



Item: AF: I-5

## AUDIT AND FINANCE COMMITTEE

Wednesday, June 6, 2007

**SUBJECT: REVIEW OF THE 2007-2008 FAU OPERATING AND CAPITAL OUTLAY BUDGETS.**

---

### PROPOSED COMMITTEE ACTION

Information only.

### BACKGROUND INFORMATION

The University President is required to prepare for approval by the Board of Trustees an Annual Operating Budget consisting 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. The University is also required to prepare an annual Capital Budget for approval by the Board of Trustees.

### IMPLEMENTATION PLAN/DATE

July 1, 2007.

### FISCAL IMPLICATIONS

The Operating and Capital Budgets govern the University's expenditures during the year. This budget is required to be approved by the Board of Trustees prior to July 1, 2007.

---

**Supporting Documentation:** PowerPoint Presentation: FAU 2007-2008 Operating and Capital Outlay Budget.

**Presented by:** Dr. Kenneth A. Jessell

**Phone:** 561-297-3266

# Florida Atlantic University

2007-2008

## Operating Budget Capital Outlay Budget

---

Draft #1  
Audit and Finance Committee  
Presentation

June 6, 2007

Florida Atlantic University

2007-2008

Operating Budget  
Capital Outlay Budget

---

Presentation to the FAU  
Board of Trustees

June 27, 2007

# 2007-2008 Operating Budget

---

# FLORIDA ATLANTIC UNIVERSITY 2007-08 OPERATING BUDGET EXECUTIVE SUMMARY

---

The 2007-08 Operating Budget of Florida Atlantic University (FAU) is comprised of seven budgetary components:

Educational and General  
Contracts and Grants  
Athletics  
Concessions

Student Financial Aid  
Auxiliary Enterprises  
Student Government

Within the budget development process, methods and techniques are carefully integrated to ensure effective *best practices* and to validate that decisions are directly tied to the University's strategic goals and objectives in a *value-maximizing* framework. All proposed expenditures are reviewed and evaluated at multiple levels within the organization, from departmental units to the President's Executive Committee and the Board of Trustees Committees. Finally, the operating budget is formally approved and adopted by the full Board of Trustees.

FAU's 2007-08 Operating Budget totals \$530,833,902 an increase of 7.6 percent over the prior year. In order to more accurately reflect total revenues within each budgetary component, the 2007-08 Budget reflects transfers between units.

# FLORIDA ATLANTIC UNIVERSITY 2007-08 OPERATING BUDGET EXECUTIVE SUMMARY

---

**Educational and General Budget:** The Educational and General (E&G) Budget supports the academic mission of the university through expenditures for instruction, research, library and learning resources, student services, university support, and physical plant. The E&G Budget totals \$260,637,592 in estimated expenditures and reflects an increase of 10 percent over the previous year. Key components of this budget increase include funding for enrollment growth in new students, a five percent tuition increase for in-state graduate students, the cost to continue prior budgetary appropriations, the expansion of the University of Miami/Florida Atlantic University Medical Partnership Program, the Harbor Beach Oceanographic Institution merger, and the Torrey Pines Institute for Molecular Studies, Inc./Florida Atlantic University Research Partnership program.

**Student Financial Aid:** The Student Financial Aid Budget 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. The Student Financial Aid Budget totals \$122,951,300 in projected expenditures, a slight increase over the prior year.

# FLORIDA ATLANTIC UNIVERSITY 2007-08 OPERATING BUDGET EXECUTIVE SUMMARY

---

**Contracts and Grants:** The Contracts and Grants Budget is comprised of funding from many sources, including federal, state and local governmental agencies and private organizations. Also included are the A. D. Henderson University School and the FAU Foundation Payroll Clearing Fund. The Contracts and Grants Budget totals \$63,307,843 in projected expenditures, an increase of 7 percent over the prior year.

**Auxiliary Enterprises:** The Auxiliary Enterprises Budget is comprised of over one hundred different business and enterprise operations that are self-supporting through user fees, payments, and charges. The range of business operations includes large auxiliaries such as food service, traffic and parking, and housing and small operations such as the Department of Ocean Engineering Research Boat and the College of Science Machine Shop. The Auxiliary Enterprises Budget totals \$63,391,982 in projected expenditures, an increase of 15.2 percent over the prior year.

# FLORIDA ATLANTIC UNIVERSITY 2007-08 OPERATING BUDGET EXECUTIVE SUMMARY

---

**Athletics:** The Athletics Budget is comprised of funding from student athletic fees, ticket sales to athletic events, game guarantees, corporate sponsorships, National Collegiate Athletic Association distributions and private support and gifts. The Athletics Budget totals \$12,786,185 in projected expenditures, an increase of 6 percent over the prior year.

**Student Government:** The Student Government Budget is comprised of funding from the activity and service fee paid by students and well as other types of club and program income. The Student Government Budget totals \$7,064,000 in projected expenditures, an increase of 5.8 percent over the prior year.

**Concessions:** The Concessions Budget is comprised of funding derived from concessions operations such as soft drink and snack vending machines. The Concessions Budget totals \$695,000 in projected expenditures, a 21.4 percent increase over the prior year.

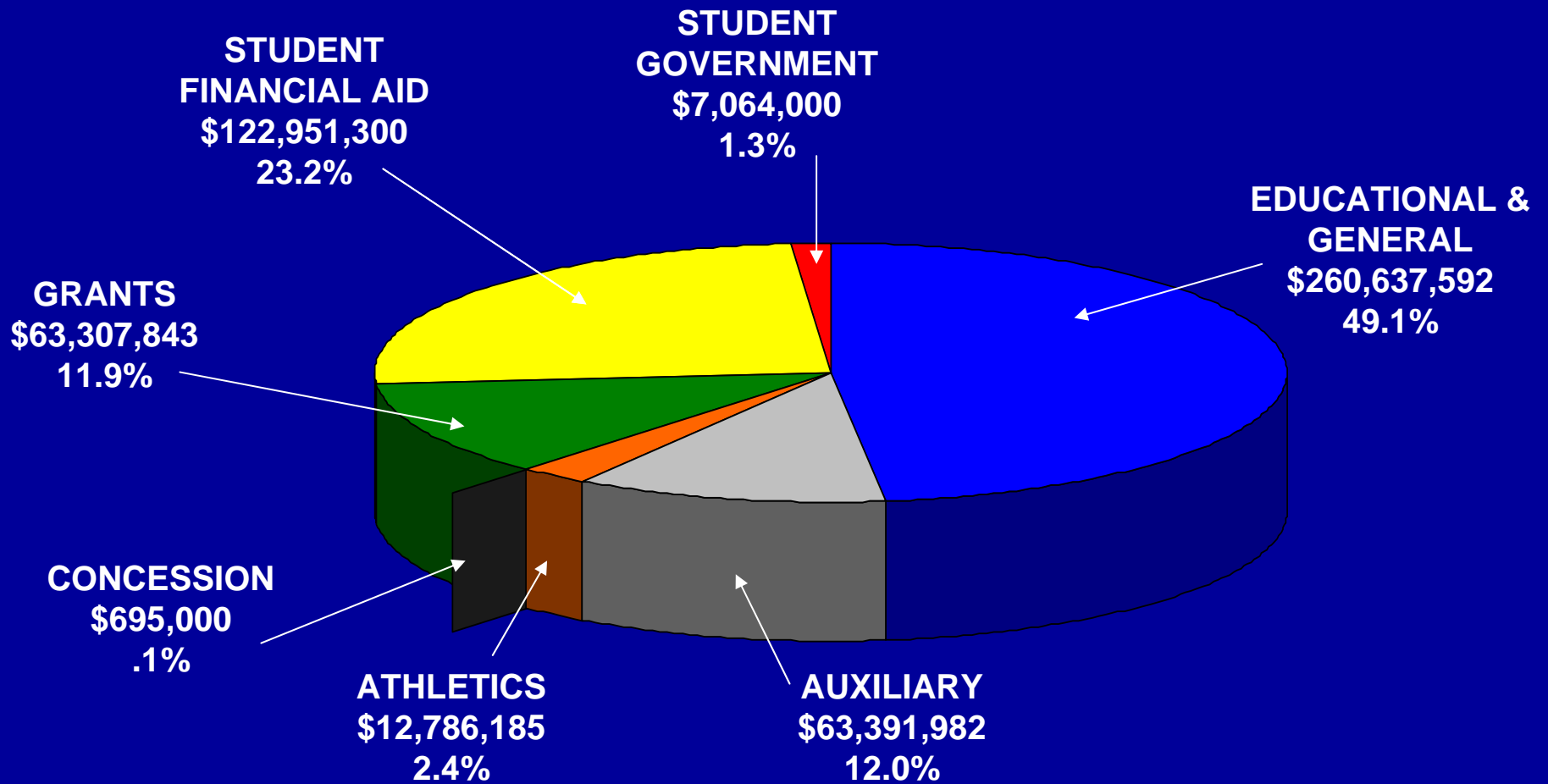


# FLORIDA ATLANTIC UNIVERSITY 2007-08 OPERATING BUDGET EXECUTIVE SUMMARY

<b>EXPENDITURE BUDGET</b>	<b>2006-07 Original</b>	<b>2007-08 Proposed</b>	<b>Percentage Change</b>
Educational & General	\$236,885,648	\$260,637,592	10.0%
Student Financial Aid	\$122,803,303	\$122,951,300	0.1%
Contracts & Grants	\$59,163,175	\$63,307,843	7.0%
Auxiliary Enterprises	\$55,006,528	\$63,391,982	15.2%
Athletics	\$12,067,000	\$12,786,185	6.0%
Student Government	\$6,678,124	\$7,064,000	5.8%
Concessions	\$572,575	\$695,000	21.4%
<b>TOTAL</b>	<b>\$493,176,353</b>	<b>\$530,833,902</b>	<b>7.6%</b>

# Florida Atlantic University

2007-08 Expenditure Operating Budget - \$530,833,902

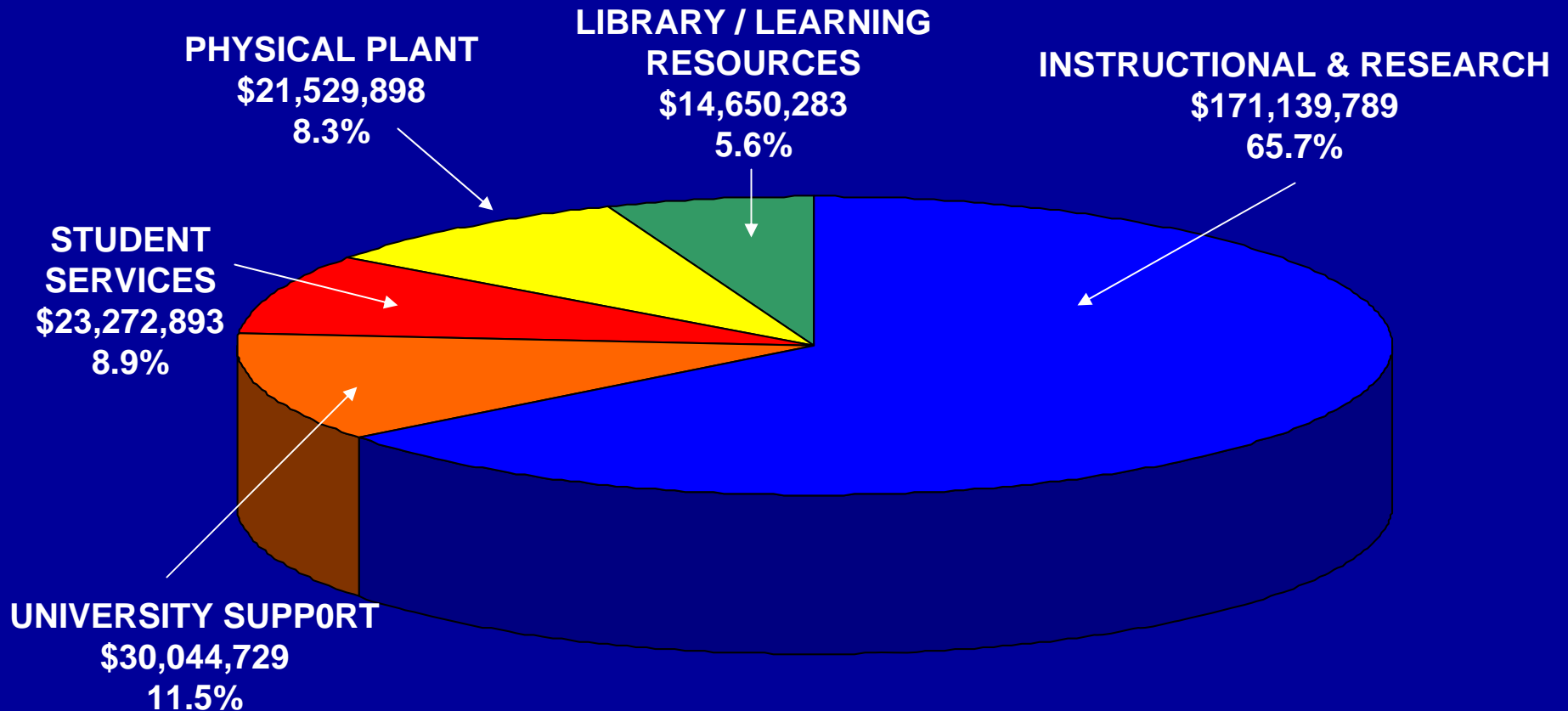


---

# Educational & General Budget

# Florida Atlantic University

2007-08 Educational & General  
Expenditure Budget by Component- \$260,637,592



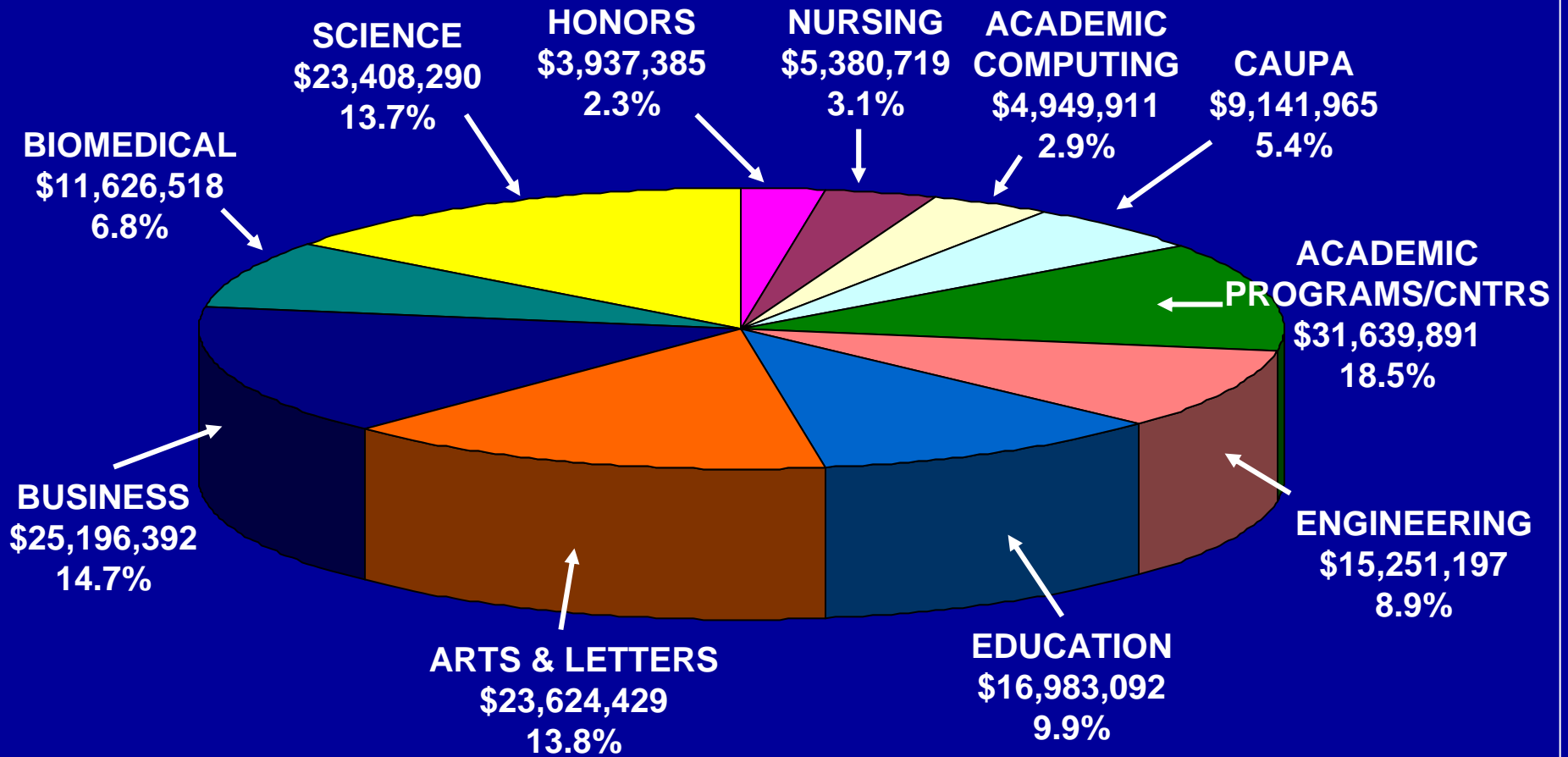
# Florida Atlantic University 2007-2008 Educational and General Comparison of Expenditure Budget by Component

---

Component	2006-07 Budget	2006-07 Percentage of Total	2007-08 Budget	2007-08 Percentage of Total	Dollar Increase	Percentage Increase
Instruction and Research	\$152,426,480	64.3%	\$171,139,789	65.7%	\$18,713,309	12.2%
University Support	\$28,507,585	12.0%	\$30,044,729	11.5%	\$1,537,144	5.4%
Student Services	\$20,583,240	8.7%	\$23,272,893	8.9%	\$2,689,653	13.1%
Physical Plant	\$21,241,048	9.0%	\$21,529,898	8.3%	\$288,850	1.4%
Library/Learning Resource	\$14,127,295	6.0%	\$14,650,283	5.6%	\$522,988	3.7%
<b>Total</b>	<b>\$236,885,648</b>	<b>100.0%</b>	<b>\$260,637,592</b>	<b>100.0%</b>	<b>\$23,751,944</b>	<b>10.0%</b>

# Florida Atlantic University

2007-08 Educational & General - Instructional and Research  
Expenditure Budget by College and Academic Areas - \$171,139,789



# Florida Atlantic University 2007-2008 Operating Budget Educational and General

■ 2006-2007 E & G Operating Expenditure Budget – Approved by BOT June 2006	<b>\$236,885,648</b>
■ Board of Governors Adjustments Additional Budget Authority 5,062,230, Challenge Grant Transfer (1,998,037), Non-Recurring (5,950,000)	<b>( 2,885,807)</b>
■ 2006-2007 E & G Operating Expenditure Budget approved by BOG	<b>233,999,841</b>
■ Appropriations/Adjustments 2007-08	
■ Legislative Cost to Continue (Insurances, PO&M, Retirement, and Salary Increases)	8,169,791
■ Ongoing Obligations – New Space (Plant Operations & Maintenance)	6,878
■ Enrollment Growth – 255 FTE	3,359,874
■ Annualization of Prior Year Tuition Increase – Summer	164,000
■ Ratio of In-State/Out-of-State – General Revenue	666,036
■ Ratio of In-State/Out-of-State – Trust Fund	<u>(1,236,070)</u> 2,953,840
■ Nursing Workforce – Year Two	202,500
■ UM/FAU Medical Partnership Program	4,700,000
■ Harbor Branch Oceanographic Institution	<u>8,500,000</u> 13,402,500
■ Torrey Pines Institute for Molecular Studies/FAU Collaboration (non-recurring)	6,000,000
■ Florida Institute for the Advancement of Teaching Professionals (non-recurring)	500,000
■ Florida Israel Institute (non-recurring)	<u>50,000</u> 6,550,000
■ BOT 5% Tuition Graduate In-State	616,972
■ Authorization of 2006-07 Tuition Increase for Optional Graduate Out-of-State	339,754
■ Less Reserve Budget Authority 2006-07 (5,062,230) and 2007-08 (339,754)	<b>(5,401,984)</b>
■ 2007-08 E&G Legislatively Appropriated Expenditure Budget	<b>\$260,637,592</b>

# New Issue

---

## **Annualization/Cost to Continue**

**\$8,169,791**

- Last year, the Legislature provided partial funding to support increases in health insurance premiums, plant operations and maintenance, and salary increases. This year the Legislature provided the remaining committed funds.
- Funding received totals \$1,628,783 for health, casualty, and risk insurance premiums, \$399,413 for plant operations and maintenance, \$1,019,448 for retirement rate increases and \$5,122,147 for salary increases.
- The cost to continue funding fulfills the annualized amounts needed to meet these obligations.



# New Issue

---

**2007-08 New Space**

**\$6,878**

- Funding to support Plant Operations and Maintenance of new construction/buildings.

# New Issue

---

## Enrollment Growth

**\$3,359,874**

- Funds are provided to support an additional 255 FTE students (61 Lower Level, 136 Upper Level, 58 Graduate)
- 2007-08 Funded Enrollment Plan:

■ Lower Level	4,728 FTE
■ Upper Level	8,298 FTE
■ Graduate	<u>2,219 FTE</u>
Total	15,245 FTE*

\* Includes 21 Graduate FTE in Nursing, which is tracked separately.

# New Issue

---

## Annualization of Prior Year Tuition Increase for Summer

**\$164,000**

- Funding associated with the 2006-2007 3 percent Undergraduate In-State tuition increase applied to summer semester 2007.

### Allocations Based Upon FAU Strategic Goals

*Goal 1: Providing increased access to higher education*

*Goal 2: Meeting statewide professional and workforce needs*

*Goal 3: Building world-class academic programs and research capacity*

*Goal 4: Meeting community needs and fulfilling unique institutional responsibilities*

*Goal 5: Building a state-of-the-art information technology environment*

*Goal 6: Enhancing the physical environment*

*Goal 7: Increasing the University's visibility*

# New Issue

---

## **Change in Student Mix**

**(\$570,034)**

- The Legislature appropriated \$666,036 in General Revenue to offset a loss of \$1,236,070 in Out-of-State student fees.
- This represents a net decrease of \$570,034 in budget authority.

# New Issue

---

## Targeted Graduate Degrees in Nursing

**\$202,500**

- In support of the strategy laid out in the Strategic Plan Goal 2, Objective 1-1, “[To] Increase enrollments in MS in Nursing Education track [and in the] Ph.D. in Nursing Education track, FAU received \$202,500 to support additional Masters and Doctoral degrees in Nursing.
- Funding will be used to support 6 Graduate FTE.
- The College of Nursing will enroll additional nurse educators at the post-masters/advance practice and doctoral levels in order to increase the supply of nursing faculty.

### ***Strategic Goals***

***Goal 2: Meeting statewide professional and workforce needs***

***Goal 3: Building world-class academic programs and research capacity***

# New Issue

---

## UM/FAU Medical Partnership Program

**\$4,700,000**

- FAU received recurring funding of \$4,700,000 to fund the UM/FAU Medical Partnership Program Expansion to 4 years.
- Allows the regional medical campus to continue to evolve towards its goal of offering all four years of medical education on the Boca Raton campus, thus increasing the pool of doctors for the State of Florida.

### **Strategic Goals**

**Goal 2:** *Meeting statewide professional and workforce needs*

**Goal 3:** *Building world-class academic programs and research capacity*

**Goal 4:** *Meeting community needs and fulfilling unique institutional responsibilities*

**Goal 7:** *Increasing the University's visibility*

# New Issue

---

## Harbor Branch Oceanographic Institution/FAU Merger

**\$8,500,000**

- FAU received recurring funding of \$8,500,000 to fund the operation of the FAU/Harbor Branch Oceanographic Institution.
- This funding will support transition and recurring costs for library support, education programs, contracts and grants support, media and audio-visual laboratories, financial operations, human resources, security, plant operations and maintenance, and other administrative support needs.

### **Strategic Goals**

**Goal 3:** *Building world-class academic programs and research capacity*

**Goal 4:** *Meeting community needs and fulfilling unique institutional responsibilities*

**Goal 7:** *Increasing the University's visibility*

# New Issue

---

## **Torrey Pines Institute for Molecular Studies, Inc.      \$6,000,000 and FAU Research Partnership**

- This funding supports the research partnership which focuses on the biomedical sciences. It will produce a significant return on investment to the State of Florida through employment, workforce development, and the commercialization of anticipated scientific and technological discovery and innovation in fields related to basic biomedical research, drug discovery and invention, and treatment of disease.
- Funds will be used for post-doctoral researchers - \$3,000,000 (\$600,000 annually for 5 years), joint faculty appointments - \$1,900,000 (\$380,000 annually for 5 years) and instrumentation and specialized equipment (\$1,000,000).

### **Strategic Goals**

- Goal 2:**      *Meeting statewide professional and workforce needs*
- Goal 3:**      *Building world-class academic programs and research capacity*
- Goal 4:**      *Meeting community needs and fulfilling unique institutional responsibilities*
- Goal 7:**      *Increasing the University's visibility*



# New Issue

---

## **The Florida Institute for the Advancement of Teaching**

**\$500,000**

- FAU received \$500,000 in non-recurring funds to support the Institute.
- Housed within the College of Education, these funds assist in providing solutions for improving Florida's PK-20 educational system by recruiting, preparing and retaining quality educators to meet the needs of Florida schools.
- The Florida Institute for the Advancement of Teaching was a priority in the 2007-08 Legislative Budget Request to the State of the Florida (\$3.19 million).

### ***Strategic Goals***

***Goal 2: Meeting statewide professional and workforce needs***

***Goal 4: Meeting community needs and fulfilling unique institutional responsibilities***

***Goal 7: Increasing the University's visibility***

# New Issue

---

## Florida Israel Institute

**\$50,000**

- FAU received \$50,000 in non-recurring funds to support funding initiatives of the Institute.
- Program initiatives will enhance the Florida economy and involve collaborative efforts aimed at Israel's academic institutions.

### **Strategic Goals**

*Goal 4: Meeting community needs and fulfilling unique institutional responsibilities*

*Goal 7: Increasing the University's visibility*

# New Issue

---

## **BOT Tuition Increase**

**\$616,972**

- BOT authorized 5 percent tuition increase for Graduate In-State Students.
- Amount includes \$169,740 as the annualized amount including Summer 2008, which will be held in reserve.
- Non-Resident tuition increases are not recommended.

# New Issue

---

## Salary Increase

**TBD**

- State of Florida employees, including all eligible University employees, are slated to receive a one-time bonus of \$1,000.
- Salary bonus is effective November 1, 2007.
- Amount not determined as yet.

# Funding Allocations

Tuition Increases and Enrollment Growth

---

Linkage to  
Strategic Goals

# New Funding

## Non-dedicated Funds to Support FAU's Strategic Goals

**\$3,570,812**

▪ Enrollment Growth (255 FTE)	\$3,359,874
▪ Annualization of Prior Year Tuition Increase for Summer	164,000
▪ Ratio of In-State/Out-of-State – General Revenue	666,036
▪ Ratio of In-State/Out-of State – Trust Fund	<u>(1,236,070)</u>
	<b>\$2,953,840</b>
▪ BOT 5% Tuition Increase Graduate In-State (includes \$169,740 Summer 2008)	<u>616,972</u>
	<b>\$3,570,812</b>

### Allocations Based Upon FAU Strategic Goals

- Goal 1: *Providing increased access to higher education*
- Goal 2: *Meeting statewide professional and workforce needs*
- Goal 3: *Building world-class academic programs and research capacity*
- Goal 4: *Meeting community needs and fulfilling unique institutional responsibilities*
- Goal 5: *Building a state-of-the-art information technology environment*
- Goal 6: *Enhancing the physical environment*
- Goal 7: *Increasing the University's visibility*

# New Funding Decision Process

---

- Focus on *student access, recruitment, retention and graduation.*
- Recommendations are the result of collaboration and discussions over several months through:
  - Executive Committee Meetings
  - Four Formal Budget Workshops
  - Department and Area Recommendations
  - Vice President Recommendations
  - Approximately \$10 million in Strategic Priority Requests

# Allocations

## University – Wide Initiatives

---

**Cost to Continue 2006-07**

**\$675,000**

### **BOT Merit Salary Increase**

- In 2006-2007, the FAU Board of Trustees awarded competitive performance based salary increases of .75 percent effective January 2007 for non-unit employees and a 1.25 percent salary increase for merit and equity for in-unit faculty effective December 2006.
- This amount funds the continuation of the increase in the 2007-2008 year.
- This commitment to Faculty and Staff salaries utilizes approximately 19 percent of new non-dedicated funding.

***Strategic Goal***

***Goal 2: Meeting statewide professional and workforce needs***



# Allocations

## University – Wide Initiatives

---

### **Faculty Promotions**

**\$317,000**

- Funding to reward faculty for sustained superior performance.
- Promotional increases reward improvements in performance, efficiency, and productivity.
- Promotional increases will be awarded based upon the Collective Bargaining Agreement, which sets increases at 9 percent for promotion to Associate Professor and 12 percent for promotion to Professor.
- This commitment to faculty promotions utilizes approximately 9 percent of new non-dedicated funding.

#### **Strategic Goals**

**Goal 1: *Providing increased access to higher education***

**Goal 2: *Meeting statewide professional and workforce needs***

**Goal 3: *Building world-class academic programs and research capacity***

# Allocations

## Instruction and Research

---

### Instruction and Research

**\$2,013,000**

- Funding of \$2,013,000 to support the Instruction and Research mission of the University. It will support new student enrollments, instructional enhancements, program quality and accreditation requirements.
- Focus is on student access, retention, and graduation.
- Allocation is for new faculty, instructional staff support, teaching assistants, and adjunct faculty and is restricted to colleges that met or exceeded 2006-07 enrollment targets.
- This commitment to the instruction and research mission of the University in order to enhance student access, retention and graduation utilizes approximately 57 percent of new non-dedicated funding.

#### **Strategic Goals**

**Goal 1: *Providing increased access to higher education***

**Goal 2: *Meeting statewide professional and workforce needs***

**Goal 3: *Building world-class academic programs and research capacity***

# Allocations

## University Support

### University Support

**\$200,000**

- University Communications and Marketing
  - Student Recruitment and Enhancement \$125,000
  - Office of Community Engagement \$ 75,000
- Linked to Strategic Plan Goal 4, “meeting community needs”, objectives 2, 3, and 4 focusing on community engagement, University outreach, and effective communication. This allocation is also linked to Goal 7, “Increasing the University’s visibility”, objectives 1, 2, and 3 focusing on communicating the university’s accomplishments and identity, both internally and externally”.
- This commitment to student recruitment and communication utilizes approximately 5 percent of new non-dedicated funding.

#### **Strategic Goals**

**Goal 4: Meeting community needs and fulfilling unique institutional responsibilities**

**Goal 7: Increasing the University’s Visibility**

# Allocations

## University Support

---

### University Support

**\$29,137**

- Financial Affairs

- Human Resources – Customer Services \$19,137
- Operating Expense Increases \$10,000

- This commitment to faculty, staff and student support utilizes approximately 1 percent of new non-dedicated funding.

*Strategic Goal*

*Goal 4: Meeting community needs and fulfilling unique institutional responsibilities*

# Allocations

## Partner Campus Funding

---

### Partner Campus Funding - Technology/Library/Operations

**\$221,675**

- Broward Campus
  - Police Lieutenant Position \$58,000
  - Joint Use Library with BCC – Contract Increase \$26,379
  - Classroom Technology-Distance Learning/Video Conferencing \$51,148
  
- Jupiter Campus
  - Classroom Technology-Distance Learning/Video Conferencing \$51,148
  - Student Affairs Clerical Support \$35,000
  
- Technology support for Goal 5, Objective 1, improves technology infrastructure to provide greater access and classes to enhance retention and graduation
  
- This commitment to partner campuses to support student access, retention and graduation utilizes approximately 7 percent of new non-dedicated funding

#### **Strategic Goals**

**Goal 1: Providing increased access to higher education**

**Goal 4: Meeting community needs and fulfilling unique institutional responsibilities**

**Goal 5: Building a state-of-the-art information technology environment**

# Allocations

## Student Services

---

### **Division of Student Affairs**

**\$115,000**

- This allocation supports efforts under Strategic Plan Goal 1, Objectives 2, 3 and 4, which aims to foster institutional commitment to student satisfaction and success leading to higher retention and graduation rates.
- Funding to provide an Associate Vice President for Campus Life to assist Student Affairs professional staff in recruitment, retention and graduation of students.
- Supporting BOT initiatives and objective 10 of Goal 1, this position will help enhance the traditional university experience.
- This commitment to student recruitment, retention and graduation utilizes approximately 3 percent of new non-dedicated funding.

***Strategic Goal***

***Goal 1: Providing increased access to higher education***

---

# **Reallocation of Existing Resources**

# Reallocation of Existing Resources

---

- Throughout the year, current operations are examined to ensure resources are utilized as efficiently as possible.
- Where opportunities exist, resources are reallocated to priorities and initiatives of the University's Strategic Plan.



# Reallocation of Existing Resources

---

- Office of the Registrar cut printing, paper and postage costs by moving virtually all required registration activities to web-based applications. Savings in materials and personnel of over \$200,000 annually were redirected to support summer instruction.
- Information Resource Management (IRM) redirected savings from the implementation of the Banner information system towards improvements in the Degree Audit system, which will result in more efficient student advising.
- Additional savings - \$680,000 - from the Banner implementation were redirected to the addition of seven videoconference classrooms and the staff to operate the facilities.
- The College of Nursing leveraged faculty salaries that were supported by grants (buy-outs for research) to hire additional faculty, staff, and TAs to cover summer courses and to purchase equipment. A total of \$380,000 was reallocated.

# Reallocation of Existing Resources

---

- The College of Engineering & Computer Science has redeveloped its engineering core curriculum to provide instructional efficiencies by drawing on the teaching strengths of all departments and minimize any slack in faculty assignments.
- The College of Business has increased its use of distance learning technologies to bring courses to all campus in an efficient, non-duplicative manner.
- Salary savings are used to fund additional sections during the summer. Estimated reallocation is \$150,000.
- Collaboration between the Office of the Provost, Office of Admissions, and the Student Athlete Center for Athletic Excellence redirected funding of \$42,000 to support an additional academic advisor.

# Reallocation of Existing Resources

---

**On the Broward Campus several reallocation efforts totaling \$453,655 were initiated in 2006-07:**

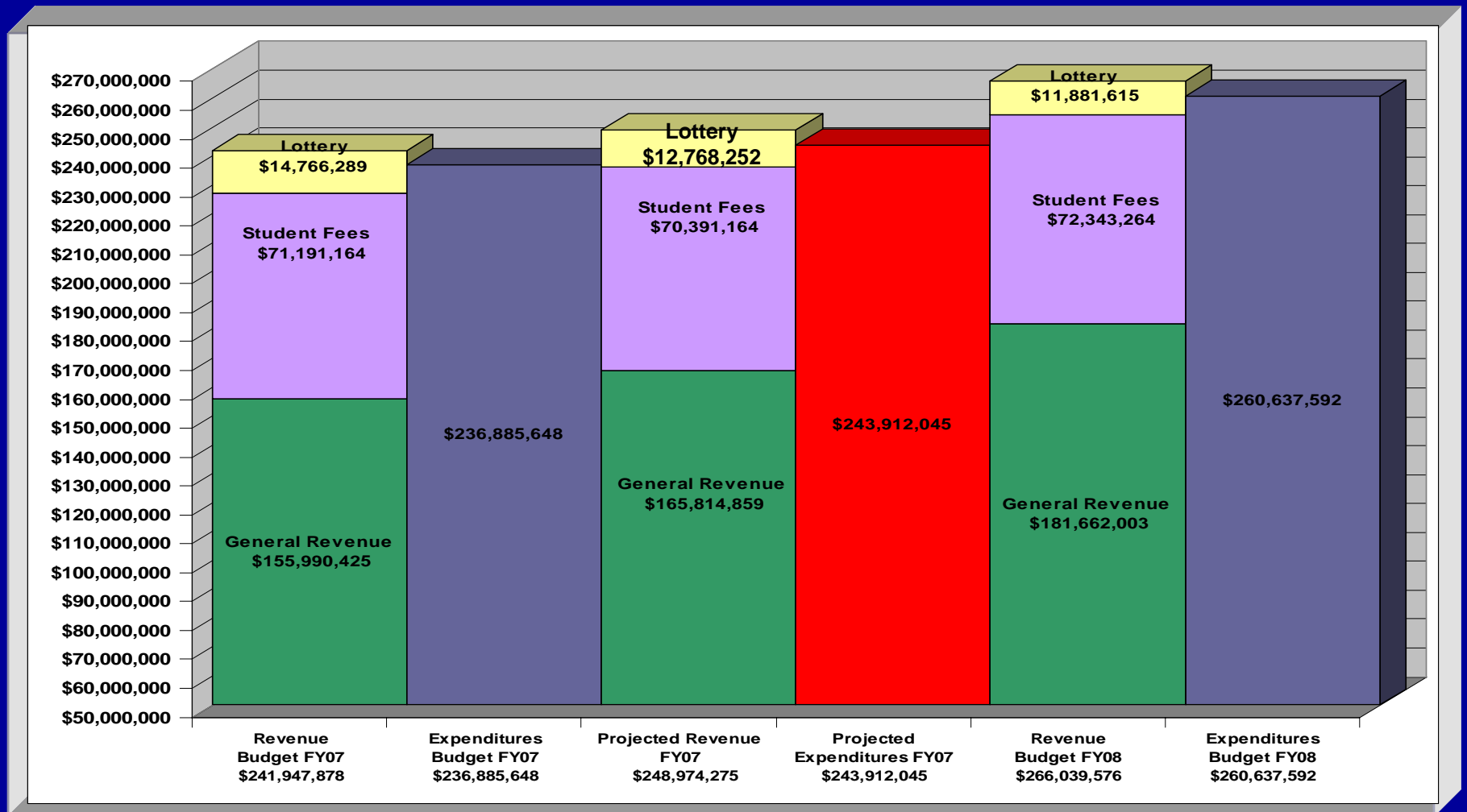
- **Support additional summer course offerings (CAUPA, Science) \$130,136**
- **Supplement fledgling Broward Lifelong Learning Program (Marketing, Temp. Staff) \$45,000**
- **Support for Arts and Letters Center for Writing Excellence (Davie Campus) \$ 34,919**
- **Add Video Conference Classroom (Davie Classroom) \$ 65,000**
- **Upgrade Visual Planning and Tech Lab (FTL) \$43,000**
- **Fund FF&E for Multi-Purpose Meeting Space (new Student Union, Davie Campus) \$75,000**
- **Phase 1 Renovation for One-Stop Student Support Services Area—registration, admissions, cashiering (Davie Campus—vacated space when Student Union opens) \$60,000**

# Reallocation of Existing Resources

---

- Utilize salary savings from departing faculty and staff to meet student needs by expanding summer course offerings (\$80,000)
- Support faculty with replacing and upgrading technology with funds from auxiliary projects which serve the greater community as well as students (\$70,000).
- Addition of video conferencing rooms to increase opportunities for distance learning; saving gas for faculty and students.

# Florida Atlantic University Educational & General Operating Budget 2007-08 with Prior Year Comparison



# Florida Atlantic University Operating Budget 2007-2008 Educational and General Budget Summary

---

■ Expenditure Budget 2006-2007:	\$236,885,648
■ Estimated Expenditures 2006-2007:	\$243,912,045
■ Expenditure Budget 2007-2008:	\$260,637,592
■ Percentage Increase in Expenditure Budget 2006-07 to 2007-08:	10.0%

---

# Student Financial Aid Budget

# The Student Financial Aid Budget Consists of:

---

- The Student Financial Aid budget largely represents scholarship and loan funds that are received by the University and subsequently disbursed to students. Included in the budget are funding from student financial aid fees as well as financial aid support from all sources such as federal financial aid awards (Pell, Student Educational Opportunity Grants, Perkins Loans, Stafford Loans), state financial aid awards (Bright Futures, Florida Assistance Grants), Institutional Programs (Presidential Awards, MLK Scholarships) and Private Scholarships (FAU Foundation).
  
- **Credit Hour Financial Aid Fees:**
  - \$ 3.68 Undergraduate In-State
  - \$24.41 Undergraduate Out-of-State
  - \$10.02 Graduate In-State
  - \$41.89 Graduate Out-of-State

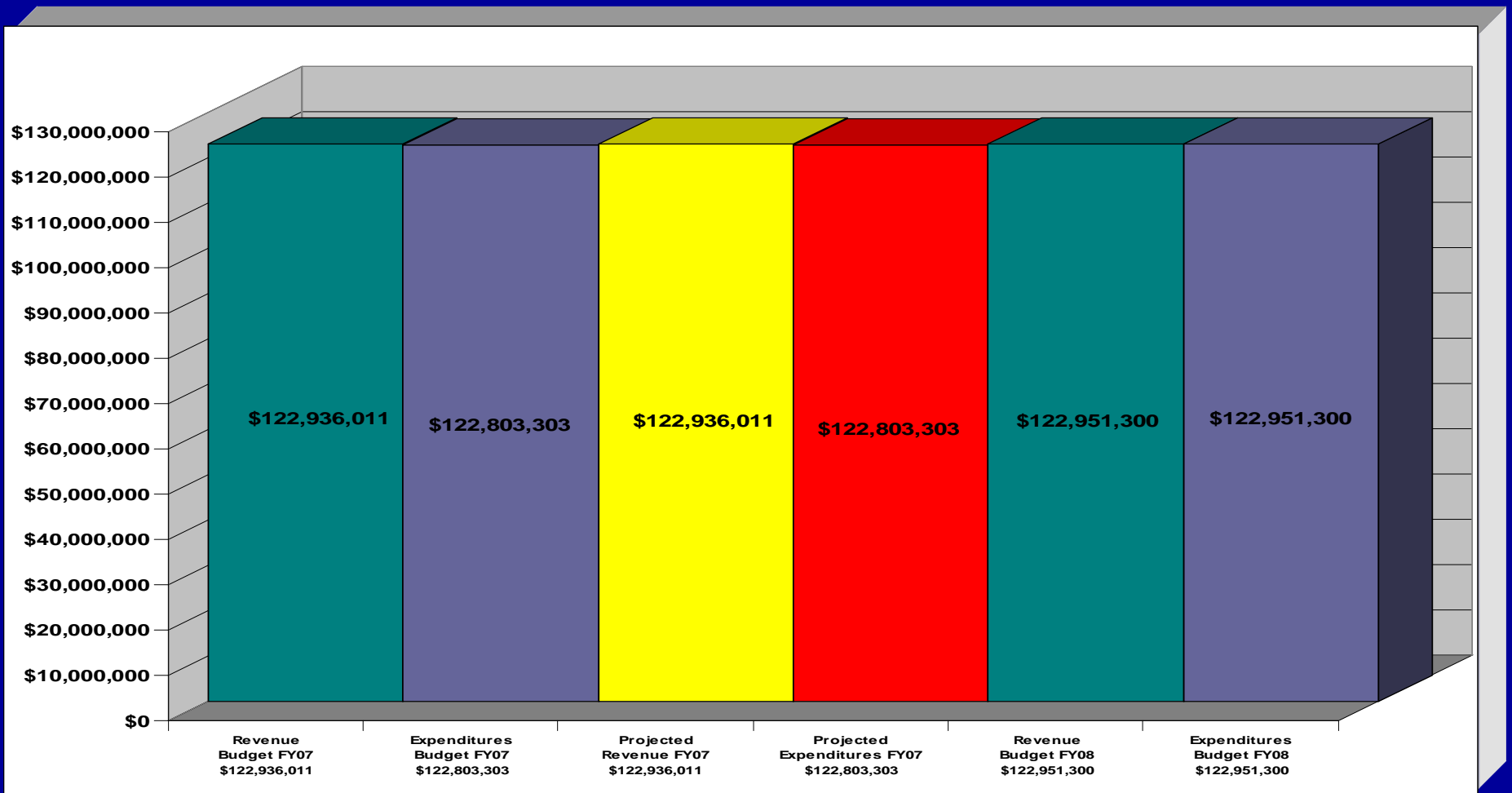


# Student Financial Aid Highlights

---

- A total of \$128,121,132 in awards was dispersed to students in 2005-06. This represents an increase of 55% since 2001-02.
- In 2005-06, 15,502 students (unduplicated headcount) were the recipients of financial aid from federal, state, institutional, and private sources at FAU.
- Over a five-year period, the number of recipients has grown by 32.2% (2001-02 to 2005-06).
- Of the four types of awards by program (grants, loans, scholarships, and employment), scholarships to students increased the most - 87% over the five year period. Student loans increased by 55% over the same period.
- Private sources of funding increased from \$776,446 in 2001-02 to \$7,421,833 in 2005-06, an increase of over 855%. Over 2,760 students received funds from private sources in 2005-06.

# Florida Atlantic University Student Financial Aid Operating Budget 2007-08 with Prior Year Comparison



# Florida Atlantic University Operating Budget 2007-2008 Student Financial Aid Budget Summary

---

■ Expenditure Budget 2006-2007:	\$122,803,303
■ Estimated Expenditures for 2006-2007:	\$122,803,303
■ Expenditure Budget 2007-2008:	\$122,951,300
■ Percentage Increase in Budget 2006-07 to 2007-08:	.1%

---

# Grants and Contracts

## Budget

# The Grants and Contracts Budget Consists of:

---

- Funding from federal agencies, state agencies, foundations and private sources that enables the University to conduct specific research projects or to provide specific services.
- Expenditures for the Division of Sponsored Research, the A.D. Henderson University School and the Florida Atlantic University Foundation (payroll clearing account) are included in the Grants & Contracts budget.

# Grants and Contracts Highlights

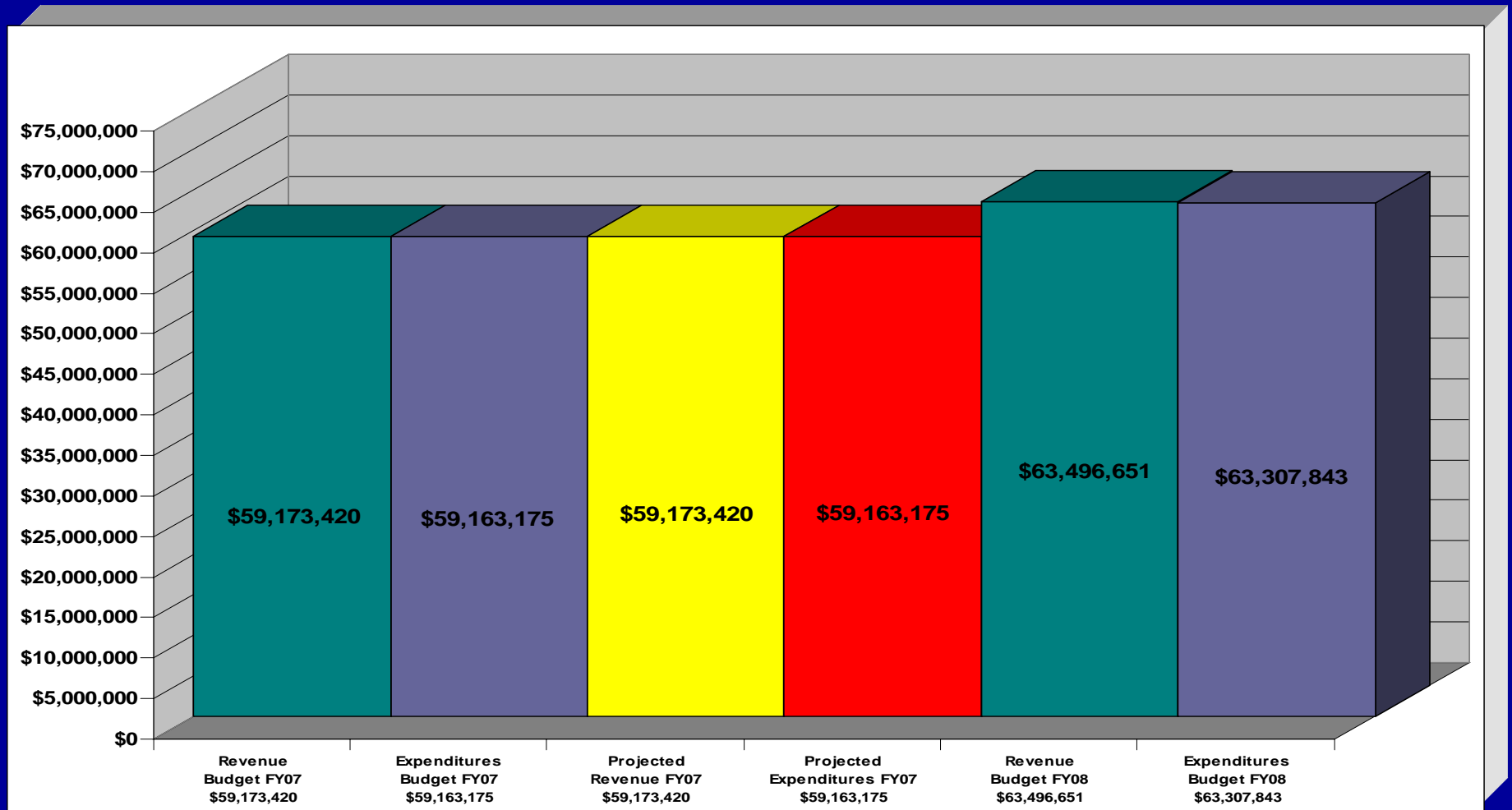
---

- The 2007-08 operating budget represents an increase of 7 percent over the prior year to accurately reflect the level of grant funding projected for the year.

- Expenditures

▪ Sponsored Research	\$51,500,000
▪ FAU Foundation	6,920,196
▪ A.D. Henderson School	<u>4,887,647</u>
Total	\$63,307,843

# Florida Atlantic University Grants and Contracts Operating Budget 2007-08 with Prior Year Comparison



# Florida Atlantic University Operating Budget 2007-2008 Grants and Contracts Budget Summary

---

■ Expenditure Budget 2006-2007:	\$59,163,175
■ Estimated Expenditures 2006-2007:	\$59,163,175
■ Expenditure Budget 2007-2008:	\$63,307,843
■ Percentage Increase in Budget to 2007-08:	7%

**Note:** When the research activity of HBOI is integrated into the FAU budget in its entirety, FAU indirect cost recovery dollars and research volume will increase correspondingly.



---

# Auxiliary Enterprises Budget

# The Auxiliary Enterprises Budget Consists of:

---

**University business operations that are self-supporting through user fees, payments and charges. These include:**

- Food Services
- Housing
- Bookstore
- Printing/Duplicating
- Telecommunications
- Lifelong Learning Society
- Ocean Engineering Boat
- Postal Services
- Student Health Center
- Traffic and Parking
- Student Center
- College Continuing Education
- University Theatre
- College of Science Machine Shop

# Auxiliary Enterprises Highlights

---

In addition to service provided to internal constituents, the Auxiliary Enterprise activities offer our surrounding community with several enrichment and educational services:

- Lifelong Learning at FAU is the nation's largest provider of programs to senior citizens in the United States, serving nearly 30,000 senior and adults over the past 2006-07 year. In 2006-07, on the Broward campus alone, nearly 40 courses were scheduled, enrolling approximately 700 registrants.
- The Office of International Programs assists students, faculty and staff with individual interests in international travel, courses, and study abroad, among other services. In 2005-06 the Office of International Programs sent 370 students overseas to countries such as Japan, Greece, Sweden, Germany and nearly 20 other foreign countries.
- The Teaching and Leadership Center partners with the School Board of Broward County to offer a fast-track graduate-level course experimenting with technology to improve student achievement in reading, mathematics, and science. Educators learn strategies for integrating technology in their curriculum, strategies that provide hands-on experiences. Over 4,000 Broward County teachers have completed these courses.

# Auxiliary Enterprises Highlights

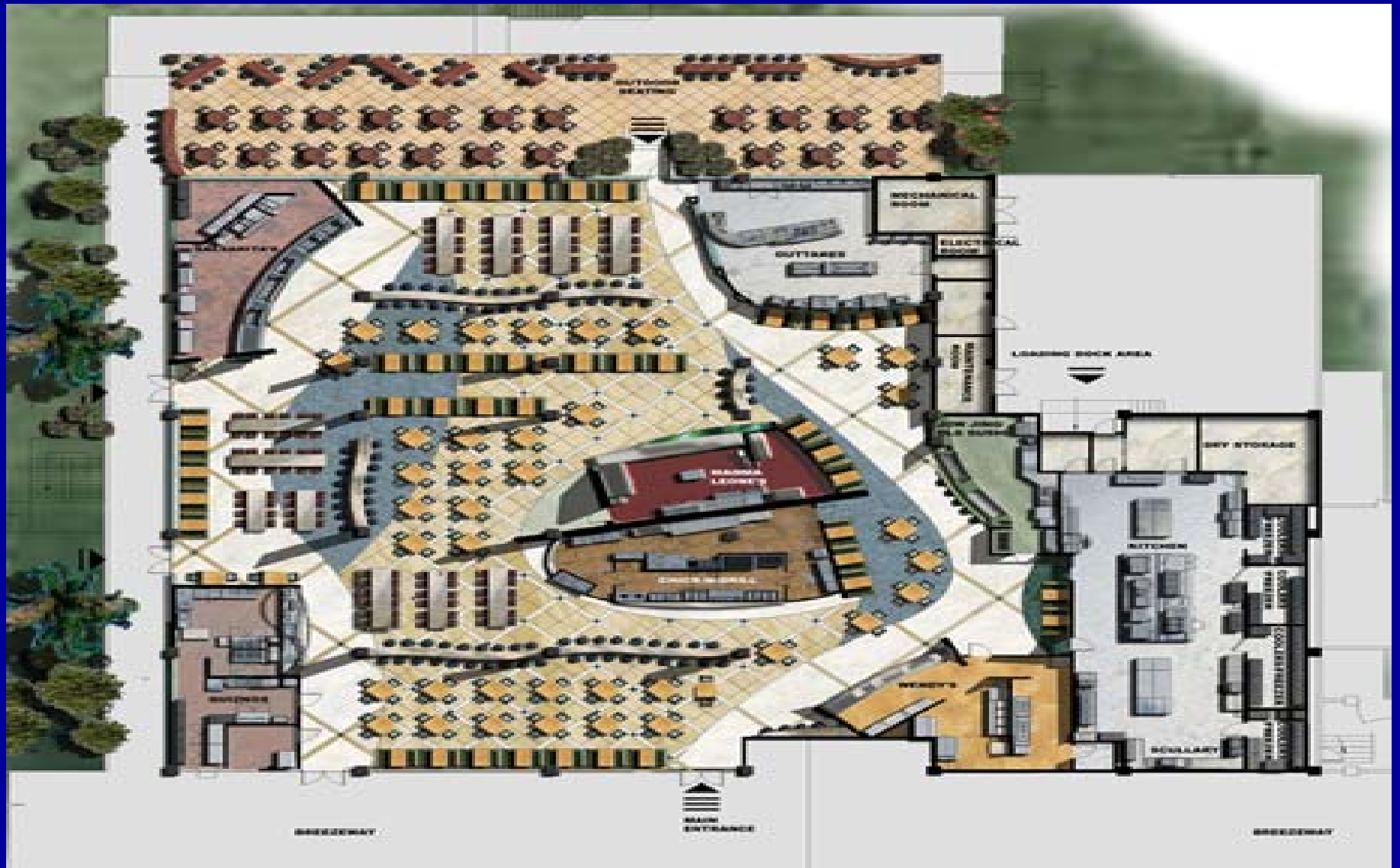
---

- Student Health Services provide and promote quality health care and wellness education and resources that are essential for the academic and personal success of the university community. Services include immunization, pharmaceuticals, responses to communicable diseases (Norovirus and Pandemic Influenza), and FAU has the only dental clinic in the State of Florida University System. Over 20% of the student population at FAU has accessed health care at one of the clinics or with a partner community medical provider in the area.
- The Office of Orientation is responsible for all undergraduate New Student and Parent orientations. Offering 20 orientations throughout the year, either on site or via video conferencing, over 6,000 first time freshman students, transfers, and parents complete the program.
- The College of Business has awarded 341 Master degrees over the past five years through auxiliary programs. They serve non-traditional students who attend class on the weekends, online, or by video instruction. Their degrees include some of our most innovative programs: Forensic Accounting, Crisis and Emergency Management, and the Environmental MBA. Revenues derived from these programs offset costs for new data bases and software programs that benefit the entire college faculty and staff community.
- Revenues and successful negotiations from vendors in the Food Service unit have served to offset the cost of renovations in the FAU Breezeway, currently under construction. These new concepts will provide students, faculty, staff and visitors to FAU with an up-to-date choice of healthy and contemporary food choices.

# Breezeway Café – Renovations Underway

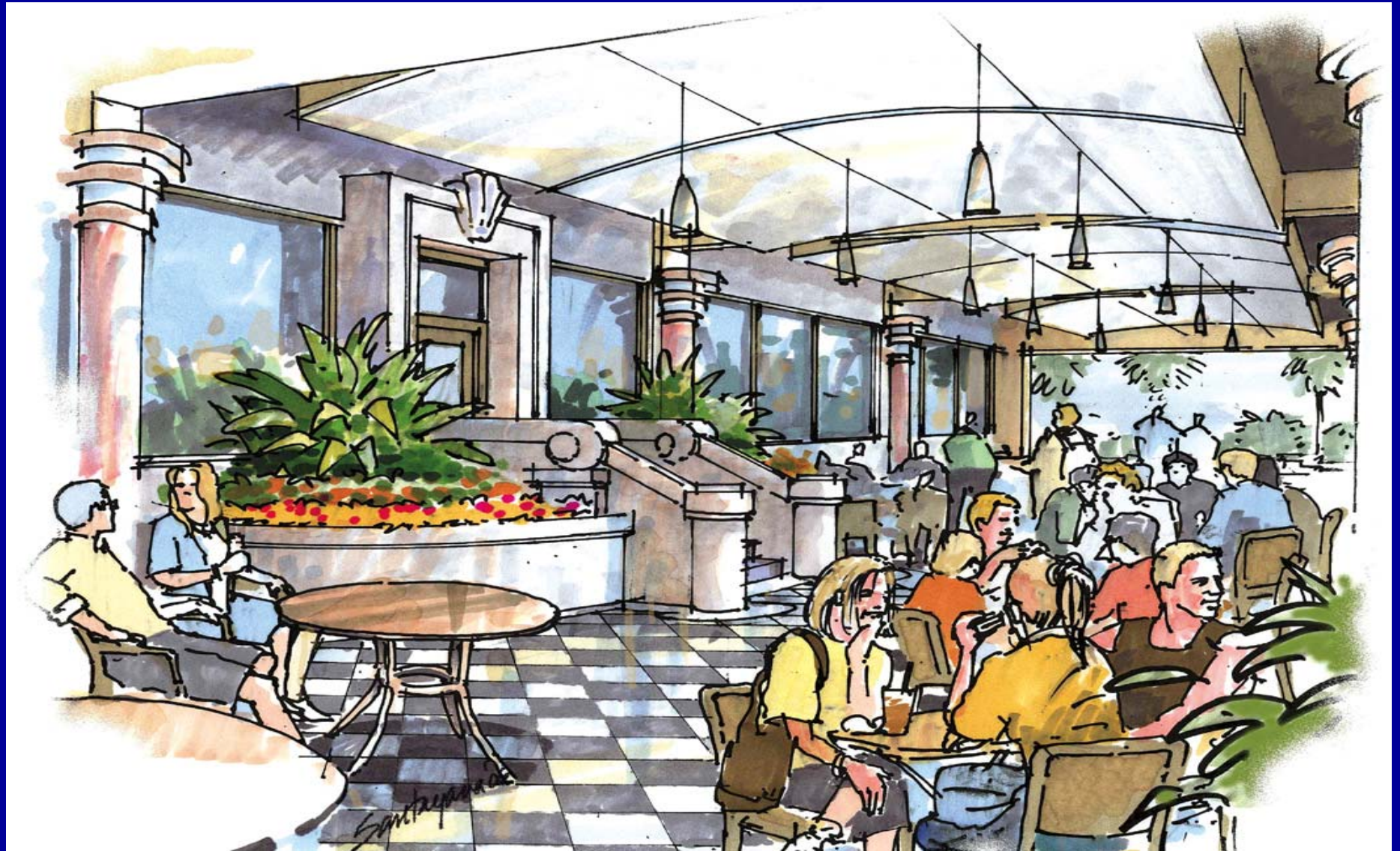


# Breezeway Café



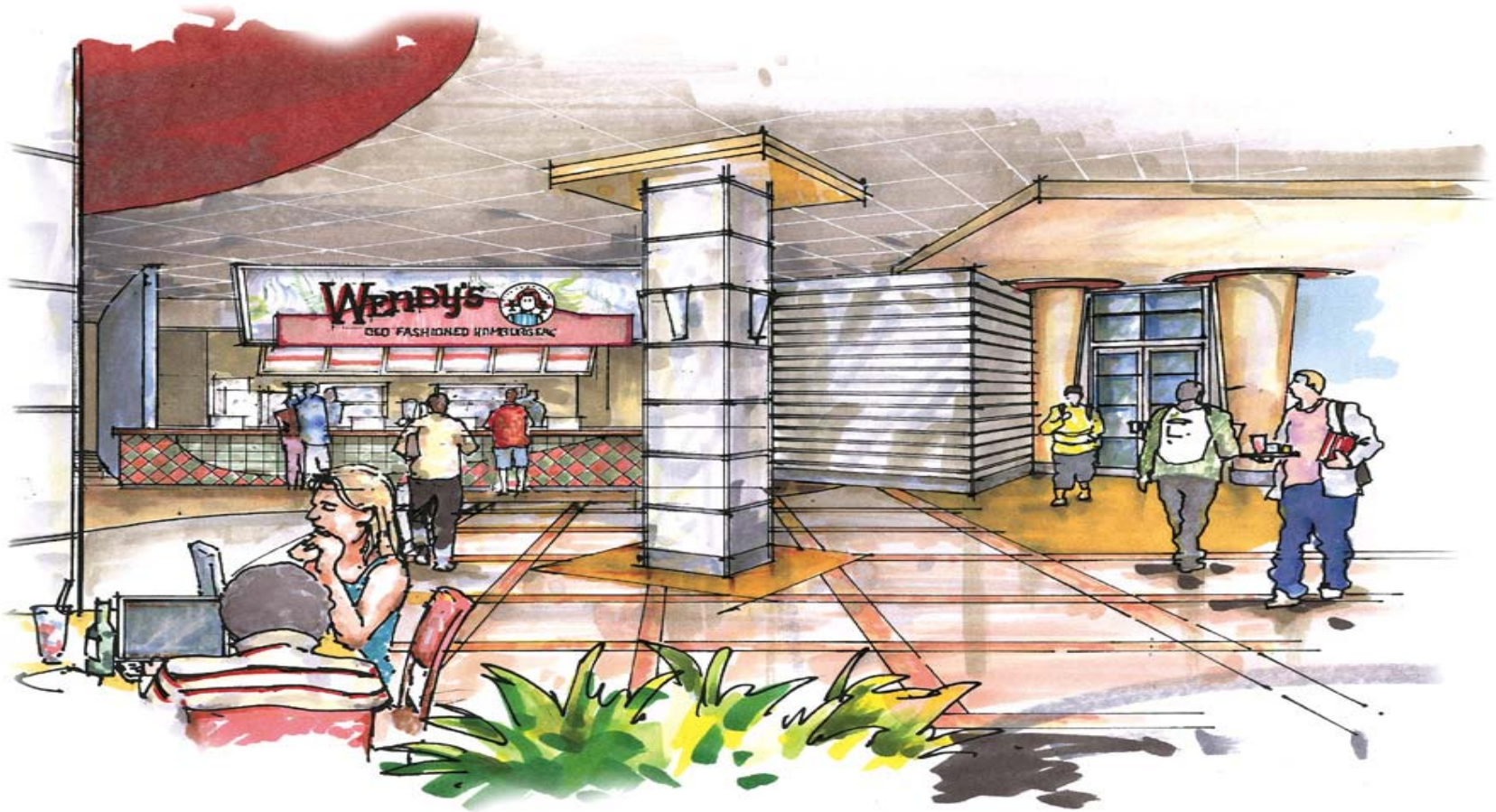


# Breezeway Café





# Breezeway Café



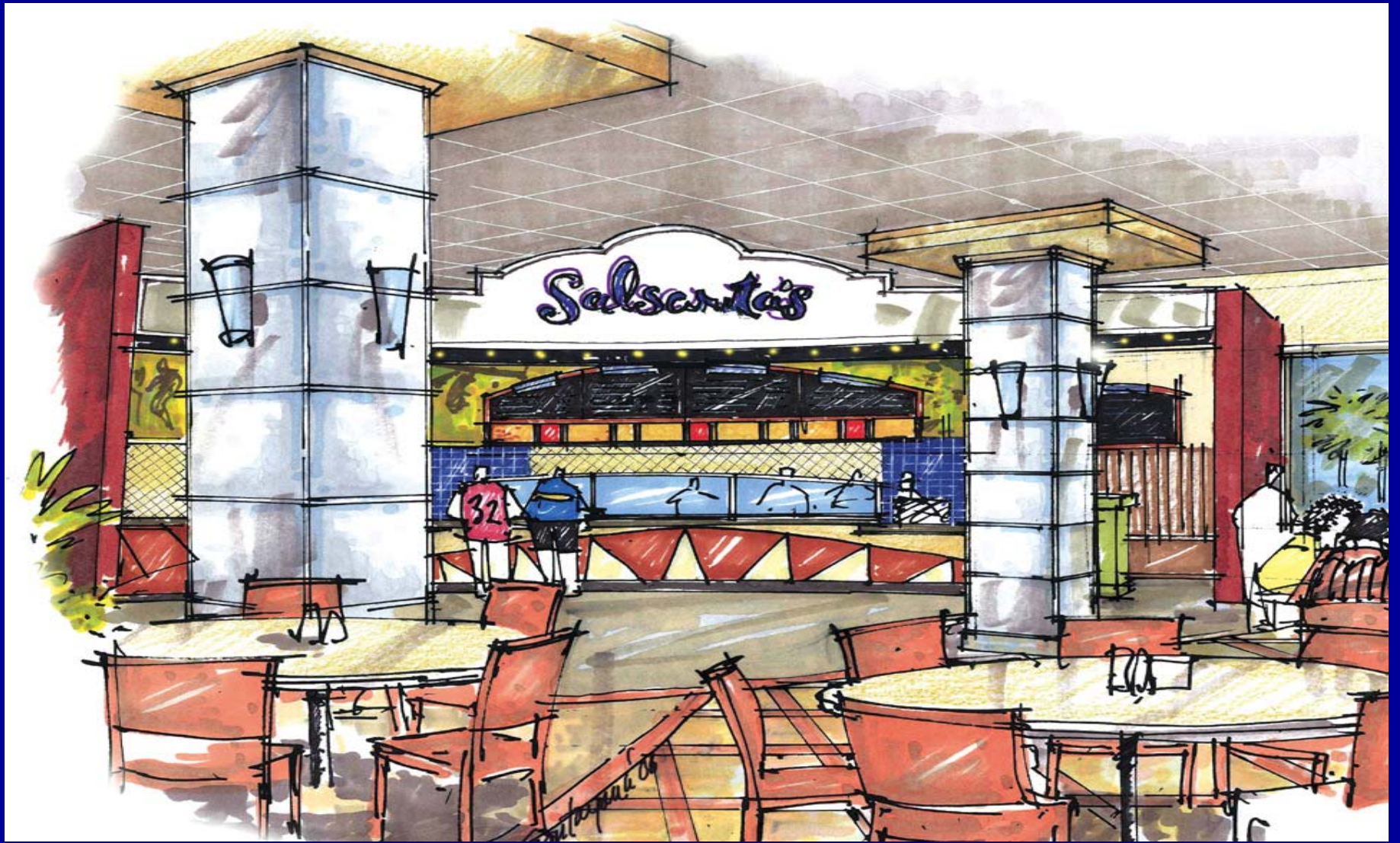


# Breezeway Café





# Breezeway Café





# Centre Marketplace - Renovations



# New Freshman Experience Hall



# Construction of Outtakes Convenience Store in the New Freshman Experience Hall





# Example of Outtakes Convenience Store in the New Freshmen Experience Hall



# Computer Laboratory in New Freshman Experience Hall



# Example of Computer Laboratory in New Freshman Experience Hall



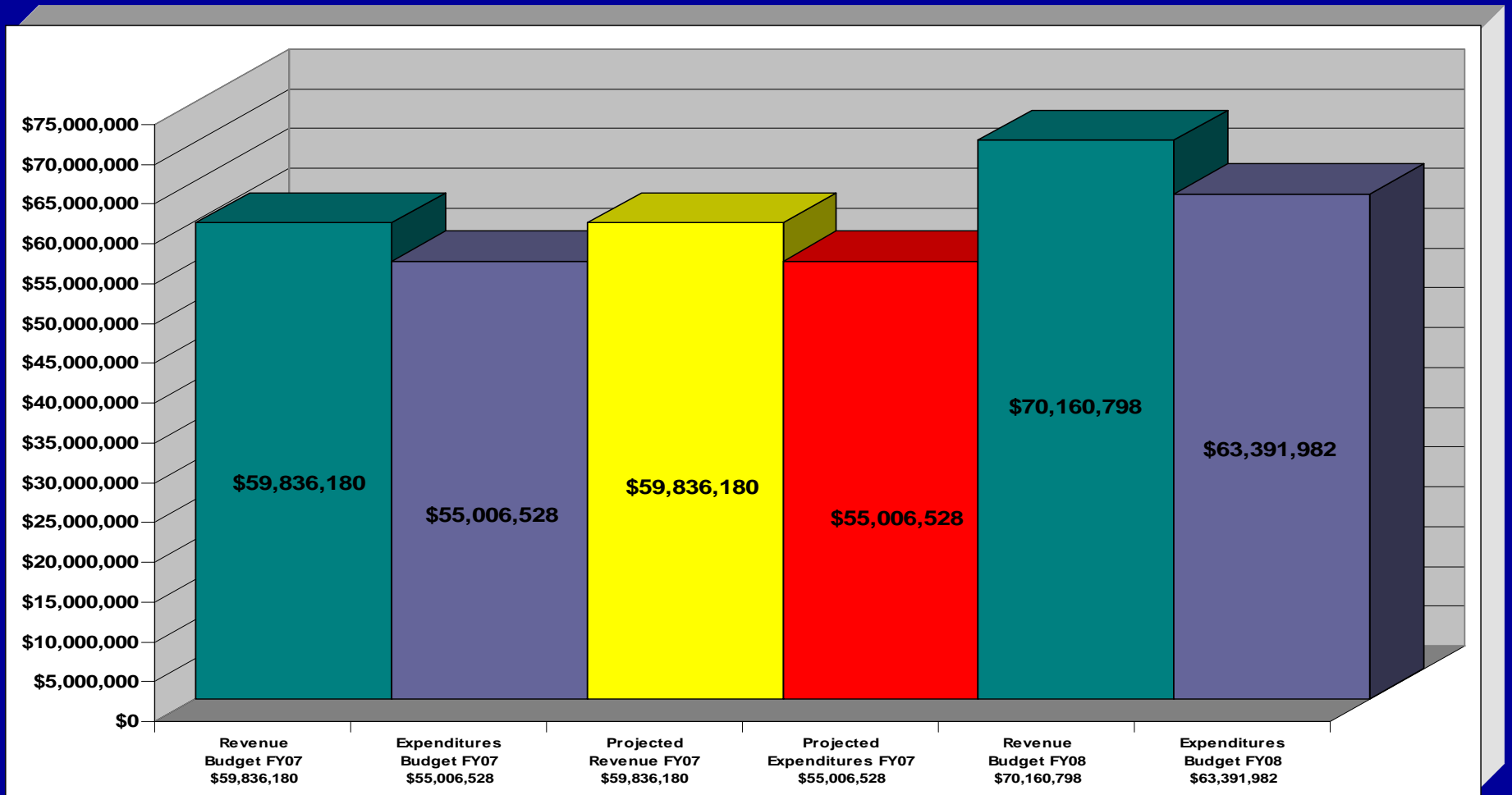


# Auxiliary Enterprises Highlights

---

- The 2007-08 Budget reflects an increase of 15.2 percent which includes transfer authority. The largest components of the increase are the operations of the new residence hall, residence hall rental increases and prior year salary increases for staff funded by auxiliary operations.

# Florida Atlantic University Auxiliary Enterprises Operating Budget 2007-08 with Prior Year Comparison



# Florida Atlantic University Operating Budget 2007-2008 Auxiliary Enterprises Budget Summary

---

■ Expenditure Budget 2006-2007:	\$55,006,528
■ Estimated Expenditures 2006-2007:	\$55,006,528
■ Expenditure Budget 2007-2008:	\$63,391,982
■ Percentage Increase in Budget 2006-07 to 2007-08:	15.2%

---

# Athletics Local Budget

# The Athletics Local Budget Consists of:

---

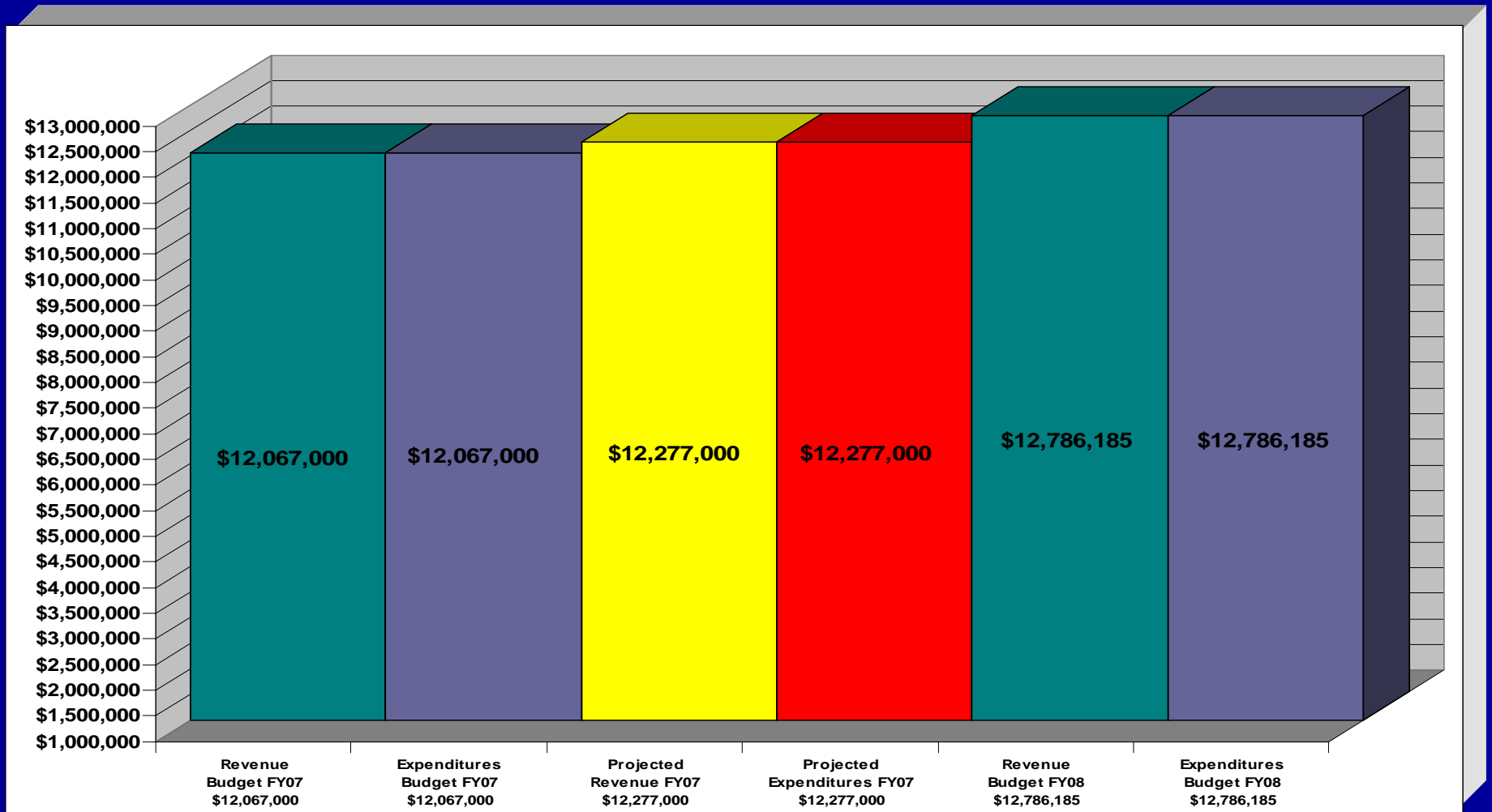
- The Athletics Local Operating Budget supports the University's student athletics program. Funding is generated from student athletics fees (\$13.75 per-credit hour) as well as ticket sales to athletics events, game guarantees, NCAA distributions, sponsorships and private support.
- In addition to the Local Operating Budget, FAU Athletics receives \$246,000 in State Educational and General Title IX Gender Equity funding and \$1,077,815 in out-of-state waiver authority and financial aid.

# Athletics Local Budget Highlights

---

- Estimated expenses and revenues in 2006-07 were balanced.
- Projected expenditures for 2007-08 total \$12,786,185 consistent with the March 2007 Athletics Workshop.
- Revenues include \$800,000 in private funding raising support, \$8,050,000 in athletic fees, \$1,350,000 in game guarantees, \$62,000 in NCAA/Conference distributions, and \$440,000 in ticket sales.
- Total expenditures are 6 percent over the initial 2006-07 expenditure budget; however, projected expenditures are only 4.1 percent above the 2006-2007 amended budget, which was increased approximately \$210,000 to cover “guaranteed” expenditures.

# Florida Atlantic University Athletics Local Operating Budget 2007-08 with Prior Year Comparison



# Florida Atlantic University Operating Budget 2007-2008 Athletics Local Budget Summary

---

■ Expenditure Budget 2006-2007:	\$12,067,000
■ Estimated Expenditures 2006-2007:	\$12,277,000
■ Expenditure Budget 2007-2008:	\$12,786,185
■ Percentage Increase in Budget 2006-07 to 2007-08:	6%

\* The expenditure budget was increased by \$210,000 during the first quarter 2006-2007 to cover unbudgeted expenses that were fully covered by sponsored revenues, increasing the total expenditure budget to \$12,277,000.



---

# Student Government Budget

# The Student Government Budget Consists of:

---

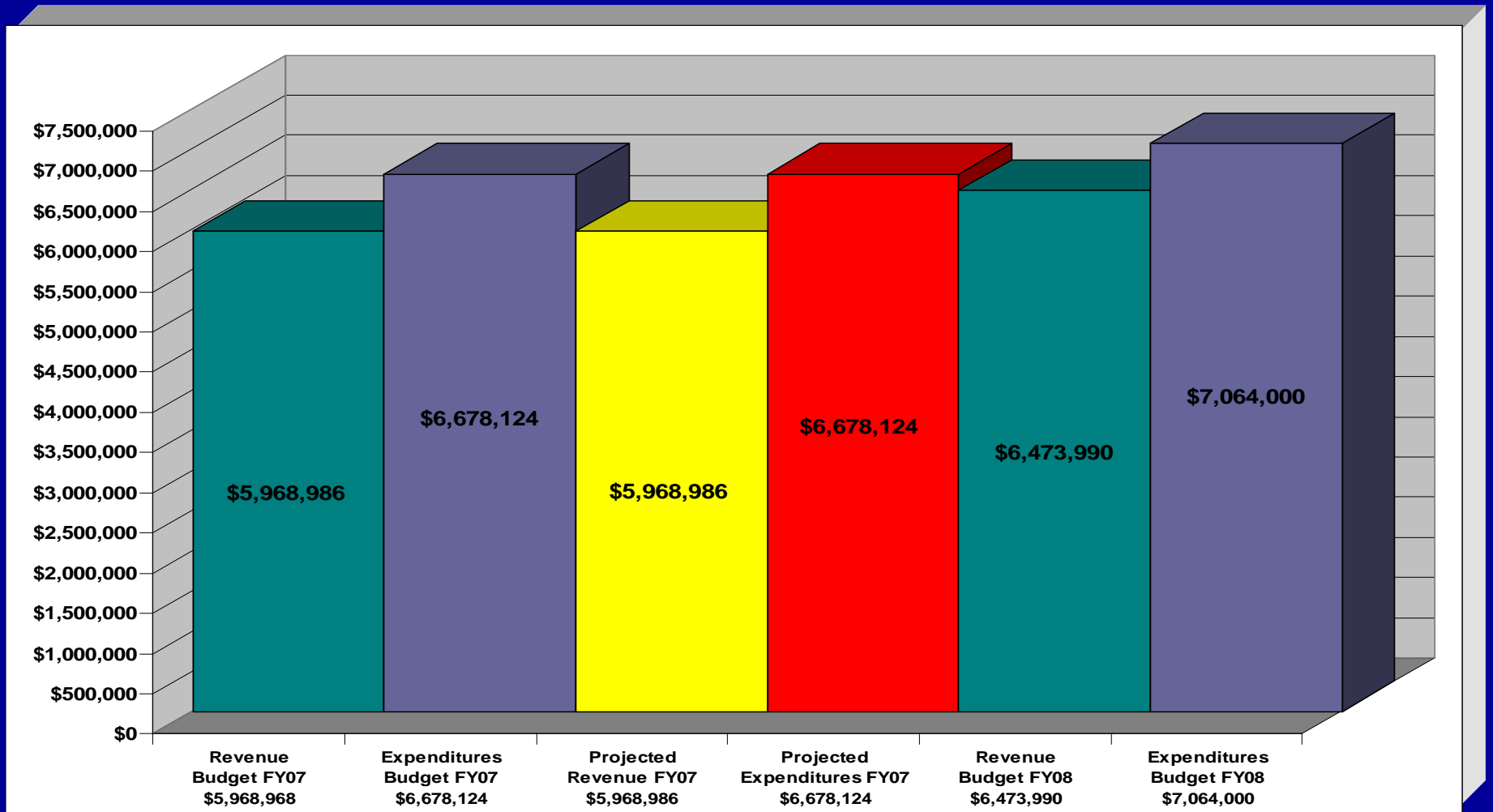
- Funds from student activities and service fees are provided to support student government operations and student activities such as clubs and organizations.
- The Activity and Service Fee of \$10.00 per credit hour generates approximately \$5,900,000.

# Student Government Budget Highlights

---

- The 2007-08 operating expenditure budget of \$7,064,000 represents a 5.8% increase over the prior year original budget.

# Florida Atlantic University Student Government Operating Budget 2007-08 with Prior Year Comparison



# Florida Atlantic University Operating Budget 2007-2008 Student Government Budget Summary

---

■ Expenditure Budget 2006-2007:	\$6,678,124
■ Estimated Expenditures 2006-2007:	\$6,678,124
■ Expenditure Budget 2007-2008:	\$7,064,000
■ Percentage Increase in Budget 2006-07 to 2007-08:	5.8%

---

# Concessions Budget

# The Concessions Budget Consists of:

---

- Funds from concession operations such as soft drink and snack vending machines.
- Expenditures from these funds support the academic mission of the University.

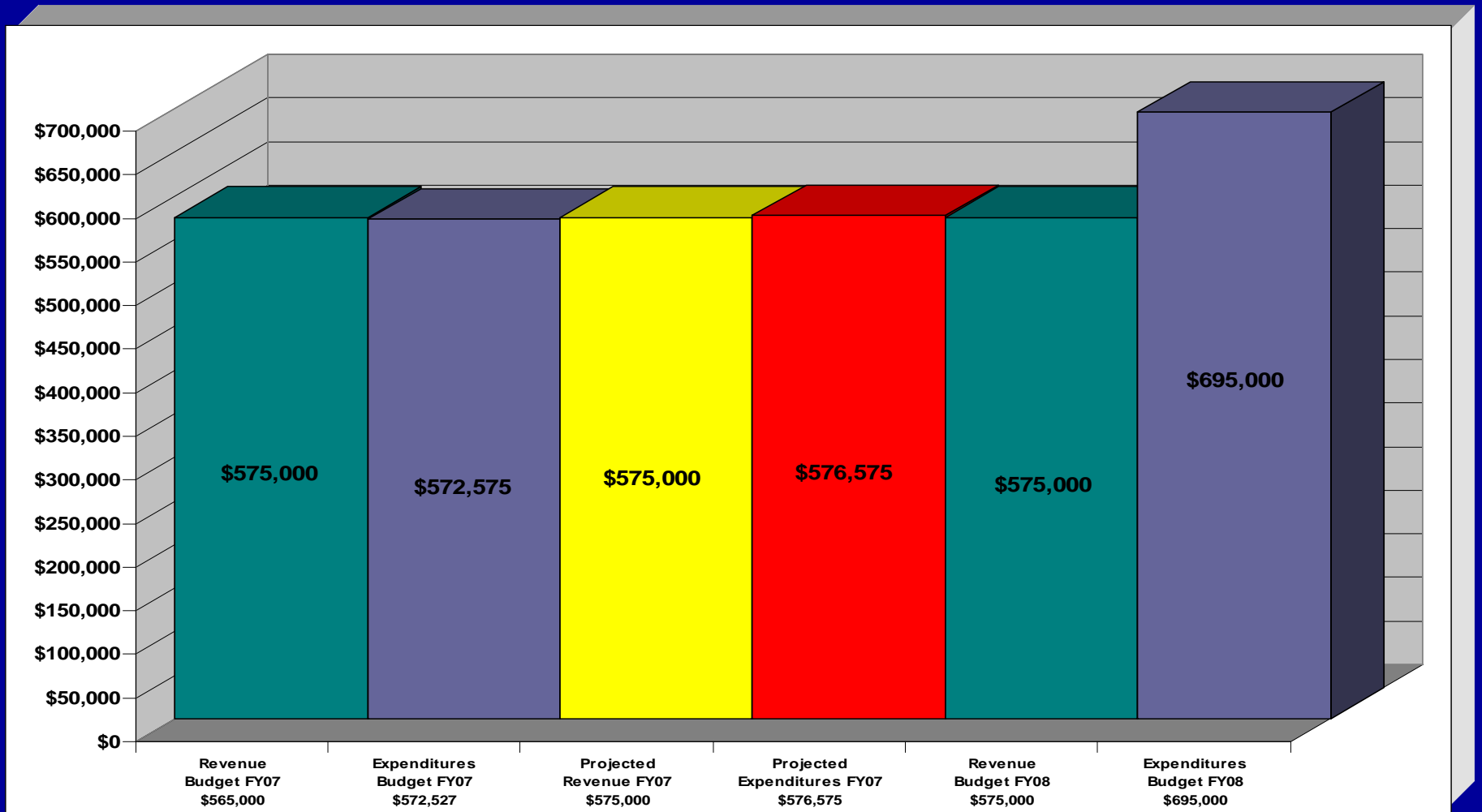
# Concessions Budget Highlights

---

- The concessions budget for 2007-08 represents an increase in expenditures of 21.4 percent.
- Revenues remain constant and any overage will be absorbed by prior year cash balances.



# Florida Atlantic University Concessions Operating Budget 2007-08 with Prior Year Comparison



# Florida Atlantic University Operating Budget 2007-2008 Concessions Budget Summary

---

■ Expenditure Budget 2006-2007:	\$572,575
■ Estimated Expenditures 2006-2007:	\$576.575
■ Expenditure Budget 2007-2008:	\$695,000
■ Percentage Increase in Budget 2006-07 to 2006-07:	21.4%

2007-2008

# Capital Outlay Budget

---

# Florida Atlantic University 2007-2008 Capital Outlay Budget

---

Section 1013.61, Florida Statutes, requires the Florida Atlantic University Board of Trustees to adopt a capital outlay budget for the ensuing year to inform the public of the University's capital outlay needs. The capital outlay budget is part of the annual budget and shall be based upon the Board's capital outlay plan. The budget shall designate the proposed capital outlay expenditures by project for 2007-08 from all fund sources, as amended.

The Florida Atlantic University Board of Trustees on June 28, 2006 approved the University's Capital Improvement Plan as recommended by the Strategic Planning Committee. The FAU Capital Improvement Plan was revised by the Board of Trustees on January 17, 2007. Subsequently the Board of Governor's approved the FAU fixed capital outlay request. These projects were approved by the 2006 Florida Legislature as recommended by the Florida Atlantic University Board of Trustees. The Fixed Capital Outlay Budget includes PECO, Courtelis Matching Gifts and PECO Construction Cost Increase Funding.

# Projects of the 2007-2008 Capital Outlay Budget

## Public Education Capital Outlay Projects (PECO)

Utilities/Infrastructure/Capital Renewal/Roofs (P,C,E)	\$ 11,439,470
College of Arts and Letters Addition (P,C,E)	\$ 2,000,000
General Classroom Facility (P,C)	\$ 10,348,000
HBOI/FAU Transition	\$ 30,500,000
Harbor Branch/FAU Remodel/Renovation	\$ 14,141,984
FAU/UF Davie Joint Use Facility (C)	\$ 9,475,000
General Classroom/Engineering Building (P,C)	\$ <u>17,982,000</u>
<b>SUB-TOTAL</b>	<b>\$ 95,886,454</b>

## Courtelis Matching Gifts

Office Depot Executive Development Center	\$ 800,000 *
Communication and Multi-media Studios	\$ <u>1,500,000</u> *
<b>SUB-TOTAL</b>	<b>\$ 2,300,000 *</b>

\* This is 50 Percent Private Gifts (\$2,300,000) and 50 Percent State Matching (\$2,300,000)

**TOTAL 2007-08 CAPITAL OUTLAY BUDGET REQUEST**

**\$98,186,454**

# 2007-2008 Budget Summary

---

**Operating Budget**  
**\$530,833,902**

**Capital Outlay Budget**  
**\$98,186,454**

# Florida Atlantic University Foundation, Inc.

---

- While not a component of the FAU budget, the Florida Atlantic University Foundation makes expenditures that directly benefit the University.
- Expenditures on behalf of the University during 2007-2008 are estimated as:

■ Salaries, Wages and Benefits	\$ 3,346,730
■ General Expenses	\$ 6,938,576
■ Scholarships	<u>\$ 2,346,912</u>
Total	\$12,632,218