

WAYNE STATE
UNIVERSITY



FY 2010 AUXILIARY BUDGETS SUMMARY



Overview of Auxiliary Operations

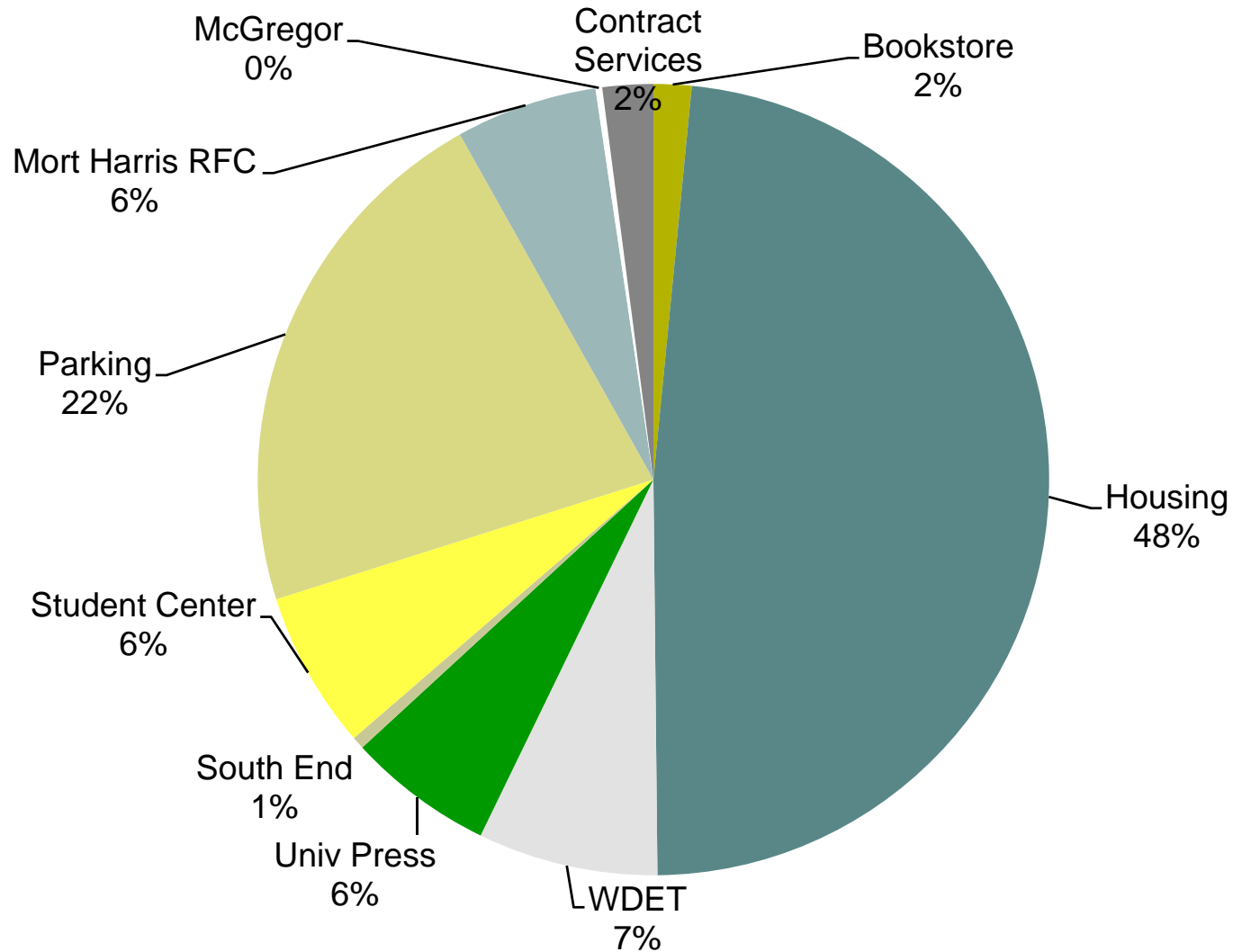
Auxiliaries consist of four basic groups:

- Auxiliary Business Operations:
 - Bookstore, Contract Services, McGregor Memorial Conference Center, Mort Harris Recreation and Fitness Center, Parking and Transportation Services, Student Center
- Publications:
 - *The South End* Newspaper & University Press
- Radio: WDET
- Housing and Residential Life
 - Previously approved separately, now presented with other auxiliary units



FY 2010 Auxiliary Budget

(\$39.0 M)



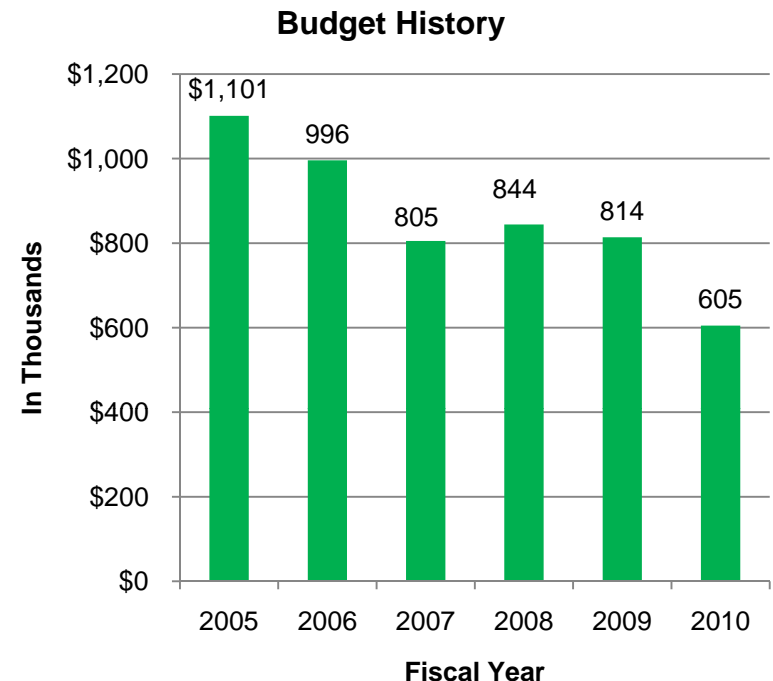
FY 2010 Auxiliary Budget Overview

Category	All Auxiliary w/o Housing	Housing	Total Auxiliary Activities
REVENUES			
Operating Revenue			
Student Tuition and Fees	\$3,691.0	\$0.0	\$3,691.0
Auxiliary Revenues	\$13,605.9	\$15,790.4	\$29,396.3
Total Operating Revenue	\$17,296.9	\$15,790.4	\$33,087.3
Non-Operating Revenues			
Gifts	\$2,166.3	\$0.0	\$2,166.3
Other	\$940.1	\$500.0	\$1,440.1
Total Non-Operating Revenues	\$3,106.4	\$500.0	\$3,606.4
TOTAL REVENUES	\$20,403.3	\$16,290.4	\$36,693.7
EXPENDITURES			
Auxiliary Enterprises			
Compensation	\$7,332.2	\$2,862.8	\$10,195.0
Operating Expenses	\$7,994.4	\$7,614.0	\$15,608.4
Expenditures	\$15,326.6	\$10,476.8	\$25,803.4
Transfers Out/(In)			
Debt Service	\$3,917.2	\$8,084.5	\$12,001.7
Plant & Other	\$928.1	\$275.0	\$1,203.1
Subtotal Transfers	\$4,845.3	\$8,359.5	\$13,204.8
TOTAL EXPENDITURES	\$20,171.9	\$18,836.3	\$39,008.2
Operating Surplus / (Deficit)	\$231.4	(\$2,545.9)	(\$2,314.5)



Bookstore Highlights

- Continues to provide \$319K of faculty awards
- Aggressive textbook buy-back program
- Involvement in community activities including local author book signings, the Detroit Festival of the Arts, new student and parent orientations

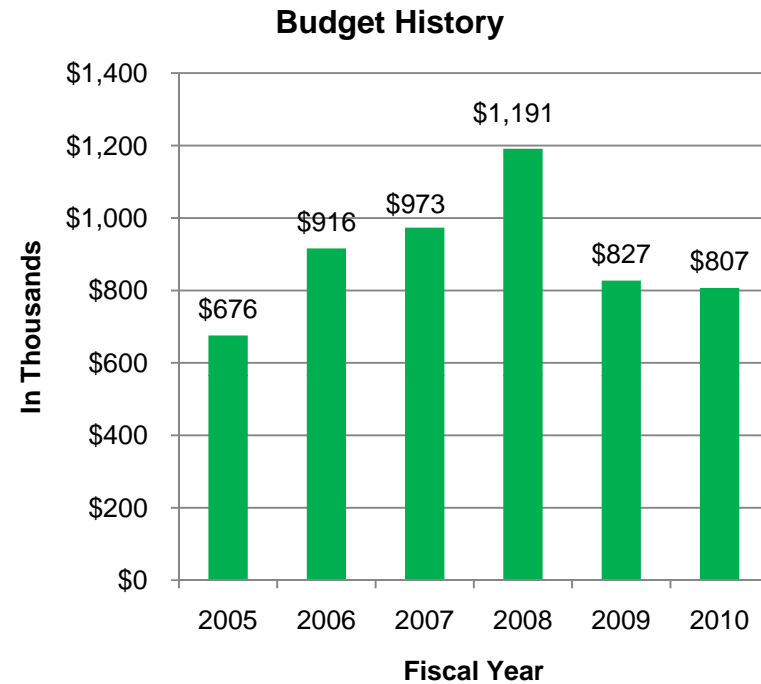


Category	FY 2009 Projected Actuals	FY 2010 Proposed Budget	\$ Change
Revenue	\$693.4	\$678.2	(\$15.2)
Expense & Transfers	\$679.1	\$604.8	(\$74.3)
Net Operating Budget	\$14.3	\$73.4	\$59.1



Contract Services Highlights

- Contract services unit manages the Equipment Maintenance Program, FedEx Kinkos, IKON printing and pouring rights contracts
- University departmental spending is down
- Adding revenue generating areas such as new public access printers, additional vending machines and new auxiliary venues

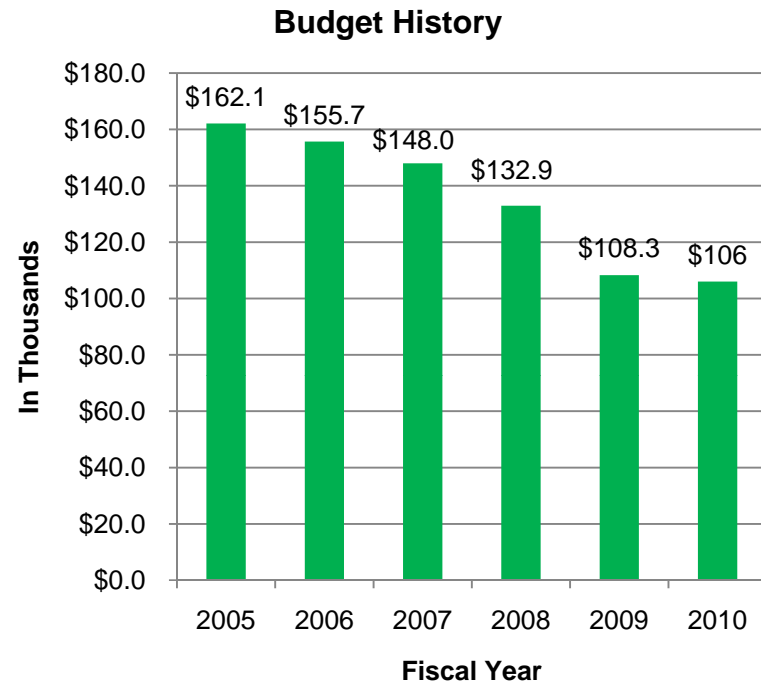


Category	FY 2009 Projected Actuals	FY 2010 Proposed Budget	\$ Change
Revenue	\$803.3	\$802.6	(\$0.7)
Expense & Transfers	\$794.0	\$807.0	\$13.0
Net Operating Budget	\$9.3	(\$4.4)	(\$13.7)



McGregor Memorial Conference Center

- McGregor generates revenue through fees associated dining, catering and conference services
- Reduction of revenue with the university having reduced the use of catering on campus
- Instituted a food service advisory committee to better serve customers
- Redesigned catering and conference menus

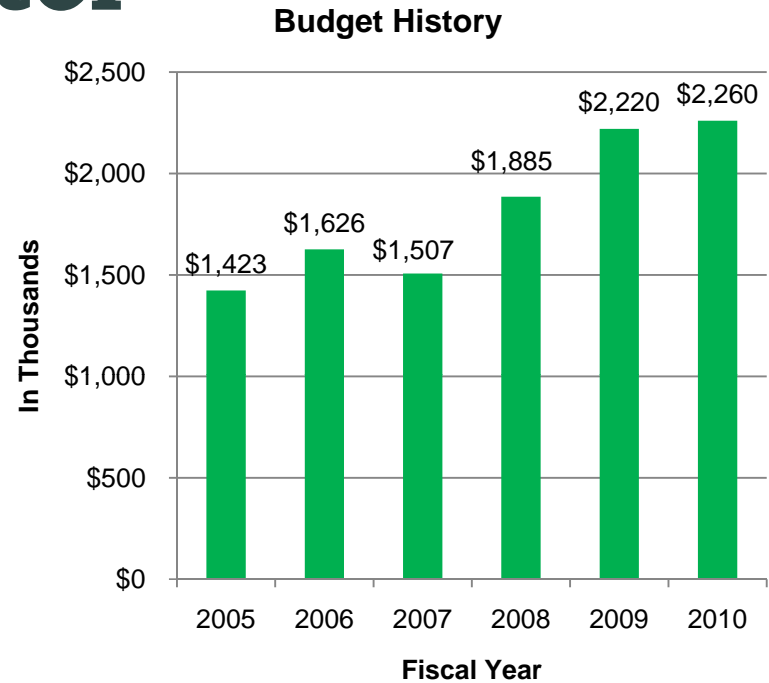


Category	FY 2009 Projected Actuals	FY 2010 Proposed Budget	\$ Change
Revenue	\$112.1	\$111.1	(\$1.0)
Expense & Transfers	\$105.6	\$106.2	\$0.6
Net Operating Budget	\$6.5	\$4.9	(\$1.6)



Mort Harris Recreation & Fitness Center

- Creation and implementation of five year equipment replacement plan
- Expansion of club sports program
- Managing WSU Employee Wellness Program, with an above average 56% compliance rate

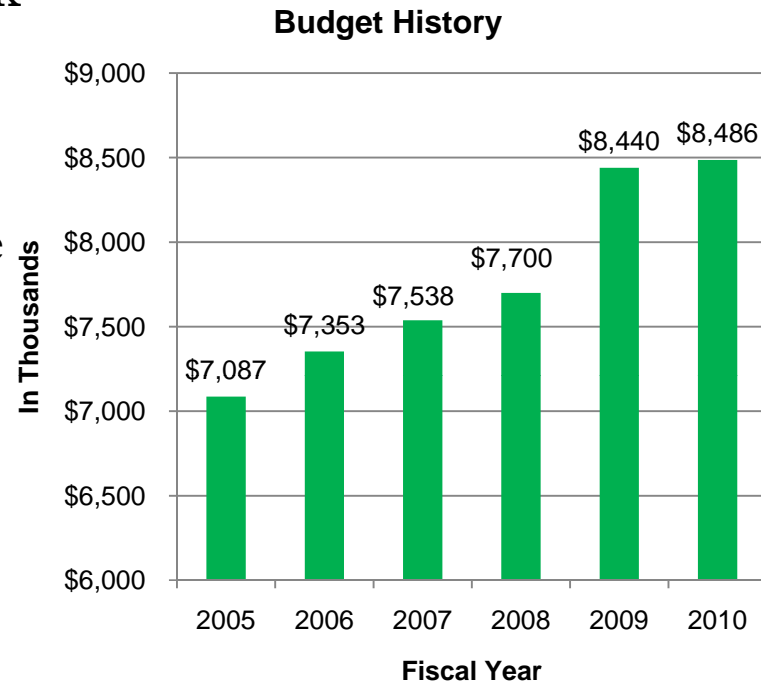


Category	FY 2009 Projected Actuals	FY 2010 Proposed Budget	\$ Change
Revenue	\$2,236.3	\$2,270.9	\$34.6
Expense & Transfers	\$2,122.3	\$2,260.4	\$138.1
Net Operating Budget	\$114.0	\$10.5	(\$103.5)



Parking & Transportation Services

- FY 2009 projected shortfall of \$434 k
- Need to adjust parking rates or subsidize from general fund to prevent running deficit in FY 2010.
- Adjustments in revenues will ensure funding for critical operating expenses, deferred maintenance needs and debt service
- Last parking increase was six years ago
- Comprehensive conditions survey underway
- Moved administrative offices to Parking Structure #8



Category	FY 2009 Projected Actuals	FY 2010 Proposed Budget	\$ Change
Revenue	\$7,952.8	\$8,854.4	\$901.6
Expense & Transfers	\$8,387.0	\$8,485.9	\$98.9
Net Operating Budget	(\$434.2)	\$368.5	\$802.7



Parking Department Overview

- 8 Structures; 44 Surface Lots; 13,000 Spaces
- Faculty/Staff are assigned 5,000 spaces
- Students, visitors & guests use 8,000 spaces
- Current Student Parking Rates are \$2.25 per day



Financial Challenges

- No adjustment in parking rates for six years.
 - Last rate increase was in 2004 (increased by \$.25 to \$2.25)
- Ongoing maintenance, utilities and labor costs with no changes in rate structure
- Reduction in revenue due to use of alternative transportation methods by faculty/staff and students and the decline in enrollment
- Increases in debt service



Parking & Transportation Services

Student Parking Rate History

- FY 1991 Rate \$0.75 (prior rate increase occurred in 1974)
- FY 2001 Rate \$1.00 (increase of \$0.25)
- FY 2002 Rate \$2.00 (increase of \$1.00)
- FY 2004 Rate \$2.25 (increase of \$0.25)
- FY 2010 Rate \$2.50 (increase of \$0.25)

If the FY 2004 rate of \$2.25 increased by inflation over the last five years, the current rate would be \$2.52.



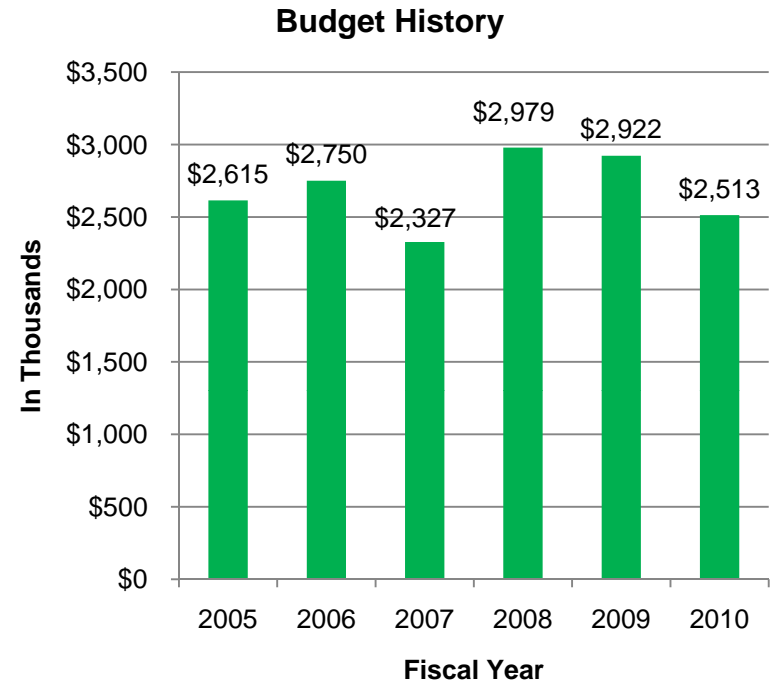
FY 2010 Parking Rate Increase

Campus	Current	FY 2010
Student Daily	\$2.25	\$2.50
Student Semester	\$180.00	\$200.00
Student Semester Premium	\$260.00	\$280.00
Faculty / Staff Monthly	\$45.00	\$55.00
Faculty / Staff Premium Monthly	\$65.00	\$75.00
Visitor or Daily	\$3.50	\$4.25



Student Center

- Increased student participation in the Down Under activity area in the lower level of the Student Center
- Moved postal and information service centers to lower level, making better use of space and improving access
- Primarily funded by \$1.9M allocation from omnibus fees
- Beginning collaboration with Dean of Students' Office, Housing and Mort Harris RFC to enhance programming activities

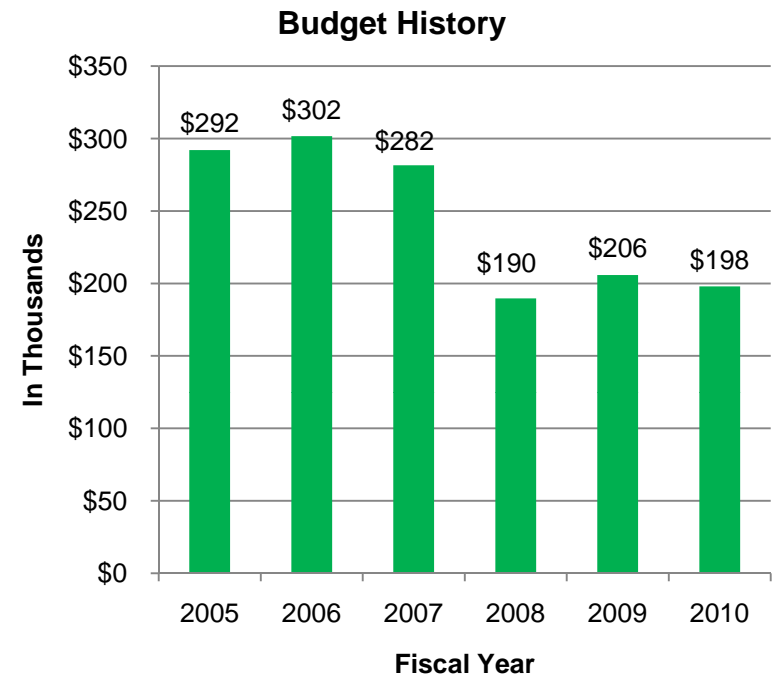


Category	FY 2009 Projected Actuals	FY 2010 Proposed Budget	\$ Change
Revenue	\$2,507.9	\$2,614.1	\$106.2
Expense & Transfers	\$2,576.3	\$2,513.1	(\$63.2)
Net Operating Budget	(\$68.4)	\$101.0	\$169.4



The South End Newspaper

- Continued to publish print edition weekly; with daily web updates
- The South End* offices moved to Student Center
- Added newspaper boxes around campus to increase visibility



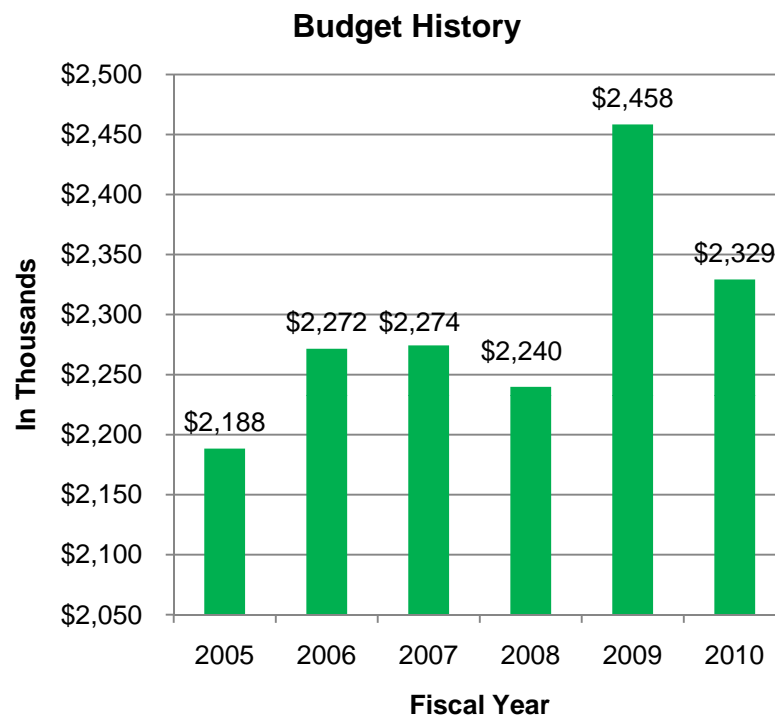
Category	FY 2009 Projected Actuals	FY 2010 Proposed Budget	\$ Change
Revenue	\$188.8	\$198.0	\$9.2
Expense & Transfers	\$207.3	\$198.0	(\$9.3)
Net Operating Budget	(\$18.5)	\$0.0	\$18.5



University Press

Highlights:

- University Press is expected to have higher book and journal revenue, largely due to improved marketing
- General Fund support in FY 2010 is \$421.8K
- 35 new titles in FY 2009, 28 journal issues published

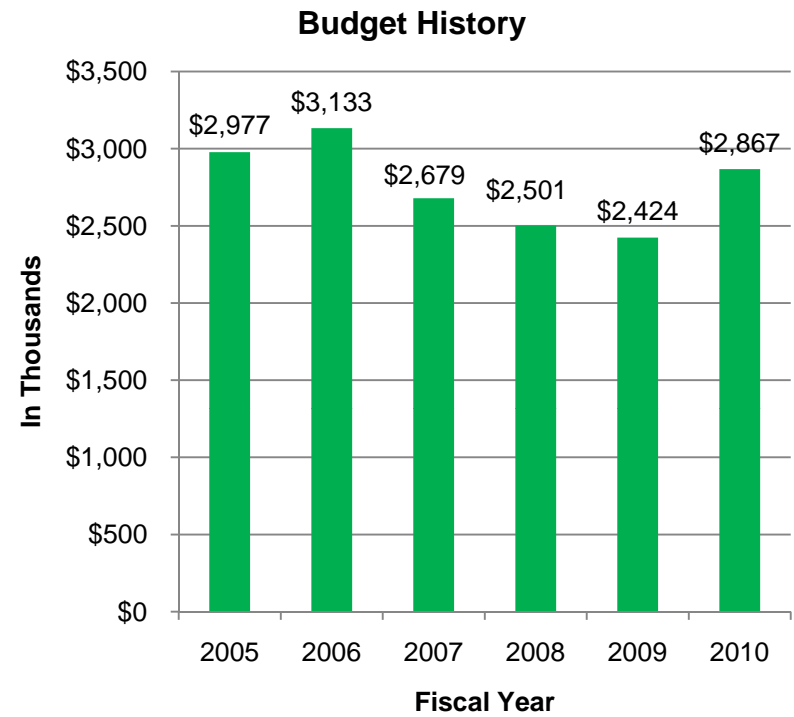


Category	FY 2009 Projected Actuals	FY 2010 Proposed Budget	\$ Change
Revenue	\$2,230.0	\$2,330.0	\$100.0
Expense & Transfers	\$2,242.6	\$2,329.2	\$86.6
Net Operating Budget	(\$12.6)	\$0.8	\$13.4



WDET Radio Station

- FY 2010 budget includes \$400K in support from the General Fund
- In 4 months since significant programming change, +10% growth in total audience, +6.9% growth in key 25-44 cell
- Donor file now at 7,900 donors (3 year high), over 1,200 lapsed donors and over 1,200 new donors added since January
- What is the ROI for WSU \$400 k support
 - WDET provides WSU with an annual underwriting schedule (\$200k)
 - WDET's public service and public relations value to Wayne State University is approximately \$11.5 M per year

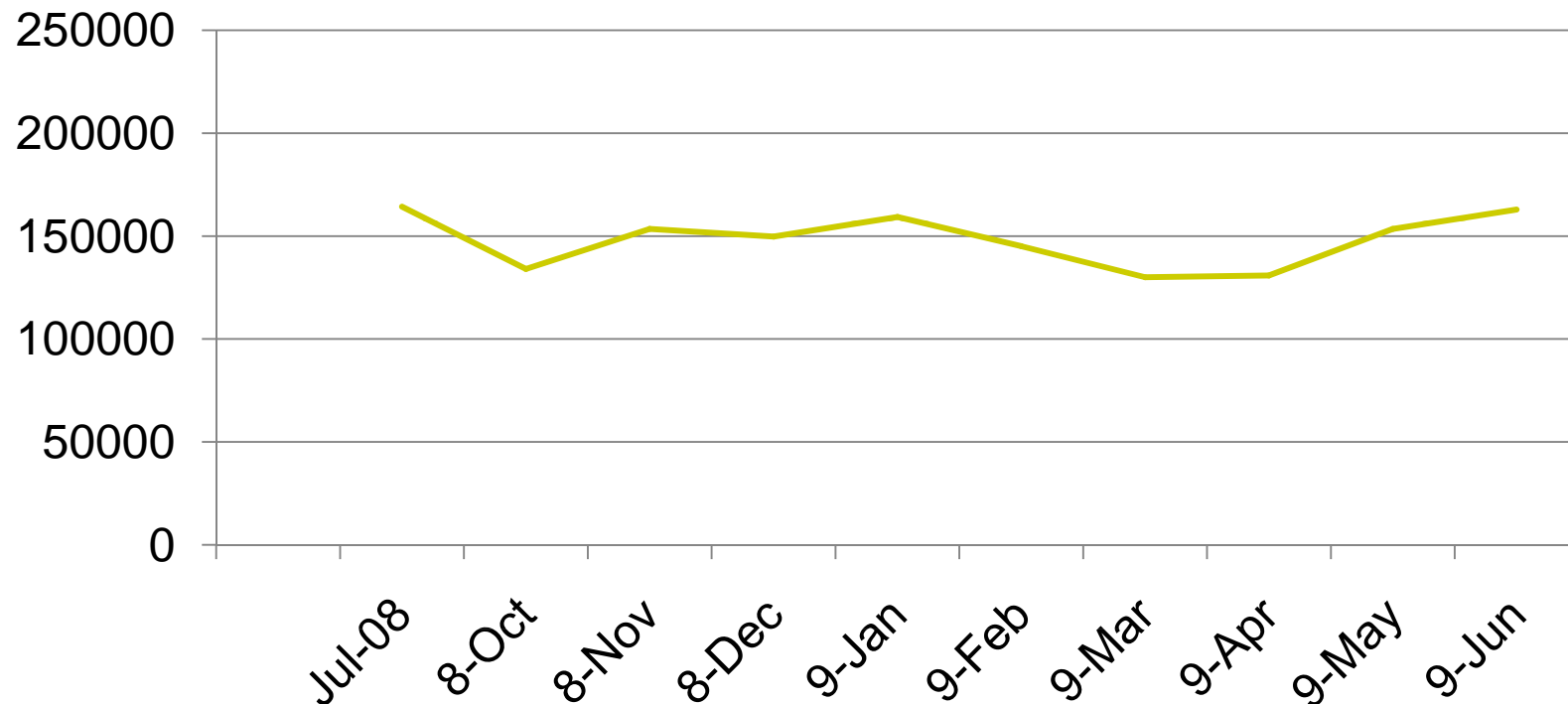


Category	FY 2009 Projected Actuals	FY 2010 Proposed Budget	\$ Change
Revenue	\$2,224.5	\$2,544.0	\$319.5
Expense & Transfers	\$2,744.0	\$2,867.3	\$123.3
Net Operating Budget	(\$519.5)	(\$323.3)	\$196.2



WDET Radio Station

WDET Audience Progression



WDET reaches 162,900 individuals every week. This weekly audience figure represents a 12% growth since the February, 2009 schedule change and exceeds WDET's 3 year average. The schedule change has arrested the stations' decline and WDET is growing audience in key age cells and dayparts.



Housing and Residential Life

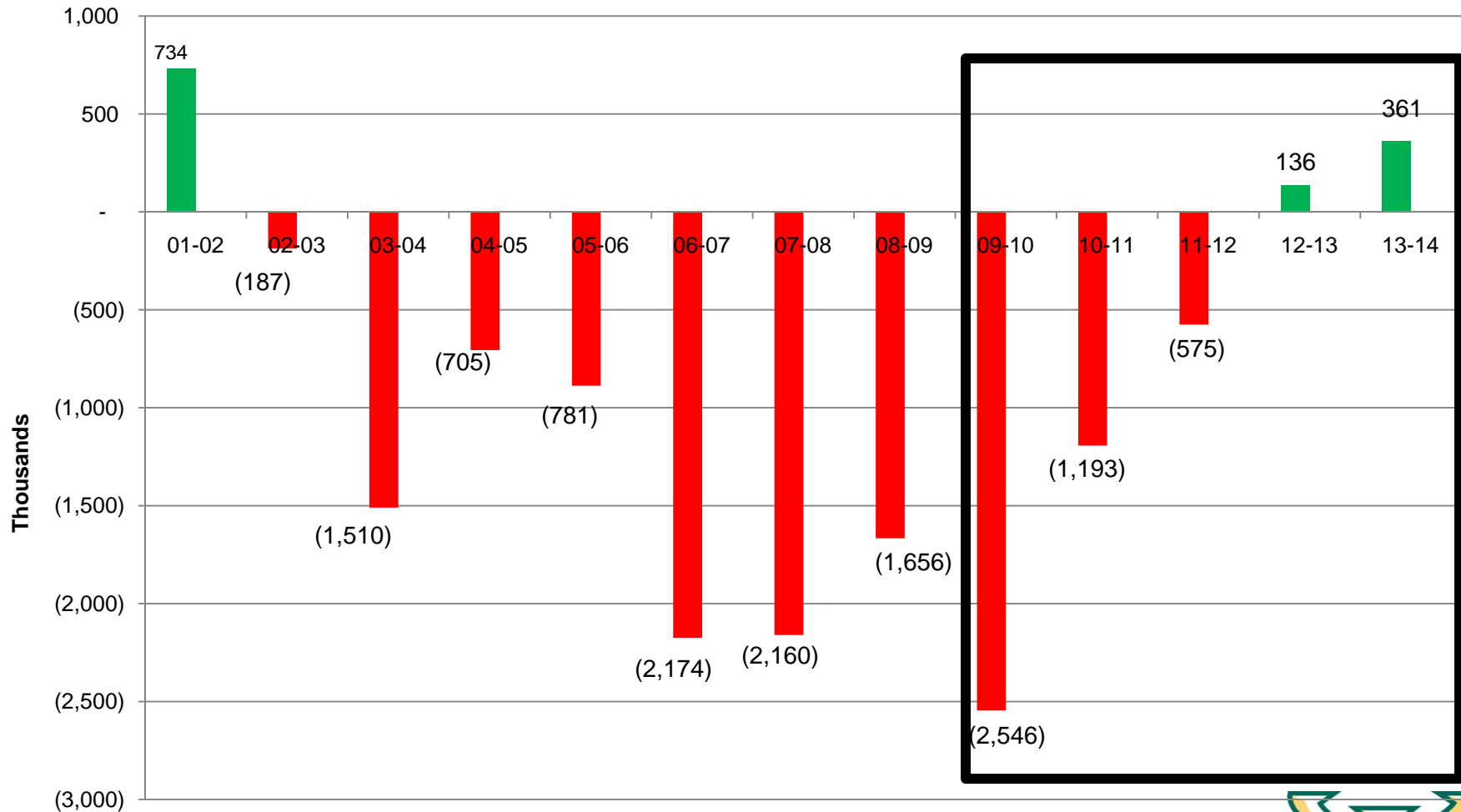
- Debt service portion of expenditure budget is too high
- Budget includes plan to reduce debt service by \$500K per year for four years.
- At end of four years debt service will have been reduced by \$2 M on a permanent basis.

Category	FY 2009 Projected Actuals	FY 2010 Proposed Budget	\$ Change
Revenue			
Apt. Occup. Rev.	\$6,022.8	\$5,841.7	(\$181.1)
Res. Hall Occup. Rev.	\$6,738.7	\$5,857.1	(\$881.6)
Meal Plan Rev.	\$3,443.5	\$3,080.5	(\$363.0)
Other Rev.	\$1,173.5	\$1,011.0	(\$162.5)
Total Revenue	\$17,378.5	\$15,790.3	(\$1,588.2)
Expenditures			
Compensation	\$2,700.3	\$2,862.8	\$162.5
Facilities and Utilities	\$4,300.4	\$4,302.9	\$2.5
Meal Plan Exp.	\$2,460.4	\$2,158.7	(\$301.7)
Other Exp.	\$1,174.0	\$1,152.4	(\$21.6)
<i>Total Expenditures</i>	<i>\$10,635.1</i>	<i>\$10,476.8</i>	<i>(\$158.3)</i>
Transfers			
Debt Service	\$8,084.5	\$7,584.5	(\$500.0)
Other Transfers	\$315.3	\$275.0	(\$40.3)
<i>Total Transfers</i>	<i>\$8,399.8</i>	<i>\$7,859.5</i>	<i>(\$540.3)</i>
Total Exp. and Trsfs.	\$19,034.9	\$18,336.3	(\$698.6)
Net Operating Budget	(\$1,656.4)	(\$2,546.0)	(\$889.6)



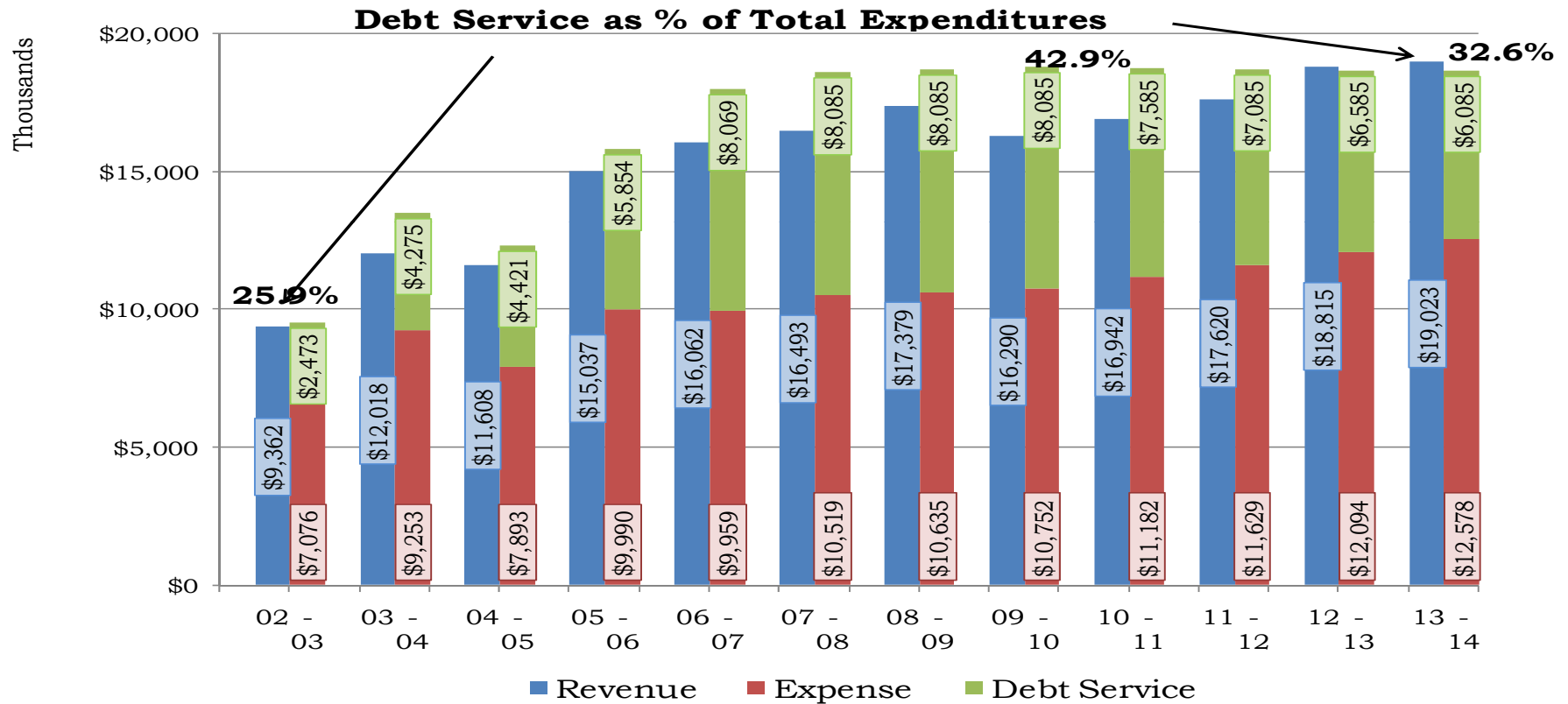
Housing and Residential Life

Annual Deficits/Surpluses Assuming Graduated Debt Reduction, Occupancy Recovery and 4% Annual Income Growth 2009-2014



Housing and Residential Life

Financial Performance FY 2003 to FY 2010 Budgeted and Beyond



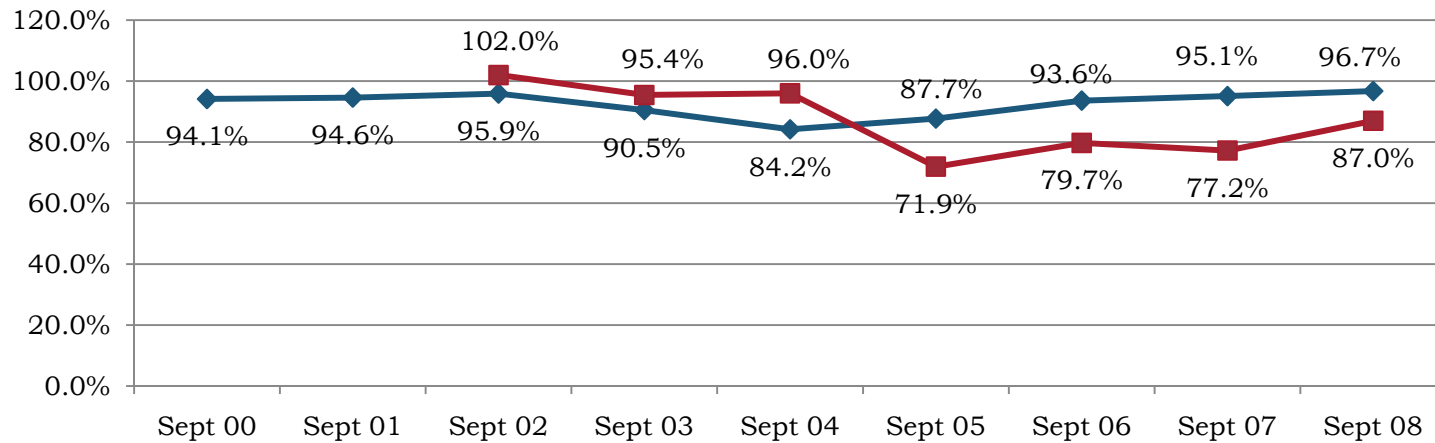
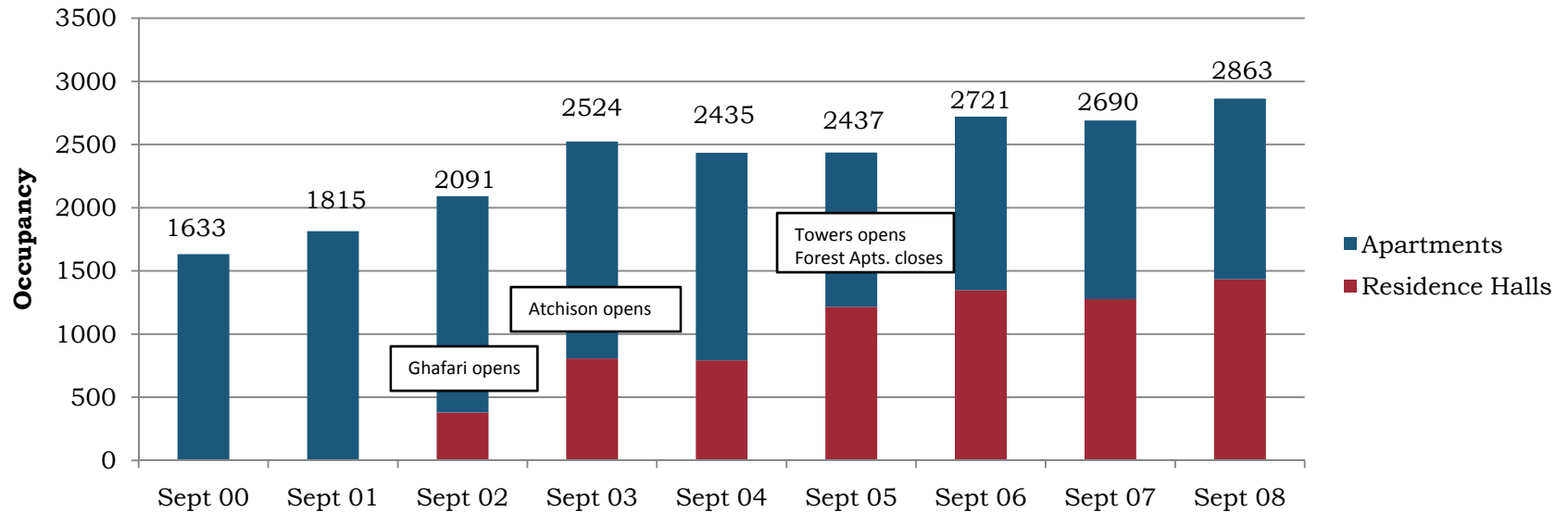
Housing and Residential Life

Occupancy for Housing Fall 2009 (preliminary figures)			
Residence Halls	Beds	Budget Occupancy	Percent Occupancy
Atchison (South) Hall	463	376	81%
Ghafari Hall	362	298	82%
The Towers Residential Suites	850	514	60%
Total	1,675	1,188	71%
Apartments	Units		Percent Occupancy
University Tower	297	275	93%
DeRoy	250	216	86%
Chatsworth	83	65	78%
Total	630	556	88%



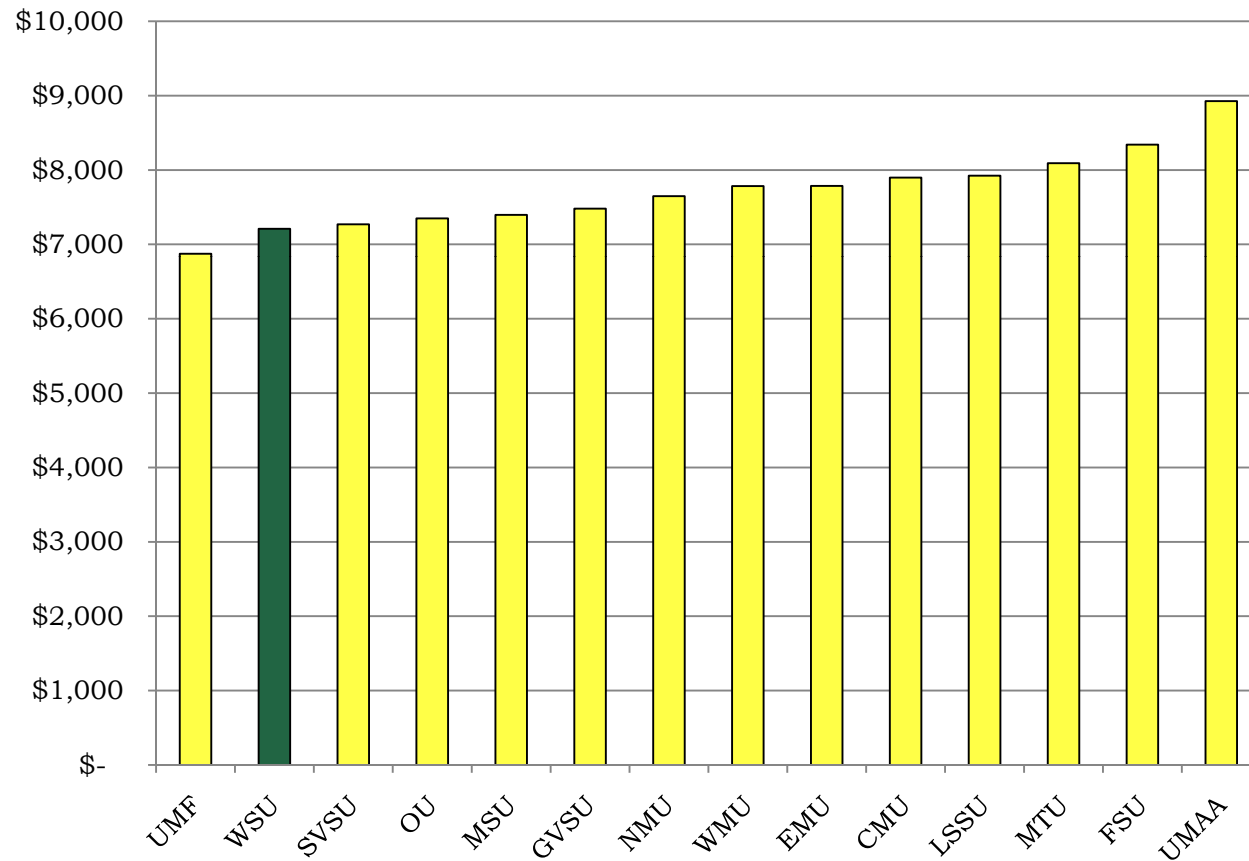
Housing and Residential Life

Campus Housing Occupancy (through Fall 2008)



Housing and Residential Life

FY 2010 Annual Room & Board Charges for Michigan Public Universities



Housing and Residential Life

Highlights:

- Declines in apartment occupancy due to significant drop in international grad student population
- Declines in residence hall occupancy probably is a result of economy
- Rate increases for FY 2010 (approved Feb. 2009):
 - Residence Hall 4.0%
 - Apartments 4.0%
- Rates are below MPU averages
- Continue to address deferred maintenance needs
- General Fund support of \$500K for FY 2010



Auxiliary Summary

- Very challenging economic conditions for auxiliaries, less spending by both students and departments
- Quality of auxiliary services key to positive campus experience
- Auxiliary enterprise at WSU is relatively young compared to most institutions
- Continued to explore opportunities to maximize revenues for the good of the University

