



Item: AF: I-3

AUDIT AND FINANCE COMMITTEE
Thursday, April 19, 2012

SUBJECT: UPDATE ON 2012 LEGISLATIVE APPROPRIATIONS.

PROPOSED COMMITTEE ACTION

N/A – Information Only.

BACKGROUND INFORMATION

Discussion regarding the 2012 Legislative appropriation.

IMPLEMENTATION PLAN/DATE

N/A.

FISCAL IMPLICATIONS

To be determined.

Supporting Documentation: N/A.

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Florida Atlantic University

Update on 2012-13 Legislative Budget

Florida Atlantic University – Preliminary Planning

<u>Education & General</u>	<u>2011-12</u>	<u>2012-13</u>	<u>Difference</u>
General Revenue	\$113,925,755	\$ 91,510,614	<u>\$(22,415,141)</u>
Lottery	<u>\$ 18,199,057</u>	<u>\$ 13,896,935</u>	<u>\$(4,302,122)</u>
Sub-total GR & Lottery	\$ 132,124,812	\$105,406,549	<u>\$(26,717,263)</u>

Total 2012-13 General Revenue & Lottery Reduction \$(26,717,263)

Florida Atlantic University – Preliminary Planning

<u>Education & General</u>	<u>2011-12</u>	<u>2012-13</u>	<u>Difference</u>
Student Trust (Tuition & Fees)	<u>\$ 94,910,244</u>	<u>\$116,345,659</u>	<u>\$ 21,435,415*</u>
Sub-total	\$227,035,056	\$221,753,208	\$(5,281,848)

Designated Allocations/Reductions

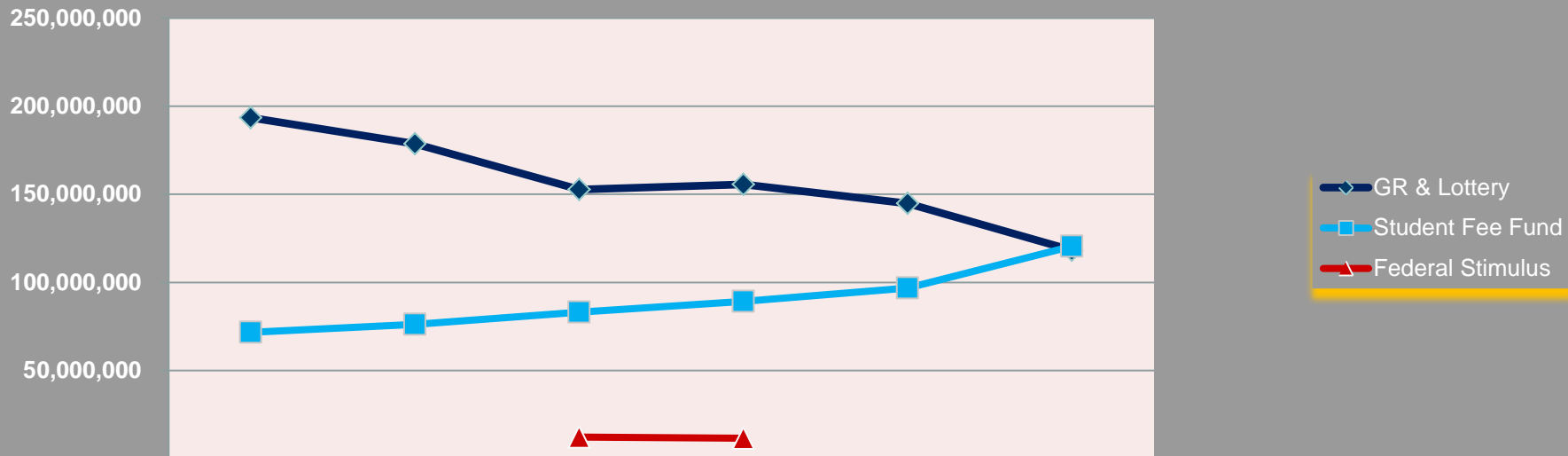
Experiential Education - AMI/FAU			\$(1,500,000)
Tuition Differential to Financial Aid			<u>\$(3,818,152)</u>
Sub-total			\$(5,318,152)
 Total E&G Reduction to FAU			<u>\$(10,600,000)</u>

**This is the authority to collect student tuition. The University must collect the tuition in order to spend. This increase represents the restoration of authority from prior year and the anticipated increase in this year's tuition. If we do not collect this amount, it will result in an additional reduction in our 2012-13 budget.*

FAU Legislative E&G Budget Allocation History from 2007-08 to 2012-13

Summary of Budget By Fund	2007-08	2008-09	2009-10	2010-11	2011-12 *	2012-13 *	Diff. since 2007-08
Total General Revenue	181,611,105	162,049,309	138,628,034	139,233,212	126,676,960	104,289,118	(77,321,987)
Total Enhancement Trust Fund	11,881,615	16,632,794	14,001,547	16,411,301	18,199,057	13,896,935	2,015,320
Total Student Trust Fund	71,726,292	76,094,024	83,162,724	89,211,858	96,868,244	120,542,538	48,816,246
Total Federal Stabilization Fund			12,155,065	11,630,612	-	-	
Total Budget Approved by BOG	265,219,012	254,776,127	247,947,370	256,486,983	241,744,261	238,728,591	(26,490,421)
\$ Increase/Decrease over the prior year		(10,442,885)	(6,828,757)	8,539,613	(14,742,722)	(3,015,670)	
% Increase/Decrease over the prior year		-3.9%	-2.7%	3.4%	-5.7%	-1.2%	

*includes College of Medicine



Florida Atlantic University – Medical School

	<u>2011-12</u>	<u>2012-13</u>	<u>Difference</u>
General Revenue	\$12,751,205	\$12,778,503	27,298
Student Trust	<u>\$ 1,958,000</u>	<u>\$ 4,196,880</u>	<u>\$2,238,880</u>
Total	<u>\$14,709,205</u>	<u>\$16,975,383</u>	<u>\$2,266,178</u>

Florida Atlantic University – PECO

	<u>2012-13 Request</u>	<u>2012-13 Allocation</u>
Scripps	\$2,000,000	\$0
Infrastructure	\$3,092,357	\$0
Infrastructure (2011)	<u>\$3,251,463</u>	<u>\$0</u>
Total	<u>\$8,343,820</u>	\$0

Goals of the Budget Recommendations

- To create a university that is right-sized and well-positioned to best serve the students, the academic pursuits of the faculty and the community
- To ensure this university is focused on success and student achievement in productivity, efficiency, outreach, business practices and planning – lower overhead to increase productivity
- To provide a dynamic and engaged campus life that stimulates learning, expands cultural competencies and best prepares students for professional life and intellectual discovery
- To stimulate research advances and meet the challenges of our signature themes, broadening knowledge, growing innovation and commercialization and enriching our culture
- To best use our physical spaces and facilities

Process

- Created website to gather responses from faculty, staff, students and the community.

collected nearly 500 suggestions of which many align with the options to be presented

- Senior Staff and the Deans met on numerous occasions to review options.
- Discussion with State College partners and BOG
- Implementation of the budget is required by July 1, 2012.
- Used valid historical data to build schedule for Summer 2012.

Principles of the 2012-13 Preliminary Reduction Planning

- Protect and strengthen core academic mission of the University
- Admit a larger, qualified entering class
- Improve retention and graduation rates
- Protect funding for faculty and classroom instruction
- Reduce administrative overhead
- Centralize back office functions on the Boca Raton Campus

Principles of the 2012-13 Preliminary Reduction Planning – Con't

- Ensure summer courses have sufficient enrollments to pay for the cost of instruction and campus overhead
- Improve the delivery of academic and research programs on all campuses
- Improve advising services to help students move toward graduation
- Increase research emphasizing our signature themes
- Continue to implement cost-saving measures on energy consumption and infrastructure support

Principles of the 2012-13 Preliminary Reduction Planning – Con't

- Work with State College partners to better serve the region and students with appropriate degree programs
- Promoting Private-Public partnerships
- Fostering relationships with foundations and other non-governmental organizations

Options for Budget Reductions

1. Suspend instruction at the Treasure Coast Campus

- Move all courses to Harbor Branch Oceanographic Institute (HBOI), Jupiter Campus and/or Boca Raton campus.
- Effective July 1, 2012 eliminate administrative overhead
- The University will work with the 247 students who attend courses at Treasure Coast (less than 1 percent of enrollment) to ensure that their graduation plans are not affected.
- Tenured and tenure-track faculty move to other campuses.
- Lay-off policies allow non-academic personnel to move to open positions throughout FAU, where qualified.

2. Establish the Dania Beach site as a self-supporting research facility

- Move from reliance on education/general funded campus to a self-supported research facility using research grants and entrepreneurial initiatives.
- The University will work with the 61 students (less than .02 percent of enrollment) who attend courses at Dania Beach to ensure that their graduation plans are not affected.
- Continue to develop and build upon the existing HBOI research enterprise, recently enhanced by more than \$44 million in buildings, infrastructure and research support. Utilize HBOI's world-class reputation to expand educational, outreach and partnership programs, including cooperative work with faculty and students in ocean engineering.

3. Initiate the process to move Downtown Fort Lauderdale programs to Davie or Boca Campus by June 30, 2013

- Analyze moving courses, faculty and academic programs to Davie or Boca Raton to minimize administrative overhead and maximize use of existing facilities. The addition of courses at Davie will maximize intellectual synergies gained by the close proximities of FAU, Broward College and Nova Southeastern University.
- 2,600 students (9% of enrollment) are enrolled at Davie. The University will work with the 547 students who attend courses at Ft. Lauderdale (less than 2 percent of overall enrollment) to ensure that their graduation plans are not affected.

4. Improve operational efficiencies and create savings

- Reduce cell phone usage and costs, investigate telecommunication alternatives, consolidate and outsource operational functions, centralized printing functions and identify staff who can work on either 9- or 10-month contracts, based on departmental function.
- Apportion FTE/positions currently on E&G funds to reflect effort devoted to revenue-producing auxiliary activity. Review overhead charge to Auxiliary units.
- Opportunities such as furloughs/unpaid time off will be studied at a later date in the fiscal year.

4. Improve operational efficiencies and create savings - Con't

- Green initiatives will continue to help reduce expenses by lowering energy costs.
- Centralize back office functions to the Boca Raton Campus.
- Across the board reductions of 2 to 4 percent.

5. Construct a summer schedule that meets the needs of students and is cost-effective
 - Offer courses in Summer 2012 that had a proven historical demand in Summer while offering needed courses with limited access, such as labs sections, practicums and other courses with typically lower enrollments (includes over 2,100 courses). Most institutions set minimum enrollments for all courses offered.
 - Opening additional sections to meet student demand as registration proceeds. Continue to serve students by opening courses to degree then non-degree-seeking students earlier in the registration process.
 - Use newly created waitlist system to open additional sections to meet student demand.

Additional Revenue Opportunities

- Increase admission of traditional-aged qualified students at the Boca Raton campus
- Increase out-of-state students
- Increase student retention
- Explore lower division courses at Davie
- Strengthen and increase student enrollment at the Honors College
- Grow research endeavors at HBOI (ocean science) and Jupiter campuses (neuroscience)

Additional Revenue Opportunities - Con't

- Hire senior faculty to support strategic plan and increase external research funding
- Increase educational opportunities at HBOI
- Apply for market rate tuition programs
- Charge for use of available sites and facilities by other educational entities

Summary of Proposed Reductions

1. Treasure Coast	\$ 1,761,340
2. Dania Beach	\$ 239,505
3. Ft. Lauderdale Campus	\$ 1,935,096
4. Operational Efficiencies	\$ 1,885,515
5. Summer Course Savings	\$ 500,000
6. Across the Board Reductions	<u>\$ 4,314,000</u>
Total Savings	\$10,635,456

- *Not all savings will be realized on July 1, 2012, therefore carry forward will be used to cover campus costs*
- *Deferred Maintenance issues not addressed*
- *Scripps payment from auxiliary funds for 2012-13*

Discussion