

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
September 13, 2011**

SUBJECT: 2012-2013 State University System Operating Budget

PROPOSED BOARD ACTION

Approve the 2012-2013 State University System Operating Budget.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution. Board of Governors' Master Powers and Duties, Section II(2).

BACKGROUND INFORMATION

Each state university is required to submit a detailed operating plan for each budget entity for the 2012-2013 fiscal year. The State University System (SUS) operating budget consists of five different budget entities; 1) Education and General, 2) Contracts and Grants, 3) Auxiliary Enterprises, 4) Local Funds, and 5) Faculty Practice Plans.

The overall decrease in estimated expenditures reported by the universities is due primarily to a reduction in Education and General appropriations by the 2012 Legislature and a slight decrease in anticipated contract & grants activity. These declines are somewhat offset by modest increases in auxiliary enterprises and student activity expenditures, increased student financial aid distributions, utilization of revenues generated from the technology fee and newly-established Board-approved local fees, and additional costs associated with other service related operations. Universities are also planning to utilize prior period carryforward funds to support continuing operations in light of state budget reductions absorbed during the previous four fiscal years.

1. The Education and General Budget Entity (E&G) includes the allocation of funds appropriated by the 2012 Legislature, student tuition, and other previously appropriated funds. 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 flexibility in the development of the E&G operating budget but must report in the traditional SUS categories.

- 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, parking services, and computer support.
- 4) The Local Funds entity consists of operating resources for student activities, athletics, concessions, student financial aid, technology fee, Board-approved local fees, and self-insurance programs.
- 5) Finally, the Faculty Practice Plans provide for clinical activities associated with the University of Florida and University of South Florida Health Centers, and the Florida State University, University of Central Florida, and Florida International University Medical Schools.

Each University Board of Trustees has approved an operating budget. The universities have developed their budgets in accordance with Board Regulation 9.007 – State University System Operating Budgets. The regulation requires each university to maintain an unencumbered balance in the E&G fund equal to or greater than 5% of the University Board of Trustees approved operating budget. If the unencumbered balance falls below 5%, the University President must provide written notification and explanation.

The attached information summarizes the budgetary resources and obligations, including beginning and ending fund balances, recurring and nonrecurring revenues, and operating and non-operating expenditures. Additional detail is available and will be posted to the Board’s website.

Staff has reviewed and approved the submissions and recommends approval of the proposed budgets as submitted by the universities and approved by their Board of Trustees.

Supporting Documentation Included: Information located in the Budget & Finance Committee agenda materials