

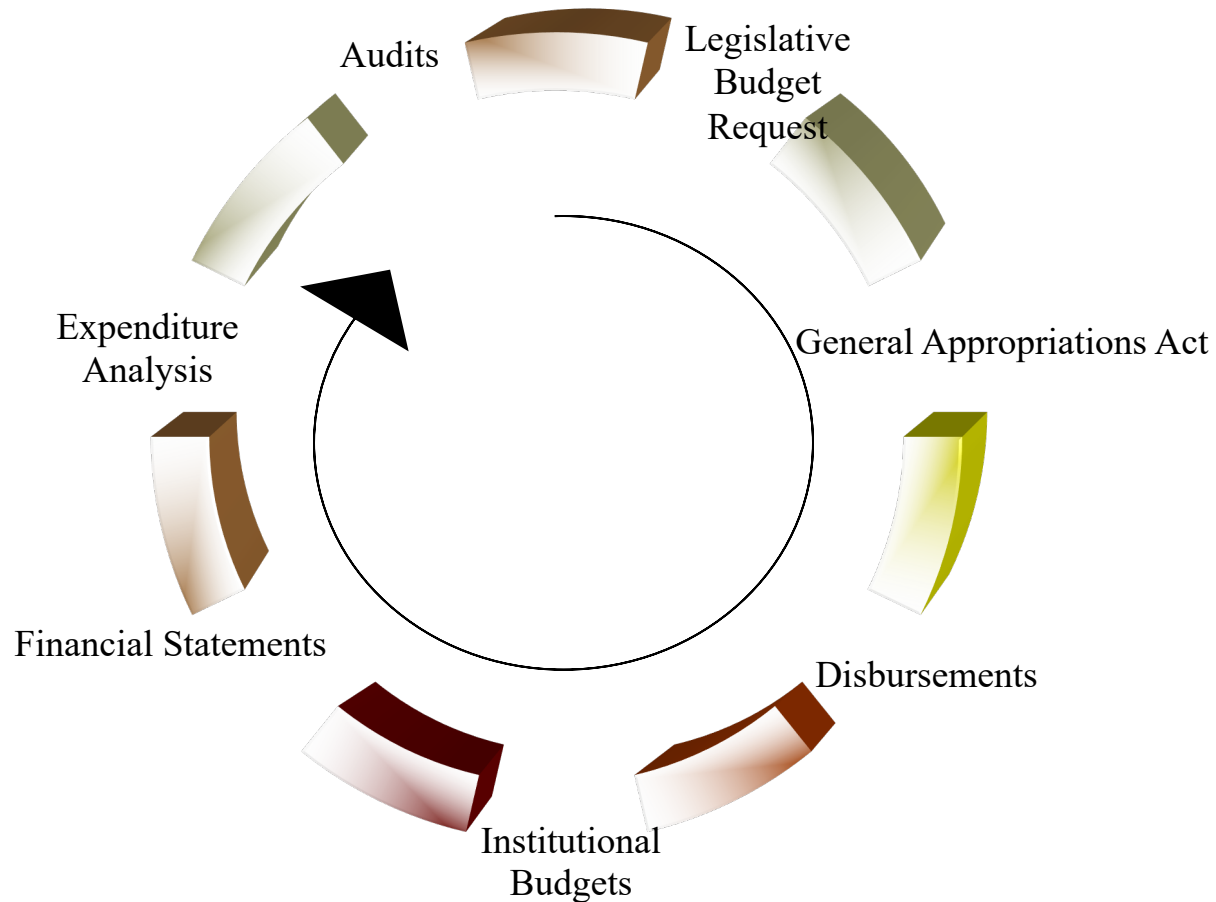
# Budget Workshop: Fiscal Policies, Process, and 2006-07 Budget Guidelines

Board of Governors

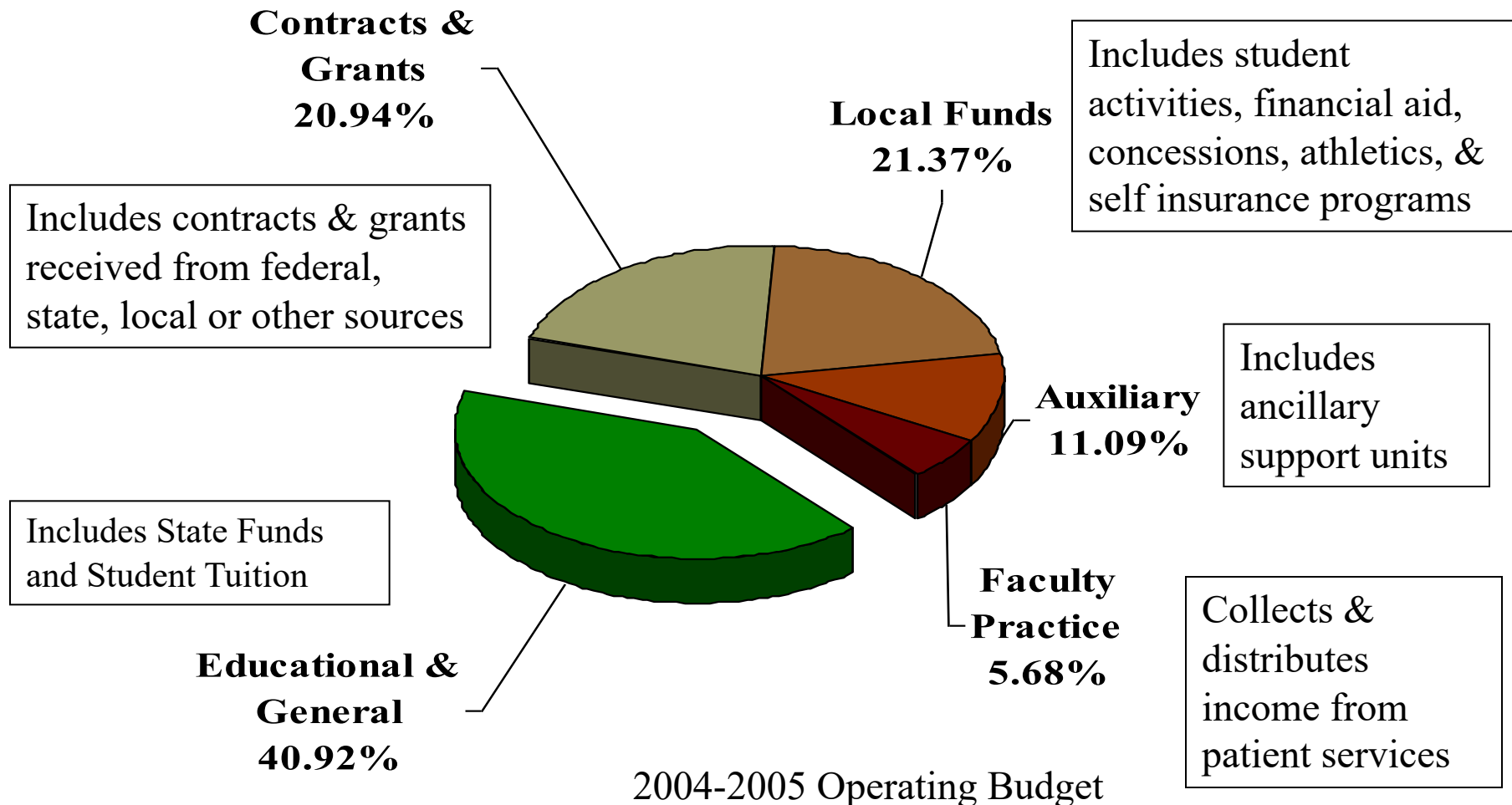
April 21, 2005

# Fiscal Cycle

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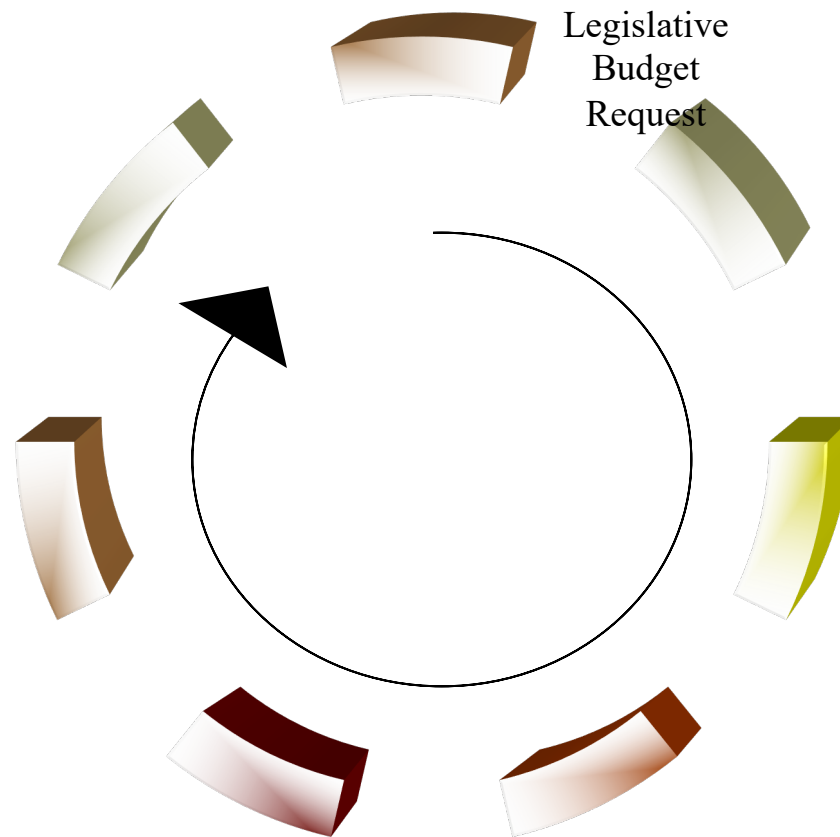


# University Operating Budget (Attachment A)



# Legislative Budget Request Process

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# Budget Cycles Calendars

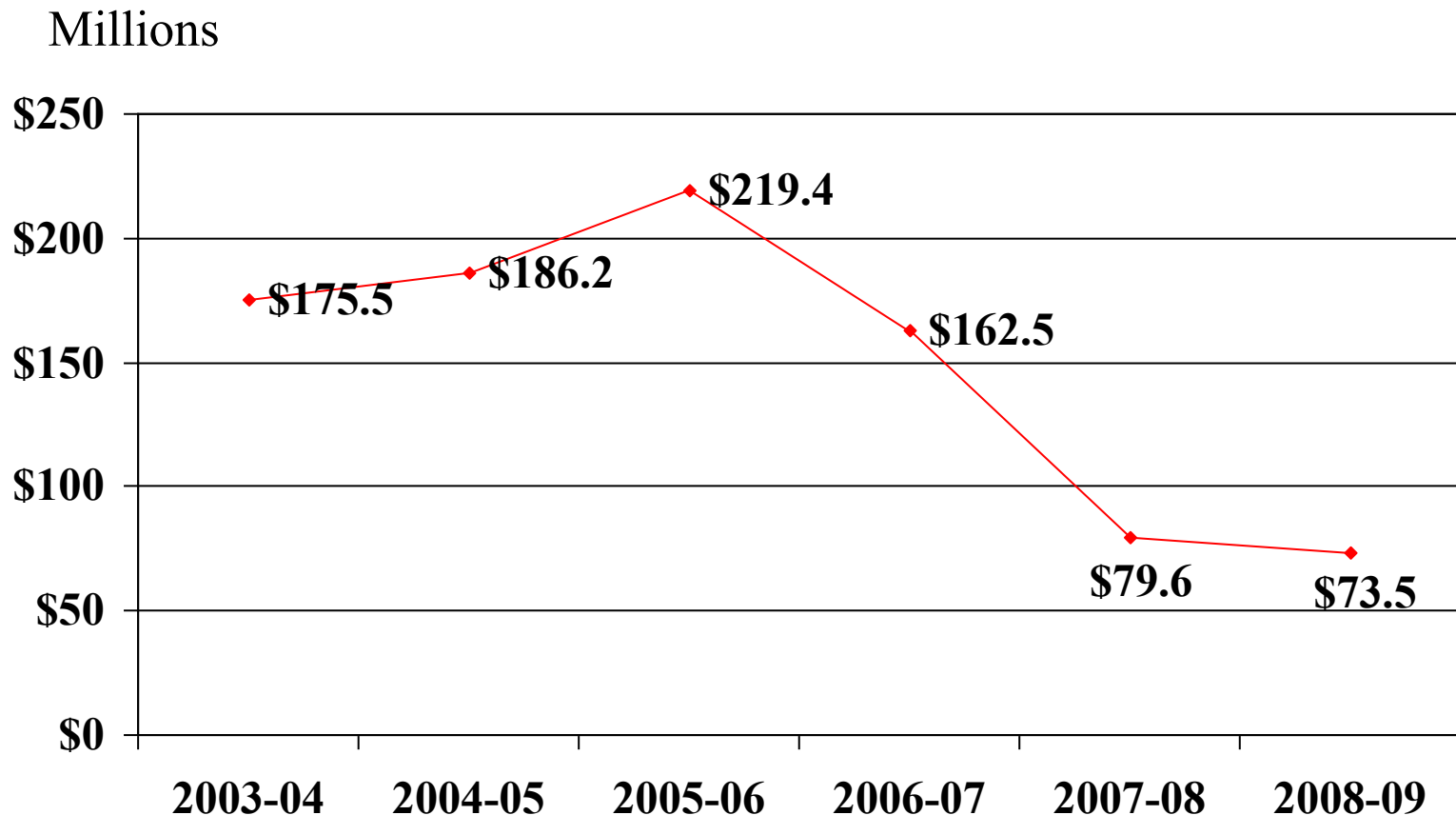
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- Attachment C – Operating Budget
- Attachment D – Fixed Capital Outlay

# PECO Revenue Forecast

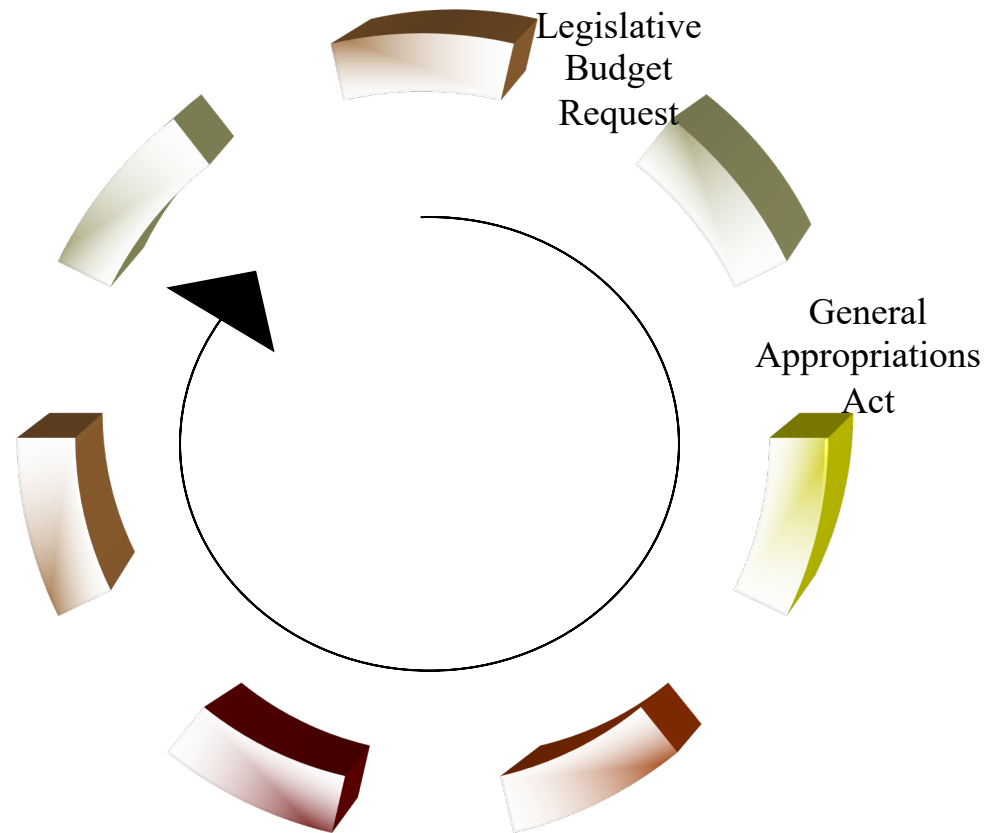
## SUS Project Priority List Allocation

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# Legislative Appropriations Process

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# General Appropriations Act (GAA)

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- ❑ Governor's Recommended Budget (January)
- ❑ House/Senate Committee Meetings (January/February/March)
- ❑ Senate Proposed GAA (March/April)
- ❑ House Proposed GAA (March/April)
- ❑ Conference GAA (April)
- ❑ Governor's Vetoes (May)



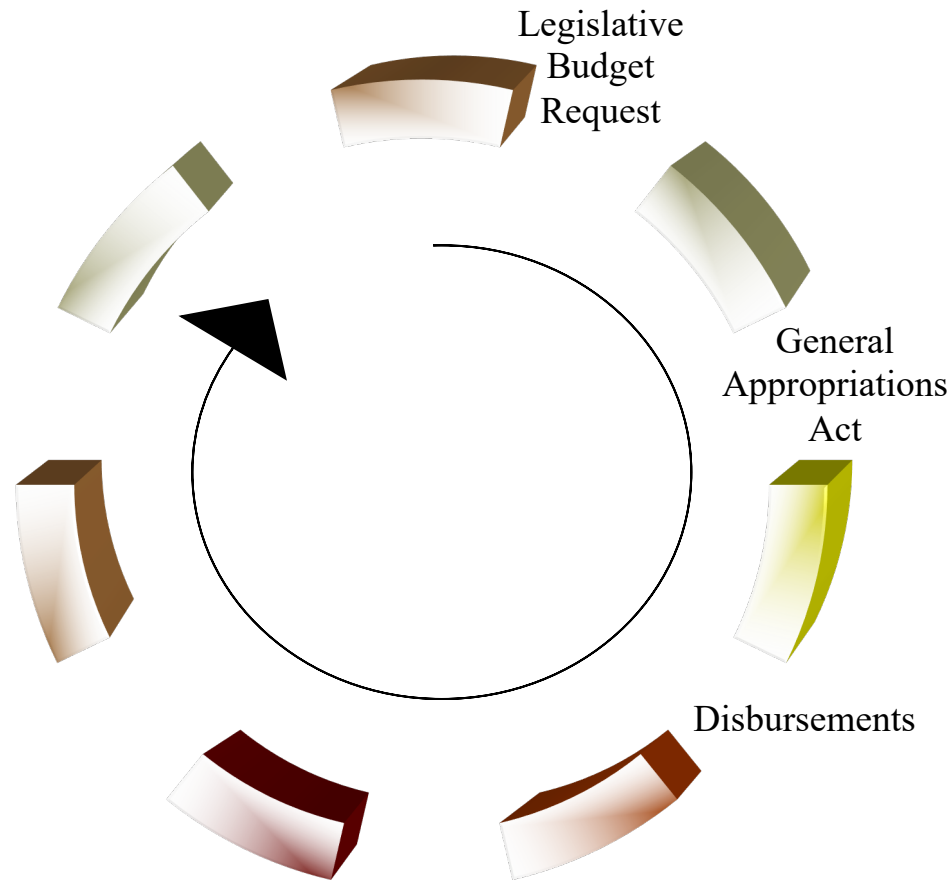
# Allocation Document

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- ❑ Provides a detailed summary of the fiscal impact to the universities as outlined in General Appropriations Act
- ❑ Legislature allocates total funds in the GAA by institution
- ❑ Details of those allocations are outlined in the Allocation Summary document
- ❑ Includes details on specific issues and their intended uses
- ❑ Estimates of tuition revenues to be generated as a result of Legislative action
- ❑ Provides information on Legislative Proviso and expected actions

# Disbursement of Appropriated Funds

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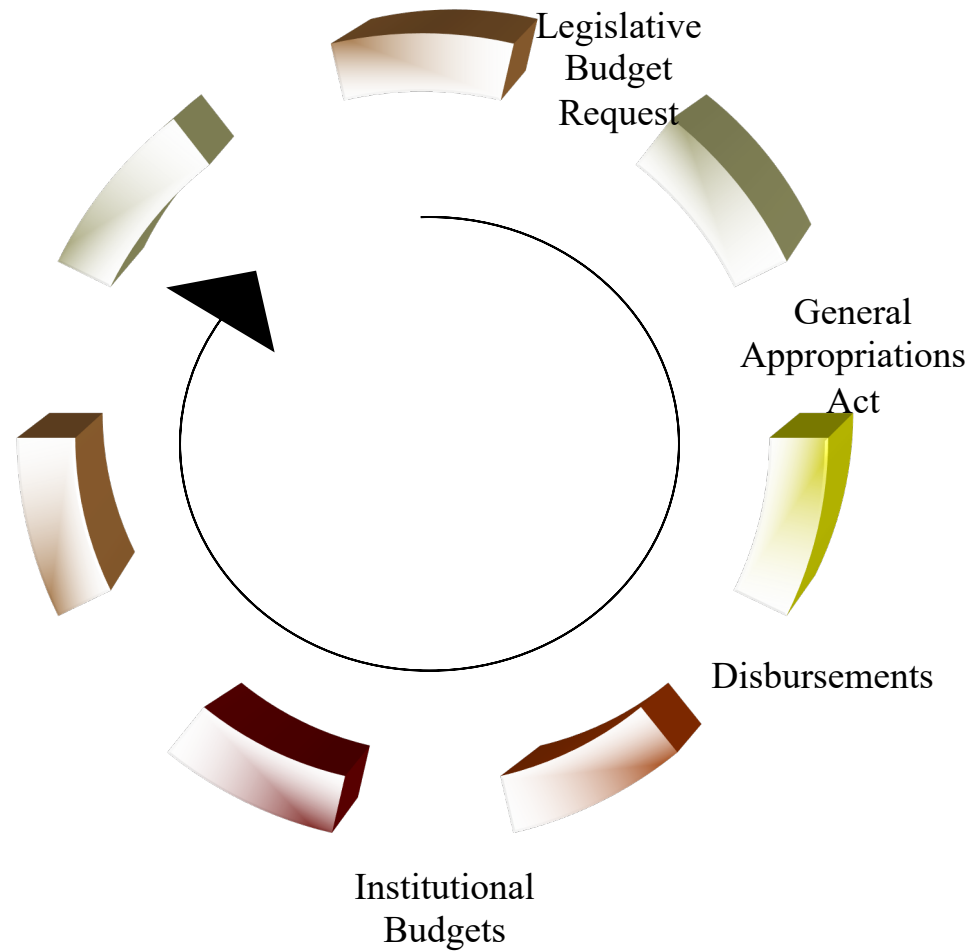
# Disbursement of Funds

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- University funds released to the Department of Education are disbursed as follows:
  - Operating funds are disbursed by DOE to the universities twice monthly – Section 1011.40 F.S. (5<sup>th</sup> & 20<sup>th</sup> of each month)
  - Fixed Capital Outlay funds are disbursed by DOE based on university cash disbursement requests as the projects progress

# Institutional Budgets

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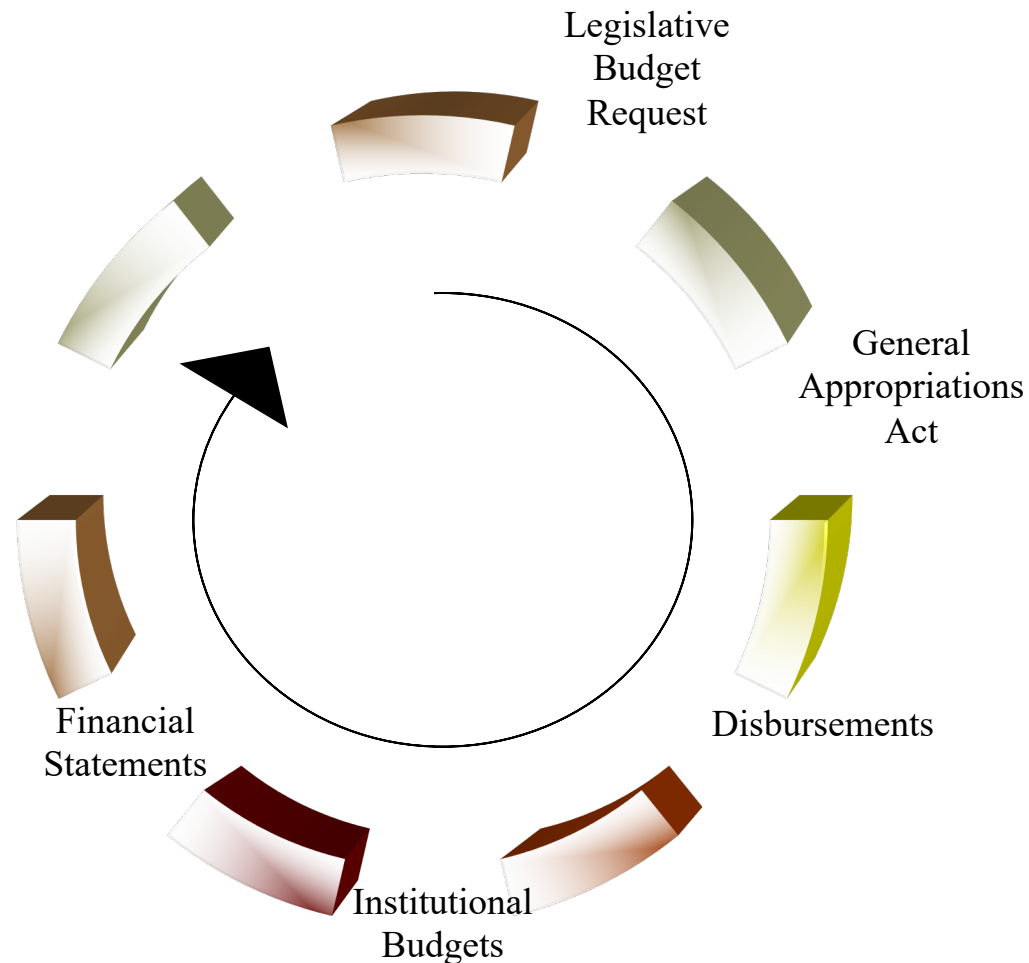
# Institutional Budgets

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- University boards of trustees submit their operating budgets mid-August
  - Operating budget by fund / budget entity (Attachment F)
  - s. 1001.03 F.S. requires same database management as in effect 2001-02
  - s. 1011.90 F.S. requires expenditure analysis, operating budget and financial statements in same format as used for the 2000-01 reports
- Board of Governors approves university operating budgets
- Fixed Capital Outlay encumbrance authorizations (Attachment G)

# Institutional Financial Statements

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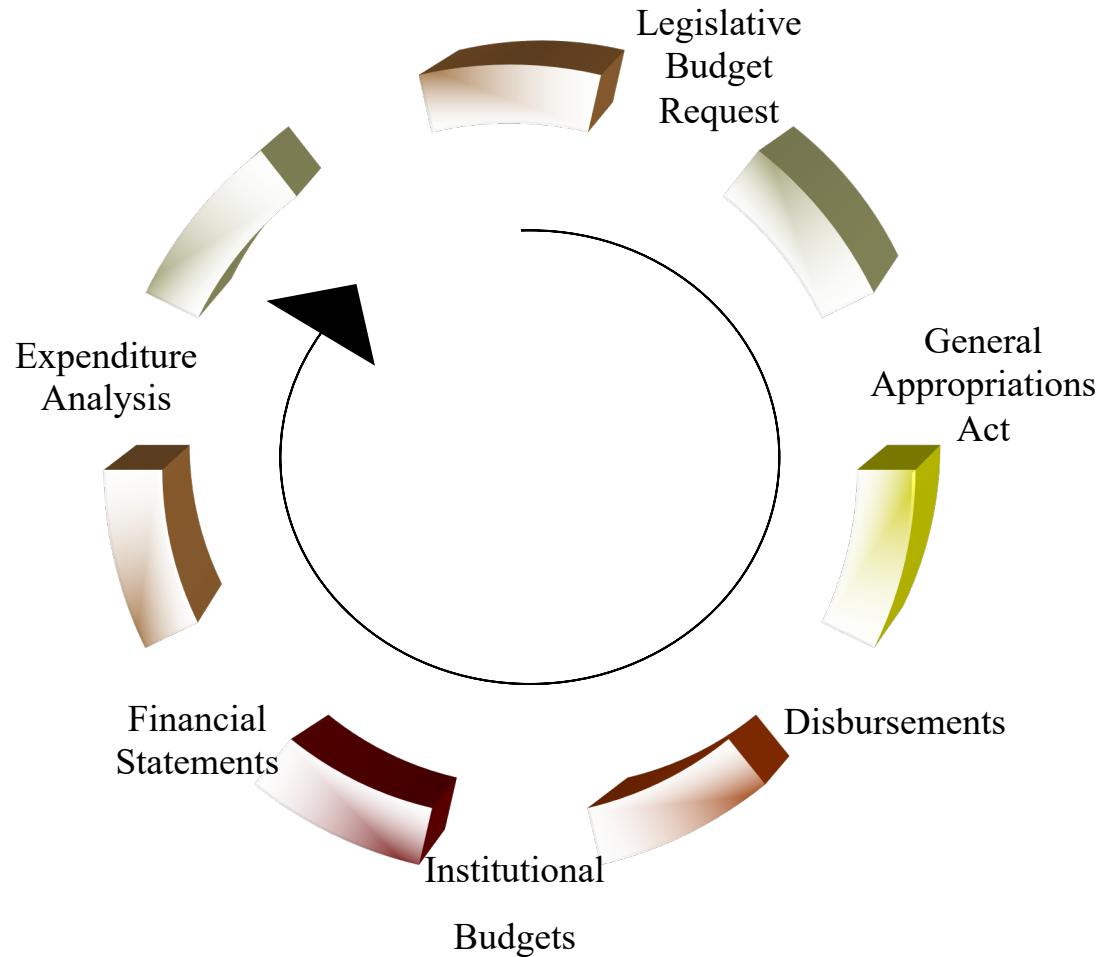
# Institutional Financial Statements

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- Compiled by each university
- Institutional statements submitted to Department of Education (Attachment H)
  - DOE submits statements to Department of Financial Services and State Auditor General
- DOE prepares combined SUS statement
  - DOE submits combined statement to the Division of Bond Finance (Attachment I)

# Expenditure Analysis

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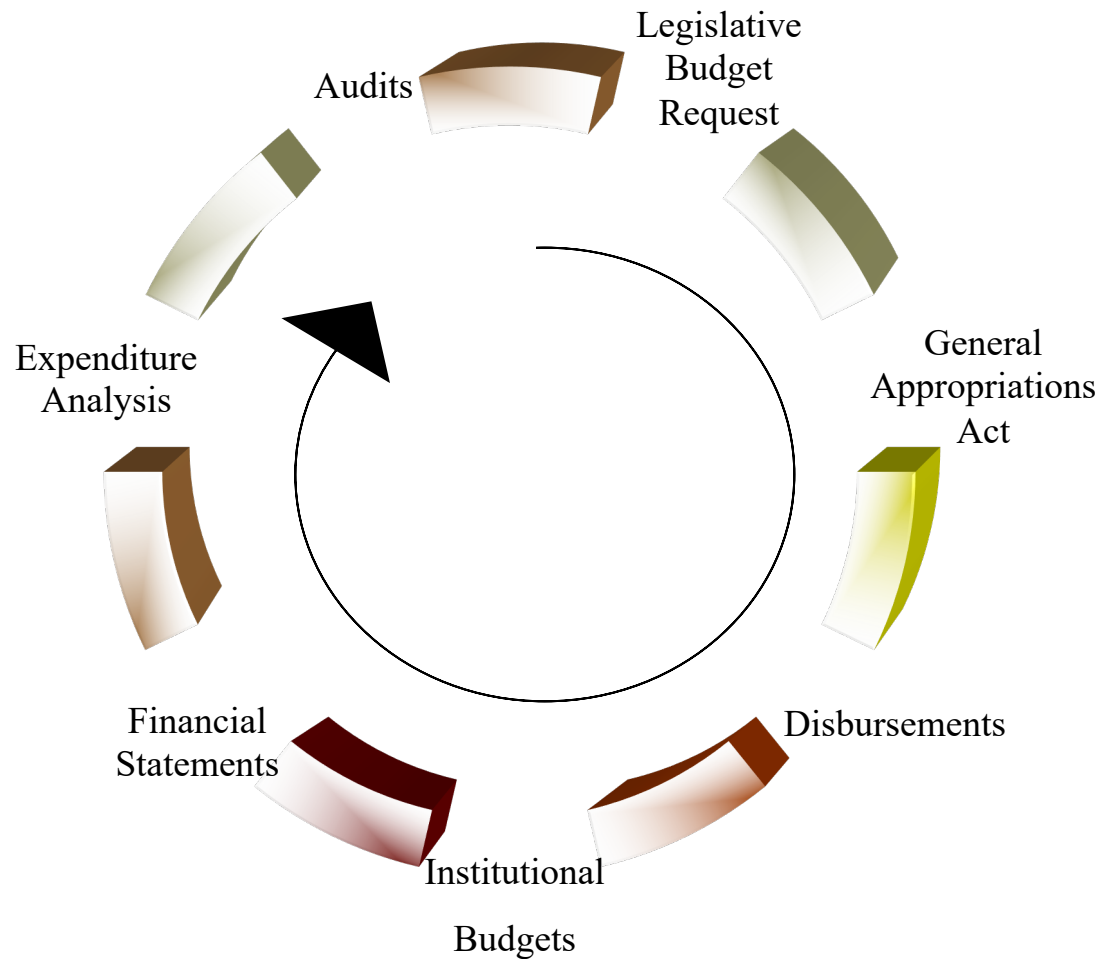
# Educational & General Expenditure Analysis

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- September 30 - Expenditure Analysis submitted (Attachment J)
  - Created in the 1970s
  - Statute requires same reporting format as in prior years
  - Expenditures provided by university activity
  - Expenditures provided by credit hour
  - Person years identified by activity

# Institutional Audits

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# Institutional Audits

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- State Auditor General
  - Financial Audits (Attachment K)
  - Operational Audits (Attachment L)
- Other Audits

# Office of the Inspector General

## Public Universities' Internal Audit Function

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presentation to  
Board of Governors  
Budget Workshop  
April 21, 2005

John M. Franco – Inspector General



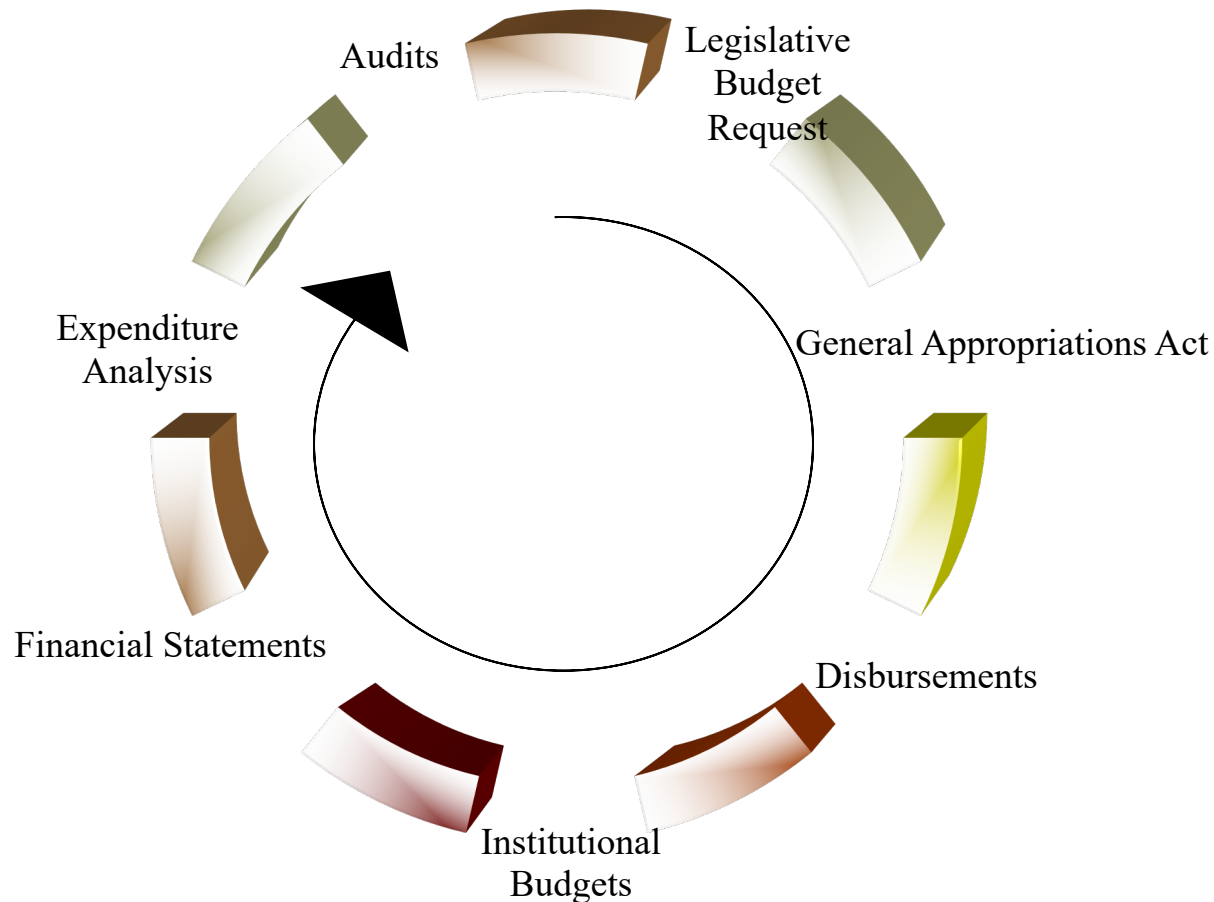
# Overview

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- Organizational placement
- Staffing (resources)
- Scope of activities
- Reporting process
- Relationship to DOE/OIG

# Fiscal Cycle Completed

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# 2006-07 Budget Guidelines

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- Tim Jones – Guidelines for the Operating Budget Request
- Bob Henker – Guidelines for the Fixed Capital Outlay Budget Request



# 2006-07 Budget Guidelines

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## □ Board of Governors Responsibility

### ■ Section 7, Article 9 of the Florida Constitution

- The Board shall operate, regulate and be fully responsible for the management of the whole university system

### ■ Sections 1013.60(2) F.S. and 1013.64(4)(a) F.S.

- Requires the submission of a 3 year PECO Project Priority List to the Legislature as part of a comprehensive budget request for facilities needs



# 2006-07 Budget Guidelines

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## □ Institutional Responsibility

### ■ Section 1001.74(12) F.S.

- Each board of trustees shall submit an institutional budget request, including a request for fixed capital outlay, and an operating budget for approval in accordance with established guidelines (Guidelines are established by the Board of Governors)

### ■ Section 1013.60(2) F.S.

- Each board of trustees shall submit a fixed capital outlay plan and the data required to develop an annual fixed capital outlay budget request



# 2006-07 Budget Guidelines

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- Budget based on needs
  - Sections 216.023(1) F.S. and 216.043(1) F.S.
  
- Requires the submission of a legislative budget request to the Legislature and Governor in accordance with prescribed budget instructions based on the agency's independent judgment of its needs.
  - The prescribed budget instructions are developed by the Legislature and Governor and released around June 15.

# 2006-07 Budget Guidelines (Attachment M)

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- Issues focused on the Strategic Plan's goals and objectives
  - Access to and production of degrees
  - Meeting statewide professional and workforce needs
  - Building world-class academic programs and research capacity
  - Meeting community needs and fulfilling unique institutional missions



# 2006-07 Budget Guidelines - Operating

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## ☐ Issues

- Annualization of Administered funds
  - ☐ Salary increases
  - ☐ Health insurance increases
  
- Major Gift Matching Program

# 2006-07 Budget Guidelines - Operating

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- Plant Operations and Maintenance of continued and phased-in space (Attachment O)
  - Continued space – estimated funding of \$8.7 million provided on new projects beginning in 2005-06; need an additional \$6.3 million to be appropriated in 2006-07 for a total of \$15 million
  - New space – on July 5 universities will submit projects scheduled for completion in 2006-07



# 2006-07 Budget Guidelines - Operating

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- FSU medical school – last year of the phase-in - \$2.3 million
- FAMU law school – last year of the phase-in - \$1.9 million

# 2006-07 Budget Guidelines - Operating

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- Enrollment Growth
  - Legislative proviso requires an updated 5-yr enrollment plan
  - The SBOE shall include funding recommendations in its 2006-07 budget request to implement the revised 5-yr plan
- Board of Governors initiatives
- Other university initiatives to be submitted in June (Attachment N)

# 2006-07 Budget Guidelines - Operating

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- Instructions sent in April to:
  - University Boards of Trustees
  - University Presidents
- University issues due in June
- Board of Governors workshop and approval in July
- Submission to Governor and Legislature in September



# 2006-07 Budget Guidelines – Fixed Capital Outlay

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# 2006-07 Budget Guidelines – Fixed Capital Outlay

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- ❑ PECO funding for Remodeling /  
Renovation/Maintenance/Repair will be  
requested pursuant to the provisions of  
Section 1013.64(1)(a) F.S

# 2006-07 Budget Guidelines – Fixed Capital Outlay

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- Funding will be requested for institutional PECO projects in the following priority order:
  - Continuation of the projects funded by prior appropriations.
  - Utilities Infrastructure/Capital Renewal/Roofs needs.
  - Renovation and remodeling projects to meet current space needs, structural/mechanical repairs, and technology upgrades.
  - Instructional, then research, followed by support space needs to include projects that will bring each university to the system average percentage of formula need.
  - Projects to provide specialized space for a newly approved academic program.
  - Special projects for land acquisition and matching external funds from non-private sources.
  - Requests to increase the amount of initial construction funding for an existing project.



# 2006-07 Budget Guidelines – Fixed Capital Outlay

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- ❑ Special consideration and emphasis will be given to proposed joint-use PECO projects.



# 2006-07 Budget Guidelines – Fixed Capital Outlay

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- State matching funds for the facilities enhancement matching program will be requested for eligible projects as proposed by the universities.



# 2006-07 Budget Guidelines – Fixed Capital Outlay

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- ❑ Required legislative authorizations will be requested for externally funded projects as proposed by the universities.

# 2006-07 Budget Guidelines – Fixed Capital Outlay

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- Instructions sent in May to:
  - University Boards of Trustees
  - University Presidents
- Universities' submit 5 year Capital Improvement plans in July
- Board of Governors approval in September
- Submission to Governor and Legislature in September