



Revised Item: AF: I-5

**AUDIT AND FINANCE COMMITTEE**

**Wednesday, April 30, 2008**

**SUBJECT: UPDATE ON BUDGET REDUCTIONS FOR FISCAL YEAR 2007-2008.**

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**PROPOSED COMMITTEE ACTION**

Information Only.

**BACKGROUND INFORMATION**

Based upon lower than projected state revenues, the Board of Governors and Florida Atlantic University are anticipating and preparing for additional budget reductions for 2007-2008.

**IMPLEMENTATION PLAN/DATE**

Upon Legislative action during the 2008 session.

**FISCAL IMPLICATIONS**

Florida Atlantic University will be required to adjust its 2007-2008 Educational and General Operating Budget in accordance with Legislative proviso language.

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**Supporting Documentation:** Highlights and 2008-09 E&G Budget, May 5, 2008.

**Presented by:** Dr Kenneth A. Jessell, Vice President for Financial Affairs

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## **Highlights for Educational and General Budget:**

Medical Partnership Program	\$ 3,300,000	Recurring funding to support the four year program of 64 students
6 percent Undergraduate Tuition Increase	\$ 1,983,010	
Additional Lottery Funding	\$ 5,287,272	
General Revenue Reduction	(\$ 9,816,856)	
Additional Financial Aid Reduction	(\$ 32,747)	
Plant Operations Funding (new and annualized)	\$ 434,084	
Health Insurance Increase	\$ 1,042,195	Funding to cover increased cost
Enrollment Requirement (Funded Plan)	15,239 FTE	No reduction to the funded plan

### **OTHER PROJECTS**

Autism Program	\$ 651,484	
Florida Energy Systems Consortium	\$ 8,750,000	Non-Recurring

### **CITF (CAPITAL IMPROVEMENT TRUST FUND)**

Campus Recreation and Wellness—Boca Phase 1 Advance	\$ 4,000,000
Campus Recreation and Wellness—Boca Phase 2	\$ 4,433,359
Student Union and Wellness—Davie	\$ 350,000
Student Union Renovation—Jupiter	\$ 75,000
Renovation to Student Life Center—Treasure Coast	\$ 1,038,817
TOTAL CITF	\$ 9,897,176

### **PECO**

Infrastructure	\$ 7,865,000
FAU/UF Joint Use Facility—Davie	\$ 17,447,500
General Classroom/Engineering	\$ 17,952,000
General Classroom Facility	\$ 8,246,000
TOTAL PECO	\$ 51,510,500

SALARY INCREASES	\$ 0.00	Not Funded
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FAU 2008-09 EDUCATION AND GENERAL BUDGET	FINAL CONFERENCE	NOTES
<b>FAU BOT APPROVED EXPENDITURE BUDGET 2007-08</b>	<b>\$ 260,637,592</b>	<b>Beg. expenditure budget--2007-08--BOT approved 6/27/07</b>
PLUS ADD'L BUDGET AUTHORITY IN RESERVE	\$ 5,401,984	Authority for tuition increases not approved
<b>FAU BOT APPROVED REVENUE BUDGET 2007-08</b>	<b>\$ 266,039,576</b>	<b>Beginning revenue budget for 2007-08</b>
<b>FALL SESSION "C" REDUCTION--GENERAL REVENUE--2007-08</b>	<b>\$ (6,212,285)</b>	Approved by BOT in October 2007
<b>FALL SESSION "C" REDUCTION--FINANCIAL AID--2007-08</b>	<b>\$ (40,693)</b>	Approved by BOT in October 2007
<b>SPRING REDUCTIONS--RECURRING GR REDUCTION--2007-08</b>	<b>\$ (2,225,968)</b>	Part of 2008 Legislative Session
FAU MEDICAL PARTNERSHIP PROGRAM	\$ 3,300,000	<b>All recurring general revenue funding</b>
HEALTH INSURANCE INCREASE	\$ 94,745	Health Insurance adjustment for 2007-08
LIFE INSURANCE INCREASE	\$ 62,866	Life Insurance adjustment for 2007-08
NON-RECURRING ENROLLMENT GROWTH 2007-08	\$ (296,529)	Non-recurring appropriations for 2007-08--deductions
NON-RECURRING--TORREY PINES	\$ (6,000,000)	Non-recurring appropriations for 2007-08--deductions
NON-RECURRING--FLORIDA ISRAEL	\$ (50,000)	Non-recurring appropriations for 2007-08--deductions
NON-RECURRING--FIAT	\$ (500,000)	Non-recurring appropriations for 2007-08--deductions
<b>UNDERGRADUATE IN-STATE TUITION INCREASE--5% 2007-08</b>	<b>\$ 1,727,607</b>	Annualized amount of 5 percent undergraduate in-state
HEALTH INSURANCE INCREASE ANNUALIZATION	\$ 1,042,195	Health Insurance adjustment for 2008-09
LIFE INSURANCE INCREASE ANNUALIZATION	\$ 62,866	Life Insurance adjustment for 2008-09
LIFE INSURANCE ADJUSTMENT	\$ (6,248)	Life Insurance adjustment for 2007-08--technical adjustment
<b>BUDGET REDUCTION--GENERAL REVENUE 2008-09</b>	<b>\$ (9,816,856)</b>	
<b>6 PERCENT UNDERGRADUATE TUITION INCREASE 2008-09</b>	<b>\$ 1,983,010</b>	Undergraduate In-State Tuition Increase--6 percent
<b>ADDITIONAL REDUCTION STUDENT FINANCIAL AID</b>	<b>\$ (32,747)</b>	Reduction in State Funding for Financial Aid
REDUCTION IN RISK MANAGEMENT INSURANCE	\$ (123,324)	Reduction in Funding reflecting reduction in cost
ADDITIONAL BUDGET AUTHORITY FOR GRAD TUITION	\$ 40,143	Additional funding from BOT 2007-08 5 percent graduate
ADDITIONAL FUNDS FOR RISK MANAGEMENT	\$ 6,413	
<b>ADDITIONAL LOTTERY FUNDS TO OFFSET GR</b>	<b>\$ 5,287,272</b>	
PLANT OPERATIONS/MAINTENANCE--NEW SPACE	\$ 360,633	Funding for new space
PLANT OPERATIONS/MAINTENANCE--ANNUALIZED	\$ 73,451	Funding for space partially funded in 2007-08
<b>FAU TOTAL E&amp;G OPERATING BUDGET--2008-09</b>	<b>\$ 254,776,127</b>	<b>TOTAL EDUCATION AND GENERAL BUDGET</b>
<b>RECONCILIATION TO GENERAL APPROPRIATIONS ACT</b>		
LESS STUDENT FINANCIAL ASSISTANCE--GENERAL REV.	\$ (1,058,819)	G. R.Special Unit--Student Financial Aid--Page 41 App. Act.
LESS RISK MANAGEMENT INSURANCE--GENERAL REV.	\$ (1,088,419)	G. R.Special Unit--Risk Management
TOTAL LESS FINANCIAL AID AND HAZARD INSURANCE	<b>\$ 252,628,889</b>	<b>TOTAL GRANT AND AIDS EDUCATION AND GENERAL</b>
LOTTERY/EDUCATION ENHANCEMENT	\$ 16,632,794	Page 4 of General Appropriations Act
GENERAL REVENUE	\$ 159,902,071	Page 37 of General Appropriations Act
STUDENT FEES	\$ 76,094,024	Page 38 of General Appropriations Act
<b>TOTAL</b>	<b>\$ 252,628,889</b>	