



Board of Trustees Meeting Workshop – University Funding Sources

PRESENTED BY

Finance and Administration

Florida Agricultural and Mechanical University



Section 1011.40(2), Florida Statutes

- Pursuant to Section 1011.40(2), Florida Statutes, the University prepares the operating budget.
- The University has also developed the operating budget for each budget entity in accordance with statutory authority, the 2017 General Appropriations Act (GAA), Board of Governors Regulation 9.007, and the information contained in the Allocation Summary and Workpapers.





Florida BOG Regulation 9.007

State University Operating Budgets

(1) Each university president shall prepare an operating budget for approval by the University Board of Trustees, in accordance with instructions, guidelines and standard formats provided by the Board of Governors.

(2) Each University Board of Trustee shall adopt an operating budget for the general operation of the university as prescribed by the regulations of the Board of Governors. The University Board of Trustees ratified operating budget is presented to the Board of Governors for approval. Each university president shall implement the operating budget of the university as prescribed by regulations of the Board of Governors, policies of the University Board of Trustees, provisions of the General Appropriations Act, and data reflected within the Allocation Summary.





Budget Overview

The State University System (SUS) Operating Budget

Four Budget Entities:

1. Education and General, which includes both non-medical and medical entities
2. Contracts and Grants
3. Auxiliary Enterprises
4. Local Funds





Sources of Funding Education and General (E&G) Funds

The University's **E&G funds** come from:

- General Revenue Fund – funded primarily through Florida's sales tax
- The Florida Lottery
- Student and other fees, which includes student tuition and fees, and other lesser sources such as library fines, application fees, and late registration fees. It is important to note that while the state may grant budget authority for a given amount of funding, the University plans its expenditures on the basis of the tuition and fees it is most likely to collect.





Student Tuition and Fees

Pursuant to Board of Trustees Amended Regulation 3.017, the following schedule of fees are in effect during the 2018-19 academic year for undergraduate, graduate and law school students (Resident and Non-Resident).

The base undergraduate (Resident and Non-Resident) tuition is reduced by a tuition waiver of \$1.75 per credit hour to offset the tuition increase approved by the legislature during the 2013-2014 academic year.





Student Tuition and Fees

Fees Per Credit Hour	Undergraduate		Graduate		Law	
	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident
Tuition	\$ 105.07	\$ 105.07	\$ 334.13	\$ 334.13	\$ 379.76	\$ 379.76
Tuition Waiver	(1.75)	(1.75)				
Student Financial Aid Fee	5.16	5.16	16.70	16.70	18.98	18.98
Capital Improvement Fee	6.76	6.76	6.76	6.76	6.76	6.76
Athletic Fee	13.97	13.97	13.97	13.97	13.97	13.97
Activity and Service Fee	10.50	10.50	10.50	10.50	10.50	10.50
Technology Fee	5.16	5.16	16.70	16.70	18.98	18.98
Health Fee	6.91	6.91	6.91	6.91	6.91	6.91
Non-Residents shall be assessed the following two additional fees:						
Non-Resident Fee		379.07		587.02		611.46
Non-Resident Financial Aid Fee		18.95		29.35		30.57
Total Fees Per Credit Hour	\$ 151.78	\$ 549.80	\$ 405.67	\$ 1,022.04	\$ 455.86	\$ 1,097.89

Othe Required Fees

Material and Supply Fees: Students shall be assessed a range of \$115.00 to \$300.00 per course for certain courses.

Orientation Fee: Students who are enrolled for the first time shall be assessed a \$35.00 prientation fee.

Late Registration Fee: Students who fail to finalize registration during the regular registration period shall be assessed a late regiatration fee of \$100.00.

Late Payment Fee: Students who fail to pay tuition or make appropriate arrangements for payment (deferment or third-party billing) by the deadline set by the University shall be assessed a late payment fee of \$100.00

I.D. Card: Students shall be assessed a \$5.00 identification card fee per semester, excluding the summer semester.

Repeat Course Fee: Students shall be assessed an additional charge per credit hour of \$190.84 for regular courses taken more than twice.

Transportation and Access Fee: Students shall be assessed a transportation and access fee of \$65.00 for Fall 2018, \$65.00 for Spring 2019, and \$33.00 for Summer 2019 semesters.

Differential Fee: Undergraduate students whose date of enrollment was on or after July 1, 2007 will be assessed an additional tuition differential fee of \$36.38 per credit hour. Students enrolled prior to July 1, 2007 and who fail to maintain continous enrollment will also be assessed this tuition differential fee. Students having Florida Pre-paid Contracts which were in effect on July 1, 2007 and which remain in effect are exempt from this additional tuition differential fee.

Excess Credit Hours: Undergraduate students entering Fall 2009 and Fall 2010 academic years will pay 50% more tuition per credit hour for each credit hour exceeding 144 attempted credit hours. Undergraduate students entering Fall 2011 academic year will pay 100% more tuition per credit hour exceeding 138 attempted credit hours. Undergraduate students entering Fall 2012 academic year and thereafter will pay 100% more tuition per credit hour for each credit hour exceeding 132 attempted credit hours.





Allowable Use of E&G Funds

Unless otherwise expressed by law, E&G funds are to be used for E&G operating activities only.

These expenses include but are not limited to, general instruction, research, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment-related and stand-alone operations of the universities.





Sources of Funding

Contracts and Grants Funds

Contracts and Grants consists of activities in support of research, public services and training. These funds are supported by foundations, various state and federal agencies, local units of governments, businesses, and industries.

The FAMU Developmental Research School (DRS) funding is also listed in this budget entity. Their funds come from the Florida Department of Education in the Florida Education Finance Program (FEFP). The FEFP was the funding formula adopted by the legislature in 1973 to allocate funds appropriated to school districts for K-12 public school operations.





Allowable Use of Contract and Grants Funds

The University shall comply with all applicable federal, state, local, and university regulations and guidelines as they relate to grants, contracts and sponsored research programs.





Sources of Funding Auxiliary Enterprises

Auxiliary Enterprises are ancillary support units on the University campus . Major activities include housing, food services, bookstores, student health centers, facilities management, and computer support.





Sources of Funding Local Funds

Local Funds include the following activities:

- a) **Student Activities** – Supported primarily by the student activity and service fee revenues generated by the operations of student government, cultural events, organizations, and intramural/club sports.
- b) **Financial Aid** – This activity represents the financial aid amounts for which the University is fiscally responsible. Examples of financial aid include the student financial aid fee, bright futures, federal grants, college work study, and scholarships.
- c) **Concessions** – These resources are generated from various vending machines located around the University.
- d) **Athletics** – Revenues are primarily derived from the student athletic fee, ticket sales, and sales of other goods and services.
- e) **Technology Fee** – Revenues generated from this fee are used to enhance instructional technology resources for students and faculty.





Allowable Expenditures by Funds

Florida A&M University Expenditure Guidelines by Source of Funds

Description	E&G	Auxiliary	Athletics	Concession	A&S	Grants
Office/Work Space:						
Business Cards - Department Approved	Y	Y	Y	N	Y	Y
Congratulatory	N	N	Y	Y	Y	N
Decorative Items - Lamps, Statues, pictures, clocks	N	N	N	N	N	N
Flowers (Other than Commencement)	N	N	N	Y	Y	N
Meals or Refreshments						
Inter-institutional committees, advisory boards	N	Y	Y	Y	Y	N
Expenses for Employee's Spouse if attendance is required	N	N	N	Y	N	N
Alcoholic Beverages	N	N	N	N	N	N
Catering for University functions	N	Y-1	Y	Y	Y	N
Institutional Meetings, Seminars	N	Y-1	Y	Y	Y	N
Meals related to training and orginational development	N	Y-1	Y	Y	Y	N
Meals for bona fide university purpose other than candidates and spouse	N	N	Y	Y	N	N
Meals for job candidate, spouse	N	N	Y	Y	N	N
Meal gratuities (not to exceed 15% of bill)	N	Y-1	Y	Y	N	N
Refreshments	N	Y-1	Y	Y	Y	N
Staff Meetings	N	N	N	N	N	N
Staff Development						
Books and periodicals for job related duties	Y	Y	Y	Y	Y	Y
Conferences and Conventions	Y	Y	Y	Y	Y	Y
Departmental Awards not to exceed \$100	Y	Y	Y	Y	Y	N
Plaques, Awards and other Token of Recognition (not to exceed \$100) for Employees and Volunteers	Y	Y	Y	Y	Y	N
Educational or Leadership Courses that Primarily Benefit the Employee	N	N	N	N	N	N
Institutional Membership (not personal in nature)	Y	Y	Y	Y	Y	Y
Subscriptions	Y	Y	Y	Y	Y	Y-2
Promotional Items						
Mugs, Pens, Bags, Folders (Must be cleared through Purchasing)	N	Y	Y	Y	Y	N
Holiday Cards	N	N	N	N	N	N
Invitations to University functions	N	Y-1	Y	Y	Y	Y-2
Rental of space for promotion of University events	N	Y-1	Y	Y	Y	Y-2
T-Shirts (identification purpose only)	N	Y-1	Y	Y	Y	Y-2
Florida or Other Bar Dues and Fees						
Professional License Fees (CPA, Bar Dues, etc)	N	N	N	N	N	N
Drivers License Fee	N	N	N	N	N	N
Notary Commission and Seal for Benefit of University	Y	Y	Y	Y	Y	Y

Y-1 From collected fees such as Continuing Education, Camps, etc
 Y-2 From Research Overhead for furthurance of research or Grant allows





Recurring vs. Non-Recurring Funds

Recurring Funds are the permanent appropriated dollars making up the base budget.

Non-Recurring Funds are the dollars appropriated for one fiscal year only.





Carryforward Funds

Carryforward Funds are unexpended E&G appropriation balances brought forward and available for expenditure in subsequent fiscal periods.





Carryforward Funds

Historical Perspective:

Prior to 1985, universities were subject to state reversion rules for unexpended E&G appropriation balances. The universities were allowed to retain up to 5% of their total E&G operating budget from current year appropriations.

Allowable use of carryforward funds are for nonrecurring expenses. These expenses must be used to support only E&G operating activities except where expressly allowed by law. Some examples of these expenditures are unfunded enrollment growth, anticipated increases in operations, potential budget reductions, and prior year encumbrances.





Carryforward Funds

In 2002, with the universities' devolution, the restriction on the amount of unexpended funds that can be retained from annual appropriations was removed.





Uses of Carryforward Funds

5% Statutory Reserve Requirement: in compliance with 1011.40(2), Florida Statutes, each institution shall provide a written notification to the Board of Governors if, at any time, the unencumbered balance in the education and general fund of the university board of trustees approved operating budget goes below 5 percent. As a result, each university reserves an amount equal to 5 percent of its unencumbered balance in the education and general fund.

University Board of Trustees Reserve Requirement: the amount of unrestricted funds set aside by the University Board of Trustees to address critical, unforeseen, or non-discretionary items that require immediate funding, such as unanticipated or uninsured catastrophic events, unforeseen contingencies, state budget shortfalls, or university revenue shortfalls.

Restricted by Appropriations: funds appropriated by the Legislature for a specific purpose as identified by law or through legislative work papers.

Compliance Program Enhancements: initiatives associated with being in compliance with federal law, state law, Board of Governors Regulations or any other entity with which the University must comply.

Audit Program Enhancements: initiatives associated with implementing audit programs of the institution.





Uses of Carryforward Funds

Campus Security and Safety Enhancements: the support of campus security and/or safety issues, such as the recruitment of police officers, vehicles, equipment, and investments which promote security and safety at the institution. This issue may also include mental health counseling and services.

Student Services, Enrollment, and Retention Efforts: funds to promote student success through supporting student services programs, addressing enrollment, and assisting with retention efforts to support timely graduation.

Student Financial Aid: funds aimed to reduce student costs and provide the opportunity to obtain a degree in an affordable and timely fashion.

Faculty/Staff Instructional and Advising Support and Start Up Funding: funds identified to support instructional and advising activities, and/or start-up packages for new faculty. Start up packages are often expended over a multi-year period.

Faculty Research and Public Service Support and Start Up Funding: funds identified to support research and public service, and any associated start up funding- Start up packages are often expended over a multi-year period.





Uses of Carryforward Funds

Library Resources: materials and database access required to support programs of study and research.

Infrastructure, Capital Renewal, Roofs, Renovation and Repair: funds to support the maintenance of university infrastructures. Such costs may include the following: preventive maintenance, replacement of parts, systems or components; and other activities needed to preserve or maintain the asset.

Utility Costs: the support of utility costs throughout the university.

Information Technology (ERP, Equipment, etc.): funds to improve operational productivity, educational improvements, and technological innovation, implementation and/or maintenance of ERP systems, and technological equipment purchases.



Education and General 2018-19 Operating Budget –
Beginning Carryforward Fund Balance Composition, January 2019

	<u>University E&G</u>	<u>Special Unit or Campus (Title)</u>
A. Beginning E&G Carryforward Fund Balance - July 1, 2018 :		
Cash	\$ 31,800,000	\$ -
Investments	\$ -	\$ -
Accounts Receivable	\$ 17,100,000	\$ -
Less: Accounts Payable	\$ 10,000,000	\$ -
Less: Deferred Fees	\$ -	\$ -
Beginning E&G Fund Balance Before Encumbrances :	\$ 38,900,000	\$ -
B. Expenditures to Date :	\$ 4,257,220	\$ -
C. Encumbrances to Date :	\$ 1,117,795	\$ -
D. E&G Carryforward Fund Balance - as of August 21, 2018 :	\$ 33,524,985	\$ -
E. <u>Restricted/ Contractual Obligations</u>		
5% Statutory Reserve Requirement	\$ 8,869,385	\$ -
Restricted By Appropriations		\$ -
World Class Faculty and Scholar Program	\$ 728,728	
Professional and Graduate Degree Excellence Program	\$ 785,392	
University Board of Trustee Reserve Requirement	\$ 8,869,385	\$ -
Restricted by Contractual Obligations:	\$ -	\$ -
Compliance Program Enhancements	\$ -	\$ -
Audit Program Enhancements	\$ -	\$ -
Campus Security and Safety Enhancements	\$ -	\$ -
Tuition Differential	\$ 1,500,000	
Student Services, Enrollment, and Retention Efforts	\$ -	\$ -
Student Financial Aid	\$ 3,500,000	\$ -
Faculty / Staff Instructional and Advising Support and Start-Up Funding	\$ -	\$ -
Faculty Research and Public Service Support and Start-Up Funding	\$ -	\$ -
Library Resources	\$ -	\$ -
Infrastructure, Capital Renewal, Roofs, Renovation, Repair	\$ -	\$ -
FAMU/FSU Engineering Building C	\$ 1,500,000	
Research Laboratory Build Out	\$ 2,000,000	
Utilities	\$ -	\$ -
Information Technology (ERP, Equipment, etc.)	\$ -	\$ -
Total Restricted Funds :	\$ 27,752,890	\$ -



Education and General 2018-19 Operating Budget (continued)
Beginning Carryforward Fund Balance Composition, January 2019

F.	<u>Commitments</u>		
	Compliance, Audit, and Security		
	Compliance Program Enhancements	\$ 500,000	\$ -
	Audit Program Enhancements	\$ 300,000	\$ -
	Campus Security and Safety Enhancements	\$ 1,000,000	\$ -
	Academic and Student Affairs		
	Student Services, Enrollment, and Retention Efforts	\$ 1,000,000	\$ -
	Student Financial Aid	\$ 1,500,000	\$ -
	Faculty / Staff Instructional and Advising Support and Start-Up Funding	\$ -	\$ -
	Faculty Research and Public Service Support and Start-Up Funding	\$ -	\$ -
	Library Resources	\$ 500,000	\$ -
	Facilities, Infrastructure, and Information Technology		
	Infrastructure, Capital Renewal, Roofs, Renovation, Repair due to Hurrican Micheal	\$ 500,000	\$ -
	Utilities		\$ -
	Information Technology (ERP, Equipment, etc.)	\$ 472,095	\$ -
	Total Commitments :	\$ 5,772,095	\$ -
G.	Available E&G Carryforward Balance as of August 21, 2018 :	\$ -	\$ -
	* Please provide details of earmark reserve balances (specific issue name, appropriation year, amount).		
	Disclosure Notes:		





University BOT 5% Reserve

FLORIDA A&M UNIVERSITY	
5% BOT RESERVE PROPOSED DISTRIBUTION	
Proposed Facilities/Infrastructure Projects	
Campus Wide Water and Sewer Improvements	1,300,000
Campus Wide Electrical Distribution Upgrade	1,000,000
Roofing (Lee Hall, Pool Locker Room)	1,200,000
Lee Hall Improvements and Upgrade (A/V, Lighting, and Draperies)	100,000
Research Equipment Replacement (Research Buildings)	275,000
Steam Building Connections	175,000
Second Return Well (Chilled Water)	850,000
Building Boiler Replacements	350,000
Campus Wide Smart Classroom Upgrades	700,000
Fire Alarm System Upgrades	500,000
Steam Distribution Repairs	75,000
Total:	6,525,000
Research Infrastructure Enhancements	
Establish cutting edge research laboratories	1,000,000
Total	1,000,000
Student Services Support	
*Oracle Student Financial Planning Cloud Service Software	500,000
**Sales Force Customer Relation Management System	500,000
***Kognito Annual Licensing Cost	20,000
Update Telephones in Admissions and Financial Aid	20,000
Enrollment Management Software	95,000
Software and technology upgrades to enhance tracking of student prog	200,000
Total	1,335,000
Total	8,860,000





Thank you

Questions?

