

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
June 20, 2011

SUBJECT: Fixed Capital Outlay Budget Transfer Flexibility for Fiscal Year 2011-12

PROPOSED COMMITTEE ACTION

Review the 2011-2012 SUS Fixed Capital Outlay Budget and authorize the Chancellor to approve limited changes as necessary, to include the waiver of specified sections of Board Regulation **9.007 State University Operating Budgets** to provide funding flexibility for emergency maintenance and infrastructure repairs.

Discuss PECO forecast and university maintenance challenges.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Subsection 7, Florida Constitution

BACKGROUND INFORMATION

The final Fixed Capital Outlay appropriations for the State University System of Florida, totaling \$22,338,167, provides limited resources for the institutions to maintain their campus facilities and effectuate any emergency repairs that may be required. This issue was previously discussed in March. No additional flexibility was provided during 2011 Session, and the final appropriations were indeed more limited than in any previous year.

Board Regulation 9.007 describes the restrictions on the E&G operating funds appropriated by the state, and any unused balances which must be carried forward by the universities to meet the 5% reserve requirement, as well as to meet cash flow needs. For example, funds appropriated from state lottery proceeds are typically not disbursed until later in the fiscal year and some proceeds may be carried forward into the fiscal period. Following the March Board discussion, the universities have informally indicated that having flexibility to utilize carry forward to provide for limited emergency repairs and maintenance would be useful, especially in handling unforeseeable contingencies. Given the limited amount of PECO maintenance funding, the universities could be allowed to use E&G carryforward, with notification to the SUS

Budget Office to ensure that 1) the proposed use comports with statutory restrictions, and 2) the transfer is properly recorded in the SUS budgetary records.

The current PECO forecast for 2012-13 is minimal, while succeeding years are more robust. However, the higher level of funding presumes that the state will exercise the maximum PECO bonding capacity. Given Governor Scott's concerns on the advisability of future expansion of state debt issuance, maintenance of our existing inventory will continue to be a significant concern.

Supporting Documentation Included:

Board Regulation 9.007, State
University Operating Budgets

Facilitators/Presenters:

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