



UNIVERSITY CORPORATION AT MONTEREY BAY

100 Campus Center

Seaside, CA

93955-8001

831/582-3500

TO: University Corporation Board of Directors **DATE:** June 22, 2020
Via: Kevin R. Saunders, Executive Director
FROM: Starr Lee, Associate Executive Director
Sherry Baggett, Controller
SUBJECT: 2020/21 Budget Request

Attached for your review is the Corporation's 2020/21 Budget Request.

- The 2019/20 Projected Revenue will be about \$3 million less than the 2019/20 Budgeted Revenue of \$60.9 million. For 2020/21, the Budgeted Revenue will be \$40.3 million, about \$20 million less than the 2019/20 Budget. The revenue shortfall in 2019/20 and for the 2020/21 budget is due to decreases in revenue from student housing, enterprise income from dining, bookstore, and other enterprise programs, as well as sponsored programs. These enterprises and programs have been and will continue to be impacted in 2020 and 2021 by the pandemic that sent the majority of the students home in March 2020.
- The 2020/21 Budgeted Operating Expenses are projected to be \$7 million lower than the 2019/20 Budget due to:
 1. Decrease in sponsored programs expenses caused by the pandemic, forcing delays or cancellations in these activities;
 2. Decrease in student housing utilities due to less than normal occupancy in student housing; and
 3. Decrease in repairs and maintenance in student housing and other facilities due to less than normal occupancy and purposeful efforts to decrease or delay any non-urgent repairs and maintenance projects.

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 2020/21 on the Corporation operations due to necessary changes by Corporation and university to implement precautions and address impacts related to the pandemic.

Corporation staff recommends approval of the 2020-21 Budget Request as presented.

**University Corporation
2020-21 Budget
as of June 22, 2020**

	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 Center/University Support/Salinas City Center/CSUMB @ North Salinas		Ryan Ranch and all Administrative Funds		Grants and Contracts			
	19-20 Projected Actuals	20/21 Budget Request	19-20 Projected Actuals	20/21 Budget Request	19-20 Projected Actuals	20/21 Budget Request	19-20 Projected Actuals	20/21 Budget Request	19-20 Projected Actuals	20/21 Budget Request	19-20 Projected Actuals	20/21 Budget Request	19-20 Projected Actuals	20/21 Budget Request
REVENUES														
Housing Revenue	23,134,769	12,373,875	11,749,681	11,852,311	-	-	-	-	-	-	-	-	34,884,450	24,226,186
Housing- No License Fee	401,816	272,231	-	-	-	-	-	-	-	-	-	-	401,816	272,231
Housing Concessions	(1,148,457)	(272,231)	-	-	-	-	-	-	-	-	-	-	(1,148,457)	(272,231)
Contract Revenue	275,165	53,000	-	-	777,199	722,199	444,949	272,647	17,627	14,127	-	-	1,514,940	1,061,973
Vending/Commission Revenue	14,000	1,500	-	-	650,500	262,115	-	-	-	-	-	-	664,500	263,615
Sponsored Programs Revenue	-	-	-	-	-	-	-	-	-	-	1,375,796	965,160	1,375,796	965,160
Indirect Cost Recovery-Grants	-	-	-	-	-	-	-	-	-	-	16,154,369	10,616,760	16,154,369	10,616,760
Investment Income	-	-	-	-	-	-	-	-	1,560,201	1,560,201	-	-	1,560,201	1,560,201
Membership Dues	-	-	-	-	1,330,026	1,330,026	-	-	-	-	-	-	1,330,026	1,330,026
Other Revenue	94,731	-	3,050	7,862	54,230	168,428	-	-	91,411	90,805	-	-	243,422	267,096
TOTAL REVENUES	22,772,024	12,428,375	11,752,731	11,860,173	2,811,955	2,482,768	444,949	272,647	1,669,238	1,665,133	17,530,165	11,581,920	56,981,062	40,291,016
EXPENSES														
Salaries and Wages	1,559,699	1,017,926	-	-	748,998	775,449	221,520	221,520	1,607,066	1,859,231	-	-	4,137,283	3,874,126
Benefits	621,849	559,859	-	-	269,771	421,897	129,990	121,836	827,348	1,011,546	-	-	1,848,958	2,115,139
Payment for Services from CSUMB	1,541,506	833,972	57,809	57,809	464,036	388,928	895,052	845,048	1,226,410	1,233,085	-	-	4,184,814	3,358,843
Utilities	2,778,696	1,675,071	1,223,339	1,413,142	87,693	108,492	143,233	177,769	194,448	102,960	20	-	4,427,428	3,477,434
Travel	41,729	1,926	4,930	7,307	17,305	18,559	4,648	4,648	25,329	31,485	-	-	93,941	63,926
Contractual Services	3,391,109	2,716,053	1,551,902	2,215,191	344,159	883,412	253,082	212,663	426,681	361,769	-	-	5,966,933	6,389,088
Information Technology Costs	65,537	295,649	47,038	19,865	118,548	111,503	69,416	69,416	98,539	100,700	-	-	399,077	597,133
Equipment (noncapital)	967,015	106,875	248,748	130,780	9,943	5,328	21,786	21,000	-	-	-	-	1,247,492	263,983
Supplies	138,510	89,751	110,903	88,035	4,600	3,996	24,522	24,522	19,094	19,164	-	-	297,629	225,469
Insurance	367,932	412,781	188,843	239,067	16,162	15,183	20,810	17,593	8,429	28,959	72,593	72,078	674,769	785,661
Repairs and Maintenance	1,308,542	802,355	1,470,954	811,762	21,078	16,228	35,992	31,542	22,127	22,127	-	-	2,858,693	1,684,013
Depreciation	5,895,388	6,250,273	1,386,113	2,429,044	881,156	881,154	409,979	415,529	347,033	347,033	226,000	226,000	9,145,669	10,549,033
Meal Concessions	208,242	-	-	-	-	-	-	-	-	-	-	-	208,242	-
Rental Expense	44,307	44,956	-	-	48,840	50,757	815,538	829,157	-	-	-	-	908,685	924,870
Sponsored Programs	-	-	-	-	-	-	-	-	-	-	16,154,369	10,616,760	16,154,369	10,616,760
Cost of Goods Sold	-	-	752,158	760,000	-	-	-	-	-	-	-	-	752,158	760,000
Other Expense	529,330	461,636	190,010	179,513	393,182	382,191	143,248	143,248	175,734	177,954	50	-	1,431,554	1,344,542
TOTAL EXPENSES	19,459,390	15,269,083	7,232,746	8,351,515	3,425,471	4,063,075	3,188,816	3,135,492	4,978,239	5,296,014	16,453,032	10,914,838	54,737,693	47,030,018
NET REVENUE AFTER OPERATING EXPENSES, BEFORE UNIVERSITY SUPPORT	3,312,634	(2,840,708)	4,519,985	3,508,658	(613,516)	(1,580,307)	(2,743,867)	(2,862,845)	(3,309,001)	(3,630,881)	1,077,133	667,082	2,243,368	(6,739,002)
UNIVERSITY SUPPORT														
Housing Scholarships and Food Insecurity	12,000	-	-	-	-	-	-	-	-	-	-	-	12,000	-
Community Outreach	-	-	-	-	3,199	3,199	209,452	261,452	50	50	-	-	212,701	264,701
Contribution to Auxiliary	-	-	-	-	-	-	24,600	25,000	-	-	-	-	24,600	25,000
Contribution to University	-	-	-	-	-	-	1,216,299	1,175,000	-	-	-	-	1,216,299	1,175,000
SUBTOTAL UNIVERSITY SUPPORT	12,000	-	-	-	3,199	3,199	1,450,351	1,461,452	50	50	-	-	1,465,600	1,464,701
NET REVENUE AFTER UNIVERSITY SUPPORT	3,300,634	(2,840,708)	4,519,985	3,508,658	(616,715)	(1,583,506)	(4,194,218)	(4,324,298)	(3,309,051)	(3,630,931)	1,077,133	667,082	777,768	(8,203,703)
NONCASH AND NON-OPERATING EXPENSES														
Less: Interest on Debt	(4,250,496)	(4,095,380)	-	-	-	-	(119,014)	(107,793)	-	-	-	-	(4,369,510)	(4,203,173)
Less: Payments for Principal Debt	(3,122,200)	(3,272,300)	-	-	-	-	(217,800)	(227,700)	-	-	-	-	(3,340,000)	(3,500,000)
SUBTOTAL NONCASH, NON-OPERATING EXPENSES	(7,372,696)	(7,367,680)	-	-	-	-	(336,814)	(335,493)	-	-	-	-	(7,709,510)	(7,703,173)
TOTAL NET REVENUE (DEFICIT)	(4,072,062)	(10,208,388)	4,519,985	3,508,658	(616,715)	(1,583,506)	(4,531,032)	(4,659,791)	(3,309,051)	(3,630,931)	1,077,133	667,082	(6,931,742)	(15,906,877)
FOR RESERVES, ADD-BACK NONCASH OPERATING EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plus Depreciation and Amortization	5,895,388	6,250,273	1,386,113	2,429,044	881,156	881,154	409,979	415,529	347,033	347,033	226,000	226,000	9,145,669	10,549,033
NET SURPLUS TO RESERVE													\$ 2,213,928	\$ (5,357,844)

**University Corporation
2020-21 Budget**

as of June 22, 2020

Housing Operations and Residential Life

	<i>Student Housing</i>		<i>Faculty/Staff Housing</i>	
	19-20 Projected	20/21 Budget	19-20 Projected	20/21 Budget
	Actuals	Request	Actuals	Request
REVENUES				
Housing Revenue	23,134,769	12,373,875	11,749,681	11,852,311
Housing- No License Fee	401,816	272,231	-	-
Housing Concessions	(1,148,457)	(272,231)	-	-
Contract Revenue	275,165	53,000	-	-
Vending/Commission Revenue	14,000	1,500	-	-
Sponsored Programs Revenue	-	-	-	-
Indirect Cost Recovery-Grants	-	-	-	-
Investment Income	-	-	-	-
Membership Dues	-	-	-	-
Other Revenue	94,731	-	3,050	7,862
TOTAL REVENUES	22,772,024	12,428,375	11,752,731	11,860,173
EXPENSES				
Salaries and Wages	1,559,699	1,017,926	-	-
Benefits	621,849	559,859	-	-
Payment for Services from CSUMB	1,541,506	833,972	57,809	57,809
Utilities	2,778,696	1,675,071	1,223,339	1,413,142
Travel	41,729	1,926	4,930	7,307
Contractual Services	3,391,109	2,716,053	1,551,902	2,215,191
Information Technology Costs	65,537	295,649	47,038	19,865
Equipment (noncapital)	967,015	106,875	248,748	130,780
Supplies	138,510	89,751	110,903	88,035
Insurance	367,932	412,781	188,843	239,067
Repairs and Maintenance	1,308,542	802,355	1,470,954	811,762
Depreciation	5,895,388	6,250,273	1,386,113	2,429,044
Meal Concessions	208,242	-	-	-
Rental Expense	44,307	44,956	-	-
Sponsored Programs	-	-	-	-
Cost of Goods Sold	-	-	752,158	760,000
Other Expense	529,330	461,636	190,010	179,513
TOTAL EXPENSES	19,459,390	15,269,083	7,232,746	8,351,515
NET REVENUE AFTER OPERATING EXPENSES, BEFORE UNIVERSITY SUPPORT	3,312,634	(2,840,708)	4,519,985	3,508,658
UNIVERSITY SUPPORT				
Housing Scholarships and Food Insecurity	12,000	-	-	-
Community Outreach	-	-	-	-
Contribution to Auxiliary	-	-	-	-
Contribution to University	-	-	-	-
SUBTOTAL UNIVERSITY SUPPORT	12,000	-	-	-
NET REVENUE AFTER UNIVERSITY SUPPORT	3,300,634	(2,840,708)	4,519,985	3,508,658
NONCASH AND NON-OPERATING EXPENSES				
Less: Interest on Debt	(4,250,496)	(4,095,380)	-	-
Less: Payments for Principal Debt	(3,122,200)	(3,272,300)	-	-
SUBTOTAL NONCASH, NON-OPERATING EXPENSES	(7,372,696)	(7,367,680)	-	-
TOTAL NET REVENUE (DEFICIT)	(4,072,062)	(10,208,388)	4,519,985	3,508,658
FOR RESERVES, ADD-BACK NONCASH OPERATING EXPENSES				
Plus Depreciation and Amortization	5,895,388	6,250,273	1,386,113	2,429,044
NET SURPLUS TO RESERVE				

**University Corporation
2020-21 Budget**

as of June 22, 2020

Auxiliary Enterprises

*Commercial Services/Dining
Services/KAZU*

	19-20 Projected Actuals	20/21 Budget Request
REVENUES		
Housing Revenue	-	-
Housing- No License Fee	-	-
Housing Concessions	-	-
Contract Revenue	777,199	722,199
Vending/Commission Revenue	650,500	262,115
Sponsored Programs Revenue	-	-
Indirect Cost Recovery-Grants	-	-
Investment Income	-	-
Membership Dues	1,330,026	1,330,026
Other Revenue	54,230	168,428
TOTAL REVENUES	2,811,955	2,482,768
EXPENSES		
Salaries and Wages	748,998	775,449
Benefits	269,771	421,897
Payment for Services from CSUMB	464,036	388,928
Utilities	87,693	108,492
Travel	17,305	18,559
Contractual Services	344,159	883,412
Information Technology Costs	118,548	111,503
Equipment (noncapital)	9,943	5,328
Supplies	4,600	3,996
Insurance	16,162	15,183
Repairs and Maintenance	21,078	16,228
Depreciation	881,156	881,154
Meal Concessions	-	-
Rental Expense	48,840	50,757
Sponsored Programs	-	-
Cost of Goods Sold	-	-
Other Expense	393,182	382,191
TOTAL EXPENSES	3,425,471	4,063,075
NET REVENUE AFTER OPERATING EXPENSES, BEFORE UNIVERSITY SUPPORT	(613,516)	(1,580,307)
UNIVERSITY SUPPORT		
Housing Scholarships and Food Insecurity	-	-
Community Outreach	3,199	3,199
Contribution to Auxiliary	-	-
Contribution to University	-	-
SUBTOTAL UNIVERSITY SUPPORT	3,199	3,199
NET REVENUE AFTER UNIVERSITY SUPPORT	(616,715)	(1,583,506)
NONCASH AND NON-OPERATING EXPENSES		
Less: Interest on Debt	-	-
Less: Payments for Principal Debt	-	-
SUBTOTAL NONCASH, NON-OPERATING EXPENSES	-	-
TOTAL NET REVENUE (DEFICIT)	(616,715)	(1,583,506)
FOR RESERVES, ADD-BACK NONCASH OPERATING EXPENSES		
Plus Depreciation and Amortization	881,156	881,154
NET SURPLUS TO RESERVE		

University Corporation
2020-21 Budget
as of June 22, 2020

University Support

*Child Development
Center/University
Support/Salinas City
Center/CSUMB @ North Salinas*

	19-20 Projected Actuals	20/21 Budget Request
REVENUES		
Housing Revenue	-	-
Housing- No License Fee	-	-
Housing Concessions	-	-
Contract Revenue	444,949	272,647
Vending/Commission Revenue	-	-
Sponsored Programs Revenue	-	-
Indirect Cost Recovery-Grants	-	-
Investment Income	-	-
Membership Dues	-	-
Other Revenue	-	-
TOTAL REVENUES	444,949	272,647
EXPENSES		
Salaries and Wages	221,520	221,520
Benefits	129,990	121,836
Payment for Services from CSUMB	895,052	845,048
Utilities	143,233	177,769
Travel	4,648	4,648
Contractual Services	253,082	212,663
Information Technology Costs	69,416	69,416
Equipment (noncapital)	21,786	21,000
Supplies	24,522	24,522
Insurance	20,810	17,593
Repairs and Maintenance	35,992	31,542
Depreciation	409,979	415,529
Meal Concessions	-	-
Rental Expense	815,538	829,157
Sponsored Programs	-	-
Cost of Goods Sold	-	-
Other Expense	143,248	143,248
TOTAL EXPENSES	3,188,816	3,135,492
NET REVENUE AFTER OPERATING EXPENSES, BEFORE UNIVERSITY SUPPORT	(2,743,867)	(2,862,845)
UNIVERSITY SUPPORT		
Housing Scholarships and Food Insecurity	-	-
Community Outreach	209,452	261,452
Contribution to Auxiliary	24,600	25,000
Contribution to University	1,216,299	1,175,000
SUBTOTAL UNIVERSITY SUPPORT	1,450,351	1,461,452
NET REVENUE AFTER UNIVERSITY SUPPORT	(4,194,218)	(4,324,298)
NONCASH AND NON-OPERATING EXPENSES		
Less: Interest on Debt	(119,014)	(107,793)
Less: Payments for Principal Debt	(217,800)	(227,700)
SUBTOTAL NONCASH, NON-OPERATING EXPENSES	(336,814)	(335,493)
TOTAL NET REVENUE (DEFICIT)	(4,531,032)	(4,659,791)
FOR RESERVES, ADD-BACK NONCASH OPERATING EXPENSES		
Plus Depreciation and Amortization	409,979	415,529
NET SURPLUS TO RESERVE		

**University Corporation
2020-21 Budget**

as of June 22, 2020

	Administration		Grants and Contracts	
	Ryan Ranch and all Administrative Funds		Grants and Contracts	
	19-20 Projected Actuals	20/21 Budget Request	19-20 Projected Actuals	20/21 Budget Request
REVENUES				
Housing Revenue	-	-	-	-
Housing- No License Fee	-	-	-	-
Housing Concessions	-	-	-	-
Contract Revenue	17,627	14,127	-	-
Vending/Commission Revenue	-	-	-	-
Sponsored Programs Revenue	-	-	1,375,796	965,160
Indirect Cost Recovery-Grants	-	-	16,154,369	10,616,760
Investment Income	1,560,201	1,560,201	-	-
Membership Dues	-	-	-	-
Other Revenue	91,411	90,805	-	-
TOTAL REVENUES	1,669,238	1,665,133	17,530,165	11,581,920
EXPENSES				
Salaries and Wages	1,607,066	1,859,231	-	-
Benefits	827,348	1,011,546	-	-
Payment for Services from CSUMB	1,226,410	1,233,085	-	-
Utilities	194,448	102,960	20	-
Travel	25,329	31,485	-	-
Contractual Services	426,681	361,769	-	-
Information Technology Costs	98,539	100,700	-	-
Equipment (noncapital)	-	-	-	-
Supplies	19,094	19,164	-	-
Insurance	8,429	28,959	72,593	72,078
Repairs and Maintenance	22,127	22,127	-	-
Depreciation	347,033	347,033	226,000	226,000
Meal Concessions	-	-	-	-
Rental Expense	-	-	-	-
Sponsored Programs	-	-	16,154,369	10,616,760
Cost of Goods Sold	-	-	-	-
Other Expense	175,734	177,954	50	-
TOTAL EXPENSES	4,978,239	5,296,014	16,453,032	10,914,838
NET REVENUE AFTER OPERATING EXPENSES, BEFORE UNIVERSITY SUPPORT	(3,309,001)	(3,630,881)	1,077,133	667,082
UNIVERSITY SUPPORT				
Housing Scholarships and Food Insecurity	-	-	-	-
Community Outreach	50	50	-	-
Contribution to Auxiliary	-	-	-	-
Contribution to University	-	-	-	-
SUBTOTAL UNIVERSITY SUPPORT	50	50	-	-
NET REVENUE AFTER UNIVERSITY SUPPORT	(3,309,051)	(3,630,931)	1,077,133	667,082
NONCASH AND NON-OPERATING EXPENSES				
Less: Interest on Debt	-	-	-	-
Less: Payments for Principal Debt	-	-	-	-
SUBTOTAL NONCASH, NON-OPERATING EXPENSES	-	-	-	-
TOTAL NET REVENUE (DEFICIT)	(3,309,051)	(3,630,931)	1,077,133	667,082
FOR RESERVES, ADD-BACK NONCASH OPERATING EXPENSES				
Plus Depreciation and Amortization	347,033	347,033	226,000	226,000
NET SURPLUS TO RESERVE				