Coronavirus & 2020 Budget

Board Meeting

May 12, 2020

THE GREEN WAY

Deterioration in outlook since last Board mtg, but PPP funds provide huge temporary lift

Recap from March 24 Board meeting:
- Projected deficits led Board to approve budget reductions of ~$0.75M
- Scenarios show estimated new budget surplus/(deficit) of $0.3M or ($0.2M) or ($0.7M)

Continued economic disruption results in downgraded scenarios
- Scenario A set aside as too optimistic; created a new, still-worse scenario, D
- Significantly lower earned income forecasts due to deteriorating business climate
  - No longer assuming full restoration of income in any scenario
  - Scenario B: 50% of income, starting July 1
  - Scenario C: 40% of income, starting August 15
  - Scenario D: no add'l earned income
- Philanthropic scenarios each boosted slightly by emergency grants (e.g., NEA, NEFA)
  - All scenarios require active fundraising by staff and Board to meet new goals

With ~$0.46M in forgivable PPP, immediate outlook is dramatically better
- No further budget reductions currently proposed
- Structural budget imbalance of $0.1-0.2M per month likely
- Enormous fiscal uncertainty remains for 2020 and beyond

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WAY

2020 scenarios show importance of $464K PPP; structural deficit likely to persist

2020, $K	Scenario B	Scenario C	Scenario D
Forecast surplus as of 3/24/20	216	216	216
Reductions approved 3/24/20	716	716	716
Forecast earned income change	(925)	(1,136)	(1,356)
Forecast philanthropy change	(476)	(656)	(802)
Subtotal	**(470)**	**(862)**	**(1,226)**
PPP forgivable amount	464	464	464
FORECAST SURPLUS / (DEFICIT)	**(6)**	**(398)**	**(762)**

OK for 2020, but structural deficit remains

Could use reserves instead of cuts - but structural deficit remains

Would need cuts

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Appendix

Recap:
3 scenarios from March 24th Board meeting

$K	Scenario 1	Scenario 2	Scenario 3
Budget status, as of mid-March	216	216	216
Forecast earned income change	(361)	(668)	(945)
Forecast philanthropy change	(308)	(505)	(697)
Subtotal	**(453)**	**(957)**	**(1,426)**
Budget reductions	771	771	771
FORECAST SURPLUS / (DEFICIT)	**317**	**(187)**	**(656)**