



Mid-Year Sustainability Update FY 2020-21 and FY 2021-22 Submitted February 22, 2021

Budget Subcommittee 4.15.21

Planning & Budget 4.22.21

Disclaimer – Numbers may not add due to rounding.

BLOOMSBURG UNIVERSITY[®]

**Mid-Year
CPP/Sustainability
Update – E&G
2020-21 & 2021-22**



Key Assumptions

	FY 2020-21	FY 2021-22
Tuition and Fees	0% increase	1% increase
Student Retention	2 year weighted average continuing rate	2 year weighted average continuing rate + 1.5%
Appropriation	0% increase	0% increase
Compensation/Benefits	Salary increases incorporated per collective bargaining agreements; projections include effect of first round of Enhanced Sick Leave Payout (ESLP) ¹ ; 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
COVID-19	Assumes all revenue received will be expended ²	
Self-Supporting/Auxiliary Funds –	Original = Balanced in line with available revenue/unrestricted net assets; Revised = Projected surplus/deficit falls out	Original = Balanced in line with available revenue/unrestricted net assets; Revised = Projected surplus deficit falls out

¹ Impacts of second round of the ESLP are still being evaluated.

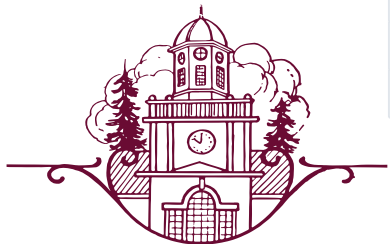
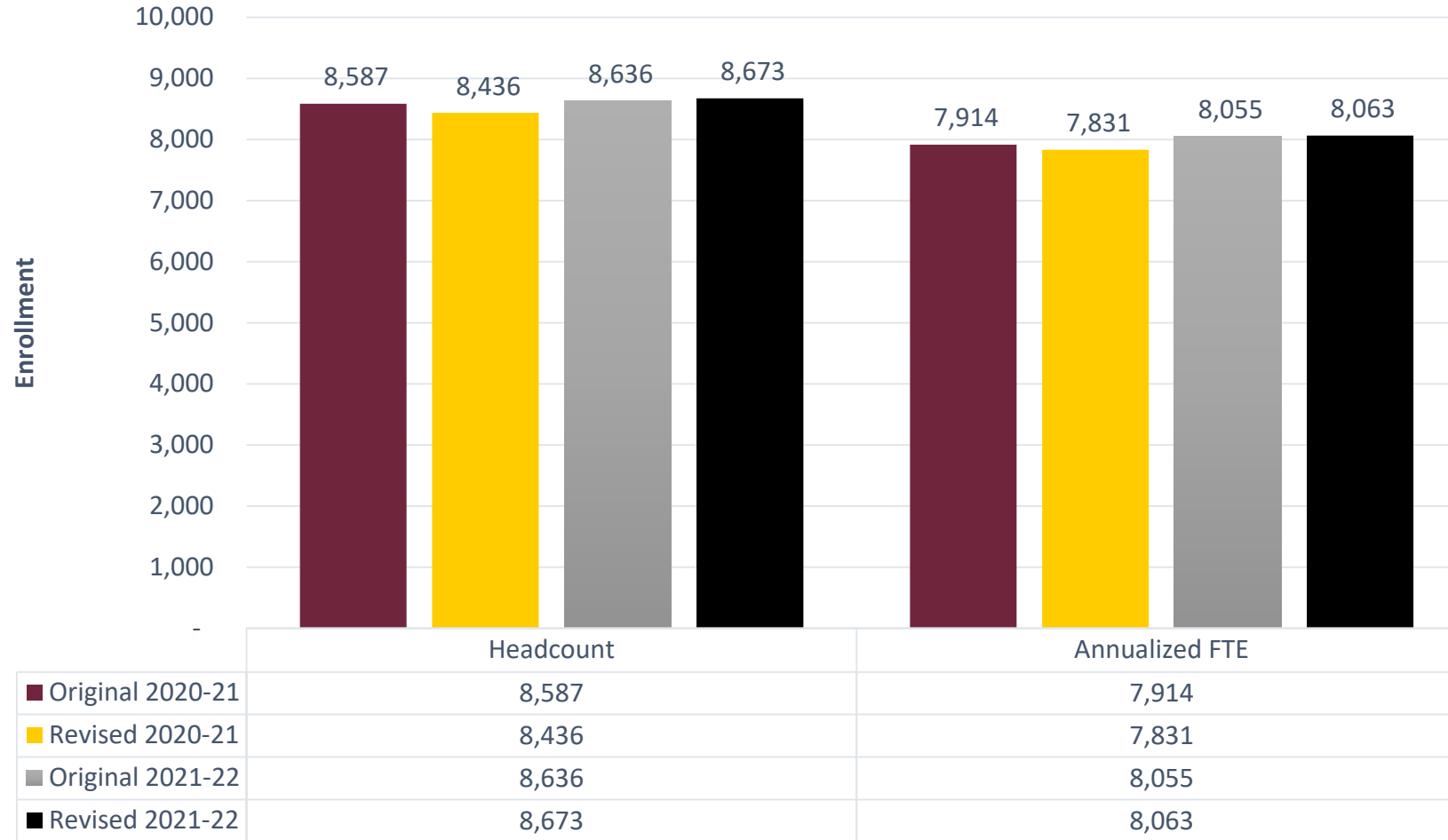
² Mid-year update does not include any revenue associated with HEERF II or HEERF III funds.

Key Assumptions (cont.)

	FY 2020-21	FY 2021-22
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)
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)

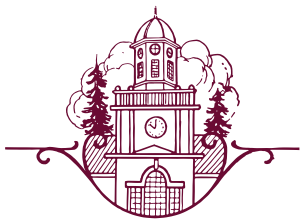
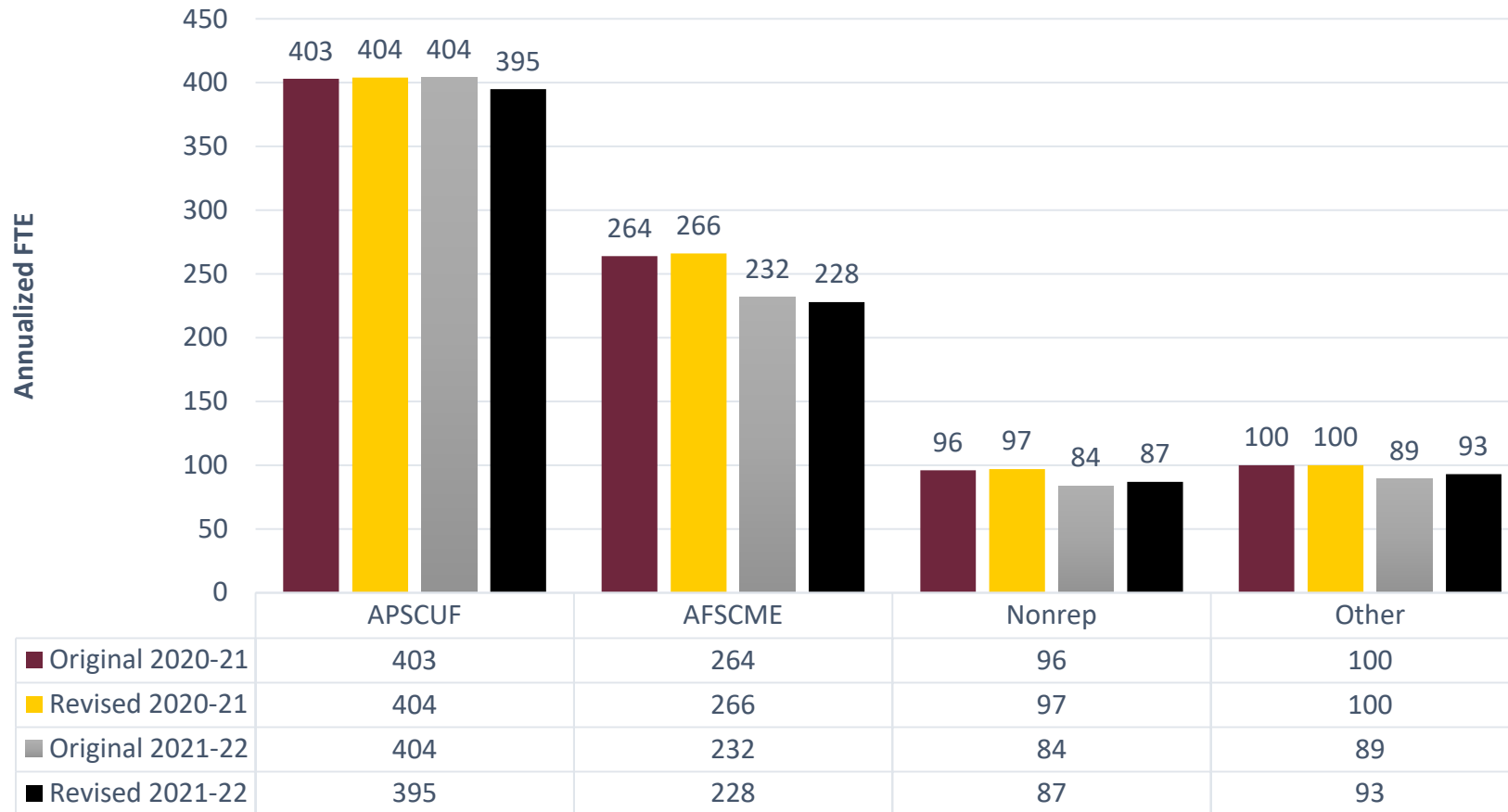
Mid-Year CPP Update - Enrollment

Original vs. Revised Enrollment Projections 2020-21 and 2021-22



Mid-Year CPP Update - Annualized E&G FTE Employees (Workforce)

Original vs. Revised Annualized E&G FTE Employees
2020-21 and 2021-22



Mid-Year CPP Update – Projections – FY 2020-21

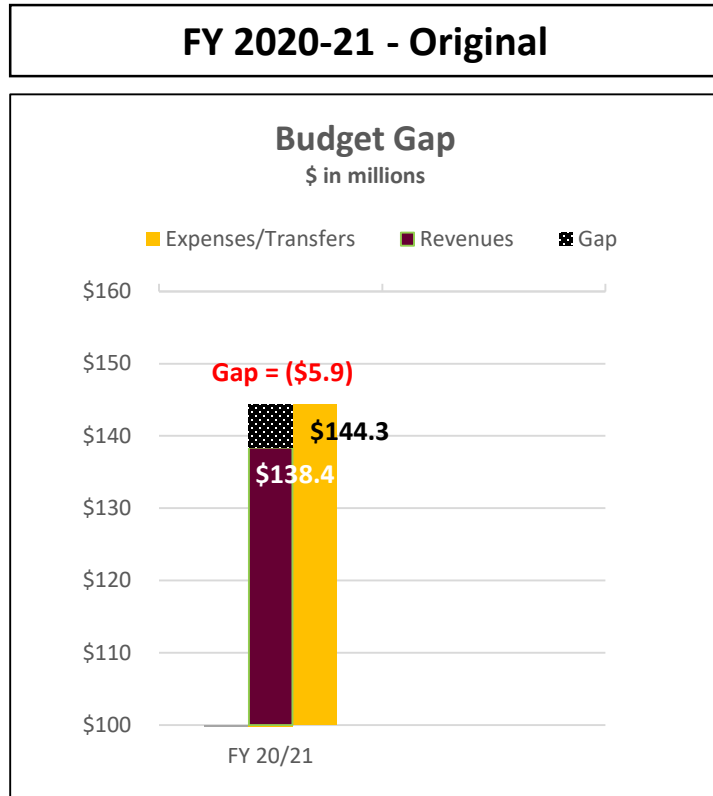
E&G Operations

	2020-21 Original	2020-21 Revised ¹	Variance
Tuition and Fees	\$92,719,409	\$91,433,406	\$(1,286,003)
State Appropriation	38,405,845	38,405,845	-
All Other Revenue	7,300,130	5,325,914	(1,974,216)
Total Revenues	\$138,425,384	\$135,165,165	\$(3,260,219)
Personnel Expenditures	107,177,679	106,474,386	(703,293)
Services and Supplies Expenditures	33,548,635	31,103,674	(2,444,961)
Capital Expenditures and Debt Principal	1,915,982	1,715,982	(200,000)
Total Expenditures	\$142,642,296	\$139,294,042	\$(3,348,254)
Revenues Less Expenditures	\$(4,216,912)	\$(4,128,877)	\$88,035
Transfers	1,703,255	2,313,255	610,000
Revenues Less Expenditures and Transfers	\$(5,920,167)	\$(6,442,132)	\$(521,965)

¹ Tuition and fees revenues includes \$406,948 in fee refunds (fall 2020)

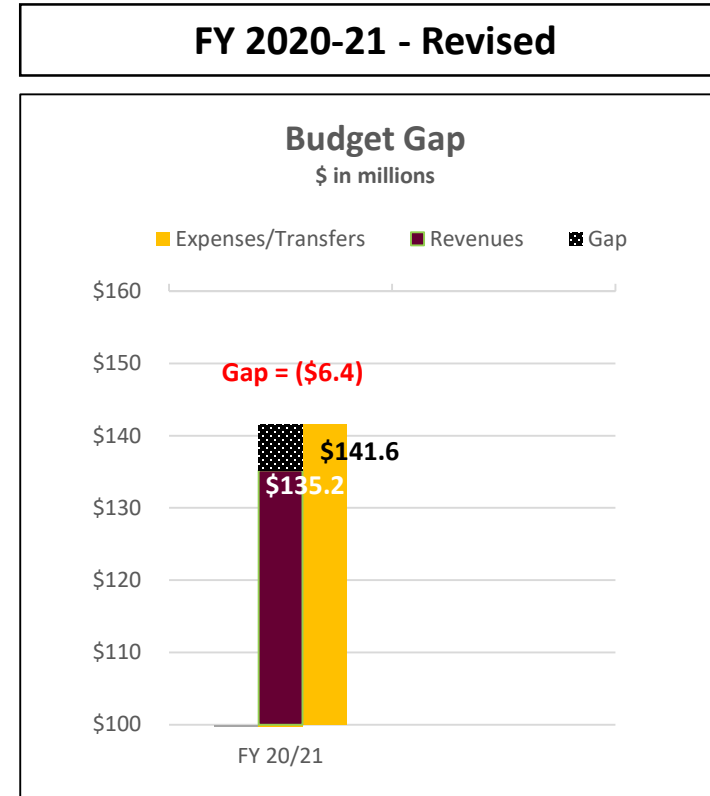
Mid-Year CPP Update - Projections – FY 2020-21

E&G Operations



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** = \$4.4M (\$4.7M fund from institutional reserves offset by \$.3M Designated/Self-Supporting projected surplus)
- **Planned use of net assets (sound mitigation project (\$1.3M), Mitrani stage rigging (\$.1M), Hartline water purification system (\$.2M))** = \$1.6M
- **Planned use of net assets (final year of marketing/branding project)** = \$.4M

Mid-Year CPP Update - Projections – FY 2021-22

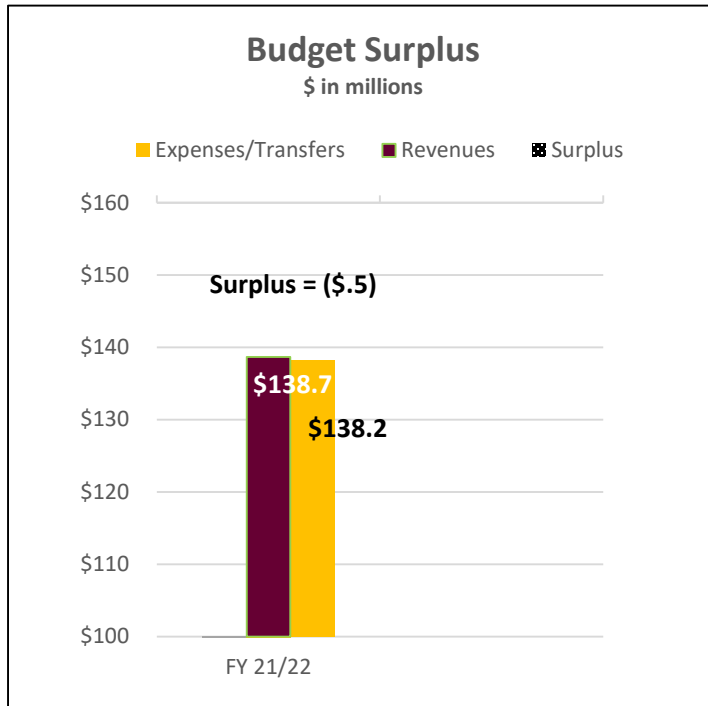
E&G Operations

	2021-22 Original	2021-22 Revised	Variance
Tuition and Fees	\$95,512,495	\$96,134,240	\$621,745
State Appropriation	38,405,845	38,405,845	-
All Other Revenue	4,805,138	4,654,430	(150,708)
Total Revenues	\$138,723,478	\$139,194,515	\$471,037
Personnel Expenditures	102,876,916	104,264,599	1,387,683
Services and Supplies Expenditures	32,500,128	32,872,631	372,503
Capital Expenditures and Debt Principal	1,969,768	1,769,768	(200,000)
Total Expenditures	\$137,346,812	\$138,906,998	\$1,560,186
Revenues Less Expenditures	\$1,376,666	\$287,517	\$(1,089,149)
Transfers	816,783	816,783	-
Revenues Less Expenditures and Transfers	\$559,883	\$(529,266)	\$(1,089,149)

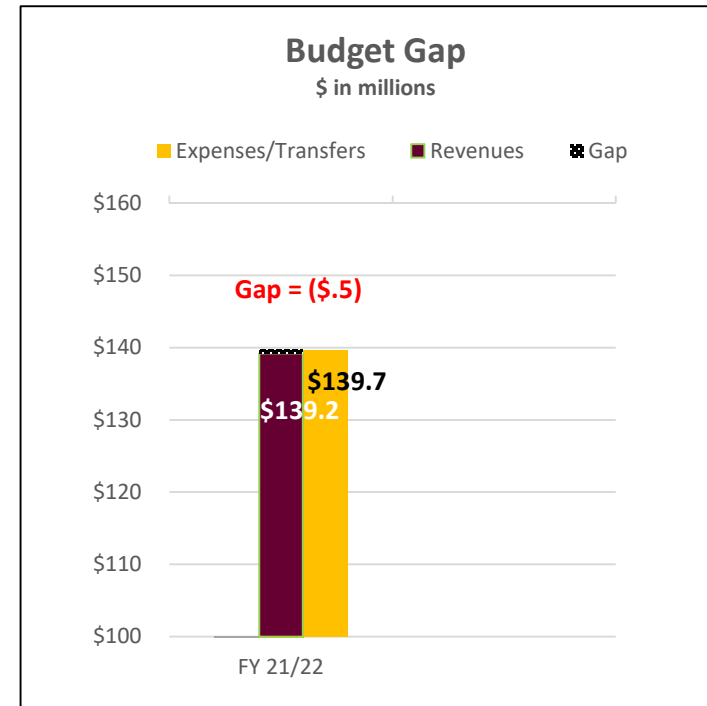
Mid-Year CPP Update - Projections – FY 2021-22

E&G Operations

FY 2021-22 - Original



FY 2021-22 - Revised



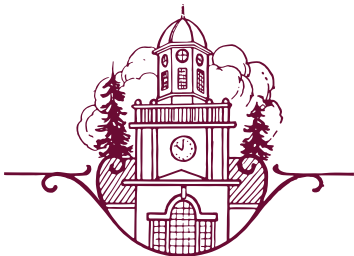
Budget gap composition:

- **Balance budget** = \$.5M (\$.1M fund from institutional reserves offset by \$.5M Designated/Self-Supporting projected surplus)

Mid-Year CPP Update - Ending Net Assets, Including E&G Plant Funds

Fiscal Year	Original Balance June 30	Revised Balance June 30	Variance
2019-20 (actual)	\$38,332,667	\$38,332,667	\$ -
2020-21 (projected)	\$26,153,774	\$26,591,809	\$438,035
2021-22 (projected)	\$25,663,657	\$24,866,043	\$(797,614)

- **2020-21 change = \$438,035 increase**
 - \$88,035 net improvement in revenues less expenditures
 - \$350,000 less than planned plant capital project expense, primarily related to medium voltage project being completed under budget
- **2021-22 change = \$797,614 reduction**
 - \$438,035 increase to beginning net assets
 - \$1,089,149 decline in revenues less expenditures
 - \$146,500 more than planned plant capital project expense (timing)

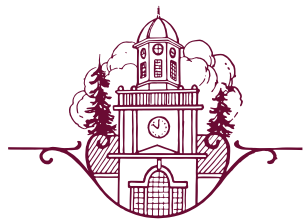
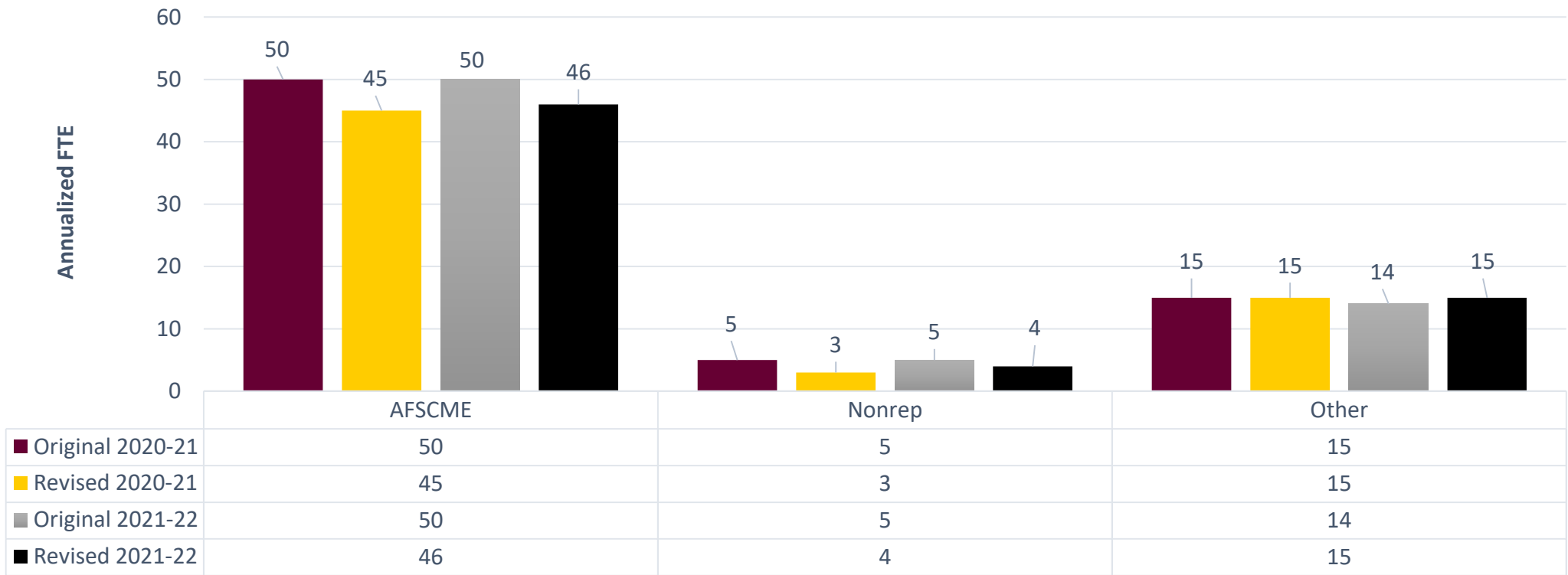


**Mid-Year
CPP/Sustainability
Update – Auxiliary
2020-21 & 2021-22**



Mid-Year CPP Update - Annualized Auxiliary FTE Employees (Workforce)

Original vs. Revised Annualized Auxiliary FTE Employees
2020-21 and 2021-22



Mid-Year CPP Update - Projections – FY 2020-21

Auxiliary Operations

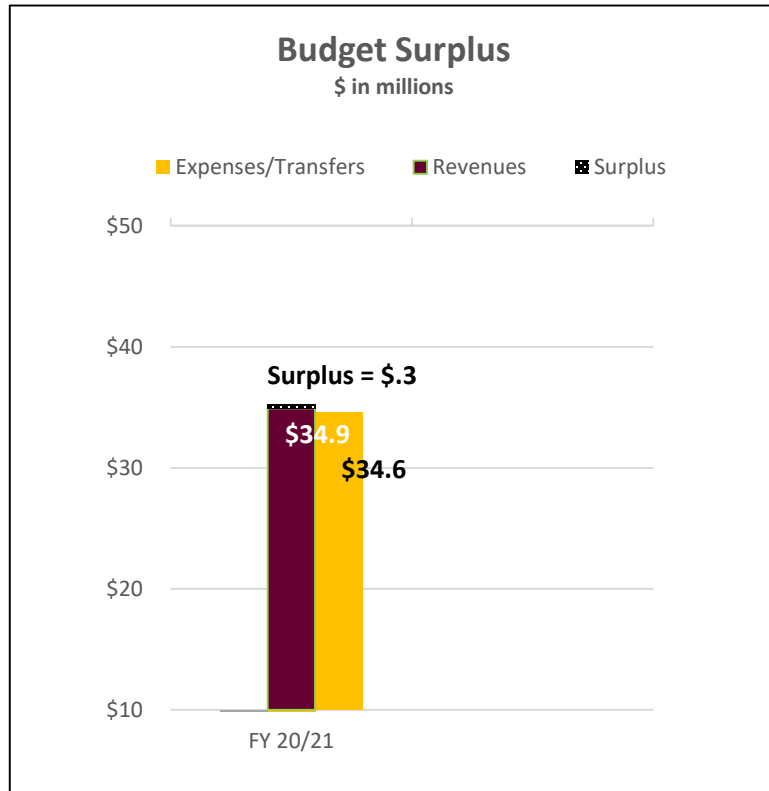
	2020-21 Original	2020-21 Mid-Year Revision	Variance
Housing Fees	\$18,369,598	\$12,278,121	\$(6,091,477)
Dining Fees/Sales	11,337,424	6,969,849	(4,367,575)
Other Fees	3,964,663	3,792,880	(171,783)
Other Revenues	1,198,586	959,759	(238,827)
Fee Refunds-COVID-19	-	(7,619,627)	(7,619,627)
Total Revenues	\$34,870,271	\$16,380,982	\$(18,489,289)
Personnel Expenditures	11,242,365	10,177,855	(1,064,510)
Services and Supplies Expenditures	20,116,381	15,034,792	(5,081,589)
Capital Expenditures and Debt Principal	4,894,963	4,893,463	(1,500)
Total Expenditures	\$36,253,709	\$30,106,110	\$(6,147,599)
Revenues Less Expenditures	\$(1,383,438)	\$(13,725,128)	\$(12,341,690)
Transfers	(1,685,835)	(3,929,820)	(2,243,985)
Revenues Less Expenditures and Transfers	\$302,397	\$(9,795,308)	\$(10,097,705)

Note: Chart depicts original CPP submission compared to mid-year submitted revision; the next slide outlines auxiliary revisions associated with key impact drivers within the FY – fall 2020 pivot to online and spring 2021, after move in.

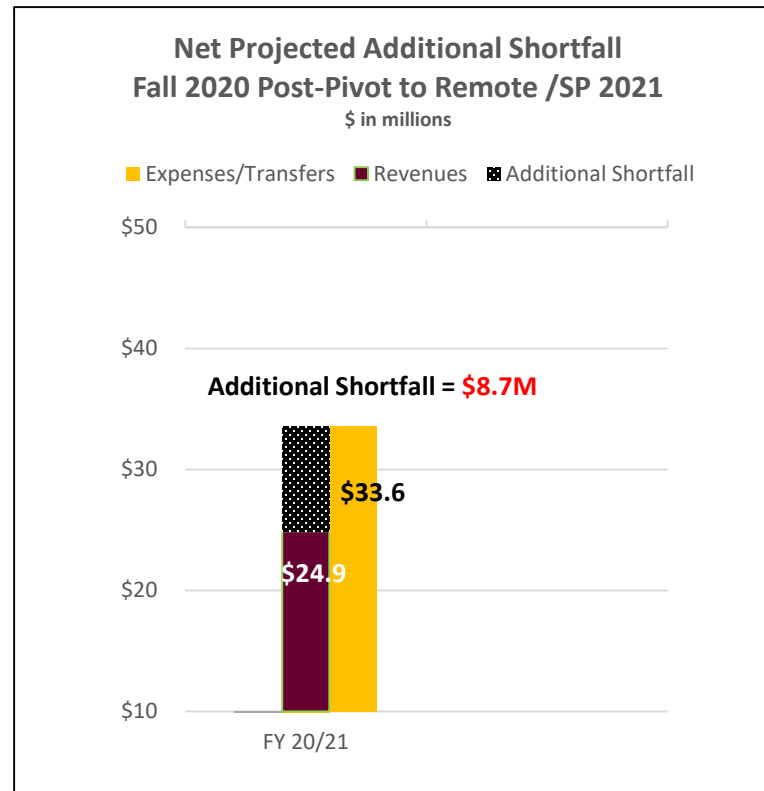
Revision Updates Based on Key Impact Drivers – FY 2020-21

Auxiliary Operations

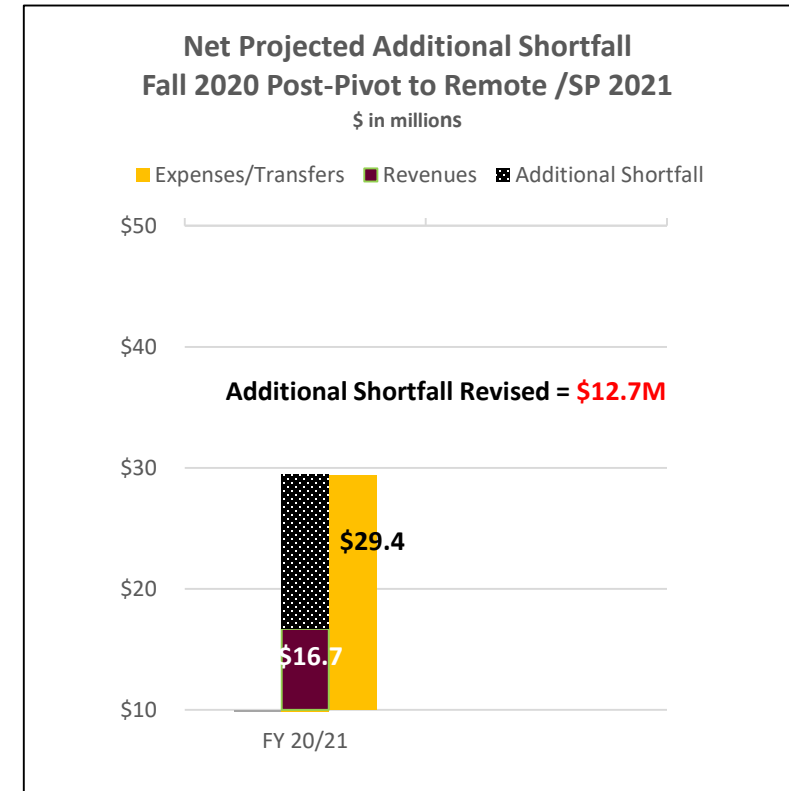
FY 2020-21 - Original



FY 2020-21 Revised (Post-Fall Pivot)



FY 2020-21 Revised (Spring Move-In)



- Projected surplus the result of a \$.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 balance operations

- Fall 2020 Refunds: **(\$6.5 million)**
- Spring 2021 Projected Occupancy Shortfall: **(\$2.7 million); based on an expected occupancy of 2,000**
- Projected Annual Enrollment Shortfall: **(\$.7 million)**
- Projected Salary and Benefit Savings: **\$.6 million**
- Debt Refunding: **\$.4 million**

PREDECISIONAL

- Change in Additional Shortfall = +\$3.9 million
 - Change in Spring 2021 occupancy (2,000 to 1,200): **(\$2.9 million)**
 - Net projected dining shortfall: **(\$.3 million)**
 - Spring 2021 room and board refunds (2 week delay in move in): **(\$1.1 million)**
 - Additional operating saving: **\$.2**

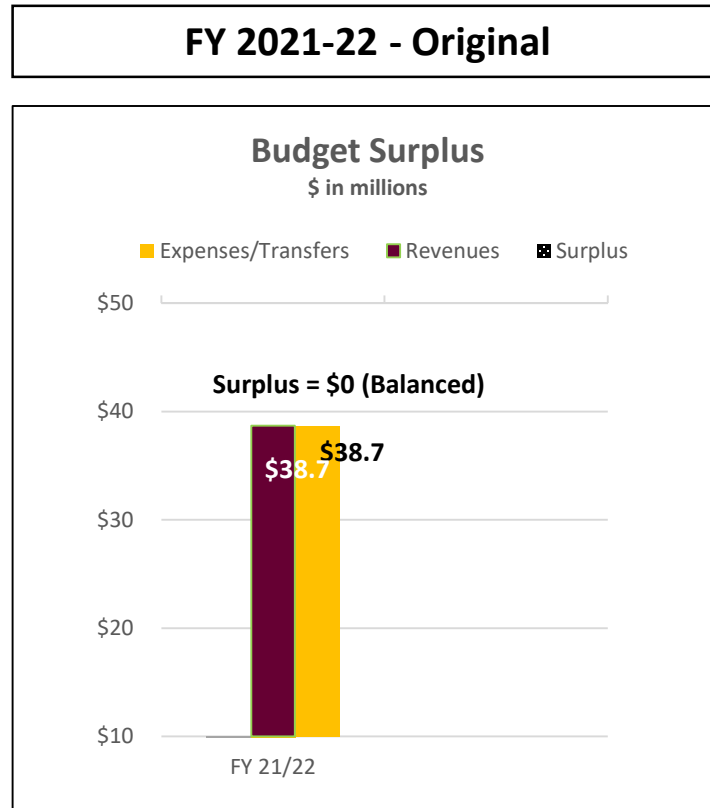
Mid-Year CPP Update - Projections – FY 2021-22

Auxiliary Operations

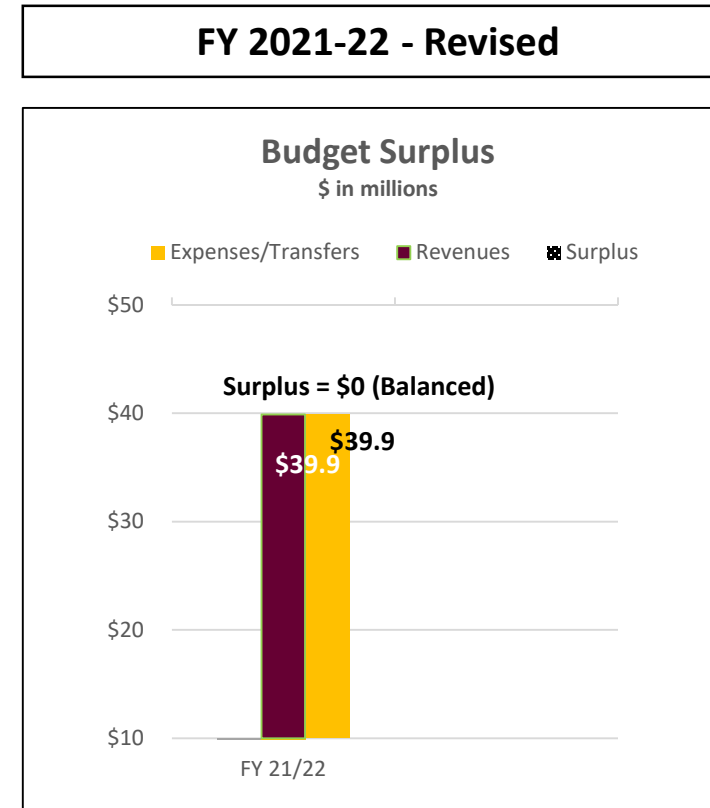
	2021-22 Original	2021-22 Mid-Year Revision	Variance
Housing Fees	\$21,082,302	\$22,318,530	\$1,236,228
Dining Fees/Sales	12,898,948	12,744,648	(154,300)
Other Fees	3,887,504	4,016,168	128,664
Other Revenues	857,582	774,622	(82,960)
Total Revenues	\$38,726,336	\$39,853,968	\$1,127,632
Personnel Expenditures	11,462,497	10,448,458	(1,014,039)
Services and Supplies Expenditures	19,927,932	20,182,676	254,744
Capital Expenditures and Debt Principal	5,841,561	6,051,926	210,365
Total Expenditures	\$37,231,990	\$36,683,060	\$(548,930)
Revenues Less Expenditures	\$1,494,346	\$3,170,908	\$1,676,562
Transfers	1,494,346	3,170,908	1,676,562
Revenues Less Expenditures and Transfers	\$-	\$-	\$-

Mid-Year CPP Update - Projections – FY 2021-22

Auxiliary Operations



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



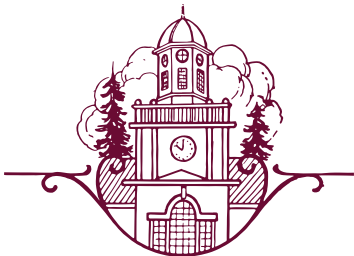
- Projection requires no transfer in from Auxiliary Plant fund to balance operations

Mid-Year CPP Update - Ending Net Assets, Including Auxiliary Plant Funds

Fiscal Year	Original Balance June 30 (in millions)	Revised Balance June 30 (in millions) ¹	Variance
2019-20 (actual)	\$29,549,901	\$29,549,901	\$-
2020-21 (projected)	\$25,571,463	\$13,429,779	\$(12,141,690) ¹
2021-22 (projected)	\$26,885,809	\$16,420,681	\$(10,465,128)

- **2020-21 change = \$12,141,690 reduction**
 - \$12,341,690 decline in revenues less expenditures (COVID-19 related) offset by
 - \$200,000 less than planned plant capital project expense
- **2021-22 change = \$10,465,128 reduction**
 - \$12,141,690 decrease to beginning net assets offset by
 - \$1,676,562 increase in revenues less expenditures

Note: Chart depicts original CPP submission compared to mid-year submitted revision; after spring 2021 move in, projected variance was \$12.7MM (slide 15).



Key Takeaways - Mid-Year CPP Update - FY 2020-21 through 2021-22

- Overall, revised enrollments are in line with original projections
- Overall, staffing right-sizing efforts are in line with original projections
 - Projections are on track to result in a 19.4:1 student to faculty ratio beginning in 2021-22, along with a balanced budget
- E&G operations are projected to be balanced, as planned, by 2021-22
 - 2020-21 results are projected to improve over the mid-year update by \$.7MM due to the recent receipt of the 2019-20 healthcare settlement (\$.5MM) and the recognition of HEERF II revenue related to lost parking revenue (\$.2MM); HEERF III revenue has not yet been officially awarded. Impacts on E&G operations will not be known until funds are awarded
- Auxiliary operations have been significantly impacted by the COVID-19 pandemic
 - Subsequent to the mid-year CPP revisions and March COT meeting, 7.2MM of HEERF II funding was recognized in the auxiliary fund to offset fall 2020/spring 2021 refunds
 - HEERF III revenue has not yet been officially awarded; Impacts on Auxiliary operations will not be known until funds are awarded.
- Of the \$8.2MM institutional share of HEERF II funding, \$7.4MM positively impacts the bottom line of E&G and Auxiliary operations, the remainder, will have no impact on the bottom line as it is being allocated to cover new expenses associated with the pandemic (primarily additional grants to students, testing expenses)
- The impacts (both payouts and replacements) of the second round of ESLP program are still being evaluated and will be built into the next round of projections (fall 2021)

Supplemental Information
Revised Trends
2019-20 (actual), 2020-21
through 2021-22 (revised)

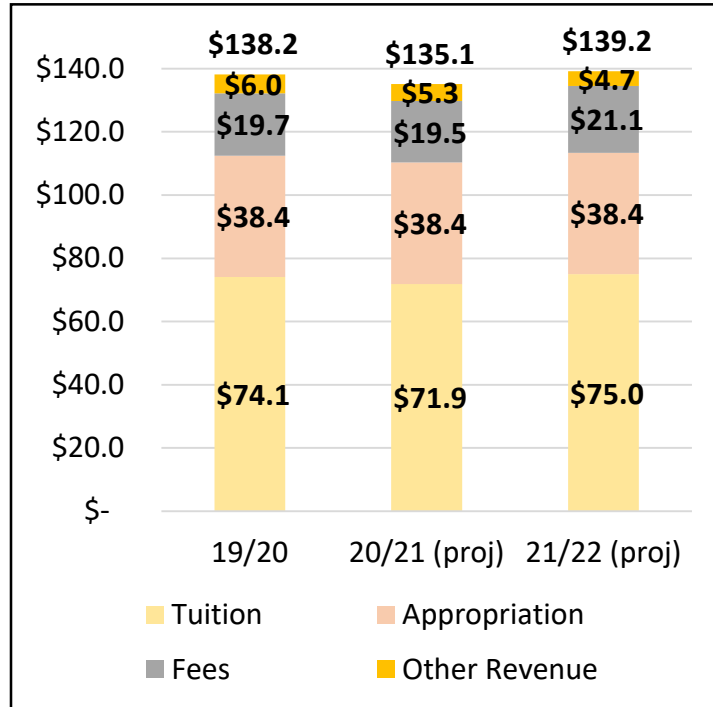


Mid-Year CPP Update - Supplemental Information – E&G

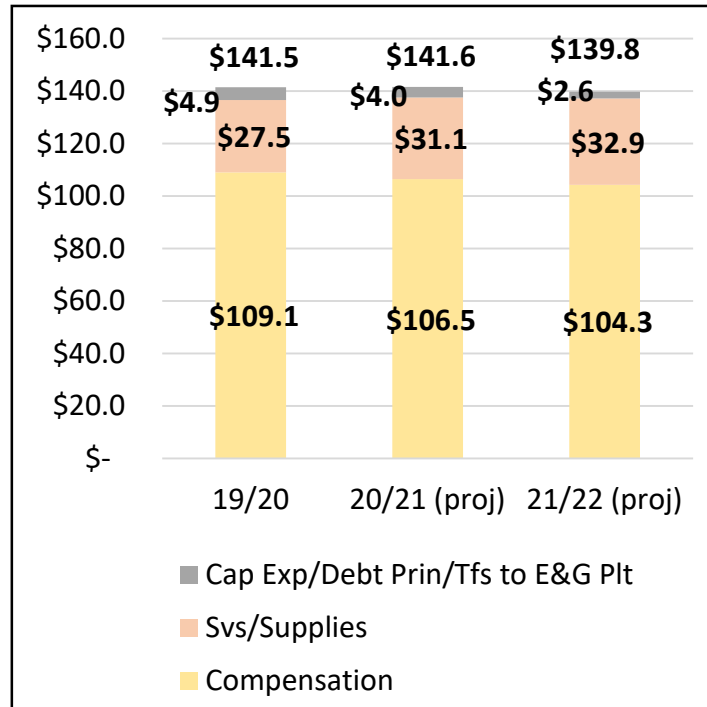
Operations Trends

FY 2019-20 through FY 2021-22 (Revised)

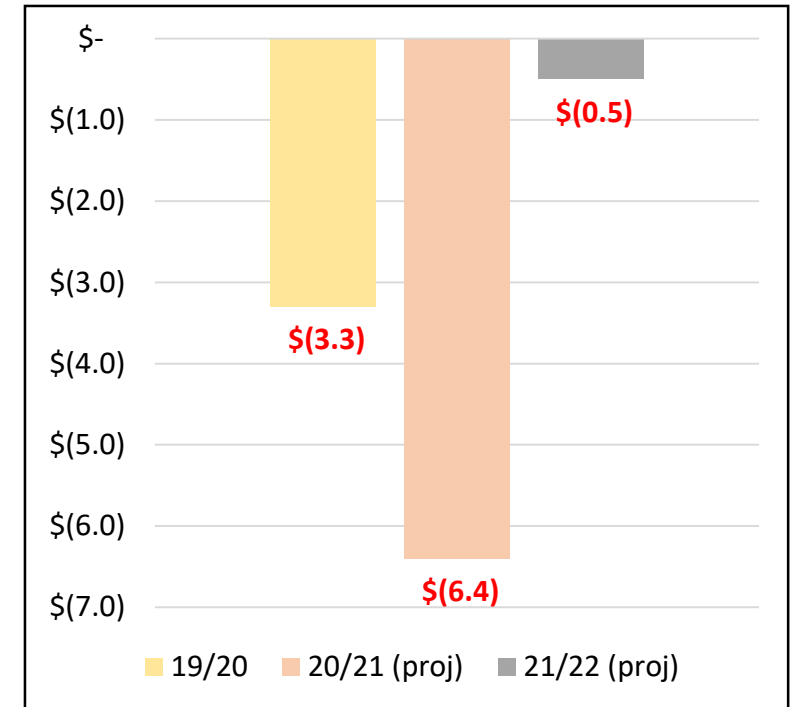
Revenue



Expenditures and Transfers



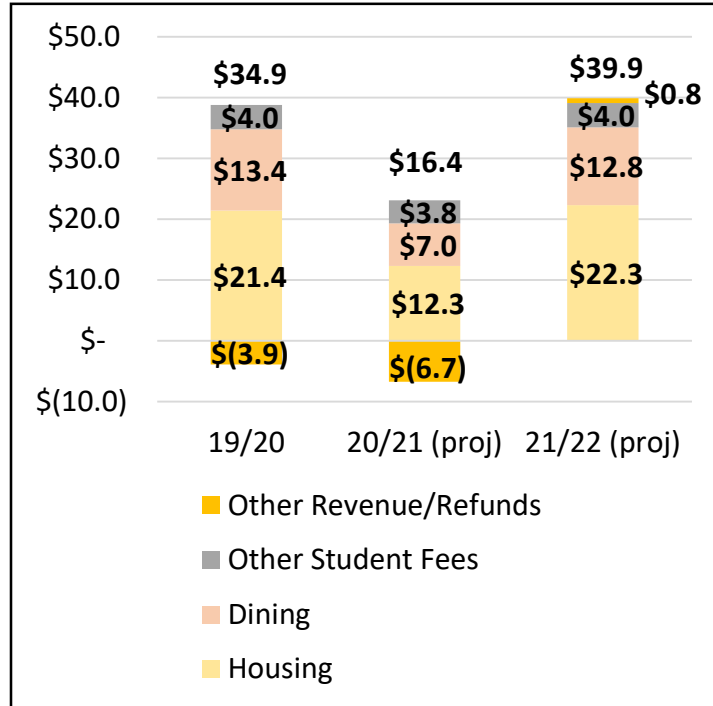
(Deficit)/Surplus



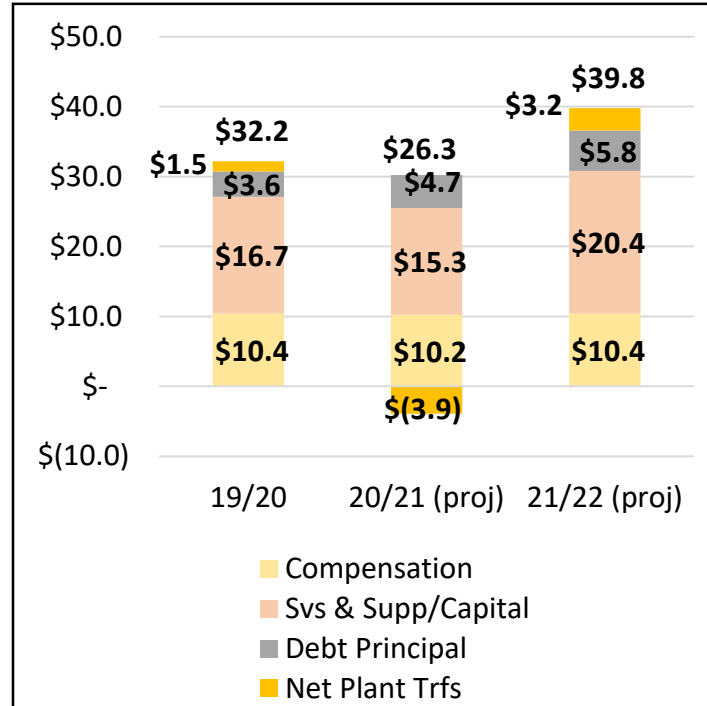
Mid-Year CPP Update - Supplemental Information – Auxiliary Operations Trends

FY 2019-20 through FY 2021-22 (Revised)

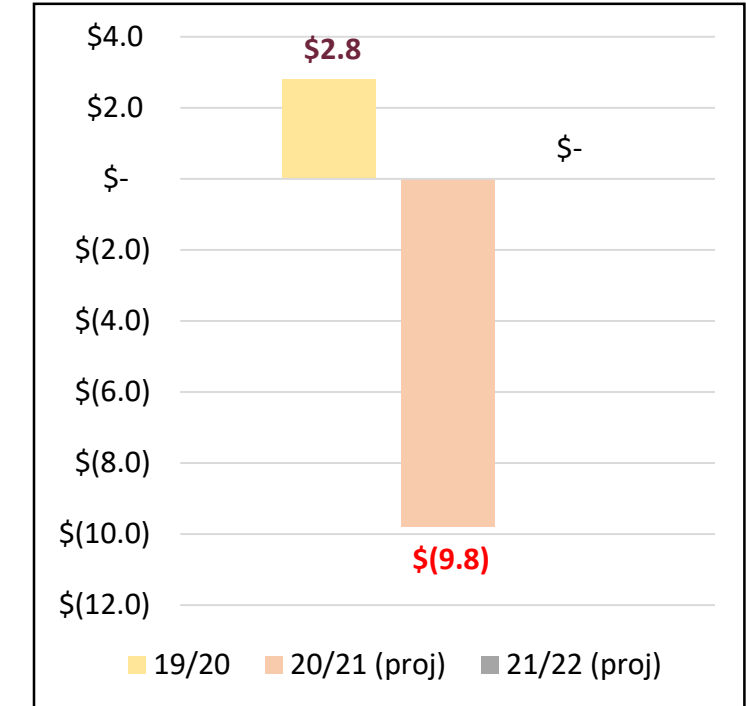
Revenue



Expenditures and Transfers



(Deficit)/Surplus





Discussion

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