

FLORIDA ATLANTIC UNIVERSITY



2015-16 OPERATING BUDGET

September 20, 2015

2015-16 OPERATING BUDGET EXECUTIVE SUMMARY

The 2015-16 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. Approved at the June 15, 2015 Board of Trustees meeting was a preliminary target budget. On June 29, 2015 the Governor approved the 2015-16 State Budget.

FAU's 2015-16 Operating Expenditure Budget totals \$731,875,226, an increase of 4.1% over the prior year. In order to accurately reflect total revenues within each budgetary component, the 2015-16 budget reflects transfers between units.

Educational and General:

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.

Revenue Budget

The 2015-16 E&G Revenue Budget, including the College of Medicine, totals \$312,609,789 which reflects an increase 6.5% over the previous year including non-recurring funds and tuition budget authority of \$12,799,499.

Expenditure Budget

The 2015-16 E&G Expenditure Budget totals \$299,810,290 which excludes \$12,799,499 budget authority to collect student tuition with allocations to take place, pending actual enrollments.

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 \$196,558,935 in projected expenditures, a decrease of 2.8% over the prior year due to the regulatory change in the Stafford Loan requirements for the borrowing eligibility for enrollments less than full time.

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, FAU and HBOI Foundation endowment distribution and A. D. Henderson University School. The Contracts and Grants budget totals \$59,098,850 in projected expenditures, an increase of 6.5% due to anticipated increasing research activities and Henderson School enrollment and recurring sparsity allocation of approximately \$100K.

Auxiliary Enterprises:

The Auxiliary Enterprises Budget is comprised of business and enterprise operations that are self-supporting through user fees, payments, and charges. The range of operations include auxiliaries such as Food Service, Traffic and Parking, and HBOI auxiliary operations. Also included in this budget are the expenditures and revenues of the new technology fee. The Auxiliary Enterprises Budget totals \$139,559,277 in projected expenditures, an increase of 11.3% over the prior year due to increases in the Medical School GME Program, College of Business Market Rate Programs, Technology Fee and Student Health Services.

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 \$26,346,429 in projected expenditures, a decrease of 3.9% over the prior year due to a reduction of game guarantees received.

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 \$9,876,445 in projected expenditures, a decrease of 12.0% over the prior year which included budget authority for prior year fund balance.

Concessions:

The Concessions Budget is comprised of funding derived from concessions operations such as soft drink and snack vending machines. The Concessions Budget totals \$625,000 in projected expenditures due to the new negotiated contract from Coca-Cola.

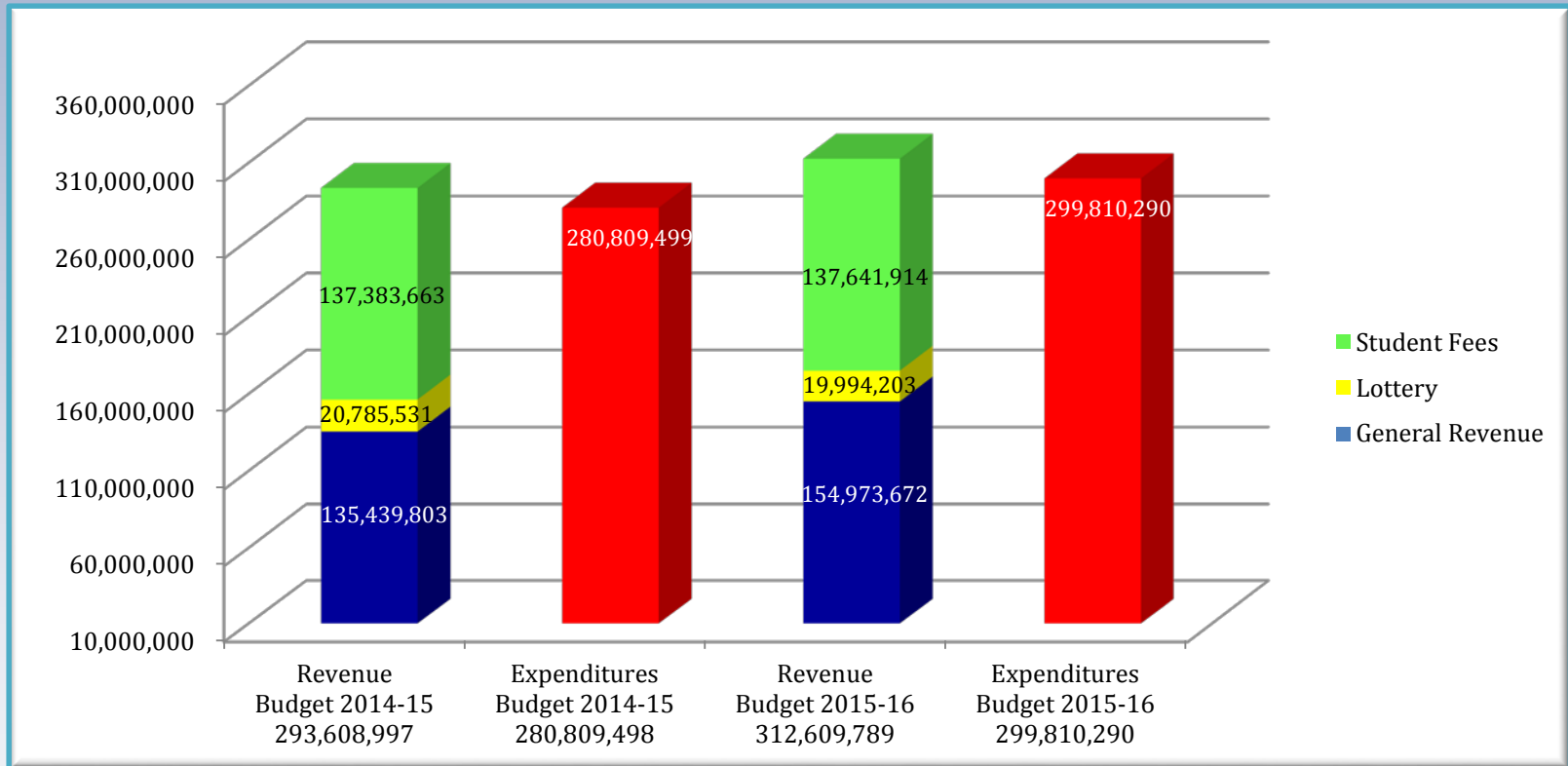
2015-16 Educational and General Expenditure Budget

	University	Medical School	Total FAU
2014-15 E&G Revenue Budget	\$ 271,025,603	\$ 22,583,395	\$ 293,608,998
Excess Legislative Student Tuition Budget Authority	(12,799,499)	-	(12,799,499)
2014-15 E&G Expenditure Budget	258,226,104	22,583,395	280,809,499
 2014-15 Appropriations/Adjustments			
Risk Management /Dual enrollment for summer	(120,121)	-	(120,121)
Non-recurring funds:			
FAU/AMI	(1,500,000)	-	(1,500,000)
FAU/Max Planck Fellowship Program	(1,500,000)	-	(1,500,000)
Tech Runway	(1,050,000)	-	(1,050,000)
Jupiter Bioscience Gateway	(500,000)	-	(500,000)
Total Adjustments and Non-recurring	(4,670,121)	-	(4,670,121)
 2014-15 Ending E&G Expenditure Budget	 \$ 253,555,983	 \$ 22,583,395	 \$ 276,139,378

2015-16 Educational and General Expenditure Budget

	University	Medical School	Total FAU
2014-15 Ending E&G Expenditure Budget	\$ 253,555,983	\$ 22,583,395	\$ 276,139,378
Restoration of 2014-15 Base budget for Performance Funding	6,952,393	-	6,952,393
2015-16 Budget			
Performance Funding (Non-recurring)	11,366,318	-	11,366,318
Health and Retirement Adjustment	38,314	(7,144)	31,170
STEM Life Science Initiatives - Jupiter			
Recurring	2,631,815	-	2,631,815
Non-recurring	900,000	-	900,000
FAU Max Planck Science Fellowship Program (passthrough)			
Recurring	550,000	-	550,000
Non-recurring	700,000	-	700,000
New Space - Tech Runway (Util., Operations & Maint.)	280,965	-	280,965
Student Tuition Budget Adjustment	224,751	-	224,751
FAU Medical School Adjustment	-	33,500	33,500
Total Proposed Budget	16,692,163	26,356	16,718,519
Total 2015-16 Expenditure Budget	\$ 277,200,539	\$ 22,609,751	\$ 299,810,290

Educational & General Operating Budget with Prior Year Comparison



Five-year Legislative Revenue Budget Summary 2011-12 to 2015-16

<u>University</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>5-Year % Change</u>
General Revenue	\$ 111,967,655	\$ 91,510,614	\$ 119,757,792	\$ 121,094,914	\$ 140,635,926	25.6
Lottery	18,199,057	13,896,935	16,731,350	20,785,531	19,994,203	9.9
Tuition and Fees*	<u>96,868,244</u>	<u>116,345,659</u>	<u>124,973,462</u>	<u>129,145,158</u>	<u>129,369,909</u>	<u>33.6</u>
Subtotal	\$ 227,034,956	\$ 221,753,208	\$ 261,462,604	\$ 271,025,603	\$ 290,000,038	27.7
 <u>Medical School</u>						
General Revenue **	\$ 12,763,455	\$ 12,778,503	\$ 14,535,791	\$ 14,344,890	\$ 14,337,746	12.3
Tuition and Fees*	<u>1,945,850</u>	<u>4,196,880</u>	<u>6,158,280</u>	<u>8,238,505</u>	<u>8,272,005</u>	<u>325.1</u>
Subtotal	\$ 14,709,305	\$ 16,975,383	\$ 20,694,071	\$ 22,583,395	\$ 22,609,751	53.7
 Total FAUE&G Revenue Budget	 <u>\$ 241,744,261</u>	 <u>\$ 238,728,591</u>	 <u>\$ 282,156,675</u>	 <u>\$ 293,608,998</u>	 <u>\$ 312,609,789</u>	 <u>29.3</u>

**Legislative authority to collect student tuition.*

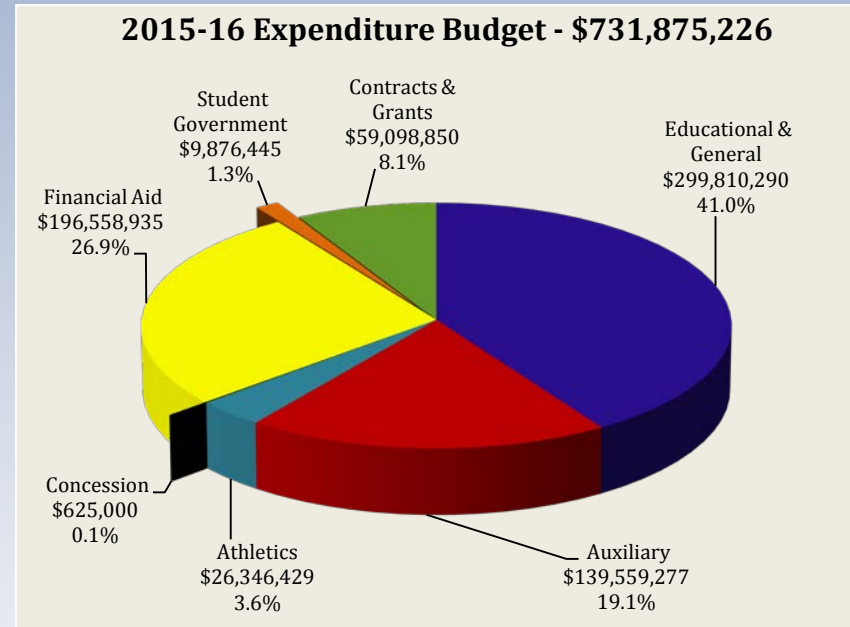
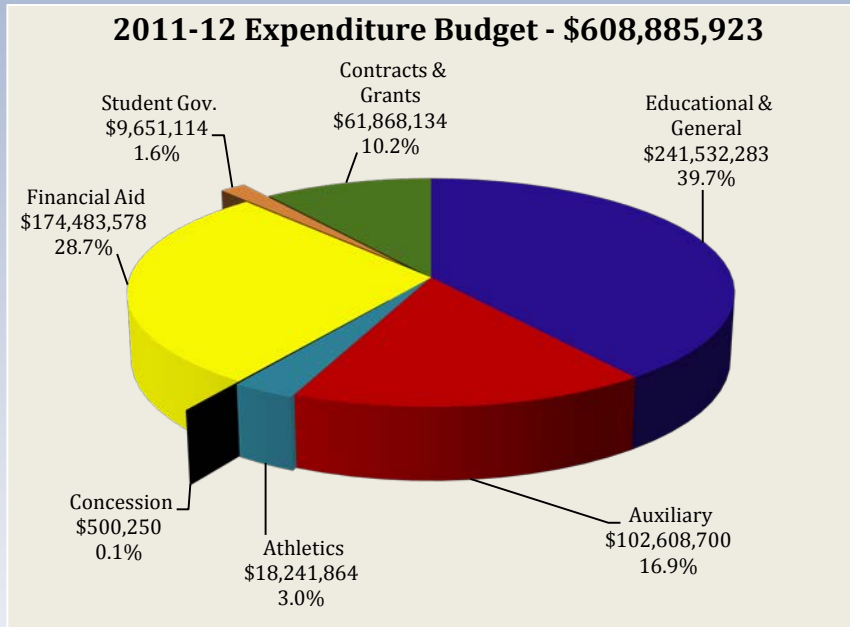
*** Medical School General Revenue reclassified for comparative purposes*

Five-year Expenditure Budget* Summary 2011-12 to 2015-16

Fund Type	2011-12	2012-13	2013-14	2014-15	2015-16	2-year % Change
Educational & General	\$ 241,532,283	\$ 238,728,591	\$ 273,528,872	\$ 280,809,499	\$ 299,810,290	6.8
Student Financial Aid	174,483,578	193,986,305	203,035,641	202,133,102	196,558,935	(2.8)
Contracts & Grants	61,868,134	64,748,439	67,714,890	55,498,239	59,098,850	6.5
Auxiliary Enterprises	102,608,700	107,309,457	123,564,043	125,346,933	139,559,277	11.3
Athletics						
Athletics Operations	15,707,021	17,556,053	20,428,407	22,133,710	21,385,170	
Stadium Operations/Debt Service	<u>2,534,843</u>	<u>5,413,850</u>	<u>5,227,542</u>	<u>5,275,853</u>	<u>4,961,259</u>	
Total Athletics	18,241,864	22,969,903	25,655,949	27,409,563	26,346,429	(3.9)
Student Government	9,651,114	9,940,647	10,706,149	11,217,531	9,876,445	(12.0)
Concessions	<u>500,250</u>	<u>480,250</u>	<u>480,250</u>	<u>510,000</u>	<u>625,000</u>	<u>22.5</u>
TOTAL	<u>\$ 608,885,923</u>	<u>\$ 638,163,592</u>	<u>\$ 704,685,794</u>	<u>\$ 702,924,867</u>	<u>\$ 731,875,226</u>	<u>4.1</u>

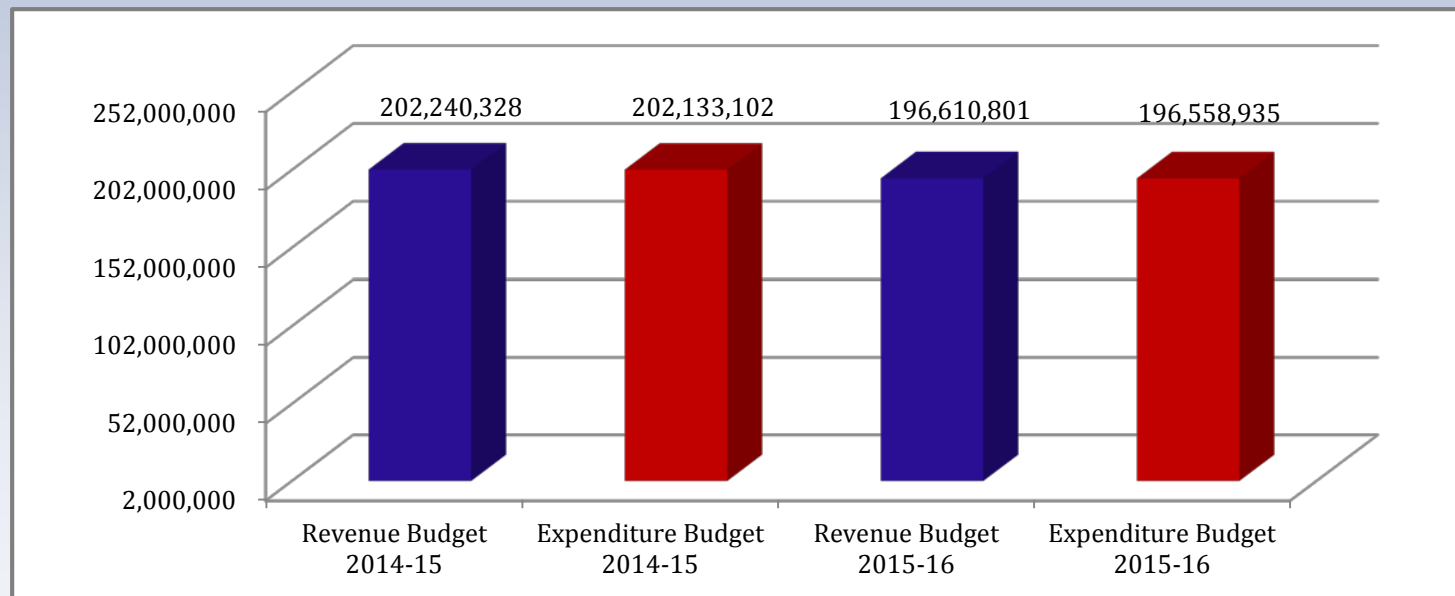
*Includes transfers

Five-year Expenditure Budget Comparison



The Student Financial Aid Budget Highlights

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 Grants, 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).

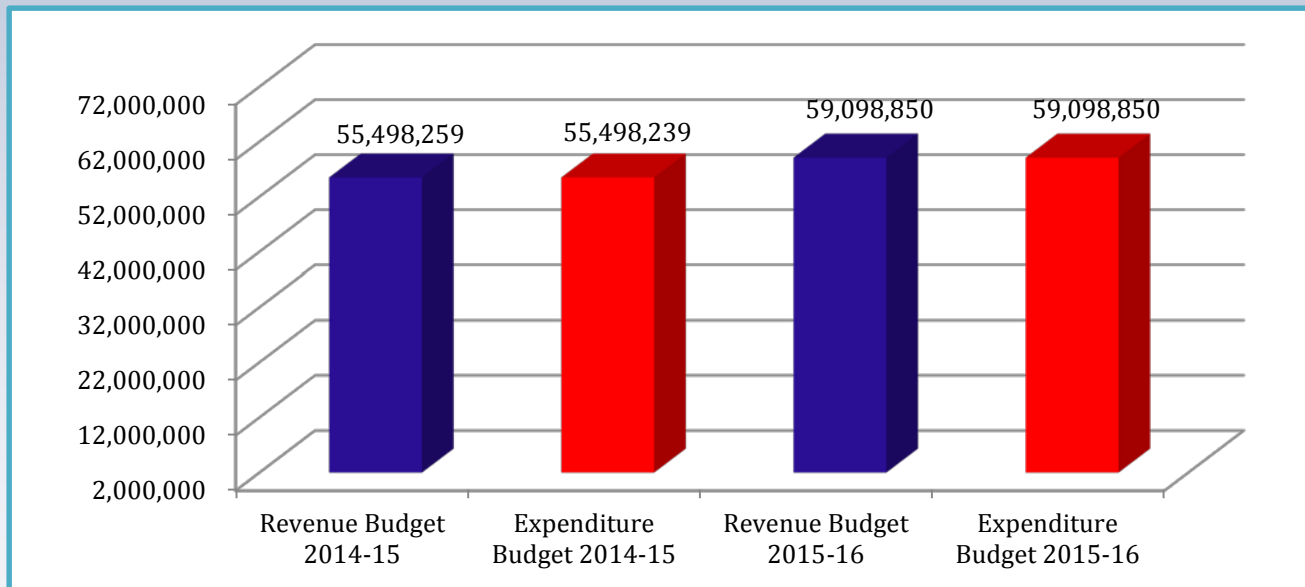


All years include Stafford and Alternative loans.

The Contracts and Grants Budget Highlights

Funding from federal agencies, state agencies, foundations and private sources that enables the University to conduct specific research projects or to provide specific services. The 2015-16 operating expenditure budget represents an increase of 6.5 percent from the prior year:

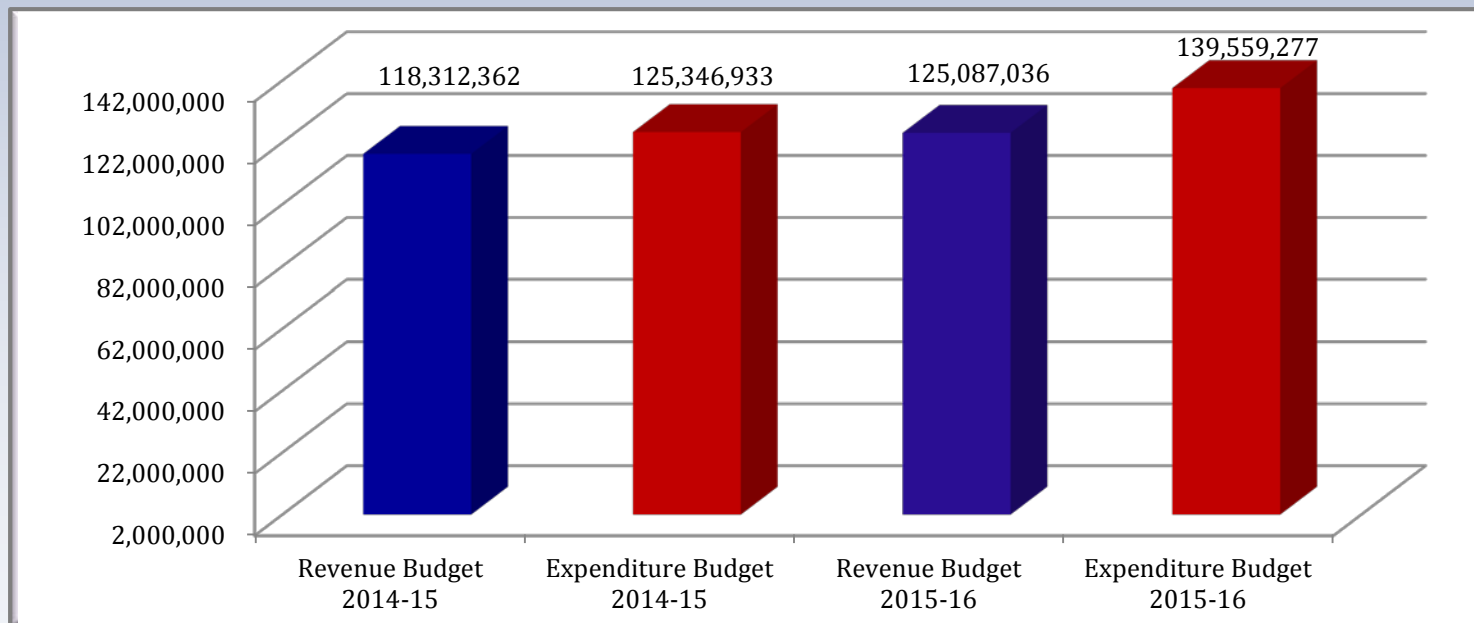
Sponsored Research	\$44,400,000
FAU F/HBOI Foundation Endowment Spending	6,729,285
A. D. Henderson School	<u>7,969,565</u>
Total	\$59,098,850



The Auxiliary Enterprises Budget Highlights

University business operations that are self-supporting through user fees, payments and charges. These include: Food Services, Bookstore, Traffic and Parking, Technology Fee expenditure, and others.

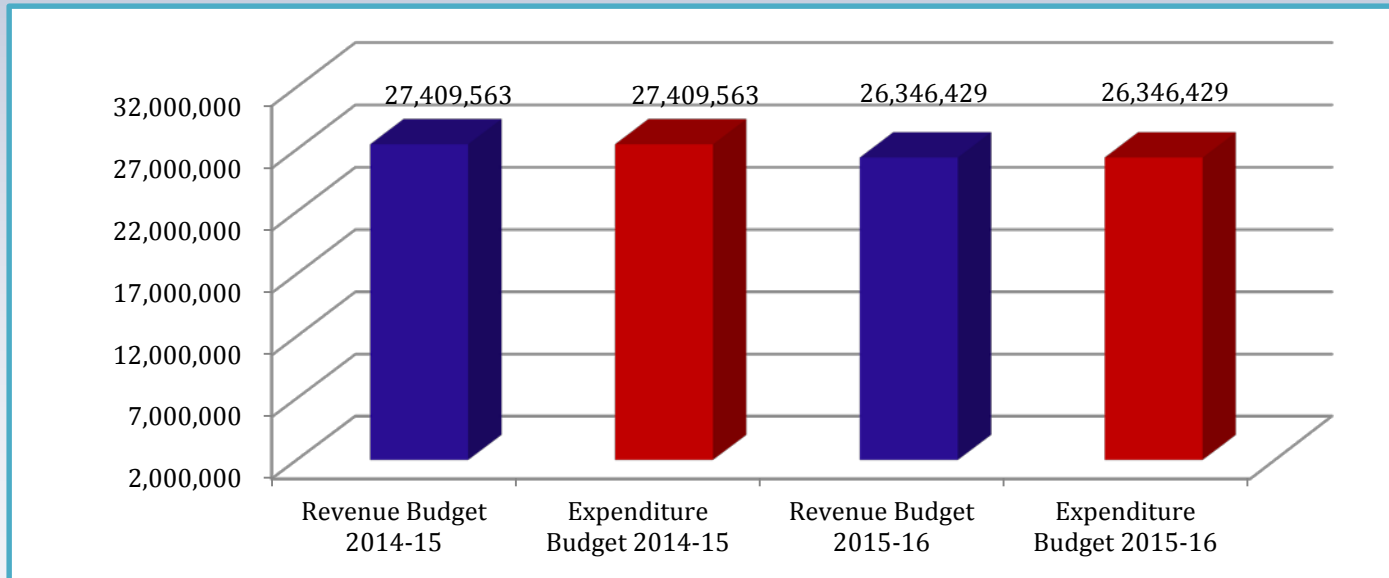
The 2015-16 budget including transfer authority reflects an increase of 11.3 percent which includes budget for College of Business Executive Program due to Market Rate Programs, the new residency program for College of Medicine, and Technology Fee Projects.



The Athletics Budget Highlights

The Athletics Operating Budget supports the University's student athletic program. Funding is generated from student athletics fees (\$17.27 per credit hour). Included in FY 2015-16 operating revenues are generated from Conference USA as well as tickets sales to athletic events, game guarantees, sponsorships and private support.

FY 2015-16 operating expense budget comprises recruiting, travel and salaries. The Athletics program distributes \$5.8M in Financial Aid, Title IX, scholarships and out-of-state waivers to students.



FLORIDA ATLANTIC UNIVERSITY™

2015-16 Athletics Operating Budget

<u>Revenue Budget</u>	<u>Athletics</u>	<u>Stadium</u>	<u>Total</u>
Ticket Sales/Other Event Tickets	\$ 235,366	\$ 1,885,000	\$ 2,120,366
Game Guarantees	225,000	1,200,000	1,425,000
NCAA/Conference Distribution	3,300,000	-	3,300,000
Student Fees	11,325,621	596,085	11,921,706
Corporate Sales	337,000	563,000	900,000
Development and Capital Gifts	490,000	850,000	1,340,000
Premium Seating	-	600,000	600,000
Title IX, Financial Aid, Waivers, Scholarships	3,125,396	-	3,125,396
Other Miscellaneous Revenue	613,000	1,000,961	1,613,961
Total Revenue	\$ 19,651,383	\$ 6,695,046	\$ 26,346,429

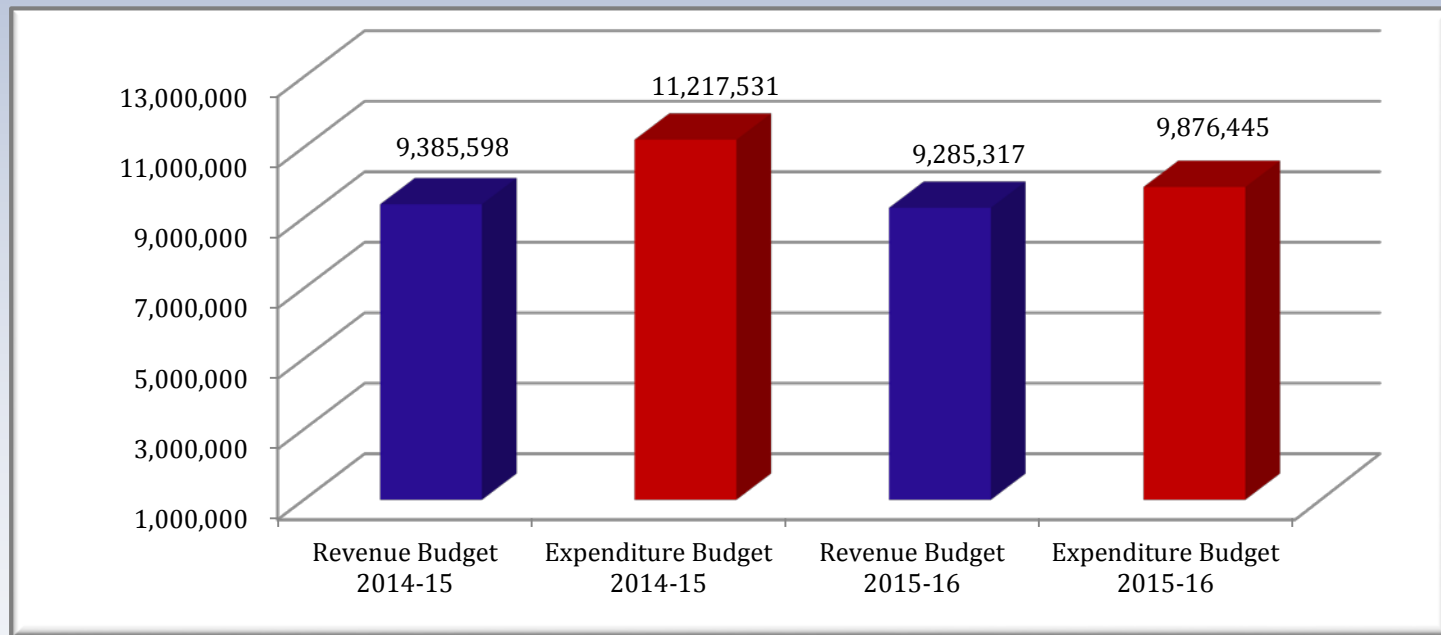
Expenditure Budget

Salaries and Benefits	\$ 6,633,476	\$ 220,445	\$ 6,853,921
Student Athlete Expenses	420,000	-	420,000
Utilities, Maintenance, Facility Rental, R&R Fund	889,584	1,194,153	2,083,737
Memberships	831,150	-	831,150
Game Day Expenses/Game Guarantees	474,245	455,000	929,245
Equipment and Supplies	1,010,951	54,848	1,065,799
Recruiting and Travel	3,122,869	-	3,122,869
Scholarships/Title IX, Financial Aid, Waivers	5,800,333	-	5,800,333
Debt Service	-	2,687,213	2,687,213
Other Expenses	2,242,062	310,100	2,552,162
Total Expenditures	\$ 21,424,670	\$ 4,921,759	\$ 26,346,429

The Student Activities Budget Highlights

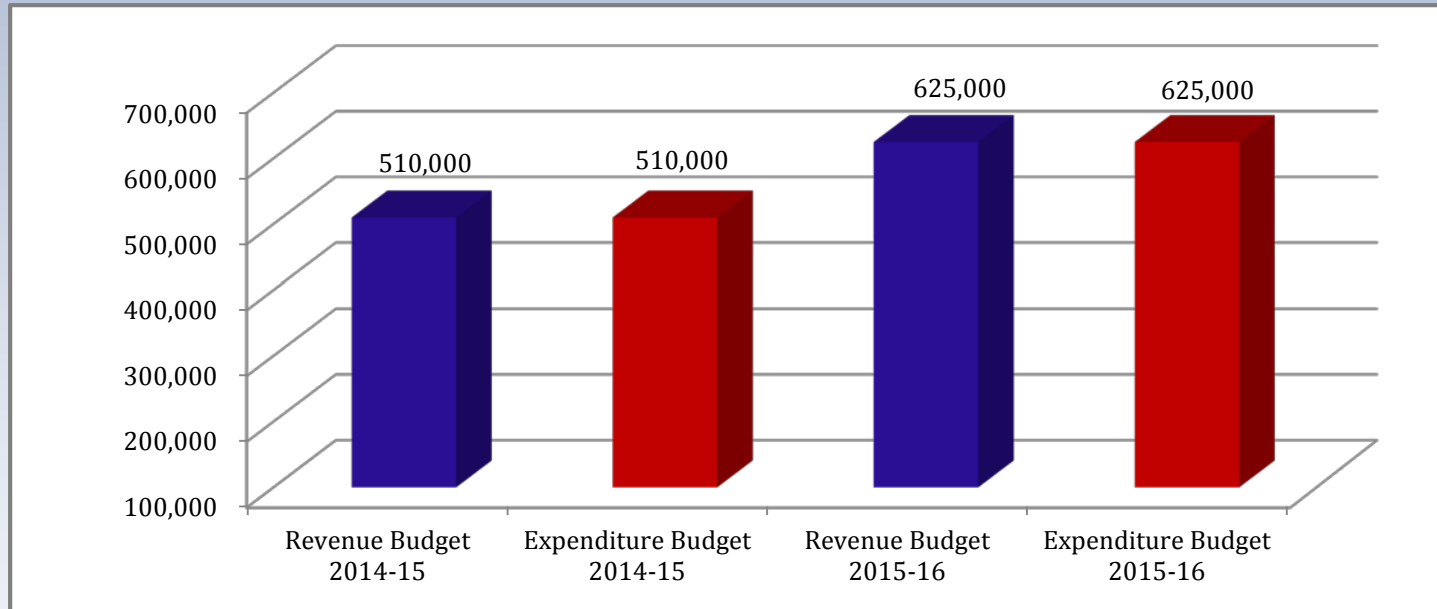
Funds from student activities and service fees are provided to support student government operations and student activities such as clubs and organizations.

Other funds available for expenditures include Program Board revenue, homecoming revenue, and available cash balances.



The Concession Budget Highlights

The concessions budget for 2015-16 is increased over 2014-15. Revenues are relatively constant and expenditures are projected to be in line with projected revenues.



2015-16 Capital Outlay Budget

	<u>2015-16 Request</u>	<u>2015-16 Budget</u>
Jupiter Research Building Renovation & Addition*	\$ 14,650,000	\$ -
Maintenance/Repair/Renovation	2,393,257	1,814,819
Critical Maintenance	3,068,142	-
FAU Palm Beach County Campus	-	1,257,889
FAU St. Lucie County Campus	-	991,501
	_____	_____
Total	\$ 20,111,399	\$ 4,064,209
	_____	_____

2015-16 BUDGET SUMMARY

Educational and General	\$	299,810,290
Non-E&G Fund Budget		<u>432,064,936</u>
Total Operating Budget	\$	731,875,226
Capital Outlay Budget		<u>4,064,209</u>
TOTAL 2015-16 Budget	\$	<u>735,939,435</u>