

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 6
DATE:
November 15, 2005

RECOMMENDATION

FY 2006 GENERAL FUND BUDGET INTERM STATUS REPORT

ACTION REQUESTED

It is requested that the fiscal 2006 General Fund Budget Interim Status Report as of September 30, 2005 be accepted and placed on file.

STAFF SUMMARY

This report overviews the year-to-date revenues and expenditures versus the operating plan as of September 30, 2005.

General Fund revenues through September 30, 2005 total \$67.3 million, or 32% of plan. We anticipate a restoration of FY05 State appropriation of approximately \$611,000. This will result in a FY06 total revenue expectation of \$217.8 million, including the prior year carry forward authorization.

Combined summer, and fall enrollments total 273,800 student credit hours (SCH), or 98.4% of plan. Tuition and other student fee revenues are forecast to meet plan.

General Fund expenditures total \$44.4 million or 20% of the original plan.

FISCAL IMPLICATIONS

Tuition and Fee revenue continue to accumulate consistent with the plan. Revenues and expenditures are generally consistent with past levels and are within the approved operating plan.

ADMINISTRATIVE RECOMMENDATION

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

University Executive Officer

Date

2.

Fiscal 2006 General Fund Interim Budget Status Report July 1, 2005 through September 30, 2005

The General Fund budget interim status report compares budget to actual revenues and expenditures. The data contained within represents posted activity to the Financial System through September 30, 2005. Reported enrollments include unofficial summer and fall.

Summary

Revenue and expenditure activity over the first three months of the fiscal year are consistent with the operating plan and past experience.

REVENUES

The Board of Regents adopted a continuation budget in June of 2005 which included a 6% increase in tuition for the Summer 2005 term. In August the Board of Regents approved a General Fund Revenue budget of \$212,533,267, which included a 13.5% tuition increase effective Fall 2005. In September the Board approved prior year carryforward of \$4,670,352 (Appendix A). The revised revenue authorization totals \$217,203,619.

General Fund Revenue Budget	\$211,063,267
Provision for Bad Debt Expense	<u>\$1,470,000</u>
FY 2006 Revenue Authorization	<u>\$212,533,267</u>
 Prior Year Carry forward Authorizations	 <u>\$4,670,352</u>
Total Revenue Budget	<u>\$217,203,619</u>
 FY05 Appropriation Rebate Anticipated	 <u>\$611,000</u>
 Revised Revenue Expectation	 <u>\$217,814,619</u>

The State of Michigan is expected to rebate fiscal year 2005 appropriations withheld from the December payment in the amount of \$611,000. This will bring the FY 2006 revenue expectation to approximately \$217,814,619.

Through the end of this reporting period, \$67.3 million in current year revenue has been recorded consistent with the plan.

Appropriation

The University's FY2005 appropriation from the State of Michigan, as originally approved in August of this year, totaled \$75,938,400. The University anticipates an additional rebate of FY05 appropriation of \$611,000.

Through September, no payments have been received.

Enrollments/Tuition

The original Enrollment Plan forecasted 551,037 student credit hours representing \$125,898,256 in tuition and fee revenue.

Tuition revenues for summer and fall are consistent with plan at \$63.1 million, on 273,794 SCH, 98.4% of plan (subject to final enrollments). Enrollments were below the prior year by approximately 2200 SCH, or 1%.

Other Revenues

Other General Fund revenues, including miscellaneous student fees (Library, registration fees, etc.) are accumulating at normal rates.

EXPENDITURES

The Board of Regents approved the fiscal 2005 General Fund operating budget in August of 2005 totaling \$212,460,000. In September of 2005 the Board authorized carry forwards from the prior year of \$4,670,352, increasing the spending authority to \$217,130,352.

General Fund Expenditure Budget	\$210,990,000
Provision for Bad Debt Expense	<u>\$1,470,000</u>
Sub-Total Expenditure Authorization	\$212,460,000
 Prior Year Carry forward Authorizations	 <u>\$4,670,352</u>
Total Expenditure Authorization	<u>\$217,130,352</u>

General Fund expenditures and transfers total \$44.4 million or 20.5% of the original plan. Prior year expenditures through September totaled 20.6% of the revised plan. This level of spending is consistent with historical experience.

Overall spending to date is generally consistent with the revised plan.

Personal Services

Personal service budgets and authorized positions are centrally controlled and closely monitored. Authorized positions and expenditures for both faculty and staff are within plan. As a result of negotiated lecturer and staff compensation adjustments, personal service costs, including incremental benefits, will exceed plan by \$0.5 million.

To-date total compensation for faculty, staff and other personal services total \$26.7 million or 17% of plan.

Staff salary savings from vacant positions have been reduced over year-ago levels. During the first three months of this fiscal year the university averaged 50 staff vacancies versus 55 a year ago. Staff salary recoupment, including benefits, is expected to meet plan.

SS&M/Travel/Equipment

Support expenditures to date are occurring at a rate consistent with the prior year pace. Through September expenditures represented 29% of plan versus 30% a year-ago. Expenditures are generally consistent within normal parameters.

Extended Programs

Extended programs are largely self-supporting activities. Revenue and expenditure activity to date is consolidated as part of the overall general fund operations as reported above.

Continuing Education/Extended Learning program expenditures total \$3.1 million or 19% of the \$16.1 million budget. Tuition and program fee revenue to-date of \$7.7 million represents 46% of the \$16.8 million revenue plan. Enrollments are near planned levels. Other operations at this time are consistent with the operating plan.

CONCLUSION

After 3 months, subject to the exceptions previously identified, revenues and expenditures are generally consistent with the revised plan.

EASTERN MICHIGAN UNIVERSITY FY 2006 GENERAL FUND BUDGET STATUS REPORT									
10/31/2005 16:11	September 2005								
	<u>FY2006</u> Original Budget a	<u>FY2006</u> Budget Reallocations b	<u>FY2006</u> Budget Prior Yr Bal. c	<u>FY2006</u> Revised Budget e (a+b+c)	<u>FY2006</u> Actual 9/30/05 f	<u>FY2006</u> Actual % of Budget g (f/e)	<u>FY 2005</u> Actual % Prior-YTD	<u>FY2006</u> Forecast Actual 6/30/06 h	<u>6/30/06</u> Projected Surplus/Deficit (O)/U Plan i (e-h)
Revenues									
Appropriation	\$75,938,400			\$75,938,400	\$0	0.00%	0.00%	\$75,938,400	\$0
Tuition and Fees	\$125,898,254		\$0	\$125,898,254	\$63,114,009	50.13%	47.60%	\$125,898,254	\$0
Other Revenue	\$9,736,113		\$0	\$9,736,113	\$4,218,378	43.33%	37.70%	\$9,736,113	\$0
Designated Fund Transfer	\$960,500			\$960,500	\$0	0.00%	0.00%	\$960,500	\$0
Total Revenue	\$212,533,267	\$0	\$0	\$212,533,267	\$67,332,387	31.68%	29.00%	\$212,533,267	\$0
Appropriation Rebate	\$0	\$0	\$0	\$0	\$0			\$611,000	\$611,000
Prior Year C/F Balances			\$4,670,352	\$4,670,352	\$0			\$4,670,352	\$0
Total Approved Funding*	\$212,533,267	\$0	\$4,670,352	\$217,203,619	\$67,332,387			\$217,814,619	\$611,000
Expenditures									
Faculty Salaries	\$62,826,823	\$0		\$62,826,823	\$8,129,161	12.94%	13.20%	\$62,901,823	(\$75,000)
Staff Salaries	\$42,806,090	\$236,902		\$43,042,992	\$9,955,820	23.13%	22.45%	\$43,367,992	(\$325,000)
Other Personal Services	\$1,795,785	\$3,855		\$1,799,640	\$428,731	23.82%	20.10%	\$1,799,640	\$0
Student Help	\$6,678,383	\$52,386		\$6,730,769	\$1,047,352	15.56%	18.90%	\$6,730,769	\$0
Benefits	\$41,518,106	\$119,718		\$41,637,824	\$7,089,592	17.03%	16.70%	\$41,737,824	(\$100,000)
Sub-Total Compensation	\$155,625,187	\$412,861		\$156,038,048	\$26,650,656	17.08%	17.20%	\$156,538,048	(\$500,000)
SS&M/Travel/Equipment*	\$25,366,612	(\$356,486)	\$4,670,352	\$29,680,478	\$6,921,090	23.32%	24.40%	\$29,680,478	\$0
Utilities	\$6,771,189	\$0		\$6,771,189	\$1,171,669	17.30%	0.00%	\$6,771,189	\$0
Financial Aid	\$17,529,601	\$21,518		\$17,551,119	\$7,438,932	42.38%	41.30%	\$17,551,119	\$0
Distribution to EMU Foundation	\$1,829,221	\$0		\$1,829,221	\$1,630,644	89.14%	100.00%	\$1,829,221	\$0
Recharges	(\$1,632,678)	\$0		(\$1,632,678)	(\$387,407)	23.73%	23.50%	(\$1,632,678)	\$0
Other Transfers	\$6,970,868	(\$77,893)		\$6,892,975	\$983,623	14.27%	34.20%	\$6,892,975	\$0
Sub-Total Operating Expense	\$56,834,813	(\$412,861)	\$4,670,352	\$61,092,304	\$17,758,551	29.07%	29.70%	\$61,092,304	\$0
Total Expenditures	\$212,460,000	\$0	\$4,670,352	\$217,130,352	\$44,409,207	20.45%	20.60%	\$217,630,352	(\$500,000)
Net Funding	\$73,267	\$0	\$0	\$73,267	\$22,923,180			\$184,267	\$111,000
* Includes bad debt expense									