

The University of Akron

Fiscal Year 2024 Budget
All Funds Combined
September 13, 2023

The University of Akron
General Funds, Auxiliary Funds, and Departmental Sales and Services Funds Combined
FY 2024 Proposed Budget with FY 2022 and 2023 Comparison

	FY22 Actual Budget	FY23 Actual Budget	FY24 Proposed Budget
Tuition	\$141,412,000	\$134,426,000	130,343,000
General Service Fees	10,971,000	10,136,000	9,602,000
Other Fees	17,745,000	19,457,000	20,053,000
Scholarships *	(62,617,000)	(57,116,000)	(47,413,000)
Net Tuition & Fees	107,511,000	106,903,000	112,585,000
State Share of Instruction	95,504,000	87,349,000	82,683,000
Indirect Cost Recovery	3,631,000	3,631,000	4,000,000
Investment Income	29,000	7,000,000	4,700,000
Miscellaneous Income	1,800,000	1,520,000	3,122,000
Auxiliary Revenue	33,104,000	32,919,000	27,192,000
Sales and Services Revenue **	5,741,000	5,078,000	4,446,000
COVID Revenue Recovery	5,833,000	0	0
Total Other Revenues	145,642,000	137,497,000	126,143,000
Total Revenues	253,153,000	244,400,000	238,728,000
Payroll	129,277,000	126,100,000	133,142,000
Fringes	47,704,000	46,869,000	50,591,000
Total Compensation	176,981,000	172,969,000	183,733,000
Operating	55,123,000	58,156,000	59,122,000
Utilities	13,000,000	12,554,000	12,059,000
Plant Fund	2,000,000	1,610,000	2,405,000
Student Extracurricular Activities	605,000	605,000	605,000
Strategic Initiatives	4,157,000	4,223,000	0
COVID Recharges	(5,000,000)	0	0
Total Non Personnel	69,885,000	77,148,000	74,191,000
Total Expenditures	246,866,000	250,117,000	257,924,000
Net Income / (Loss) before debt service and other	6,287,000	(5,717,000)	(19,196,000)
Debt Service	(26,560,000)	(30,946,000)	(10,305,000)
Net Transfers and Encumbrances	0	0	0
Fund Balance allotted	2,613,000	11,937,984	2,498,000
Net Surplus / (Deficit)	(\$17,660,000)	(\$24,725,016)	(\$27,003,000)

* Scholarships include general funds and athletics

** Departmental Sales and Services such as Continuing Education and New Student Orientation

**The University of Akron
General Fund
FY 2024 Proposed Budget with FY 2022 and 2023 Comparison**

	FY22 Actual Budget	FY23 Actual Budget	FY24 Proposed Budget
Tuition	\$141,412,000	\$134,426,000	\$130,343,000
General Service Fees	10,971,000	10,136,000	9,602,000
Other Fees	17,745,000	19,457,000	20,053,000
Scholarships	(56,577,000)	(51,433,000)	(41,480,000)
Net Tuition & Fees	113,551,000	112,586,000	118,518,000
State Share of Instruction	95,504,000	87,349,000	82,683,000
Indirect Cost Recovery	3,631,000	3,631,000	4,000,000
Investment Income	29,000	7,000,000	4,700,000
Miscellaneous Income	1,800,000	1,520,000	3,122,000
COVID Revenue Recovery	5,833,000	0	0
Total Other Revenues	106,797,000	99,500,000	94,505,000
Total Revenues	220,348,000	212,086,000	213,023,000
Payroll	116,947,000	114,135,000	121,047,000
Fringes	43,807,000	42,938,000	46,273,000
Total Compensation	160,754,000	157,073,000	167,320,000
Operating	30,337,000	34,724,000	38,382,000
Utilities	9,750,000	9,122,000	8,718,000
Plant Fund	2,000,000	1,000,000	1,830,000
Student Extracurricular Activities	605,000	605,000	605,000
Strategic Initiatives	4,157,000	4,223,000	0
COVID Recharges	(5,000,000)	0	0
Total Non Personnel	41,849,000	49,674,000	49,535,000
Total Expenditures	202,603,000	206,747,000	216,855,000
Net Income / (Loss) before debt service and other	17,745,000	5,339,000	(\$3,832,000)
Debt Service	(843,000)	(8,039,000)	-
Facility Fees to Athletics	(4,315,000)	(4,481,000)	(4,447,000)
General Service Fees to Athletics	(10,313,000)	(9,361,000)	(8,843,000)
Net Transfers and Encumbrances	0	0	0
Fund Balance allotted	0	8,562,984	1,500,000
Net Surplus / (Deficit)	\$2,274,000	(\$7,979,016)	(\$15,622,000)

The University of Akron
Auxiliary Funds
FY 2024 Proposed Budget with FY 2022 and 2023 Comparison

	FY22 Actual Budget	FY23 Actual Budget	FY24 Proposed Budget
Auxiliary Revenue	<u>\$33,104,000</u>	<u>\$32,919,000</u>	<u>\$27,192,000</u>
Total Other Revenues	<u>33,104,000</u>	<u>32,919,000</u>	<u>27,192,000</u>
Total Revenues	<u>33,104,000</u>	<u>32,919,000</u>	<u>27,192,000</u>
Payroll	10,115,000	10,018,000	10,192,000
Fringes	<u>3,335,000</u>	<u>3,411,000</u>	<u>3,782,000</u>
Total Compensation	<u>13,450,000</u>	<u>13,429,000</u>	<u>13,974,000</u>
Operating	21,936,000	21,088,000	18,502,000
Utilities	3,250,000	3,432,000	3,341,000
Plant Fund	0	600,000	575,000
Athletic Scholarships	<u>6,040,000</u>	<u>5,683,000</u>	<u>5,933,000</u>
Total Non Personnel	<u>31,226,000</u>	<u>30,803,000</u>	<u>28,351,000</u>
Total Expenditures	<u>44,676,000</u>	<u>44,232,000</u>	<u>42,325,000</u>
Net Income / (Loss) before debt service and other	<u>(11,572,000)</u>	<u>(11,313,000)</u>	<u>(15,133,000)</u>
Debt Service	<u>(25,717,000)</u>	<u>(22,907,000)</u>	<u>(10,305,000)</u>
Facility Fees	4,315,000	4,481,000	4,447,000
General Service Fees	10,313,000	9,361,000	8,843,000
Net Transfers and Encumbrances	0	0	0
Fund Balance allotted	<u>2,450,000</u>	<u>3,194,000</u>	<u>573,000</u>
Net Surplus / (Deficit)	<u><u>(\$20,211,000)</u></u>	<u><u>(\$17,184,000)</u></u>	<u><u>(\$11,575,000)</u></u>

The University of Akron
Departmental Sales and Services Funds
FY 2024 Proposed Budget with FY 2022 and 2023 Comparison

	FY22 Actual Budget	FY23 Actual Budget	FY24 Proposed Budget
Sales and Services Revenue	\$5,741,000	\$5,078,000	\$4,446,000
Total Other Revenues	5,741,000	5,078,000	4,446,000
Total Revenues	5,741,000	5,078,000	4,446,000
Payroll	2,215,000	1,947,000	1,903,000
Fringes	562,000	520,000	536,000
Total Compensation	2,777,000	2,467,000	2,439,000
Operating	2,850,000	2,344,000	2,238,000
Plant Fund	0	10,000	0
Total Non Personnel	2,850,000	2,354,000	2,238,000
Total Expenditures	5,627,000	4,821,000	4,677,000
Net Income / (Loss) before debt service and other	114,000	257,000	(231,000)
Debt Service	0	0	0
Fund Balance allotted	163,000	181,000	425,000
Net Surplus / (Deficit)	\$277,000	\$438,000	\$194,000

The University of Akron
Akron and Wayne Auxiliary Funds Combined
FY2023-2024 Budget

	Athletics	Residence Life & Housing	E. J. Thomas Performing Arts Hall	Dining (Aramark)	Student Recreation & Wellness Services	Jean Hower Taber Student Union	Parking & Transportation Services	Wayne Student Union	Total
Revenues	\$8,500,000	\$12,418,000	\$2,667,000	\$1,248,000	\$474,000	\$855,000	\$1,000,000	\$30,000	\$27,192,000
Payroll	7,867,000	637,000	333,000	170,000	522,000	620,000	43,000	0	10,192,000
Fringes	2,864,000	233,000	111,000	150,000	189,000	221,000	14,000	0	3,782,000
Total Compensation	10,731,000	870,000	444,000	320,000	711,000	841,000	57,000	0	13,974,000
Operating	7,619,000	5,141,000	2,275,000	430,000	1,193,000	1,184,000	630,000	30,000	18,502,000
Utilities	729,000	1,090,000	209,000	235,000	291,000	474,000	313,000	0	3,341,000
Plant Fund	0	0	0	575,000	0	0	0	0	575,000
Athletic Scholarships	5,933,000	0	0	0	0	0	0	0	5,933,000
COVID Relief re-charge	0	0	0	0	0	0	0	0	0
Total Non Personnel	14,281,000	6,231,000	2,484,000	1,240,000	1,484,000	1,658,000	943,000	30,000	28,351,000
Total Expenditures	25,012,000	7,101,000	2,928,000	1,560,000	2,195,000	2,499,000	1,000,000	30,000	42,325,000
Net Income / (Loss) before debt service and other	(16,512,000)	5,317,000	(261,000)	(312,000)	(1,721,000)	(1,644,000)	(0)	0	(15,133,000)
Debt Service	(4,988,000)	(5,317,000)	0	0	0	0	0	0	(10,305,000)
Net transfers and encumbrances	0	0	0	0	0	0	0	0	0
Fund Balance allotted	0	0	261,000	312,000	0	0	0	0	573,000
General Service Fee	8,843,000	0	0	0	0	0	0	0	8,843,000
Facilities Fee	4,447,000	0	0	0	0	0	0	0	4,447,000
General Support	8,210,000	0	0	0	1,721,000	1,644,000	0	0	11,575,000
Net Transfers	0	0	0	0	0	0	0	0	0

**The University of Akron
General Fund, Auxiliary Funds, and Departmental Sales & Services Funds Combined
FY 2024 Budget Assumptions**

Overall Assumptions

Revenues

- Assumes overall flat enrollment (fall 2023 cohort increase; continuing students decrease).

Payroll and Fringes

- Two (2) percent increase to base salary for all full-time and part-time employees;
- Benefits such as University contribution to the respective retirement system, group health insurance, and employee and dependent fee remission; and
- Fringe Benefit rates as follows (pending approval):
 - 34.0 percent for full-time
 - 16.4 percent for part-time
 - 2.3 percent for graduate and student assistants

Utilities

- Electricity rates increased nearly 40%, all others remain flat. However, no overall increase in the FY24 budget due to reduced square footage and inflated FY23 budget.

Debt Service

- \$10.3 million after the defeasance of debt from Parking Concession.

General Fund Assumptions

Tuition & General Service Fees

- A three percent increase to the main and regional campus guarantee rates, reflecting the maximum increase allowed by the Ohio Department of Higher Education;
- A 4.6 percent increase to graduate and law tuition rates; and
- A ten percent increase in non-resident surcharge rate for undergraduates and a 4.6 percent increase in non-resident surcharge rate for graduates.

Other Fees

- Designated fees such as course fees and technology fees, etc., are enrollment driven and are assumed to follow enrollment assumptions; and
- \$15/credit hour on-line fee implemented.

Scholarships

- \$37.5 million undergraduate, CCP and Early College scholarships;
- \$4 million Law School; and
- \$7 million scholarship re-engineer in FY24.

State Share of Instruction

- State Share of Instruction (SSI) decreased \$4.8 million.

The University of Akron
General Fund, Auxiliary Funds, and Departmental Sales & Services Funds Combined
FY 2024 Budget Assumptions

Indirect Cost Recovery

- Increase of \$0.4 million; and
- Ten percent distributions to Principal Investigator with remainder to the Center.

Investment Income

- Decrease of \$2.3 million due to market fluctuations.

Miscellaneous Income

- \$0.6 million from Foundation for pro-rata share of Treasury and Advancement salaries;
- \$0.5 million from Installment Payment Plan and University Credit Card program;
- \$0.5 million from Federal energy tax credit;
- \$0.4 million patent expense reimbursement;
- \$0.2 million from phase out of Perkins Loan program;
- \$0.2 million from leases
- \$40,000 pouring rights; and
- various other sources.

Payroll and Fringes

- Increase of \$0.6 million for Treasury and Advancement salaries moved to the general fund;
- \$10 million of salary and vacancy savings related to the amount of time funded positions remain vacant; and
- \$625,000 in reallocation of General Fund compensation to grants.

Operating

- Designated fees and start-ups assume that only current-year revenues and/or allocations are expended; however, a certain level of carryover exists within these fees and start-ups, which may, if expended, cause expenditures to exceed the initial allocations;
- \$1 million contingency reserve;
- The non-personnel allocations remain at FY23 budgets with a few exceptions:
 - \$150,000 increase for high voltage testing and Central Hower custodial;
 - \$140,000 increase in campus safety;
 - \$200,000 increase in University Advertising;
 - \$200,000 increase Health Care Consultants;
 - \$400,000 University website revamp; and
 - \$1.7 million increase in liability insurance.

Plant Funds

- \$1.8 million allocation for plant funds.

Student Extracurricular Activities

- \$605,000 from the general service fees to support student groups.

**The University of Akron
General Fund, Auxiliary Funds, and Departmental Sales & Services Funds Combined
FY 2024 Budget Assumptions**

Auxiliary Funds Assumptions

Athletics

Revenues

- 94% of general service fees allocated to athletics;
- \$4.4 million facility fees allocated to athletics;
- Externally generated revenues from various sources such as the MAC, game guarantees, InfoCision Stadium naming rights, ticket sales, Z Fund donations, NCAA distributions, Learfield sponsorship, and Pepsi pouring rights;
- \$650,000 decrease in football game guarantees; and
- \$172,000 decrease in Learfield sponsorship revenue due to renegotiations surrounding the Akron Children's Hospital sports medicine partnership.

Payroll

- Increase in minimum wage for student and graduate assistants;
- \$220,000 increase for graduate assistant remissions no longer funded by the Graduate School; and
- \$27,000 increase for car stipends in lieu of university leased vehicles previously provided to head coaches.

Operating

- Expenditures include athletic supplies and equipment, student assistants, game officials, guarantees, maintenance, team travel and recruiting.

Scholarships

- Approximately 220 athletic financial aid awards; and
- \$300,000 increase for Baseball and Lacrosse scholarships to attract prospects. Fundraising will follow to offset.

Residence Life & Housing

Revenues

- Residence hall occupancy for fall at 2,081 or 84 percent of the maximum 2,485 beds, and spring housing contracts at 1,919 an eight percent decrease from fall;
- Fall students include 1,311 freshmen and 1,008 non-freshmen; and
- Revenues from summer conferences of \$275,000 and summer school revenue of \$250,000.

Payroll

- New position that focuses on case management of students in terms of conduct, health, and welfare concerns.

The University of Akron
General Fund, Auxiliary Funds, and Departmental Sales & Services Funds Combined
FY 2024 Budget Assumptions

Operating

- Expenditures include maintenance, resident assistant meals, student employment, and resident student events;
- Purchase small quantities of used furniture and slip covers to improve the physical appearance of our resident hall lounges; and
- Purchase a minivan for the department/residence hall student organizations. Rental cars are not appropriate for our needs.

E. J. Thomas Performing Arts Hall

Revenues

- Externally generated revenues from various sources include Broadway Series sales, Akron Civic Theater pass-through, Tuesday Musical, hall rental, and endowment gifts.

Operating

- Expenditures include artist fees, advertising, maintenance, stage & wardrobe, and student assistants; and
- \$50,000 in cost of goods sold at the concession stand will be transferred to the administration account to cover operating costs.

Fund Balance

- \$261,000 fund balance.

Dining (Aramark)

Revenues

- \$244,000 Aramark's financial commitment to the University of Akron;
- \$500,000 Aramark's facility support; and
- \$497,500 commission payment for \$13 million in sales.

Payroll

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

Operating

- Maintenance repairs.

Plant Fund

- \$575,000 Refresh of Starbucks and Auntie Anne's.

**The University of Akron
General Fund, Auxiliary Funds, and Departmental Sales & Services Funds Combined
FY 2024 Budget Assumptions**

Fund Balance

- \$312,000 fund balance.

Student Recreation & Wellness Services

Revenues

- Externally generated revenues from various sources such as memberships, pool, locker, and facility rentals.

Operating

- Facility operating costs.

Jean Hower Taber Student Union

Revenues

- Externally generated revenues from various sources such as bookstore commission, bank commission, and room rentals. Barnes & Noble bookstore estimated to remain flat.

Payroll

- Increase in compensation and fringe due to previous omission and rate changes.

Operating

- Carpet replacement \$81,500; and
- Facility operating costs.

Parking & Transportation Services

Revenues

- Effective Fall 2023, The University of Akron entered a lease and concession agreement to outsource Parking to the SP+ Corporation. The University will collect the transportation fee revenue and direct the payment to the SP+ Corporation.
- \$1 million revenue is associated with recognizing the revenue over the life of the lease at 1/35 each year (prorated).

Payroll

- Effective October, 2023, Parking employees will become employees of SP+ Corporation.

Operating

- Replacement of the Roo Express shuttle with a route operated by Akron METRO RTA, effective July 1;
- The University will remit transportation fee revenue collected from students to SP+.

The University of Akron
General Fund, Auxiliary Funds, and Departmental Sales & Services Funds Combined
FY 2024 Budget Assumptions

- SP+ will manage and fund the maintenance and operations of Parking Services; and
- Utilities and grounds expenses to remain with the University.

Wayne Student Union

Revenues

- Externally generated commission revenue from bookstore online sales and bookstore space rent.

Operating

- Expenditures include property, elevator, and fire insurance.
- Wayne College Meal Scholarship Program for students.

Department Sales & Services Funds Assumptions

Revenues

- Open enrollment and contract training fee revenues to support the coordination of noncredit professional development classes open to the public and to provide customized training for local businesses;
- Fee revenues to support the activities related to orientation and first-year experience programs; and
- 132 smaller, revenue-generating activities such as internal Printing Services, Hearing Aid Dispensary, and Executive Education.

Operating

- New Roo Weekend, Akron Forefront, NSO programs, student assistants, supplies and services, and travel and hospitality;
- Cost of goods sold (Hearing Aid Dispensary); and
- Individual management of the units to ensure expenditures are limited to revenues and carryforward fund balance.