



Item: BF: A-2

BUDGET AND FINANCE COMMITTEE

Tuesday, May 15, 2018

SUBJECT: REVIEW AND APPROVAL OF THE FAU 2018-19 PROPOSED OPERATING AND CAPITAL BUDGETS.

PROPOSED COMMITTEE ACTION

Presentation of Florida Atlantic University's 2018-19 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, 2018.

FISCAL IMPLICATIONS

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

Supporting Documentation: Powerpoint Presentation: 2018-19 Proposed Operating Budget

Presented by: Mr. Art Kite, Deputy CFO

Phone: 561-297-3267

FLORIDA ATLANTIC UNIVERSITY



2018-19 PROPOSED OPERATING BUDGET

May 15, 2018

2018-19 OPERATING BUDGET EXECUTIVE SUMMARY

The 2018-19 Operating Budget of Florida Atlantic University (FAU) is comprised of seven budgetary components:

Educational and General

Student Financial Aid

Contracts and Grants

Auxiliary Enterprises

Athletics Local

Student Government

Concessions

Budgets are reviewed and evaluated at multiple levels within the organization, from departmental units to the President's Executive Leadership Team and the Board of Trustees.

FAU's 2018-19 Operating Expenditure Budget totals \$810,030,199 an increase of 4.2% over the prior year. In order to accurately reflect total revenues within each budgetary component, the 2018-19 budget reflects inter-fund transfers between units.

2018-19 Educational and General Budget

	<u>University</u>	<u>Final Medical School</u>	<u>Total FAU</u>
2017-18 Expenditure Budget	\$ 300,885,496	\$ 24,569,928	\$ 325,455,424
2018-19 Net Budget Changes - Detail			
Estimated change in Performance Funding (non-recurring) **	\$ 604,996		\$ 604,996
World Class Faculty & Scholar Program (recurring)	1,284,455	-	1,284,455
Graduate Degree Excellence Program (recurring)	440,041	-	440,041
Health Insurance increase & Florida Retirement System Contributions	453,876	45,756	499,632
Risk Management Increase	258,164	-	258,164
FAU- Secondary Robotics Team Support (non-recurring)	(150,000)	-	(150,000)
FAU - Restore 2017-18 Operating Base - Reduced (\$58,316)	2,129,184	-	2,129,184
FAU - Everglades Restoration and Community Resilience (non-recurring)	250,000	-	250,000
FAU - Max Planck Scientific Fellowship * (non-recurring)	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Total	\$ 6,020,716	\$ 45,756	\$ 6,066,472
2018-19 Proposed Expenditure Budget	\$ 306,906,212	\$ 24,615,684	\$ 331,521,896

* Pass Through

** Estimated performance funding of \$20M compared to the prior year of \$19.3M

Five-year Legislative Revenue Budget Summary 2014-15 to 2018-19 Proposed Budget

<u>University</u>	2014-15	2015-16	2016-17	2017-18	2018-19	1 year % Change
General Revenue	\$ 121,094,914	\$ 140,635,926	\$ 152,052,188	\$ 158,380,258	\$ 160,737,711	1.5
Lottery *	20,785,531	19,994,203	22,506,154	18,696,001	22,359,264	19.6
Tuition and Fees**	<u>129,145,158</u>	<u>129,369,909</u>	<u>136,074,256</u>	<u>136,074,256</u>	<u>136,074,256</u>	<u>-</u>
Subtotal	271,025,603	290,000,038	310,632,598	313,150,515	319,171,231	1.9
<u>Medical School</u>						
General Revenue	14,344,890	14,337,746	14,693,918	14,921,681	14,967,437	0.3
Tuition and Fees**	<u>8,238,505</u>	<u>8,272,005</u>	<u>9,648,247</u>	<u>9,648,247</u>	<u>9,648,247</u>	<u>-</u>
Subtotal	22,583,395	22,609,751	24,342,165	24,569,928	24,615,684	0.2
Total FAU E&G Revenue Budget	<u>\$ 293,608,998</u>	<u>\$ 312,609,789</u>	<u>\$ 334,974,763</u>	<u>\$ 337,720,443</u>	<u>\$ 343,786,915</u>	<u>1.8</u>

*Lottery budget reflects \$3.6m fund shift from General Revenue to Lottery.

**Legislative authority to collect student tuition.

Five-year Expenditure Budget* Summary 2014-15 to 2018-19

Fund Type	2014-15	2015-16	2016-17	2017-18	2018-19 **	1 year % Change
Educational & General	\$ 280,809,499	\$ 299,810,290	\$ 322,709,744	\$ 325,455,424	\$ 331,521,896	1.9
Student Financial Aid	202,133,102	196,558,935	197,953,827	200,859,417	201,483,899	0.3
Contracts & Grants	55,498,239	59,098,850	60,514,705	62,484,912	69,961,765	12.0
Auxiliary Enterprises	125,346,933	139,559,277	142,153,266	148,209,958	164,680,639	11.1
Athletics						
Athletics Operations	22,133,710	21,385,170	22,187,469	24,586,083	27,053,405	
Stadium Operations/Debt Service	<u>5,275,853</u>	<u>4,961,259</u>	<u>4,917,562</u>	<u>4,745,122</u>	<u>4,076,822</u>	
Total Athletics	27,409,563	26,346,429	27,105,031	29,331,205	31,130,227	6.1
Student Government	11,217,531	9,876,445	9,497,901	10,102,456	10,626,773	5.2
Concessions	<u>510,000</u>	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	-
TOTAL	<u>\$ 702,924,867</u>	<u>\$ 731,875,226</u>	<u>\$ 760,559,474</u>	<u>\$ 777,068,372</u>	<u>\$ 810,030,199</u>	<u>4.2</u>

*Includes inter-fund transfers

**2018-19 E&G Proposed Budget

2018-19 BUDGET SUMMARY

Educational and General Proposed Expenditure Budget	\$ 331,521,896
Non-E&G Fund Expenditure Budget	<u>478,508,303</u>
Total Operating Budget	810,030,199
Capital Outlay Budget	<u>2,524,262</u>
TOTAL 2018-19 Budget	<u>\$ 812,554,461</u>