



**OF FLORIDA ATLANTIC UNIVERSITY'S 2006  
2007 OPERATING BUDGET, JULY 1 – MARCH 31, 2007.**

---

**PROPOSED BOARD RECOMMENDATION**

Information Only.

**BACKGROUND INFORMATION**

To keep the Board of

# **FLORIDA ATLANTIC UNIVERSITY 2006-2007 UNIVERSITY OPERATING BUDGET JULY 1, 2006 TO MARCH 31, 2007 THIRD QUARTER REPORT**

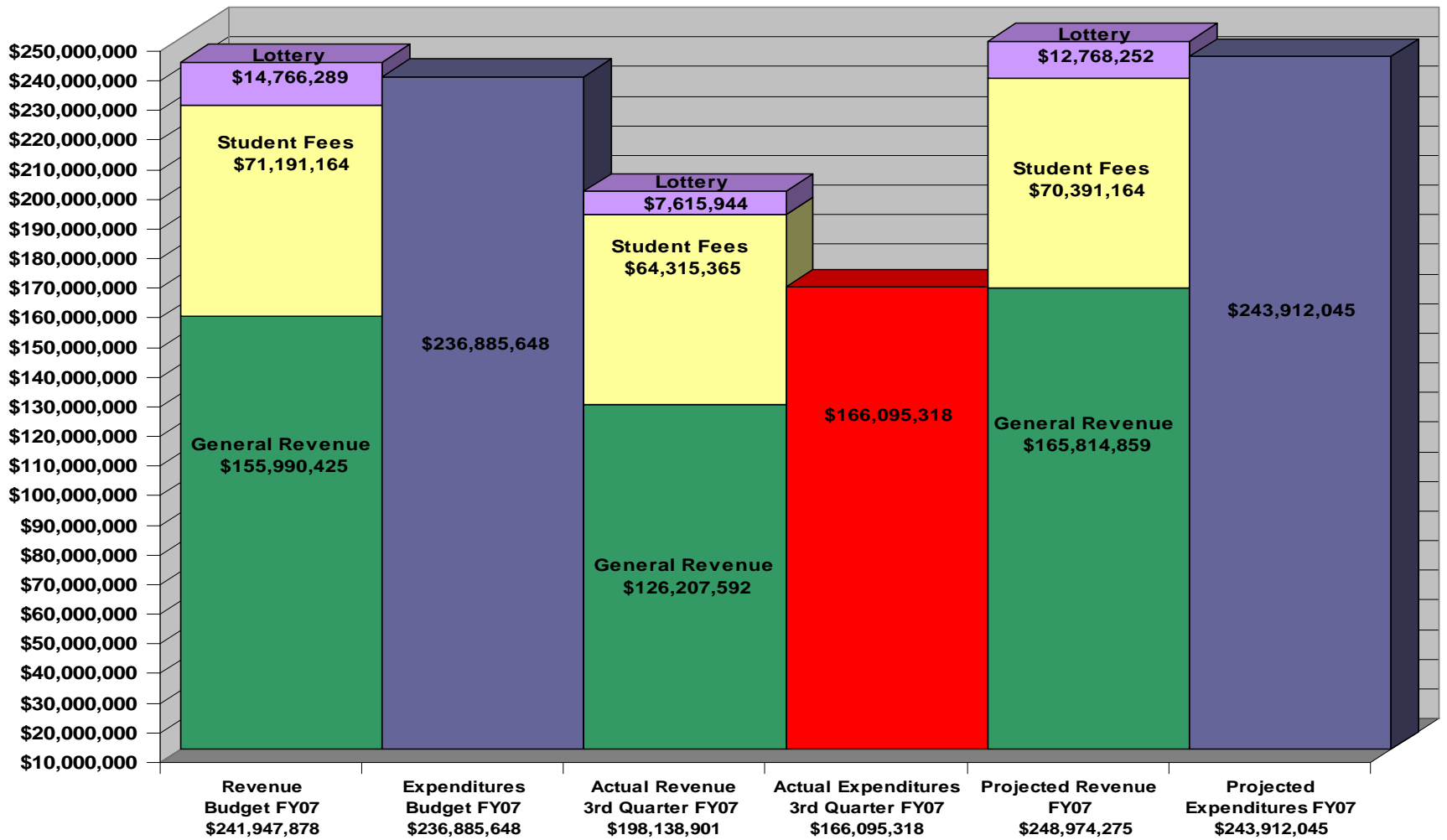
---

- § *Educational and General Operating Budget*
- § *Student Financial Aid Operating Budget*
- § *Grants and Contracts-Sponsored Research Operating Budget*
- § *Auxiliary Enterprises Operating Budget*
- § *Athletics Local Operating Budget*
- § *Student Government-Student Activities Operating Budget*
- § *Concessions Operating Budget*

# **THE EDUCATIONAL AND GENERAL BUDGET**

**The Educational and General budget includes expenditures for instruction, research, library and learning resources, student services,**

# Florida Atlantic University Educational and General Operating Budget July 1, 2006 – March 31, 2007 Third Quarter Report



# Educational and General Operating Budget

July 1, 2006 to March 31, 2007

Budgeted Revenues 2006-07: \$241,947,878      Actual Revenues to March 31: \$198,138,901

Budgeted Expenses 2006-07: \$236,885,648      Actual Expenses to March 31: \$166,095,318

The total budgeted revenue for 2006-2007 is \$241,947,878. The major revenue components are general revenue (\$155,990,425), student fees (\$71,191,164), and lottery funding (\$14,766,289). Included in the initial budgeted revenue and expenses is \$1,998,037 (lottery), which has been transferred to the FAU Foundation, Inc. as part of the Challenge Grant Program. Consistent with BOG budget directions, the revenues and expenses have been adjusted downward by the \$1,998,037 Challenge Grant transfer to the Foundation. Additional budget amendments for retirement rates, salary increases and Centers of Excellence funding are reflected in the budgets. Also reflected is the transfer of Centers of Excellence funding to the Division of Sponsored Research to support the approved grants.

For the third quarter, actual revenue collections are general revenue of \$126,207,592, student fees of \$64,315,365 and lottery funding of \$7,615,944 for total revenue of \$198,138,901.

The total expenditure budget 2006-2007 is \$236,885,648. This amount reflects \$5,062,230 in student fee budget authority held in unallocated reserve. This is not a cash reserve but is authority to spend if cash is received.

Total expenditures through the third quarter were \$166,095,318, or approximately 68 percent of the total projected budget amount. Total expenditures are slightly below the spending rate of the previous year – 68 percent compared to 71 percent in 2005-06. Expense items are higher due to increases in utilities, insurance, and student financial aid support.

# Educational and General Operating Budget

---

## Analysis:

General revenue collections for the University are projected to reach their targeted amounts. With low unemployment, continuing strength in the underlying Florida economy, population-driven revenue increases, and higher levels of personal income, total revenues for the State should continue to be relatively strong. The revised State revenue estimating conference of March 12, 2007 projects a downward revision of \$303 million in revenue for 2006-07, which represents a slight decrease over the last estimate. This slow-down is largely attributed to dampened real estate activity, marginally weaker sales tax collections, and stabilized Corporate Income Tax collections. These three factors have contributed to an estimated revenue decrease of \$653 million for 2007-08. The next estimating conference for General Revenue is scheduled for July 2007.

Student fee collections and enrollments are below the funded enrollment plan for 2006-07 and are being carefully monitored. Based on summer final, fall preliminary and spring estimated enrollments, overall targets will not be achieved. Student fee collections were based upon a growth rate of approximately three percent over the prior year. Summer enrollments were up approximately one percent and Fall enrollments were down overall .2 percent compared to the same time in 2005-06. Fall 2006 headcount is 25,750 vs. 26,095 in 2005. Registration for spring semester is below the original projection – 2.0 percent above previous year. Lower community college transfers, higher admissions standards, and the continuing strong economy contribute to this reduction. Out-of-state enrollments continue to be weak at FAU and system-wide. Currently, a shortfall of approximately \$800,000 is anticipated, an improvement over the prior projections.

Lottery revenue is projected to be fully achieved. The March 2007 estimating conference increased current projections by \$3.1 million in 2006-07 and by \$5.2 million in 2007-08.

# THE STUDENT FINANCIAL AID BUDGET

---

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, 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).

Student financial aid fees are established by the legislature. Current per-credit hour financial aid fees for 2006-07:

<b>\$ 3.68</b>	<b>Undergraduate In-State</b>
<b>\$24.41</b>	<b>Undergraduate Out-of-State</b>
<b>\$10.02</b>	<b>Graduate In-State</b>
<b>\$41.89</b>	<b>Graduate Out-of-State</b>

# Florida Atlantic University





# THE GRANTS AND CONTRACTS BUDGET

---

**The Grants and Contracts 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 and the Florida Atlantic University Foundation (payroll and clearing account) are included in the Grants & Contracts budget.**



# Grants and Contracts Operating Budget

July 1, 2006 to March 31, 2007

**Budgeted Revenues 2006-07: \$59,173,420**

**Actual Revenues to March 31: \$40,861,454**

**Budgeted Expenses 2006-07: \$59,163,175**

**Actual Expenses to March 31: \$35,922,105**

**The total budgeted revenue for 2006**

# THE AUXILIARY ENTERPRISES BUDGET

---

The Auxiliary Enterprises budget includes activities that support the instructional, research and service objectives of the University. Auxiliary enterprise operations are self-supporting and must generate adequate revenue to cover expenditures and to allow for future renovations and building or equipment replacement. Some auxiliaries are partially funded by student fees, including Student Health Center through the student health fee (\$5.00 per-credit hour) and Traffic and Parking through the transportation access fee.

The major auxiliary areas are:

*Food Service*

*Housing*

*Bookstore*

*Printing/Duplicating*

*Telecommunications*

*University Theatre*

*Postal Services*

*Student Health Center*

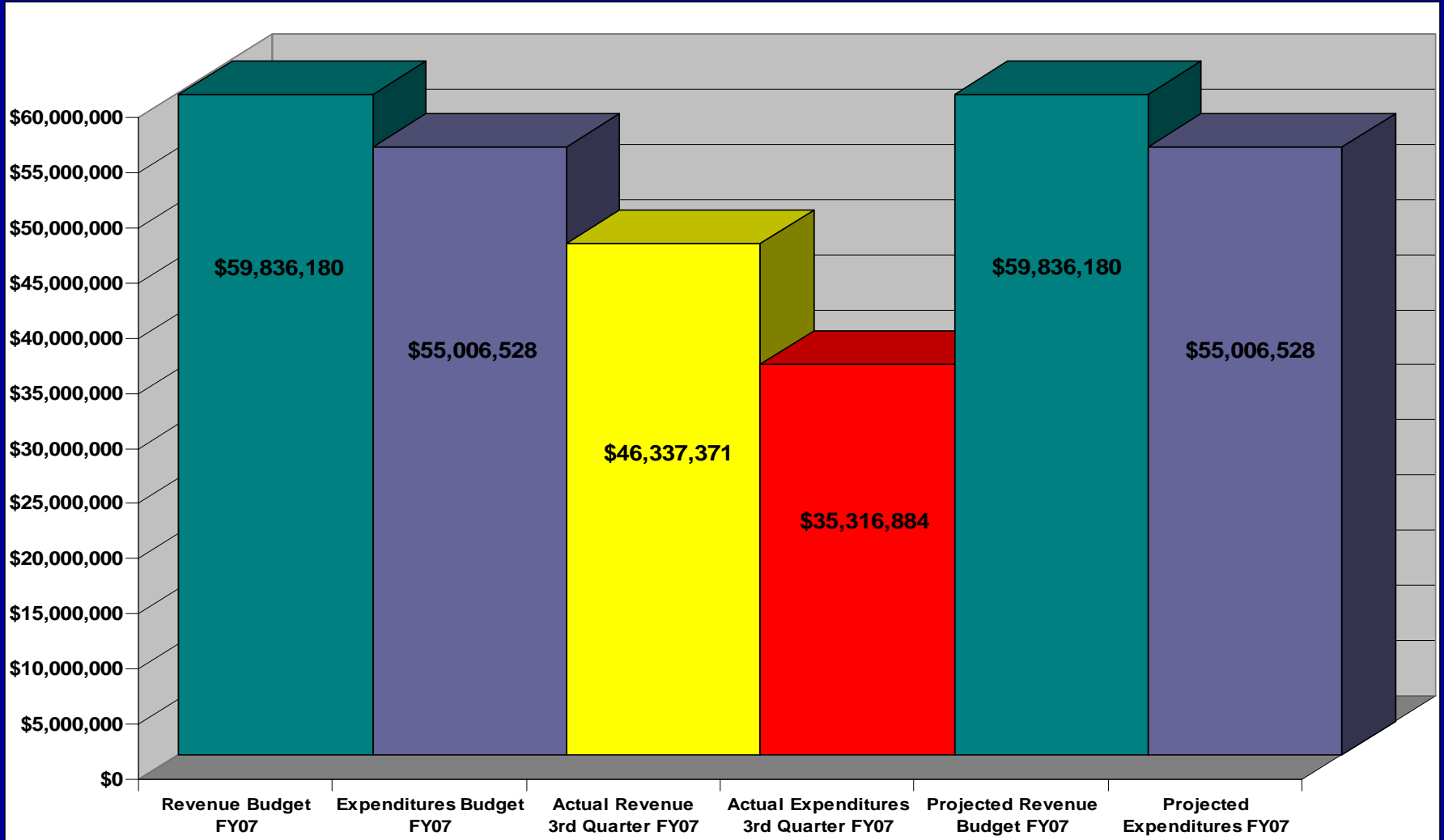
*Traffic and Parking*

*University Center*

*College Continuing Education*

*Lifelong Learning Society*

# Florida Atlantic University Auxiliary Enterprises Operating Budget July 1, 2006 – March 31, 2007 Third Quarter Report



# Auxiliary Enterprises Operating Budget

---

July 1, 2006 to March 31, 2007

**Budgeted Revenues 2006-07: \$59,836,180    Actual Revenues to March 31: \$46,337,371**

**Budgeted Expenses 2006-07: \$55,006,528    Actual Expenses to March 31: \$35,316,884**

The total budgeted revenue for 2006-2007 is \$59,836,180. As of the third quarter, \$46,337,371 in revenue has been generated, or approximately 77 percent of the total budget. Total projected expenditures for the year are \$55,006,528. As of the third quarter, \$35,316,884 has been expended, or approximately 64 percent of total projected expenditures for the year.

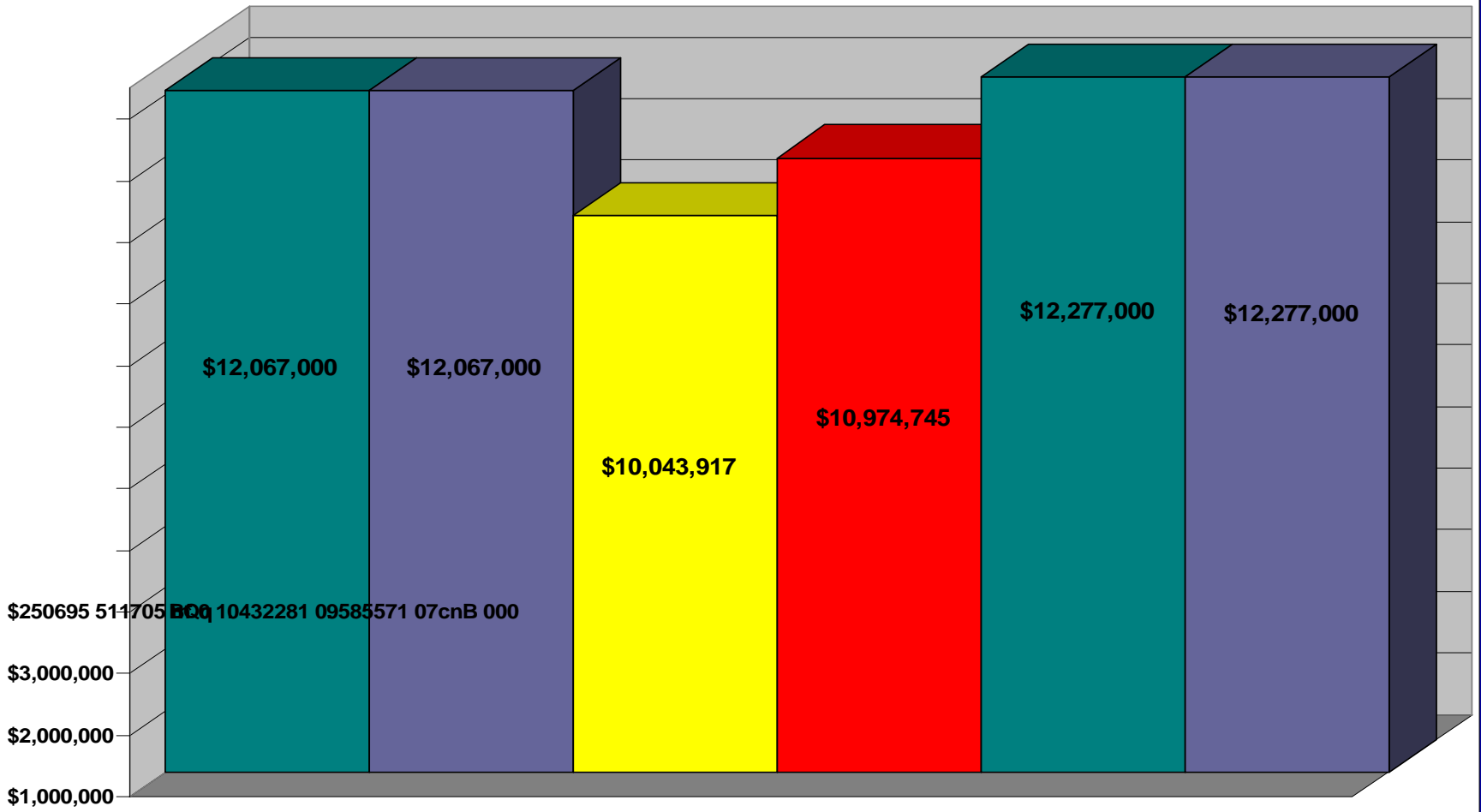
## **Analysis:**

The expenditures to date for 2006-07 are slightly less than the percentage spent in the prior year (64 percent for 2006-07 compared to 67 percent for 2005-06). Revenues and expenditures for the year are believed to be on target with projections.

# THE ATHLETICS LOCAL OPERATING BUDGET



# Florida Atlantic University Athletics Local Operating Budget July 1, 2006 – March 31, 2007 Third Quarter Report



# Athletics Local Operating Budget

July 1, 2006 to March 31, 2007

**Budgeted Revenues 2006-07: \$12,067,000**

**Actual Revenues to March 31: \$10,043,917**

**Budgeted Expenses 2006-07: \$12,067,000**

**Actual Expenses to March 31: \$10,974,745**

The total budgeted revenue for 2006-2007 is \$12,067,000. A budget amendment of \$210,000 in revenue and expenditures was approved in the first quarter. This amount was necessary to cover unbudgeted expenses that are covered by sponsored revenues. Examples of these are \$60,000 for a TV package, \$50,000 advertising sponsored by Nelligan, \$20,000 merchandise purchases and sales at games, and \$15,000 in tent rentals sponsorship.

The major revenue components after the budget amendment are athletics fees (\$8,000,000), ticket sales (\$430,000), game guarantees (\$2,075,000), NCAA/Conference distribution (\$520,000), corporate sales/sponsorships (\$300,000), corporate partnerships (\$180,000), and development (\$600,000).

Of these major revenue components, actual collections were athletics fees of \$6,899,571, ticket sales of \$343,240, game guarantees of \$1,764,750, NCAA / Conference distributions of \$563,247, corporate sales/sponsorships of \$40,427, corporate partners of \$135,150, and development funds of \$297,527.

The total expense budget for 2006-2007 is \$12,227,000 after the amendment. Payroll of \$5,763,613, program operating expenses of \$3,763,202, and scholarships of \$3,076,185 account for this total. Total expenditures through the third quarter were \$10,974,745, or approximately 90 percent of the total budgeted amount. Of total expenditures to date, 27 percent (\$2,908,219) were financial aid, 32 percent (\$3,545,980) were payroll, and 41 percent were program operations (\$4,520,546).

In addition to the local operating budget, FAU receives \$245,000 in State Educational and General Title

# Athletics Local Operating Budget

---

July 1, 2006 to March 31, 2007

## Analysis:

Athletic fee collections are projected to reach their targeted amounts and these are being closely monitored. Athletics fees were conservatively estimated at only \$73,000 above last year's projections, reflecting the annualization of last year's \$2.00 increase per credit hour on summer enrollments.

Ticket revenues are below projections due primarily to lower football ticket sales. NCAA Conference distribution revenues and game guarantees revenues are expected to be above projections. Corporate sales (sponsorships) continue to be below projections at this time and are being closely monitored; miscellaneous revenue should offset these reductions. Athletics is working with a new national corporate sponsorship company to improve sponsorship revenues. Development revenues need to be carefully monitored.

Regular meetings are taking place to monitor revenues and expenditures of Athletics. An Athletics Workshop to review current year performance and next year's projected performance was held on March 20. Based upon the workshop materials, a balanced budget for 2006-07 is projected.



**Florida Atlantic University  
Student Government – Student Activities Operating Budget  
July 1, 2006 – March 31, 2007  
Third Quarter Report**



# **Student Government- Student Activities Operating Budget**

**July 1, 2006 to March 31, 2007**

**Budgeted Revenues 2006-07: \$5,968,986**

**Actual Revenues to March 31: \$4,949,874**

**Budgeted Expenses 2006-07: \$6,678,124**

**Actual Expenses to March 31: \$3,378,526**

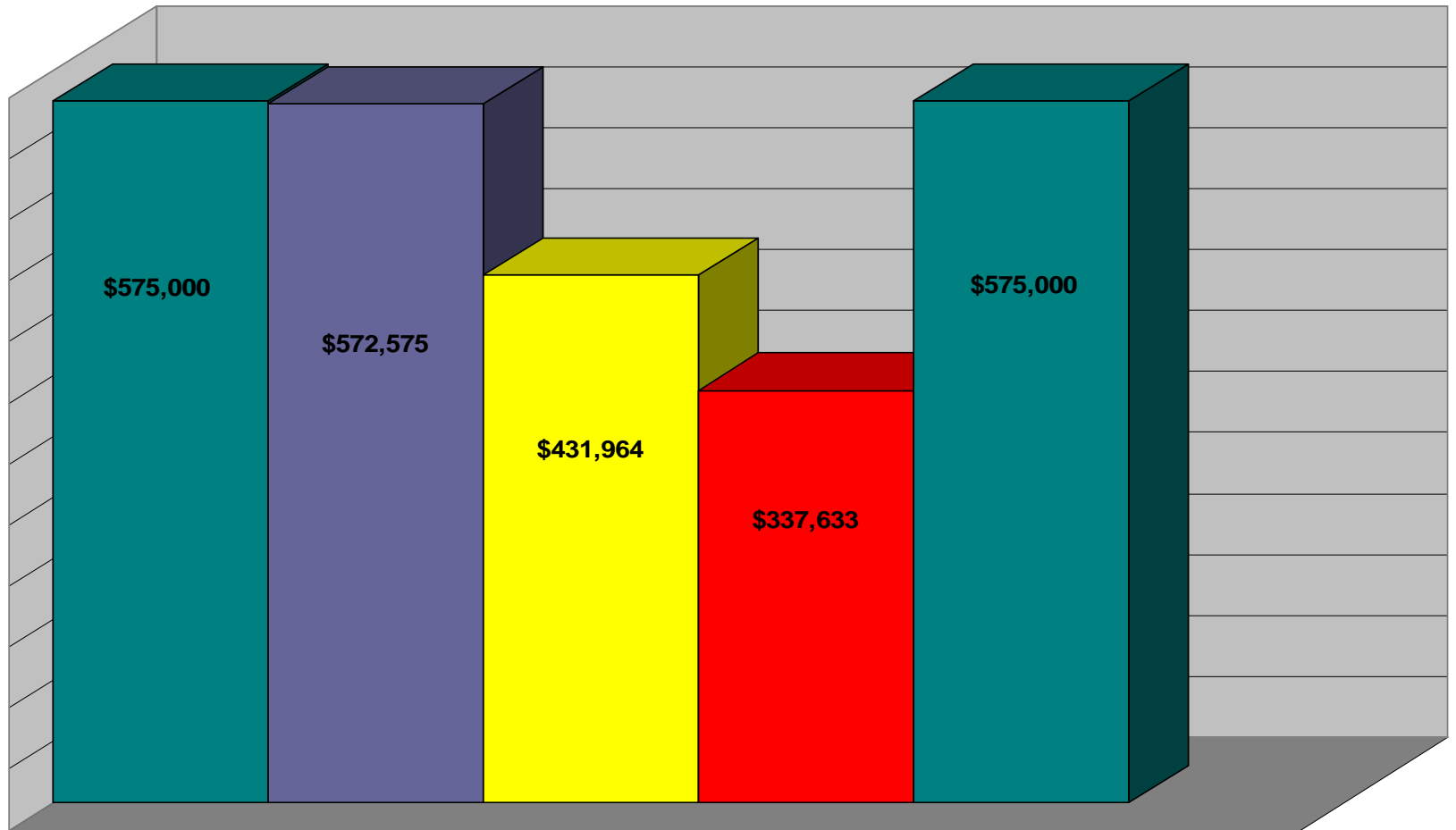
**The total budgeted revenue for 2006-2007 is \$5,968,986. As of the third quarter, \$4,949,874 in revenue has been generated, or approximately 83 percent of the total projected revenue budget. These funds have been generated primarily by Activity and Service fees. Total projected expenditures for the year are estimated at \$6,678,124. To date, \$3,378,526 has been expended, or approximately 51 percent of total projected expenditures for the year.**

# THE 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.**

# Florida Atlantic University Concessions Operating Budget July 1, 2006 – March 31, 2007 Third Quarter Report





# Concessions Operating Budget

---

July 1, 2006 to March 31, 2007

Budgeted Revenues 2006-07: \$575,000

Actual Revenues to March 31: \$431,964

Budgeted Expenses 2006-07: \$572,575

Actual Expenses to March 31: \$337,633

The total budgeted revenue for 2006-2007 is \$575,000. As of the third quarter, \$431,964 has been received, or approximately 75 percent of the revenue budget, and \$337,633 has been expended, or approximately 59 percent of the total expenditure budget.

## Analysis:

The amount of expenditures to date for 2006-07 is slightly greater than in the prior year (\$337,633 v. \$331,251). Revenues and expenditures for the year are believed to be on target with projections.

# FLORIDA ATLANTIC UNIVERSITY OPERATING BUDGET STATUS



	<b>Salaries &amp; Benefits</b>	<b>OPS</b>	<b>Expense/ Other</b>	<b>Total</b>	<b>Salaries &amp; Benefits</b>	<b>OPS</b>	<b>Expense/ Other</b>	<b>Total</b>
<b>Educational &amp; General</b>	<b>\$ 111,810,415</b>	<b>\$ 14,332,166</b>	<b>\$ 39,952,737</b>	<b>\$ 166,095,318</b>	<b>\$ 106,158,877</b>	<b>\$ 13,928,682</b>	<b>\$ 32,703,928</b>	<b>\$ 152,791,487</b>
<b>Student Financial Aid</b>	<b>338,877</b>	<b>421,130</b>	<b>97,109,188</b>	<b>97,869,195</b>	<b>253,463</b>	<b>377,947</b>	<b>98,026,910</b>	