

# **BOARD OF REGENTS**

## **EASTERN MICHIGAN UNIVERSITY**

**SECTION: 23**

**DATE:**

June 18, 2013

### **RECOMMENDATION**

#### **FISCAL YEAR 2013-14 AUXILIARY ACTIVITIES OPERATING BUDGETS**

#### **ACTION REQUESTED**

It is recommended that the Board of Regents approve fiscal year 2013-2014 Auxiliary Activities operating budgets totaling \$44.4 million.

#### **STAFF SUMMARY**

The recommended Auxiliary Activities 2013-14 revenues, expenditures and transfers are summarized on the attachment. The revenue budget for Auxiliary Activities of \$44.4 million reflects the Room, Board, and Apartment rates previously approved by the Board on February 19, 2013.

The operating budgets (revenues and expenditures) also reflect increased housing occupancy for Fall 2013. It is expected that the number of students living on campus this Fall in residence halls and university-owned apartments will increase by 9% to approximately 4,100, representing the third consecutive year of increase. This Fall, 800 more students (24%) will be living on campus than in the Fall of 2010.

The Auxiliary Activities operating expenditure budget contains provisions for all necessary operating costs including direct costs, auxiliary-specific debt service, and a transfer to the University's General Fund for services received. The budget recommendation also reflects costs of increasing on-campus housing capacity by 249 (from 3,929 to 4,178) to meet the anticipated demand. The recommended operating budgets result in an operating margin of \$3.5 million which provides funding for the asset preservation and capital investment in our auxiliary facilities.

#### **FISCAL IMPLICATIONS**

Approval of the 2013-14 operating budget recommendation outlined above establishes the spending authorization for the auxiliary activities.

#### **ADMINISTRATIVE RECOMMENDATION**

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

University Executive Officer

Date

**Eastern Michigan University**  
**Auxiliary Activities Fund Operating Budget**  
**Fiscal Years 2012-13 and 2013-14**

<i>(In millions)</i>	Recommended FY 2013-14 <u>Budget</u>	FY 2012-13 <u>Budget</u>	FY2013-14 Over/(Under) <u>FY2012-13</u>
<b>Revenues</b>			
Dining	\$ 16.8	\$ 15.8	\$ 1.0
Residence Halls	14.8	13.7	1.1
Apartments	3.1	3.0	0.1
Parking	3.5	3.5	-
All Other Auxiliary Activities	6.2	5.2	1.0
<b>Total Revenue</b>	<b>\$ 44.4</b>	<b>\$ 41.2</b>	<b>\$ 3.2</b>
<b>Expenditures</b>			
Operations Direct Costs	\$ 37.3	\$ 34.9	\$ 2.4
Debt Service	2.6	2.5	0.1
Overhead to General Fund	5.1	4.9	0.2
Transfers	(4.1)	(4.1)	-
<b>Total Operating Expenses</b>	<b>\$ 40.9</b>	<b>\$ 38.2</b>	<b>\$ 2.7</b>
<b>Operating Surplus, before capital</b>	<b>\$ 3.5</b>	<b>\$ 3.0</b>	<b>\$ 0.5</b>

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