



UNIVERSITY CORPORATION AT MONTEREY BAY

100 Campus Center

Seaside, CA

93955-8001

831/582-3500

TO: University Corporation Board of Directors **DATE:** June 28, 2021
Via: Larry Samuels, Executive Director
FROM: Starr Lee, Associate Executive Director
Sherry Baggett, Controller
SUBJECT: 2021/22 Budget Request

Attached is the Corporation's 2021/22 Budget Request for your review.

- The 2020/21 Projected Revenue will be about \$3.8 million less than the 2020/21 Budgeted Revenue of \$40.3 million. The revenue shortfall in 2020/21 is due to decreases in revenue from student housing, enterprise income from dining, bookstore, and other enterprise programs. In 2021/22, these enterprises and programs are projected to rebound considerably due to the repopulation of the campus. In March 2021, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by the federal government and it provided not only emergency financial aid to the students of CSUMB, but it also reimbursed the Corporation for a portion of lost housing and meal plan revenues in the amount of \$8.3 million for 2020/21. For 2021/22, the Budgeted Revenue will be \$62.1 million, about \$21.8 million more than the 2020/21 Budget.
- The 2021/22 Budgeted Operating Revenues are projected to be \$20.5 million higher than the 2020/21 Budget due to:
 1. Increase in sponsored programs revenues resulting from unrealized assumptions made in prior year that the pandemic would reduce funding significantly; and
 2. Increase in dining, bookstore and student housing revenues as a result of the campus repopulation in Fall 2021.

Reserves will be funded with the Net Surplus remaining each year, as needed, in the appropriate reserve categories (Working Capital/Current Operations, Capital Replacement, Future Operations, and Audit Disallowance).

It is expected that there will be continuing impacts in 2021/22 on the Corporation operations due to necessary changes by Corporation and University to implement precautions and address impacts related to the pandemic.

Corporation management recommends approval of the 2021-22 Budget Request and 2021-22 Non-Operational Expenditures as presented.



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AT MONTEREY BAY**

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2021/22 Budgeted Capital, Non-Operational Expenditures

EQUIPMENT

Child Development Center	\$75,000	ADA path of travel for new playground	\$75,000
Student Housing	\$150,000	Keytrack software and hardware for North Quad and Res Hall key tracking and security	\$768,000
Student Housing	\$50,000	Dorms ResNet Distribution core Routers Replace	
Student Housing	\$18,000	Dorms ResNet Distribution core switch	
Student Housing	\$550,000	Dorms Res Net "Access layer switch replacement", late FY 21-22	
KAZU	\$52,000	Wheatstone studio control board	\$62,000
KAZU	\$10,000	Raritan KVM system	
			\$905,000

PROJECTS

Dining	\$750,000	Up to \$750k, Otter Express renovation, January 2022 Phase 1 open. To be paid out of Chartwells \$4.4m Food Service Fund. Project through Fall 2022	\$1,500,000
Dining	\$750,000	Up to \$750k, Catering Kitchen at OSU and/or Building 29 buildout to be paid out of Chartwells \$4.4m Food Service Fund. Project through Fall 2022	
Student Housing East Campus	\$1,146,000	Up to \$3m, update network access in East campus, possibly recabling all 1,220 units, refreshing cable nodes, and/or newer wireless capacity	\$3,000,000
Faculty Staff Housing East Campus	\$1,689,000		
CEHI Faculty-Staff Housing East Campus	\$165,000		
			\$4,500,000

FINAL JULY 2, 2021 University Corporation 2021-22 Budget	Housing Operations and Residential Life				Auxiliary Enterprises		University Support		Administration		Grants and Contracts		Totals	
	Student Housing		Faculty/Staff Housing		Commercial Services/Dining Services/KAZU		Child Development Ctr/University Support/Salinas City Ctr/CSUMB @ North Salinas		Ryan Ranch and all Administrative Funds		Grants and Contracts		TOTALS	
	20/21 Projected	21/22 Budget Request	20/21 Projected	21/22 Budget Request	20/21 Projected	21/22 Budget Request	20/21 Projected	21/22 Budget Request	20/21 Projected	21/22 Budget Request	20/21 Projected	21/22 Budget Request	20/21 Projected	21/22 Budget Request
REVENUES														
Housing Revenue	4,024,169	26,555,338	11,206,875	11,973,187	-	-	-	-	-	-	-	-	15,231,045	38,528,525
Housing- No License Fee	171,831	1,081,884	-	18,588	-	-	-	-	-	-	-	-	171,831	1,100,472
Housing Concessions	(171,831)	(1,081,884)	-	(18,588)	-	-	-	-	-	-	-	-	(171,831)	(1,100,472)
Contract Revenue	-	219,000	-	-	573,633	560,000	94,069	193,900	61,076	48,600	-	-	728,778	1,021,500
Vending/Commission Revenue	7,008	12,008	-	-	69,434	1,084,200	-	-	-	-	-	-	76,442	1,096,208
Sponsored Programs Revenue	-	-	-	-	-	-	-	-	-	-	14,800,000	15,083,000	14,800,000	15,083,000
Indirect Cost Recovery-Grants	-	-	-	-	-	-	-	-	-	-	1,300,000	1,300,000	1,300,000	1,300,000
Investment Income	-	-	-	-	-	-	-	-	1,113,375	1,113,400	-	-	1,113,375	1,113,400
Membership Dues	-	-	-	-	1,746,993	1,516,000	-	-	-	-	-	-	1,746,993	1,516,000
Other Revenue	9,575	550,700	954	-	67,371	525,050	-	-	69,669	69,700	-	-	147,569	1,145,450
TOTAL REVENUES	4,040,752	27,337,046	11,207,829	11,973,187	2,457,431	3,685,250	94,069	193,900	1,244,120	1,231,700	16,100,000	16,383,000	35,144,201	60,804,083
EXPENSES														
Salaries and Wages	987,424	1,697,655	-	-	722,899	763,600	159,153	267,500	1,561,741	2,015,000	-	-	3,431,217	4,743,755
Benefits	545,898	749,711	-	-	268,292	354,200	90,224	145,400	861,644	1,129,600	-	-	1,766,058	2,378,911
Payment for Services from CSUMB	1,095,263	1,330,263	57,806	57,806	356,429	356,500	627,262	558,700	1,300,877	1,111,600	-	-	3,437,637	3,414,869
Utilities	2,312,335	3,884,462	1,368,362	1,529,437	86,061	460,200	108,519	166,700	89,787	93,300	-	-	3,965,064	6,134,099
Travel	6,424	53,370	5,510	5,545	5,780	17,100	1,243	4,900	3,605	34,200	-	-	22,562	115,115
Contractual Services	2,566,296	3,020,517	1,425,195	1,668,324	152,869	447,500	83,019	247,100	296,554	447,100	-	-	4,523,933	5,830,541
Information Technology Costs	63,828	107,800	58,828	65,792	123,361	123,700	66,662	66,800	101,684	192,000	-	-	414,363	556,091
Equipment (noncapital)	81,394	121,756	178,561	146,182	-	25,000	21,488	21,500	-	800	-	-	281,443	315,238
Supplies	85,747	118,804	72,795	62,307	3,600	3,700	4,695	4,700	4,381	8,500	-	-	171,218	198,011
Insurance	411,134	939,932	238,112	319,750	15,123	23,500	20,555	31,600	805	41,000	71,791	66,768	757,520	1,422,550
Repairs and Maintenance	1,436,557	1,014,251	1,179,772	1,319,282	2,750	2,800	32,741	47,700	15,000	39,200	-	-	2,666,820	2,423,233
Depreciation	5,224,868	5,524,550	1,018,076	1,122,694	718,764	718,800	414,234	417,800	347,031	346,400	201,372	220,000	7,924,344	8,350,244
Meal Concessions	-	186,500	-	-	-	-	-	-	-	-	-	-	-	186,500
Rental Expense	46,969	48,410	-	-	55,383	194,100	803,503	819,300	-	-	-	-	905,855	1,061,810
Sponsored Programs	-	-	-	-	-	-	-	-	-	-	14,800,000	15,083,000	14,800,000	15,083,000
Cost of Goods Sold	-	-	402,049	712,500	-	-	-	-	-	-	-	-	402,049	712,500
Other Expense	385,907	557,490	174,541	185,384	370,030	381,600	135,421	137,600	206,283	220,600	240,000	240,000	1,512,182	1,722,674
TOTAL ALL EXPENSES	15,250,043	19,355,469	6,179,607	7,195,003	2,881,341	3,872,300	2,568,719	2,937,300	4,789,392	5,679,300	15,313,163	15,609,768	46,982,265	54,649,140
NET REVENUE AFTER OPERATING EXPENSES, BEFORE UNIVERSITY SUPPORT	(11,209,290)	7,981,577	5,028,222	4,778,184	(423,911)	(187,050)	(2,474,649)	(2,743,400)	(3,545,272)	(4,447,600)	786,837	773,232	(11,838,064)	6,154,943
UNIVERSITY SUPPORT														
RHA Stipends	-	16,100	-	-	-	-	-	-	-	-	-	-	-	16,100
Community Outreach	-	-	-	-	9,102	9,200	32,973	244,800	-	-	-	-	42,075	254,000
Contribution to Auxiliary	-	-	-	-	-	-	25,000	25,000	-	-	-	-	25,000	25,000
Contribution to University	-	-	-	-	-	-	475,000	1,275,000	-	-	-	-	475,000	1,275,000
SUBTOTAL UNIVERSITY SUPPORT	-	16,100	-	-	9,102	9,200	532,973	1,544,800	-	-	-	-	542,075	1,570,100
NET REVENUE AFTER UNIVERSITY SUPPORT	(11,209,290)	7,965,477	5,028,222	4,778,184	(433,013)	(196,250)	(3,007,622)	(4,288,200)	(3,545,272)	(4,447,600)	786,837	773,232	(12,380,139)	4,584,843
NONCASH AND NON-OPERATING EXPENSES														
Add: Higher Education Emergency Relief Funds (HEERF)	6,993,684	-	-	-	950,369	-	368,818	-	-	-	-	-	8,312,871	-
Less: Interest on Debt	(2,809,844)	(3,138,363)	-	-	-	-	(107,796)	(96,000)	-	-	-	-	(2,917,640)	(3,234,363)
Less: Payments for Principal Debt	(3,272,300)	(3,444,100)	-	-	-	-	(227,700)	(240,900)	-	-	-	-	(3,500,000)	(3,685,000)
SUBTOTAL NONCASH, NON-OPERATING EXPENSES	911,540	(6,582,463)	-	-	950,369	-	33,322	(336,900)	-	-	-	-	1,895,231	(6,919,363)
TOTAL NET REVENUE (DEFICIT)	(10,297,751)	1,383,014	5,028,222	4,778,184	517,356	(196,250)	(2,974,300)	(4,625,100)	(3,545,272)	(4,447,600)	786,837	773,232	(10,484,908)	(2,334,520)
FOR RESERVES, ADD-BACK NONCASH OPERATING EXPENSES														
Plus Depreciation and Amortization	5,224,868	5,524,550	1,018,076	1,122,694	718,764	718,800	414,234	417,800	347,031	346,400	201,372	220,000	7,924,344	8,350,244
NET SURPLUS TO RESERVE													(2,560,564)	6,015,724