

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 6
DATE:
January 17, 2006

RECOMMENDATION

FY 2006 GENERAL FUND BUDGET INTERM STATUS REPORT

ACTION REQUESTED

It is requested that the fiscal 2006 General Fund Budget Interim Status Report as of November 30, 2005 be accepted and placed on file.

STAFF SUMMARY

This report overviews the year-to-date revenues and expenditures versus the operating plan as of November 30, 2005.

The final FY06 appropriation from the State of Michigan exceeded the approved plan by \$202,200.

The University received a FY05 appropriation restoration payment in January of \$610,800. The FY06 total revenue expectation, including the prior year carry forward authorization, now totals \$217.2 million.

General Fund revenues through November 30, 2005 total \$120.6 million, or 57% of plan.

Appropriations received to-date from the State of Michigan total \$13,846,186.

Combined summer, and fall enrollments total 274,517 student credit hours (SCH), or 98.6% of plan. Winter term enrollments are expected to fall short of plan. Other student fee revenues are forecast to meet plan.

General Fund expenditures total \$81.1 million or 37% of the original plan.

FISCAL IMPLICATIONS

The anticipated shortfall in tuition and fee revenue will be offset in part by restoration of the prior year appropriation reduction from the State of Michigan. Expenditures are generally consistent with past levels and are within the approved operating plan. Costs and revenues are being closely monitored.

ADMINISTRATIVE RECOMMENDATION

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

University Executive Officer

Date

Fiscal 2006 General Fund Interim Budget Status Report July 1, 2005 through November 30, 2005

The General Fund budget interim status report compares budget to actual revenues and expenditures. The data contained within represents posted activity to the Financial System through November 30, 2005. Reported enrollments include unofficial summer and fall.

Summary

Revenue and expenditure activity over the first five months of the fiscal year are consistent with the operating plan and past experience.

REVENUES

The Board of Regents adopted a continuation budget in June of 2005 which included a 6% increase in tuition for the summer 2005 term. In August the Board of Regents approved a General Fund Revenue budget of \$212,533,267, which included a 13.5% tuition increase effective fall 2005. In September the Board approved prior year carryforward of \$4,670,352 (Appendix A). The revised revenue authorization totals \$217,203,619.

General Fund Revenue Budget	\$211,063,267
Provision for Bad Debt Expense	<u>\$1,470,000</u>
FY 2006 Revenue Authorization	<u>\$212,533,267</u>

Prior Year Carry forward Authorizations	<u>\$4,670,352</u>
Total Revenue Budget	<u>\$217,203,619</u>

FY05 Appropriation Rebate Anticipated	<u>\$610,800</u>
---------------------------------------	------------------

Approved Revenue Expectation	<u>\$217,814,419</u>
------------------------------	-----------------------------

The State of Michigan has rebated to the University fiscal year 2005 appropriations withheld in the amount of \$610,800. This will bring the FY 2006 revenue authorization to \$217,814,419.

Through the end of this reporting period, \$120.6 million, or 57% of planned current year revenue has been recorded consistent with historical experience and within the plan.

Appropriation

The University's FY2006 appropriation from the State of Michigan totaled \$76,140,600, exceeding the approved plan by \$202,200. As noted, receipt of the FY05 appropriation rebate will bring total appropriation payments for the year to \$76,751,400.

Through November, \$13,846,186 or 18% of the current year appropriation budget has been received.

Enrollments/Tuition

The original Enrollment Plan forecast 551,037 SCH (student credit hours), representing \$125,898,256 in tuition and fee revenue.

Tuition revenues for summer and fall were below budget at \$63.3 million, on 274,517 SCH, 98.6% of plan (subject to final enrollments). Enrollments were below the prior year by approximately 1855 SCH, or .6%.

Winter enrollments are expected to meet plan.

Other Revenues

Other General Fund revenues, including miscellaneous student fees (Library, registration fees, etc.) are accumulating at normal rates.

EXPENDITURES

The Board of Regents approved the fiscal 2005 General Fund operating budget in August of 2005 totaling \$212,460,000. In September of 2005 the Board authorized carry forwards from the prior year of \$4,670,352, increasing the spending authority to \$217,130,352.

General Fund Expenditure Budget	\$210,990,000
Provision for Bad Debt Expense	<u>\$1,470,000</u>
Sub-Total Expenditure Authorization	\$212,460,000
 Prior Year Carry forward Authorizations	 <u>\$4,670,352</u>

Total Expenditure Authorization

\$217,130,352

To date General Fund expenditures and transfers total \$81.1 million or 37.3% of the original plan. Prior year expenditures through November totaled 35.3% of the revised plan. This level of spending is consistent with historical experience.

Overall spending to date is generally consistent with the revised plan.

Personal Services

Personal service budgets and authorized positions are centrally controlled and closely monitored. Authorized positions and expenditures for both faculty and staff are within plan. As a result of negotiated lecturer and staff compensation adjustments, personal service costs, including incremental benefits, will exceed plan by \$0.5 million.

Fiscal year-to-date total compensation for faculty, staff and other personal services total \$53.5 million or 34% of plan.

Staff salary savings from vacant positions have been reduced over year-ago levels. During the first five months of this fiscal year the university has averaged 47 staff vacancies versus 51 a year ago. Staff salary recoupment, including benefits, is expected to meet plan.

SS&M/Travel/Equipment

Support expenditures to date are occurring at a rate consistent with the prior year pace. Through November expenditures represented 45% of plan versus 38% a year-ago. Prior year spending was reduced pending anticipated spending reductions. Current fiscal year expenditures are generally consistent within the operating plan.

Extended Programs

Extended programs are largely self-supporting activities. Revenue and expenditure activity to date is consolidated as part of the overall general fund operations as reported above.

Continuing Education/Extended Learning program expenditures total \$5.7 million or 35% of the \$16.1 million budget. Tuition and program fee revenue to-date of \$12.8 million represents 68% of the \$16.8 million revenue plan. Enrollments are near planned levels.

Other operations at this time are consistent with the operating plan.

CONCLUSION

Enrollment and retention issues continue to be of concern as we progress through the year.

After 5 months, subject to the exceptions previously identified, revenues and expenditures are consistent with historical patterns and the fiscal 2006 plan.

EASTERN MICHIGAN UNIVERSITY									
FY 2006 GENERAL FUND BUDGET STATUS REPORT									
1/10/2006 12:07	November 2005								
	FY2006 Original Budget	FY2006 Budget Reallocations	FY2006 Budget Prior Yr Bal.	FY2006 Revised Budget e (a+b+c)	FY2006 Actual 11/30/05 f	FY2006 Actual % of Budget g (f/e)	FY 2005 Actual % Prior-YTD	FY2006 Forecast Actual 6/30/06 h	6/30/06 Projected Surplus/Deficit (O)/U Plan i (e-h)
	a	b	c	e	f	g		h	i
Revenues									
Appropriation	\$75,938,400			\$75,938,400	\$13,846,186	18.23%	21.04%	\$76,140,600	\$202,200
Tuition and Fees	\$125,898,254		\$0	\$125,898,254	\$101,604,058	80.70%	78.82%	\$125,898,254	\$0
Other Revenue	\$9,736,113		\$0	\$9,736,113	\$5,102,298	52.41%	67.04%	\$9,736,113	\$0
Designated Fund Transfer	\$960,500			\$960,500	\$0	0.00%	0.00%	\$960,500	\$0
Total Revenue	\$212,533,267	\$0	\$0	\$212,533,267	\$120,552,542	56.72%	55.82%	\$212,735,467	\$202,200
Appropriation Rebate	\$0	\$0	\$0	\$0	\$0			\$611,000	\$611,000
Prior Year C/F Balances			\$4,670,352	\$4,670,352	\$0			\$4,670,352	\$0
Total Approved Funding*	\$212,533,267	\$0	\$4,670,352	\$217,203,619	\$120,552,542	56.72%	56.33%	\$218,016,819	\$813,200
Expenditures									
Faculty Salaries	\$62,826,823	\$12,285		\$62,839,108	\$19,399,956	30.87%	31.40%	\$62,914,108	(\$75,000)
Staff Salaries	\$42,806,090	\$303,222		\$43,109,312	\$16,856,350	39.10%	38.00%	\$43,434,312	(\$325,000)
Other Personal Services	\$1,795,785	\$3,855		\$1,799,640	\$885,373	49.20%	39.10%	\$1,799,640	\$0
Student Help	\$6,678,383	\$54,343		\$6,732,726	\$2,351,634	34.93%	32.80%	\$6,732,726	\$0
Benefits	\$41,518,106	\$139,889		\$41,657,995	\$14,026,231	33.67%	33.90%	\$41,757,995	(\$100,000)
Sub-Total Compensation	\$155,625,187	\$513,594		\$156,138,781	\$53,519,544	34.28%	34.20%	\$156,638,781	(\$500,000)
SS&M/Travel/Equipment*	\$25,366,612	(\$243,578)	\$4,670,352	\$29,793,386	\$12,724,144	42.71%	33.60%	\$29,793,386	\$0
Utilities	\$6,771,189	\$0		\$6,771,189	\$2,164,911	31.97%	28.60%	\$7,071,189	(\$300,000)
Financial Aid	\$17,529,601	\$21,518		\$17,551,119	\$8,020,644	45.70%	43.50%	\$17,551,119	\$0
Distribution to EMU Foundation	\$1,829,221	\$0		\$1,829,221	\$1,630,644	89.14%	100.00%	\$1,829,221	\$0
Recharges	(\$1,632,678)	\$0		(\$1,632,678)	(\$387,407)	23.73%	40.10%	(\$1,632,678)	\$0
Other Transfers	\$6,970,868	(\$291,534)		\$6,679,334	\$3,402,562	50.94%	43.16%	\$6,679,334	\$0
Sub-Total Operating Expense	\$56,834,813	(\$513,594)	\$4,670,352	\$60,991,571	\$27,555,498	45.18%	38.20%	\$61,291,571	(\$300,000)
Total Expenditures	\$212,460,000	\$0	\$4,670,352	\$217,130,352	\$81,075,042	37.34%	35.30%	\$217,930,352	(\$800,000)
Net Funding	\$73,267	\$0	\$0	\$73,267	\$39,477,500			\$86,467	\$13,200
* Includes bad debt expense									