Our revised projection for FY 2021 is a $0.3 million surplus, this new projection is $11.5 million better than the $11.2 million deficit projected in our revised budget submitted in September 2020. The decreased use of reserves is the result of the savings achieved in several areas and the receipt of CARES Act funds for prior year housing and food refunds and current year expenses.

Reflecting the lower enrollment experienced this year and a higher than usual fall to spring attrition in housing, our projected revenue is now $0.5 million below budget. This reduction comprises student related revenue of $0.2 million in tuition and fees and $0.7 million in housing and food service. In addition to the student related revenue reductions, our All Other Revenue is estimated to be down $0.2 million. These revenue losses are partially offset by a $0.6 million reduction in Contra Revenue Waivers, due to reduced enrollment and the reduced number of students participating in summer co-operative education experiences.

Personnel services reflects the combined impact of fewer full time staff for savings of $0.5 million and the $0.7 million CRF funds received for public safety positions, lower total part time labor of $1.4 million, and lower Overtime and All Other Personnel Expenses of $0.5 million. The savings in full time personnel services reflect several positions that were filled later than expected or remained open at the end of the year.

Other expenses are projected to be $4.7 million under budget reflecting the net result of HEERF relief funds, the savings experienced from cancelled events and programs, reduced utility usage, and food contract savings. Due to decreased enrollment, financial aid was reduced by $0.6 million. We were able to reclassify $1.3 million of estimated covid expenses that were included in the budget, to the funds received for HEERF Institutional Portion grants. Other savings from budget included $0.3 million on utilities, $0.5 million for the food contract, $0.5 million on travel, $0.3 million on facilities services, $0.2 million on meeting and conference hosting, and $0.2 million on collective bargaining transfers due to reduced ability to travel.

Collectively, transfers and other designated fund requests added an additional $4.3 million to our bottom line. The restructuring of bonds issued for the residence halls and parking garage reduced the amount owed in 2020-21. Through the Corona Relief Funds (CRF) received by the state, Eastern received $4.4 million to cover the balance of housing and food refunds issued for spring 2020 and another $0.5 million for FY 2020 covid expenses, resulting in an increase of $3.9 million from budgeted CRF relief.

Our University remains on strong financial footing and we will use reserves as necessary to maintain the level of support required to meet the needs of our students, faculty, and staff. It is important to understand that the University is able to avoid the use of reserves for FY 2021 because of the $4.9 million in CRF funds and $0.5 million in HEERF funds received this fiscal year.
The Preliminary FY 2022 Spending Plan for Eastern Connecticut State University has identified a $1.4 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 $0.9 million. This reflects the holding of tuition and student fees flat and a 1.4% decrease in full-time enrollment. The result being full time tuition decreased $0.4 million and university general fee $0.2 million. While enrollment is expected to decrease 1.4%, it is expected that students will want to return to on-campus housing. The housing and food services rates were kept flat as well, and the revenue is expected to increase $1.4 million and $0.4 million, respectively. Our portion of the state appropriation decreased by $0.2 million, due to a reduced 3-year FTE average. Fringe benefits paid by state decreased $0.03 million (-0.1%), however the increased expense for our overall fringe benefits is expected to be $2.7 million and will have to be covered by university revenues.

Personal Services and fringe benefits are expected to increase by $4.4 million, with fringes making up $2.6 million of the increase. Since union negotiations are underway, this budget was prepared with no contractual increases built in as was instructed by the System Office. The $0.4 million increase in full-time is the net of the full cost of protective service positions, the filling of vacant positions, savings from retirements, and the annualization of positions filled late in FY 2021. The Total Part-time increase of $1.1 million and the Overtime increase of $0.2 million, reflects the return to near normal hiring levels and hours worked. All Other Personal Services increase of $0.2 million is for the expected increase in retirements caused by the change in the COLA calculation. The $2.6 million increase in fringe benefits is mainly the result of a projected 7% increase in the state retirement rate.

Other operating expenses are budgeted to be $4.5 million higher in FY 2022 than the FY 2021 estimate. Institutional Financial Aid was increased by $1.5 million to support the revised financial aid model that will attract and retain students with greater potential. The All Other Expenses variance of $3.0 million is attributable to the lower expenditures in FY 2021 experienced from cancelled events and programs, reduced utility usage, and food contract savings.

The primary reason for a lower required use of reserves, is the increase of $6.3 million for Designated Transfers and Other Designated Fund Requests. The budget includes a one-time credit of $1.0 million on the Debt Service Residence Halls and a combined total of $11.0 million from the HEERF II and HEERF III Institutional Support grants. It is important to note that without these grants and the one-time credit, the university would be requesting a $13.4 million use of reserves in FY2022.