

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 26

DATE:

June 19, 2012

RECOMMENDATION

FISCAL YEAR 2012-2013 AUXILIARY ACTIVITIES OPERATING BUDGETS

ACTION REQUESTED

It is recommended that the Board of Regents approve a fiscal year 2012-2013 Auxiliary Activities operating budget of \$42.1 million. Revenues, expenditures and transfers are detailed on the attachment.

STAFF SUMMARY

The recommended 2012-13 revenue budget for Auxiliary Activities of \$42.1 million reflects the Room, Board, and Apartment rates previously approved by the Board on April 17, 2012.

The operating budget also reflects increased housing occupancy for Fall 2012. It is expected that the number of students living on campus this Fall in residence halls and university-owned apartments will increase by approximately 5% to over 3,600.

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. Transfers to the Auxiliaries capital fund for asset preservation and new capital projects are budgeted at \$3.8 million; major Auxiliary capital projects in fiscal year 2012-13 include a \$2 million renovation of Best Hall, Westview apartment renovations, parking-related improvements, and student center furniture.

FISCAL IMPLICATIONS

Approval of the 2012-13 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 Fund Operating Budget
 Fiscal Year 2012-2013

(in millions)	Budget 11-12	Proposed Budget 12-13	Variance
<u>Revenues</u>			
Dining	\$14.5	\$15.8	\$1.3
Residence halls / apartment	15.5	16.8	1.3
All other auxiliary activities	10.7	9.5	-1.2
Total Revenues	\$40.7	\$42.1	\$1.4
<u>Expenses</u>			
Operations direct costs	\$31.1	\$30.9	\$0.2
Debt service	2.6	2.5	0.1
Overhead to the general fund	4.1	4.9	-0.8
Total Operating Expenses	\$37.8	\$38.3	-\$0.5
Operating surplus, before capital	\$2.9	\$3.8	\$0.9