

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 26

DATE:

June 27, 2017

RECOMMENDATION
FISCAL YEAR 2017-18 AUXILIARY FUND OPERATING BUDGET

ACTION REQUESTED

It is recommended that the Board of Regents approve the University's Auxiliary Fund net operating expenditure budget totaling \$54.9 million for the 2017-18 fiscal year.

STAFF SUMMARY

The recommended Auxiliary Activities 2017-18 revenues, expenditures and transfers are summarized on the attachment. The recommended revenue budget for Auxiliary Activities of \$54.9 million reflects the Room, Board, and Apartment rates approved by the Board of Regents on February 7, 2017 and includes a 5% increase in parking rates.

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

FISCAL IMPLICATIONS

Approval of the 2017-18 budget recommendation outlined above and on the attachment 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

June 27, 2017
Date

Eastern Michigan University
Auxiliary Activities Operating Budget
 Fiscal Years 2016-17 and 2017-18

	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	Approved Budget	Recommended Budget
<i>(in millions)</i>		
Revenues		
(by Auxiliary)		
Residence Halls/Apartments	\$ 19.6	\$ 19.6
Dining	\$ 20.9	\$ 15.6 *
Athletics	\$ 5.4	\$ 6.4
Parking	\$ 4.6	\$ 4.7
Rec/IM	\$ 0.6	\$ 1.4
All Other Auxiliary Activities	\$ 7.4	\$ 7.2
Total Revenue	\$ 58.5	\$ 54.9
Expenses		
Salaries	\$ 23.2	\$ 17.3
Benefits	\$ 6.1	\$ 5.6
Total Personnel Costs	\$ 29.3	\$ 22.9 **
SS&M	\$ 20.8	\$ 17.6
Cost of Goods Sold	\$ 6.9	\$ 9.6 **
Debt Service	\$ 5.3	\$ 4.7
Financial Aid	\$ 2.1	\$ 1.7
Net Transfers	\$ (5.9)	\$ (1.6)
Total Expenditures	\$ 58.5	\$ 54.9

*Chartwells model results in lower Revenue, higher Margin

** 2016-17 Budget for Dining was approved in EMU Self Operated Model