



Item: BF: A-1

## **BUDGET AND FINANCE COMMITTEE**

**Tuesday, June 2, 2020**

**SUBJECT: REVIEW AND APPROVAL OF THE FAU 2020-21 PROPOSED OPERATING BUDGET.**

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### **PROPOSED COMMITTEE ACTION**

Presentation of Florida Atlantic University's 2020-21 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, 2020.

### **FISCAL IMPLICATIONS**

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

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**Supporting Documentation:** Presentation of 2020-21 Proposed Operating Budget

**Presented by:** Mr. Jeff Atwater, V.P. Strategic Initiatives & CFO

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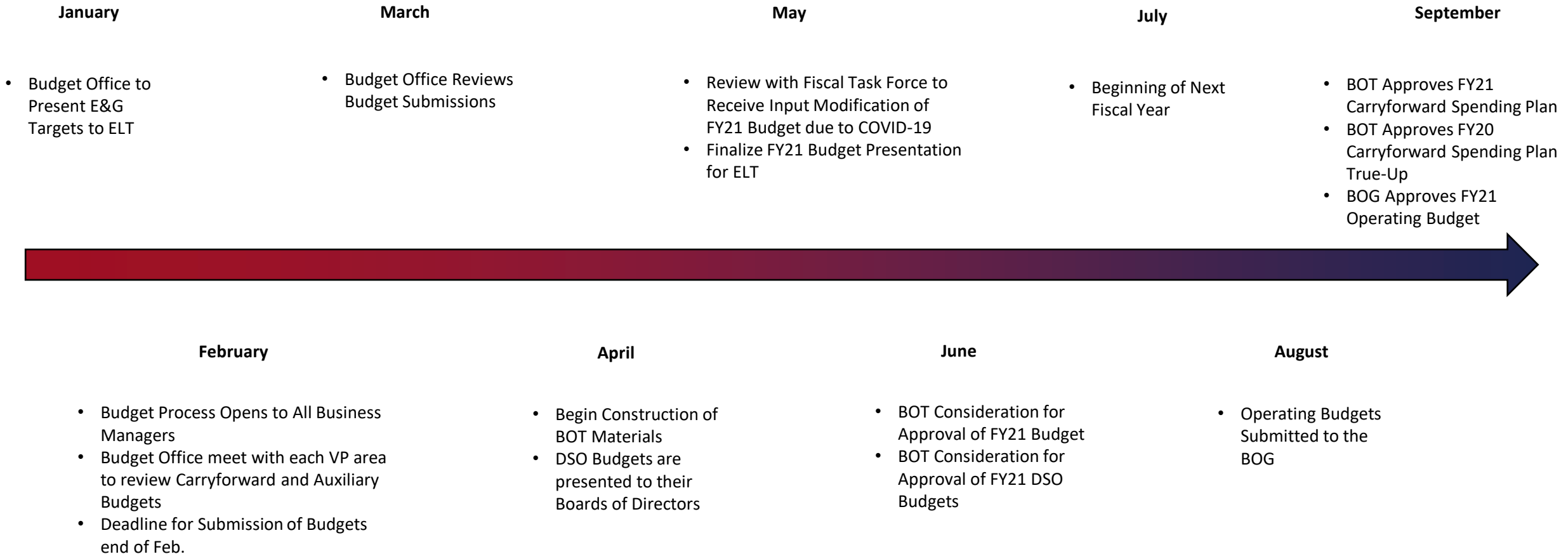


# FY2021 Proposed Operating Budget

June 2, 2020



# Timeline for Budget Process





## 2020-21 OPERATING BUDGET EXECUTIVE SUMMARY

The 2020-21 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

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 2020-21 Operating Expenditure Budget totals \$ 881,882,932 an increase of 1.3% over the prior year. In order to accurately reflect total revenues within each budgetary component, the 2020-21 budget reflects inter-fund transfers between units.



## Five-Year Revenue Budget to Actuals Summary

	2016-17		2017-18		2018-19		2019-20		2020-21	Budget
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual (as of 03/31/20)	Budget	1 year % Change
Educational & General	\$ 334,974,763	\$ 330,837,099	\$ 337,720,443	\$ 331,070,250	\$ 344,489,868	\$ 340,990,366	\$ 355,805,924	\$ 305,631,014	\$ 364,098,936	2.3
Student Financial Aid	198,107,492	194,558,992	200,845,774	207,256,884	201,806,994	211,066,156	203,887,240	188,742,605	206,932,674	1.5
Contracts & Grants *	60,514,705	72,497,486	62,484,912	71,835,640	69,961,765	91,726,178	74,934,172	58,955,267	77,477,806	3.4
Auxiliary Enterprises	112,000,139	105,110,704	123,309,530	112,750,869	127,814,117	126,314,579	130,487,728	97,678,348	135,094,169	3.5
Athletics	27,105,031	30,118,127	29,331,205	32,328,755	31,130,227	30,253,089	31,236,967	18,421,999	31,661,982	1.4
Student Government	9,150,076	9,138,214	9,175,390	9,514,049	9,178,411	9,809,391	9,160,206	9,248,785	9,380,598	2.4
Concessions	625,000	705,381	625,000	671,978	625,000	721,174	625,000	354,286	625,000	-
<b>TOTAL</b>	<b>\$ 742,477,206</b>	<b>\$ 757,496,768</b>	<b>\$ 763,492,254</b>	<b>\$ 783,050,267</b>	<b>\$ 785,006,382</b>	<b>\$ 810,880,934</b>	<b>\$ 806,137,237</b>	<b>\$ 679,032,305</b>	<b>\$ 825,271,165</b>	<b>2.4</b>

\*Contracts & Grants fund type includes Foundation, HBOL, Henderson School, Division of Research, and Sponsored Research



## Five-Year Expenditure Actuals Summary

	2016-17		2017-18		2018-19		2019-20		2020-21	Budget
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual (as of 03/31/20)	Budget	1 year % Change
Educational & General Carryforward*	\$ 322,709,744	\$ 306,772,194	\$ 325,455,424	\$ 301,908,300	\$ 332,224,849	\$ 302,556,935	\$ 343,540,904	\$ 258,810,495	\$ 352,527,239	2.6
Student Financial Aid	-	-	-	-	-	-	61,748,745	11,238,405	59,318,140	(3.9)
Contracts & Grants **	197,953,827	193,589,745	200,859,417	206,809,376	201,483,899	210,510,077	203,848,798	187,186,805	206,996,075	1.5
Auxiliary Enterprises	60,514,705	56,996,552	62,484,912	64,851,526	69,961,765	88,773,886	74,801,931	59,790,575	78,147,865	4.5
Athletics	132,950,380	102,805,114	138,599,670	109,441,825	154,779,206	135,339,043	144,982,195	105,807,712	141,101,600	(2.7)
Student Government	27,105,031	30,118,127	29,331,205	32,328,755	31,130,227	30,253,089	31,236,967	21,945,098	31,661,982	1.4
Concessions	9,497,901	7,643,272	10,102,456	8,137,452	10,626,773	8,135,384	10,044,510	6,488,958	11,505,031	14.5
	<u>625,000</u>	<u>769,408</u>	<u>625,000</u>	<u>574,904</u>	<u>625,000</u>	<u>655,426</u>	<u>625,000</u>	<u>519,062</u>	<u>625,000</u>	-
<b>TOTAL</b>	<b>\$ 751,356,588</b>	<b>\$ 698,694,412</b>	<b>\$ 767,458,084</b>	<b>\$ 724,052,138</b>	<b>\$ 800,831,719</b>	<b>\$ 776,223,840</b>	<b>\$ 870,829,050</b>	<b>\$ 651,787,111</b>	<b>\$ 881,882,932</b>	<b>1.3</b>

\*FY 2020-21 Preliminary Amount. FY 2019-20 Information Purposes Only

\*\*Contracts & Grants fund type includes Foundation, HBOI, Henderson School, Division of Research, and Sponsored Research



## E&G Revenue Detailed

University	BUDGET					1 year % Change
	2016-17	2017-18	2018-19	2019-20	2020-21	
General Revenue	\$ 152,052,188	\$ 158,380,258	\$ 161,440,664	\$ 165,671,382	\$ 168,496,975	1.7
Lottery **	22,506,154	18,696,001	22,359,264	27,939,279	31,914,300	14.2
Tuition and Fees*	<u>136,074,256</u>	<u>136,074,256</u>	<u>136,074,256</u>	<u>136,074,256</u>	<u>136,401,331</u>	<u>0.2</u>
Subtotal	310,632,598	313,150,515	319,874,184	329,684,917	336,812,606	2.2
<b>Medical School</b>						
General Revenue	14,693,918	14,921,681	14,967,437	16,472,760	16,568,949	0.6
Tuition and Fees*	<u>9,648,247</u>	<u>9,648,247</u>	<u>9,648,247</u>	<u>9,648,247</u>	<u>10,717,381</u>	<u>11.1</u>
Subtotal	24,342,165	24,569,928	24,615,684	26,121,007	27,286,330	4.5
<b>Total FAU E&amp;G Revenue Budget</b>	<b><u>\$ 334,974,763</u></b>	<b><u>\$ 337,720,443</u></b>	<b><u>\$ 344,489,868</u></b>	<b><u>\$ 355,805,924</u></b>	<b><u>\$ 364,098,936</u></b>	<b><u>2.3</u></b>

\*Legislative authority to collect student tuition. Additional Tuition Authority in 2020-21 is a technical shift by the BOG with neutral effect to the SUS.

\*\*Lottery budget reflects \$3.7 M fund shift from General Revenue to Lottery.



## Financial Aid Expense Detailed

	2020-21 BUDGET
Federal Stafford Loan Program	101,513,493
Federal Pell Grant	47,505,000
State Programs - Financial Aid Fund	31,991,526
Alternative/Private Loans	8,873,843
All Other Student Financial Aid	<u>\$17,112,213</u>
<b>Total Student Financial Aid</b>	<b><u><u>\$206,996,075</u></u></b>

Of the \$207 M in Financial Aid, Pell, Stafford Loans and State Programs including Bright Futures account for 87%, or \$181 M of the total Financial Aid expense Budget.





## Contracts & Grants Expense Detailed

	<b>2020-21 BUDGET</b>
Foundation	13,034,266
Henderson	9,911,408
DOR Operations/HBOI	10,942,425
Sponsored Research	44,259,766
<b>Total Contracts &amp; Grants</b>	<b><u><u>\$78,147,865</u></u></b>



## Top 20 Major Auxiliary Programs by Expense

	<b>2020-21 BUDGET</b>
1 Executive Degree Programs	15,627,000
2 Center Market Place	8,322,325
3 COM - GME Internal Medicine Residency Program	8,250,267
4 COM - GME General Surgery Residency Program	6,230,155
5 Clearwire	5,313,468
6 Traffic And Parking Services	7,333,700
7 eLearning - Center for eLearning	4,269,710
8 School of Accounting - Executive Programs	4,268,738
9 Student Counseling Center/CAPS	3,515,035
10 COM - GME Emergency Medicine Residency Program	3,454,793
11 COM - GME Psychiatry Residency Program	2,908,754
12 Bookstore	2,858,817
13 CON - 2nd Degree BSN Program	2,722,362
14 Student Health Services-Medical	2,698,068
15 Communication Infrastructure Aux	2,257,267
16 Honors College I - Operations	2,193,102
17 Executive Continuing Education	2,050,830
18 Osher Lifelong Learning Institute - Jupiter	1,984,544
19 Osher Lifelong Learning Institute - Boca	1,897,914
20 University Center	1,680,883
<b>Subtotal Top 20 Auxiliaries</b>	<b>89,837,733</b>
<b>All Other Auxiliaries</b>	<b>51,263,867</b>
<b>Total Auxiliary Expense Budget</b>	<b><u>\$141,101,600</u></b>

The top 20 largest auxiliaries account for \$89.8M or 63.7% of all budgeted auxiliary expenses.



## Student Government Expense Detailed

	<b>2020-21 BUDGET</b>
<b>Student Government</b>	<b>\$11,505,031</b>

Approximately 50% of the Student Government's budget relates to supporting our Student Unions and Campus Rec across all campuses. The remainder of their budget is spent on their own operations as well as items such as:

- All Student Organizations on Campus
- Fall Bonfire
- Homecoming Week
- Rally in Tally/FAU Days at the Capitol
- Mascot Program (Owsley and Hoot)



## Direct Support Organization

*Use of University Equipment, Facilities and Personnel*

DSO	Equipment	Facilities sq. ft.	No. of Personnel	Personnel Cost
FAUF	\$2,815	2,725	17	\$1,216,998
FAUFC	-	-	-	-
FAURC	-	-	4	\$59,137
HBOIF	-	-	-	-
CPO	\$10,192	16,702	4	\$72,553

- For FY2020-21, the FAUFC and HBOIF are not utilizing any equipment, facilities, or personnel of the university. All personnel who have responsibilities to these DSO's are charged directly to the DSO.
- Equipment consists of copiers, modular wall systems, computers, IT equipment, medical equipment and other miscellaneous furniture.
- Facilities are the sqft. occupied by the Foundation (FAUF) and CPO on University property that they do not pay rent for.



## Proposed Budget Summary

Educational and General Proposed Expenditure Budget	\$ 352,527,239
Non-E&G Fund Expenditure Budget	<u>529,355,693</u>
<b>Total 2020-21 Budget</b>	<b><u>\$ 881,882,932</u></b>



**Thank You**



# Appendix



## 2020-21 Educational and General Expenditure Budget

	University	Medical School	Total FAU
<b>2019-20 Expenditure Budget</b>	<b>\$ 316,523,128</b>	<b>\$ 26,121,007</b>	<b>\$ 342,644,135</b>
Operational Support (recurring)***	2,000,000	-	2,000,000
University Distinction (recurring/non-recurring)***	3,000,000	-	3,000,000
FY20 Performance Funding (non-recurring)**	(20,517,518)	-	(20,517,518)
FY21 Performance Funding (non-recurring)**	21,197,885	-	21,197,885
Health Insurance Premium Adjustments/Annualizations	1,443,989	96,189	1,540,178
COM Additional Student Tuition	-	1,069,134	1,069,134
Risk Management Adjustment	(542,137)	-	(542,137)
Additional Lottery Funds	218,395	-	218,395
Distribution of Tuition Authority	1,917,167	-	1,917,167
FY20 FAU - Max Planck Scientific Fellowship (non-recurring) *	(750,000)	-	(750,000)
FY21 FAU - Max Planck Scientific Fellowship (non-recurring) *	750,000	-	750,000
<b>Total</b>	<b>8,717,781</b>	<b>1,165,323</b>	<b>9,883,104</b>
<b>2020-21 Proposed Expenditure Budget (less tuition authority)</b>	<b>\$ 325,240,909</b>	<b>\$ 27,286,330</b>	<b>\$ 352,527,239</b>

\*Pass Through

\*\* Allocation based on new performance metrics methodology

\*\*\* Awaiting Governor and BOG decisions.





## E&G Expense Detailed

	<b>2020-21 BUDGET</b>
President's Office	\$2,217,396
Administrative Affairs	35,738,696
Athletics	230,246
Financial Affairs	6,152,441
Institutional Advancement	4,752,122
Legal Affairs & General Counsel	1,422,146
Public Affairs	4,224,368
Division of Research	20,330,728
Student Affairs	22,381,999
<b>General Admin Services</b>	<b>16,610,049</b>
<i>Unallocated PF</i>	3,492,552
<i>University of Distinction</i>	3,000,000
<i>Risk Management</i>	1,788,645
<i>Max Planck</i>	1,639,101
<i>Robotics</i>	100,000
<i>Fringe Benefits</i>	6,589,751
<b>Academic Affairs &amp; Provost</b>	<b>238,467,048</b>
<i>Office of the Provost</i>	36,844,703
<i>College of Arts and Letters</i>	29,017,565
<i>College of Business</i>	29,899,095
<i>College for Design &amp; Social Inquiry</i>	12,002,027
<i>College of Education</i>	14,471,257
<i>College of Engineering and CS</i>	17,622,906
<i>College of Medicine</i>	27,286,325
<i>College of Nursing</i>	7,509,704
<i>College of Science</i>	32,355,704
<i>Honors College</i>	5,414,653
<i>Graduate College</i>	11,042,501
<i>Undergraduate Studies</i>	5,588,994
<i>University Libraries</i>	9,411,614
<b>Total E&amp;G</b>	<b><u><u>\$352,527,239</u></u></b>



## Carryforward Expense Detailed

	<b>2020-21 BUDGET</b>
Academic Affairs	21,533,074
Administrative Affairs	1,296,901
Division of Research	4,370,640
Financial Affairs	3,738,200
General Admin*	26,128,835
Institutional Advancement	662,753
Legal Affairs & General Counsel	615,886
President	657,177
Public Affairs	314,675
<b>Total Carryforwards</b>	<b><u><u>\$59,318,141</u></u></b>

*\*Contains 7% Reserve of \$25.4 M*



# Athletics Detailed

<u>REVENUE BUDGET</u>	<u>2020-21 BUDGET</u>
Season Tickets Cash Received	2,300,000
Development, Corporate Sales and Capital Gifts	1,523,000
NCAA/Conference Distribution/Game Guarantees	4,185,000
Student Fees	14,400,000
Scholarships, Foundation, Waivers, Title IX, Financial Aid	6,859,857
Other Miscellaneous Revenue *	2,394,125
<b>Total Athletics Revenue</b>	<b><u><u>\$31,661,982</u></u></b>

<u>EXPENDITURE BUDGET</u>	<u>2020-21 BUDGET</u>
Salaries and Benefits	12,667,999
All Sport Operations (except for S&B)	5,692,508
Facilities, Operations and Game Day	3,147,780
Scholarships, Waivers, Title IX, Financial Aid	3,606,742
Administrative Expenses	1,701,835
Medical Support	1,317,087
Debt Service	2,359,530
Other Miscellaneous Expenses **	1,168,501
<b>Total Athletics Expense</b>	<b><u><u>\$31,661,982</u></u></b>

*\*Comprised of catering/concessions, facilities rentals, parking and other revenue*

*\*\*Comprised of Rental, Equipment and other expenses*



## Concessions Expense Detailed

	<b>2020-21 BUDGET</b>
Academic Affairs and Provost	91,300
Administrative Affairs	146,000
Division of Research	3,500
Financial Affairs	23,000
General Admin Services	181,500
Institutional Advancement	3,000
Legal Affairs & General Counsel	7,500
President	124,000
Public Affairs	7,000
Student Affairs	<u>38,200</u>
<b>Total Concessions</b>	<b><u><u>\$625,000</u></u></b>

The Concession budget is made up from sponsorships from Coca-Cola and commissions from vending machines.