

**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**

December 5, 2018

**Subject: Approval of Carryforward Funds**

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**Proposed Board Action:**

Approve the Florida International University (FIU) expenditure plan for carryforward funds in accordance with guidelines adopted by the State University System of Florida Board of Governors (BOG) on November 8, 2018; submit the BOT-approved expenditure plan to the BOG for approval at its January 2019 meetings.

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**Background Information:**

Beginning in 1985, State University System (SUS) institutions received statutory authority to carry forward unexpended funds in the current year operating budget and include these funds in the operating budget the following year. While current statute does not restrict carryforward expenditures, the BOG and SUS institutions have continued to follow the allowed uses defined in F.S. 240.272 (repealed). Specifically, carryforward funds are expended for:

- *building an escrow account for major equipment purchases*
- *scientific, technical, or other equipment*
- *matching challenge grant programs*
- *library resources*
- *minor repairs, renovations, or maintenance*
- *major studies or planning processes*
- *maintaining access to course offerings in the event of a revenue shortfall*
- *expanding access to course offerings*

Additionally, F.S. 1011.40(2) places a floor on unencumbered balances equal to five percent of the approved operating budget, generally referred to as the “5 percent statutory reserve.”

At its November 2018 meetings, the BOG approved a proposal to require each University Board of Trustees to approve the expenditure plan for unencumbered and unexpended balances (carryforward fund balances) at their institution and to submit the approved plan to the BOG for consideration and approval at its January 2019 meetings. As of November 8, 2018, FIU’s carryforward fund balance was \$55,720,499 (excluding Herbert Wertheim College of Medicine [HWCOM]). The carryforward fund balance for HWCOM was \$6,796,640 as of November 8, 2018. Each of these balances includes the five percent statutory reserve.

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**Supporting Documentation:**     *Information behind the Finance and Facilities Committee tab*

**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Facilities Committee**

December 5, 2018

**Subject: Approval of Carryforward Funds**

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**Proposed Committee Action:**

Recommend to The Florida International University Board of Trustees (the BOT) approval of the Florida International University (FIU) expenditure plan for carryforward funds in accordance with guidelines adopted by the State University System of Florida Board of Governors (BOG) on November 8, 2018; submit the BOT-approved expenditure plan to the BOG for approval at its January 2019 meetings.

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**Supporting Documentation:** Proposed Carryforward Expenditure Plans

**Facilitator/Presenter:** Kenneth A. Jessell

**Florida International University**  
**Education and General**  
**2018-19 Operating Budget - Beginning Carryforward Fund Balance Composition**  
**November 2018**

	<u>University</u>	<u>Medical School</u>
<b>A. Beginning E&amp;G Carryforward Fund Balance - July 1, 2018 :</b>		
Cash	\$ 77,521,181	\$ 11,695,830
Investments	\$ -	\$ -
Accounts Receivable	\$ 10,351,260	\$ 5,770
Less: Accounts Payable	\$ 7,446,943	\$ 770,280
Less: Deferred Fees	\$ 1,164,187	\$ 14,400
<b>Beginning E&amp;G Fund Balance Before Encumbrances :</b>	\$ 79,261,311	\$ 10,916,920
<b>B. Expenditures as of August 21, 2018 :</b>	\$ 2,918,593	\$ 1,186,075
<b>C. Encumbrances as of August 21, 2018 :</b>	\$ 15,426,487	\$ 1,432,987
<b>D. E&amp;G Carryforward Fund Balance - as of August 21, 2018 :</b>	\$ 60,916,231	\$ 8,297,858
<b>Additional Expenditures and Encumbrances since August 21, 2018</b>	\$ 5,195,732	\$ 1,501,218
<b>D. E&amp;G Carryforward Fund Balance - as of November 8, 2018 :</b>	<b>\$ 55,720,499</b>	<b>\$ 6,796,640</b>
<b>E. <u>Restricted / Contractual Obligations</u></b>		
5% Statutory Reserve Requirement	\$ 26,546,224	\$ 2,527,618
Restricted By Appropriations	\$ 6,646,994	\$ 2,962,776
University Board of Trustees Reserve Requirement	\$ 3,195,952	\$ -
Restricted by Contractual Obligations:	\$ -	\$ -
Compliance Program Enhancements	\$ -	\$ -
Audit Program Enhancements	\$ -	\$ -
Campus Security and Safety Enhancements	\$ -	\$ -
Student Services, Enrollment, and Retention Efforts	\$ 691,921	\$ -
Student Financial Aid	\$ -	\$ 872,841
Faculty / Staff Instructional and Advising Support and Start-Up Funding	\$ 302,480	\$ -
Faculty Research and Public Service Support and Start-Up Funding	\$ 312,394	\$ 433,405
Library Resources	\$ 45,895	\$ -
Infrastructure, Capital Renewal, Roofs	\$ 546,879	\$ -
Facilities Renovation and Repair	\$ 4,970,979	\$ -
Utilities	\$ -	\$ -
Information Technology (ERP, Equipment, etc.)	\$ -	\$ -
<b>Total Restricted Funds :</b>	\$ 43,259,719	\$ 6,796,640
<b>F. <u>Commitments</u></b>		
<b>Compliance, Audit, and Security</b>		
Compliance Program Enhancements	\$ 6,028	\$ -
Audit Program Enhancements	\$ -	\$ -
Campus Security and Safety Enhancements	\$ 2,418,307	\$ -
<b>Academic and Student Affairs</b>		
Student Services, Enrollment, and Retention Efforts	\$ 585,253	\$ -
Student Financial Aid	\$ 3,412,116	\$ -
Faculty / Staff Instructional and Advising Support and Start-Up Funding	\$ 920,853	\$ -
Faculty Research and Public Service Support and Start-Up Funding	\$ 1,257,715	\$ -
Library Resources	\$ -	\$ -
<b>Facilities, Infrastructure, and Information Technology</b>		
Infrastructure, Capital Renewal, Roofs	\$ 1,169,040	\$ -
Facilities Renovation and Repair	\$ 2,585,973	\$ -
Utilities	\$ -	\$ -
Information Technology (ERP, Equipment, etc.)	\$ 105,495	\$ -
<b>Total Commitments :</b>	\$ 12,460,780	\$ -
<b>G. Available E&amp;G Carryforward Balance as of November 8, 2018 :</b>	\$ -	\$ -

**Florida International University**  
**FY 2018-19 Education and General Carryforward Plan - Available Balances as of November 8, 2018**  
**University**

**5% Statutory Reserve Requirement:** in compliance with 1011.40(2), Florida Statutes. Each university reserves an amount equal to 5 percent of its unencumbered balance in the education and general fund. Each institution shall provide a written notification to the Board of Governors if, at any time, the unencumbered balance in the education and general fund of the university board of trustees approved operating budget goes below 5 percent.

	Restricted	Committed	Total
5% Statutory Reserve Requirement	\$ 26,546,224	\$ -	\$ 26,546,224

**Restricted by Appropriations:** funds appropriated by the Legislature for a specific purpose as identified by law or through legislative work papers.

	Restricted	Committed	Total
Medical Initiative	\$ 15,861	\$ -	\$ 15,861
Information Technology Performance Funds (1011.905) <i>funds awarded for attainment of performance expectations in the areas of computer and information science, computer engineering, information systems technology, information technology, and management information systems</i>	\$ 418,675	\$ -	\$ 418,675
FIUnique <i>brings together various cross-disciplinary programs across the University that service South Florida's unique and at-risk populations, including students and adults with intellectual disabilities, Autism, ADHD, mental health issues and homeless and foster students. The funds are used to cover operating expenses of the following programs: Panther LIFE, Fostering Panther Pride, EMBRACE, and Center for Children and Families.</i>	\$ 1,015,426	\$ -	\$ 1,015,426
Economic Development Study	\$ 1,716	\$ -	\$ 1,716
Frost Museum of Science	\$ 23	\$ -	\$ 23
UP:LIFT	\$ 37,482	\$ -	\$ 37,482
World Class Faculty & Scholar Program (1004.6497(4)(b)) <i>to elevate national competitiveness through success in recruiting research faculty, 4-year undergraduate graduation rate, number of undergraduate courses offered with fewer than 50 students, and increase in national academic standing of targeted programs : renovating and refurbishing classrooms and labs, combining existing space to make larger active learning classrooms, creating study ("sticky") spaces,</i>	\$ 4,550,328	\$ -	\$ 4,550,328
Professional & Graduate Degree Excellence Program (1004.6498(4)(b)) <i>to elevate the national and global prominence of the state university medicine, law, and graduate-level business programs : funds in the College of Business to be used for student financial aid, faculty hires, rankings, and branding</i>	\$ 607,483	\$ -	\$ 607,483
<b>Total Restricted by Appropriations</b>	<b>\$ 6,646,994</b>	<b>\$ -</b>	<b>\$ 6,646,994</b>

**University Board of Trustees Reserve Requirement:** the amount of unrestricted funds set aside by the University Board of Trustees to address critical, unforeseen, or non-discretionary items that require immediate funding.

	Restricted	Committed	Total
Reserve for critical, unforeseen, or non-discretionary items that require immediate funding	\$ 1,400,000	\$ -	\$ 1,400,000
Hurricane Irma recovery expenses	\$ 1,514,637	\$ -	\$ 1,514,637
Bridge collapse expenses (legal fees, etc.)	\$ 281,315	\$ -	\$ 281,315
<b>Total University Board of Trustees Reserve Requirement</b>	<b>\$ 3,195,952</b>	<b>\$ -</b>	<b>\$ 3,195,952</b>

**COMPLIANCE, AUDIT, AND SECURITY**

**Compliance Program Enhancements:** Initiatives associated with being in compliance with federal law, state law, BOG Regulations or any other entity with which the University must comply.

	<b>Restricted</b>	<b>Committed</b>	<b>Total</b>
Professional development for attorneys	\$ -	\$ 6,028	\$ 6,028
<b>Total Compliance Program Enhancements</b>	<b>\$ -</b>	<b>\$ 6,028</b>	<b>\$ 6,028</b>

**Audit Program Enhancements:** Initiatives associated with programs supporting audit programs of the institution

**Campus Security and Safety Enhancements** - Safety Issues: the support of campus security and/or safety issues, such as the recruitment of police officers, vehicles, and equipment. This issue may also include mental health counseling and services

	<b>Restricted</b>	<b>Committed</b>	<b>Total</b>
Emergency Operations Center infrastructure hardening such as expansion of emergency operations center, emergency generators, hardening of vulnerable windows and doors, roof protection for satellite chiller plant, HVAC protection for university data center, and improving communications infrastructure	\$ -	\$ 2,313,345	\$ 2,313,345
Equipment for police officers	\$ -	\$ 104,963	\$ 104,963
<b>Total Campus Security and Safety Enhancements</b>	<b>\$ -</b>	<b>\$ 2,418,307</b>	<b>\$ 2,418,307</b>

**ACADEMIC AND STUDENT AFFAIRS**

**Student Services, Enrollment and Retention:** funds to support student services programs, address enrollment and assist with retention efforts to support timely graduation

	<b>Restricted</b>	<b>Committed</b>	<b>Total</b>
Professional development for advisors, expansion of student enrichment programs, and support for other student programs	\$ -	\$ 274,390	\$ 274,390
Capital campaign to increase endowments for scholarships	\$ 691,921	\$ 310,863	\$ 1,002,784
<b>Total Student Services, Enrollment and Retention</b>	<b>\$ 691,921</b>	<b>\$ 585,253</b>	<b>\$ 1,277,173</b>

**Student Financial Aid:** funds aimed to reduce student costs and provide opportunity for higher education

	<b>Restricted</b>	<b>Committed</b>	<b>Total</b>
Student Financial Aid in support of undergraduate merit scholarship programs, e.g. Gold and Blue scholarships, raise.me	\$ -	\$ 3,412,116	\$ 3,412,116
<b>Total Student Financial Aid</b>	<b>\$ -</b>	<b>\$ 3,412,116</b>	<b>\$ 3,412,116</b>

**Faculty/Staff Instructional and Advising Support and Start Up Funding:** funds identified to support instructional and advising activities, and/or start-up packages for new faculty. Start up packages are often expended over a multi-year period.

	<b>Restricted</b>	<b>Committed</b>	<b>Total</b>
Faculty instructional costs associated with additional courses to promote on-time student graduation, and other faculty and support costs	\$ 302,480	\$ 920,853	\$ 1,223,333
<b>Total Faculty/Staff Instructional and Advising Support and Start Up Funding</b>	<b>\$ 302,480</b>	<b>\$ 920,853</b>	<b>\$ 1,223,333</b>

**Faculty Research and Public Service Support and Start Up Funding:** funds identified to support research and public service, and the start up funding required. Start up packages are often expended over a multi-year period.

	Restricted	Committed	Total
Promote research excellence through support for technology management and commercialization, faculty research, and start-up costs	\$ 312,394	\$ 1,257,715	\$ 1,570,109
<b>Total Faculty Research and Public Service Support and Start Up Funding</b>	<b>\$ 312,394</b>	<b>\$ 1,257,715</b>	<b>\$ 1,570,109</b>

**Library Resources:** materials and database access required to support programs of study and research.

	Restricted	Committed	Total
Support for library operations	\$ 45,895	\$ -	\$ 45,895
<b>Total Library Resources</b>	<b>\$ 45,895</b>	<b>\$ -</b>	<b>\$ 45,895</b>

### FACILITIES, INFRASTRUCTURE, AND INFORMATION TECHNOLOGY

**Infrastructure, Capital Renewal, Roofs:** funds to support the maintenance of university building infrastructures. Such costs may include the following: preventive maintenance, replacement of parts, systems or components; and other activities needed to preserve or maintain the asset.

	Restricted	Committed	Total
Improve traffic flow through the university to enhance pedestrian safety (SW 107 <sup>th</sup> Avenue and SW 10 <sup>th</sup> Street entrance, SW 107 <sup>th</sup> Avenue traffic circle, Recreation Center road, and other roadway projects); provide safer environment by improving lighting on SW 14 <sup>th</sup> Street; repair building envelopes, roofs, and windows	\$ 546,879	\$ 1,169,040	\$ 1,715,919
<b>Total Infrastructure, Capital Renewal, Roofs</b>	<b>\$ 546,879</b>	<b>\$ 1,169,040</b>	<b>\$ 1,715,919</b>

**Facility Renovation and Repair:** funds set aside to renovate and/or repair campus facilities as needed

	Restricted	Committed	Total
Facilities projects (salaries for construction services for SIPA II building, pedestrian connection between MANGO, Law, and Parking Garage 3 buildings)	\$ 1,039,726	\$ 60,412	\$ 1,100,138
Renovations and Repairs such as classrooms and teaching labs in Engineering and Computer Science, Owa Ehan); reconfiguration of faculty and staff work areas; Academic Health Center 5 electrical & plumbing, install fume hood monitors to be in compliance with industry requirements	\$ 3,671,646	\$ 2,292,287	\$ 5,963,933
Plant Operations and Maintenance (PO&M) in the absence of new PO&M funding from the legislature	\$ -	\$ 233,273	\$ 233,273
Facilities custodial and grounds contracts	\$ 259,607	\$ -	\$ 259,607
<b>Total Facility Renovation and Repair</b>	<b>\$ 4,970,979</b>	<b>\$ 2,585,973</b>	<b>\$ 7,556,952</b>

**Utility Costs:** the support of utility costs throughout the university.

**Information Technology (ERP, Equipment, etc.):** funds to improve operational productivity, educational improvements, and technological innovation. Also for the implementation and/or maintenance of ERP systems and technological equipment purchases.

	Restricted		Committed		Total
Completion of term redesign project	\$ -		\$ 105,495		\$ 105,495
<b>Total Facility Renovation and Repair</b>	<b>\$ -</b>		<b>\$ 105,495</b>		<b>\$ 105,495</b>
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<b>E&amp;G Carryforward Fund Balance - as of November 8, 2018 :</b>	<b>\$ 43,259,719</b>		<b>\$ 12,460,780</b>		<b>\$ 55,720,499</b>
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**Florida International University**  
**FY 2018-19 Education and General Carryforward Plan - Available Balances as of November 8, 2018**  
**College of Medicine**

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	Restricted	Committed	Total
5% Statutory Reserve Requirement	\$ 2,527,618	\$ -	\$ 2,527,618

**Restricted by Appropriations:** funds appropriated by the Legislature for a specific purpose as identified by law or through legislative work papers.

	Restricted	Committed	Total
Primary Care Residency Program	\$ 2,962,776	\$ -	\$ 2,962,776
<b>Total Restricted by Appropriations</b>	<b>\$ 2,962,776</b>	<b>\$ -</b>	<b>\$ 2,962,776</b>

**ACADEMIC AND STUDENT AFFAIRS**

**Student Financial Aid:** funds aimed to reduce student costs and provide opportunity for higher education

	Restricted	Committed	Total
Student Financial Aid in support of Spring semester scholarships	\$ 872,841	\$ -	\$ 872,841
<b>Total Student Financial Aid</b>	<b>\$ 872,841</b>	<b>\$ -</b>	<b>\$ 872,841</b>

**Faculty Research and Public Service Support and Start Up Funding:** funds identified to support research and public service, and the start up funding required. Start up packages are often expended over a multi-year period.

	Restricted	Committed	Total
In support of start-up packages for researchers	\$ 433,405	\$ -	\$ 433,405
<b>Total Faculty Research and Public Service Support and Start Up Funding</b>	<b>\$ 433,405</b>	<b>\$ -</b>	<b>\$ 433,405</b>
<b>E&amp;G Carryforward Fund Balance - as of November 8, 2018 :</b>	<b>\$ 6,796,640</b>	<b>\$ -</b>	<b>\$ 6,796,640</b>