William D. Reuter
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851-1700, 851-1703 (Fax)

MEMORANDUM

TO: BOT Subcommittee – Budget, Finance & Contracts

FROM: William D. Reuter, Chief Administrative & Financial Officer

DATE: March 16, 2015

RE: Fiscal Year 2014-15 Revenues & Expenditures - Key Item Report – February 28, 2015

Provided below is a revenue and expenditure report which discusses the major revenue and expenditure accounts as of February 28, 2015, the sixth 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 February 28, 2015 actual revenues ($69,413,162) exceed total expenditures of ($53,059,300) by $16,353,862. This excess is due to timing as approximately $20 million in student tuition has been received in association with the Spring semester which started January 20, 2015, but just over one month of the expense in connection with that revenue has been recorded.

Revenue Category	14-15 Budget	2/28/15 Actual	Budget Variance
Student Tuition	$44,925,756	$41,113,627	($3,812,129)

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:

Semester	Credit FTE's Budget	Credit FTE's Actual	Credit FTE Variance	Prior Year FTE's
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	4,423.3	(237.4)	4,779.6
Summer 1 & 2	584.4	-0-	(584.4)	600.6
Total (credit only)	10,319.8	9,305.1	(1,014.7)	10,616.6

The Fall and Winter FTE's identified above represent credit enrollment as of the end of the semester. Spring enrollment is as of March 13, 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 4.45% 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.

Revenue Category	14-15 Budget	2/28/15 Actual	Budget Variance
State Aid	$31,633,058	$15,858,943	($15,774,115)

The first two 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.

Revenue Category	14-15 Budget	2/28/15 Actual	Budget Variance
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 included in 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 budgeted increase in the level of sponsor support from the previous year.

Revenue Category	14-15 Budget	2/28/15 Actual	Budget Variance
Other Revenues	$11,524,250	$ 9,799,445	($ 1,724,805)
Non-Credit Fees	$ 647,000	$ 281,296	($ 365,704)
Out-of-County Charges	$ 2,165,000	$ 2,359,851	$ 194,851
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 $3,083,420), lab fees (budget $2,050,000, actual $1,841,760), distance learning fees (budget $1,500,000 actual $1,028,550) and transportation fees (budget $1,600,000, actual $1,453,952). 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.

Expense Category	14-15 Budget	2/28/15 Actual	Budget Variance
Personal Services	$60,394,109	$28,121,506	$32,272,603

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 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.

Expense Category	14-15 Budget	2/28/15 Actual	Budget Variance
Fringe Benefits	$29,118,000	$14,311,638	$14,806,362

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 February 28, 2015, compared to February 28, 2014 fringe benefits are $296,982 higher.

Expense Category	14-15 Budget	2/28/15 Actual	Budget Variance
Other Expenses	$21,012,272	$9,766,288	$11,245,984

"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 $1,065,216 higher than the prior year.

Expense Category	14-15 Budget	2/28/15 Actual	Budget Variance
Equipment	$1,800,000	$859,868	$940,132

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 February 28, 2015

Operating Revenues	2014-2015 Budget	Revenue 2/28/2015	2013-2014 Budget	Revenue 2/28/2014	Difference	Remaining 2014-15 to be realized	% Budget Remaining
Student Tuition	$44,925,756	$41,113,627	$44,875,197	$41,421,814	($308,187)	($3,812,129)	8.5%
State Aid	$31,633,058	$15,858,943	$31,512,209	$15,657,975	$200,968	($15,774,115)	49.9%
Erie County Contribution	$17,429,317	$0	$17,429,317	$0	$0	($17,429,317)	100.0%
Sub-total	**$93,988,131**	**$56,972,570**	**$93,816,723**	**$57,079,789**	**($107,219)**	**($37,015,561)**	39.4%
Other Revenues	$11,524,250	$9,799,445	$11,303,600	$9,857,772	($58,327)	($1,724,805)	15.0%
Non-Credit Fees	$647,000	$281,296	$813,700	$274,131	$7,165	($365,704)	56.5%
Out-of-County Charges	$2,165,000	$2,359,851	$2,040,000	$2,398,151	($38,300)	$194,851	-9.0%
Fund Balance Used	$4,000,000	$0	$3,500,000	$0	$0	($4,000,000)	100.0%
Sub-total	**$18,336,250**	**$12,440,592**	**$17,657,300**	**$12,530,054**	**($89,462)**	**($5,895,658)**	32.2%
Total Operating Revenues	**$112,324,381**	**$69,413,162**	**$111,474,023**	**$69,609,843**	($196,681)	($42,911,219)	38.2%

ERIE COMMUNITY COLLEGE
2014 - 2015 Expenses Versus Budget (Appropriations)
Period Ending February 28, 2015

Operating Expenses	2014-2015 Budget	Expenses 2/28/2015	2013-2014 Budget	Expenses 2/28/2014	Difference	Remaining Budget	% Budget Remaining
Personal Services	$60,394,109	$28,121,506	$60,332,082	$28,567,947	$446,441	$32,272,603	53.4%
Fringe Benefits	$29,118,000	$14,311,638	$29,277,300	$14,014,656	($296,982)	$14,806,362	50.8%
Sub-total	**$89,512,109**	**$42,433,144**	**$89,609,382**	**$42,582,603**	**$149,459**	**$47,078,965**	**52.6%**
Other Expenses	$21,012,272	$9,766,288	$20,064,641	$8,701,072	($1,065,216)	$11,245,984	53.5%
Equipment	$1,800,000	$859,868	$1,800,000	$1,058,915	$199,047	$940,132	52.2%
Sub-total	**$22,812,272**	**$10,626,156**	**$21,864,641**	**$9,759,987**	**($866,169)**	**$12,186,116**	**53.4%**
Total Operating Expenses	**$112,324,381**	**$53,059,300**	**$111,474,023**	**$52,342,590**	**($716,710)**	**$59,265,081**	**52.8%**