

**FINANCE & ADMINISTRATION COMMITTEE**


**TAB 7**

**FY 2017-2018 GENERAL FUND,  
AUXILIARY FUNDS AND  
SALES FUNDS BUDGETS**



**DATE:** May 26, 2017

**TO:** Nathan J. Mortimer, Vice President for Finance & Administration/CFO

**FROM:**   
Amy S. Gilliland, Director of Resource Analysis & Budgeting

**SUBJECT: General Fund and Auxiliary Funds FY 2017-2018 Budget Recommendation**

The Office of Resource Analysis & Budgeting is providing the attached recommendation for the FY 2017-2018 General Fund, Auxiliary Funds and Departmental Sales and Services budgets.

If you concur, these recommendations should be presented for approval at the June 14, 2017 Board of Trustees meeting.

**Resource Analysis & Budgeting**  
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**The University of Akron - Akron and Wayne General Fund Combined  
FY18 Budget**

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	<b>FY18 Budget</b>
Tuition & General Service Fees	\$201,391,000
Other Fees	22,803,000
State Share of Instruction	107,316,000
Indirect Cost Recovery	6,140,000
Investment Income	1,500,000
Miscellaneous Income	1,175,000
Total Revenues	<u>340,325,000</u>
Payroll	156,080,000
Fringes	53,902,000
Total Compensation	<u>209,982,000</u>
Utilities	11,550,000
Operating	44,305,000
Bad Debt	1,500,000
Scholarships	52,646,000
Total Non Personnel	<u>110,001,000</u>
Total Expenditures	<u>319,983,000</u>
Net Before Transfers	<u>20,342,000</u>
Transfers-In	29,000,000
Transfers-Out - Debt Service	(9,464,000)
Transfers-Out - Plant Fund	(2,300,000)
Transfers-Out - Other	(37,578,000)
Net Transfers	<u>(20,342,000)</u>
Difference	<u><u>\$0</u></u>

**The University of Akron**  
**Akron and Wayne General Fund Combined**  
**FY18 Budget Assumptions**

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**Revenues**

Tuition & General Service Fees: Assumes an overall blended enrollment reduction of five percent, and tuition and fee rates remain flat.

Other Fees: Assumes an overall blended enrollment reduction of five percent, and fees rates remain flat.

State Share of Instruction: Assumes a slightly decreased amount as compared to FY17 based upon information provided by the Ohio Department of Higher Education.

Indirect Cost Recovery: Assumes slight decrease as compared to FY17 with allocations as follows: General Fund, 66 percent; Department, 13 percent; College, 11 percent; and Principal Investigator Account, 10 percent.

**Expenditures**

Payroll: Assumes two-percent increase pursuant to collectively bargained employee contracts and includes \$4.1 million vacancy savings, which represents projected savings created by an employee's departure until a replacement is hired.

Fringes: Assumes benefits such as 14-percent employer contribution to the respective retirement system, University contribution toward employee group insurance, employee and dependent fee remission, and University portion of employee permits.

Operating: The designated fees such as course fees and technology fees, etc., are enrollment driven and are assumed to follow a five-percent reduction. The designated fees assume that only current-year revenues are expended; however, a certain level of carry over exists within these fees, which could be expended by the units and therefore cause expenditures to exceed the allocation for the current year.

Except for the adjustment for telecom, which has a net-zero impact, the unit allocations are assumed at the FY17 levels.

Scholarships: Assumes graduate assistants, \$16.5 million; Law School, \$3.5 million; and undergraduate, \$32.4 million.

**Other**

Transfers-In: Assumes \$29 million.

**The University of Akron**  
**Akron and Wayne General Fund Combined**  
**FY18 Budget Assumptions**

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Transfers-Out Debt Service: Assumes debt service for general facilities and the performance contract.

Transfers-Out Plant Fund: Assumes laptop refresh of \$1.3 million and general capital projects as they arise of \$1 million.

Transfers-Out Other: Assumes transfers of General Services Fee, \$13 million; Other, \$14.4 million; and Facilities Fee, \$7.4 million to Auxiliaries; and of \$2.8 million to the Self-Insurance Health Care Fund.

The University of Akron - Akron and Wayne Combined  
Auxiliaries  
FY18 Budget

	Athletics	Residence Life & Housing	EJ Thomas Performing Arts Hall	Dining (Aramark)	Recreation & Wellness Center	Student Union	Parking	Wayne Student Union	Total
Revenues	\$7,501,000	\$19,996,000	\$1,934,000	\$3,701,000	\$565,000	\$936,000	\$7,859,000	\$68,000	\$42,560,000
Payroll	7,243,000	811,000	307,000	199,000	531,000	521,000	286,000	0	9,898,000
Fringes	2,765,000	379,000	127,000	546,000	234,000	256,000	127,000	0	4,434,000
Total Compensation	10,008,000	1,190,000	434,000	745,000	765,000	777,000	413,000	0	14,332,000
Operating	9,944,000	7,797,000	2,199,000	1,637,000	2,079,000	2,066,000	2,764,000	10,000	28,496,000
Capital	0	350,000	0	0	0	0	220,000	0	570,000
Scholarships	7,479,000	0	0	0	0	0	0	0	7,479,000
Total Non Personnel	17,423,000	8,147,000	2,199,000	1,637,000	2,079,000	2,066,000	2,984,000	10,000	36,545,000
Total Expenditures	27,431,000	9,337,000	2,633,000	2,382,000	2,844,000	2,843,000	3,397,000	10,000	50,877,000
Net Before Transfers	(19,930,000)	10,659,000	(699,000)	1,319,000	(2,279,000)	(1,907,000)	4,462,000	58,000	(8,317,000)
Transfers-In - Facilities Fee	3,892,000	0	0	0	1,272,000	2,187,000	0	0	7,351,000
Transfers-In - General Service Fee	12,977,000	0	0	0	0	0	0	0	12,977,000
Transfers-In - Other	8,030,000	0	1,027,000	0	2,726,000	2,659,000	0	0	14,442,000
Transfers-Out - Debt Service	(4,969,000)	(10,659,000)	(327,000)	(779,000)	(1,704,000)	(2,930,000)	(4,462,000)	0	(25,830,000)
Net Transfers	19,930,000	(10,659,000)	700,000	(779,000)	2,294,000	1,916,000	(4,462,000)	0	8,940,000
Difference	\$0	\$0	\$1,000	\$540,000	\$15,000	\$9,000	\$0	\$58,000	\$623,000

**The University of Akron**  
**Auxiliaries**  
**FY18 Budget Assumptions**

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**Overall Assumptions**

Payroll: Assumes two-percent increase pursuant to collectively bargained employee contracts.

Fringes: Assumes benefits such as 14-percent employer contribution to the respective retirement system, University contribution toward employee group insurance, employee and dependent fee remission, and University portion of employee permits.

Transfers-Out – Debt Service: Assumes debt service for Auxiliary facilities.

**Unit Assumptions**

**Athletics**

Revenues: Assumes externally generated revenues from various sources such as the MAC, game guarantees, naming rights, ticket sales, grants-in-aid, IMG, and Coca-Cola.

Payroll: Contemplates rate increases as reflected in respective individual contracts.

Operating: Assumes an increase of \$234,000 over the FY17.

Scholarships: Assumes 240 Athletic financial aid awards.

Transfers-In: Assumes Facilities Fee of \$3.9 million, General Service Fee of \$13 million, and Other of \$8 million in transfers from the General Fund.

**Residence Life & Housing**

Revenues: Assumes an 83-percent average occupancy.

Operating: Assumes a decrease of \$723,000 over the FY17.

Capital: Assumes boiler work upgrades or replacements and pump upgrades in several residence halls and miscellaneous repairs in other facilities.

**E. J. Thomas Performing Arts Hall**

Revenues: Assumes externally generated revenues from various sources such as Broadway Series sales, Akron Civic Theater pass-through, hall rental, and endowment gifts.

**The University of Akron**  
**Auxiliaries**  
**FY18 Budget Assumptions**

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Operating: Assumes largely flat operating as compared to FY17.

Transfers-In: Assumes Other transfers of \$1 million from the General Fund.

**Aramark**

Revenues: Assumes rent and other contractually provided revenues such as utilities, maintenance, and equipment repair.

Compensation: The CWA employees remain University employees, with the University responsible for the difference between FICA and SERS. All other employees are the sole responsibility of Aramark.

Operating: Assumes a refresh to Freshens.

**Recreation & Wellness Center**

Revenues: Assumes externally generated revenues from various sources such as memberships, pool rental, and locker and facility rentals.

Operating: Assumes largely flat operating as compared to FY17.

Transfers-In: Assumes Facilities Fee of \$1.3 million and Other of \$2.7 million in transfers from the General Fund.

**Student Union**

Revenues: Assumes externally generated revenues from various sources such as bookstore space rent, bank space rent, and room rentals.

Operating: Assumes a decrease of \$494,000 over the FY17.

Transfers-In: Assumes Facilities Fee of \$2.2 million and Other of \$2.7 million in transfers from the General Fund.

**Parking**

Revenues: Assumes parking permits and transportation fee revenues decrease consistent with an overall blended enrollment reduction of five percent.



**The University of Akron**  
**Auxiliaries**  
**FY18 Budget Assumptions**

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Operating: Assumes a net decrease of \$186,000 over the FY17.

Capital: Assumes replacing the expansion joints and drains at Schrank parking deck.

**Wayne Student Union**

Revenues: Assumes consistent with FY17.

Operating: Assumes consistent with FY17.

**The University of Akron**  
**Departmental Sales and Services**  
**FY18 Budget**

	<b>Self-Insurance Health Care</b>	<b>UA Solutions</b>	<b>New Student Orientation</b>	<b>English Language Institute</b>	<b>Wayne</b>	<b>Other</b>	<b>TOTAL</b>
Revenues	\$32,332,000	\$811,000	\$750,000	\$600,000	\$14,000	\$6,196,000	\$40,703,000
Payroll	0	228,000	170,000	323,000	0	2,148,000	2,869,000
Fringes	0	76,000	72,000	102,000	0	750,000	1,000,000
Total Compensation	0	304,000	242,000	425,000	0	2,898,000	3,869,000
Operating	1,342,000	427,000	497,000	86,000	11,000	2,698,000	5,061,000
Premiums and Claims	31,640,000	0	0	0	0	0	31,640,000
Capital	0	0	0	0	0	60,000	60,000
Total Non Personnel	32,982,000	427,000	497,000	86,000	11,000	2,758,000	36,761,000
Total Expenditures	32,982,000	731,000	739,000	511,000	11,000	5,656,000	40,630,000
Net Before Transfers	(650,000)	80,000	11,000	89,000	3,000	540,000	73,000
Transfers-In - Other	2,808,000	0	0	0	0	0	2,808,000
Difference	\$2,158,000	\$80,000	\$11,000	\$89,000	\$3,000	\$540,000	\$2,881,000

The accompanying assumptions are an integral part of this statement.

**The University of Akron  
Departmental Sales and Services  
FY18 Budget Assumptions**

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**Overall Assumptions**

Payroll: Assumes two-percent increase pursuant to collectively bargained employee contracts.

Fringes: Assumes benefits such as 14-percent employer contribution to the respective retirement system, University contribution toward employee group insurance, employee and dependent fee remission, and University portion of employee permits.

**Fund Assumptions**

**Self-Insurance Health Care**

Revenues: Assumes University contributions to employee-provided benefits such as medical, prescription drug, dental, long-term disability, and life insurance. Also assumes employee and retiree contributions to benefit program for coverage that requires an employee cost share or is voluntary (100 percent employee paid) such as medical, prescription drug, short-term and long-term disability, life insurance, vision, and flexible spending accounts.

Operating: Assumes the amounts expected to be paid for administrative and consulting fees.

Premiums and Claims: Assumes estimated cost for insurance premiums and self-insured claim payments related to employee benefit program. Expenditures include components such as medical, prescription drug, dental, stop loss insurance, and other ancillary benefits.

Transfers-In: Assumes Other transfers of \$2.8 million from the General Fund to support retiree dependent medical insurance, retiree life insurance, and administrative and consulting fees not supported by departmental contributions.

**UA Solutions**

Revenues: Assumes open enrollment and contract training fees revenues to support the coordination of noncredit professional development classes open to the public and to provide customized training for local companies.

Operating: Assumes expenditures such as student assistants, supplies and services, and travel and hospitality. UA Solutions will manage to ensure expenditures are limited to revenues.

**The University of Akron  
Departmental Sales and Services  
FY18 Budget Assumptions**

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**New Student Orientation**

Revenues: Assumes commitment fee revenues to support the activities related to orientation and first-year experience programs.

Operating: Assumes expenditures such as peer mentoring, New Roo Weekend, supplies and services, and travel and hospitality. New Student Orientation will manage to ensure expenditures are limited to revenues.

**English Language Institute**

Revenues: Assumes externally generated revenues from non-credit courses to teach English to non-English speaking students who plan to attend a university in the United States.

Operating: Assumes expenditures such as student assistants, supplies and services, and travel and hospitality. English Language Institute will manage to ensure expenditures are limited to revenues.

**Wayne**

Revenues: Assumes a few small departmental sales operations at the Wayne College branch, and minimal revenues generated by the Wayne testing center and off-campus site in Millersburg.

Operating: Assumes supplies and services and travel and hospitality. Wayne College will manage to ensure expenditures are limited to revenues.

**Other**

Revenues: Assumes about 150 smaller, revenue-generating activities such as internal Printing Services, Hearing Aid Dispensary, and Akron Polymer Technology Services Testing.

Operating: Assumes expenditures such as student assistants, cost of goods sold (Crystal Room, Computer Store, and Hearing Aid Dispensary), supplies and services, and travel and hospitality. Individual management and the units will manage to ensure expenditures are limited to revenues. In general, the units are anticipated to break even or generate a surplus.

Capital: Assumes equipment purchases related to polymer testing activities.

**THE UNIVERSITY OF AKRON**

**RESOLUTION 6- -17**

Pertaining to Approval of FY 2017-2018 General Fund, Auxiliary Funds and Sales Funds  
Budgets for the Akron Campus and Wayne College

BE IT RESOLVED, That the recommendation of the Finance & Administration  
Committee on June 14, 2017, pertaining to the FY 2017-2018 General Fund, Auxiliary Funds  
and Sales Funds budgets for the Akron Campus and Wayne College, be approved.

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M. Celeste Cook, Secretary  
Board of Trustees

June 14, 2017