

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 18

DATE:
December 10, 2013

RECOMMENDATION

FINANCE AND INVESTMENT COMMITTEE

ACTION REQUESTED

It is recommended that the Board of Regents receive and place on file the minutes from the October 1, 2013 Finance and Investment Committee meeting and the Working Agenda for the December 10, 2013 meeting.

STAFF SUMMARY

October 1, 2013

At the October 1, 2013 Finance and Investment Committee meeting, the committee reviewed recommendations to the Board for:

- Consolidated Financial Statements and Supplementary Information as of June 30, 2013
- FY 2014/15 General Fund, Scholarships, Awards and Grants Request
- FY 2014/15 State Capital Outlay Request
- Emeritus Staff Awards

December 10, 2013 Meeting Agenda

Agenda items include the following recommendations to the Board:

- OMB Circular A-133 Supplementary Finance Reports for year ending June 30, 2013
- 2012-13 Eastern Michigan University Foundation Consolidated Financial Report
- Emeritus Staff Award

FISCAL IMPLICATIONS

None

ADMINISTRATIVE RECOMMENDATION

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

University Executive Officer

Date

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

FINANCE and INVESTMENT COMMITTEE
Tuesday, December 10, 2013
11:30 a.m.

REGULAR AGENDA

- Minutes from October 1, 2013
- December 10, 2013 Finance and Investment Committee Agenda
 - OMB Circular A-133 Supplementary Finance Reports for year ending June 30, 2013
 - 2012-13 Eastern Michigan University Foundation Consolidated Financial Report
 - Emeritus Staff Award

Eastern Michigan University
Finance and Investment Committee
Meeting Minutes
October 1, 2013

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

A motion was made, seconded and approved to accept the minutes from the June 18, 2013 Finance and Investment Committee meeting.

The agenda includes 4 items.

Section 21: Recommendation: June 30, 2013 Financial Statements and Audit

It is recommended that the Board of Regents receive and place on file the University's audited fiscal year 2012-13 financial statements and auditor's report.

Plante Moran, the University's external auditors did not identify any significant deficiencies or material weakness related to the University's controls, accounting practices, accounting estimates, or financial statements disclosures. Plante Moran gave an unmodified (unqualified) opinion which is the highest level of assurance. Representatives from Plante Moran (Vicki VanDenBerg and Jennifer Kujawski) presented a power point summary of the results of their audit including benchmark comparisons with other universities.

Plante Moran stated that the University's operating revenue relies heavily on tuition and fees. Plante Moran recommended best practices and the University will adopt their recommendations. In addition, Plante Moran mentioned a change in the GASB rules which will require the University to post a MPSERS liability starting June 2015. Currently this liability is estimated at \$68 million.

Section 22: Recommendation: Fiscal Year 2014-15 Financial Aid Authorization

It is recommended that the Board of Regents approve the 2014-2015 General Fund Scholarships, Awards and Grants proposal for \$ 43,822,000.

This request, which represents an 11.8% increase in student aid over the prior year, underscores the dramatic growth in new student enrollment and retention, along with our continued significant financial investment in student education. It also reflects an effort to increase our enrollment through the attraction of more academically prepared students able to succeed with the rigor of an EMU education. The 2014-15 Scholarships, Awards and Grants proposal of \$43,822,000 represents an increase of \$4,620,000 (11.8%) over the 2013-14 approved budget of \$39,202,000.

The total proposal of \$43,822,000 includes:

- Scholarships, Awards and Grants \$ 30,940,000
- Athletic Grants-in-Aid \$ 7,395,000
- Federal and State Matches \$ 500,000
- Graduate Aid \$ 4,987,000

Section 23: Recommendation: Fiscal Year 2014-15 State Capital Outlay

It is recommended that the Board of Regents approve the University's Capital Outlay Plan and delegate authority to the President to submit the renovation of Strong Hall as the University's top project request for state cost participation for Fiscal Year 2015.

The Strong Hall project is part of Eastern's Science Complex and houses the Geology and Geography and the Physics and Astronomy departments. The project reflects a major renovation of the 87,500 gross square foot structure including modernizing classrooms and labs, lecture halls, student commons areas, and faculty offices as well as, creating flexible use spaces for both research and instruction and replacement of architectural, structural, mechanical and electrical systems. The estimated cost to renovate Strong Hall is \$45 million. At a funding mix of 75% State / 25% Eastern, the University's cost share would be \$11.25 million.

To comply with the statutory requirements, Eastern Michigan University will post its five-Year Capital Outlay Plan on the institutions internet site by November 1, 2013. In addition, the Fiscal Year 2015 Capital Project request will also be on the internet site.

Section 3: Recommendation: Emeritus Staff Status

It is recommended that the Board of Regents grant Emeritus Staff Status to Seven (7) staff members: Glenna Frank Miller, Assistant Vice President for Student Life, who retired on June 30, 2013 after 39 years; Larry Gates, Director of Dining Services, who retired on June 28, 2013 after 33 years; Kathy Orscheln, Director Staff Development, who retired on June 28, 2013 after 31 years; Gregory Peoples, University Ombudsman, who retired on June 30, 2013 after 28 years; Virginia Majeske Ellis, Senior Secretary in Communications and Theatre Arts, who retired June 30, 1991 after 26 years; Mary (Cathie) McClure, Executive Assistant for Chief Financial Officer, who retired on June 30, 2013 after 22 years and Ann Rentfrow, Administrative Secretary, Snow Health Center, who retired on June 28, 2013 after 17 years.

John Lumm introduced Jada Wester, as the new Recording Secretary for the Finance and Investment Committee.

The meeting was adjourned at 11:55 a.m.

Respectfully submitted,

Jada Wester
Executive Assistant to the
Chief Financial Officer