

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

RECOMMENDATION
FINANCE AND INVESTMENT COMMITTEE

SECTION: 22

DATE:
June 13, 2019

ACTION REQUESTED

It is recommended that the Board of Regents receive and place on file the minutes from the April 23, 2019 Finance and Investment Committee meeting and the Working Agenda for the June 13, 2019 meeting.

STAFF SUMMARY

April 23, 2019 Meeting Agenda

Agenda items

- WEMU Annual Report (June 30, 2018)
- EMU Single Federal Audit (June 30, 2018)
- Revision to Investment Policy Statement
- Emeritus Staff Awards

June 13, 2019 Meeting Agenda

Agenda items

- AY 20 Tuition and Fees
- FY 20 General Fund Operating Budget
- FY 20 Auxiliary Funds Operating Budgets
- Emeritus Staff Awards

FISCAL IMPLICATIONS

None

ADMINISTRATIVE RECOMMENDATION

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


University Executive Officer

June 13, 2019
Date

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

FINANCE and INVESTMENT COMMITTEE
Thursday, June 13, 2019
11:00 a.m.

REGULAR AGENDA

- AY 20 Tuition and Fees
- FY 20 General Fund Operating Budget
- FY 20 Auxiliary Funds Operating Budget
- Emeritus Staff Awards

Eastern Michigan University
Finance and Investment Committee
Meeting Minutes
April 23, 2019

The meeting was called to order by Regent Michelle Crumm at 11:02 a.m.

A motion was made, seconded and approved to accept the minutes from the February 7, 2019 Finance and Investment Committee meeting.

The agenda includes (1) item.

Section 19: Recommendation: WEMU-FM Financial Statements as of June 30, 2018 and Auditor's Report

It is recommended that the Board of Regents receive and place on file the WEMU-FM Financial Statements as of June 30, 2018 and related auditor's report.

Section 20: Recommendation: Federal Single Audit Financial Reports for the year ended June 30, 2018

It is recommended that the Board of Regents receive and place on file the Federal Single Audit Financial Reports for the year ended June 30, 2018.

Section 21: Recommendation: University Investment Policy

It is recommended that the Board of Regents amend the University Investment Policy 11.1.2 in accordance with the attached document.

Section: 4 Recommendation: Emeritus Staff Status

It is recommended that the Board of Regents grant Emeritus Staff Status to Three (3) staff members: Margaret Goodwin, Operations Services Specialist Senior, Office of Information Technology, who retired November 5, 2018, Mark Monarch, Manager, Technical / Mechanical Trades & Utilities, Physical Plant, who retired on January 18, 2019 and Christina Davis, Administrative Assistant, Office of School of Communications, Media & Theatre Arts, who retired on March 1, 2019.

The meeting was adjourned at 11:45 a.m.

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

Board of Regents

Finance and Investment Committee

Thursday, June 13, 2019

Mike Valdes, Chief Financial Officer

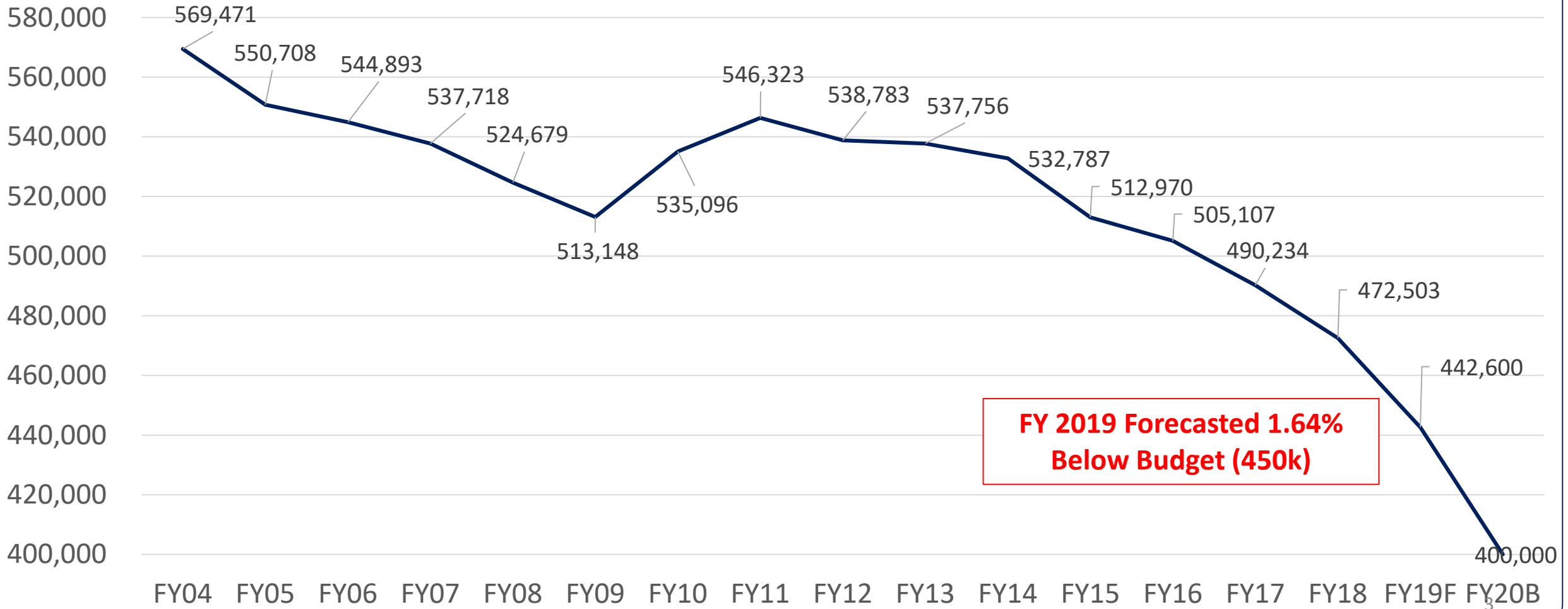
FY 2020 Budget – Baseline Revenue Assumptions

General Fund

- Total SCH – 400,000 at current mix (90% UG, 10% GD)
 - FY19 Budget = 450,000, FY19 Forecast = 442,600
 - Anticipate continued growth in online (19%)
- UG Tuition – 4.4% - State's Fiscal Agency recommendation
- GD Tuition – 5.0% Increase
- State Appropriations – 1.0% Increase
 - \$1.0 million less than FY09 levels

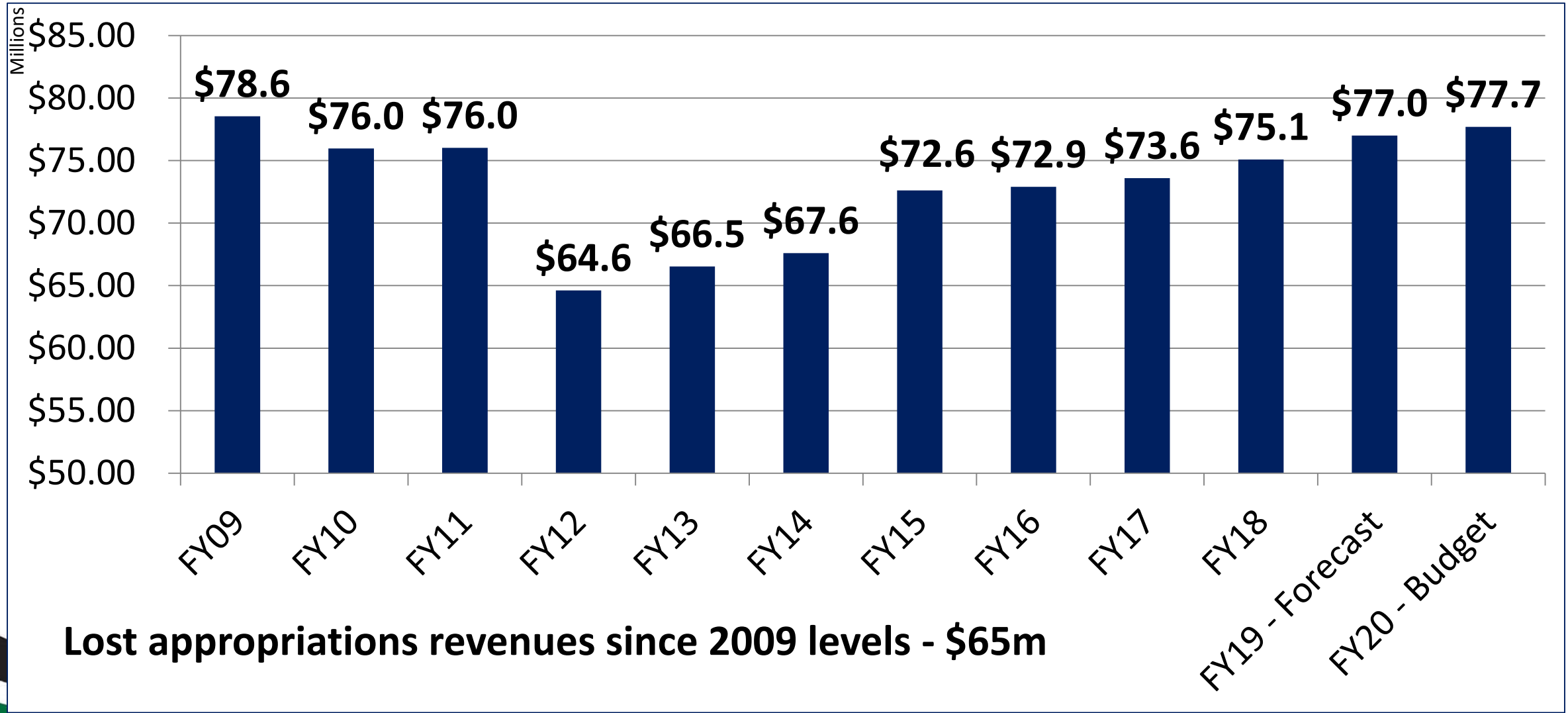
SCH History

Student Credit Hours Per Academic Year

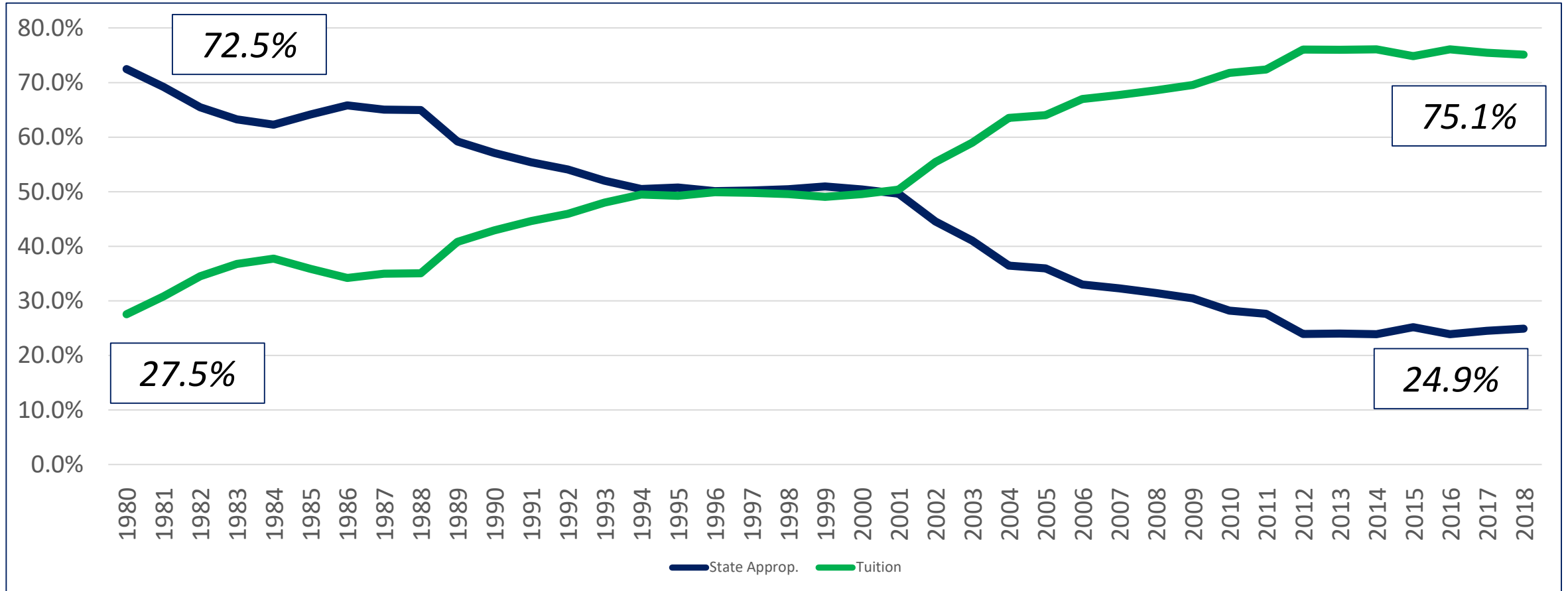


General Fund Revenue Challenges

State Appropriations



State Appropriations vs. Tuition & Fees



FY 2020 Budget – Baseline Expense Assumptions

- Financial Aid
 - \$3.0 million decrease from 2019 (FY 2020 - \$50.8m)
- Personnel Costs
 - All contractual salary increases included
 - NBF salary pool increases 2%
 - Benefits = 40% of Salaries & Wages

FY 2020 Budget – General Fund

FY 2018-19
Approved
Budget

FY 2019-20
Recommended
Budget

(In millions)

Revenues

Tuition	\$	227.3	\$	210.3
State Appropriation	\$	77.0	\$	77.7
Investment Income	\$	3.0	\$	2.0
Departmental Activities	\$	2.9	\$	3.0
Other Revenue	\$	0.5	\$	0.6
Total Revenue	\$	310.7	\$	293.6

Expenditures

Salaries	\$	137.9	\$	126.3
Benefits	\$	50.4	\$	47.5
Total Personnel Costs	\$	188.4	\$	173.8
Financial Aid	\$	53.8	\$	50.8
Net transfers	\$	34.8	\$	35.4
SS&M/ Other	\$	33.7	\$	33.7
Total Expenditures	\$	310.7	\$	293.6

FY 2020 Auxiliaries Budget – Baseline Assumptions

Revenues

- Housing – 2.5% Avg. increase offset by 7.4% decline in occupancy
- Dining – 2.7% Avg. increase
- Rec/IM Opt-Out Fee – \$40/Semester (Est. \$1.47m total)

FY 2020 Budget – Auxiliary Fund Revenues

	<u>FY 2018-19</u>	<u>FY 2019-20</u>
	Approved Budget	Recommended Budget
<i>(in millions)</i>		
Revenues		
<i>(by Auxiliary)</i>		
Residence Halls/Apartments	\$ 19.0	\$ 17.5
Dining	\$ 15.4	\$ 15.4
Athletics	\$ 5.0	\$ 5.5
Rec IM	\$ 2.0	\$ 1.9
Convocation Center	\$ 0.8	\$ 0.9
Children's Institute	\$ 0.7	\$ 0.7
All Other Auxiliary Activities	\$ 5.4	\$ 4.9
Total Revenue	\$ 48.3	\$ 46.8

FY 2020 Budget – Auxiliary Fund Expenses

	<u>FY 2018-19</u>	<u>FY 2019-20</u>
	Approved Budget	Recommended Budget
<i>(in millions)</i>		
Expenses		
Salaries & Wages	\$ 11.0	\$ 11.0
Overtime/temps/EC	\$ 0.8	\$ 0.7
Student help/GA	\$ 2.7	\$ 2.6
Benefits	\$ 4.4	\$ 4.4
Total Personnel Costs	\$ 18.9	\$ 18.7
Financial Aid	\$ 1.5	\$ 2.0
SS&M	\$ 24.0	\$ 24.4
Debt Service	\$ 4.6	\$ 4.6
Cost of Goods Sold	\$ 0.7	\$ 0.3
Net Transfers	\$ (1.4)	\$ (3.2)
Total Expenditures	\$ 48.3	\$ 46.8

Questions?