



Item: BF: A-1

BUDGET AND FINANCE COMMITTEE

Tuesday, June 8, 2021

SUBJECT: REVIEW AND APPROVAL OF THE FAU 2021-22 PROPOSED OPERATING BUDGET.

PROPOSED COMMITTEE ACTION

Presentation of Florida Atlantic University's 2021-22 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, 2021.

FISCAL IMPLICATIONS

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

Supporting Documentation: Presentation of 2021-22 Proposed Operating Budget

Presented by: Ms. Stacy Volnick, V.P. Administrative Affairs

Phone: 561-297-1455



FAU FY22 Budget

6/08/2021
BOT Update



Fund Descriptions

Educational and General (E&G): E&G supports the academic mission of the university through expenditures for instruction, research, library and learning resources, student services, university support, and physical plant, including the Medical School.

Auxiliary Enterprises: Auxiliary Enterprises are comprised of business and enterprise operations that are self-supporting through user fees, payments, and charges. Amounts reported also include Technology Fee Funds.

Student Financial Aid: Student Financial Aid is comprised of funding from student financial aid fees, support from federal and state financial aid awards, institutional programs, as well as numerous private scholarships.

Student Activity: Student Activity is comprised of funding from the activity and service fee paid by students, club and program income.

Athletics: Athletics is comprised of funding from student athletic fees, athletic event ticket sales, game guarantees, corporate sponsorships, National Collegiate Athletic Association distributions and private support and gifts.

Contracts and Grants: Contracts and Grants are comprised of funding from many sources, including federal, state and local governmental agencies and private organizations, FAU and HBOI Foundation endowment distribution and A. D. Henderson University School.

Concession: Concession is primarily comprised of funding from campus vending machines and the soft drink beverage contract.



Five-Year Legislative Revenue Budget Summary FY18-FY22 Proposed Budget

<u>University</u>		2017-18	2018-19	2019-20	2020-21*	2021-22	1 year % Change
	General Revenue	\$ 158,380,258	\$ 161,440,664	\$ 165,671,382	\$ 164,646,975	\$ 159,815,798	(2.9)
	Lottery	18,696,001	22,359,264	27,939,279	31,914,300	37,891,551	18.7
	Tuition and Fees	<u>136,074,256</u>	<u>136,074,256</u>	<u>136,074,256</u>	<u>136,401,331</u>	<u>136,401,331</u>	-
	Subtotal	313,150,515	319,874,184	329,684,917	332,962,606	334,108,680	0.3
<u>Medical School</u>							
	General Revenue	14,921,681	14,967,437	16,472,760	16,568,949	16,747,039	1.1
	Tuition and Fees	<u>9,648,247</u>	<u>9,648,247</u>	<u>9,648,247</u>	<u>10,717,381</u>	<u>10,717,381</u>	-
	Subtotal	24,569,928	24,615,684	26,121,007	27,286,330	27,464,420	0.7
	Total FAU E&G Revenue Budget	<u>\$ 337,720,443</u>	<u>\$ 344,489,868</u>	<u>\$ 355,805,924</u>	<u>\$ 360,248,936</u>	<u>\$ 361,573,100</u>	<u>0.4</u>

*Net of Governor's Veto of \$3.9M



Five-Year Revenue Budget* Summary FY18-FY22

	2017-18	2018-19	2019-20	2020-21**	2021-22	1 year % Change
Educational & General	\$ 337,720,443	\$ 344,489,868	\$ 355,805,924	\$ 360,248,936	\$ 361,573,100	0.4
Student Financial Aid	200,845,774	201,806,994	203,887,240	206,932,674	208,993,053	1.0
Auxiliary Enterprises	123,309,530	127,814,117	130,487,728	135,094,169	136,764,057	1.2
Contracts & Grants	62,484,912	69,961,765	74,934,172	77,477,806	90,192,309	16.4
Athletics	29,331,205	31,130,227	31,236,967	31,661,982	31,904,951	0.8
Student Government	9,175,390	9,178,411	9,160,206	9,380,598	9,838,586	4.9
Concessions***	625,000	625,000	625,000	625,000	625,000	-
TOTAL	\$ 763,492,254	\$ 785,006,382	\$ 806,137,237	\$ 821,421,165	\$ 839,891,056	2.2

* Includes Inter-Fund Transfers

** Net of Governor's Veto of \$3.9M

*** Concessions Preliminary - Ongoing discussions related to Coca-Cola contract



Five-Year Expenditure Budget* Summary FY18-FY22

	2017-18	2018-19	2019-20	2020-21**	2021-22	1 year % Change
Educational & General	\$ 325,455,424	\$ 332,224,849	\$ 343,540,904	\$ 348,677,239	\$ 350,001,403	0.4
Student Financial Aid	200,859,417	201,483,899	203,848,798	206,996,075	208,987,849	1.0
Auxiliary Enterprises	138,599,670	154,779,206	144,982,195	141,101,600	134,841,765	(4.4)
Carryforward	51,811,344	52,750,303	61,748,745	73,507,293	112,780,719	53.4
Contracts & Grants	62,484,912	69,961,765	74,801,931	78,147,865	89,412,434	14.4
Athletics	29,331,205	31,130,227	31,236,967	31,661,982	31,904,951	0.8
Student Government	10,102,456	10,626,773	10,044,510	11,505,031	11,351,910	(1.3)
Concessions***	625,000	625,000	625,000	625,000	625,000	-
TOTAL	\$ 819,269,428	\$ 853,582,022	\$ 870,829,050	\$ 892,222,085	\$ 939,906,031	5.3

* Includes Inter-Fund Transfers

** Net of Governor's Veto of \$3.9M

*** Concessions Preliminary - Ongoing discussions related to Coca-Cola contract



2021-22 Educational and General Expenditure Budget*

	<u>University</u>	<u>Medical School</u>	<u>Total FAU</u>
2020-21 Expenditure Budget***	\$ 321,390,909	\$ 27,286,330	\$ 348,677,239
FY21 Performance Funding (non-recurring) **	(21,197,885)	-	(21,197,885)
FY22 Performance Funding (non-recurring) **	20,400,000	-	20,400,000
Health Insurance Premium Adjustments/Annualizations	2,664,960	178,090	2,843,050
Risk Management Adjustment	(178,589)	-	(178,589)
Eliminate Excess Faculty Salary	(542,412)	-	(542,412)
	-	-	-
Total	1,146,074	178,090	1,324,164
2021-22 Proposed Expenditure Budget (less tuition authority)	\$ 322,536,983	\$ 27,464,420	\$ 350,001,403

* Preliminary Estimate

** Allocation based on new performance metrics methodology

*** Net of Governor's Veto of \$3.9M



Breakout of Contracts & Grants and Student Financial Aid

Contracts & Grants	FY21		FY22	
	Revenues	Expenditures	Revenues	Expenditures
Sponsored Research / Operations	\$ 53,609,766	\$ 55,202,191	\$ 64,888,178	\$ 64,888,178
FAU Foundation	13,034,266	13,034,266	14,376,445	14,376,445
Henderson School	10,833,774	9,911,408	10,927,686	10,147,810
Total C&G	\$ 77,477,806	\$ 78,147,865	\$ 90,192,309	\$ 89,412,434

Student Financial Aid	FY21		FY22	
	Revenues	Expenditures	Revenues	Expenditures
Federal Stafford Loan Program	\$ 101,013,493	\$ 101,513,493	\$ 95,880,667	\$ 95,800,000
Federal Pell Grant	47,747,000	47,505,000	51,273,329	51,214,029
State Programs	31,991,526	31,991,526	35,683,099	35,683,099
All Other	26,180,655	25,986,056	26,155,958	26,290,721
Total	\$206,932,674	\$206,996,075	\$208,993,053	\$208,987,849



Auxiliaries

Revenues & Expenditures Budget				
	FY21 Budget	FY22 Budget	1-Year Change	
			\$	%
Revenue	135.1M	136.8M	1.7M	1.2%
Expenses	141.1M	134.8M	6.3M	4.5%

Impacts on Revenues

- Increased Revenues:
 - 2.5M 2nd Degree BSN Program
 - 780K Increase in Memory & Wellness Clinical Programs
 - 700K Increase in Business Services & Meal Plans
 - 600K Increase in Psychiatric Speciality Center
 - 500K Increase in GME Internal Medicine Boca
- Decreased Revenues:
 - 1.5M Slattery Day Care
 - 600K Pine Jog
 - 600K Traffic & Parking

Impacts on Expenses

- Increased Expenses:
 - 2.2M Increase in 2nd Degree BSN Program
- Decreased Expenses:
 - 1.5M Slattery Day Care
 - 1.5M Honors College
 - 1.4M Boca Bookstore
 - 900K GME Internal Medicine
 - 400K Traffic & Parking
 - 1.4M COB Executive Programs
 - 1.5M One-Time Projects for OLLI and OIT that will not occur in FY22



FY22 Revenue & Expenditure Budget Summary

(in Millions)

Category and Fund Type	FY21 Budget	FY22 Budget	1-Year Change %
REVENUE			
Educational & General	360.2	361.6	0.4
Student Financial Aid	206.9	209.0	1.0
Auxiliary Enterprises	135.1	136.8	1.2
Contracts & Grants	77.5	90.2	16.4
Athletics	31.7	31.9	0.8
Student Government	9.4	9.8	4.9
Concessions	.6	.6	0.0
TOTAL REVENUE	821.4	839.9	2.2
EXPENDITURES			
Educational & General	348.7	350.0	(0.4)
Student Financial Aid	207.0	209.0	(1.0)
Auxiliary Enterprises	141.1	134.8	4.4
Contracts & Grants	78.1	89.4	(14.4)
Carryforward	73.5	112.8	(53.4)
Athletics	31.7	31.9	(0.8)
Student Government	11.5	11.4	1.3
Concessions	.6	.6	0.0
TOTAL EXPENDITURES	892.2	939.9	5.3

FY22 Budget		
Fund Type	Revenue	Expenses
Educational & General	361.6	350.0
Student Financial Aid	209.0	209.0
Auxiliary Enterprises	136.8	134.8
Contracts & Grants	90.2	89.4
Carryforward	-	112.8
Athletics	31.9	31.9
Student Government	9.8	11.4
Concessions	.6	.6
Total	839.9	939.9



DSO Actual Efforts FY20 & FY21

Use of University Property, Facilities and Personnel

FY20 Actuals				
DSO	Property	Facilities sq. ft.	No. of Personnel	Personnel Cost
FAUF	\$2,815	2,052	16	\$1,126,008
FAUFC	-	-	-	-
FAURC	-	-	4	\$77,814
HBOIF	-	-	-	-
CPO	-	-	-	-

FY21 Actuals				
DSO	Property	Facilities sq. ft.	No. of Personnel	Personnel Cost
FAUF	\$2,815	2,725	20	\$1,028,728
FAUFC	-	-	-	-
FAURC	-	-	4	\$67,155
HBOIF	-	-	-	-
CPO	\$8,964	17,219	9	\$107,646

The University documents University employee actual time and effort provided to the DSOs to support the purpose for and value of such services.



DSO Budgeted Efforts FY22

Use of University Property, Facilities and Personnel

DSO	Property	Facilities sq. ft.	No. of Personnel	Personnel Cost
FAUF	\$2,815	2,792	17	\$1,255,028
FAUFC	-	-	-	-
FAURC	-	-	4	\$67,155
HBOIF	-	-	-	-
CPO	\$4,588	17,219	9	\$107,646

The University documents for the Trustees' consideration and approval of DSO anticipated use of University resources, at least on an annual basis, before the use occurs. To enhance government transparency, Trustees-approved documentation should identify the positions of the employees who will provide personal services, the square footage of the office space and related buildings that will be used by the respective DSOs, and the value of such use.



HEERF I (CARES), HEERF II (CRRSAA), and HEERF III (ARP) Funding Update

Portion of CARES I, II and III	Awarded	Formal Award Pending	Expended	Obligations and Commitments May 2021	Balance	End Date
HEERF I Student Portion	11,214,937		11,214,937		-	April 27, 2022
HEERF I Institutional Portion	11,214,937		11,214,937		-	May 3, 2022
HEERF I Hispanic Serving Institution	1,660,047		1,660,047		-	May 31, 2022
Sub-total	24,089,921	-	24,089,921	-	-	
HEERF II Student Portion	11,214,937		11,214,937			Feb 15, 2022
HEERF II Institutional Portion	28,694,819		376,192	4,508,792	23,809,835	Feb 15, 2022
HEERF II Hispanic Serving Institution	2,580,448				2,580,448	Feb 15, 2022
Sub-total	42,490,204	-	11,591,129	4,508,792	26,390,283	
HEERF III Student Portion	35,364,758				35,364,758	Sept 30, 2023
HEERF III Institutional Portion	34,247,784				34,247,784	Sept 30, 2023
HEERF III Hispanic Serving Institution		4,367,802			4,367,802	Sept 30, 2023
Sub-total	69,612,542	4,367,802	-	-	73,980,344	
Total All	136,192,667	4,367,802	35,681,050	4,508,792	100,370,627	