

MEMORANDUM

TO: BOT Subcommittee – Budget, Finance & Contracts
FROM: ^{WDR} William D. Reuter, Chief Administrative & Financial Officer
DATE: January 20, 2015
RE: Fiscal Year 2014-15 Revenues & Expenditures - Key Item Report –
 December 31, 2014

Provided below is a revenue and expenditure report which discusses the major revenue and expenditure accounts as of December 31, 2014, the fourth 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 December 31, 2014 actual revenues (\$53,545,679) exceed total expenditures of (\$35,625,243) by \$17,920,436. This excess is due to timing as over \$10 million in student tuition has been received in association with the Spring semester which starts on January 20, 2015.

<u>Revenue Category</u>	<u>14-15 Budget</u>	<u>12/31/14 Actual</u>	<u>Budget Variance</u>
Student Tuition	\$44,913,756	\$35,558,993	(\$9,354,763)

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 as of January 20, 2015 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	(193.5)	5,177.0
Winter 15	58.0	56.2	(1.8)	59.4
Spring 15	4,660.7	3,915.7	(745.0)	4,779.6
Summer 1 & 2	<u>584.4</u>	<u>-0-</u>	<u>(584.4)</u>	<u>600.6</u>
Total (credit only)	10,319.8	8,795.1	(1,524.7)	10,616.6

The Fall FTE's identified above represent credit enrollment as of September 30, 2014 and Winter and Spring are as of January 20, 2015. Several additional updates will be made before all enrollments are official and reported to SUNY. FTE enrollment for Fall 2014 at this point is approximately 3.86% lower than budget projections which will impact both student tuition and fees.

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.

<u>Revenue Category</u>	<u>14-15 Budget</u>	<u>12/31/14 Actual</u>	<u>Budget Variance</u>
State Aid	\$31,433,058	\$7,739,132	(\$23,693,926)

The first quarterly state aid payment has 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.

<u>Revenue Category</u>	<u>14-15 Budget</u>	<u>12/31/14 Actual</u>	<u>Budget Variance</u>
Erie County Contribution	\$17,429,317	\$-0-	(\$17,429,317)

Pursuant to the Local Law, the College is to receive its budgeted subsidy payment on or before April 15th of \$15,629,317. As part of Erie County's approved 2015 budget, an additional \$125,000 will be part of ECC's subsidy payment. The remaining \$1,800,000 is to be received for equipment reimbursement. There was no increase in the level of sponsor support from the previous year.

<u>Revenue Category</u>	<u>14-15 Budget</u>	<u>12/31/14 Actual</u>	<u>Budget Variance</u>
Other Revenues	\$11,811,250	\$ 8,254,676	(\$ 3,556,574)
Non-Credit Fees	\$ 572,000	\$ 204,465	(\$ 367,535)
Out-of-County Charges	\$ 2,165,000	\$ 1,788,413	(\$ 376,587)
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 \$2,660,462), lab fees (budget \$2,050,000, actual \$1,683,280), distance learning fees (budget \$1,500,000 actual \$847,063) and transportation fees (budget \$1,600,000, actual \$1,264,057). 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>12/31/14 Actual</u>	<u>Budget Variance</u>
Personal Services	\$60,394,109	\$19,129,274	\$41,264,835

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 35 full-time vacancies many of which are clerical positions that were recently vacated through retirement.

<u>Expense Category</u>	<u>14-15 Budget</u>	<u>12/31/14 Actual</u>	<u>Budget Variance</u>
Fringe Benefits	\$29,118,000	\$10,010,159	\$19,107,841

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.

<u>Expense Category</u>	<u>14-15 Budget</u>	<u>12/31/14 Actual</u>	<u>Budget Variance</u>
Other Expenses	\$21,012,272	\$5,831,562	\$15,180,710

“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).

<u>Expense Category</u>	<u>14-15 Budget</u>	<u>12/31/14 Actual</u>	<u>Budget Variance</u>
Equipment	\$1,800,000	\$654,248	\$1,145,752

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 December 31, 2014**

Operating Revenues	2014-2015 Budget	Revenue 12/31/2014	2013-2014 Budget	Revenue 12/31/2013	Difference	Remaining 2014-15 to be realized	% Budget Remaining
Student Tuition	\$44,913,756	\$35,558,993	\$44,855,197	\$35,733,250	(\$174,257)	(\$9,354,763)	20.8%
State Aid	\$31,433,058	\$7,739,132	\$31,512,209	\$7,878,027	(\$138,895)	(\$23,693,926)	75.4%
Erie County Contribution	\$17,429,317	\$0	\$17,429,317	\$0	\$0	(\$17,429,317)	100.0%
Sub-total	\$93,776,131	\$43,298,125	\$93,796,723	\$43,611,277	(\$313,152)	(\$50,478,006)	53.8%
Other Revenues	\$11,811,250	\$8,254,676	\$11,323,600	\$8,319,721	(\$65,045)	(\$3,556,574)	30.1%
Non-Credit Fees	\$572,000	\$204,465	\$813,700	\$212,443	(\$7,978)	(\$367,535)	64.3%
Out-of-County Charges	\$2,165,000	\$1,788,413	\$2,040,000	\$1,782,135	\$6,278	(\$376,587)	17.4%
Fund Balance Used	\$4,000,000	\$0	\$3,500,000	\$0	\$0	(\$4,000,000)	100.0%
Sub-total	\$18,548,250	\$10,247,554	\$17,677,300	\$10,314,299	(\$66,745)	(\$8,300,696)	44.8%
Total Operating Revenues	\$112,324,381	\$53,545,679	\$111,474,023	\$53,925,576	(\$379,897)	(\$58,778,702)	52.3%

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

Operating Expenses	2014-2015 Budget	Expenses 12/31/2014	2013-2014 Budget	Expenses 12/31/2013	Difference	Remaining Budget	% Budget Remaining
Personal Services	\$60,394,109	\$19,129,274	\$60,332,082	\$19,456,048	\$326,774	\$41,264,835	68.3%
Fringe Benefits	\$29,118,000	\$10,010,159	\$29,277,300	\$9,894,311	(\$115,848)	\$19,107,841	65.6%
Sub-total	\$89,512,109	\$29,139,433	\$89,609,382	\$29,350,359	\$210,926	\$60,372,676	67.4%
Other Expenses	\$21,012,272	\$5,831,562	\$20,064,641	\$5,927,907	\$96,345	\$15,180,710	72.2%
Equipment	\$1,800,000	\$654,248	\$1,800,000	\$741,463	\$87,215	\$1,145,752	63.7%
Sub-total	\$22,812,272	\$6,485,810	\$21,864,641	\$6,669,370	\$183,560	\$16,326,462	71.6%
Total Operating Expenses	\$112,324,381	\$35,625,243	\$111,474,023	\$36,019,729	\$394,486	\$76,699,138	68.3%