

**Marshall University Board of Governors
Meeting of December 9, 2015**

ITEM: Approval of Marshall University Budget Reforecast for Fiscal Year 2015-2016

COMMITTEE: Finance, Audit and Facilities Planning Committee

RECOMMENDED ACTION: *Resolved*, That the Marshall University Board of Governors approves the Reforecast Budget for Fiscal Year 2015-2016.

STAFF MEMBERS: Gary G. White
President

Mary Ellen Heuton
Chief Financial Officer

BACKGROUND:

Operating Budget Status

The Reforecast Operating Budget is attached, a summary of the adjustments is below:

Board Approved Net Operating Budget	\$	-
<i>Changes to FY16 Operating Budget:</i>		
Reduction in State Appropriations (4%)		(1,890,481)
Reduction in Realized E-course Summer		(129,760)
Program Fees Higher than Budget		200,000
Current Shortfall in 20/20 RRT Recovery		(2,136,271)
Additional Funding Requests for Operating Expenses		(549,515)
Target balance for budget balancing		<u>(4,506,027)</u>
<i>Items Identified to Date for Budget Balancing</i>		
Additional Yard Sales and Increase Indirect Cost Recovery		380,394
Additional RRT Savings Capture		569,719
Adjustment of Salaries and Benefits to current base amounts including position cancelations		474,081
Reduction of Raise Pool from 3% to 2%		375,382
Reduction of Operating Allocations		66,000
Total		<u>1,865,576</u>
Operating Budget Balance to Date		(2,640,451)
Additional reductions to be realized through departmental budget reductions and RRT initiatives by June 30, 2016		2,640,451
Revised Operating Budget		-

University Budget Status

The Reforecast University Budget is attached reflecting the adjustments to the operating budget as well as adjustments to Non-Core budgets, SOM and MURC impacted by appropriation reductions, RRT or other identified changes to date.

Marshall University (no SOM or MURC)
 FY2016 Core Budget Reforecast
 November 25, 2015

	Approved FY2016	adj1	adj2	Reforecast Adjustments	Reforecast FY2016	Notes
SOURCES						
State Appropriations	47,262,017	(1,890,481)		(1,890,481)	45,371,536	4% Mid-year Reduction
Education & General Fees	56,756,855	(1,300,000)		(1,300,000)	55,456,855	Move E&G Contingency
E-Course - Institutional Share	400,000	(129,760)		(129,760)	270,240	Reduction in realized e-course summer
Core Program Fees	3,212,750	200,000		200,000	3,412,750	Estimated Additional Program Fees
E-Delivery Fees	1,280,000			-	1,280,000	
Core Other Revenues	1,530,900		20,000	20,000	1,550,900	Have 2 yard sales
Overhead Cost Recovery	1,944,059		360,394	360,394	2,304,453	Increase cost recovery
E&G Contingency	(1,300,000)	1,300,000		1,300,000	-	Move E&G Contingency
20/20 RRT Net Revenue	3,000,000	(2,136,271)	569,719	(1,566,552)	1,433,448	Adjust to only RRT to date
Investment Earnings	1,000,000			-	1,000,000	
Summer - Institutional Share	1,000,000			-	1,000,000	
Transfer of INTO Revenue	336,000			-	336,000	
Total Sources	116,422,581	(3,956,512)	950,113	(3,006,399)	113,416,182	

USES						
Regular Positions-filled	57,105,853		68,573	68,573	57,174,426	Adjust salary amounts to reflect current base budget amounts
Regular Positions-vacant w/active search	2,879,682		(93,752)	(93,752)	2,785,930	
Regular Positions-vacant w/o active search	1,292,667		(449,788)	(449,788)	842,879	
Annual Experience Increment	744,419		63,917	63,917	808,336	
Engineering recruiting (5 Faculty 2 Staff)	690,000		(45,000)	(45,000)	645,000	
Salary Adj-Promo, AEI, Reclass	400,000		(200,056)	(200,056)	199,944	
Salary Pool	1,838,346		(605,382)	(605,382)	1,232,964	Reduce salary pool to reflect a 2% pool rather than 3%
Deferred Salary Increase - Jan 2016	(1,000,000)		230,000	230,000	(770,000)	
Vacancy Savings	(1,000,000)			-	(1,000,000)	
RRT captured Salaries			405,937	405,937	405,937	RRT salaries to 20/20 RRT Net Revenue
Benefits	16,263,332	-	(223,912)	(223,912)	16,039,420	Adjust benefits for changes to date
Sub Total Personnel	79,214,299	-	(849,463)	(849,463)	78,364,836	
Budget Unit Operation Allocations	38,708,282	549,515	(66,000)	483,515	39,191,797	Additional Base Allocations/allocation reductions
Funded Depr. & Classroom Enhancement	(1,500,000)			-	(1,500,000)	
Sub Total Expenditures	37,208,282	549,515	(66,000)	483,515	37,691,797	
Total Uses	116,422,581	549,515	(915,463)	(365,948)	116,056,633	
Budget Balance	-	(4,506,027)	1,865,576	(2,640,451)	(2,640,451)	

Additional reductions to be realized through departmental budget reductions and RRT initiatives by June 30, 2016 2,640,451

Reforecast Operating Budget Balance -

Marshall University
Reforecast Budget - December 9, 2015
Fiscal Year 2015-2016

	MU		MUSOM		MURC		Consolidated	
	Modified Cash Basis Budget	Audit Basis Budget	Modified Cash Basis Budget	Audit Basis Budget	Modified Cash Basis Budget	Audit Basis Budget	Modified Cash Basis Budget	Audit Basis Budget*
Operating Revenues:								
Student Tuition and Fees (net of scholarships)	82,102,036	68,036,327	7,653,531	8,153,531	-	-	89,755,567	76,189,858
Federal Grants and Contracts	519,400	1,269,400	-	-	24,000,000	24,000,000	24,519,400	25,269,400
State Grants and Contracts	15,542,613	15,258,413	792,451	792,451	7,500,000	7,500,000	23,835,064	20,350,864
Local Grants and Contracts	1,233,876	1,233,876	-	-	-	-	1,233,876	1,233,876
Private Grants and Contracts	2,717,759	5,017,759	14,516,009	14,516,009	3,000,000	3,000,000	20,233,768	22,533,768
Sales and Services of educational activities	109,200	109,200	60,000	60,000	1,200,000	1,200,000	1,369,200	1,369,200
Auxiliary Enterprise Revenue	43,032,948	33,539,794	-	-	-	-	43,032,948	33,539,794
Other Operating Revenues	7,206,584	3,452,103	1,704,940	1,704,940	2,300,000	2,300,000	11,211,524	7,057,043
Internal Cost Recovery	5,548,865	-	-	-	-	-	5,548,865	-
Source Transfers	250,000	250,000	(250,000)	(250,000)	-	-	(0)	(0)
Total Operating Revenues	158,263,280	128,166,871	24,476,931	24,976,931	38,000,000	38,000,000	220,740,211	187,543,802
Operating Expenses:								
Salaries and wages	92,685,288	91,488,021	23,813,692	23,813,692	18,000,000	18,000,000	134,498,981	133,301,713
Benefits	21,338,786	27,817,194	5,952,370	6,482,370	4,500,000	4,500,000	31,791,156	38,799,564
Supplies and other services	61,848,296	39,507,283	8,292,527	8,192,527	10,715,018	10,554,000	80,855,841	54,653,810
Utilities	9,570,326	9,299,326	1,599,539	1,599,539	500,000	500,000	11,669,864	11,398,864
Scholarships and Fellowships	23,049,216	20,899,216	-	500,000	460,000	460,000	23,509,216	21,859,216
Depreciation	200,000	11,000,000	1,432,000	2,500,000	2,630,000	2,630,000	4,262,000	16,130,000
Other Operating Expenses	(1,433,448)	100,000	-	50,000	-	-	(1,433,448)	150,000
Fees assessed by the Commission for operations	700,000	700,000	-	-	-	-	700,000	700,000
Total Operating Expenses	207,958,465	200,811,041	41,090,128	43,138,128	36,805,018	36,644,000	285,853,610	276,993,169
Operating Income (loss)	(49,695,185)	(72,644,169)	(16,613,197)	(18,161,197)	1,194,982	1,356,000	(65,113,400)	(89,449,366)
Nonoperating Revenues (expenses):								
State appropriations	48,089,619	48,089,619	17,804,192	17,804,192	-	-	65,893,811	65,893,811
Federal Pell Grants	-	18,000,000	-	-	-	-	-	18,000,000
Gifts	949,795	949,795	-	-	-	-	949,795	949,795
Investment Income	895,800	895,800	198,000	198,000	860,000	860,000	1,953,800	1,953,800
Interest on indebtedness	(3,994,268)	(3,994,268)	-	-	(90,000)	(90,000)	(4,084,268)	(4,084,268)
Fees assessed by Commission for debt service	(1,831,122)	(383,865)	(663,750)	(223,750)	-	-	(2,494,872)	(607,615)
Other nonoperating revenues (expenses)	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (expenses)	44,109,824	63,557,081	17,338,442	17,778,442	770,000	770,000	62,218,266	82,105,523
Increase/Decrease in Net Assets	(5,585,361)	(9,087,088)	725,245	(382,755)	1,964,982	2,126,000	(2,895,134)	(7,343,843)

* For Consolidation purposes an eliminating entry of \$3.2 million is included in the Audit Basis Budget on the line for "State Grants and Contracts", \$400,000 for Other Operating Revenues, and "Supplies and other services" of \$3.6 million for payments between MU and MURC for contractual services.