

University of Central Florida
Board of Trustees

SUBJECT: 2014-15 University Operating Budget

DATE: May 22, 2014

PROPOSED BOARD ACTION

Approval of the university's 2014-15 operating budget.

BACKGROUND INFORMATION

Approve the operating budgets for the Educational & General, Medical School, Auxiliary Enterprises, Sponsored Research, Student Financial Aid, Student Activities, Technology Fee, and Concessions areas as indicated in Attachment A.

The Educational & General budgets reflect the amounts proposed by the legislature and are subject to approval by the governor. A proposed allocation for performance funding is included and subject to approval by the Board of Governors in June. This request includes approval to amend the budget if the actual allocation differs.

Supporting documentation: 2014-15 Proposed Operating Budget (Attachment A)
Changes in E&G Funding (Attachment B)
Auxiliary Enterprises Proposed Operating Budget (Attachment C)
Summary of 2013-14 Expenditures (Attachment D)

Prepared by: Tracy Clark, Associate Vice President for Finance and Controller
Christy Tant, Senior Associate Controller, Finance and Accounting

Submitted by: William F. Merck II, Vice President for Administration and Finance and
Chief Financial Officer

EXHIBIT 2
Witness Manchwa
Date 2/18/19
Reporter: Judy Chin

Attachment A

University of Central Florida

2014-15 Proposed Operating Budget

	2014-15 Proposed Budget	2013-14 Operating Budget	% Increase (Decrease)	\$ Increase (Decrease)
Educational & General (E&G)				
General Revenue ¹	\$ 240,289,572	\$ 219,385,637	10%	\$ 20,903,935
Lottery ¹	36,011,738	28,987,712	24%	7,024,026
Student Tuition and Fees ¹	246,536,692	244,164,514	1%	2,372,178
Total Educational and General	\$ 522,838,002	\$ 492,537,863	6%	\$ 30,300,139
Medical School (E&G)				
General Revenue ¹	\$ 25,883,699	\$ 24,440,649	5%	\$ 1,243,050
Student Tuition and Fees ¹	13,430,910	11,325,290	19%	2,105,620
Total Educational and General	\$ 39,114,609	\$ 35,765,939	9%	\$ 3,348,670
Auxiliary Enterprises²	\$ 206,596,893	\$ 188,545,104	10%	\$ 18,051,789
Sponsored Research	152,584,000	150,912,000	1%	1,672,000
Student Financial Aid³	503,923,681	521,544,307	-3%	(17,620,626)
Student Activities	20,000,000	21,945,080	-9%	(1,945,080)
Technology Fee	9,100,000	9,945,000	-8%	(845,000)
Concessions	460,000	420,000	10%	40,000
Total Operating Budget	\$ 1,454,617,185	\$ 1,421,615,293	2%	\$ 33,001,892

¹ See Attachment B for detail of the changes in these budgets.

² Detail for this budget is included in Attachment C.

³ The decrease in Student Financial Aid is primarily attributed to a decrease in budgeting for federal loan programs.

Attachment B

University of Central Florida

Changes in E&G Funding

Changes in University E&G Funding

	General Revenue	Lottery	Tuition and Fees	Total
2013-14 BOT approved budget	\$ 205,326,692	\$ 28,987,712	\$ 242,563,987	\$ 476,878,386
Statutory increase in undergraduate base tuition (1.7% CPI)			1,600,553	1,600,553
Team Grant funding (non-recurring) ¹	4,858,413			4,858,413
Performance funding (non-recurring)	2,608,696			2,608,696
Competitive pay adjustment	4,200,953			4,200,953
Health insurance increases	1,384,223			1,384,223
OPS health insurance	432,725			432,725
Risk management premium increase	573,935			573,935
2013-14 adjusted budget	219,385,637	28,987,712	244,164,514	492,537,863
Projected credit hour increase, other fee changes			2,372,178	2,372,178
<u>Performance based funding:</u>				
Reversal of 2013-14 Performance based funding	(2,608,696)			(2,608,696)
2014-15 Performance based funding ²	21,880,156			21,880,156
<u>Unique University Issues:</u>				
Center for Reading - Istation (\$1.5m non-recurring)	4,000,000			4,000,000
Downtown Presence	2,000,000			2,000,000
Plant operation and maintenance for new space	737,541			737,541
Reversal of Team Grant funding (non-recurring)	(4,858,413)			(4,858,413)
Reversal of Anti-hazing and Urban teacher (non-recurring)	(1,450,000)			(1,450,000)
Restore Anti-hazing online education (non-recurring)	1,000,000			1,000,000
STEM Instructional Enhancement (non-recurring)	1,000,000			1,000,000
Evans Community School (non-recurring)	685,000			685,000
Lou Frey Institute (non-recurring)	250,000			250,000
Dual Enrollment (non-recurring)	15,724			15,724
Lottery adjustment	(7,024,026)	7,024,026		-
<u>2013-14 Annualization Adjustments:</u>				
Competitive pay adjustment	1,400,317			1,400,317
Health insurance increases	2,702,418			2,702,418
OPS health insurance	339,162			339,162
Retirement system normal costs	834,752			834,752
Net increase	20,803,935	7,024,026	2,372,178	30,300,139
2014-15 beginning budget	\$ 240,289,672	\$ 36,011,738	\$ 246,536,692	\$ 522,838,002

Changes in Medical School Funding

	General Revenue	Lottery	Tuition and Fees	Total
2013-14 BOT approved budget	\$ 24,177,963	\$ -	\$ 11,325,290	\$ 35,503,243
Competitive pay adjustment	191,629			191,629
Health insurance increases	71,067			71,067
2013-14 adjusted budget	24,440,649	-	11,325,290	35,765,939
Tuition and enrollment increase, other fee changes			2,105,620	2,105,620
<u>Unique University Issues:</u>				
Crohn's and Colitis Research	500,000			500,000
Phase-In funding	475,584			475,584
<u>2013-14 Annualization Adjustments:</u>				
Competitive pay adjustment	63,876			63,876
Health insurance increases	139,950			139,950
Retirement system normal costs	63,640			63,640
Net increase	1,243,050	-	2,105,620	3,348,670
2014-15 beginning budget	\$ 25,683,699	\$ -	\$ 13,430,910	\$ 39,114,609

¹ Includes amounts received on behalf of partnering institutions. Net proceeds of \$2.4 million are available to UCF on a non-recurring basis.

² Proposed allocation from \$200 million of performance funding to be approved by the Board of Governors in June, including the following:

Reversal of 2013-14 base budget	\$ (8,953,386)
New SUS funding (\$100m)	16,757,792
Reinstatement of 2013-14 Performance Funding (\$20m)	2,608,696
Reallocation of \$80m of old funding (\$65m base + \$15m Team)	11,467,054
	\$ 21,880,156

Attachment C

University of Central Florida

Auxiliary Enterprises Proposed Operating Budget

	2014-15 Proposed Budget	2013-14 Operating Budget	% Increase (Decrease)	\$ Increase (Decrease)
Housing	\$ 29,005,903	\$ 26,374,833	10%	\$ 2,631,070
Parking Services	19,453,273	18,444,407	5%	1,008,866
Student Health Services	19,429,314	17,244,776	13%	2,184,538
Business Services	8,963,165	9,383,499	-4%	(420,334)
Computer Store, Telecommunications	32,500,000	37,500,000	-13%	(5,000,000)
Academic Support - Colleges	11,656,297	10,872,434	7%	783,863
Academic Support - Other ²	20,192,972	20,273,867	0%	(80,895)
Continuing Education, EMBA	11,214,900	8,197,357	37%	3,017,543
Material and Supply, Equipment Fees	5,243,700	5,991,431	-12%	(747,731)
Energy Management and Sustainability	17,784,284	16,500,000	8%	1,284,284
Global Achievement Academy	8,046,500	-	100%	8,046,500
Other Auxiliaries ¹	23,106,585	17,762,500	30%	5,344,085
Total Auxiliary Enterprises	\$ 206,596,893	\$ 188,545,104	10%	\$ 18,051,789

¹The Other Auxiliaries budget includes auxiliaries in administrative areas such as Human Resources and Police. This amount also includes a budget reserve for the auxiliaries.

²The Academic Support Other budget primarily includes various auxiliaries in the Student Development and Enrollment Services area, Distance Learning, and the Florida Solar Energy Center.

Auxiliary Enterprises Expenditures vs. Budget

	Expenditures as of March 31, 2014	2013-14 Operating Budget	Percent Spent
Housing	\$ 20,857,182	\$ 26,374,833	79.1%
Parking Services	9,238,212	18,444,407	50.1%
Student Health Services	11,116,861	17,244,776	64.5%
Business Services	4,492,181	9,383,499	47.9%
Computer Store, Telecommunications	21,226,255	37,500,000	56.6%
Academic Support - Colleges	3,426,499	10,872,434	31.5%
Academic Support - Other	13,608,242	20,273,867	67.1%
Continuing Education, EMBA	7,272,008	8,197,357	88.7%
Material and Supply, Equipment Fees	3,010,374	5,991,431	50.2%
Energy Management and Sustainability	13,216,863	16,500,000	80.1%
Other Auxiliaries	7,389,965	17,762,500	41.6%
Total Auxiliary Enterprises	\$ 114,854,642	\$ 188,545,104	60.9%

Attachment D
University of Central Florida
Summary of 2013-14 Expenditures
(as of March 31, 2014 - 75% of year)

Total Operating Budget Expenditures vs. Budget

	Expenditures as of March 31, 2014	2013-14 Operating Budget	Percent Spent
Educational & General ¹	\$ 328,084,578	\$ 605,918,672	54.10%
Medical School ¹	21,139,083	48,166,720	43.90%
Auxiliary Enterprises	114,854,642	188,545,104	60.90%
Sponsored Research	87,284,258	150,912,000	57.80%
Student Financial Aid	410,356,738	521,544,307	78.70%
Student Activities	13,195,029	21,945,080	60.10%
Technology Fee	5,940,167	9,945,000	59.70%
Concessions	170,103	420,000	40.50%
Total Operating Budget	\$ 981,024,598	\$1,547,396,883	63.40%

¹ The 2013-14 Operating Budget includes carryforward funds for which spending authority was approved in a previous year.

Educational and General Expenditures by Activity

	Expenditures as of March 31, 2014	Percent of Total
Instruction, Research, and Academic Support	\$ 211,899,204	64.6%
Library	9,832,463	3.0%
Institutional Support	42,079,556	12.8%
Student Services	36,018,679	11.0%
Plant Operation and Maintenance	28,254,676	8.6%
Total Educational and General Expenditures	\$ 328,084,578	100.0%