

# **DIVISION OF BUSINESS & FINANCIAL AFFAIRS**

## **COVID-19 BRIEFING**

**April 2, 2010**

Unit: Budget and Planning

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**ACTION OR INFORMATION:** Provide preliminary financial updates for Auxiliary Organization and Auxiliary Enterprise revenue and expense estimates for fiscal year ending June 30, 2020. Identify options for covering funding shortfalls.

### **BACKGROUND AND POLICY ISSUE(S):**

In response to the ongoing COVID-19 pandemic and transition to virtual instruction, Auxiliary units have updated operational proforma to incorporate anticipated budgetary impacts associated with student refunds (housing, meal plans, parking), course cancellation and other anticipated expenditure adjustments attributed to operational changes driven by COVID-19. The updates assume cancellation of the majority of housing-related summer conferences and events.

### **FINDINGS:**

Structural deficits are projected for the following units:

- UAS (\$1,184,493)
- HRE (841,962)
- Parking (57,294)
- Conferences & Events *TM910 only* (427,119)

### **RECOMMENDATIONS:**

- Evaluate 2019/20 expenditures to year end and reduce expenses for auxiliary operations where operating shortfalls are projected as much as possible.
- Utilize Reserve funds for operations that can absorb shortfall in their own program - HRE and Parking.
- Given that UAS does not have adequate reserves to cover the projected 19/20 shortfall, evaluate overall campus-wide debt structure to develop a comprehensive strategy to meet its 19/20 operating shortfall. A loan agreement will be developed to cover the final shortfall from other proposed fund(s).
- The projected shortfall in Conferences & Events will be absorbed in the General Fund operating budget.

## SUPPORTING DOCUMENTATION:

Auxiliary Organizations and Auxiliary Enterprises		2019/20	2019/20
		Budget	Forecast at 6/30/20
UAS	Revenue	10,632,417	8,213,400
	Expenditures	9,659,742	8,747,682
	Debt Service	664,000	650,211
	<b>Net Operations</b>	<b>308,675</b>	<b>(1,184,493)</b>
Student Union (DA001)	Revenue	2,126,502	2,300,561
	Expenditures	959,612	1,016,416
	Debt Service	993,868	858,050
	<b>Net Operations</b>	<b>173,022</b>	<b>426,096</b>
Housing (TT901)	Revenue	17,617,180	13,454,470
	Expenditures	8,659,594	7,714,654
	Debt Service	6,581,777	6,581,777
	<b>Net Operations (deficit)</b>	<b>2,375,809</b>	<b>(841,962)</b>
Parking (TG901)	Revenue	2,347,521	2,057,376
	Expenditures	2,091,123	1,932,690
	Debt Service	181,980	181,980
	<b>Net Operations</b>	<b>74,418</b>	<b>(57,294)</b>
Extended University	Revenue	7,811,622	8,581,683*
(Includes OLLIE and Early Start)	Expenditures	7,773,247	6,916,298
	Debt Service	0	0
	<b>Net Operations</b>	<b>38,375</b>	<b>1,665,385</b>
Conferences & Events (TM910)	Revenue	2,127,575	1,772,710
	Expenditures	1,478,140	2,199,829
	Debt Service	0	0
	<b>Net Operations</b>	<b>649,435</b>	<b>(427,119)</b>
*EU forecast includes \$1.078M transfer of prior year fund balance from CERF -TH920			

## CURRENT UPDATE:

Parking forecast updated for revenue and debt service.

## **UAS Operational Staffing Plan to End of Fiscal Year**

### Strategy to minimize budget shortfall in the 19/20 Fiscal Year

- Total UAS Budget shortfall in the 19/20 Fiscal Year is projected to be \$1.2 million.

### Operations and staffing from April 1 until May 22

- UAS is currently staffed at 43 full time, 50 part time employees and 67 student employees. The full-time and part-time staff are working to feed the students living in the residence halls now through the end of the academic year as well as operating a few retail locations on a limited basis to service our community and move through current food inventory. We are planning on having all 59 student employees migrate over to DSA to support their work with outreach, enrolment and Summer Bridge. The payroll cost of full time and part time staff over this period is approximately \$517K including benefits. The payroll cost of the student payroll that is migrating over to DSA over this period is approximately \$80K.

### Operations and staffing May 23 - June 30

- UAS is planning on there being no Summer Conferences business and expects to have Islands Cafe and all retail dining operations closed during the summer of 2020 and as a result, we'd reduce the workforce down to a core management group of 8 full time employees. The payroll cost of the core management group over this period of time is approximately \$92K.

### Debt Service

- Included in the operation shortfall is the annual debt service of \$660K

Operations shortfall to be determined.

## **HRE Operational Staffing Plan to End of Fiscal Year**

Pending