

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

SECTION: 24

DATE:

April 20, 2010

RECOMMENDATION

2010-2011 AUXILIARY ACTIVITIES OPERATING BUDGETS

ACTION REQUESTED

It is recommended that the Board of Regents approve a 2010-2011 Auxiliary Activities operating budget of \$38.8 million. Revenue and expenditures are detailed on the attachment.

STAFF SUMMARY

The recommended 2010-11 operating revenue budget for Auxiliary Activities of \$38.8 million reflects no change in Room, Board, or Apartments rates for Fall 2010. The recommended 2010-11 expenditure budget for Auxiliary Activities is \$37.1 million and the proposal reflects transferring the resulting \$1.7 million operating surplus to Auxiliary capital reserves.

The Auxiliary Activities operating expenditure budget contains provisions for all necessary operating costs including \$3.0 million in Auxiliary-specific debt service and a \$3.4 million transfer to the University's General Fund for services received.

The recommendation to maintain room, board and apartment rates at current year levels reinforces Eastern's commitment to offer students a high quality and affordable education. We also believe this action will result in an increased number of students living on campus.

FISCAL IMPLICATIONS

Approval of the 2010-11 operating budget recommendation outlined above 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

Date

Eastern Michigan University
Auxiliary Fund Operating Budget
Fiscal Year 2009-2010 & 2010-2011

(in Millions)	2009-10 Forecast	Recommended 2010-11 Budget	Variance
Revenues			
Dining	\$14.8	\$14.8	\$0.0
Residence Halls/Apartments	14.9	15.0	0.1
All Other Auxiliary Activities	<u>8.5</u>	<u>9.0</u>	<u>0.5</u>
Total Revenues	\$38.2	\$38.8	\$0.6
Expenditures			
Operations Direct Costs	\$29.5	\$30.7	\$1.2
Debt Service	3.3	3.0	(0.3)
Payment to GF for Services	<u>3.4</u>	<u>3.4</u>	<u>0.0</u>
Total Operating Expenditures	\$36.2	\$37.1	\$0.9
Operating Surplus/(Deficit)	\$2.0	\$1.7	(\$0.3)
Transfer to Auxiliary Capital Reserve	<u>(2.0)</u>	<u>(1.7)</u>	<u>0.3</u>
Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0

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