

MEMORANDUM

TO: BOT Subcommittee – Budget, Finance & Contracts

FROM: ^{wdp} William D. Reuter, Chief Administrative & Financial Officer

DATE: February 13, 2014

RE: Fiscal Year 2013-14 Revenues & Expenditures - Key Item Report – January 31, 2014

Provided below is a revenue and expenditure report which discusses the major revenue and expenditure accounts as of January 31, 2014, the fifth month of ECC's 2013-2014 fiscal year. Positive variances reflect either revenue earned exceeding the full-year budget or expenses less than budgeted appropriations. Negative variances reflect revenues not yet realized or expenses exceeding budget. In addition, a report is attached which provides comparisons to budget and the previous year actuals.

Summary

At January 31, 2014 total revenues (\$69,129,910) exceed actual expenditures (\$43,826,617) by \$25,303,293. This excess is due mainly to timing, as all of the student tuition for the Fall, Winter and Spring semesters has been collected and recorded, but only (salaries & fringe benefits) the expense connected with the Fall, Winter, and a small part of the Spring semester has been expended.

<u>Revenue Category</u>	<u>13-14 Budget</u>	<u>1/31/14 Actual</u>	<u>Budget Variance</u>
Student Tuition	\$44,855,197	\$41,459,248	(\$3,395,949)

For each 30 credit hours taken, one FTE (full-time equivalent) is generated. Student tuition is a function of current year student enrollment for credit courses. The tuition recorded is on a gross basis before the bad debts calculation which historically has averaged approximately 3% of tuition recorded. Student enrollment for credit courses for fiscal year 2013-14 is as follows:

<u>Semester</u>	<u>Credit FTE's Budget</u>	<u>Credit FTE's Actual</u>	<u>Credit FTE Variance</u>	<u>Prior Year FTE's</u>
Fall 13	5,273.9	5,181.7	(92.2)	5,268.9
Winter 14	69.0	59.8	(9.2)	69.0
Spring 14	5,014.1	4,731.5	(282.6)	5,013.4
Summer 1 & 2	<u>666.7</u>	<u>0</u>	<u>(666.7)</u>	<u>650.0</u>
Total (credit only)	11,023.7	9,973.0	(1,050.7)	11,001.3

The Fall and Winter FTE's identified above represent credit enrollment as of the last reporting date and Spring enrollment is at lockup. Several additional updates will be made before both enrollments are official and reported to SUNY. FTE enrollment at this point is approximately 3.7% lower than budget projections. This percentage decrease is significant and staff is diligently working on ways to address the enrollment shortfall.

Credit enrollment generates tuition and fees that are budgeted for in the current year as well as state aid in the next fiscal Non-credit activities do not pay tuition but do generate state-aid through non-credit FTE reimbursement. The College has budgeted 1,476.7 non-credit FTE's for 2013-2014, no non-credit amounts have been recorded as of yet. For 2012-2013, 1,671.9 non-credit FTE's were generated.

<u>Revenue Category</u>	<u>13-14 Budget</u>	<u>1/31/14 Actual</u>	<u>Budget Variance</u>
State Aid	\$31,512,209	\$15,657,975	(\$15,854,234)

ECC's budget was approved by the SUNY Board and the first two quarterly state aid payments have been received. The amount budgeted is based upon the current state aid reimbursement rate of \$2,422 per FTE for a projected final 2012-2013 enrollment of 12,970.6 FTE's using a three year weighted average calculation.

<u>Revenue Category</u>	<u>13-14 Budget</u>	<u>1/31/14 Actual</u>	<u>Budget Variance</u>
Erie County Contribution	\$17,429,317	\$ - 0 -	(\$17,429,317)

Pursuant to the Local Law, the College will receive a one-time subsidy payment on or before April 15th of \$15,629,317. The remaining \$1,800,000 will be received prior to year-end for equipment reimbursement. There was no increase in the level of sponsor support from the previous year.

<u>Revenue Category</u>	<u>13-14 Budget</u>	<u>1/31/14 Actual</u>	<u>Budget Variance</u>
Other Revenues	\$11,398,600	\$ 9,807,495	(\$1,591,105)
Non-Credit Fees	\$ 738,700	\$ 295,430	(\$ 493,270)
Out-of-County Charges	\$ 2,040,000	\$ 1,959,762	(\$ 80,238)
Fund Balance Used	\$ 3,500,000	\$ -0-	(\$3,500,000)

The major revenues categorized as "other revenues" are: technology fees (budget \$3,300,000, actual \$3,018,215), lab fees (budget \$2,050,000, actual \$1,927,480), distance learning fees (budget \$1,500,000 actual \$1,058,428) and transportation fees (budget \$1,729,000, actual \$1,573,912). The amount reflected for "fund balance used" represents the anticipated budget deficit for the 2013-14 budget year. As not only tuition, but student fees are enrollment sensitive any enrollment decline will cause shortfalls in the "other revenues" category.

Non-credit fees represent amounts charged for non-credit activities and initiatives in workforce development, community education, corporate training and the various driving programs. Not all non-credit activities generate a fee (tutorial, counseling, etc.).

Out-of-county charges represent tuition charges and charge-backs to students attending ECC from outside Erie County (other counties, states and international students). A student from another county, within New York State, pays the same tuition as an Erie County resident, although the county from which that student is a resident of is billed a charge-back based upon a formula developed by the state. ECC's 2013-14 operating chargeback rate is \$1,700, which is a decrease of \$100 from the previous year. Preliminary out-of-county billings have been sent.

<u>Expense Category</u>	<u>13-14 Budget</u>	<u>1/31/14 Actual</u>	<u>Budget Variance</u>
Personal Services	\$60,332,082	\$23,753,842	\$36,578,240

Personal services represent payments for all salaries and wages (full and part-time) for pay periods applicable to the current fiscal year. A portion of the first pay period had been accrued and charged against last year. As was the case in the previous years a strict vacancy control will be maintained to ensure this account generates a positive budget variance. As of this date there are 31 funded full-time vacant positions.

<u>Expense Category</u>	<u>13-14 Budget</u>	<u>1/31/14 Actual</u>	<u>Budget Variance</u>
Fringe Benefits	\$29,277,300	\$11,647,051	\$17,630,249

Within this category, the following expenses are recorded – New York State Employees & Teachers retirement, TIAA/CREF, FICA, workers compensation, unemployment, health insurance and employee tuition.

<u>Expense Category</u>	<u>13-14 Budget</u>	<u>1/31/14 Actual</u>	<u>Budget Variance</u>
Other Expenses	\$20,064,641	\$7,390,034	\$12,674,607

“Other Expenses” are comprised of 38 different accounts from the miscellaneous expenses to funds budgeted for utilities and insurance. Most of the accounts budgeted for are fixed in nature due to contractual requirements and/or are based upon third party charges for consumption (utilities). Those accounts which the college does have some control over the expenditure pattern (supplies, travel) are supervised very closely helping to ensure a positive, year-end budget variance will be generated.

<u>Expense Category</u>	<u>13-14 Budget</u>	<u>1/31/14 Actual</u>	<u>Budget Variance</u>
Equipment	\$1,800,000	\$1,035,690	\$764,310

The County has historically funded the \$1,800,000 budgeted for equipment by utilizing tobacco settlement/capital funds.

WDR/jw
Attachment

cc: ✓ Hon. Kevin R. Hardwick, Chair, Erie County Legislature Community Enrichment Committee

ERIE COMMUNITY COLLEGE

**2013 - 2014 Actual Revenue Versus Budget (Estimated Revenue)
Period Ending January 31, 2014**

Operating Revenues	2013-2014 Budget	Revenue 1/31/2014	2012-2013 Budget	Revenue 1/31/2013	Difference	Remaining 2013-14 to be realized	% Budget Remaining
Student Tuition	\$44,855,197	\$41,459,248	\$46,240,847	\$42,671,413	(\$1,212,165)	(\$3,395,949)	7.6%
State Aid	\$31,512,209	\$15,657,975	\$30,520,594	\$15,359,940	\$298,035	(\$15,854,234)	50.3%
Erie County Contribution	\$17,429,317	\$0	\$17,429,317	\$0	\$0	(\$17,429,317)	100.0%
Sub-total	\$93,796,723	\$57,117,223	\$94,190,758	\$58,031,353	(\$914,130)	(\$36,679,500)	39.1%
Other Revenues	\$11,398,600	\$9,807,495	\$10,652,500	\$9,478,529	\$328,966	(\$1,591,105)	14.0%
Non-Credit Fees	\$738,700	\$245,430	\$842,000	\$231,737	\$13,693	(\$493,270)	66.8%
Out-of-County Charges	\$2,040,000	\$1,959,762	\$1,820,000	\$2,098,319	(\$138,557)	(\$80,238)	3.9%
Fund Balance Used	\$3,500,000	\$0	\$3,500,000	\$0	\$0	(\$3,500,000)	100.0%
Sub-total	\$17,677,300	\$12,012,687	\$16,814,500	\$11,808,585	\$204,102	(\$5,664,613)	32.0%
Total Operating Revenues	\$111,474,023	\$69,129,910	\$111,005,258	\$69,839,938	(\$710,028)	(\$42,344,113)	38.0%

ERIE COMMUNITY COLLEGE
2013 - 2014 Expenses Versus Budget (Appropriations)
Period Ending January 31, 2014

Operating Expenses	2013-2014 Budget	Expenses 1/31/2013	2012-2013 Budget	Expenses 1/31/2013	Difference	Remaining Budget	% Budget Remaining
Personal Services	\$60,332,082	\$23,753,842	\$61,391,765	\$23,414,537	(\$339,305)	\$36,578,240	60.6%
Fringe Benefits	\$29,277,300	\$11,647,051	\$28,633,000	\$11,333,999	(\$313,052)	\$17,630,249	60.2%
Sub-total	\$89,609,382	\$35,400,893	\$90,024,765	\$34,748,536	(\$652,357)	\$54,208,489	60.5%
Other Expenses	\$20,064,641	\$7,390,034	\$19,180,493	\$5,357,175	(\$2,032,859)	\$12,674,607	63.2%
Equipment	\$1,800,000	\$1,035,690	\$1,800,000	\$826,556	(\$209,134)	\$764,310	42.5%
Sub-total	\$21,864,641	\$8,425,724	\$20,980,493	\$6,183,731	(\$2,241,993)	\$13,438,917	61.5%
Total Operating Expenses	\$111,474,023	\$43,826,617	\$111,005,258	\$40,932,267	(\$2,894,350)	\$67,647,406	60.7%