

SAGINAW VALLEY STATE UNIVERSITY

BOARD OF CONTROL

NOVEMBER 11, 1991
SPECIAL MEETING
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MINUTES

BOARD OF CONTROL

Special Meeting

1:30 p.m.

Board of Control Room - Wickes Hall

November 11, 1991

Present: Braun
Curtiss
Edmunds
Gilbertson
Rush
Ward

Absent: Clark
Hornsby
Revilla

Others

Present: A. Beutler
G. Corser
J. Fallon
M. Frahm
J. Lyddon
K. Nowaczyk
R. Payne
F. Porterfield
P. Saft
C. Snook
J. Stanley
R. Thompson
J. Woodcock
R. Yien
Press (3)

I. CALL TO ORDER

Chairperson Ward called the meeting to order at 1:34 p.m. He noted that a quorum was present. He stated that Dr. George Corser, President of the Faculty Association, had asked to address the Board. Dr. Corser read the following statement:

The Report of the Planning Task Force, "Promises to Keep: Towards a University of Vitality, Distinction, and Purpose," is a landmark document in the development of our University. It refers to purpose with the words "...this University must continue to keep opportunity for people, especially its students, to improve themselves as its principal reason for being...and all of its programs and policies and practices must be consistent with and supportive of this purpose." It states further that "...the principal mission of this University is teaching," and recommends creation of a "Teaching Development Center" to assist faculty to review their teaching and keep apprised of new developments.

The heart and soul of our teaching-learning process is person-to-person interaction between teacher and student. This is the essence of passing on our culture and our value of knowledge and scholarship for personal growth. All of our teaching, service, and research derive meaning from our alumni, each who finds personal meaning and value as a result of having attended SVSU.

We have put into contractual language our commitment to quality teaching. Without exception, every tenured faculty member has been evaluated no less than four times by separate committees. Teaching performance is the major criterion for evaluation. As President of the SVSU Faculty Association, I have had the privilege to appoint faculty members to fill one-third of a total of 87 positions on evaluation teams for 1st year, 2nd year and pre-tenure evaluations. Additionally, faculty are elected to serve on the Professional Practices Committee which makes tenure recommendations.

Faculty contribute to the University in many ways such as service on standing committees, service on several task forces or ad hoc committees and service in quasi-administrative roles, eg. Acting Assistant Deans. These major contributions, in addition to teaching and research, are met willingly with hope and enthusiasm. Sometimes, however, I am concerned about the abundance of opportunities for committee service having detrimental effects on teaching and research. It's a juggling act worthy of star billing.

I believe the commitment to quality teaching is shared and supported by the

entire University community, students, faculty, staff, and Board of Control. It is part and parcel of our tradition. It has been forged and strengthened throughout the years of development of our University since its early days as Saginaw Valley College. It is recognized by support from the surrounding communities in the form of donations for bricks and mortar and most importantly by the continual growth of the student body.

In spite of difficult economic conditions, I think we are in a position of strength, strength based on a shared purpose, solidly built on past achievements. We look forward with confidence to meet the challenges of contributing to the development of that most important resource, our students.

Chairperson Ward thanked Dr. Corser, and told him, "I'm sure that the members of the Board join me in echoing your emphasis on the teaching mission of this University."

Chairperson Ward stated that he had received a note from former Board Chair, Joyce Woods, which expressed her gratitude for the opportunity to serve on the Board and to serve as its Chairperson, and her general affection for Saginaw Valley State University and its Board.

II. ACTION ITEMS

1) Resolution to Approve the Fiscal Year 1992-93 Budget Development Request for SVSU's State Appropriation

RES-968 It was moved and supported that the following resolution be adopted:

WHEREAS, The fiscal year 1992-93 Budget Development Request required to be provided to the Michigan Department of Management and Budget must be approved by the Board of Control,

NOW, THEREFORE, BE IT RESOLVED, That the attached Budget Development Request for Saginaw Valley State University for fiscal year 1992-93 be approved for submission. (See Appendix One: Request)

President Gilbertson told the Board that this Budget Development Request is the first step in a process that hopefully will end in May or June. He stated: "Two years ago the Council of Presidents of State Universities in Michigan proposed a plan over a five year

period that, in our judgement, would be necessary to bring Michigan back into the top tier (the top 15 or so states) in support of higher education. That is the position that Michigan had a couple of decades ago -- we have now fallen below the national average in relation to levels of funding for higher education. That proposed plan was to ask the State for appropriations increases that would amount to inflationary increases plus 3.5% a year. Our last two years' proposals have reflected that plan. The proposal we plan to make now does not -- it deviates from that plan. We still think that plan is appropriate for the State of Michigan, but we'd have to be ostrich-like not to know....that the State simply is not going to be able to deliver on that kind of program even if it wants to -- and we do believe the State government wants to provide us with this kind of support. So what we have done is essentially scale that back -- we are asking for general appropriation support only at inflationary increase levels, which we judge to be about 5%. So the first element of our request is for a 5% operating appropriations increase, basically to help us keep up with inflation. Remember too that we generally judge our increases by the Higher Education Price Index, which tends to run about 1% above the Consumer Price Index. The costs of higher education generally go up faster than costs around the country and in other segments of the economy, because of the very labor intensive nature of what we do and the high cost of items we are required to buy -- books, laboratory equipment and the like."

President Gilbertson continued, "We also then are passing on to the State our Program Revision Requests. This is where the State asks us to suggest to them those things that we think would be important to the institution in terms of moving us toward our goals and which would result in modifications above and beyond our normal inflationary budget

increases."

President Gilbertson then reviewed the Program Revision Requests (PRR's), as outlined in Appendix One: Requests. He concluded, "I would be happy to answer any specific questions you might have on any of these Program Revision Requests or on the General Operating Request. We think that this is a reasonable, prudent and appropriate way to make our needs known to the State, in a way that we hope is perceived by the State to be reasonable, particularly given the very difficult fiscal situation the State is facing."

In response to a question from the Board, President Gilbertson stated that PRR #7 (Underprepared Student Opportunity Initiative) would enable the University to operate the "Summer Challenge Program" in a much more expansive way.

The motion was APPROVED unanimously.

2) Resolution to Approve the 1992-93 Capital Outlay Budget Request

RES-969 It was moved and supported that the following resolution be adopted:

WHEREAS, The Capital Outlay Budget request for 1992-93 indicates University priorities for building construction projects and projects financed with lump sum allocations, and

WHEREAS, This request must be approved by the Board of Control,
NOW, THEREFORE, BE IT RESOLVED, That the attached Capital Outlay Budget request for Saginaw Valley State University for fiscal year 1992-93 be approved for submission to the State of Michigan. (See Appendix Two: Capital Outlay)

President Gilbertson stressed the fact that the General Fund Operating Budget and the Capital Outlay Budget are not in competition with one another -- they are adopted as separate fiscal measures. Capital Outlay Budget funds are used to assist with the long-term development of the institution and its facilities -- these funds cannot be used for operating expenses.

The first section of the Capital Outlay Budget Request involves new facility development. The first priority is for construction funding for the Business and Professional Development Center. The second is for construction funding for a Central Heating and Cooling Plant. The third priority is for planning funds for a new instructional facility.

Lump Sum Allocations also listed in the Capital Outlay Budget Request include: remodeling the '66 and '68 Buildings; remodeling and reroofing the original Cardinal Gymnasium; a plan to improve campus roads; updating the campus master plan; renovating the University Theatre; and miscellaneous special maintenance projects.

President Gilbertson then reviewed the architects' preliminary drawings of the Business and Professional Development Center, which will consist of 209,000 square feet. The facility will stretch from Doan Center to the Arbury Fine Arts Center, across what is now known as "C" Parking Lot, and will be the campus' "front door." It will have the effect of squaring off the interior campus as a protective quad, containing all of the campus' core facilities. Among the features of the new building are a three-story, glass-enclosed atrium which separates telecommunications facilities, conference rooms and offices from a 600-seat theatre, a 300-seat Recital Hall and communications complex. The Center will be the tallest and one of the largest buildings on campus. With State approval, construction could begin as early as next October. It will take approximately two years to complete.

In response to a question from the Board, President Gilbertson stated that we are asking the State to commit for the full amount of \$30,100,000 before the University could let contracts for construction.

The motion was APPROVED unanimously.

3) Resolution to Approve Modification of General Fund Operating Budget for FY 1990-91

RES-970 It was moved and supported that the following resolution be adopted:

WHEREAS, The Board of Control adopted on July 12, 1990 the general fund operating budget for fiscal year 1990-91, and

WHEREAS, subsequent to that date the University administration has revised its original revenue and expenditure estimates to reflect changes to various revenue categories and expenditure allocations required for compensation, services, supplies, and equipment;

NOW, THEREFORE, BE IT RESOLVED, That the attached schedule indicating a recommended revised base budget be adopted for fiscal year 1990-91. (See Appendix Three: 1990-91 Operating Budget)

President Gilbertson asked the Board members to think of this resolution, together with the next one, as basically "cleaning up" last year's (the fiscal year ending June 30, 1991) business. The mid-year Executive Order cut of 1% caused the delay of the modification of the budget consistent with actual revenues and expenditures. He continued: "We generally come to you in October or November and ask that you accept those deviations from the budget that occurred in closing out the previous fiscal year. Obviously, when we ask you to adopt a budget for a year, it's based on many estimates and contingencies, such as how many actual students will show up and pay tuition and what it will cost us to hire our faculty and incur all of the other expenses involved in that. We think this final reconciliation comes in very close. So when we adopt these two resolutions as a package, we finally close the year out. We finished the year, I think, very successfully. Even in the face of some unexpected changes and some late changes, we were able to finish the year in a positive cash position."

Chairperson Ward asked for questions. There were none.

Resolution 970 was APPROVED unanimously.

4) Resolution to Approve Reconciliation of the 1990-91 General Fund Budget and Actual Revenue and Expenditure Patterns

RES-971 It was moved and supported that the following resolution be adopted:

WHEREAS, The audited financial statements for the 1990-91 fiscal year are completed, and

WHEREAS, The variances in actual revenue and spending patterns have been reviewed with the Finance and Audit Committee in accordance with Resolution 535 approved March 8, 1982;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Control receive this report and approve variances in revenue and spending patterns from the fiscal year 1990-91 General Fund Operating Budget. (See Appendix Four: Patterns)

President Gilbertson repeated that the University had been able to finish the year with revenues exceeding expenditures. When asked whether the University had ever ended a year with a deficit balance, Trustee Curtiss stated: "I can't give you a number, but I would have to guess maybe four or five times in the last 20 years, when State revenue was under very heavy pressure and we experienced Executive Order cuts mid-year -- we made some cuts, but still ended up with a deficit. But we made this up again within the next year or two. So we evened out our expenditures on a few occasions....and it's been a conscious decision to be off, usually in small amounts. I think the worst we did was about 2% of our budget. So we're not talking huge amounts. But technically, we have opted to operate at a deficit on a few occasions over the past 20 years."

Chairperson Ward added, "On this score, though, the change we made when we adopted the last budget was to have the President advise us promptly when the anticipated revenues were greater than the actual revenues, or when the anticipated expenditures were less than the actual expenditures. This was all aimed at managing our budget during the course of the fiscal year to avoid any surprise deficits, because even governmental bodies

that have balanced budget requirements sometimes end up with deficits."

The motion was APPROVED unanimously.

5) Resolution to Approve General Fund Operating Budget for FY1991-92

RES-972 It was moved and supported that the following resolution be adopted:

WHEREAS, The Board of Control adopted on July 18, 1991 the general fund operating budget for fiscal year 1991-92, and

WHEREAS, Subsequent to that date the University administration has revised its original revenue and expenditure estimates to reflect changes to various revenue categories and expenditure allocations required for compensation, services, supplies, and equipment;

NOW, THEREFORE, BE IT RESOLVED, That the attached schedule indicating a recommended revised base budget be adopted for fiscal year 1991-92. (See Appendix Five: Schedule

President Gilbertson stated that when the Administration asked the Board to adopt the Operating Budget last summer, it was obviously estimating the University's two major sources of revenue -- State appropriations and tuition and fees. He noted: "We now have a somewhat better fix on the one, and a pretty good fix on the other."

President Gilbertson then reviewed Appendix Five. He told the Board that the State appropriation for FY1991-92 was increased by 4.3%, instead of 4.5% (the amount anticipated in our original budget). An enrollment growth of 2% had been anticipated at SVSU -- the actual growth was 4.9%. He added, "The net of those is positive, so the revised budget we are asking you to approve is about \$500,000 over the original budget you adopted in July. The primary expenditure changes basically involve those things necessary to deal with initial enrollment growth. There were a number of compensation obligations that we had to make for enrollment growth last summer. These include overload faculty contracts and part-time faculty contracts. We would also like to create, perhaps as early as next

semester, three or four additional full-time faculty positions to deal with this enrollment growth....We also have a few other additional things that we would propose to you by way of expenditures. There are supplies -- more students generate more Xerox copies, more mailings, all of those things. We gave very short shrift to our supply budgets last year....Finally, I propose to create a full-time position in International Programs out of what has been a one-half time position. The growth in the number of opportunities as well as the number of students who are electing to study abroad more than warrants a full-time position in that program. So those are the basic changes -- less State appropriation support, more tuition income, but with that, additional costs to deal with this larger number of students. The net effect of this is that we get approximately a \$500,000 increase in the budget that we had anticipated."

Chairperson Ward asked for questions. There were none.

The motion was APPROVED unanimously.

6) Resolution to Approve Auxiliary Services--Bonded Facilities Operating Budget for 1991-92

RES-973 It was moved and supported that the following resolution be adopted:

WHEREAS, Revenues and expenditures have been forecasted including adequate provisions for debt service and contributions to required reserves,

NOW, THEREFORE, BE IT RESOLVED, That the attached Operating Budget be adopted for the 1991-92 fiscal year, and

BE IT FURTHER RESOLVED, That the Administration is authorized to make capital expenditures as considered appropriate from the Repair and Replacement Reserve with the understanding that a minimum of \$200,000 is to be retained in the Reserve Account as of June 30, 1991. (See Appendix Six: 1991-92 Operating Budget)

President Gilbertson reminded the Board that the University has three kinds of budgets: the Capital Budget, involving construction; the General Fund Operating Budget,

which includes tuition and fees, pays salaries, buys books and supplies, pays utilities and many other expenses of running the institution; and the Auxiliary Budget. He noted: "It's helpful to think of the Auxiliaries as kind of a subsidiary corporation of the institution. We own and we operate them, but we deal with them as a segregated activity, a segregated fund from the General Fund. Our principal auxiliaries are the housing and dining complex and the Bookstore. They are expected to generate the revenue to deal with their own expenses....We are asking you now to approve an Operating Budget for the Auxiliary Services."

Jerry Woodcock, Vice President for Administration and Business Affairs, noted that the Graphics Center, the telephone system, and the Motor Pool are also part of the Auxiliary Services. The revenues of the Bookstore, Food Services, the Residence Halls and the Apartments have been pledged together to borrow money to build facilities. He added, "It's the combined revenue stream from all those activities that pay the operating expenses and the debt service....The Board of Control has two actions that they must take each year pertaining to the Bonded Facilities. One is to establish the rates to be charged in the Residence Halls and Apartments. You do that generally in late spring/early summer. The second act, in the fall, is to approve the Operating Budget for that year. The Board must also make sure that the debt ratio is a minimum of 1.25 to 1....It's important, though, that the ratio be better than that, particularly if we want to borrow money in the future, perhaps to pay for part of the cost of the Conference facility, which will become part of our Auxiliary Services....The budget you have before you indicates a debt service ratio of 2.07."

President Gilbertson stated that this is a very favorable debt ratio. He added, "I

would describe this as a healthy budget."

Chairperson Ward asked for questions. There were none.

The motion was APPROVED unanimously.

7) Resolution to Reappoint Auditors for Fiscal Year 1991-92

RES-974 It was moved and supported that the following resolution be adopted:

WHEREAS, It is a good management practice to have conducted an annual independent financial audit, and

WHEREAS, The Finance and Audit Committee is recommending the reappointment of Ernst & Young for the 1991-92 fiscal year,

NOW, THEREFORE, BE IT RESOLVED, That the CPA firm of Ernst & Young be reappointed to conduct the financial audit for the 1991-92 fiscal year.

President Gilbertson stated that the Board of Control had reserved to itself the authority to choose an outside accounting firm to do an independent audit of the University's fiscal operations every year. The firm of Ernst & Young has been hired for this purpose for the past three years, and the Board has expressed satisfaction with their work. The Finance and Audit Committee is recommending that Ernst & Young be reappointed to conduct the financial audit for the 1991-92 fiscal year.

Chairperson Ward asked for discussion. There was none.

The motion was APPROVED unanimously.

III. INFORMATION AND DISCUSSION ITEMS

7) Staff Member of the Month

Marilyn Frahm, Director of Information Services, introduced Craig Snook. She told the Board, "Some of you possibly have already met Craig. If you have not, it's truly a case where you can know him by his work. Craig is Publications Specialist for Saginaw Valley

State University. In that capacity, he is responsible for determining the design, the layout, and doing a great deal of the press preparation of many of the publications that you see. These can range from things that are as simple as an invitation to an event here to things that are as complex as the four-color recruitment publications that we use for the college catalogue. There are at least two other reasons that I think you should be proud of Craig. One of them is that he graduated from Saginaw Valley State University....Another thing I though you'd like to know about him is that if Joyce Woods were here today, she would be particularly proud, because she was one of Craig's elementary school teachers."

IV. REMARKS BY THE PRESIDENT

President Gilbertson told the Board that the University was at the serious end of the semester, with term papers due, finals in view, and many activities taking place, including the production of the "Glass Menagerie" next weekend.

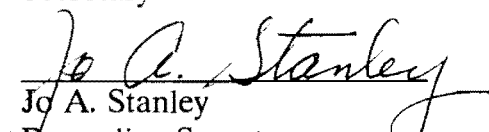
V. ADJOURNMENT

Chairperson Ward adjourned the meeting at 2:33 p.m.

Respectfully Submitted:

George E. Ward
Chairperson

Gerald Hornsby
Secretary


Jo A. Stanley
Recording Secretary

SAGINAW VALLEY STATE UNIVERSITY
BUDGET DEVELOPMENT REQUEST
STATE APPROPRIATION
STATE FISCAL YEAR 1992-93

Program Maintenance Request

State Fiscal Year Appropriation, 1991-92	\$16,983,490
Additional Amount Needed in 1992-93 for Compensation, Supplies, Materials Services and Capital Expenditures	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;"> <u>849,260</u> </div> <div style="text-align: right;"> 17,832,750 (5.0%) </div> </div>

Program Revision Requests

#1 - Start-Up and Operation - Health & Physical Education Complex	282,881
#2 - Enrollment Growth Recognition	500,000
#3 - Enhancement of Cultural Diversity and Basic Skills	259,360
#4 - Instructional Computing Support	445,500
#5 - Computer Technology Infrastructure	500,000
#6 - Regional Telecommunications Enhancement: Fiber Optics Outreach	338,655
#7 - Underprepared Student Opportunity Initiative	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;"> <u>125,000</u> </div> <div style="text-align: right;"> 2,451,396 (14.4%) </div> </div>
TOTAL - OPERATIONS	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;"> <u><u>\$20,284,146</u></u> </div> <div style="text-align: right;"> (19.4%) </div> </div>

SAGINAW VALLEY STATE UNIVERSITY
CAPITAL OUTLAY REQUEST
FISCAL YEAR 1992-93

CONSTRUCTION PROGRAM SUMMARY

<u>PRIORITY NUMBER</u>	<u>PROJECT TITLE</u>	<u>ESTIMATED PROJECT COST</u>	<u>CONSTRUCTION START</u>	<u>STATE FUNDS</u>
1	BUSINESS AND PROFESSIONAL DEVELOPMENT CENTER	\$33,500,000	OCT. '92	\$30,100,000
2	CENTRAL HEATING AND COOLING PLANT	32,000,000	OCT. '92	32,000,000
3	INSTRUCTIONAL FACILITY NO. 3	7,000,000	OCT. '93	7,000,000
		<u>\$72,500,000</u>		<u>\$69,100,000</u>

LUMP SUM ALLOCATIONS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>BUDGET YEAR REQUEST</u>
1	REMODELING THE '66 AND '68 BUILDINGS	\$300,000
2	REMODELING THE ORIGINAL CARDINAL GYMNASIUM	125,000
3	REROOFING THE ORIGINAL CARDINAL GYMNASIUM	150,000
4	PLAN TO IMPROVE CAMPUS ROADS	300,000
5	UPDATE CAMPUS MASTER PLAN	60,000
6	RENOVATE UNIVERSITY THEATRE	750,000
7	SPECIAL MAINTENANCE PROJECTS	525,000
		<u>\$2,210,000</u>

SAGINAW VALLEY STATE UNIVERSITY
GENERAL FUND BUDGET SUMMARY
FISCAL YEAR 1990-91

	BOARD APPROVED BASE FY 1991 (7/12/90)	RECOMMENDED REVISED BASE BUDGET	NET CHANGE
RESOURCES:			
State Appropriation	\$16,517,000	\$16,359,887	(\$157,113)
Tuition and Fees	9,136,000	9,633,000	497,000
Miscellaneous	750,000	885,000	135,000
Total Resources	26,403,000	26,877,887	474,887
EXPENDITURE ALLOCATIONS:			
Compensation	19,684,624	20,045,106	360,482
Supplies, Materials & Services	6,246,376	6,360,781	114,405
Capital Expenditures	472,000	472,000	0
Total Expenditures	26,403,000	26,877,887	474,887
Resources Over/(Under) Expenditures	\$0	\$0	\$0

FUND BALANCE

Balance at Beginning of Year, 7/01/90	\$150,101
Resources Over/Under expenditures, FY 1990-91	0
Anticipated Fund Balance at 6/30/91	\$150,101

RESTATEd FUND BALANCE INVOLVING NON-RECOGNITION OF FORWARD FUNDING

Balance at Beginning of Year, 7/01/90	\$150,101
Revenue Adjustment: Non-recognition of Forward Funding	(2,957,000)
Restated Balance at End of Year (Deficit), 6/30/91	(\$2,806,899)

SAGINAW VALLEY STATE UNIVERSITY
GENERAL FUND BUDGET SUMMARY
FISCAL YEAR 1990-91

Appendix Four: Patterns

	MODIFIED BUDGET	ACTUAL REVENUES AND EXPENDITURES JUNE 30, 1991	BUDGET VARIANCE
REVENUES			
State Appropriation	\$16,359,887	\$16,518,518	\$158,631
Tuition & Fees	9,633,000	9,875,335	242,335
Other Revenues			
Indirect Cost Recoveries	\$370,000	338,002	
Investment Income	95,000	100,597	
Departmental / Other	420,000	391,283	(55,118)
TOTAL REVENUES	26,877,887	27,223,735	345,848
EXPENDITURE ALLOCATIONS			
Compensation	20,440,106		
Less: Unfilled Position Savings	(395,000)	20,045,106	19,893,476
			(151,630)
Supplies, Materials, & Services	6,360,781	6,782,905	422,124
Capital Expenditures	472,000	416,474	(55,526)
TOTAL EXPENDITURE ALLOCATIONS	26,877,887	27,092,855	214,968
Revenue over (under) Expenditure Allocations	0	130,880	\$130,880
FUND BALANCE, Beginning of year	296,741	296,741	
FUND BALANCE, End of year	296,741	427,621	
Less: Amount Obligated by Prior Year			
Contractual Commitments	(146,640)	(203,321)	
BALANCE (Deficit)	\$150,101	\$224,300	

**SAGINAW VALLEY STATE UNIVERSITY
GENERAL FUND BUDGET SUMMARY
FISCAL YEAR 1991-92**

	BOARD APPROVED BASE FY 1992 (7/18/91)	RECOMMENDED REVISED BASE BUDGET
<u>RESOURCES:</u>		
State Appropriation	\$17,015,000	\$16,983,490
Tuition and Fees	10,595,000	11,224,000
Miscellaneous	885,000	855,000
Total Resources	<u>28,495,000</u>	<u>29,062,490</u>

EXPENDITURE ALLOCATIONS:

Compensation	21,347,070	21,670,262
Supplies, Materials & Services	6,655,050	6,874,348
Capital Expenditures	492,880	517,880
Total Expenditures	<u>28,495,000</u>	<u>29,062,490</u>
Resources Over/(Under) Expenditures	<u>\$0</u>	<u>\$0</u>

FUND BALANCE

Balance at Beginning of Year, 7/01/91	\$224,300
Resources Over/Under expenditures, FY 1991-92	0
Anticipated Fund Balance at 6/30/92	<u>\$224,300</u>

STATEMENT REGARDING PENDING CHANGES IN PAYMENT OF STATE APPROPRIATION

In prior years budget documents, a restated fund balance was presented which displayed the potential impact of the discontinuance of Forward Funding. The State of Michigan is presently considering a change in the methodology by which it disburses appropriation payments. Such a change eliminates the need for the presentation of a restated fund balance.

SAGINAW VALLEY STATE UNIVERSITY
 AUXILIARY SERVICES--BONDED FACILITIES
 OPERATING BUDGET
 FY 1991-92

	RESIDENCE HALLS		
	BUDGET	ACTUAL	BUDGET
	90-91	90-91	91-92
Design Capacity	496	496	496
Adjusted Design Capacity	486 (1)	486 (1)	485 (1)
Occupancy - Fall/Winter Avg.	475	471	465
Rate-21 Meal Plan	3,212	3,212	3,400
Increase Amount	176	176	188
Percent of Increase	5.79%	5.79%	5.85%

	APARTMENTS					
	BUDGET		ACTUAL		BUDGET	
	90-91		90-91		91-92	
	120/10	(2)	119/9	(2)	120/10	(2)
	165/410	(3)	165/410	(3)	175/420	(3)
	5/15		5/15		10/10	
	3.13%/3.80%		3.13%/3.80		6.06%/2.43%	

	BUDGET	ACTUAL	BUDGET
	90-91	90-91	91-92
Revenue:			
Operating Income			
H & FS, Apt.	\$362,300	\$365,236	\$358,580
Bookstore	130,000	145,990	135,000
Investment Income	60,000	84,910	72,000
Investment Income - Sinking Fund	20,000	23,851	18,000
Debt Service Grant	10,002	10,002	10,002
Amount Available	582,302	629,989	593,582
Less: Debt Service Required Payment	(290,440)	(290,440)	(286,240)
Contribution to Required Reserves	<u>\$291,862</u>	<u>\$339,549</u>	<u>\$307,342</u>
Debt Service Ratio	2.00%	2.17%	2.07%

(1) 8 spaces utilized for staff/3 spaces arranged for handicap.

(2) Single /family utilization.

(3) Individual/family rates per month.

SAGINAW VALLEY STATE UNIVERSITY
 AUXILIARY SERVICES-BONDED FACILITIES BUDGET
 SUMMARY OF REVENUES AND EXPENDITURES
 FY 1991-92

	HOUSING			FOOD SERVICE			APARTMENTS			TOTAL		
	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET
	90-91	90-91	91-92	90-91	90-91	91-92	90-91	90-91	91-92	90-91	90-91	91-92
REVENUES												
Contract	\$613,100	\$607,545	\$632,540	\$919,600	\$911,318	\$948,810	\$210,000	\$228,375	\$239,000	\$1,742,700	\$1,747,238	\$1,820,350
Other	11,000	1,757	11,000	6,000	7,338	6,000	23,000	23,358	23,000	40,000	32,453	40,000
Laundry	12,000	12,276	12,000				6,000	5,542	6,000	18,000	17,818	18,000
Snack Bar/Casual Meals				145,000	168,846	165,000				145,000	168,846	165,000
TOTAL REVENUES	636,100	621,578	655,540	1,070,600	1,087,502	1,119,810	239,000	257,275	268,000	1,945,700	1,966,355	2,043,350
EXPENDITURES												
Operating												
Salaries	187,350	216,588	230,127	103,700	111,872	109,310			3,032	291,050	328,460	342,469
Fringe Benefits	43,650	44,812	46,684	11,150	8,922	12,544		20	873	54,800	53,754	60,101
Equipment					537						537	
Operating & Misc.	105,200	127,755	114,480	49,800	49,679	51,820	17,000	17,038	17,700	172,000	194,472	184,000
ARA				999,000	1,087,318	1,105,000				999,000	1,087,318	1,105,000
Utilities	107,000	81,330	88,625	39,000	27,265	32,300	17,000	14,949	14,075	163,000	123,544	135,000
Insurance	14,000	9,608	10,900	14,000	9,234	10,300	7,000	6,137	6,800	35,000	24,979	28,000
Indirect Cost	75,900	75,900	80,520	32,700	32,700	34,160	6,400	6,400	7,320	115,000	115,000	122,000
Residence Hall Scholarships	5,000	5,000	5,000	5,000	5,000	5,000				10,000	10,000	10,000
Continuing Education	1,280	1,280	1,280	1,920	1,920	1,920				3,200	3,200	3,200
Less: Internal Charges												
Conferences	(34,650)	(62,453)	(50,000)	(225,000)	(272,571)	(255,000)				(259,650)	(335,024)	(305,000)
Other								(5,123)			(5,123)	
TOTAL EXPENDITURES	504,730	499,820	527,616	1,031,270	1,061,876	1,107,354	47,400	39,421	49,800	1,583,400	1,601,117	1,684,770
OPERATING INCOME	\$131,370	\$121,758	\$127,924	\$39,330	\$25,626	\$12,456	\$191,600	\$217,854	\$218,200	\$362,300	\$365,238	\$358,580