

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

SECTION:

DATE:

June 10, 2014

RECOMMENDATION FISCAL YEAR 2014-2015 GENERAL FUND OPERATING BUDGET

ACTION REQUESTED

It is recommended that the Board of Regents approve a University General Fund operating expenditure budget of \$301.9 million for the 2014-15 fiscal year.

STAFF SUMMARY

The recommended 2014-15 General Fund operating budget is summarized on the attachment and includes \$302.6 million of revenues and \$301.9 million of expenditures resulting in a budgeted surplus of \$0.7 million. The Board-approved General Fund expenditure budget for 2013-14 was \$296.4 million.

Recommended revenues include \$219.8 million in tuition and fees, a \$72.4 million state appropriation (\$67.3 million base appropriation and \$5.1 million one-time performance funding), and \$10.4 million of other revenues. The revenue budget reflects the tuition and fee recommendations contained in Section 25.

The recommended expenditure budget includes \$43.8 million in University-sponsored financial aid, an increase of \$4.6 million (11.7%) compared with the 2013-14 budget. Over the last seven years, Eastern's University-sponsored financial aid will have more than doubled (from \$21.4 million in 2007-2008 to the \$43.8 million in 2014-2015). The recommended budget reflects the new Physician's Assistant's Program launched last month as well as continuation of the University's enhanced public safety initiatives including 10 additional officers. The recommended expenditure budget also includes over \$5 million in cost savings actions.

FISCAL IMPLICATIONS

Approval of the 2014-15 budget recommendation outlined above and on the attachment establishes the spending authorization for General Fund operations.

ADMINISTRATIVE RECOMMENDATION

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

University Executive Officer

Date

Eastern Michigan University
General Fund Operating Budget
Fiscal Years 2014-15 and 2013-14

<i>(In millions)</i>	Recommended FY 2014-15 <u>Budget</u>	Adopted FY 2013-14 <u>Budget</u>	FY2014-15 Over/(Under) FY2013-14
Revenues			
Tuition and Fees	\$ 219.8	\$ 218.5	\$ 1.3
State Base Appropriation	\$ 67.3	\$ 66.2	\$ 1.1
State Performance and MPSERS	5.1	1.4	3.7
State - Total	\$ 72.4	\$ 67.6	\$ 4.8
Other Revenue	10.4	10.3	0.1
Total Revenue	\$ 302.6	\$ 296.4	\$ 6.2
Expenditures			
Salaries	\$ 141.3	\$ 144.8	\$ (3.5)
Benefits	53.0	53.3	(0.3)
Total Personnel Costs	\$ 194.3	\$ 198.1	\$ (3.8)
Financial Aid	43.8	39.2	4.6
Services, Supplies and Materials	36.3	35.5	0.8
Utilities	5.5	5.2	0.3
Debt Service, Asset Preservation	16.3	14.9	1.4
Distributions to Foundation	1.6	1.8	(0.2)
Net transfers/Contingency/Other	4.1	1.7	2.4
Total Expenditures	\$ 301.9	\$ 296.4	\$ 5.5
General Fund Surplus/(Deficit)	\$ 0.7	\$ -	\$ 0.7