

MEMORANDUM

TO: BOT Subcommittee – Budget, Finance & Contracts
FROM: William D. Reuter, Chief Administrative & Financial Officer
DATE: June 12, 2015
RE: Fiscal Year 2014-15 Revenues & Expenditures - Key Item Report – May 31, 2015

ECLEG JUN29'15 PM 2:48

Provided below is a revenue and expenditure report which discusses the major revenue and expenditure accounts as of May 31, 2015, the ninth month of ECC's 2014-2015 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 May 31, 2015 actual revenues (\$96,414,546) exceed total expenditures of (\$82,350,610) by \$14,063,936. This excess is due to several timing items as follows: 1) approximately \$2.7 million in student tuition has been received in association with the Summer semester, but none of the expense in connection with the Summer semesters has been recorded; 2) over 90% of the county subsidy has been earned, but only 75% of the fiscal year has lapsed; 3) in total 89% of the college's operating revenues have been received to date.

<u>Revenue Category</u>	<u>14-15 Budget</u>	<u>5/31/15 Actual</u>	<u>Budget Variance</u>
Student Tuition	\$44,925,756	\$43,425,811	(\$1,499,945)

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 2014-15 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 14	5,016.7	4,826.2	(190.5)	5,177.0
Winter 15	58.0	55.6	(2.4)	59.4
Spring 15	4,660.7	4,309.5	(351.2)	4,779.6
Summer 1 & 2	584.4	521.4	(63.0)	600.6
Total (credit only)	10,319.8	9,712.7	(607.1)	10,616.6

The Fall, Winter and Spring FTE's identified above represent credit enrollment as of the end of the semester. Summer enrollment is as of June 11, 2015. Several additional updates will be made before all enrollments are official and reported to SUNY. Year-to-date FTE enrollment at this point is approximately 5.88% lower than budget projections which will impact both student tuition and fees for the current year.

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 1,502.3 non-credit FTE's for 2014-2015, at this time there have been no non-credit amounts recorded as of yet. ECC generated 1,534.0 non-credit FTE's in 2013-2014. SUNY is currently reviewing some of ECC's non-credit submissions connected with Workforce Development as to its potential allow-ability for future reimbursement. At this point, it is unknown what the outcome will be although no matter what the current state aid budget will not be impacted.

<u>Revenue Category</u>	<u>14-15 Budget</u>	<u>5/31/15 Actual</u>	<u>Budget Variance</u>
State Aid	\$31,633,058	\$23,600,609	(\$8,032,449)

The first three quarterly state aid payments have been received. The amount budgeted is based upon the current state aid reimbursement rate of \$2,497 per FTE for a projected final 2013-2014 enrollment of 12,562 FTE's using a three year weighted average calculation. Actual reimbursement will be \$61,701 less than budgeted as final 2013-14 enrollment was slightly lower than budgeted for.

<u>Revenue Category</u>	<u>14-15 Budget</u>	<u>5/31/15 Actual</u>	<u>Budget Variance</u>
Erie County Contribution	\$17,429,317	\$15,754,317	(\$1,675,000)

Pursuant to the Local Law, the College is to receive its budgeted subsidy payment on or before April 15th of \$15,629,317. As included in Erie County's approved 2015 budget, an additional \$125,000 will be part of ECC's subsidy payment. On April 15th the College received a wire transfer from Erie County of \$15,754,317 representing the budgeted one-time payment plus the additional \$125,000. The remaining \$1,800,000 is to be received for equipment reimbursement. There was no budgeted increase in the level of sponsor support from the previous year as such there will be a \$125,000 positive variance in this account at year end.

<u>Revenue Category</u>	<u>14-15 Budget</u>	<u>5/31/15 Actual</u>	<u>Budget Variance</u>
Other Revenues	\$11,524,250	\$ 10,791,986	(\$ 732,264)
Non-Credit Fees	\$ 647,000	\$ 481,385	(\$ 165,615)
Out-of-County Charges	\$ 2,165,000	\$ 2,360,438	\$ 195,438
Fund Balance Used	\$ 4,000,000	\$ -0-	(\$ 4,000,000)

The major revenues categorized as "other revenues" are: technology fees (budget \$3,600,000, actual \$3,231,007), lab fees (budget \$2,050,000, actual \$1,928,160), distance learning fees (budget \$1,500,000 actual \$1,190,440) and transportation fees (budget \$1,600,000, actual \$1,500,885). The amount reflected for "fund balance used" represents the anticipated budget deficit for the 2014-15 budget year.

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 2014-15 operating chargeback rate is \$1,580, which is a decrease of \$120 from the previous year.

<u>Expense Category</u>	<u>14-15 Budget</u>	<u>5/31/15 Actual</u>	<u>Budget Variance</u>
Personal Services	\$60,394,109	\$43,537,173	\$16,856,936

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. The number of vacancies fluctuates throughout the year as positions are re-filled and/or there are retirements. As of this date, there are approximately 25 full-time vacancies many of which are clerical positions that were recently vacated through retirement. In addition, several of the vacancies are in the process of being refilled and some are temporarily filled.

<u>Expense Category</u>	<u>14-15 Budget</u>	<u>5/31/15 Actual</u>	<u>Budget Variance</u>
Fringe Benefits	\$29,118,000	\$22,485,209	\$6,632,791

Within this category, the following expenses are recorded – New York State Employees & Teachers retirement, TIAA/CREF, FICA, workers compensation, unemployment, health and dental insurance and employee tuition. The full year fringe benefit budget was decreased \$159,000 from the prior year's budget. As of May 31, 2015, compared to May 31, 2014 fringe benefits are \$146,812 higher.

<u>Expense Category</u>	<u>14-15 Budget</u>	<u>5/31/15 Actual</u>	<u>Budget Variance</u>
Other Expenses	\$21,012,272	\$15,117,587	\$5,894,685

“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). The amount budgeted was increased \$947,631 from the prior year. Year-to-date expenses are consistent with this increase as they are \$859,813 higher than the prior year.

<u>Expense Category</u>	<u>14-15 Budget</u>	<u>5/31/15 Actual</u>	<u>Budget Variance</u>
Equipment	\$1,800,000	\$1,210,641	\$589,359

The County continues to fund the \$1,800,000 budgeted for equipment by utilizing capital funds.

WDR/jw
Attachment

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

ERIE COMMUNITY COLLEGE
2014 - 2015 Actual Revenue Versus Budget (Estimated Revenue)
Period Ending May 31, 2015

Operating Revenues	2014-2015 Budget	Revenue 5/31/2015	2013-2014 Budget	Revenue 5/31/2014	Difference	Remaining 2014-15 to be realized	% Budget Remaining
Student Tuition	\$44,925,756	\$43,425,811	\$44,875,197	\$43,888,529	(\$462,718)	(\$1,499,945)	3.3%
State Aid	\$31,633,058	\$23,600,609	\$31,512,209	\$23,684,826	(\$84,217)	(\$8,032,449)	25.4%
Erie County Contribution	\$17,429,317	\$15,754,317	\$17,429,317	\$15,629,317	\$125,000	(\$1,675,000)	9.6%
Sub-total	\$93,988,131	\$82,780,737	\$93,816,723	\$83,202,672	(\$421,935)	(\$11,207,394)	11.9%
Other Revenues	\$11,524,250	\$10,791,986	\$11,303,600	\$10,757,930	\$34,056	(\$732,264)	6.4%
Non-Credit Fees	\$647,000	\$481,385	\$813,700	\$474,688	\$6,697	(\$165,615)	25.6%
Out-of-County Charges	\$2,165,000	\$2,360,438	\$2,040,000	\$2,564,292	(\$203,854)	\$195,438	-9.0%
Fund Balance Used	\$4,000,000	\$0	\$3,500,000	\$0	\$0	(\$4,000,000)	100.0%
Sub-total	\$18,336,250	\$13,633,809	\$17,657,300	\$13,796,910	(\$163,101)	(\$4,702,441)	25.6%
Total Operating Revenues	\$112,324,381	\$96,414,546	\$111,474,023	\$96,999,582	(\$585,036)	(\$15,909,835)	14.2%

ERIE COMMUNITY COLLEGE
2014 - 2015 Expenses Versus Budget (Appropriations)
Period Ending May 31, 2015

Operating Expenses	2014-2015 Budget	Expenses 5/31/2015	2013-2014 Budget	Expenses 5/31/2014	Difference	Remaining Budget	% Budget Remaining
Personal Services	\$60,394,109	\$43,537,173	\$60,332,082	\$43,951,903	\$414,730	\$16,856,936	27.9%
Fringe Benefits	\$29,118,000	\$22,485,209	\$29,277,300	\$22,338,397	(\$146,812)	\$6,632,791	22.8%
Sub-total	\$89,512,109	\$66,022,382	\$89,609,382	\$66,290,300	\$267,918	\$23,489,727	26.2%
Other Expenses	\$21,012,272	\$15,117,587	\$20,064,641	\$14,257,774	(\$859,813)	\$5,894,685	28.1%
Equipment	\$1,800,000	\$1,210,641	\$1,800,000	\$1,551,965	\$341,324	\$589,359	32.7%
Sub-total	\$22,812,272	\$16,328,228	\$21,864,641	\$15,809,739	(\$518,489)	\$6,484,044	28.4%
Total Operating Expenses	\$112,324,381	\$82,350,610	\$111,474,023	\$82,100,039	(\$250,571)	\$29,973,771	26.7%