



# **2022-2023 University Carryforward Spending Plan**

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# E&G and Carryforward Funds



- Education & General (E&G) Funds – State appropriations and student tuition that supports instruction, research and public service operations of the university.
- Carryforward Funds – unspent E&G funds from a given year that are carried forward into the next year. Funds can accumulate over multiple years.

# Section 1011.45 Florida Statute



- Any balance above 7% must have a spending plan that includes the estimated cost per planned expenditure and a timeline for completion of the expenditure.
- A university may only spend the minimum carryforward balance of 7% if a demonstrated emergency exists and the plan is approved by the Board of Trustees and Board of Governors.
- Spending plans must be approved by the Board of Trustees (Sept. 30) and Board of Governors (Nov. 15).

# Section 1011.45 Florida Statute



Authorized expenditures include:

- Operating expenditures that support the university mission.
- Operating expenditures that are nonrecurring.
- Commitment of funds to a Public Education Capital Outlay (PECO) project for which an appropriation has previously been made and requires funds for completion.
- Completion of a renovation, repair, or maintenance project up to \$5 M per project and replacement of a minor facility that does not exceed 10,000 GSF in size up to \$2 M.
- Completion of a remodeling or infrastructure project, including a developmental research school, up to \$10 M per project.
- Completion of a repair or replacement project necessary due to damage caused by a natural disaster for buildings included in the building inventory.
- Any purpose specified by the board or General Appropriations Act.
- A commitment of funds to a contingency reserve for expenses incurred as a result of a state of emergency declared by the Governor pursuant to s. 252.36.

# Benefits & Uses of Carryforward Funds



- Supports bond credit ratings.
- Funds to invest in leading priorities such as start-up packages for world-class faculty, student financial aid, and other student success strategies.
- Allows the university to address growing deferred capital needs.
- Funds core assets not included in the budget, i.e. ERP system updates, electric grid infrastructure, utility systems, technology updates.
- Provides a source of funding if revenue is interrupted due to a major unforeseen event. A semester's worth of carryforward is prudent.
- Fosters long-range financial planning and stewardship versus the "use-it-or-lose-it" mentality.

# University Carryforward Spending Plans Summary

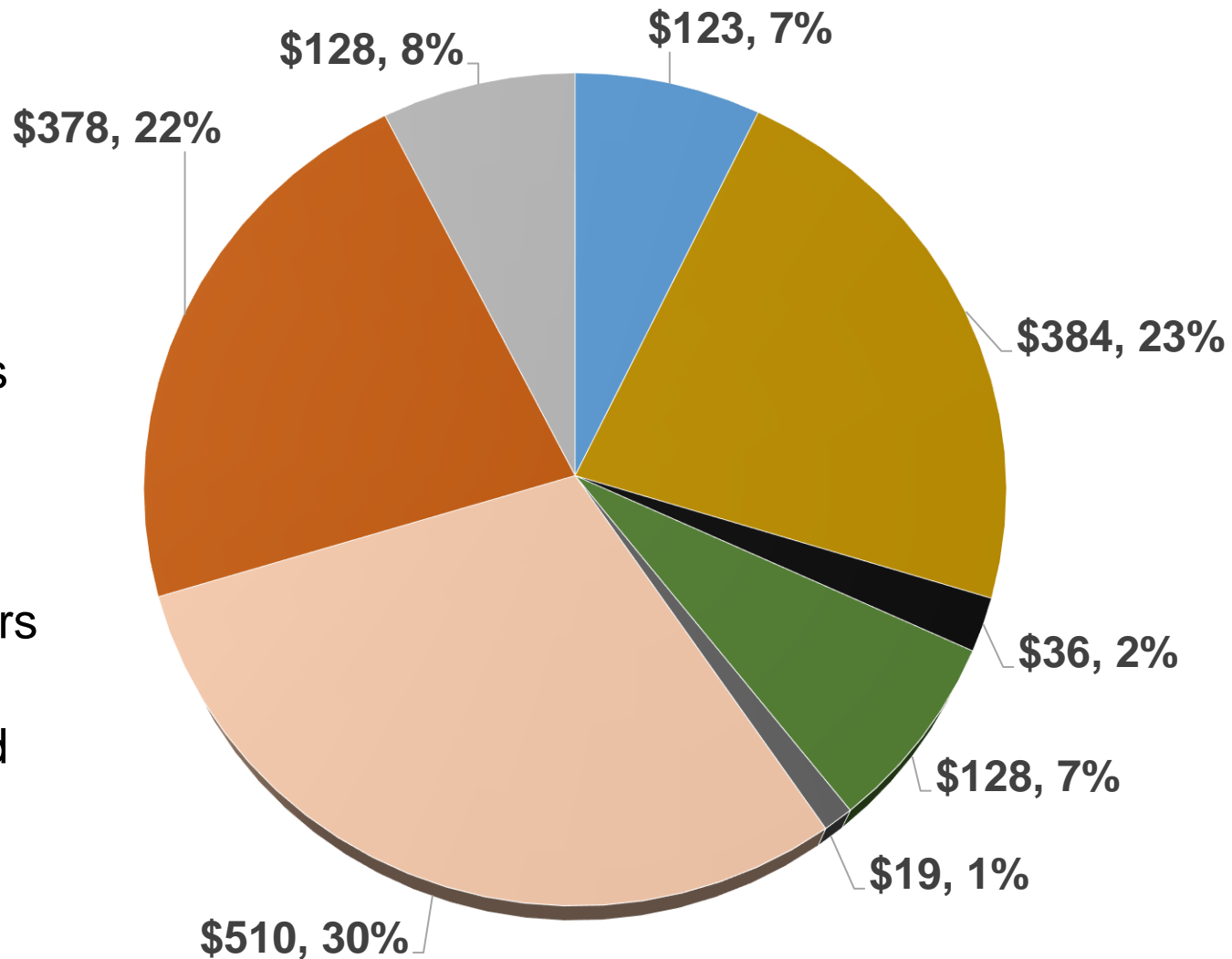


- The July 1, 2022 Beginning Carryforward Balance of \$1.7 B includes the following:
  - \$384 M for the 7% Statutory Reserve
  - \$123 M in Encumbrances
  - \$386 M for Faculty Start-up Packages
  - \$286 M for Facilities Projects
  - \$128 M Restricted by Appropriation
  - \$86 M for Information Technology
  - \$51 M for Student Financial Aid
  - Examples of other planned expenditures include; libraries, safety and security, enrollment and retention efforts

# 2022-2023 E&G Carryforward Spending Plan (millions)



- Encumbrances
- 7% Statutory Reserve Requirement
- Reserves for New FCO Projects
- Restricted by Appropriations
- Compliance, Audit, and Security
- Academic and Student Affairs
- Facilities, Infrastructure, and Information Technology
- Other UBOT Approved Operating Requirements





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