

# **BOARD OF REGENTS**

## **EASTERN MICHIGAN UNIVERSITY RECOMMENDATION**

SECTION: 1

DATE:

August 02, 2005

### **FY 2006 GENERAL FUND OPERATING BUDGET**

#### **ACTION REQUESTED**

It is requested that the fiscal 2006 General Fund Operating Budget in the amount of \$210,990,000 be accepted and placed on file.

#### **STAFF SUMMARY**

The recommended budget has been prepared in accordance with the approved budget policies and procedures including recognition and funding of all contractual obligations.

The non-capital component of this operating budget has increased \$3.9 million or over the prior year. This is \$4.4 million lower than the 2005-06 State Appropriation Request approved by the Board in November of 2004. Incorporated into this budget are divisional operating budget reductions in excess of \$9.6 million in response to required cost increases, State Appropriation funding reductions and enrollment forecasts.

Contained in the proposed spending authority is an additional \$4.1 million to support facility improvements.

Included in the proposed net increase is \$1.1 million in additional student financial aid funding. This represents a 7% increase in student financial aid funds, and represents 29% of the non-capital net budget growth for fiscal year 2005-06.

The budget includes provision for contractual salary agreements, required debt service; forecast increases in healthcare and benefits, utilities, risk management, financial aid and other necessary operating costs. The budget does not accommodate any inflationary cost adjustments for general departmental operations. The budget is contingent upon the approval of the accompanying recommendation for 2005-06 Tuition and Fees.

The budget is base upon a forecast appropriation of \$75.9 million or 1.7% below the prior year appropriation budget of \$77.3 million and enrollments level forecast of 551,037 Student Credit Hours.

#### **FISCAL IMPLICATIONS**

Approval of this budget recommendation as detailed in the 2005-06 General Fund Operating Budget will establish the general fund spending authorization of \$210,990,000.

#### **ADMINISTRATIVE RECOMMENDATION**

The proposed Board action has been reviewed and is recommended for Board approval.

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University Executive Officer

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Date