

**BOARD OF REGENTS**  
**EASTERN MICHIGAN UNIVERSITY**

<b>SECTION: 20</b>
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<b>DATE:</b> October 1, 2013
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**RECOMMENDATION**

**FINANCE AND INVESTMENT COMMITTEE**

**ACTION REQUESTED**

It is recommended that the Board of Regents receive and place on file the minutes from the June 18, 2013 Finance and Investment Committee meeting and the Working Agenda for the October 1, 2013 meeting.

**STAFF SUMMARY**

June 18, 2013

Agenda items discussed at the June 18, 2013 Finance and Investment Committee meeting included a financial update and the committee reviewed recommendations to the Board for:

- Fiscal Year 2013-14 Tuition Fees
- Fiscal Year 2013-14 General Fund Operating Budget
- Fiscal Year 2013-14 Auxiliary Activities Operating Budgets
- Fiscal Year 2013-14 Capital Budget Recommendation and Three-Year Capital Plan

October 1, 2013 Meeting Agenda

Agenda items include the following recommendations

- June 30, 2013 Financial Statements and Audit recommendation
- Fiscal Year 2014-15 Financial Aid Authorization Recommendation
- Fiscal Year 2014-15 State Capital Outlay Recommendation
- Emeritus Staff Awards

**FISCAL IMPLICATIONS**

None

**ADMINISTRATIVE RECOMMENDATION**

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

**University Executive Officer**

**Date**

**Eastern Michigan University  
Finance and Investment Committee  
Meeting Minutes  
June 18, 2013**

The meeting was called to order by Regent Mary Treder Lang at 11:30 a.m.

**Section 20: Recommendation: Monthly Reports – Finance and Investment Committee, Information Reports and Financial Updates**

A motion was made, seconded and approved to accept the minutes from the April 16, 2013 Finance and Investment Committee meeting.

The agenda includes 4 items pertaining to the Fiscal Year 2013-14 budget.

**Section 21: Recommendation: Fiscal Year 2013-14 Tuition and Fees**

It is recommended that the Board of Regents approve a 3.75% increase in tuition and fees for the 2013-14 academic year. This recommendation builds upon Eastern's commitment to provide students a high quality education at an affordable price. Eastern continues to be the State's leader in tuition restraint. With this recommendation, Eastern will have had the lowest dollar tuition increase over the last 5 years of any of the 15 public universities in the State. Eastern's tuition increases will have averaged 3.0% over the same 5-year timeframe.

For an Undergraduate Michigan resident student taking 30 credits, the annual cost for tuition and mandatory fees would be \$9,364, a 3.75% increase over last year. This equates to an increase of \$11.27 per credit hour.

**Section 22: Recommendation: Fiscal Year 2013-14 General Fund Operating Budget**

It is recommended that the Board of Regents approve a University General Fund operating budget of \$296.4 million for the 2013-14 fiscal year.

Recommended revenues include \$218.4 million of tuition and fees, a \$67.6 million state appropriation (\$66.5 million base appropriation and \$1.1 million in one-time funding), and \$10.4 million of other revenues. The revenue budget reflects the tuition and fee recommendations contained in Section 21.

The recommended expenditure budget includes \$39.2 million in University-sponsored financial aid, an increase of \$3.8 million (11%) compared with the fiscal year 2012-13 budget. Over the last six years, Eastern's University-sponsored financial aid will have grown by over 80% from \$21.4 million in 2007-2008 to \$39.2 million in 2013-2014. The recommended budget also reflects \$2.2 million in funding for new academic programs and Strategic Plan initiatives to support continued enrollment growth including Eastern's new Physician's Assistant Program planned for launch in May 2014.

**Section 23: Recommendation: Fiscal Year 2013-14 Auxiliary Activities Operating Budgets**

It is recommended that the Board of Regents approve fiscal year 2013-2014 Auxiliary Activities operating budgets totaling \$44.4 million which reflects 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 expenditure operating budget is recommended at \$40.9 million leaving \$3.5 million for operating surplus which provides funding for the asset preservation and capital investment in our auxiliary facilities.

In the last five years we have invested more than \$22 million in our housing facilities and are working on Best Hall now and Wise Hall next. We are working with a consulting firm to look at housing demands in the future and potential alternatives to address the demand.

**Section 24: Recommendation: FY 2013-14 Capital Budget Recommendation and Three-Year Capital Plan**

It is recommended that the Board of Regents approve a fiscal year 2013-14 University Capital budget of \$9.2 million. It is also recommended that the Board receive and place on file the three year capital plan for the fiscal years 2013-14 through 2015-16.

The five years from fiscal year 2008-09 through 2012-13 represented a period of unprecedented capital investment at Eastern. Over the period, capital spending totaled \$220 million. Two-thirds of the spending (\$146 million) was invested in academic facility enhancements, 10% (\$22 million) in housing and dining facility renovations and improvements, with the balance (\$52 million) invested in campus infrastructure (buildings, grounds, parking, roadway improvements), IT infrastructure and campus technology, and other student and athletic facilities.

Over the next three years, capital spending of \$26.4 million is planned. In addition to ongoing investments in technology and academic buildings which represent over half of the spending (\$14.2 million), \$5.2 million in investment is planned for housing, dining and student facility renovations with Wise Hall the next residence hall to undergo a major renovation.

It is recommended that the Board of Regents grant Emeritus Staff Status to two (2) staff members: Barbara Gorenflo, Assistant Dean for Field and Clinical Experiences, Office of Academic Services in the College of Education, who retired on April 30, 2013 after 23 years; and Patricia McLean, Account Clerk in Accounts Payable in Business and Finance, who retired after 32 years on November 30, 2012.

John Lumm recognized Cathie McClure, Recording Secretary for the Finance and Investment Committee, for her 22 years of service to the University at her last Board meeting before retiring on June 28.

The meeting was adjourned at 11:49 a.m.

Respectfully submitted,

Cathie McClure  
Executive Assistant to the  
Chief Financial Officer

**BOARD OF REGENTS**  
**Eastern Michigan University**  
201 Welch Hall  
(734) 487-2410

**FINANCE and INVESTMENT COMMITTEE**  
Tuesday, October 1, 2013  
11:30 a.m.

**REGULAR AGENDA**

- Minutes from June 18, 2013
- October 1, 2013 Finance and Investment Committee Agenda
  - June 30, 2013 Financial Statements and Audit Recommendation
  - Fiscal Year 2014-15 Financial Aid Authorization Recommendation
  - Fiscal Year 2014-15 State Capital Outlay Recommendation
  - Emeritus Staff Awards