

**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

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

SUBJECT: 2012-2013 Board General Office Budget

PROPOSED BOARD ACTION

Approve the 2012-2013 Board General Office Budget and authorize the Chancellor to make changes as necessary to support office functions.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution, 2012 Legislative Appropriation

BACKGROUND INFORMATION

The Board General Office budget for 2012-13 totals \$6.3 million. The 2012 Legislative appropriation allocates these funds by specific category and funding source as follows:

Appropriation Category	Appropriation
Salaries & Benefits - GR	\$4,282,130
Salaries & Benefits - Trust Funds	\$656,358
Other Personal Services - GR	\$49,373
Other Personal Services - Trust Funds	\$20,000
Expenses - GR	\$548,977
Expenses - Trust Funds	\$271,799
Operating Capital Outlay - GR	\$11,782
Operating Capital Outlay - Trust Funds	\$5,950
Contracted Services - GR	\$405,567
Contracted Services - Trust Funds	\$23,000
DMS - HR Services - GR	\$18,432
DMS - HR Services - Trust Funds	\$2,405

Data Processing Services - GR	\$25,177
-------------------------------	----------

Each funding source and category has specific restrictions on spending funds from that appropriation. Appropriations are allowed to be transferred between categories via budget transfers filed with the Governor’s Office. These transfers cannot exceed 5 percent or \$250,000 whichever is greater. Any transfers in excess of this amount must be approved by the Legislature and Governor through an established budget amendment process.

Funding Source:

- General Revenue – appropriations from this source has the least restrictions and can be used for any basic operating expense.
- Trust Funds – appropriations from this source are primarily used to support Board facility staff and expenses.

Appropriation Category:

- Salaries & Benefits – salaries and benefits associated with 52 authorized positions.
- Other Personal Services – these funds are utilized for temporary employment. The Board utilizes university students to supplement basic phone coverage and other office needs.
- Expenses – these funds are utilized for basic operating expenses such as travel, rent, office supplies, or equipment costing less than \$1,000.
- Operating Capital Outlay – these funds are utilized for items costing more than \$1,000, such as computers or furniture.
- Contracted Services – these funds are utilized for any service requiring a contractual agreement. For example, the consultant hired to perform the Online University Study is funded from this category.
- DMS - HR Services – these funds are transferred to the Department of Management Services to cover the costs associated with the State’s PeopleFirst System.
- Data Processing Services – these funds are transferred to the Northwest Regional Data Center to pay for data storage services.

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

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
September 13 2012**

SUBJECT: 2013-14 State University System and Board General Office Legislative Budget Request

PROPOSED BOARD ACTION

Approve the 2013-14 operating Legislative Budget Request for the State University System and the Board General Office and allow the Chancellor to make technical changes as necessary.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Annually, the Board of Governors must prepare and submit a State University System and a Board General Office Legislative Budget Request (LBR) for state appropriated operating funds. Both budgets must be reviewed and recommendations made on the issues to be included in the 2013-14 LBR. In accordance with Section 216.023(1), Florida Statutes, this LBR is based on an independent judgment of needs and pursuant to the LBR instructions will be presented to the Legislature and Governor on October 15.

State University System (SUS):

For the SUS, total funding of \$4.2 billion (\$2.4 billion in state support and \$1.8 billion in tuition) is requested to support a projected enrollment of approximately 340,000 students and 60,000 faculty and staff. Two major components drive the proposed budget; metric based performance funding of approximately \$118 million and the major gift matching program of \$286 million.

The SUS budget can be divided into 2 primary areas; the Education and General (E&G) core budget and the special units/state initiatives budget.

- A. The E&G core budget increase assumes no tuition increase and focuses on three main components; continued funding for plant operations and maintenance for new and existing facilities, year two of performance funding for Information

Technology, and funding to improve work plan performance metrics. The net increase to the E&G core budget is \$172 million or a 5.4% increase over the recurring base budget. With the adoption of the proposed LBR, the SUS core E&G appropriation per full-time equivalent student will increase by \$588 to \$11,459.

- B. The special units/state initiatives portion of the budget requests an increase of \$304 million and focuses on continued support of the new medical schools and matching funds for private donations.

Board General Office:

The Board General Office requests a continuation budget of \$6.0 million to support 52 positions and associated operating expenses. This request is a continuation budget, thus no increase is requested.

The Chancellor recommends approval of the SUS and Board General Office LBRs.

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