SUBJECT: REVIEW OF CHANGES TO COMPONENTS OF FLORIDA ATLANTIC UNIVERSITY’S 2009-10 OPERATING BUDGETS.

PROPOSED COMMITTEE ACTION

Informational item only.

BACKGROUND INFORMATION

Florida Atlantic University’s 2009-10 Operating Budget was approved by the Board of Trustees (BOT) on June 17, 2009 with authorization given to the University President to amend this budget consistent with Legislative, Board of Governors’ and Board of Trustees’ directive and guidelines.

As of the third quarter report, several components of the 2009-10 Operating Budget need to be amended due to enrollment growth, ground lease payment or other activities. Since University budgets cannot exceed the amount originally authorized by the BOT amendments have been appropriately initiated. In one instance, a reduction in the budget projections is recommended.

Below is a comparison of approved budgets to actual revenues and expenditures through the third quarter:

<table>
<thead>
<tr>
<th>Component</th>
<th>2009-10 Approved Budget Revenue</th>
<th>2009-10 Approved Budget Expense</th>
<th>Third Quarter Revenue</th>
<th>Third Quarter Expenses</th>
<th>Difference Revenue</th>
<th>Difference Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Financial Aid</td>
<td>$120,527,719</td>
<td>$119,915,409</td>
<td>$142,527,719</td>
<td>$141,915,409</td>
<td>$22,000,000</td>
<td>$22,000,000</td>
</tr>
<tr>
<td>Grants and Contracts</td>
<td>$75,716,907</td>
<td>$75,592,391</td>
<td>$55,716,907</td>
<td>$55,592,391</td>
<td>($20,000,000)</td>
<td>($20,000,000)</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>$88,100,644</td>
<td>$87,166,681</td>
<td>$106,000,000</td>
<td>$87,166,681</td>
<td>$17,899,356</td>
<td>$0</td>
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<tr>
<td>Athletics Local</td>
<td>$12,698,375</td>
<td>$12,698,375</td>
<td>$13,723,375</td>
<td>$13,723,375</td>
<td>$1,025,000</td>
<td>$1,025,000</td>
</tr>
<tr>
<td>Student Government</td>
<td>$6,126,190</td>
<td>$7,428,720</td>
<td>$6,376,190</td>
<td>$7,678,720</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

Student Financial Aid: FAU is at 111 percent of both revenue and expenditures which can be attributed to substantial increases in the numbers of students applying and qualifying for financial aid. The department anticipates that another $22 million in budget authority will be required to complete the fiscal year.

Contracts and Grants: Lower than expected revenues and expenses to date (NIH, NSF, Clearwire, Foundation transfers, etc.) suggest that these budgets be amended.

Auxiliary Enterprises: FAU is at 115 percent of our authorized revenue budget which is attributed primarily to the infusion of $12,000,000 from the proceeds of the sale of the Innovation Village Housing project bonds. In addition the
area anticipates the need for an additional $5,899,356 in budget authority, due to revenue generated from the 3.4 percent increase in enrollment, to complete to the fiscal year. Expenses are anticipated to remain as originally budgeted.

**Athletics Local:** Due to higher than anticipated enrollment, Athletic Fee revenue represents the major portion of this increase. In addition, an improved contract with Greater Boca Raton Beach and Park District, coupled with increase in game guarantees has resulted in an increase of $1,025,000 in budget and expenses.

**Student Government:** Due to higher than anticipated enrollment, collections from the Activities and Service Fee have resulted in an increase in fee revenue of $250,000; corresponding expenses are anticipated.

**IMPLEMENTATION PLAN/DATE**

Immediately.

**FISCAL IMPLICATIONS**

Original revenue and expense budgets will change to more accurately reflect projections by June 30, 2010.