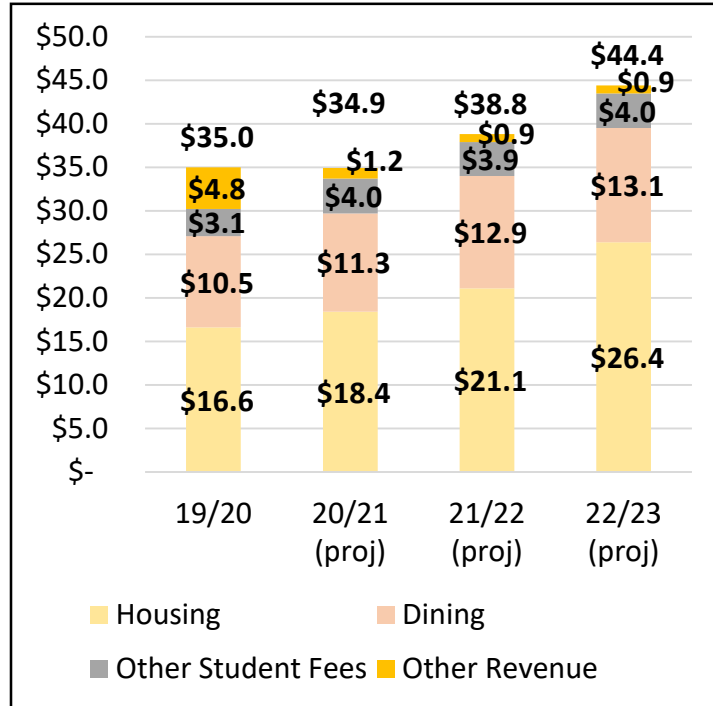


(Deficit)/Surplus

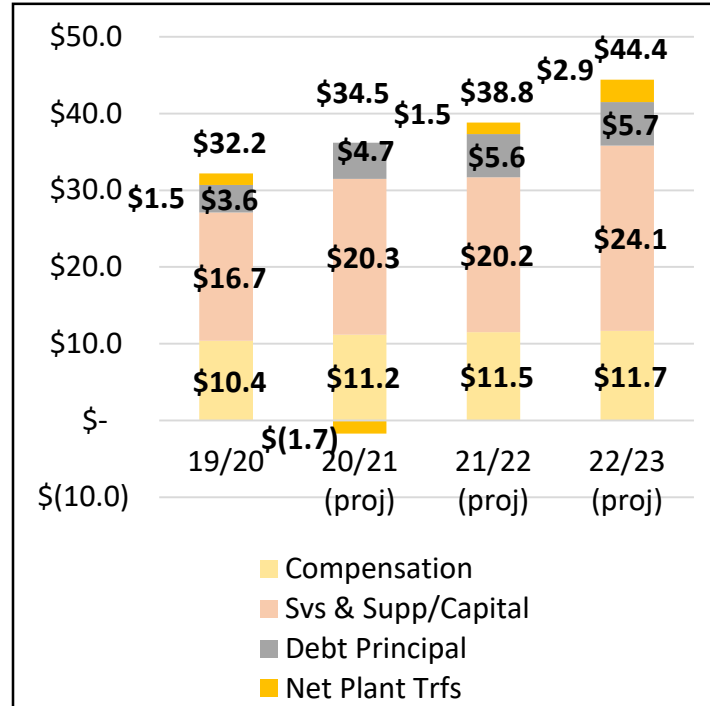


Supplemental Information – Auxiliary Operations Trends FY 2019-20 through FY 2022-23

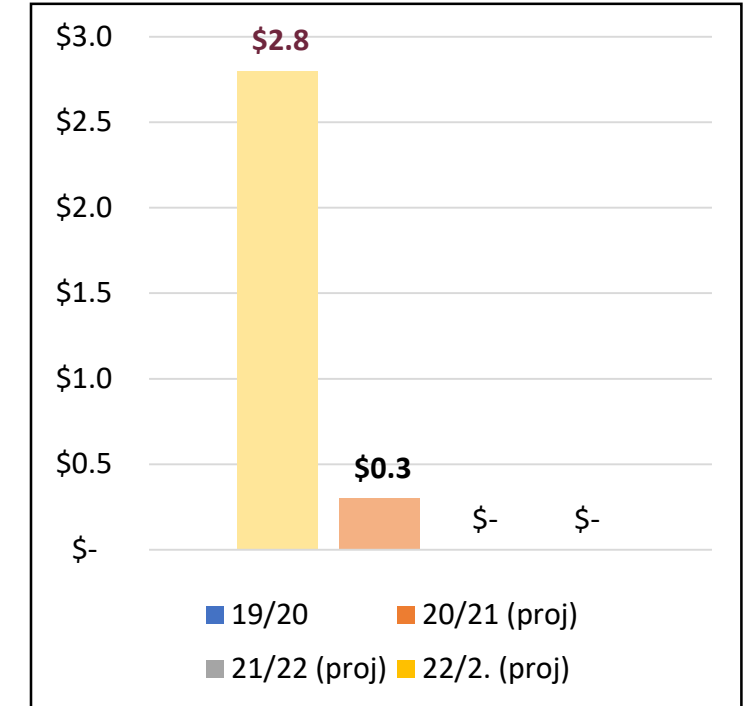
Revenue



Expenditures and Transfers



(Deficit)/Surplus



Supplemental Information-COVID 19 Impact Actual (2019-20) and Projection (2020-21)

Revenues	UNIVERSITY			AFFILIATES		
	FY 2019-20	FY 2020-21	TOTAL	FY 2019-20	FY 2020-21	TOTAL
E&G Fee Refunds <i>(enter as negative)</i>	(\$517,625)		(\$517,625)			\$0
Auxiliary Fee Refunds <i>(enter as negative)</i>	(8,651,903)		(8,651,903)	(523,993)		(523,993)
Federal Contracts & Grants <i>(CARES Act \$, excluding emergency student aid)</i>	3,650,995	601,705	4,252,700	n/a	n/a	0
Federal Appropriations <i>(CARES Act Title V \$)</i>	593,610	2,127,314	2,720,924	n/a	n/a	0
Total Revenues	(\$4,924,923)	\$2,729,019	(\$2,195,904)	(\$523,993)	\$0	(\$523,993)
Expenses						
E&G						
Total Compensation <i>(excluding distance education payments to faculty)</i>	\$292,185	\$86,000	\$378,185	n/a	n/a	\$0
Distance Education Payments to Faculty <i>(include payroll-related benefits)</i>		\$610,000	610,000	n/a	n/a	0
Technology to Support Remote Learning/Working	194,356	929,849	1,124,205	n/a	n/a	0
All Other Operating Expenses	23,801	604,773	628,574	n/a	n/a	0
Total E&G Expenses	\$510,342	\$2,230,622	\$2,740,964	\$0	\$0	\$0
Auxiliary						
Total Compensation	\$108,528	\$0	\$108,528	n/a	n/a	\$0
Technology to Support Remote Learning/Working		116,000	116,000	n/a	n/a	0
Contract Savings (e.g., dining services) <i>(enter as a negative)</i>	(2,509,013)		(2,509,013)	n/a	n/a	0
All Other Operating Expenses	903	80,000	80,903	n/a	n/a	0
Total Auxiliary Expenses	(\$2,399,582)	\$196,000	(\$2,203,582)	\$0	\$0	\$0
Total Expenses						
Total Compensation	\$400,713	\$86,000	\$486,713	n/a	n/a	\$0
Distance Education Payments to Faculty	0	610,000	610,000	n/a	n/a	0
Technology to Support Remote Learning/Working	194,356	1,045,849	1,240,205	n/a	n/a	0
Contract Savings	(2,509,013)	0	(2,509,013)	n/a	n/a	0
All Other Operating Expenses	24,704	684,773	709,477	n/a	n/a	0
Total Expenses	(\$1,889,240)	\$2,426,622	\$537,382	\$0	\$0	\$0
Revenues Less Expenses	(\$3,035,683)	\$302,397	(\$2,733,286)	(\$523,993)	\$0	(\$523,993)

Note: A deficit would reflect the fiscal impact on the university and the amount of institutional funds used for COVID-19 pandemic.

Emergency Student Aid Pass-Through:

Revenues Received	\$3,650,995	\$302,398	\$3,953,393
Emergency Aid Awarded	\$3,650,995	\$302,398	\$3,953,393

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Discussion

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