



2009-10 Budget Presentation
to the
FAU Board of Trustees
June 10, 2009

OVERVIEW

PART 1: Proposed Reductions

- Process was inclusive and strategic
- Priorities: Preserve degree production and research capacity

PART 2: Proposed Budget

- New paradigm for revenue planning
- Supports BOT strategic priorities

PART 3: Looking Ahead

- Project VISION
- Exploring possibilities

Florida Atlantic University Proposed 2009-10 Operating Budget Reductions

PART 1

BUDGET REDUCTIONS 2009-2010 E&G Operating Budget

TIMELINE

July 2007 - June 2008: FAU incurs \$18,625,078 in state appropriations reductions. Freeze implemented on travel, equipment purchases, and hiring except under special circumstances.

January 2009: Special Legislative Session reduces Florida Atlantic University's Educational and General Operating Budget by \$7,076,953.

May 2009: The 2009 Legislative Session results in additional reductions to the 2009-10 Operating Budget totaling \$27,279,539.

BUDGET REDUCTIONS

2009-10 E&G Operating Budget

Throughout the budget reduction process, Florida Atlantic University followed these priorities and strategies:

- Continued focus on FAU's *Strategic Plan*
- Minimize the impact on instruction and enrollment
- Ensure currently enrolled students maintain timely progress toward degree
- Maintain the integrity of our teaching, research and service missions
- Eliminate duplication of effort in all areas
- Consolidate programs and activities to achieve economies
- Look to methods to improve efficiency
- Examine ways to support programs and activities from different funding sources

BUDGET REDUCTIONS

2009-10 E&G Operating Budget

- Increase class size to the extent pedagogically acceptable
- Maximize efficient use of classrooms and offices
- Examine productivity of all units and programs
- Fill only critically needed positions
- Restrict travel to only essential meetings
- Examine assignments of faculty and staff to achieve maximum efficiency
- Maximize the use of distance education and video/telephone conferencing
- Collaborative discussions and decision-making regarding reductions

CORE VALUES OF THE PRESIDENTIAL BUDGET TASK FORCE

Strategic Goal 1: Providing Increased Access to Higher Education

**Strategic Goal 3: Building World-Class Academic Programs and
Research Capacity**

REMEMBER....

July 1, 1991 – June 30, 2007: \$29,909,036

July 1, 2007 – June 30, 2008: \$18,625,078

Total (1991-2008): \$48,534,114

Reductions for July 1, 2008 – July 1, 2009:

\$16,670,862

Total Reductions (1991-2009): \$65.2 million

TOTAL NEW REDUCTIONS

Grant and Aid General Appropriations

January 2009 Special Session, 2008-09 Budget (Recurring)	\$ 7,008,235
2009 Session, 2009-10 Budget	<u>\$27,279,539</u>
Total Grant and Aid Appropriation Reductions	\$34,287,774

Student Financial Aid General Revenue

2009 Session, 2009-10 Budget	<u>\$ 94,711</u>
Total Student Financial Aid General Revenue Reductions	\$ 94,711
Grand Total	\$34,382,485

REVENUE OFFSET

2008-09	BOT approved increases in undergraduate out of state, and graduate in-state tuition (annualized) and funds held in reserve in 2008-09 totaling \$1,400,000	\$1,717,097
2008-09	BOT Elimination of Free Credit Card Payments	500,000
2009-10	8% Legislative Undergraduate Tuition Increase	\$2,796,750
2009-10	7% BOT Undergraduate Differential Tuition Increase (net of unallocated funds and need-based financial aid)	\$ 448,000
2009-10	Federal Economic Stimulus Funds (non-recurring)	<u>\$12,155,065</u>
	Total Revenue Offset	<u>\$17,616,912</u>

NET REDUCTIONS

General Revenue, Lottery, and Trust Fund Reductions	\$ 34,287,774
Less Tuition, Reserve, and Federal Stimulus	<u>\$ 17,616,912</u>
Net Reductions	\$ 16,670,862
Student Financial Aid General Revenue	\$ 94,711

FLORIDA ATLANTIC UNIVERSITY'S BUDGET REDUCTION PLAN

is consistent with Florida Atlantic University's **Strategic Goals**:

- GOAL 1: PROVIDING INCREASED ACCESS TO HIGHER EDUCATION
- GOAL 2: MEETING STATEWIDE PROFESSIONAL AND WORKFORCE NEEDS
- GOAL 3: BUILDING WORLD-CLASS ACADEMIC PROGRAMS AND RESEARCH CAPACITY
- GOAL 4: MEETING COMMUNITY NEEDS AND FULFILLING UNIQUE INSTITUTIONAL RESPONSIBILITIES
- GOAL 5: BUILDING A STATE-OF-THE-ART INFORMATION TECHNOLOGY ENVIRONMENT
- GOAL 6: ENHANCING THE PHYSICAL ENVIRONMENT
- GOAL 7: INCREASING THE UNIVERSITY'S VISIBILITY

FLORIDA ATLANTIC UNIVERSITY'S BUDGET REDUCTION PLAN

Florida Atlantic University's budget reduction plan:

- Is the largest one year reduction in the University's history.
- Was developed through a collegial and collaborative process.
- Will not satisfy every constituency.

While the budget reduction plan protects programs, activities and services that are central to the academic mission of the university and fulfills the university's commitment to diversity and inclusiveness, it will impact many aspects of university operations including academic programs and support functions.

WHAT DO THESE REDUCTIONS MEAN?

IMPACT:

- Fewer Faculty & Staff Positions (minimized layoffs)
- Fewer majors
- Reduced operating hours and longer processing times for some services
- Increase in deferred maintenance of buildings and grounds
- Reduced faculty and staff involvement in local and professional communities
- Reduced resources for state funded research, restricting knowledge expansion and economic development
- Postponement of some additional services designed to enhance student experience
- Shift of some base-funded activities to fee-for-service activities
- Reexamination of focus on our core missions

DISTRIBUTION OF REDUCTIONS BY AREA

- All areas participated in the reductions.
- All 2009-10 tuition increase funding will be directed to Academic Affairs to fulfill Strategic Goal 1 Objectives. Expenditures of tuition differential funds will be in accordance with legislative requirements.
- Support units absorbed reductions equal to 27 percent more than proportional share.
- No reductions were made to FAU General Revenue Student Financial Aid.

DISTRIBUTION OF REDUCTIONS BY AREA

<u>Area</u>	<u>Reduction</u>
Academic Affairs	\$12,003,373
President's Area	237,061
Financial Affairs	794,380
Strategic Relations	1,394,956
University Advancement	155,466
Student Affairs	242,722
Facilities/Physical Plant	1,709,148
Communications	<u>133,756</u>
Total Reductions	\$ 16,670,862
 General Revenue Student Financial Aid	 \$94,711

Division of Academic Affairs

SUMMARY OF BUDGET REDUCTION INITIATIVES

PART I

Administrative Reductions – 2008-09 and 2009-10

PART II

Academic Program Offering Reductions

PART III

College and Unit Reductions

Part I: Administrative Reductions

Summary to date: 2008-09 and 2009-10

- 34 Non-faculty administrative positions eliminated (filled)**
- 4 Faculty administrative positions eliminated (vacant)**
- 10 Faculty administrators returned full-time to faculty**
- 3 Faculty administrators assigned greater instruction**
- 6 Administrative supplements to faculty removed**
- 5 Administrative positions moved to non-E&G funding**

TOTAL: 62 position changes to date – additional positions under review

Part II: Academic Program Offering Reductions and Mergers

- FAU currently offers 147 programs and 284 majors within those programs.
- All majors were reviewed based upon average annual graduates and enrollments.
- 121 majors are “flagged” for additional review.
- Approximately 45 majors are targeted for elimination. (Current students will be accommodated.)

Academic Major Offering Reductions (University-wide)

Architecture, Urban & Public Affairs

Graduate*	
Justice Policy Management (JPM)	

* No undergraduate programs were eliminated.

Academic Major Offering Reductions

Dorothy F. Schmidt College of Arts & Letters

<u>Undergraduate</u>	
Art: Ceramics	English: World Literature
Art - Studio: Photo	English: Writing & Rhetoric
Communication: Print Media	German
Communication: Rhetoric & Society	Liberal Studies
English: American Literature	Social Science
English: British Literature	Theatre: Acting
English: Multicultural & Gender	Theatre: Design/Technical

Academic Major Offering Reductions

Dorothy F. Schmidt College of Arts & Letters (con't)

<u>Graduate</u>	
Art: Education	

Academic Major Offering Reductions

Barry Kaye College of Business

<u>Undergraduate</u>	
Computer Information Systems	
Economics: Enterprise	
Economics: International	
International Business	
Marketing: Retail Management	
Marketing: Sales	
Real Estate	

Academic Major Offering Reductions

Barry Kaye College of Business (con't)

<u>Graduate</u>	
Accounting: Info Systems	Bus Adm: Real Estate
Accounting: Public	Economics: Finance
Bus Adm: Finance Executive	Economics: International
Bus Adm: Operations Mgmt Exec.	Weekend Exec MBA: Legal Compliance
Bus Adm: Operations Mgmt Weekend	
Bus Adm: Financial Planning	
Bus Adm: Global Entrepreneurship	

Academic Major Offering Reductions

College of Education

<u>Undergraduate</u>	
Elementary Education (ESOL Endorsement)	

Academic Major Offering Reductions

College of Education (con't)

<u>Graduate</u>	
Exceptional Student Education: Learning Disability	
Exceptional Student Education: Varying Exceptionalities	
Foundations: Educational Research	

Academic Major Offering Reductions

Charles E. Schmidt College of Science*

<u>Undergraduate</u>	
Biological Science: Ecology	Molecular Biol., Microbiology, Biotechnology
Biological Science: Marine	Premedical/Preprofessional
Biological Science: Microbiology	Social Psychology
Biotechnology	
Geography: Environmental Resource	
Geography: Geographic Info. Sys.	
Geography: Int'l, Regional & Urban	

*There are no reductions in Graduate Programs in the College of Science

Part III: College and Unit Reductions

SUMMARY OF CUMULATIVE BUDGET REDUCTIONS

and

REVISED CAMPUS ACADEMIC PLANS DUE TO BUDGET REDUCTIONS

By College/Unit

EFFECTIVE JULY 1, 2009

REDUCTIONS BY AREA

<u>Academic Affairs</u>	<u>\$ 12,003,373</u>
College of Architecture, Urban & Public Affairs	300,000
Dorothy F. Schmidt College of Arts and Letters	1,200,000
Charles E. Schmidt College of Biomedical Science	1,500,000
Barry Kaye College of Business	2,150,000
College of Education	800,000
College of Engineering and Computer Science	1,275,000
Harriet L. Wilkes Honors College	225,000
Christine E. Lynn College of Nursing	125,000
Charles E. Schmidt College of Science	1,200,000
Information Resource Management	1,350,000
Provost (Admissions/Registrar, Fin. Aid, Graduate College, HBOI, IEA, and Undergrad Programs)	2,818,025
University Library	175,000
VP Research	50,000

The College of Architecture, Urban and Public Affairs

**Architecture, Urban, and Public
Affairs: \$ 300,000**

- **Eliminate Associate Dean position; do not fill vacant Development Officer Position**
- **Increase instructional assignments for chairs, directors and other administrators; review faculty assignments to maximize productivity**
- **Implement tighter course management controls, e.g., raising enrollment caps, enforcing minimum class size, and schedule sequencing**

**The College of Architecture, Urban
and Public Affairs**

**NO CHANGE TO CAMPUS ACADEMIC
PLANS DUE TO BUDGET REDUCTIONS**

The Dorothy F. Schmidt College of Arts & Letters

Dorothy F. Schmidt College of Arts and Letters: \$ 1,200,000

- **Eliminate equipment replacement and renewal for faculty, staff, and labs**
- **Suspend admission to PhD in Comparative Studies while program is being reviewed**
- **Reduce support staff in selected units**
- **Reduce faculty research and conference travel support**
- **Reduce adjunct and summer teaching budgets**

**The Dorothy F. Schmidt College of
Arts and Letters**

**NO CHANGE TO CAMPUS ACADEMIC
PLANS DUE TO BUDGET REDUCTIONS**

**The Charles E. Schmidt College
of Biomedical Science**

The Charles E. Schmidt College of Biomedical Science:
\$1,500,000

- **Decrease support payments to University of Miami for faculty services at UMMSM**
- **Eliminate planned support staff hires in currently vacant positions**
- **Decrease OPS budget for preceptors**
- **Decrease departmental expense budgets and computer purchases**

**The Barry Kaye
College of Business**

Barry Kaye College of Business: \$2,150,000

- Eliminate two high level administrative positions (Associate Dean, Director of External Relations)
- Eliminate 17 low enrollment academic majors
- Phase out Finance major on the Port St. Lucie Campus and the Center for Economic Education in Boca Raton
- Reorganize service delivery models and reorganize office support staffing

The Barry Kaye College of Business at Port St. Lucie

<u>Degree Level</u>	Academic Program Offerings – Current and Planned Key: Orange entry indicates Partial Program; Green entry indicates Service Courses		
	<u>2007-08</u>	<u>2008-09</u>	<u>Proposed for 2010-11</u>
Undergraduate	Accounting	Accounting	Accounting
	Finance	Finance	(Finance)
	Management	Management: SB	Management: SB
	Marketing	Marketing	Marketing

= Change

() = Proposed Elimination of Program

(Current Students will be accommodated.)

College of Education

College of Education: **\$ 800,000**

- **Move selected staff positions, adjuncts and expenses to auxiliary budget and to clinic operations budget**
- **Decline to fill up to 12 vacant faculty positions**
- **Reduce operating expense budget**

The College of Education

**NO CHANGE TO CAMPUS ACADEMIC
PLANS DUE TO BUDGET REDUCTIONS**

The College of Engineering & Computer Science

**College of Engineering and Computer
Science: \$1,275,000**

- Restructure total academic and administrative organization of the college
- Combine departments to create savings by eliminating duplication of effort
- Result is elimination of redundant faculty and staff positions
- Redirect resources to underwrite functional needs rather organizational units

**The College of Engineering and
Computer Science**

**NO CHANGE TO CAMPUS ACADEMIC
PLANS DUE TO BUDGET REDUCTIONS**

The Harriet L. Wilkes Honors College

The Harriet L. Wilkes Honor College: \$ 225,000

- **Consolidate student support and business operations with Jupiter Campus services to avoid redundancy**
- **Eliminate one unfilled support position**
- **Reduce operating budgets to achieve additional efficiencies**

The Christine E. Lynn College of Nursing

Christine E. Lynn College of Nursing: \$125,000

- **Eliminate one faculty and one staff position at Port St. Lucie**
- **Convert administrative (Director) positions in Port St. Lucie and Davie to regular faculty positions**

**The Christine E. Lynn
College of Nursing**

**NO ADDITIONAL CHANGES TO CAMPUS
ACADEMIC PLANS DUE TO BUDGET
REDUCTIONS**

**The Charles E. Schmidt
College of Science**

Charles E. Schmidt College of Science:
\$1,200,000

- Reduce administrative and staff positions
- Eliminate five unfilled faculty positions
- Expand number of faculty on phased (partial) retirement
- Reduce OPS expenditures for adjuncts, TAs, and overload teaching
- Reduce expense budgets

**The Charles E. Schmidt
College of Science**

**NO CHANGE TO CAMPUS ACADEMIC
PLANS DUE TO BUDGET REDUCTIONS**

SUMMARY OF CUMULATIVE BUDGET REDUCTIONS

ACADEMIC SUPPORT UNITS

EFFECTIVE JULY 1, 2009

Financial Aid (Operating Budget):

\$ 100,000

- Reduce staffing and operating expenses

Note: Potential reductions in services and processing time will be ameliorated by increased reliance on federal operating support payments. However, reliance on these federal dollars removes an important contingency reserve for dealing with peak demand by hiring temporary workers.

Graduate College:
\$ 90,000

- **Reduced Graduate Recruitment operations**
- **Reduced Student Support Services operations**

Note: Departments will bear a greater burden for costs associated with recruitment and general graduate student services.

HBOI:
\$ 978,025

- **Move 5.5 FTE support positions to non-E&G funding**
- **Reduce maintenance operating expenses, IRM operating expenses, and administrative operating expenses**
- **Reduce service contracts, vehicle maintenance and other infrastructure operating expenses**

Information Resource Management:
\$1,350,000

- Reduce payments to Northwest Regional Data Center for processing time and resources
- Eliminate four unfilled positions
- Reduce operating expense budget

Office of the Provost:
\$1,450,000

- Reduce staffing in Provost's Office by one position
- Reduce support budgets for academic development and faculty-related initiatives
- Reduce Provost's contingency reserve

Undergraduate Programs:

\$ 200,000

- Reduce budget for SLS instruction by cancelling under-enrolled courses
- Reduce the number of Supplemental Instruction courses covered during the summer
- Eliminate all conference travel support
- Reduce number of graduate assistants assigned to advising incoming freshmen
- Eliminate planned activities for teaching enhancement and undergraduate research
- Restructure freshman reading program to eliminate author visit

University Library:

\$ 175,000

- Eliminate 5 vacant professional librarian and support staff positions
- Combine communications and development positions into one position

VP Research:
\$ 50,000

- **Research:** The Associate VPR position which was funded at 50% E&G and 50% overhead has been eliminated.

SUMMARY FOR ACADEMIC UNITS - TOTAL REDUCTIONS

<u>UNIT</u>	<u>AMOUNT</u>	<u>PERCENTAGE of EXISTING BUDGET</u>
Architecture, Urban & Public Affairs	\$ 300,000	3.17
Arts & Letters	1,200,000	4.89
Biomedical Science	1,500,000	10.58
Business	2,150,000	8.34
Education	800,000	4.93
Engineering	1,275,000	8.76
Honors	225,000	4.96
Nursing	125,000	2.33
Science	1,200,000	5.02
TOTAL COLLEGES	<u>\$ 8,775,000</u>	<u>6.34</u>

SUMMARY FOR ACADEMIC AFFAIRS SUPPORT UNITS		
TOTAL REDUCTIONS		
<u>UNIT</u>	<u>AMOUNT</u>	<u>PERCENTAGE of EXISTING BUDGET</u>
Financial Aid-Operating Budget	\$ 100,000	10.80
Graduate College	90,000	9.37
HBOI	978,025	11.94
Information Resource Mgt.	1,350,000	9.89
Provost's Office*	1,450,000	36.14
Undergraduate Programs	200,000	6.71
University Library	175,000	2.03
VP Research	50,000	13.80
Total Support Units	\$ 4,393,025	--
Total Reduction to Unit Budgets*	\$13,168,025	--

* Includes prior year Provost's Office reserve *Includes 2009-10 Provost's Office reserve

ACADEMIC AFFAIRS REDUCTION RESERVE

- The Academic Affairs reduction of \$ **\$13,168,025** includes **\$1,164,652** that will be held in reserve in anticipation of future reductions and to:
 - honor **\$314,000** commitment to faculty promotion increases, and
 - honor **\$64,000** salary commitments to faculty originally funded from endowment income.

REDUCTIONS BY AREA

President's Area

\$237,061

(President's Office, Board of Trustees Operations, Baldwin House, Strategic Planning, Diversity, Inspector General)

- Eliminate one filled position
- Eliminate OPS positions (unfilled)
- Downgrade/reclassify one position
- Reduce ongoing operational expenses
- Reduce institutional memberships

REDUCTIONS BY AREA

Financial Affairs/Chief Operating Officer

\$794,380

(SVP-Finance, Budget Office, Business Services, Controller's Office, Human Resources, Police Department, Purchasing, and Technology Support Services)

- Eliminate nine unfilled positions
- Eliminate four filled positions
- Eliminate remaining OPS/temporary personnel
- Reduce services and office "hours of service"
- Redistribute duties to existing staff
- Reduce Contract Services – mail pickup/delivery once per day
- Eliminate two unfilled positions in Police Department, Boca Raton Campus

REDUCTIONS BY AREA

Strategic Relations

\$1,394,956

(SVP-Strategic Relations, General Counsel's Office, Equal Opportunities Programs, Governmental Relations, Ombudsman, and Partner Campuses)

- Eliminate nineteen unfilled positions across all campuses
- Reduce OPS/temporary personnel
- Reduce expense budgets
- Redistribute duties to existing staff
- Reduce services
- Reduce grants-in-aid and fellowship support

REDUCTIONS BY AREA

Student Affairs

\$242,722

(SVP-Dean of Students, Center for Civic Engagement & Service, Student Involvement and Leadership, Multicultural Affairs, Greek Life, Career Center, Office for Student with Disabilities)

- Eliminate vacant Associate VP for Student Affairs position
- Redistribute the functions of the Associate VP between the Vice President and the Dean of Students Office
- Eliminate vacant Coordinator of Multicultural Affairs position
- Eliminate vacant Coordinator of Student Involvement and Leadership
- Redistribute the functions of the eliminated Coordinator position to existing staff
- Transfer Senior Secretary's position in the Career Center to Auxiliary account
- Eliminate vacant Program Assistant position in the International Student and Scholars Office and reassign the duties to other office personnel
- Move the Center for Civic Engagement & Service to the Dean's Office for Clerical and Professional staff support

REDUCTIONS BY AREA

University Advancement

\$155,466

- Eliminate six positions: one administrator, one director, two coordinators, one administrative assistant, one office assistant
- Reduce service in alumni association; existing staff to assume more responsibilities
- Reduce services in communications; will rely more heavily on university-wide communications and marketing initiatives
- Current staff to assume additional responsibilities for advancement operations and administrative support

REDUCTIONS BY AREA

Facilities/Physical Plant

\$1,709,148

- Eliminate ten unfilled positions
- Eliminate remaining OPS/temporary personnel
- Defer interior painting 2009-10
- Eliminate third shift from maintenance contract
- Reduce weekend maintenance FTE
- Reduce general operating expenses
- Reduce HVAC blanket maintenance contracts (longer response time to hot and cold calls)

REDUCTIONS BY AREA

Communications

\$133,756

- Eliminate two unfilled positions
- Reduce expense budget

REDUCTIONS BY AREA

General Revenue Student Financial Aid

\$94,711

The 2009 Legislative Session reduced General Revenue Student Financial Assistance by \$94,711.

SUMMARY OF UNIVERSITY-WIDE REDUCTIONS

\$ 16,670,862

- Eliminate approximately 140 unfilled positions
- Eliminate approximately 30 filled positions
- Eliminate/phase-out approximately 45 majors
- Eliminate/reduce services to students, faculty and staff while maintaining student access and credit hour production.

Florida Atlantic University Proposed 2009-10 Operating Budget and Capital Outlay Budget

PART 2

FLORIDA ATLANTIC UNIVERSITY

2009-10 OPERATING BUDGET

77

FLORIDA ATLANTIC UNIVERSITY 2009-10 OPERATING BUDGET EXECUTIVE SUMMARY

The 2009-10 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	

Within the budget development process, methods and techniques are carefully integrated to ensure effective *best practices* and to validate that decisions are directly tied to the University's strategic goals and objectives in a *value-maximizing* framework. All proposed expenditures are reviewed and evaluated at multiple levels within the organization, from departmental units to the President's Executive Committee and the Board of Trustees Committees. Finally, the operating budget is formally approved and adopted by the full Board of Trustees.

FAU's 2009-10 Expenditure Operating Budget totals \$543,376,003, an increase of 4.1 percent over the prior year. In order to accurately reflect total revenues within each budgetary component, the 2009-10 Budget reflects transfers between units.

78

FLORIDA ATLANTIC UNIVERSITY 2009-10 OPERATING BUDGET EXECUTIVE SUMMARY

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. The E&G Budget totals \$239,999,427 in estimated expenditures and reflects a decrease of 3.8 percent over the previous year. Key components of this budget include an eight percent tuition increase for all in-state undergraduate and graduate students, a seven percent differential tuition for undergraduate in-state students, the cost to continue prior budgetary appropriations, \$12,155,065 in Federal Stimulus/Budget Stabilization funding, and a \$23,857,780 reduction in General Revenue funding.

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 \$119,915,409 in projected expenditures, a 6.7 percent increase over the prior year.

79

FLORIDA ATLANTIC UNIVERSITY 2009-10 OPERATING BUDGET EXECUTIVE SUMMARY

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. HBOI expenditures are now reflected in the FAU Grants and Contracts budget. Also included are the A. D. Henderson University School and the FAU Foundation Payroll Clearing Fund. The Contracts and Grants budget totals \$75,592,391 in projected expenditures, an increase of 16.3 percent over the prior year.

Auxiliary Enterprises: The Auxiliary Enterprises Budget is comprised of over one hundred different business and enterprise operations that are self-supporting through user fees, payments, and charges. The range of business operations includes large auxiliaries such as food service, traffic and parking, and housing and small operations such as the Department of Ocean Engineering Research Boat, the College of Science Machine Shop, and HBOI auxiliary operations. Also included in this budget are the expenditures and revenues of the new technology fee. The Auxiliary Enterprises Budget totals \$87,166,681 in projected expenditures, an increase of 17.6 percent over the prior year.

80

**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET
EXECUTIVE SUMMARY**

Athletics: The Athletics Local 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 Local Budget totals \$12,698,375 in projected expenditures, a decrease of 2.4 percent over the prior year.

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 \$7,428,720 in projected expenditures, an increase of 1.9 percent over the prior year.

Concessions: The Concessions Budget is comprised of funding derived from concessions operations such as soft drink and snack vending machines. The Concessions Budget totals \$575,000 in projected expenditures, a 11.5 percent decrease over the prior year.

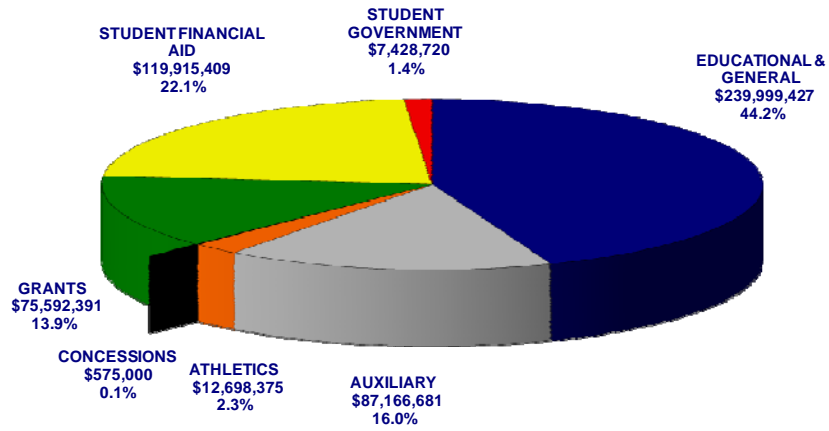
81

**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET
EXECUTIVE SUMMARY**

<u>EXPENDITURE BUDGET</u>	<u>2008-09 Beginning</u>	<u>2009-10 Proposed</u>	<u>Percentage Change</u>
Educational & General	\$ 249,374,143	\$ 239,999,427	(3.8)
Student Financial Aid	\$ 112,411,000	\$ 119,915,409	6.7
Contracts & Grants	\$ 64,980,353	\$ 75,592,391	16.3
Auxiliary Enterprises	\$ 74,095,703	\$ 87,166,681	17.6
Athletics Local	\$ 13,015,661	\$ 12,698,375	(2.4)
Student Government	\$ 7,291,622	\$ 7,428,720	1.9
Concessions	\$ 650,000	\$ 575,000	(11.5)
TOTAL	\$ 521,818,482	\$ 543,376,003	4.1

82

**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET - \$543,376,003
EXECUTIVE SUMMARY**



**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET**

**EDUCATIONAL &
GENERAL BUDGET**

■ 2008-09 E&G Operating Expenditure Budget – Approved by BOT June 25, 2008	\$ 249,374,143
■ Board of Governors Adjustments	
Additional Budget Authority 2006-07 \$5,062,230 and 2007-08 \$339,754	\$ 5,401,984
Six percent Graduate In-state and Undergraduate Out-of-state Tuition Increase	\$ 1,400,000
Elimination of Fee Credit Card Usage for Tuition Payments	\$ 500,000
■ 2008-09 E&G Operating Revenue Budget approved by BOG	\$ 256,676,127
■ Appropriations/Adjustments 2008-09	
2008-09 General Revenue Budget Reductions (Recurring)	\$ (7,008,235)
2008-09 Lottery Reductions	\$ (2,034,653)
2009-10 General Revenue Budget Reductions	\$ (23,857,780)
Cost to Continue 2008-09 Life and Health Insurance	\$ 388,966
Cost to Continue 2008-09 Plant Operations and Maintenance	\$ 956,056
New Space – Plant Operations and Maintenance	\$ 3,332,975
Reduction to Student Financial Aid	\$ (94,711)
New Adjustment to Life and Health Insurance	\$ 2,223,138
Adjustment for Risk Management Insurance	\$ 41,722
2009-10 Tuition Increase – 8 percent Undergraduate In-State	\$ 2,796,750
2009-10 BOT 7 percent Undergraduate Differential Tuition	\$ 896,000
Budget Stabilization Funds	\$ 12,155,065
Change in Student Mix (In- and Out-of-State)	\$ (1,387,106)
2008-09 BOT Tuition Increase – 6 percent Annualization for Summer	\$ 317,097
2009-10 BOT Tuition Increase Graduate In-State	\$ 850,000
2009-10 BOT Tuition Increase Graduate In-State (Held in Reserve)	\$ (850,000)
2009-10 BOT Tuition Budget Authority (Held in Reserve)	\$ 2,195,959
Less Reserve Budget Authority 2006-07 (\$5,062,230), 2007-08 (\$339,754) and 2009-10 (\$2,195,959)	\$ (7,597,943)
■ 2009-1009 E&G Legislatively Appropriated Expenditure Budget	\$ 239,999,427

NEW ISSUE

2008-09 General Revenue Budget Reduction **(\$7,008,235)**

- Last January, the Legislature reduced General Revenue funding by \$7,008,235 due to lower-than-projected state-wide General Revenue collections.
- These are permanent, recurring reductions

NEW ISSUE

2008-09 Lottery Appropriations **(\$2,034,653)**

- Last year, the Legislature provided Lottery funding to help off-set recurring General Revenue reductions.
- These funds are deducted from the 2009-10 Educational and General Operating Budget.

87

NEW ISSUE

**2009-10 General Revenue Budget
Reduction** **(\$23,857,780)**

- This year, the Legislature reduced General Revenue funding by \$23,857,780 due to lower-than-projected state-wide General Revenue collections.
- These are permanent, recurring reductions.
- This reduction reflects a non-recurring appropriation of \$1,025,602 that will be removed from the 2010-11 Operating Budget.

88

NEW ISSUE

Cost to Continue Life and Health Insurance **\$388,966**

- The Legislature provided funding to support adjustments in health insurance and life insurance premiums in 2008-09.
- The University received a budget adjustment of \$458,543 for health insurance and (\$69,577) for life insurance premiums.
- The cost to continue funding fulfills the annualized amounts needed to meet these obligations.

89

NEW ISSUE

Cost to Continue – Plant Operations and Maintenance **\$956,056**

- Last year, the Legislature provided partial funding to support increases in plant operations and maintenance. This year the Legislature provided the remaining committed funds.
- The cost to continue funding fulfills the annualized amounts needed to meet these obligations.

90

NEW ISSUE

2009-10 New Space

\$3,332,975

- **Funding to support Plant Operations and Maintenance of new construction/buildings.**
- **These funds support the operating costs of new facilities such as utilities, janitorial services, and routine maintenance.**

91

NEW ISSUE

**Reduction to State-provided General
Revenue Student Financial Assistance**

(94,711)

- **The Legislature reduced Florida Atlantic University's appropriation for Student Financial Assistance by \$94,711.**
- **The 2009-10 Financial Assistance appropriation will be \$964,108.**

92

NEW ISSUE

Adjustment for Life and Health Insurance Premiums **\$2,223,138**

- The Legislature provided funding to support adjustments in health insurance and life insurance premiums in 2009-10.
- The University received a budget adjustment of \$2,292,715 for health insurance and (\$69,577) for life insurance premiums.

93

NEW ISSUE

Adjustment for Risk Management Insurance **\$41,722**

- Funding for Risk Management Insurance premiums is increased by \$41,722 to reflect the higher cost projected for 2009-10.

94

NEW ISSUE

2009-10 Tuition Increase **\$2,796,750**

- The Legislature approved an eight percent base tuition increase in undergraduate in-state tuition.
- This increase will generate \$2,796,750 in additional tuition revenue for the Fall and Spring semesters.

95

NEW ISSUE

2009-10 Undergraduate Differential Tuition Increase **\$896,000**

- The BOT is requested to authorize a seven percent increase in undergraduate differential tuition effective Fall 2009.
- This increase will not apply to students who have been in continuous attendance since July 2007 or to students covered by a Florida Pre-paid contract issued before July 2007.
- At least 30 percent of these funds are required to go to need-based financial aid.

96

NEW ISSUE

Budget Stabilization Funds

\$12,155,065

- **Florida Atlantic University was appropriated \$12,155,065 in Federal Stimulus/Budget Stabilization funding to support operations as part of the American Recovery and Reinvestment Act of 2009.**
- **These funds are non-recurring but it is anticipated that an equal amount will be allocated in 2010-11.**

97

NEW ISSUE

Change in Student Mix

(\$1,387,106)

- **The Legislature reduced FAU's appropriation by \$1,387,106 to reflect the decline in out-of-state enrollment.**
- **This is a national phenomenon due to the weak economy, encouraging students to attend in-state institutions.**

98

NEW ISSUE

2008-09 BOT Tuition Increase - Annualization **\$317,097**

- The BOT authorized a six percent tuition increase for graduate in-state students and undergraduate out-of-state students effective Fall 2008.
- This is the annualization of the increase associated with summer enrollments.

99

NEW ISSUE

2009-10 Tuition Increase – Graduate In-state **\$850,000**
2009-10 Tuition Increase (RESERVE) **(\$850,000)**

- The BOT is requested to authorize an eight percent increase in graduate in-state tuition effective Fall 2009.
- Graduate and undergraduate out-of-state tuition increases are not recommended.
- These funds will not be allocated at this time and will be held in reserve for BOT strategic initiatives such as merit-based salary increases, additional 2009-10 budget reductions, and other priorities.

100

NEW ISSUE

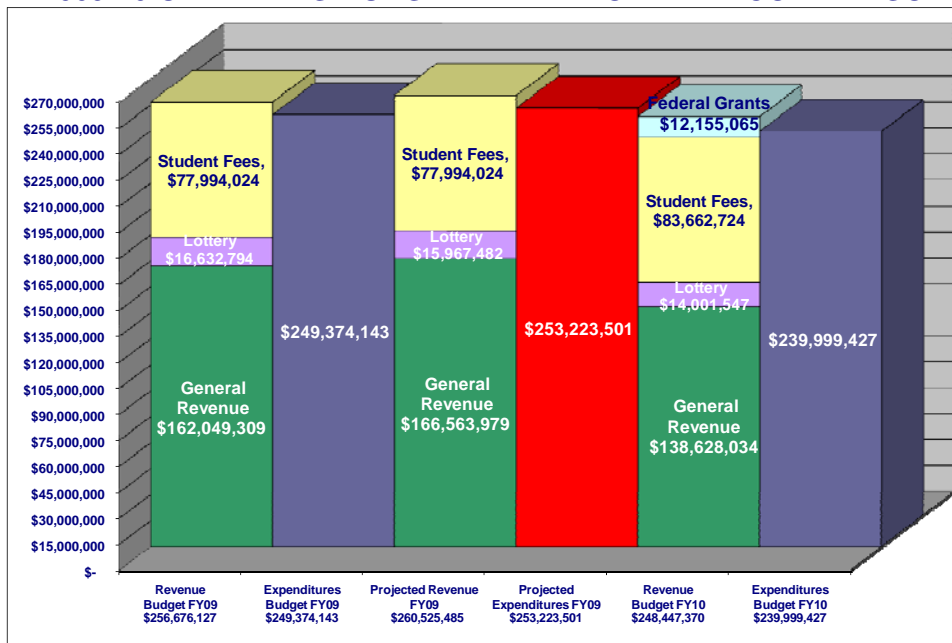
2009-10 Additional Budget Authority – Tuition \$2,195,959

- The Legislature authorized an eight percent tuition increase for out-of-state students and increased FAU’s budget authority by \$1,150,583.

- The Legislature authorized additional budget authority in the amount of \$1,045,376 associated with future collections of the seven percent differential tuition.

- These amounts are not revenue. They are only budget authority.

FLORIDA ATLANTIC UNIVERSITY EDUCATIONAL AND GENERAL 2009-10 OPERATING BUDGET WITH PRIOR YEAR COMPARISON



**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET
EDUCATIONAL AND GENERAL BUDGET SUMMARY**

■ Expenditure Budget 2008-09:2	\$249,374,143
■ Estimated Expenditures 2008-09:	\$253,223,501
■ Expenditure Budget 2009-10:	\$239,999,427
■ Percentage Increase in Budget 2008-09 to 2009-10:	(3.8%)

103

**STUDENT FINANCIAL AID
BUDGET**

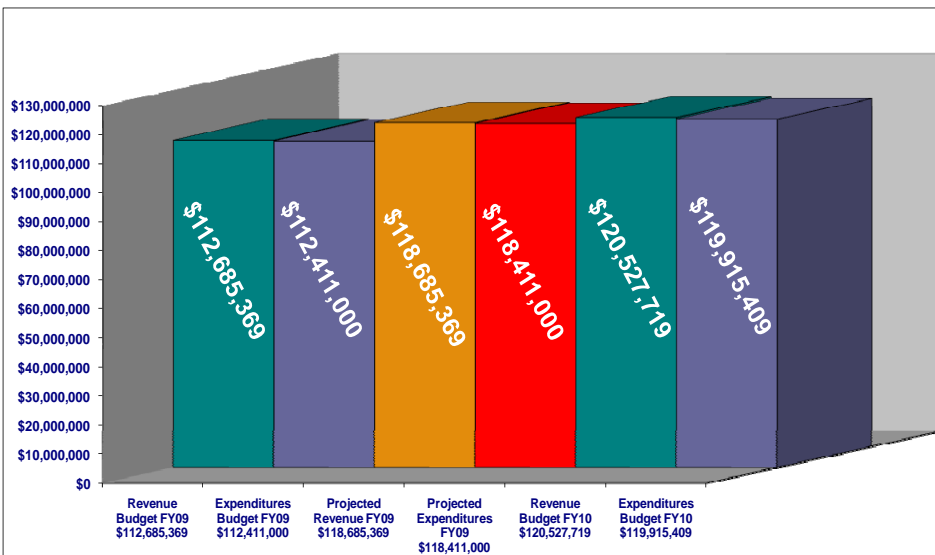
104

THE STUDENT FINANCIAL AID BUDGET CONSISTS OF:

- 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).
- Credit Hour Financial Aid Fees:
 - \$ 4.42 Undergraduate In-State
 - \$25.87 Undergraduate Out-of-State
 - \$12.05 Graduate In-State
 - \$41.89 Graduate Out-of-State

106

FLORIDA ATLANTIC UNIVERSITY STUDENT FINANCIAL AID 2009-10 OPERATING BUDGET WITH PRIOR YEAR COMPARISON



107

**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET
STUDENT FINANCIAL AID BUDGET SUMMARY**

■ Expenditure Budget 2008-09:	\$112,411,000
■ Estimated Expenditures 2008-09:	\$118,411,000
■ Expenditure Budget 2009-10:	\$119,915,409
■ Percentage Increase in Budget 2008-09 to 2009-10:	6.7%

107

**CONTRACTS AND GRANTS
BUDGET**

108

THE CONTRACTS AND GRANTS BUDGET CONSISTS OF:

- Funding from federal agencies, state agencies, foundations and private sources that enables the University to conduct specific research projects or to provide specific services.
- Expenditures for the Division of Sponsored Research, the A. D. Henderson University School, the Florida Atlantic University Foundation, Inc. (payroll clearing account), and the HBOI Foundation are included in the Grants and Contracts budget.

109

CONTRACTS AND GRANTS HIGHLIGHTS

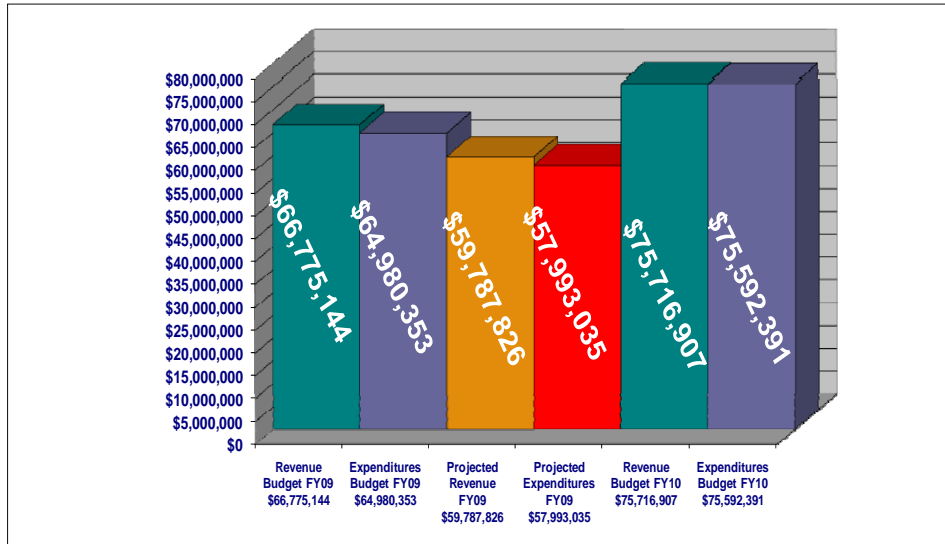
- The 2009-10 operating budget represents an increase of 16.3 percent from the prior year to accurately reflect the level of grant funding projected for the year.

- Expenditures:

• Sponsored Research	\$63,677,757
• FAU Foundation, Inc.	4,469,354
• HBOI Foundation	3,194,221
• A. D. Henderson School	<u>4,251,059</u>
Total	\$75,592,391

110

**FLORIDA ATLANTIC UNIVERSITY
CONTRACTS AND GRANTS
2009-10 OPERATING BUDGET WITH PRIOR YEAR COMPARISON**



**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET
CONTRACTS AND GRANTS BUDGET SUMMARY**

- Expenditure Budget 2008-09: \$64,980,843
- Estimated Expenditures 2008-09: \$57,993,035
- Expenditure Budget 2009-10: \$75,592,391
- Percentage Increase in Budget 2008-09 to 2009-10: 16.3%

AUXILIARY ENTERPRISES BUDGET

113

THE AUXILIARY ENTERPRISES BUDGET CONSISTS OF:

University business operations that are self-supporting through user fees, payments and charges. These include:

- **Food Services**
- **Housing**
- **Bookstore**
- **Printing/Duplicating**
- **Telecommunications**
- **Lifelong Learning Society**
- **Ocean Engineering Boat**
- **HBOI Auxiliary Operations**
- **Postal Services**
- **Student Health Center**
- **Traffic and Parking**
- **Student Center**
- **College Continuing Education**
- **University Theatre**
- **College of Science Machine Shop**
- **Technology Fee Expenditures**

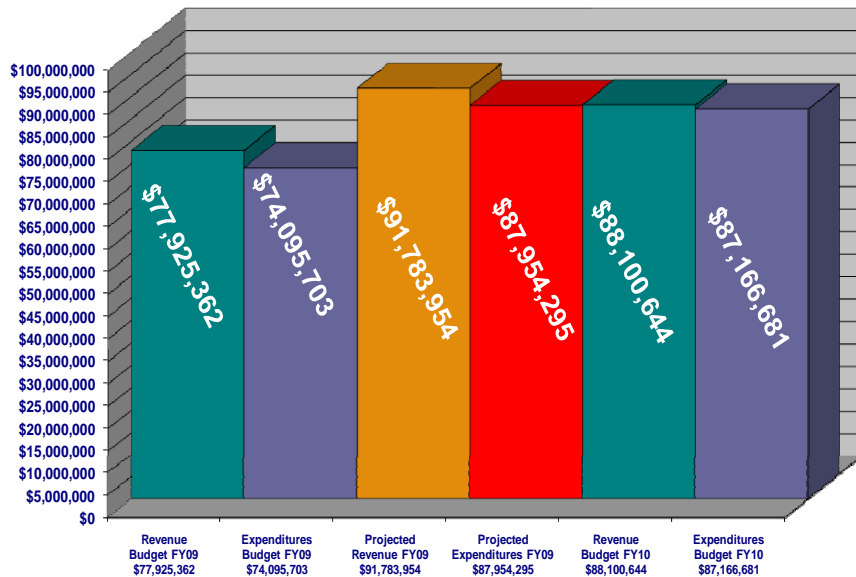
114

AUXILIARY ENTERPRISES HIGHLIGHTS

The 2009-10 budget reflects an increase of 17.6 percent which includes transfer authority.

The largest components of the increase are the operations of the residence halls, residence hall rental increases, prior year salary increases for staff funded by auxiliary operations, year two of the Clearwire contract and the addition in 2009-10 of the expenditures associated with the new Technology Fee.

FLORIDA ATLANTIC UNIVERSITY AUXILIARY ENTERPRISES 2009-10 OPERATING BUDGET WITH PRIOR YEAR COMPARISON



**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET
AUXILIARY ENTERPRISES BUDGET SUMMARY**

■ Expenditure Budget 2008-09:	\$74,095,703
■ Estimated Expenditures 2008-09:	\$87,954,295
■ Expenditure Budget 2009-10:	\$87,166,681
■ Percentage Increase in Budget 2008-09 to 2009-10:	17.6%

**ATHLETICS LOCAL
BUDGET**

THE ATHLETICS LOCAL BUDGET CONSISTS OF:

- **The Athletics Local Operating Budget supports the University's student athletics program. Funding is generated from student athletics fees (\$14.30 per-credit hour) as well as ticket sales to athletics events, game guarantees, NCAA distributions, sponsorships and private support.**
- **In addition to the Local Operating Budget, FAU Athletics receives \$247,246 in State Educational and General Title IX Gender Equity funding and \$1,076,569 in out-of-state waiver authority and financial aid.**

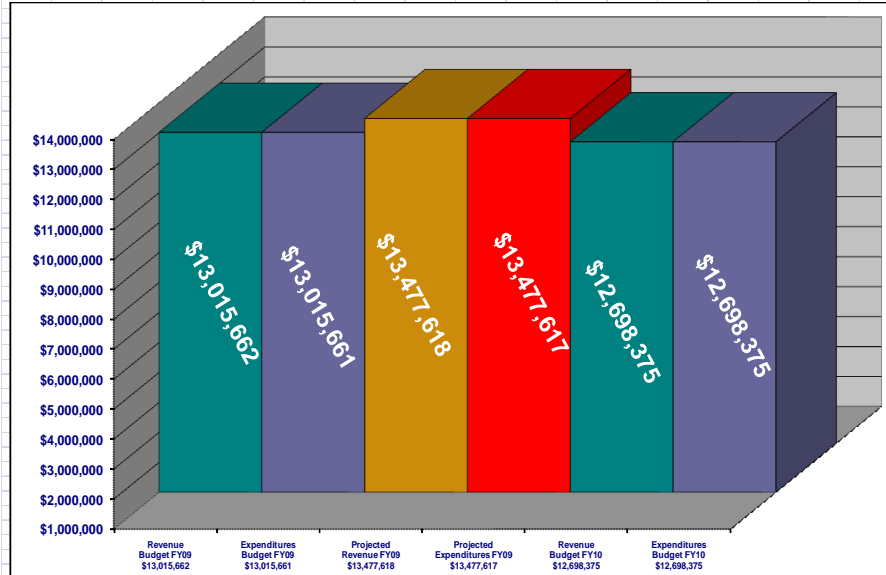
119

ATHLETICS LOCAL BUDGET HIGHLIGHTS

- **Projected expenditures for 2009-10 total \$12,698,375.**
- **Revenues include \$630,000 in private fundraising support, \$200,000 in facilities rental receipts, \$8,245,000 in athletic fees, \$1,821,875 in game guarantees, \$703,000 in NCAA/Conference distributions, \$400,000 in corporate sales, and \$623,500 in ticket sales, and \$75,000 in miscellaneous revenue.**
- **Total expenditures are 2.4% less than initial 2008-09 expenditure budget.**

120

**FLORIDA ATLANTIC UNIVERSITY
ATHLETICS LOCAL
2009-10 OPERATING BUDGET WITH PRIOR YEAR COMPARISON**



**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET
ATHLETICS LOCAL BUDGET SUMMARY**

- Expenditure Budget 2008-09: \$13,015,661
- Estimated Expenditures 2008-09: \$13,477,617
- Expenditure Budget 2009-10: \$12,698,375
- Percentage Increase in Budget 2008-09 to 2009-10: (2.4%)

STUDENT GOVERNMENT BUDGET

123

THE STUDENT GOVERNMENT BUDGET CONSISTS OF:

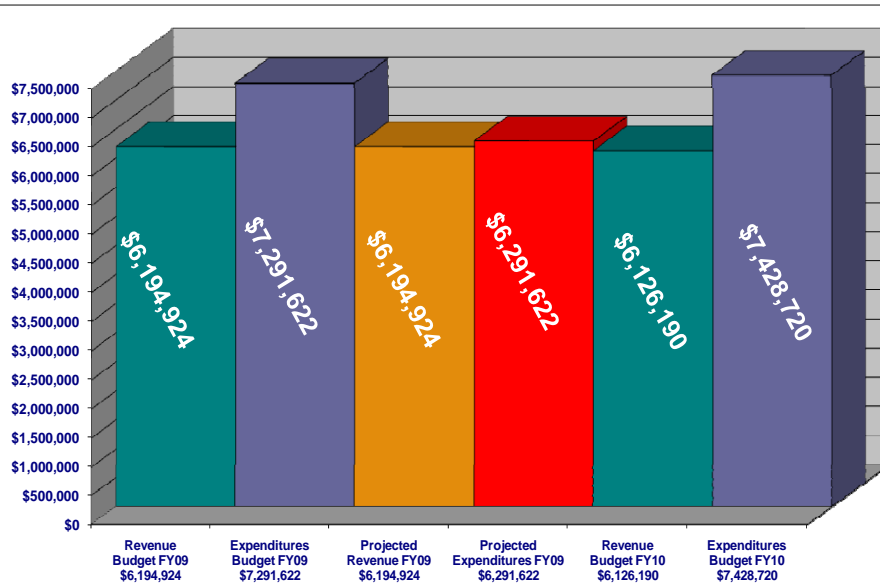
- **Funds from student activities and service fees are provided to support student government operations and student activities such as clubs and organizations.**
- **The Activity and Service Fee of \$10.40 per credit hour generates approximately \$6,100,000.**
- **Other funds available for expenditures include Program Board revenue, homecoming revenue, campus recreation revenue, and available cash balances.**

124

STUDENT GOVERNMENT BUDGET HIGHLIGHTS

The 2009-10 operating expenditure budget of \$7,428,720 represents a 1.9 percent increase over the prior year original budget.

FLORIDA ATLANTIC UNIVERSITY STUDENT GOVERNMENT 2009-10 OPERATING BUDGET WITH PRIOR YEAR COMPARISON



**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET
STUDENT GOVERNMENT BUDGET SUMMARY**

■ Expenditure Budget 2008-09:	\$7,291,622
■ Estimated Expenditures 2008-09:	\$6,291,622
■ Expenditure Budget 2009-10:	\$7,428,720
■ Percentage Increase in Budget 2008-09 to 2009-10:	1.9%

**CONCESSIONS
BUDGET**

THE CONCESSIONS BUDGET CONSISTS OF:

- **Funds from concession operations such as soft drink and snack vending machines.**
- **Expenditures from these funds support the academic mission of the University.**

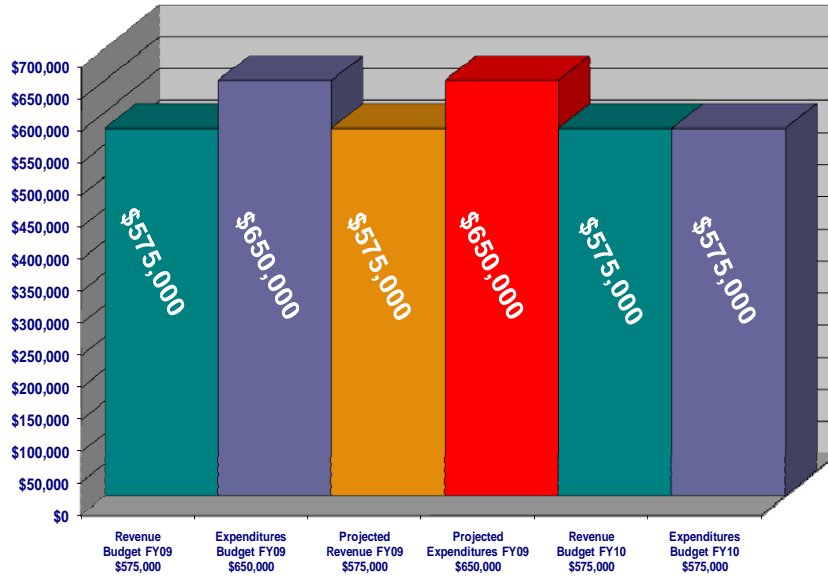
129

CONCESSIONS BUDGET HIGHLIGHTS

- **The concessions budget for 2009-10 represents a decrease in expenditures of 11.5 percent.**
- **Revenues are relatively constant and expenditures are projected to be in line with projected revenues.**

130

**FLORIDA ATLANTIC UNIVERSITY
CONCESSIONS
2009-10 OPERATING BUDGET WITH PRIOR YEAR COMPARISON**



**FLORIDA ATLANTIC UNIVERSITY
2009-10 OPERATING BUDGET
CONCESSIONS BUDGET SUMMARY**

- Expenditure Budget 2008-09: \$650,000
- Estimated Expenditures 2008-09: \$625,000
- Expenditure Budget 2009-10: \$575,000
- Percentage Increase in Budget 2008-09 to 2009-10: (11.5%)

2009-10 CAPITAL OUTLAY BUDGET

133

FLORIDA ATLANTIC UNIVERSITY 2009-10 CAPITAL OUTLAY BUDGET

Section 1013.61, Florida Statutes, requires the Florida Atlantic University Board of Trustees to adopt a capital outlay budget for the ensuing year to inform the public of the University's capital outlay needs. The capital outlay budget is part of the annual budget and shall be based upon the Board's capital outlay plan. The budget shall designate the proposed capital outlay expenditures by project for 2009-10 from all fund sources, as amended.

The Florida Atlantic University Board of Trustees on June 25, 2008 approved the University's Capital Improvement Plan as recommended by the Strategic Planning Committee. Subsequently the Board of Governor's approved the FAU fixed capital outlay request for the Public Education Capital Outlay (PECO) projects. Due to reduced state PECO revenues, all approved projects could not be funded.

134

PROJECTS OF THE 2009-10 CAPITAL OUTLAY BUDGET

Public Education Capital Outlay Projects (PECO)

Infrastructure/Utilities/Capital Renewal (P,C,E)	\$ 2,429,132
FAU/UF Davie Joint Use Facility (E)	\$ 1,452,239
General Classroom Facility/Engineering (E)	\$ 2,315,443
General Classroom Facility – Phase I (E)	\$ 942,661
FAU/Scripps Joint Use Facility Expansion – Jupiter (P,C,E)	\$ 2,000,000
TOTAL 2009-10 CAPITAL OUTLAY BUDGET REQUEST	\$ 9,139,475

135

2009-10 BUDGET SUMMARY

OPERATING BUDGET

\$543,376,003

CAPITAL OUTLAY BUDGET

\$9,139,475

136

FLORIDA ATLANTIC UNIVERSITY FOUNDATION, INC.

- While not a component of the FAU budget, the Florida Atlantic University Foundation, Inc. makes expenditures that directly benefit the University.

- Expenditures on behalf of the University during 2009-10 are estimated as:

■ Salaries, Wages and Benefits	\$ 3,107,248
■ General Expenses	\$ 5,395,247
■ Scholarships	<u>\$ 2,116,058</u>

Total	\$10,618,553
-------	--------------

FAU Tuition & Fees 4-Year Outlook

2010 - 2013 projections for illustrative purposes only

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Matriculation Fee - TOTAL	73.71	82.03	94.33	108.48	122.58	138.52
Base Tuition - 8% per year legislative	73.71	82.03	88.59	95.68	103.33	111.60
Differential Tuition	-	-	5.74	12.80	19.25	26.92
Student Financial Aid	3.68	4.02	4.42	4.78	5.17	5.58
Capital Improvement	2.44	2.44	2.44	2.44	2.44	2.44
Building Fee	2.32	2.32	2.32	2.32	2.32	2.32
Activity and Service - LOCAL FEE BLOCK	10.00	10.00	10.40	10.82	11.25	11.70
Student Health - LOCAL FEE BLOCK	6.33	7.50	7.80	8.11	8.44	8.77
Athletics - LOCAL FEE BLOCK	13.75	13.75	14.30	14.87	15.47	16.09
Tech. (4% of base tuition)- LOCAL FEE BLOCK	-	-	3.54	3.83	4.13	4.46
BLOCKED LOCAL FEES - TOTAL	30.08	31.25	36.04	37.63	39.29	41.02
Total Tuition and Fees PER CREDIT HOUR	112.23	122.06	139.55	155.65	171.79	189.88
PERCENT CHANGE TOTAL TUITION & FEES		8.76%	14.34%	11.53%	10.37%	10.53%
Transportation Access Fee (Fall + Spring)	60.00	60.00	62.40	64.90	67.49	70.19
"WHAT WOULD A COMMUTER STUDENT PAY?"	3486.90	3781.80	4311.54	4799.46	5288.97	5836.96
\$ CHANGE IN TOTAL ANNUAL COST		294.90	529.74	487.92	489.51	547.99
TOTAL PERCENTAGE CHANGE			14.01%	11.32%	10.20%	10.36%
HOUSING + DINING (Average)		8,214.00	8,542.00	8,883.68	9,239.03	9,608.59
"WHAT WOULD A RESIDENTIAL STUDENT PAY"		11,995.80	12,853.54	13,683.14	14,528.00	15,445.55
\$ CHANGE IN TOTAL ANNUAL COST		11995.80	857.74	829.60	844.86	917.55
TOTAL PERCENTAGE CHANGE			7.15%	6.45%	6.17%	6.32%
Tuition Increase per Year			15%	15%	13%	13%
Increase A/S,Health/Athl/TECH/TRANSP	4%		4%	4%	4%	4%

Florida Atlantic University: Looking Ahead

PART 3

Exploring Possibilities

- **Maximizing talent**
- **Rethinking organization**
- **Focusing priorities**

Project
Vision
Moving forward together.

- **Inclusive process to focus on FAU's future**
- **Ask the tough questions**
- **Dr. Susan Clemmons, facilitator**

Florida Atlantic University 2009-10 Budget Presentation



**2009-10 Budget Presentation
to the
FAU Board of Trustees**

June 10, 2009