

FLORIDA BOARD OF GOVERNORS

September 21, 2006

SUBJECT: 2006-2007 State University System Operating Budget

PROPOSED BOARD ACTION

Approve the 2006-2007 State University System Operating Budget.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Subsection (d) of Section 7 of Article IX, Education, of the Constitution of Florida as amended. Board of Governors' Master Powers and Duties, Section II(2).

BACKGROUND INFORMATION

Pursuant to Section 1011.90(4) Florida Statute, each state university is required to submit a detailed operating plan for each budget entity for the 2006-2007 fiscal year in the same formats as used for the 2000-2001 fiscal year reports. The State University System operating budget consists of five different budget entities; 1) Educational and General, 2) Contracts and Grants, 3) Auxiliary Enterprises, 4) Local Funds, and 5) Faculty Practice Plans.

The growth in the various budget entities reported by the universities is related to additional contract and grant research activities, tuition increases, annual payments to meet debt service on new bond issues, remodeling and additional staffing of residence halls, maintenance and repair of existing facilities, increases in financial aid, and other service-related operations.

1. The Educational and General Budget Entity (E&G) budget entity includes the allocation of funds appropriated by the 2006 Legislature, including student tuition, and other previously-appropriated funds. The E&G budget entity contains resources that provide educational opportunities to citizens through instructional programs; research directed toward solving technical, social and economic problems facing the state and nation; and public service programs. Universities have employee position and budget flexibility in the development of the E&G Operating Budget.

The E&G Operating Budgets reflect growth in university enrollment. Funded enrollment for 2005-2006 was 181,789 full-time equivalent (FTE) students, while 2006-2007 funded enrollments are 189,443 FTE students. This reflects an increase of 4.2% or 7,654 FTE students.

2. The Contracts and Grants budget entity supports research and public service through awards from federal, state, and local sources.
3. Auxiliary Enterprises is comprised of ancillary support units such as student housing, food service, bookstores, and computer support.
4. The Local Funds consist of operating resources for student activities, athletics, concessions, student financial aid and self-insurance programs.
5. Finally, the Faculty Practice Plans provide for clinical activities associated with the University of Florida and the University of South Florida Health Centers.

Each University Board of Trustees has approved an operating budget pursuant to House Bill 5001. This Bill also authorizes the University Board of Trustees to amend their operating budget as circumstances warrant. The universities have developed their Operating Budgets for each budget entity in accordance with statutory authority and the 2006 General Appropriations Act.

The attached information summarizes the budgetary resources and obligations, including recurring and nonrecurring revenues, operating, and non-operating expenditures, adjustments, and the fund balance and historical expenditures within each budget entity.

Staff has reviewed the submissions and recommends approval of the proposed budgets as submitted by the universities and approved by their Board of Trustees.

Supporting Documentation Included: (1) State University System Operating Budget Summary for 2006-2007. (2) Actual and Estimated Expenditures by Program Activity.

Facilitators/Presenters: Tim Jones