

# FLORIDA BOARD OF GOVERNORS

October 21, 2004

**SUBJECT:** 2004-2005 State University System Operating Budget

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## **PROPOSED BOARD ACTION**

Approve the 2004-2005 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 2004-2005 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, purchasing of furniture/equipment for new 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 2004 Legislature, plus other funds such as 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 2003-2004 was 162,136 full-time equivalent (FTE) students, while 2004-2005 funded enrollments are 173,889 FTE students. This reflects an increase of 7.2% or 11,753 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 1837. 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 2004 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.

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**Supporting Documentation Included:** State University System Operating Budget Summary for 2004-2005

**Facilitators/Presenters:** Chancellor Debra Austin Ed.D.