

Eastern Connecticut State University
FY 2020 Spending Plan vs. FY 2019 Projection

The Preliminary FY 2020 Spending Plan for Eastern Connecticut State University has identified a \$1.8 million use of funds to maintain the levels of services required for our students and staff.

We have budgeted a modest increase in our overall revenue of \$3.2 million (2.3%) reflecting the approved increases in tuition and student fees. Full time tuition increased \$0.7 million, university general fee \$0.8 million, housing \$0.4 million, and food services \$0.1 million. Our portion of the state appropriation increased slightly by \$75k (0.26%), this minimal increase is due to the removal of the dollars associated with the delayed longevity and \$2k payments that were included in the FY 2019 appropriation. While the FY 2019 base amount was increased by 5.5% to cover union negotiated increase impact, the amount was only slightly over the prior year funding level. Fringe benefits paid by state increased \$1.2 million reflecting the 5% increase in benefit costs, while this increase is helpful, the increased expense for our overall fringe benefits is expected to be \$3.3 million, leaving a net increase of \$2.1 million to be covered by university revenues.

The primary reason for our use of funds in FY 2020 is the significant increase in salary of \$1.5 million and \$3.3 million in fringe benefits. We are expecting to fill several necessary student support, health, and public safety positions in FY 2020 that were unfilled for much of FY 2019. Also contributing is the increase in utility expenses of \$0.5 million reflecting the return to service for FY 2020 of our newly renovated Goddard classroom and faculty office building and our newly converted Shafer Residence Hall. Both of these facilities have been off-line for complete renovations and we will need to staff them and begin to be responsible for all of the utilities that have been the responsibility of the contractor for FY 2019.

Other operating expenses are budgeted to be \$0.5 million lower in FY 2020 reflecting major equipment and building system expenditures that were purchased with operating expenses in FY 2019. This was due to the anticipated reduction in available bond funds with the completion of CSU 2020 program and Governor Lamont introducing his "debt diet" with a significant reduction in bond funds for higher education. Other expenses also included expenses for IT related programs that were fully funded by the System Office IT Department in prior years and now are operational and transitioned to the university.

Also new for Eastern is the recognition of UBIT and our obligation for taxes related to our cell tower, parking meters, and new parking lot tax. While we are not able to provide any additional funding for auxiliary renewal and replacement as required by BOR Resolution in FY 2020, we will continue to maintain the required equipment and facilities maintenance utilizing existing reserves.