

FLORIDA BOARD OF GOVERNORS

September 15, 2005

SUBJECT: 2005-2006 State University System Operating Budget

PROPOSED BOARD ACTION

Approve the 2005-2006 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 2005-2006 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.

Each University Board of Trustees has approved an operating budget pursuant to Senate Bill 2600. The universities have developed their Operating Budgets for each budget entity in accordance with statutory authority and the 2005 General Appropriations Act. All University Presidents have provided a letter of transmittal clearly identifying and describing how the university's budget supports the Goals and Objectives of the Board of Governors and their institution. This information attests that system and university priorities are being implemented and specific measurable outcomes can be expected.

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

1. The Educational and General budget entity (E&G) includes the allocation of funds appropriated by the 2005 Legislature, including student tuition. 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 2004-2005 was 173,983 full-time equivalent (FTE) students, while 2005-2006 funded enrollments are 181,619 FTE students. This reflects an increase of 4.4% or 7,636 FTE students.

2. The Contracts and Grants budget entity supports research and public service through awards from federal, state, and local sources.
3. The Auxiliary Enterprises budget entity is comprised of ancillary self-supporting units such as student housing, food service, bookstores, parking services, campus transportation and computer support.
4. The Local Funds budget entity consists of operating resources for student activities, athletics, concessions, student financial aid and self-insurance programs. Revenues are from student activity fees, athletic fees, and financial aid fees, as well as revenue generated from concession sells, and premiums for self-insurance programs.
5. Finally, the Faculty Practice Plan budget entity includes clinical activities associated with the University of Florida and the University of South Florida Health Centers. Revenues are generated from services provided by medical faculty at both schools.

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: State University System Operating Budget Summary for 2005-2006 (to be provided via separate mailing)

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