



Item: BF: A-1

BUDGET AND FINANCE COMMITTEE

Tuesday, June 4, 2019

SUBJECT: REVIEW AND APPROVAL OF THE FAU 2019-20 PROPOSED OPERATING BUDGET.

PROPOSED COMMITTEE ACTION

Presentation of Florida Atlantic University's 2019-20 Proposed Operating Budget to the Board of Trustees (BOT) for approval. The Operating Budget consists of Educational and General (General Revenue, Student Fees, and Education Enhancement); Student Financial Aid; Grants and Contracts; Auxiliary Enterprises; Athletics Local; Student Government; and, Concession. Delegate to the University President, the authority to amend these budgets as appropriate during the fiscal year consistent with Legislative, Board of Governors' and Board of Trustees' directives and guidelines.

BACKGROUND INFORMATION

The University President is required to prepare an annual budget for approval by the BOT. Authority for the University President to amend the budget is necessary to accommodate changes in revenues, expenditures, statutory budget changes, salary increases, health insurance increases, retirement rate increases, and technical amendments without the need for the Board of Trustees' approval each time these modifications are made.

IMPLEMENTATION PLAN/DATE

July 1, 2019.

FISCAL IMPLICATIONS

The operating budget governs the University's expenditures during the year.

Supporting Documentation: Presentation of 2019-20 Proposed Operating Budget

Presented by: Mr. Jeff Atwater, CFO

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FLORIDA ATLANTIC UNIVERSITY



2019 - 20 PROPOSED OPERATING BUDGET

Agenda Item BF: A-1

June 4, 2019

2019-20 OPERATING BUDGET EXECUTIVE SUMMARY

The 2019-20 Operating Budget of Florida Atlantic University (FAU) is comprised of seven budgetary components:

Educational and General

Student Financial Aid

Contracts and Grants

Auxiliary Enterprises

Athletics Local

Student Government

Concessions

Budgets are reviewed and evaluated at multiple levels within the organization, from departmental units to the President's Executive Leadership Team and the Board of Trustees.

FAU's 2019-20 Operating Expenditure Budget totals \$868,175,429 an increase of 0.5% over the prior year. In order to accurately reflect total revenues within each budgetary component, the 2019-20 budget reflects inter-fund transfers between units.

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2019-20 Educational and General Expenditure Budget

	<u>University</u>	<u>Medical School</u>	<u>Total FAU</u>
2018-19 Expenditure Budget	\$ 307,609,165	\$ 24,615,684	\$ 332,224,849
FAU 100 (recurring)	12,000,000	-	12,000,000
Base Reduction (recurring)	(2,701,638)	-	(2,701,638)
FY19 Performance Funding (non-recurring) **	(20,553,876)	-	(20,553,876)
FY20 Performance Funding (non-recurring) **	20,517,518	-	20,517,518
Move Graduate Excellence Fund to FAU MS	(1,374,955)	1,374,955	-
Health Insurance Premium Adjustment	2,196,808	130,368	2,327,176
Restore Operational Funding - non-recurring	(23,125)	-	(23,125)
FAU - Everglades Restoration and Community Resilience (non-recurring)	(250,000)	-	(250,000)
FY19 FAU - Max Planck Scientific Fellowship (non-recurring) *	(750,000)	-	(750,000)
FY20 FAU - Max Planck Scientific Fellowship (non-recurring) *	750,000	-	750,000
Total	9,810,732	1,505,323	11,316,055
2019-20 Proposed Expenditure Budget (less tuition authority)	\$ 317,419,897	\$ 26,121,007	\$ 343,540,904

*Pass Through

** Allocation based on new performance metrics methodology

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Five-year Legislative Revenue Budget Summary 2015-16 to 2019-20 Proposed Budget

<u>University</u>	2015-16	2016-17	2017-18	2018-19	2019-20	1 year % Change
General Revenue	\$ 140,635,926	\$ 152,052,188	\$ 158,380,258	\$ 161,440,664	\$ 165,671,382	2.6
Lottery **	19,994,203	22,506,154	18,696,001	22,359,264	27,939,279	25.0
Tuition and Fees*	<u>129,369,909</u>	<u>136,074,256</u>	<u>136,074,256</u>	<u>136,074,256</u>	<u>136,074,256</u>	-
Subtotal	290,000,038	310,632,598	313,150,515	319,874,184	329,684,917	3.1
<u>Medical School</u>						
General Revenue	14,337,746	14,693,918	14,921,681	14,967,437	16,472,760	10.1
Tuition and Fees*	<u>8,272,005</u>	<u>9,648,247</u>	<u>9,648,247</u>	<u>9,648,247</u>	<u>9,648,247</u>	-
Subtotal	22,609,751	24,342,165	24,569,928	24,615,684	26,121,007	6.1
Total FAU E&G Revenue Budget	<u>\$ 312,609,789</u>	<u>\$ 334,974,763</u>	<u>\$ 337,720,443</u>	<u>\$ 344,489,868</u>	<u>\$ 355,805,924</u>	<u>3.3</u>

*Legislative authority to collect student tuition.

**Lottery budget reflects \$5.5m fund shift from General Revenue to Lottery.

Five-year Revenue Budget* Summary 2015-16 to 2019-20

	2015-16	2016-17	2017-18	2018-19	2019-20 **	1 year % Change
Educational & General	\$ 312,609,789	\$ 334,974,763	\$ 337,720,443	\$ 344,489,868	\$ 355,805,924	3.3
Student Financial Aid	196,610,801	198,107,492	200,845,774	201,806,994	203,887,240	1.0
Contracts & Grants	59,098,850	60,514,705	62,484,912	69,961,765	74,934,172	7.1
Auxiliary Enterprises	125,087,036	128,235,593	134,418,877	138,998,926	141,144,335	1.5
Athletics	26,346,429	27,105,031	29,331,205	31,130,227	31,236,967	0.3
Student Government	9,285,317	9,150,076	9,175,390	9,178,411	9,160,206	(0.2)
Concessions	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	-
TOTAL	<u><u>\$ 729,663,222</u></u>	<u><u>\$ 758,712,660</u></u>	<u><u>\$ 774,601,601</u></u>	<u><u>\$ 796,191,191</u></u>	<u><u>\$ 816,793,844</u></u>	<u><u>2.6</u></u>

*Includes inter-fund transfers

**FY 2019-20 E&G Proposed Budget

Five-year Expenditure Budget* Summary 2015-16 to 2019-20

	2015-16	2016-17	2017-18	2018-19	2019-20	1 year % Change
Educational & General **	\$ 299,810,290	\$ 322,709,744	\$ 325,455,424	\$ 332,224,849	\$ 343,540,904	3.4
Carryforward***	43,228,397	54,887,857	51,811,344	52,750,303	36,842,328	(30.2)
Student Financial Aid	196,558,935	197,953,827	200,859,417	201,483,899	203,848,798	1.2
Contracts & Grants	59,098,850	60,514,705	62,484,912	69,961,765	74,801,931	6.9
Auxiliary Enterprises	139,559,277	142,153,266	148,209,958	164,680,639	167,234,991	1.6
Athletics	26,346,429	27,105,031	29,331,205	31,130,227	31,236,967	0.3
Student Government	9,876,445	9,497,901	10,102,456	10,626,773	10,044,510	(5.5)
Concessions	625,000	625,000	625,000	625,000	625,000	-
TOTAL	\$ 775,103,623	\$ 815,447,331	\$ 828,879,716	\$ 863,483,455	\$ 868,175,429	0.5

*Includes Inter-Fund Transfers

**FY 2019-20 E&G Proposed Budget

***FY 2019-20 Preliminary Amount. FY 2015-16 to FY 2018-19 Information Purposes Only

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Five-year Revenue Budget* To Actual Summary 2015-16 to 2019-20

	2015-16		2016-17		2017-18		2018-19		2019-20	Budget
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual (as of 03/31/19)	Budget	1 year % Change
Educational & General **	\$312,609,789	\$321,001,093	\$334,974,763	\$345,367,864	\$337,720,443	\$348,692,092	\$344,489,868	\$291,539,485	\$355,805,924	3.3
Student Financial Aid	196,610,801	193,198,179	198,107,492	194,558,992	200,845,774	207,256,884	201,806,994	187,702,110	203,887,240	1.0
Contracts & Grants ***	59,098,850	61,591,241	60,514,705	72,497,486	62,484,912	71,835,640	69,961,765	50,777,004	74,934,172	7.1
Auxiliary Enterprises	125,087,036	119,488,051	128,235,593	110,532,429	134,418,877	118,320,436	138,998,926	107,718,891	141,144,335	1.5
Athletics	26,346,429	26,691,200	27,105,031	30,118,127	29,331,205	32,328,755	31,130,227	15,991,180	31,236,967	0.3
Student Government	9,285,317	9,122,429	9,150,076	9,138,214	9,175,390	9,514,049	9,178,411	8,954,011	9,160,206	(0.2)
Concessions	625,000	650,118	625,000	705,381	625,000	671,978	625,000	248,835	625,000	-
TOTAL	\$729,663,222	\$731,742,311	\$758,712,660	\$762,918,493	\$774,601,601	\$788,619,834	\$796,191,191	\$662,931,516	\$816,793,844	2.6

*Includes inter-fund transfers

**FY2019-20 E&G Proposed Budget

***Contracts & Grants fund type includes Foundation, HBOI, Henderson School, Division of Research, and Sponsored Research

FLORIDA ATLANTIC UNIVERSITY

Five-year Expenditure Budget* To Actual Summary 2015-16 to 2019-20

	2015-16		2016-17		2017-18		2018-19		2019-20	Budget
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual (as of 03/31/19)	Budget	1 year % Change
Educational & General **	\$ 299,810,290	\$ 294,895,925	\$ 322,709,744	\$ 327,052,562	\$ 325,455,424	\$ 327,052,562	\$ 332,224,849	\$ 246,613,828	\$ 343,540,904	3.4
Carryforward***	43,228,397	30,137,961	54,887,857	29,131,537	51,811,344	25,527,876	52,750,303	19,880,106	36,842,328	(30.2)
Student Financial Aid	196,558,935	191,943,752	197,953,827	193,589,745	200,859,417	206,809,376	201,483,899	184,615,349	203,848,798	1.2
Contracts & Grants ****	59,098,850	61,052,887	60,514,705	56,996,552	62,484,912	64,851,526	69,961,765	58,608,391	74,801,931	6.9
Auxiliary Enterprises	139,559,277	113,514,585	142,153,266	107,531,578	148,209,958	113,715,284	164,680,639	83,704,592	167,234,991	1.6
Athletics	26,346,429	26,691,200	27,105,031	30,118,127	29,331,205	32,328,755	31,130,227	24,413,501	31,236,967	0.3
Student Government	9,876,445	7,570,076	9,497,901	7,643,272	10,102,456	8,137,452	10,626,773	6,084,598	10,044,510	(5.5)
Concessions	<u>625,000</u>	<u>690,187</u>	<u>625,000</u>	<u>769,408</u>	<u>625,000</u>	<u>574,904</u>	<u>625,000</u>	<u>582,660</u>	<u>625,000</u>	-
TOTAL	\$ 775,103,623	\$ 725,195,216	\$ 815,447,331	\$ 748,844,211	\$ 828,879,716	\$ 774,974,806	\$ 863,483,455	\$ 624,503,025	\$ 868,175,429	0.5

*Includes Inter-Fund Transfers

**FY 2019-20 E&G Proposed Budget

***FY 2019-20 Preliminary Amount. FY 2015-16 to FY 2018-19 Information Purposes Only

****Contracts & Grants fund type includes Foundation, HBOI, Henderson School, Division of Research, and Sponsored Research

2019-20 BUDGET SUMMARY

Educational and General Proposed Expenditure Budget	\$ 343,540,904
Non-E&G Fund Expenditure Budget	<u>524,634,525</u>
Total 2019-20 Budget	<u><u>\$ 868,175,429</u></u>

FAU Initiatives Funded

Jupiter Research Building Completion	\$ 11,000,000
A.D. Henderson/FAU High	<u>11,500,000</u>
Total FAU Initiatives	<u><u>\$ 22,500,000</u></u>

FLORIDA ATLANTIC UNIVERSITY



Direct Support Organization Use of University Property, Facilities and Personnel

Agenda Item BF: A-2

June 4, 2019

**Direct Support Organization
Use of University Property, Facilities and Personnel**

DSO	Property	Facilities sq. ft.	No. of Personnel	Personnel Cost
FAUF	\$2,819	2,455	16	\$1,009,793
FAUFC	-	-	5	\$59,652
FAURC	-	-	4	\$58,387
HBOIF	-	888	-	-