

**BOARD OF REGENTS**  
EASTERN MICHIGAN UNIVERSITY

<b>SECTION:</b> 24
<b>DATE:</b>  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
<b>Revenues</b>			
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
<b>Expenditures</b>			
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
<b>Operating Surplus/(Deficit)</b>	<b>\$2.0</b>	<b>\$1.7</b>	<b>(\$0.3)</b>
Transfer to Auxiliary Capital Reserve	<u>(2.0)</u>	<u>(1.7)</u>	<u>0.3</u>
<b>Net Surplus/(Deficit)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

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