



Florida Atlantic University

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

Budget Presentation
Fiscal Year 2024

Presented By
Jayson Iroff

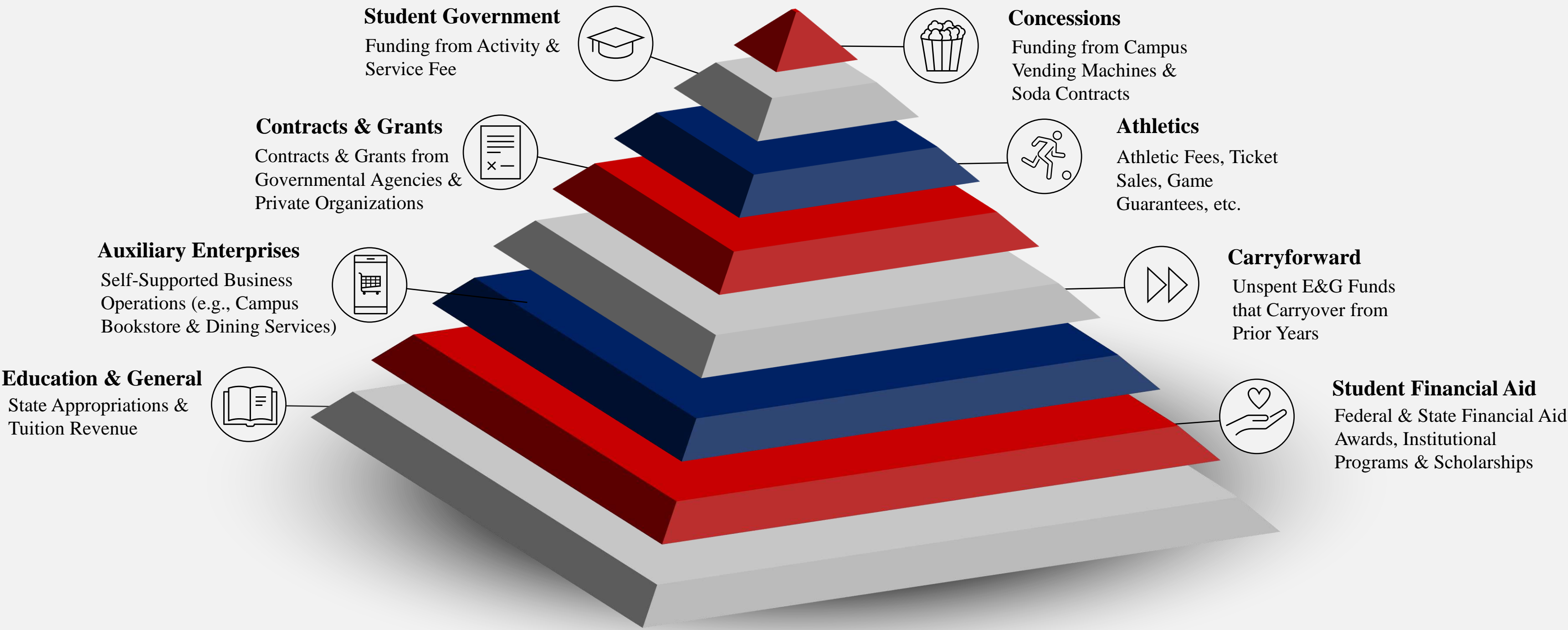
Date:
June 19, 2023



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










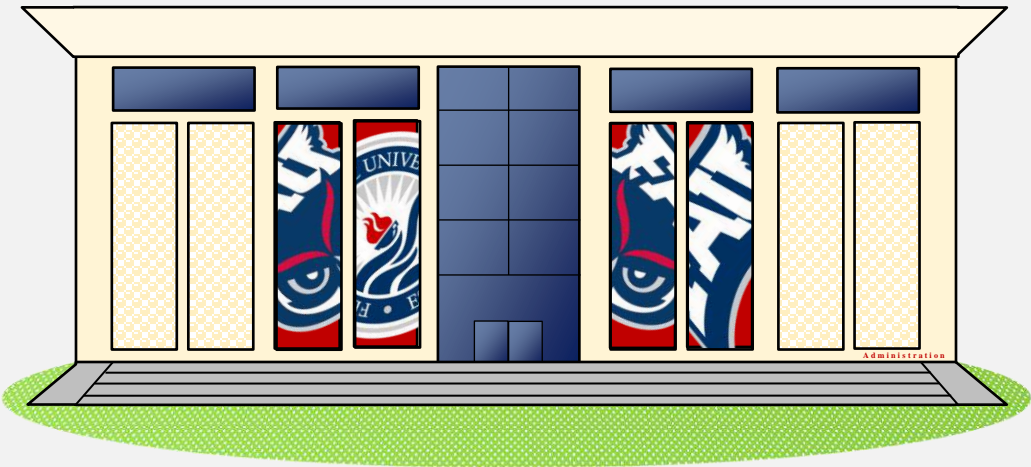
Florida Atlantic University FY24 Budget at Glance

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.

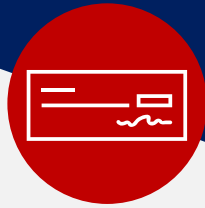
15.3% 

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.

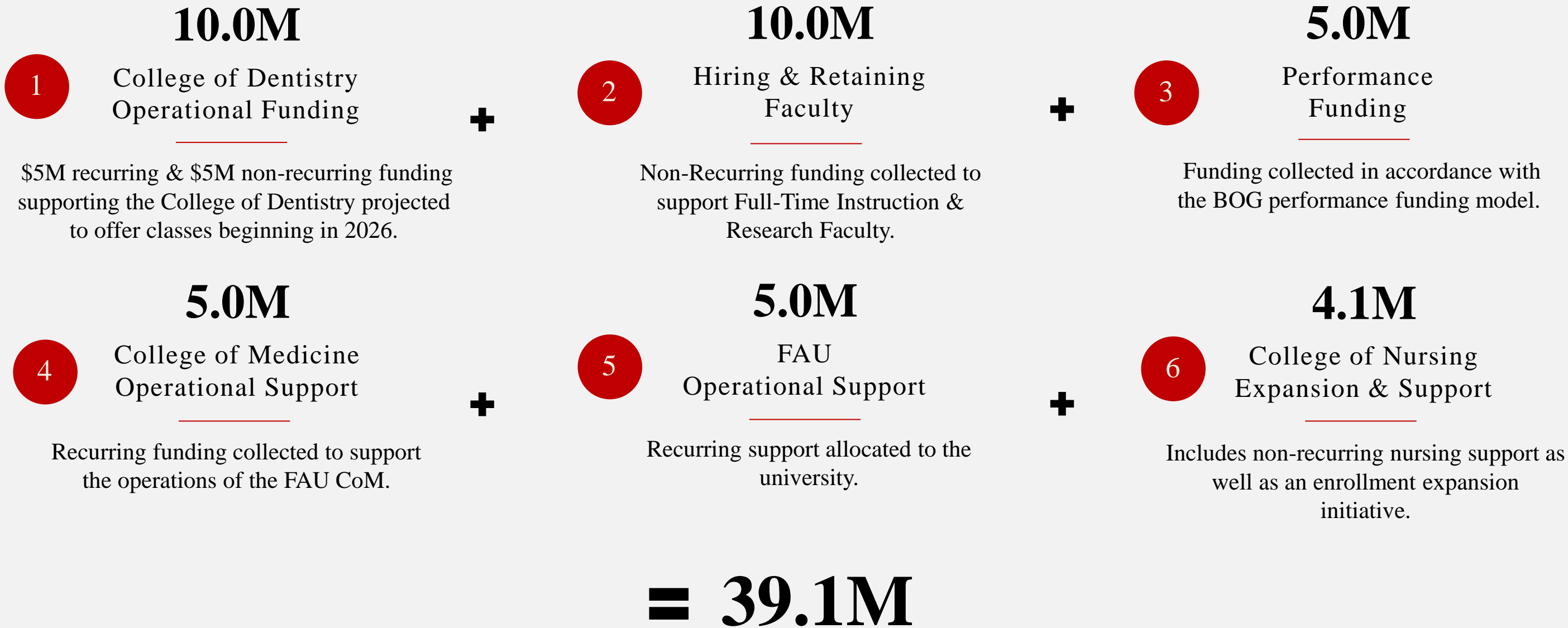
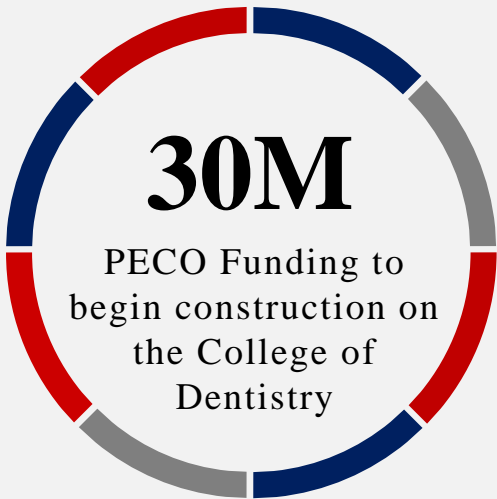


Budget Analysis

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



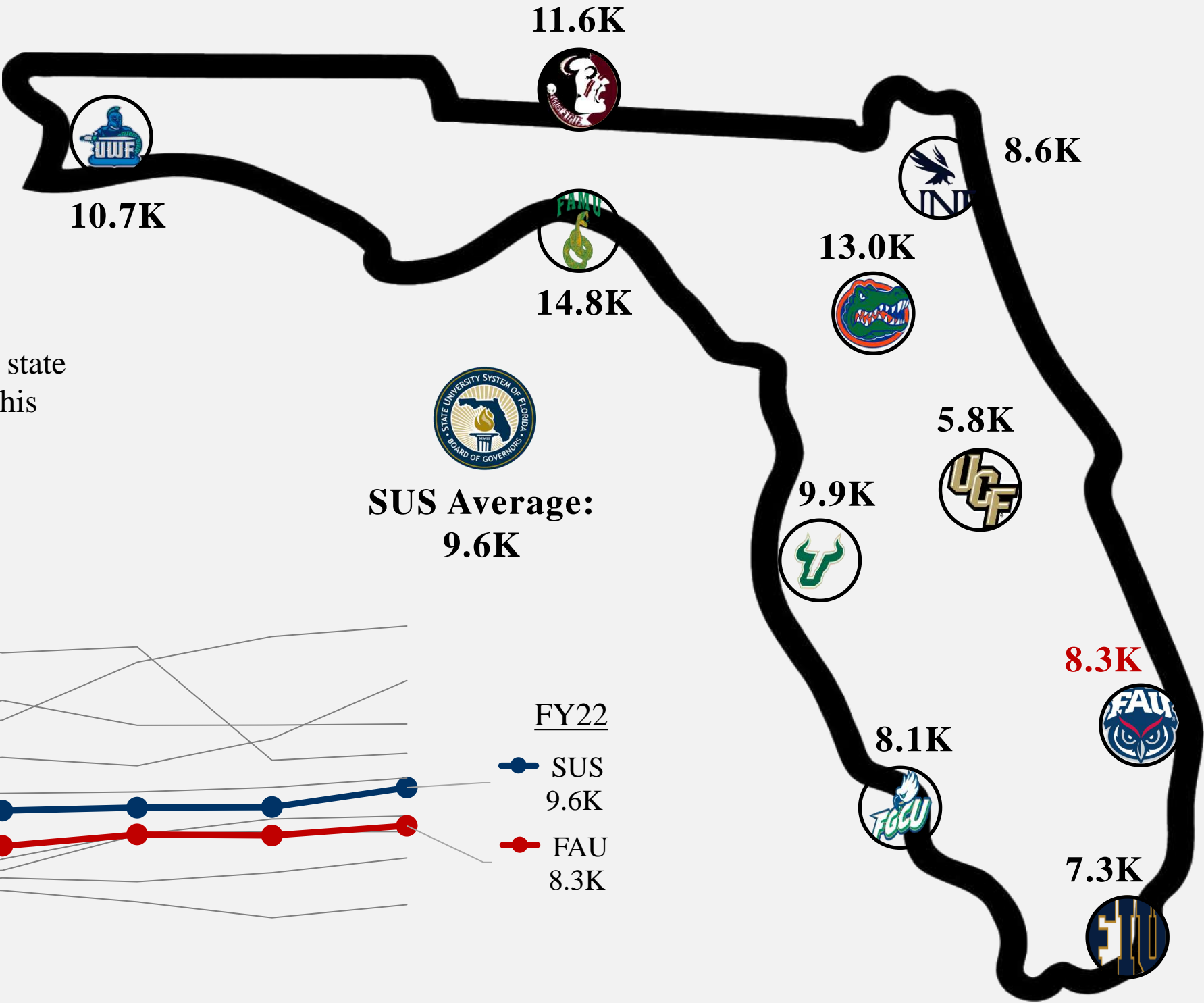
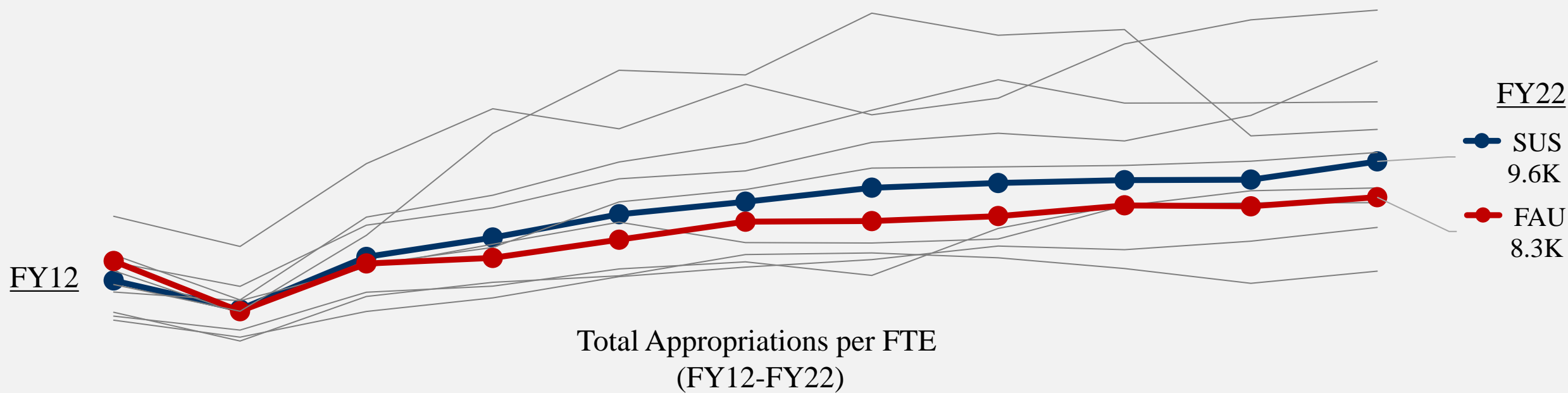
Education & General Revenue, Estimated Additional FY24 Funding Breakdown



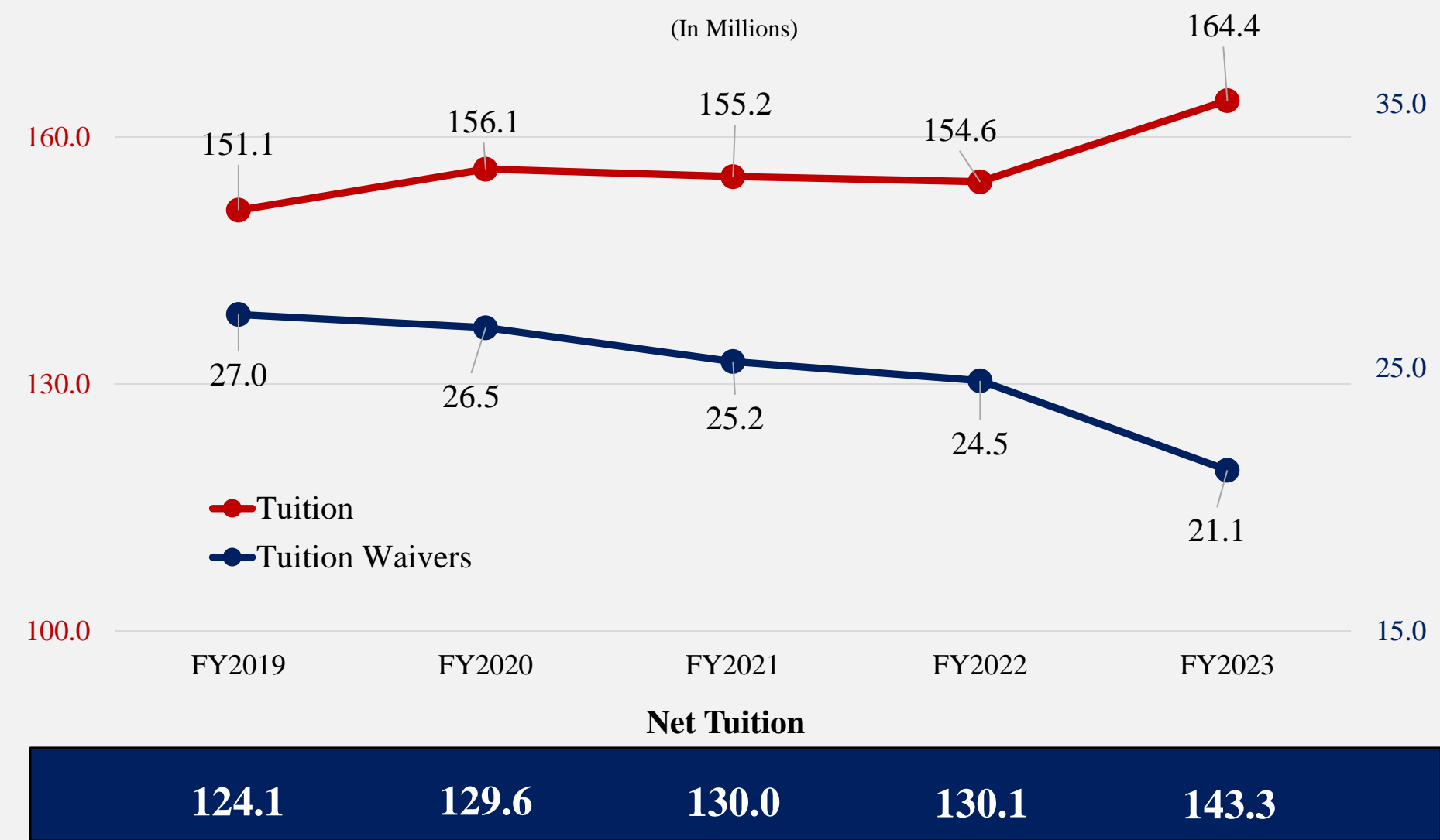
This additional funding would add 39.1M into the University’s expending power.

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

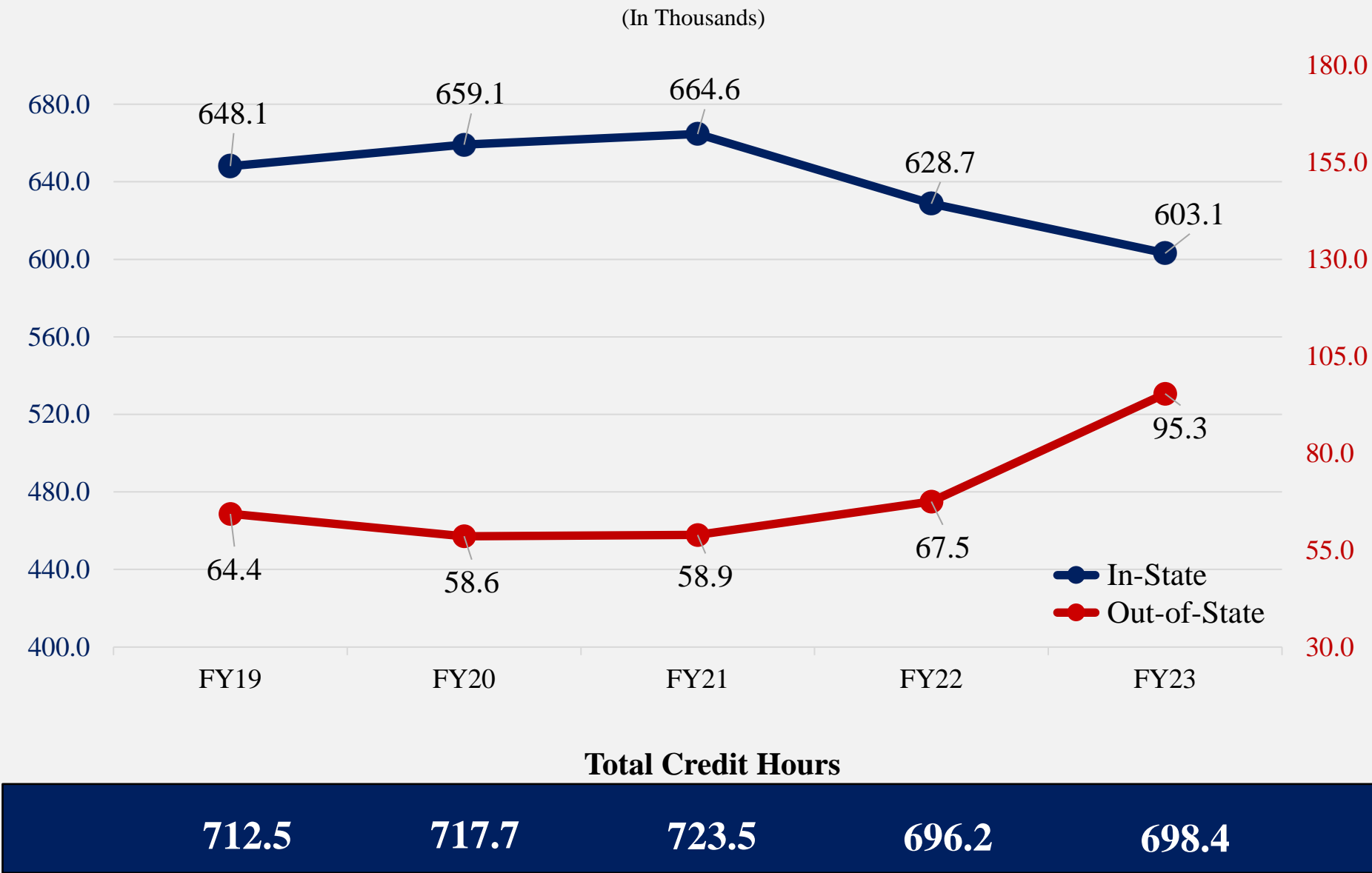
50.5M
Out-of-State Tuition Collected in FY23
Excluding Tuition Differential &
Student Fees

(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

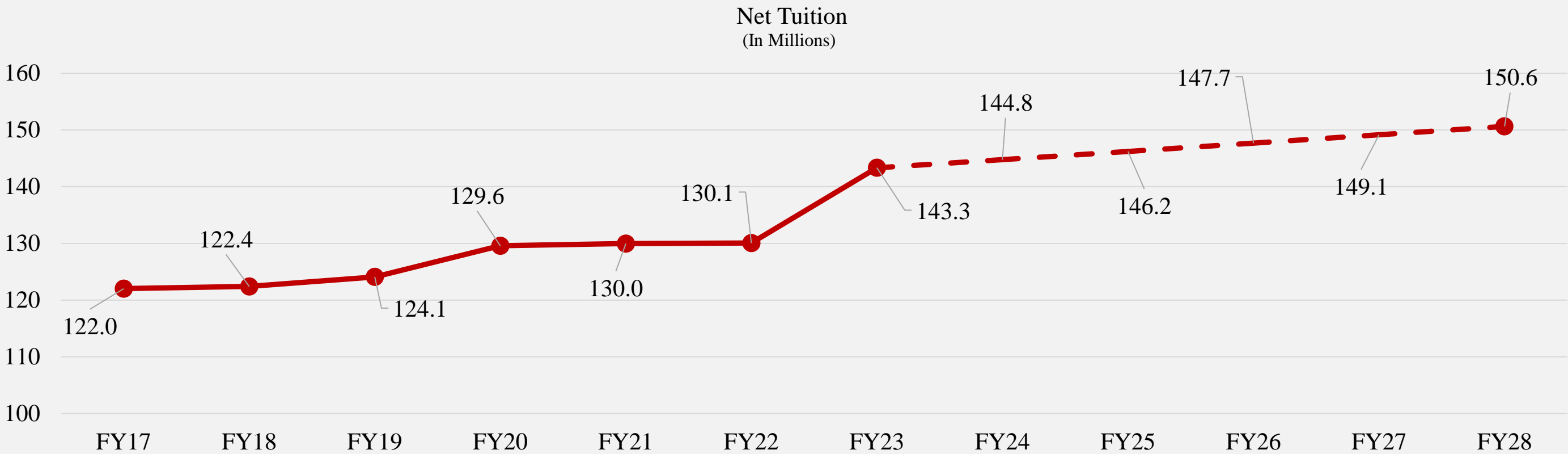
(6.9)%
Percent Change of In-State Credit
Hours Since Fiscal Year 2019

(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

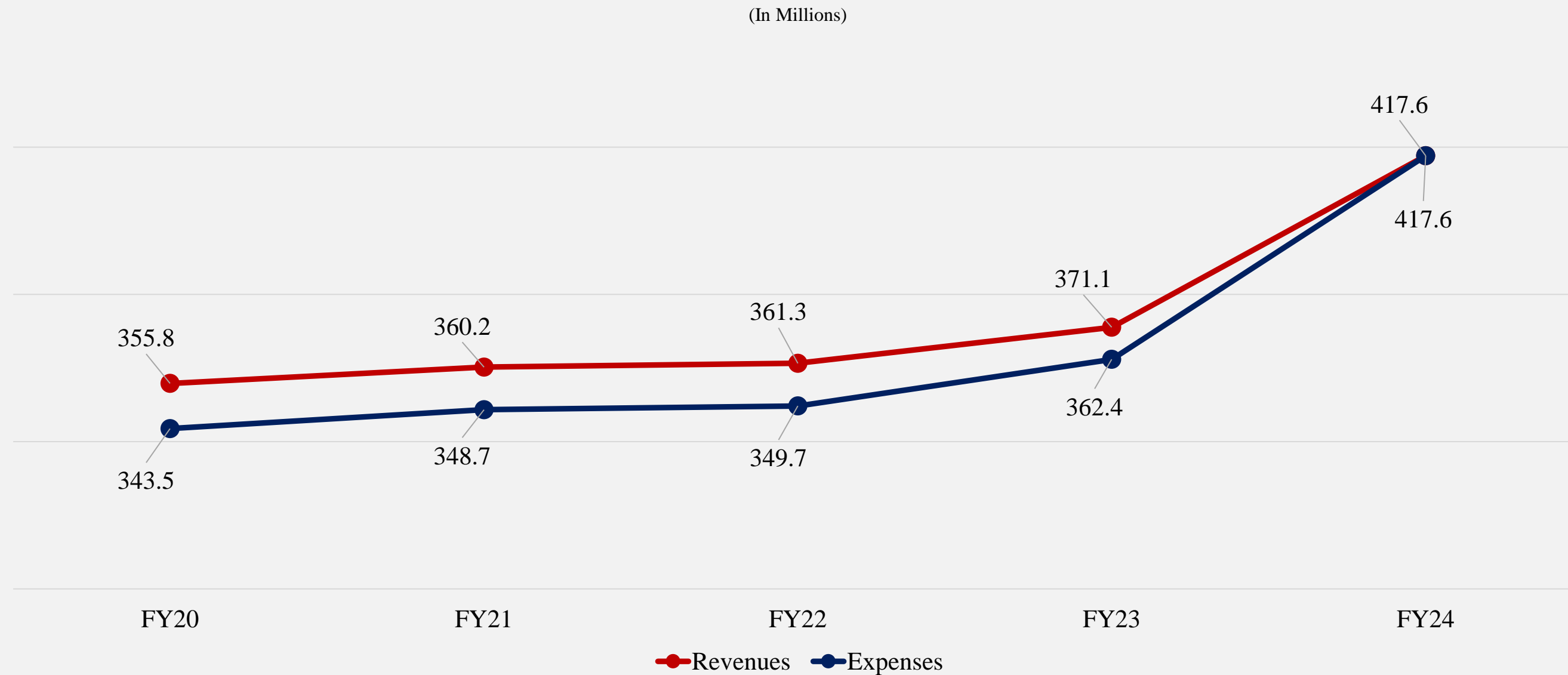
(In Millions)

| 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

343.5



FY20

348.7



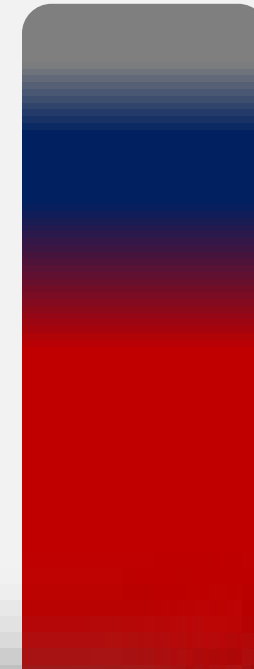
FY21

349.7



FY22

362.4



FY23

417.6



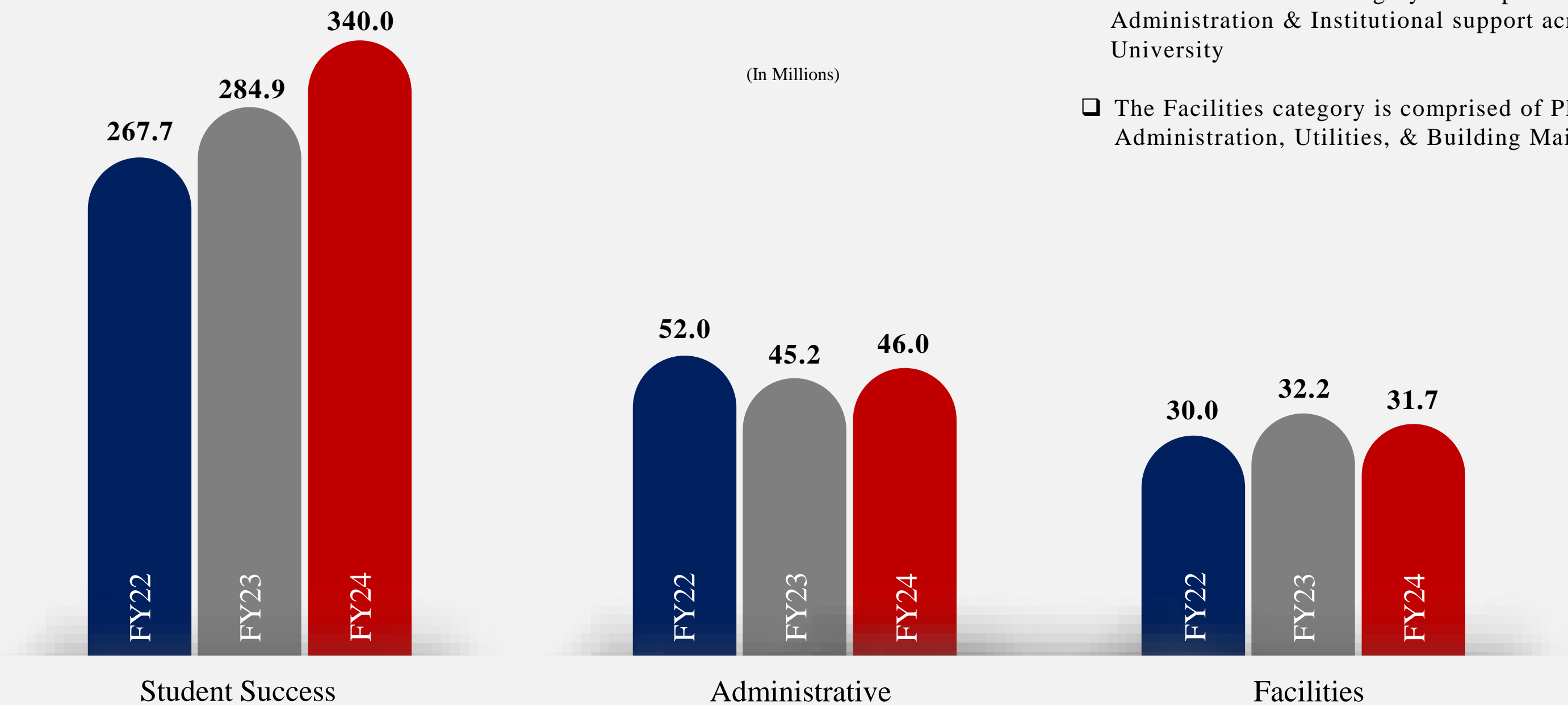
FY24

(In Millions)

Education & General Budget

Investing in Student Success

(Expenses by Functional Categories)

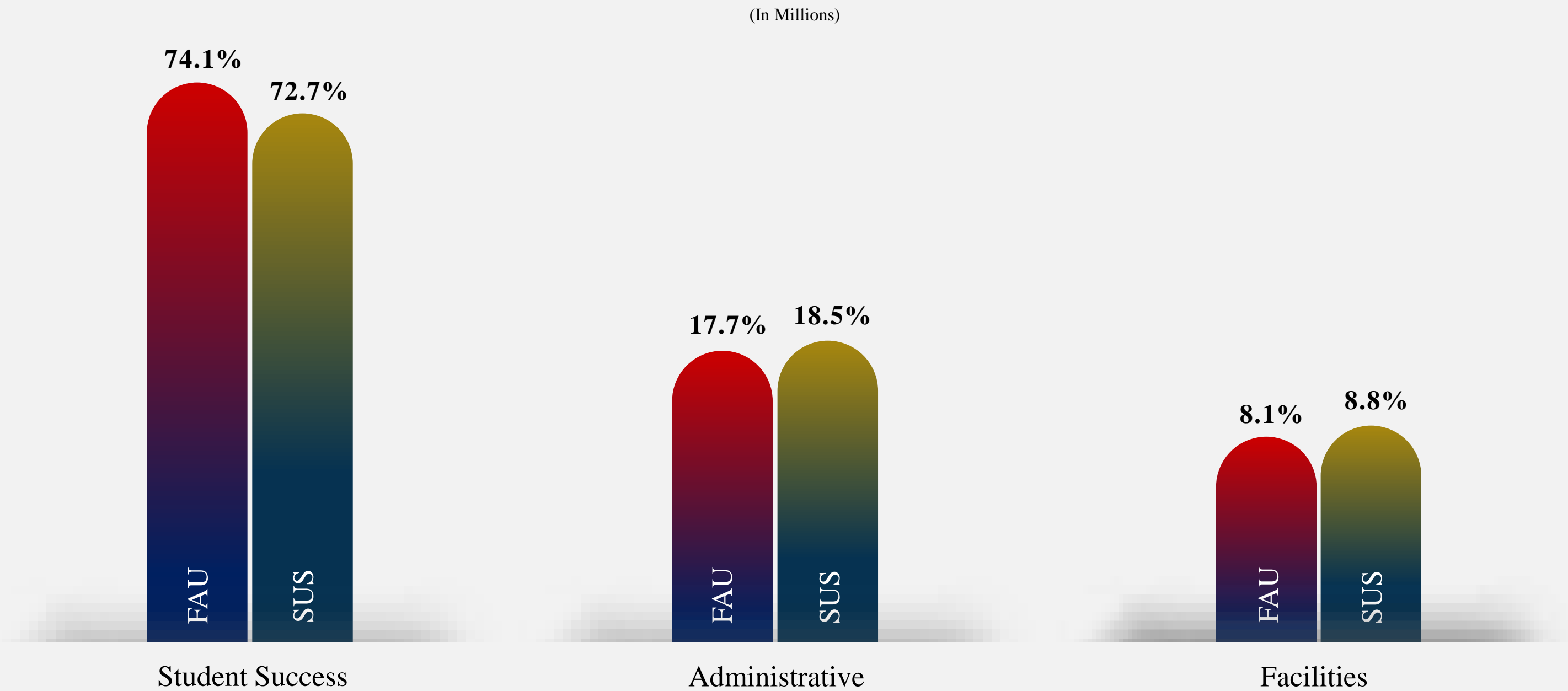


- ❑ The Student Success category is comprised of Instruction, Research, Advising, Financial Aid, Career Placement, Institutes and Research Centers & Other Student Services
- ❑ The Administrative category is comprised of General Administration & Institutional support across the University
- ❑ The Facilities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

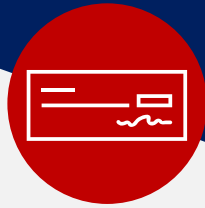
Includes both reoccurring & non-reoccurring funding

Education & General Budgeted Expenses by Functional Categories

Across the SUS (FY23 Budget)



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.

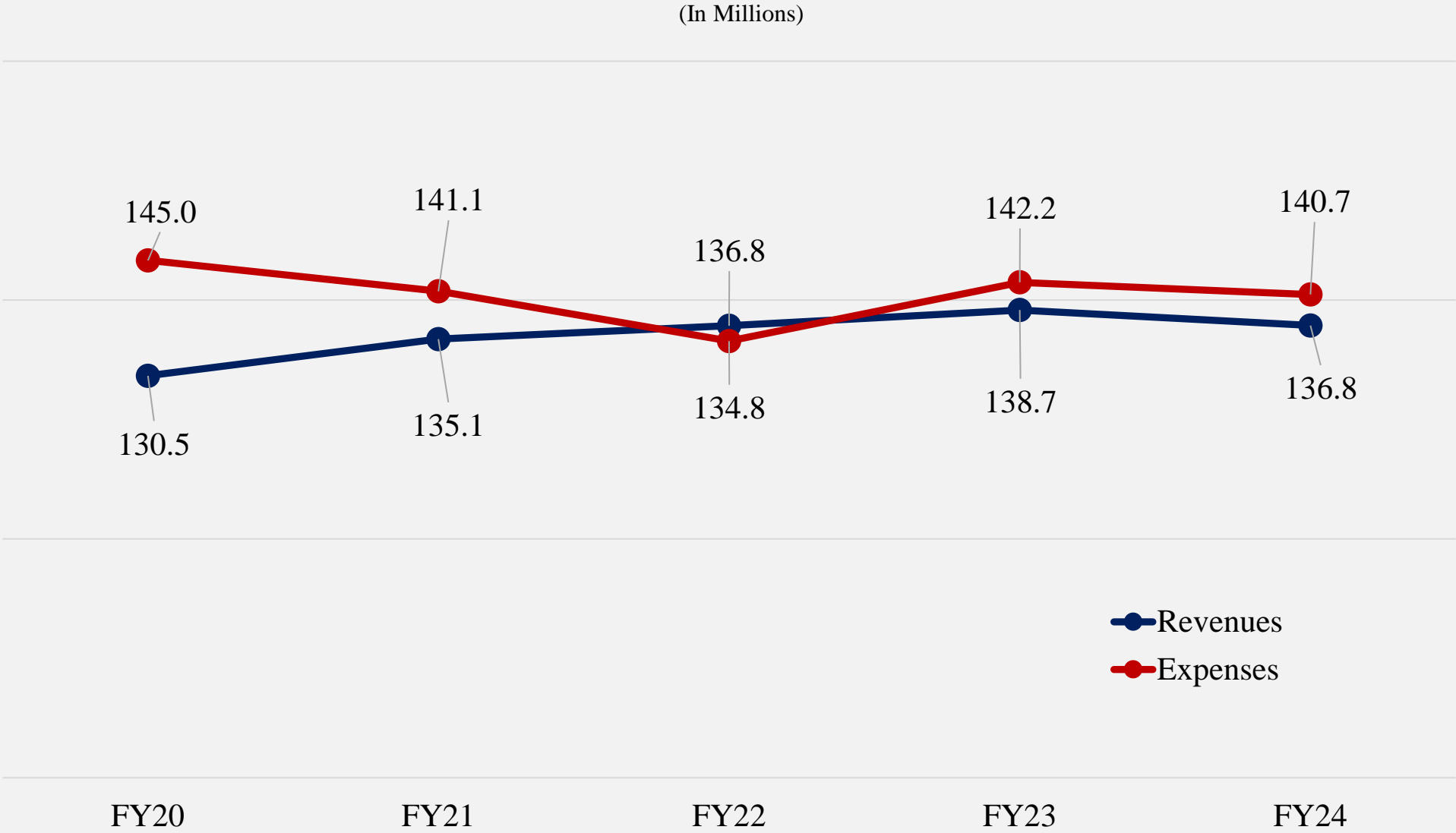


Budget Analysis

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



University Auxiliaries Trend Analysis



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

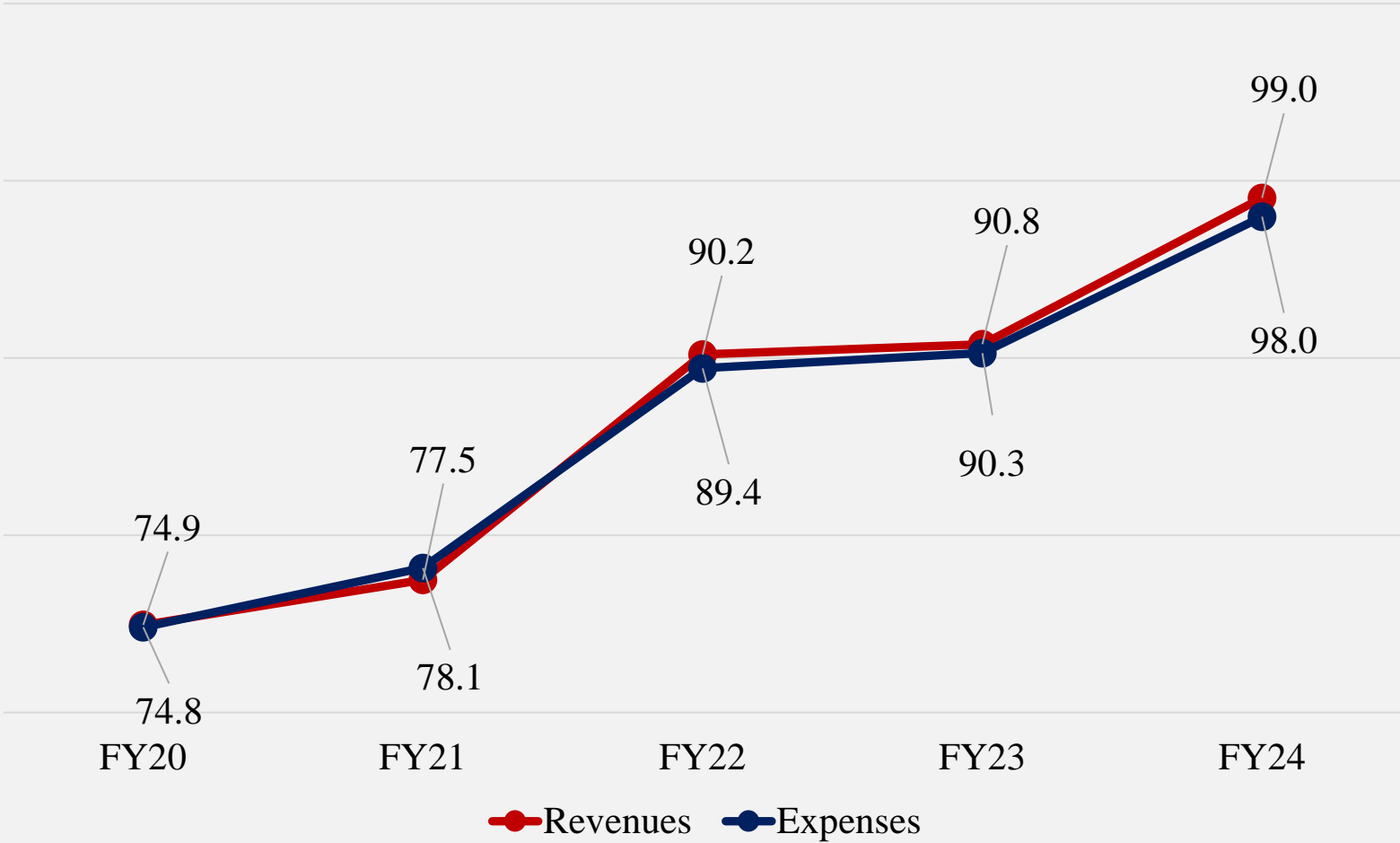
FAU's direct support organizations include the following:

- ☐ 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 | | | | | | Student Financial Aid | |
|-----------------------|-------|-------|-------|-------|-------|--|--|
| | FY20 | FY21 | FY22 | FY23 | FY24 | 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. | |
| Revenues | 203.9 | 206.9 | 209.0 | 209.0 | 213.0 | | |
| Expenses | 203.8 | 207.0 | 209.0 | 209.3 | 213.3 | | |

| Student Government | | Student Government | | | | | |
|--|--|--------------------|------|------|------|------|------|
| Student Government expects enrollment to be flat in FY24, leading to a reduction in their projected budget for FY24. | | | 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 | | | | | | Concessions | |
|-------------|------|------|------|------|------|--|--|
| | FY20 | FY21 | FY22 | FY23 | FY24 | The concessions budget has been raised due to multiple initiatives, including tech runway, CoM events, presidential search, and expos for recruiting new freshmen. | |
| Revenues | 0.6 | 0.8 | 0.6 | 0.6 | 0.8 | | |
| Expenses | 0.6 | 0.8 | 0.6 | 0.6 | 0.8 | | |

(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 |

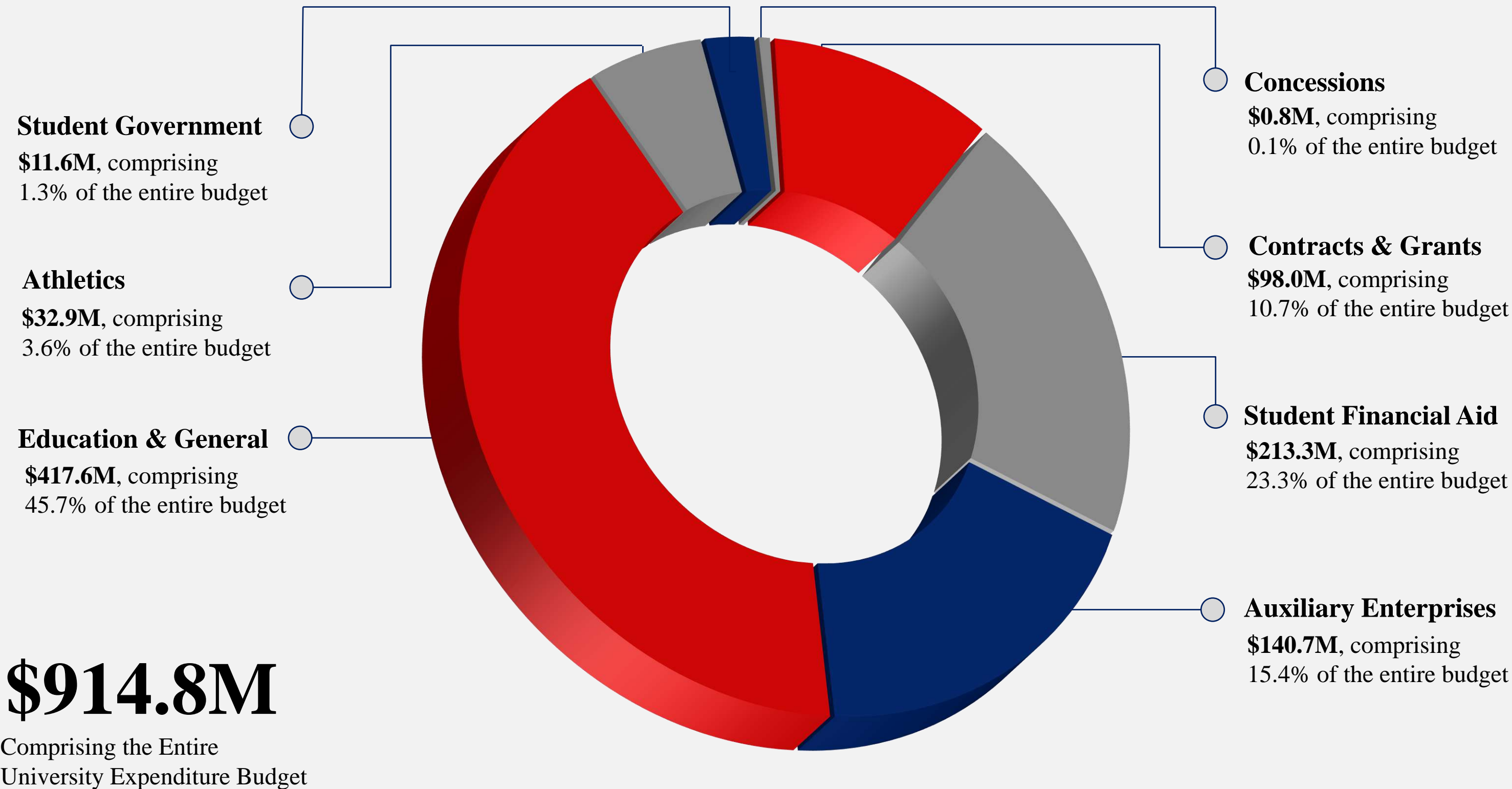
Under Board of Governors regulation, the university documents and reports the above actual usage of university time and effort provided to the Direct Support Organizations to support the purpose for and value of such services.

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
