

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

RECOMMENDATION
FINANCE AND INVESTMENT COMMITTEE

SECTION: 18
DATE: October 13, 2015

ACTION REQUESTED

It is recommended that the Board of Regents receive and place on file the minutes from the June 16, 2015 Finance and Investment Committee meeting and the Working Agenda for the October 13, 2015 meeting.

STAFF SUMMARY

June 16, 2015 Meeting Agenda

Agenda items include the following recommendations

- 2015-16 Tuition and Fees Recommendation
- 2015-16 General Fund Operating Budget Recommendation
- 2015-16 Auxiliaries Fund Operating Budget Recommendation
- Approval of Purchase Agreement – 511 Forest Avenue
- Approval of Debt Financing
- Approval – Extension of University Beverage Rights
- Approval – Extension of University Apparel Rights
- Approval – Policy 12.1.1 – In-State Classification of Tuition
- Emeritus Staff Awards

October 13, 2015 Meeting Agenda

Agenda items include the following recommendations

- Consolidated Financial Statements (June 30, 2015)
- FY 2016-17 State Capital Outlay
- FY 17 General Fund Scholarships, Awards, and Grant Request
- 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

Board Pre-Finance and Investment Committee Conference Call

(October 2, 2015 – Agenda/Materials)

October 13 - Agenda Topics

- Consolidated Financial Statements (June 30, 2015) Tab 1
- FY 2016-17 State Capital Outlay Tab 2
- FY 17 General Fund Scholarships, Awards, and Grant Request Tab 3

Eastern Michigan University
Finance and Investment Committee
Meeting Minutes
June 16, 2015

The meeting was called to order by Regent Beth Fitzsimmons at 11:45 a.m.

A motion was made, seconded and approved to accept the minutes from the March 17, 2015 Finance and Investment Committee meeting.

The agenda includes 9 items.

Section 23: Recommendation: 2015-16 Tuition and Fees

It is recommended that the Board of Regents approve a 7.8% increase in tuition and fees for the 2015-2016 academic year. In addition, it is recommended that program fees that are currently being charged to graduate and doctoral students be combined into the tuition rate and that a differential tuition fee be charged to certain graduate and doctoral areas starting in the 2015-2016 academic year.

Section 24: Recommendation: Fiscal Year 2015-16 General Fund Operating Budget

The recommended 2015-16 General Fund operating budget is summarized on the attachment and includes \$311.7 million of revenues and corresponding expenses. The Board-approved General Fund expenditure budget for 2014-15 was \$302.6 million.

Recommended revenues include \$229.2 million in tuition and fees, a \$72.7 million state appropriation, and \$9.8 million in other revenues. The revenue budget reflects the tuition and fee recommendation contained in Section 23, no increase in state appropriations over what is expected to be received in FY15, a decrease in investment income, and an increase in other revenue.

The recommended expenditure budget includes \$48.5 million in University-sponsored financial aid, an increase of \$4.7 million (10.7%) compared with the 2014-15 budget. Over the past eight years, Eastern's University-sponsored financial aid has increased by more than \$27 million from \$21.4 million in 2007-2008 to \$48.5 million in 2015-2016. The recommended budget reflects a slight decrease (\$0.1 million) in budgeted personnel costs compared to FY15.

Section 25: Recommendation: Fiscal Year 2015-16 Auxiliary Fund Operating Budget

The recommended Auxiliary Activities 2015-16 revenues, expenditures and transfers are summarized on the attachment. The revenue budget for Auxiliary Activities of \$48.9 million reflects the Room, Board, and Apartment rates approved by the board on March 17, 2015.

The Auxiliary Activities operation expenditure budget contains provisions for all necessary operating costs, including direct operating costs and auxiliary-specific debt service.

Section 26: Recommendation: Approval of Purchase Agreement

It is recommended that the Eastern Michigan University Board of Regents (“the University”) approve the attached Purchase Agreement (“the Agreement”) for the purchase of the property described in attachment A (the “Property”) of the Agreement and commonly known as 511 West Forest Avenue, Ypsilanti, MI, Property Identification Number: 11-11-40-113-020, and to authorize the University President to execute all appropriate purchase, transfer and closing documents necessary for the purchase.

Section 27: Recommendation: Approval of Debt Financing

It is recommended that the Board of Regents approve the attached resolution authorizing the issuance of general revenue and revenue refunding bonds and providing for other related matters.

Section 28: Recommendation: Approval of Extension of University Beverage Rights

It is recommended that the Board of Regents authorize the President to extend the contract with Pepsi Cola for University-Wide beverage rights. The contract extension is for ten (10) years through October 17, 2025.

Section 29: Recommendation: Approval of Extension of University Apparel Rights

It is recommended that the Board of Regents authorize the President to execute an agreement for the University to contract with adidas America Inc. (“adidas”) as the University’s provider of footwear, apparel, uniforms, and accessories. The agreement is for a seven (7) year term, commencing July 1, 2015.

Section 30: Recommendation: Board Policy Revision: 12.1.1- In State Classification for Tuition Purposes

It is recommended that Board Policy *12.1.1 In-state Classification for Tuition Purposes* be amended to provide that eligible individuals under the Veterans Access, Choice and Accountability Act (“Choice Act”) be classified as instate students in accordance with the attached revisions.

Section 3: Recommendation: Emeritus Staff Status

It is recommended that the Board of Regents grant Emeritus Staff Status to Four (4) staff member: Angela Wafer, Senior Advisor, Office of Admissions, who retired on March 31, 2015, Sharon Miller, Admissions Processor, Office of Admissions, who retired on December 23, 2014, Margaret Tsilis, Administrative Secretary, Office of the Controller, who retired on January 9, 2015 and Judy Mack, Coordinator of Supplemental Instruction and Tutoring, Holman Success Center, who retired on May 29, 2015.

The meeting was adjourned at 11:59 p.m.

Respectfully submitted,
Jada Wester
Executive Assistant to the
Chief Financial Officer