



Item: BF: A-1

BUDGET AND FINANCE COMMITTEE

Monday, June 19, 2023

SUBJECT: REVIEW AND APPROVAL OF THE FAU 2023-24 PROPOSED OPERATING BUDGET.

PROPOSED COMMITTEE ACTION

Presentation of Florida Atlantic University's 2023-24 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, 2023.

FISCAL IMPLICATIONS

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

Supporting Documentation: Presentation of 2023-24 Proposed Operating Budget

Presented by: Mr. Jayson Iroff, VP Financial Affairs and CFO

Phone: 561-297-3134



Florida Atlantic University

The Office of Financial Affairs' Budget Proposal to the Board of Trustees

Budget Presentation
Fiscal Year 2024

Presented By
Jayson Iroff

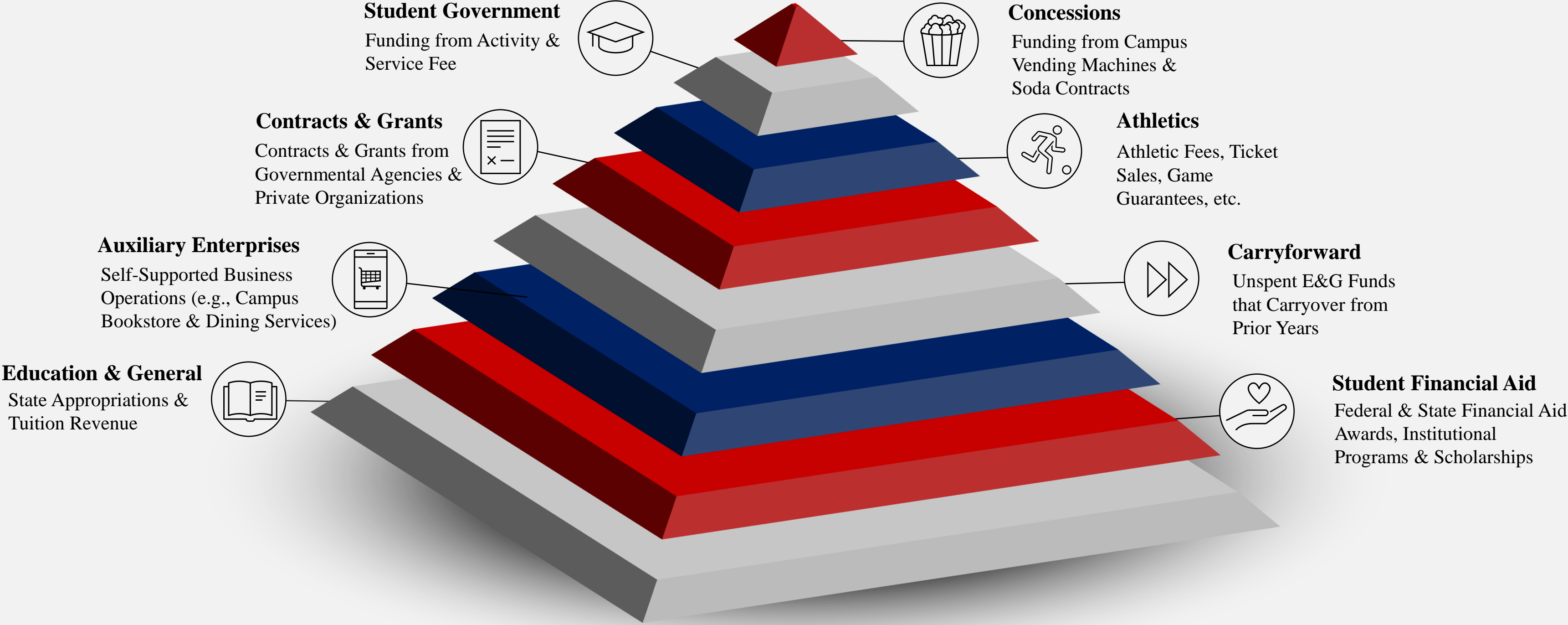
Date:
June 19, 2023



Presentation Outline

PART 1	Introduction
PART 2	University Financial Structure
PART 3	Education & General Budget Analysis
PART 4	Auxiliary Budget Analysis
PART 5	Contracts & Grants Budget Analysis
PART 6	Remaining Fund Types
PART 7	Fiscal Year 2024 Budget Overview & Approval

Florida Atlantic University Financial Structure










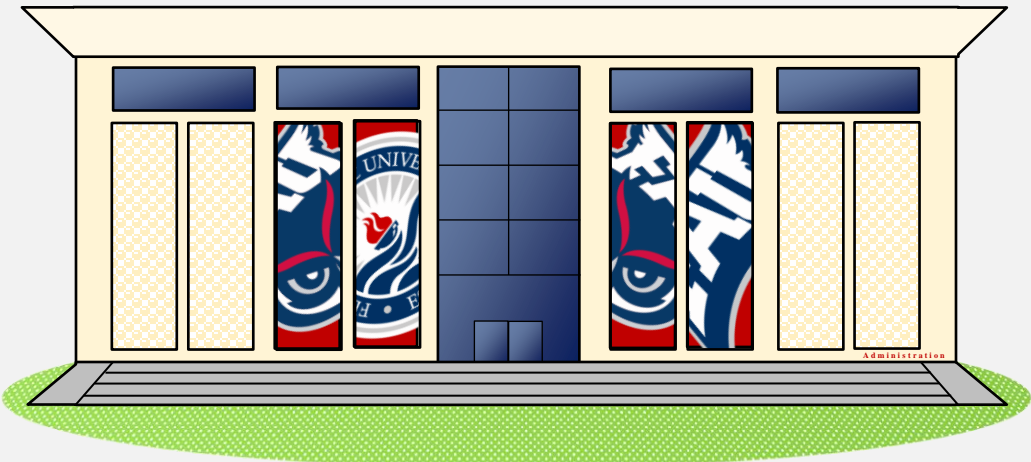
Florida Atlantic University FY24 Budget at Glance

Forge *Your* Path

\$909.9M








Revenues

 417.6M Education & General	 213.0M Student Financial Aid
 136.8M Auxiliary Enterprises	 32.9M Athletics
 99.0M Contracts & Grants	 0.8M Concessions
 9.8M Student Government	



\$914.8M

Expenses

 417.6M Education & General	 213.3M Student Financial Aid
 140.7M Auxiliary Enterprises	 32.9M Athletics
 98.0M Contracts & Grants	 0.8M Concessions
 11.6M Student Government	

7.4% ↑

Increase in University Revenue Budget Since Last Fiscal Year.

12.5% ↑

Increase in Education & General Revenue Budget Since Last Fiscal Year.

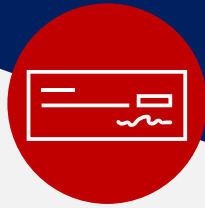
15.3% ↑

Increase in Education & General Expenditure Budget Since Last Fiscal Year.

7.9% ↑

Increase in University Expenditure Budget Since Last Fiscal Year.

Education & General Budget Analysis



Revenues

University education & general revenues are comprised of a mix between tuition revenues and state appropriations.



Expenditures

University education & general expenditures flow throughout the university with the top 3 main functional expense categories consisting of instruction, academic support, & institutional support.

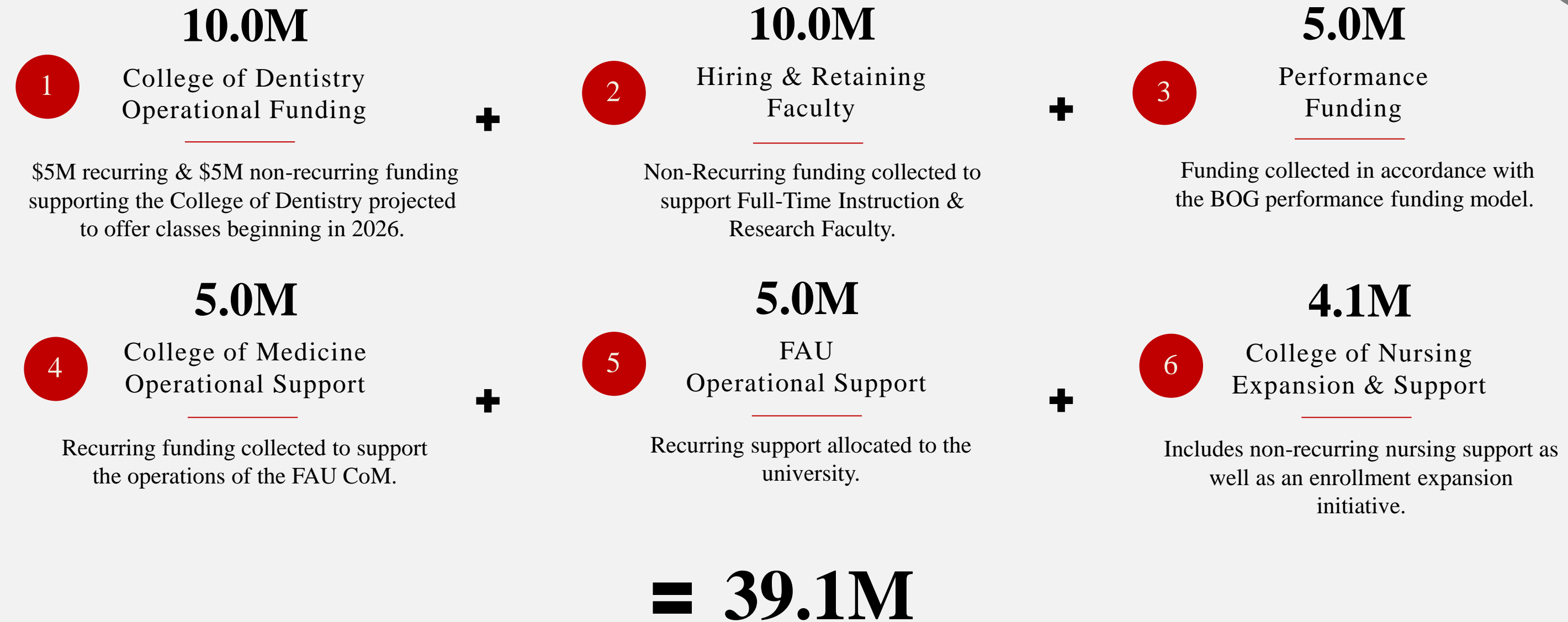
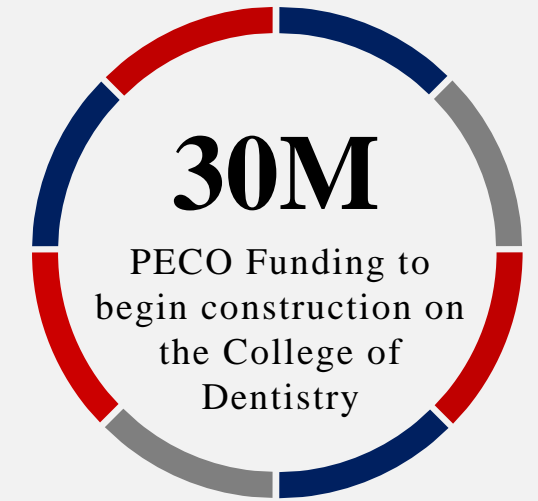


Budget Analysis

Analyzing the trends in tuition revenue and forecasting future growth allows FAU to better align our E&G budget to projected revenue.



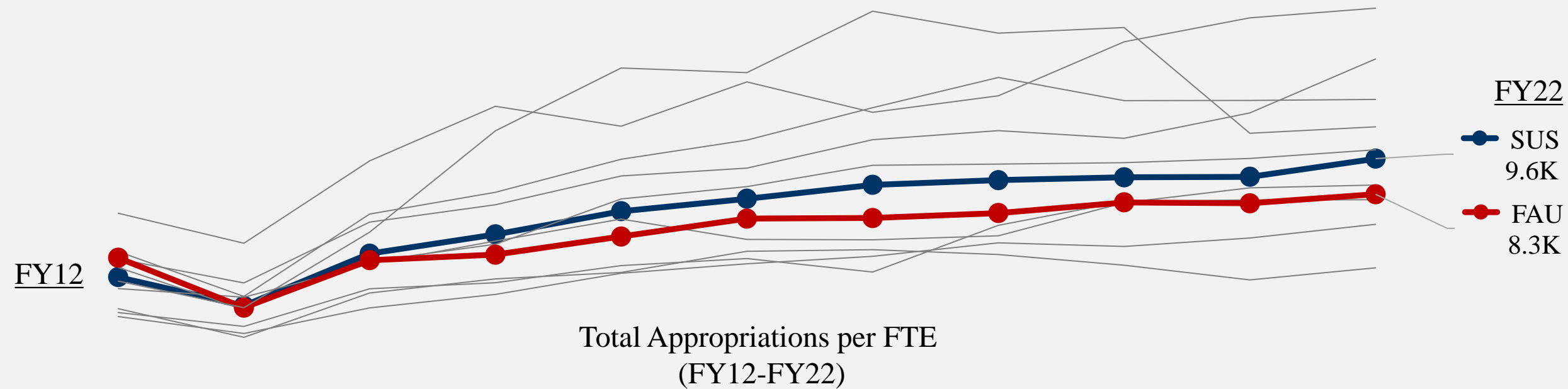
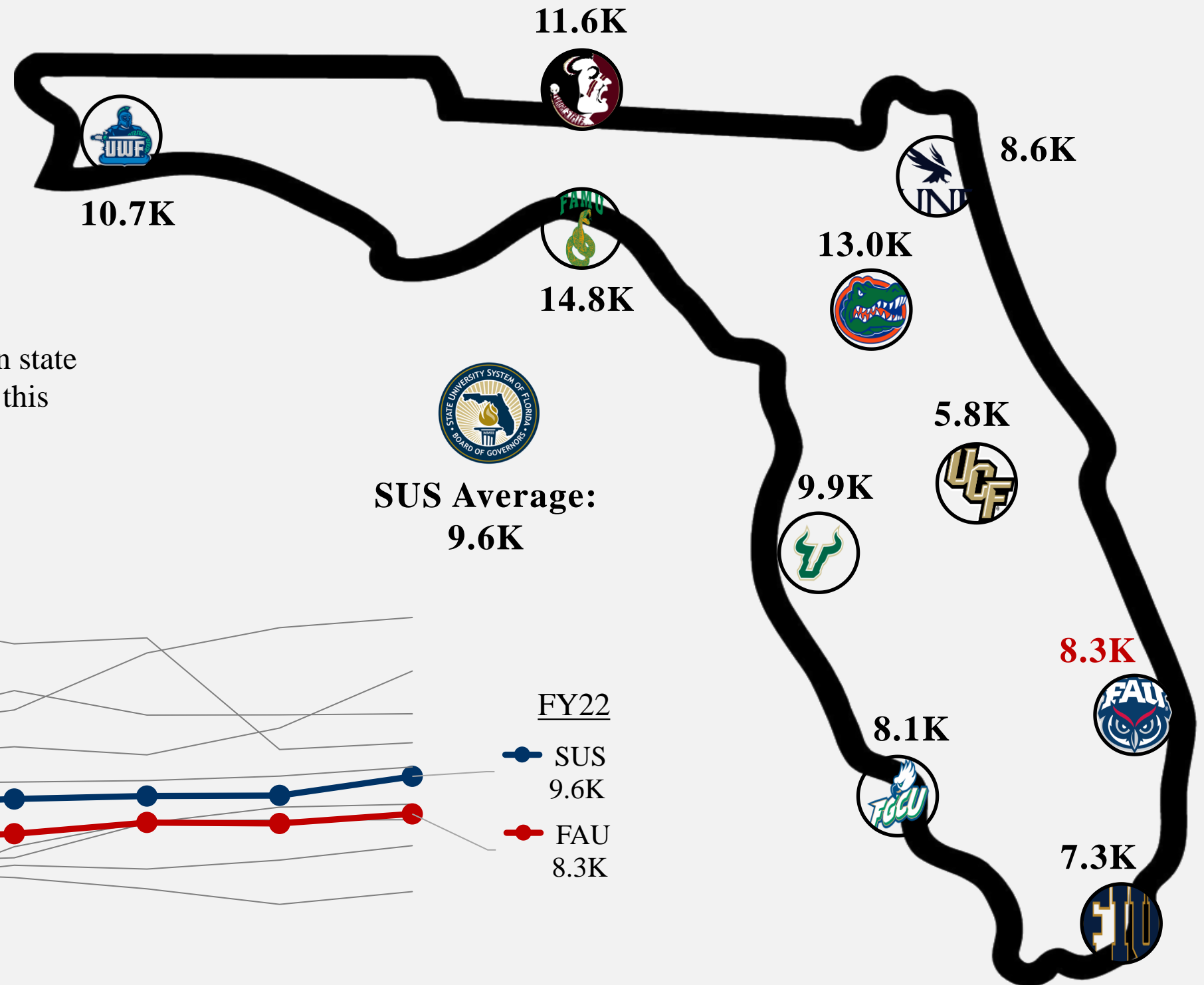
Education & General Revenue, Estimated Additional FY24 Funding Breakdown



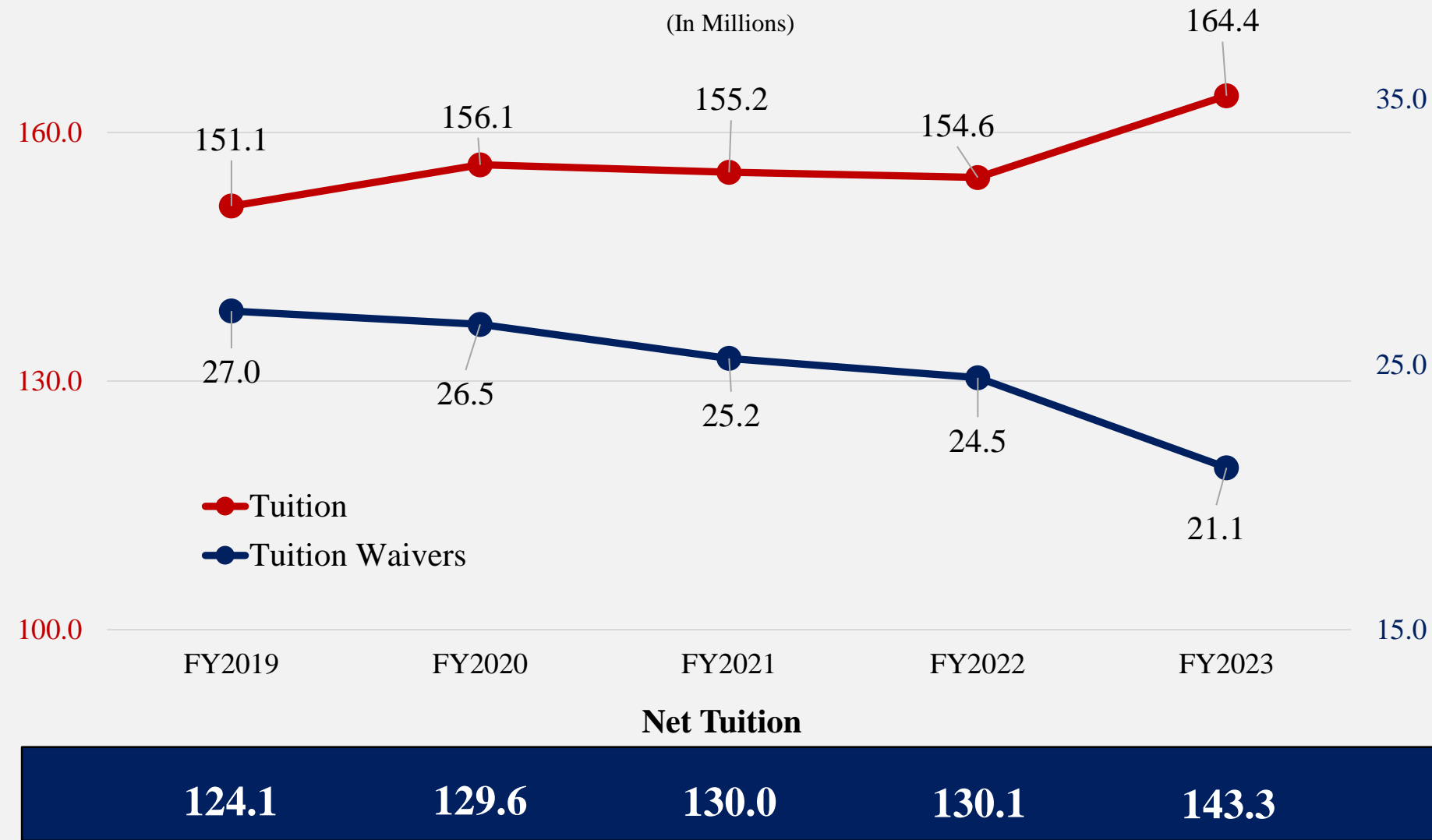
This additional funding would add 39.1M into the University's expending power.

Education & General, Across the SUS

Florida Atlantic University received an average of \$1.2K less per FTE in state appropriations than the State University System average. For reference, this equated to a \$-29.3M funding difference for FAU in FY22.



Education & General, Tuition Revenue Analysis



82.1M

In-State Tuition Collected in FY23
Excluding Tuition Differential &
Student Fees

8.8%

Percent Growth of Tuition Since
Fiscal Year 2019

50.5M

Out-of-State Tuition Collected in FY23
Excluding Tuition Differential &
Student Fees

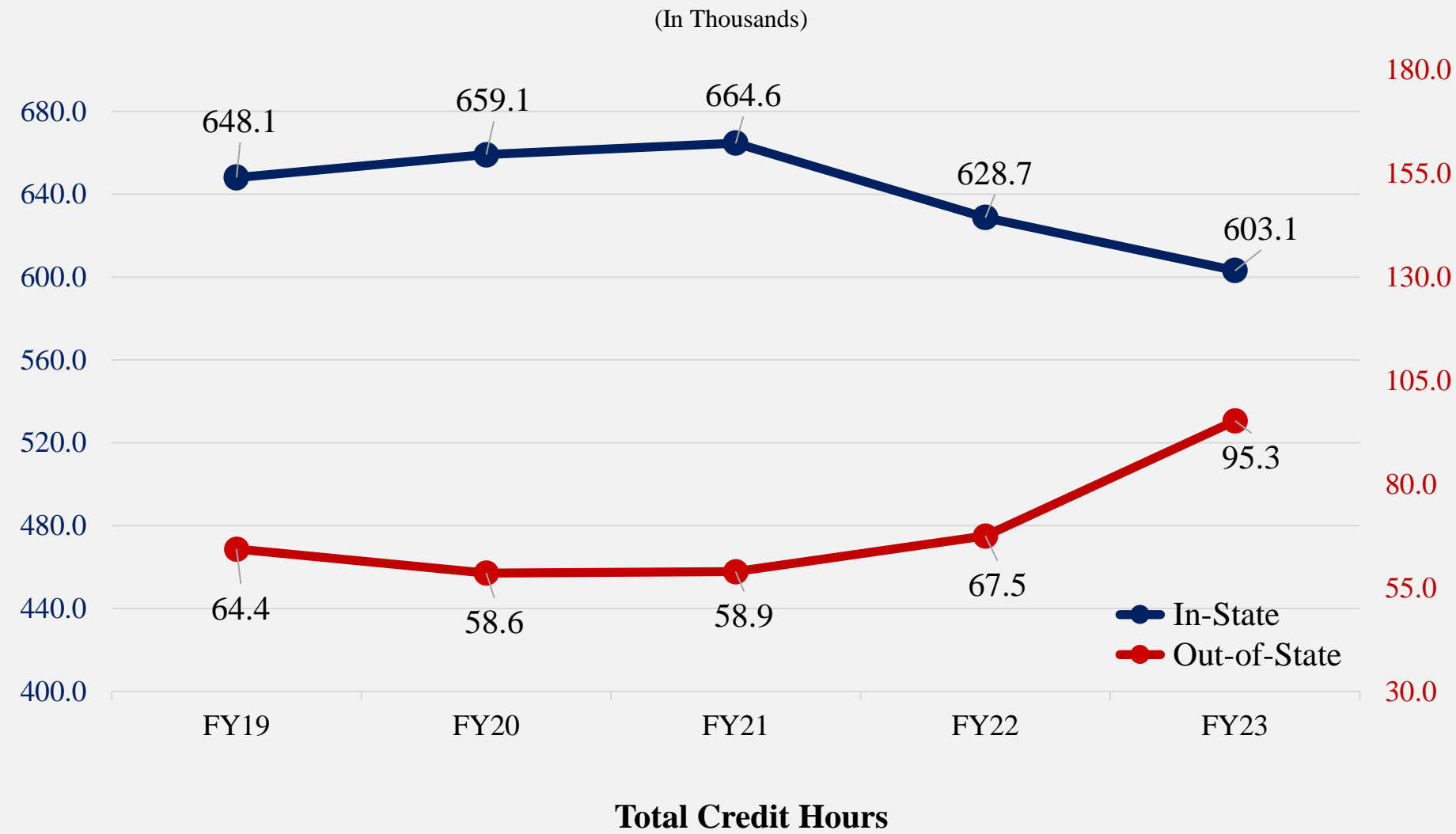
(21.9)%

Percent Change of Tuition
Waivers since Fiscal Year 2019

*Tuition is Net of Tuition Waivers and Includes Tuition Differential & Student Fees
Excludes College of Medicine Tuition
Tuition for FY23 is a preliminary number pulled on 5/11/23*

Education & General, Credit Hours Analysis

(Revenue Driver)



48.1%

Percent Change of Out-of-State Credit Hours Since Fiscal Year 2019

(6.9)%

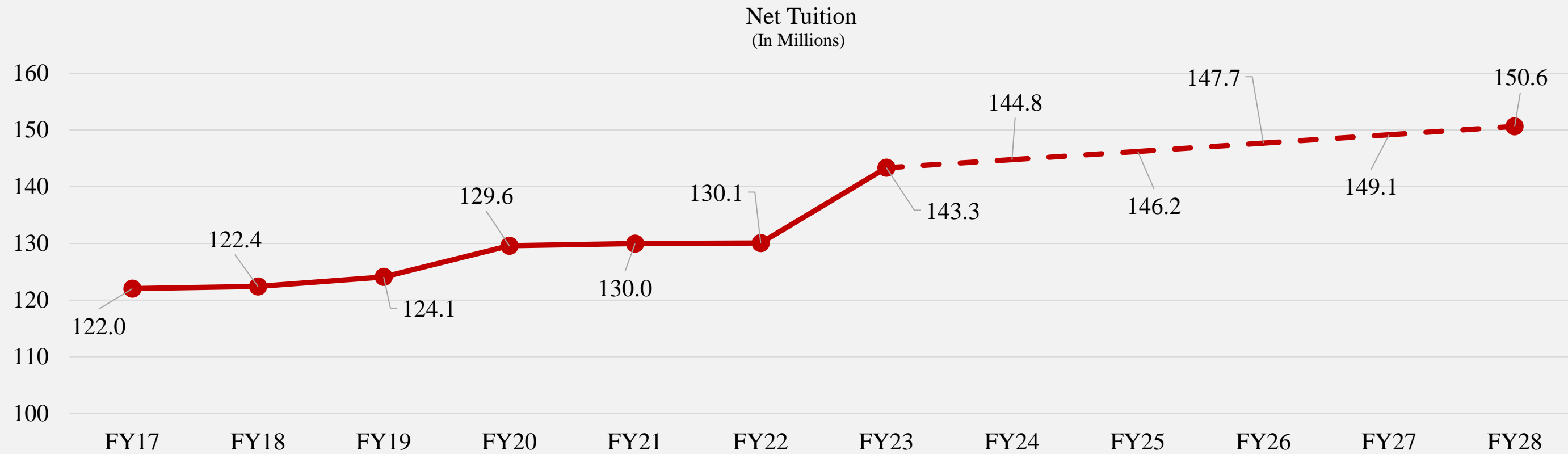
Percent Change of In-State Credit Hours Since Fiscal Year 2019

(2.0)%

Percent Change in Total Credit Hours Since Fiscal Year 2019

*Credit hour data includes fundable credit hours & excludes college of medicine
Credit Hours are using preliminary credit hours for summer 1&2, collected on 5/9/2023*

Education & General Tuition Projections



Credit Hours

Residency/Class Level	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
In-State	648.1	659.1	664.6	628.7	603.1	609.2	615.3	621.4	627.6	633.9
Out-of-State	64.4	58.6	58.9	67.5	95.3	96.3	97.2	98.2	99.2	100.2
Total SCH	712.4	717.7	723.5	696.2	698.4	705.4	712.5	719.6	726.8	734.1

*Tuition is Net of Tuition Waivers & Includes Tuition Differential & Student Fees
Excludes College of Medicine Tuition
Tuition for FY23 is a preliminary number pulled on 5/11/23*

Education & General Revenue, State Appropriations

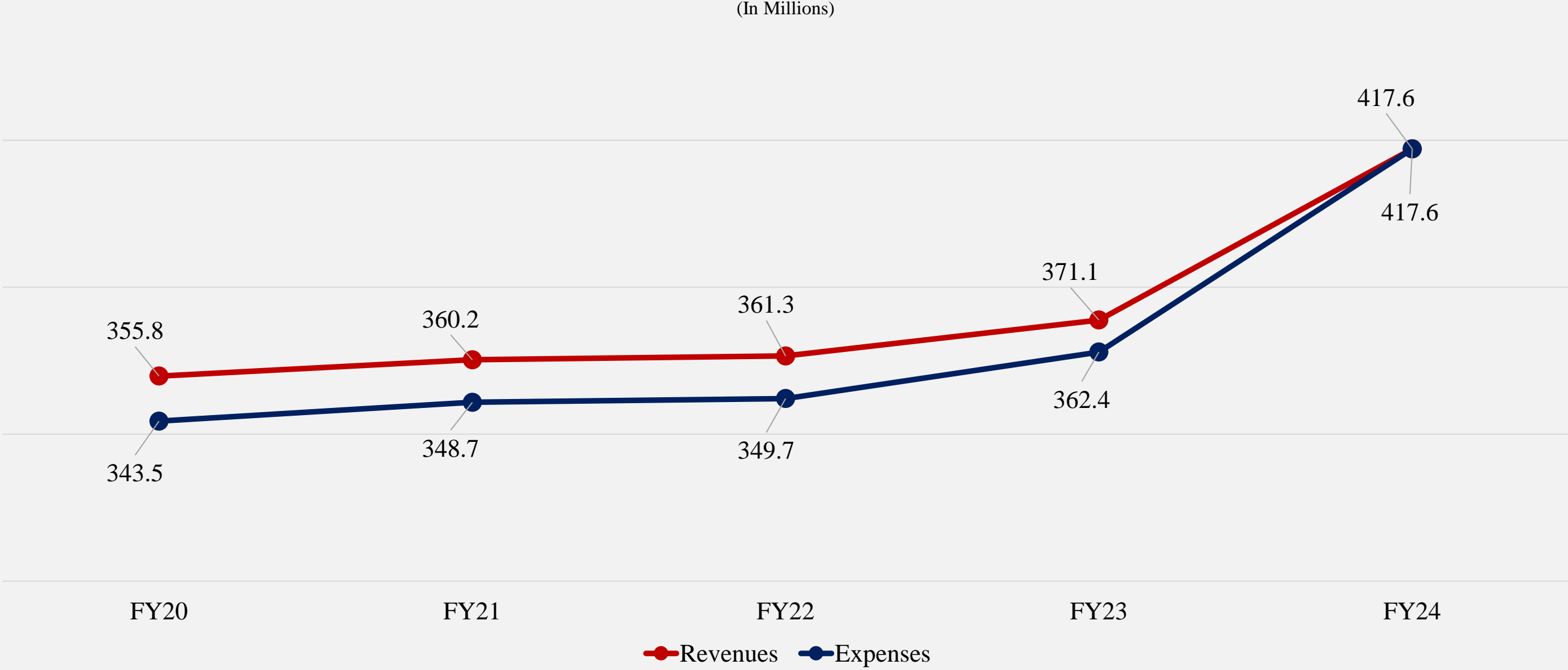
(In Millions)

University	FY20	FY21	FY22	FY23	FY24	1-Year % Change
General Revenue	193.6	196.6	197.4	207.2	230.4	11.2
Tuition and Fees	136.1	136.4	136.4	136.4	144.8	6.1
Subtotal	329.7	333.0	333.8	343.6	375.2	9.2
Medical School						
General Revenue	16.5	16.6	16.7	16.7	21.7	29.9
Tuition and Fees	9.6	10.7	10.7	10.7	10.7	-
Subtotal	26.1	27.3	27.5	27.5	32.5	18.2
Dentistry School						
General Revenue	-	-	-	-	10.0	-
Tuition and Fees	-	-	-	-	0.0	-
Subtotal	-	-	-	-	10.0	-
FAU E&G Revenue Budget	355.8	360.2	361.3	371.1	417.6	12.5

Tuition & fees line, including FY 24's 144.8M, is net of tuition waivers

Education & General FY24 Revenues Vs. Expenses

In FY24, we have budgeted to spend an equal amount to our revenues. Not all budgeted expenditures are recurring expenses, as there were additional one-time funds issued to the university.



Education & General FY24 Operating Expenditures

66.8%

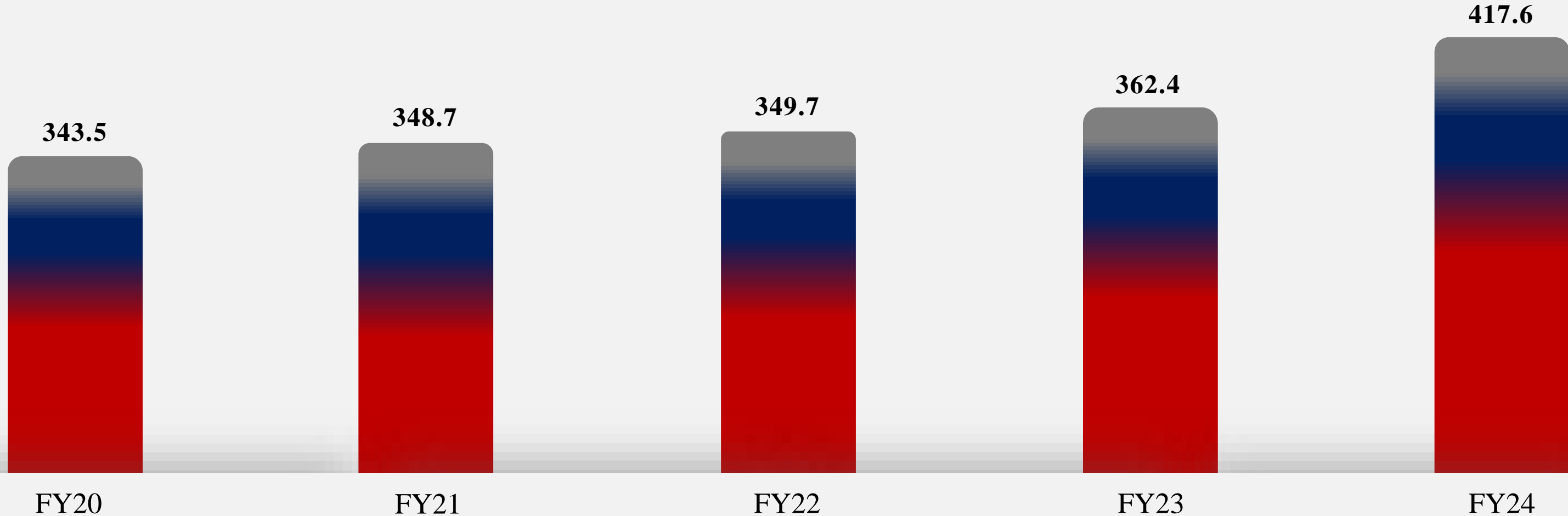
Salaries & Benefits
5-year average

27.4%

Expenses
5-year average

5.8%

Other Personal Services
5-year average

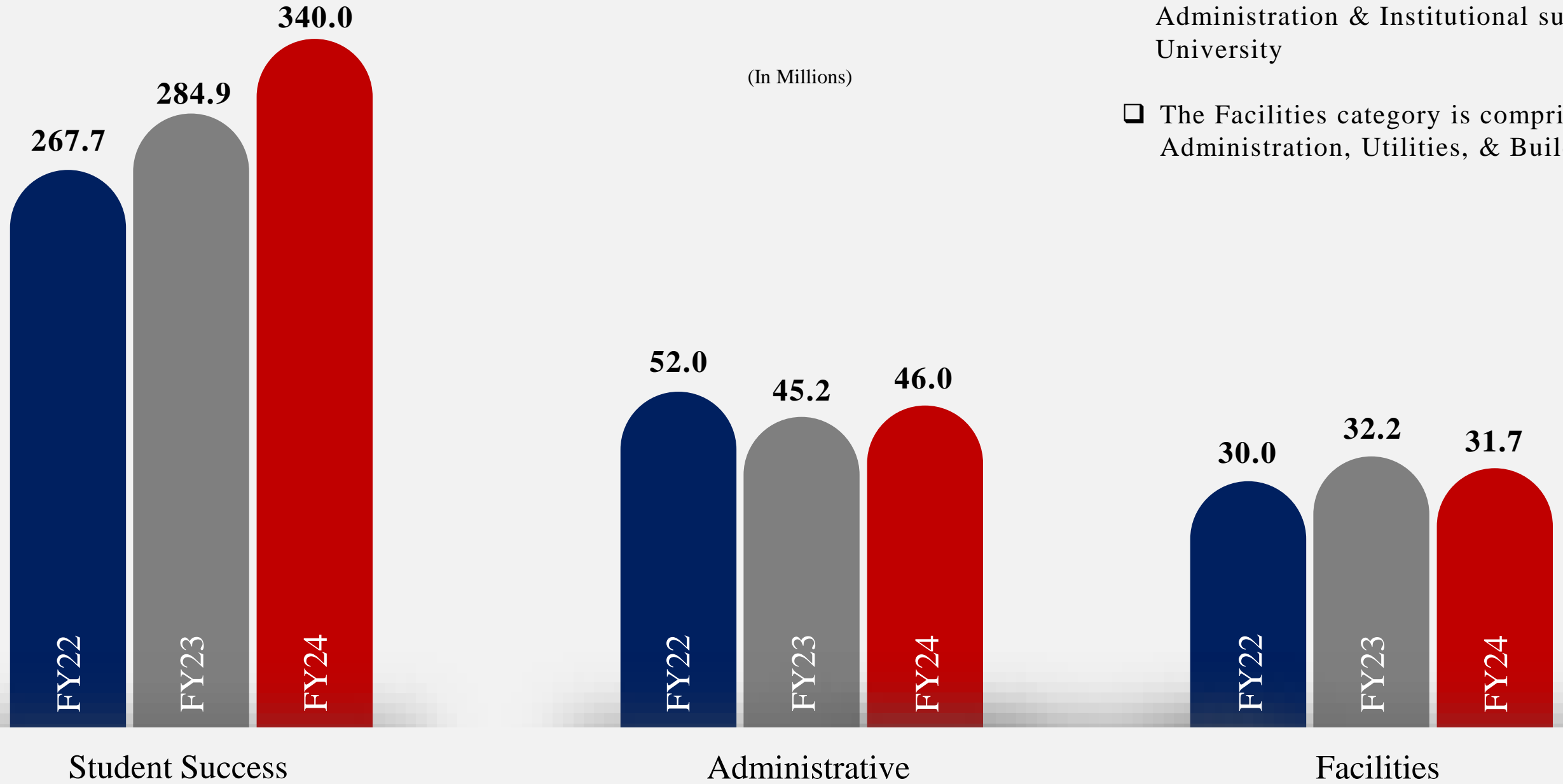


(In Millions)

Education & General Budget

Investing in Student Success

(Expenses by Functional Categories)



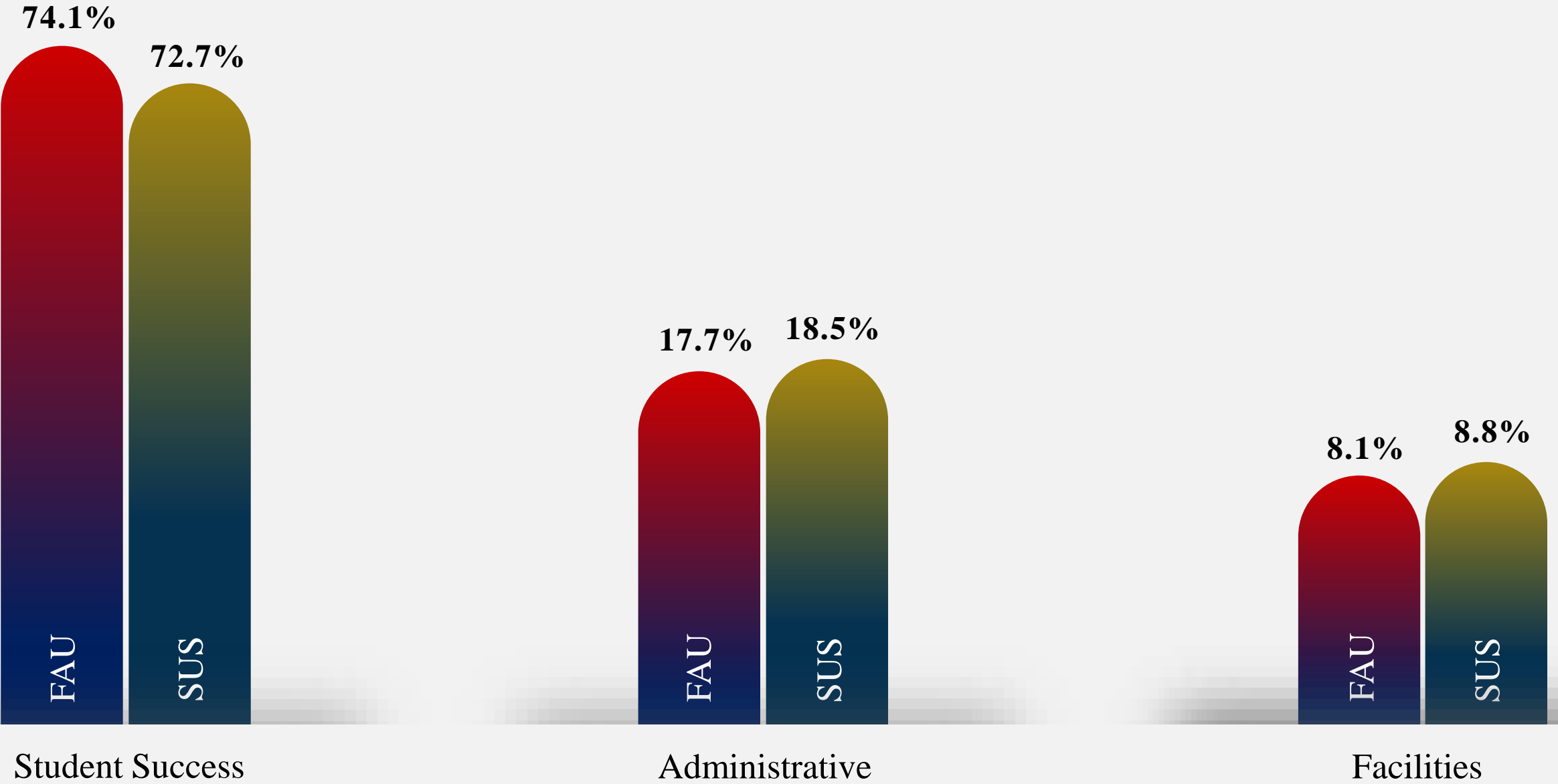
- ❑ The Student Success category is comprised of Instruction, Research, Advising, Financial Aid, Career Placement, Institutes and Research Centers & Other Student Services
- ❑ The Administrative category is comprised of General Administration & Institutional support across the University
- ❑ The Facilities category is comprised of Plant Administration, Utilities, & Building Maintenance

Includes both reoccurring & non-reoccurring funding

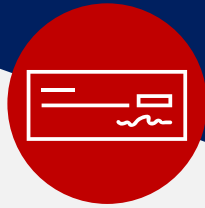
Education & General Budgeted Expenses by Functional Categories

Across the SUS (FY23 Budget)

(In Millions)



University Auxiliaries Budget Analysis



Revenues

University auxiliaries must accurately budget their revenues to plan for future expenses and make the necessary investments into their businesses.



Expenditures

University auxiliaries are expected to be financially self-sufficient.



Budget Analysis

Analyzing the variance between budget and actuals will ensure the financial health and sustainability of each university auxiliary service.



University Auxiliaries Trend Analysis

(In Millions)



4.8%

Percent Growth of Revenue Since Fiscal Year 2020

(3.0)%

Percent Growth of Expenditures Since Fiscal Year 2020

University Auxiliaries consist of self-supporting business operations.

Historically, the expense budget has been higher on average than the revenue budget and this is due to programs utilizing fund balances.

*Excludes HEERF lost revenue drawdown of 43.1M during FY22 & FY23
Excludes HEERF lost revenues budgeted expenditures, consisting of a remaining 18.7M budgeted to expend this upcoming FY24*

Budget Items Remaining

Contracts & Grants Budget

The contracts & grants budget consists of funding from federal agencies, state agencies, foundations, & private sources that enable the university to conduct specific research projects or to provide specific non-research services.

Remaining Fund Types

The remaining fund types are:

- Student Financial Aid
- Athletics
- Student Government
- Concessions

University Direct Support Organizations

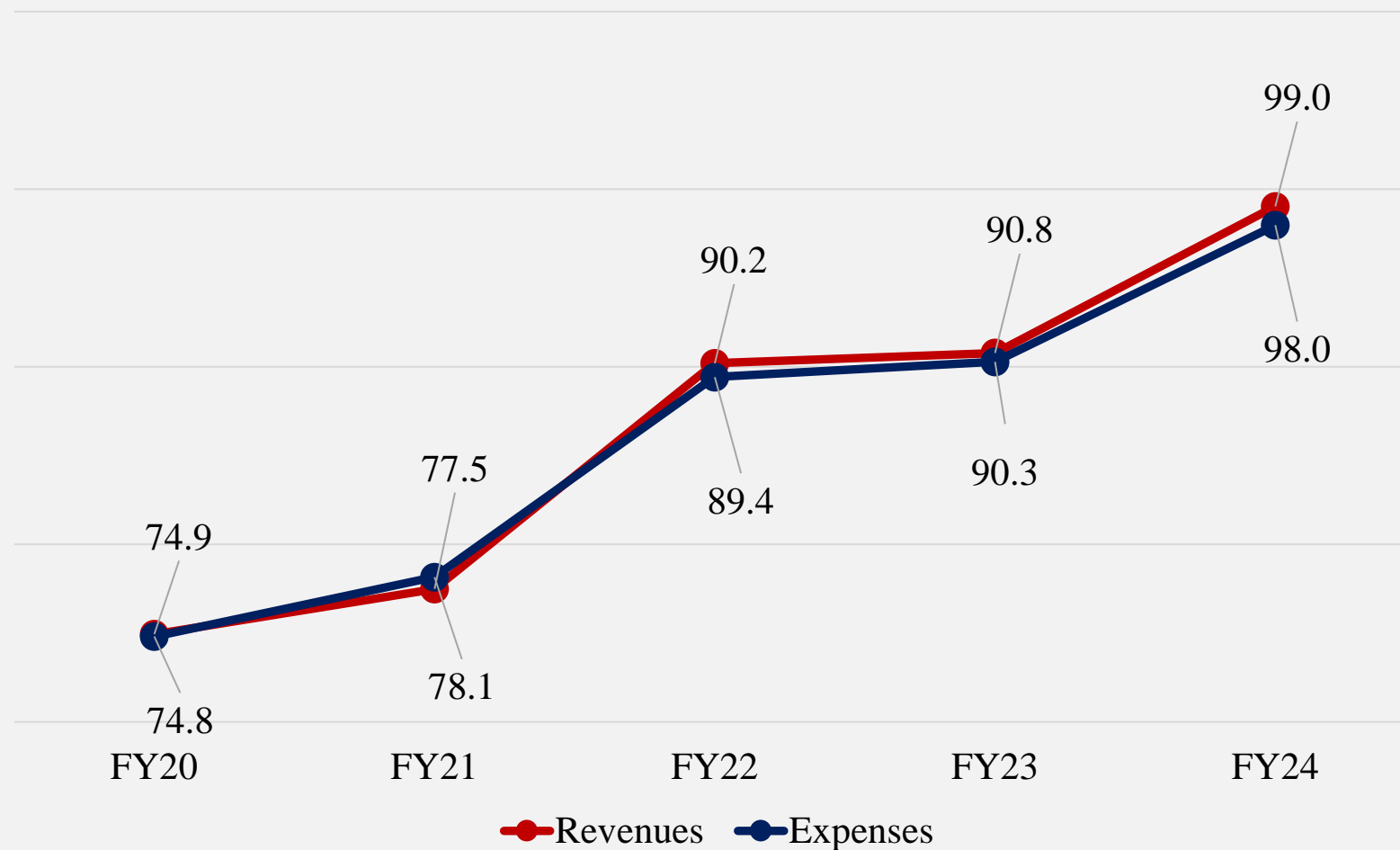
FAU's direct support organizations include the following:

- FAU Foundation
- FAU Finance Corp.
- FAU Research Corp.
- FAU HBOI
- FAU CPO



Contracts & Grants Budget Trend Analysis

Total Contracts & Grants Budget
(In Millions)



*BSA – Base Student Allocation
**FTE – Full Time Equivalent

Sponsored Funded & DOR Operations

Projected revenues for Q1 and Q2 have increased due to an 11% rise in the value of sponsored proposals and a 10% increase in sponsored awards when compared to the same quarters in the previous fiscal year.

Henderson School

FY23 to FY24 revenue variance is due to BSA* & FTE** enrollment, while the expense variance is due to promotions & mandated salary increases.

FAU Foundation

FAU Foundation is expecting additional gifts in the upcoming fiscal year leading to further annual budget growth.

Sponsored Funded & DOR Operations	FY20	FY21	FY22	FY23	FY24
Revenues	53.8	53.6	64.9	64.4	70.7
Expenses	53.8	55.2	64.9	64.4	70.7
Henderson School	FY20	FY21	FY22	FY23	FY24
Revenues	9.6	10.8	10.9	11.0	12.3
Expenses	9.5	9.9	10.1	10.5	11.2
FAU Foundation	FY20	FY21	FY22	FY23	FY24
Revenues	11.6	13.0	14.4	15.3	16.1
Expenses	11.6	13.0	14.4	15.3	16.1

Student Financial Aid, Concessions, & Student Government

Student Financial Aid

	FY20	FY21	FY22	FY23	FY24
Revenues	203.9	206.9	209.0	209.0	213.0
Expenses	203.8	207.0	209.0	209.3	213.3

Student Financial Aid

Expense budget estimated based on projected revenue budget and enrollment growth. Expenses are usually higher than revenue due to student disbursements happening prior to the department of education drawdown.

Student Government

Student Government expects enrollment to be flat in FY24, leading to a reduction in their projected budget for FY24.

Student Government

	FY20	FY21	FY22	FY23	FY24
Revenues	9.2	9.4	9.8	10.1	9.8
Expenses	10.0	11.5	11.4	11.7	11.6

Concessions

	FY20	FY21	FY22	FY23	FY24
Revenues	0.6	0.8	0.6	0.6	0.8
Expenses	0.6	0.8	0.6	0.6	0.8

Concessions

The concessions budget has been raised due to multiple initiatives, including tech runway, CoM events, presidential search, and expos for recruiting new freshmen.

(In Millions)

Athletics

20%

5-Year Revenue Growth

Comprehensive Athletics Budget Including Student Scholarship Support					
	FY20	FY21	FY22	FY23	FY24
Athletics Fund Revenues	31.2	31.7	31.9	34.3	37.4
Athletics Expenses	31.2	31.7	31.9	34.3	37.4

9%

1-Year Revenue Growth



Direct Support Organization Actual & Budgeted Efforts

Use of University Property, Facilities & Personnel

Fiscal Year 2023 Projected

DSO	Property	Facilities sq. ft.	No. of Personnel	Personnel Cost
FAUF	-	2,269	21	\$1,683,029
FAUFC	-	-	-	-
FAURC	-	-	4	\$62,182
HBOIF	-	-	-	-
CPO	\$6,611	17,219	10	\$131,046

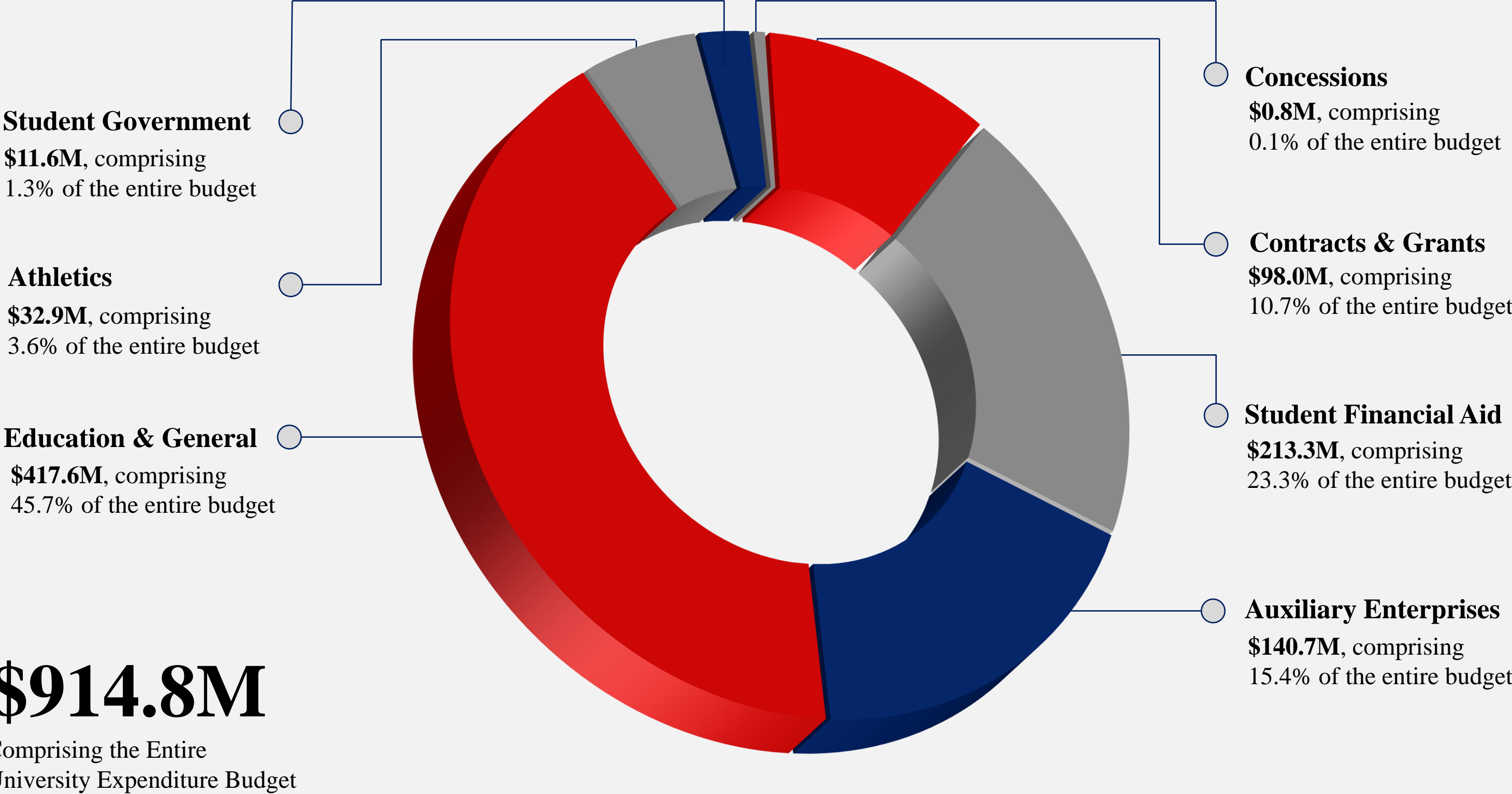
Under Board of Governors regulation, the university documents and reports the above actual usage of university time and effort provided to the Direct Support Organizations to support the purpose for and value of such services.

Fiscal Year 2024 Budget

DSO	Property	Facilities sq. ft.	No. of Personnel	Personnel Cost
FAUF	\$0	2,269	21	\$1,922,063
FAUFC	-	-	-	-
FAURC	-	-	4	\$62,182
HBOIF	-	-	-	-
CPO	\$0	19,848	10	\$128,360

The university documents for the Trustees' consideration and approval of DSO anticipated use of university resources, at least on an annual basis, before the use occurs. Trustees-approved documentation should identify the positions of the employees who will provide personal services, the square footage of the office space and related buildings that will be used by the respective DSOs, and the value of such use.

Fiscal Year 2024 University Operational Expenditure Budget



Fiscal Year 2024 Budget Overview & Approval

Fund Type	FY24
Educational & General	417.6
Student Financial Aid	213.3
Contracts & Grants	98.0
Auxiliary Enterprises	140.7
Athletics	32.9
Student Government	11.6
Concessions	0.8
Total	914.8

This represents Florida Atlantic University's 2023-24 Proposed Operating Budget which is now presented to the board of Trustees for approval. The Operating Budget consists of Educational and General; Student Financial Aid; Contracts & Grants; Auxiliary Enterprises; Athletics Local; Student Government; Concessions; and Lost Revenue Usage.

In addition, the approval will 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.

Thank You

