

**State University System of Florida
Board of Governors
2020-21 Legislative Budget Request Development
Policy Guidelines**

Pursuant to section 7, Article 9, of the Florida Constitution, the Board "...shall operate, regulate, control, and be fully responsible for the management of the whole university system." Included within this responsibility is the development of a Legislative Budget Request (LBR). In addition, section 216.023(1), Florida Statutes, requires the submission of an LBR to the Legislature and Governor based on an independent judgment of needs.

The 2020-2021 LBR will provide flexibility for the Board of Governors (Board) and individual university boards of trustees to jointly manage the system to meet the critical needs of the state, achieve the statewide goals and objectives of the updated State University System (SUS) Strategic Plan, and demonstrate accountability and transparency. The following goals of the SUS Strategic Plan will be addressed in the request:

1. Excellence
2. Productivity
3. Strategic Priorities for a Knowledge Economy

These system goals, as well as institutional goals and initiatives, should be incorporated into the following priorities, which will be reflected in the LBR:

Operating and Specialized Program Funds:

1. Continuing costs associated with existing programs – This policy addresses the funds needed to continue existing programs:
 - a. Plant operations and maintenance for new and existing buildings –
 - i. Funds may be requested for the annualized operations and maintenance costs for buildings completed and phased-in during 2019-2020;
 - ii. Funds may be requested for the operating costs for new buildings to be completed and occupied in 2020-2021.
 - b. Annual Fire Safety Inspection Fees –
 - i. Funds will be requested to cover the annual costs of the State Fire Marshal inspection of university facilities.

2. Performance-Based Funding – Funding will be requested based on the Board’s performance-based funding model.
3. Campus Health, Safety and Security – Consideration will be given to initiatives that support or enhance student health, ensure the safety of students, faculty and staff, and secures the campus to promote a safe learning environment.
4. Task Force Reports, Studies, and Strategic Plans – Consideration will be given to initiatives recommended in any reports, studies, or strategic plans and endorsed by the Board.
5. Shared System Resources – Consideration will be given to initiatives that allow for greater efficiencies through shared system resources. System initiatives developed by the universities should be vetted by the appropriate SUS council before being recommended to the Board.

The following represents the timeline for submission of the SUS 2019-2020 LBR for operations:

- March 28 Board reviews draft LBR Policy Guidelines
- May Chancellor provides guidance to the universities on the development of system and university LBR issues
- July 29 System issues are submitted by the appropriate SUS council
- August 29 Board approves the operating LBR
- Sept. 15 Anticipated Date - LBR is submitted to the Governor and Legislature
- Oct. 2-3: Budget and Finance Committee Workshop to discuss potential changes to the performance-based funding model
- Oct. 30: Board evaluates amendments to the LBR
- Dec.: Amended LBR is submitted to the Legislature and Governor after release of the Governor’s budget recommendations
- Jan. 14, 2020: Legislative Session Begins

Fixed Capital Outlay Funds:

For Public Education Capital Outlay (PECO) projects, the university’s approved Five-Year Capital Improvement Plan (CIP) should be prioritized by the trustees as indicated below. PECO funding to meet critical maintenance needs must be assigned a higher priority than adding new facilities, with the intent to improve the condition of existing space and campus infrastructure.

Funding will be requested for institutional survey-recommended PECO projects in the following priority order:

1. Remodeling/Renovation/Maintenance/Repair

Funds will be requested from PECO pursuant to formula as required by section 1013.64(1)(a), Florida Statutes, and should not be included by the university on the CIP – this funding will be requested as the top system issue by the Board of Governors.

2. Projects Previously Funded by the Legislature

Projects previously funded by the Legislature, effective July 1, 2017, or later, should be listed next on the CIP; these are considered “Previously Funded”. If a university has more than one such project, priority should be given to those projects which can be most rapidly brought to completion.¹

3. Capital Renewal and Stewardship of Existing Facilities²

- a. Subsystem Requests - Each board of trustees shall prioritize capital renewal and stewardship projects for individual subsystems of existing facilities which have failed or are functioning with substantial degradation in efficiency or performing at increased cost. This must be done on a line item basis.³
- b. Multiple Subsystem Requests - Renovation of multiple subsystems of an existing facility may be requested only if approved pursuant to an Educational Plant Survey.
- c. Demolition - Funding for demolition of an existing facility may be requested only if approved pursuant to an Educational Plant Survey.

4. New Facility Requests⁴

A New Facility Request must address the following demand indicators⁵:

- a. Will it improve the national ranking of a specific college; e.g. Music, Business, etc?
- b. Will it allow for creation of a new academic program?
- c. Will it create both new research capability and capacity; requiring material institutional support?

¹ Projects which have not received an appropriation in the past three Legislative Sessions are not considered “Previously Funded” and are subject to a 31-month reversion.

² A university may request legislative authority to expend carryforward reserves to the extent it anticipates the July 1, 2020, Education & General (E&G) reserves will be in excess of the mandatory 5%.

³ For example, Building #10, Roof Replacement, and Building #24, HVAC Repair.

⁴ A university should not request funding for a New Facility unless it can demonstrate, based on an independent analysis, such as Sightlines or APPA that it is demonstrating effective stewardship of its existing facilities.

⁵ A New Facility Request is unlikely to show demand in every category.

- d. Will it expand current course offerings?
- e. Will it address campus-wide needs?

New Facility Requests must be supported by an: 1) existing Educational Plant Survey; 2) a business case study; and a 3) Plant Operations and Maintenance (PO&M) Budget Amendment, showing in detail how the existing operating Budget will be adjusted to address the increased PO&M costs without additional state funds. Alternatively, identify non-state funding for the new facility.⁶

A university which desires to seek funding for a new facility which is not eligible for inclusion pursuant to the above stated guidelines, but which is critical to achievement of the Board approved strategic plan goals for the university, may request approval from the Chancellor to determine whether the Board should be asked to re-evaluate the strategic plan goal or consider granting an exception to allow consideration of the FCO funding request.

Non-PECO Components of the University LBR

Capital Improvement Fee Trust Fund Projects, Bonded Projects, P3-s, etc. should be included on the CIP-2 following the standard instructions provided by the Chancellor's Office. It is anticipated that the Board will request the requisite approvals from the Legislature following past practice and, as needed, to comply with the requirements of 1010.62, 1013.74, and 1013.78, Florida Statutes.

The following represents the timeline for submission of the State University System (SUS) 2020-2021 Fixed Capital Outlay LBR:

- March 28 Board approves LBR Guidelines
- July 1 Capital Improvement Plans due to Board of Governors from Board of Trustees
- August 28 Board adopts LBR
- September 15 Anticipated Date - LBR is submitted to the Governor and Legislature
- October 2-3 Board Workshop on LBR Components
- October 30 Board Amends LBR (PECO, Performance Funding, etc.)
- January 14, 2020 Legislative Session Begins

⁶ The alternative revenue does not need to be functionally related to the project, and may come from a university direct support organization or Public Private Partnership (P3).