

**FLORIDA BOARD OF GOVERNORS
NOTICE OF PROPOSED AMENDED REGULATION**

DATE: September 3, 2019

REGULATION NUMBER AND TITLE: Regulation 9.007 State University Operating Budgets

SUMMARY:

This regulation is being amended to include requirements in Senate Bill 190 that was approved by the Governor on June 18, 2019 and to provide clarification and guidance on other operating budget issues. The following changes include:

- Requires Board of Trustees and Board of Governors to approve the use of carryforward spending plans.
- Clarifies that Education & General (E&G) funds can be used for furniture, fixtures, and equipment.
- Clarifies that E&G funds can be used to maintain, repair, remodel, and renovate existing E&G facilities and space.
- Clarifies the use of interest and investment earnings.
- Defines non-recurring expenditures.
- Requires amendments to the carryforward spending plans be reported to the Board of Governors.

FULL TEXT OF THE REGULATION IS INCLUDED WITH THIS NOTICE.

AUTHORITY TO PROPOSE REGULATION(S): Section 7(d), Art. IX, Fla. Const.; BOG Regulation Development Procedure dated March 23, 2006.

THE BOARD OF GOVERNORS' OFFICIAL INITIATING THE PROPOSED REGULATION: Tim Jones, Vice Chancellor Finance and Administration

COMMENTS REGARDING THE PROPOSED REGULATION SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW. The comments must identify the regulation on which you are commenting:

(1) Each university president shall prepare an operating budget, including an
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2. Universities shall accumulate ending E&G fund balances for activities such as those outlined in section 3(a)(4), but not limited to, student successa contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in university operations, and prior year encumbrances. The ending E&G carryforwardfund balances can only be used for nonrecurring expenditures. At any time the unencumbered available balance in the E&G fund of the university board of trustees approved operating budget falls below seven (7) percentfive (5) percent of the approved total, the universitypresident shall provide a written notification and planexplanation to the Board of Governors to attain a seven (7) percent balance of state operating funds within the next fiscal year.
3. Each university that retains a state operating fund carryforward balance in excess of the seven (7) percent minimum shall submit an E&G Carryforward Spending Plan for its excess carry forward balance. The Carryforward Spending Plan shall be submitted to the university's board of trustees for review, approval, or if necessary, amendment by September 1, 2020, and each September 1 thereafter. The Board of Governors shall review, approve, and amend, if necessary, each university's E&G Carryforward Spending Plan by October 1, 2020, and each October 1 thereafter.
4. A university's E&G Carryforward Spending Plan shall include the estimated cost per planned expenditure and a projected timeline for completion of the expenditure. Authorized expenditures in an E&G Carryforward Spending Plan may include:
 - a. Commitment of funds to a public education capital outlay project for which an appropriation has previously been provided that requires additional funds for completion and which is included in the list required by section 1001.706(12)(d);
 - b. Completion of a renovation, repair, or maintenance project (as defined in Board Regulation 14.0025) that is consistent with the provisions of section 1013.64(1), up to \$5 million per project and replacement of a minor facility that does not exceed 10,000 gross square feet in size up to \$2 million;
 - c. Completion of a remodeling or infrastructure project (as defined in Board Regulation 14.0025), including a project for a developmental research school, up to \$10 million per project, if such project is survey recommended pursuant to section 1013.31;

d. Completion of a repair or replacement project necessary due to damage caused by a natural disaster for buildings included in the inventory required pursuant to section 1013.31;

e. Operating expenditures that support the university mission and that are nonrecurring; and

f. Any purpose specified by the university board of trustees or in the General Appropriations Act.

5. Annually, by September 30, the chief financial officer of each university shall certify the unexpended amount of funds appropriated to the university from the General Revenue Fund, the Educational Enhancement Trust Fund, and the Student and Other Fees Trust Fund as of June 30 of the previous fiscal year.

2.6.A University may spend the minimum carry forward balance of seven (7) percent if a demonstrated emergency exists and the plan is approved by the university's board of trustees and the Board of Governors.

7. Expenditures from any source of funds by any university shall not exceed the funds available. No expenditure of funds, contract, or agreement of any nature shall be made that requires additional appropriation of state funds by the Legislature unless specifically authorized in advance by law or the General Appropriations Act.

8. The following units are required to report under this budget entity:

State Universities

UF - Institute of Food and Agricultural Science

UF Health Science Center

USF Medical Center

FSU Medical School

UCF Medical School

FIU Medical School

FAU Medical School

FAMU-/FSU College of Engineering

Florida Postsecondary Comprehensive Transition Program (UCF)

(b) Contracts and Grants – reports actual and estimated year revenues, expenditures, and positions for university functions which are supported by foundations, various state and federal agencies, local units of governments, businesses, and industries. Universities shall comply with all applicable federal, state, local, and university

regulations and guidelines as they relate to grants, contracts, and sponsored research programs.

- (c) Auxiliary Enterprises – reports actual and estimated year revenues, expenditures, and positions for self-supporting functions such as, but not limited to, parking services, housing, bookstore operations, and food services.
- (d) Local Funds – reports actual and estimated year revenues, expenditures, and positions for the following specific areas:
 1. Student Activities – revenues generated primarily from the activity and service fee each university is authorized to charge its students as a component of the mandatory fee schedule. Activities commonly supported by these revenues include student government, cultural events, student organizations, and intramural/club events.
 2. Intercollegiate Athletics – revenues generated from the student athletic fee that each university is authorized to collect as a component of the mandatory fee schedule, and from other sources including ticket sales, radio/TV, bowl games, and tournament revenues.
 3. Concession Fund – revenues generated from various vending activities located around the campuses. The university's budget must reflect the various departments/activities on each campus which benefit from receipt of these funds.
 4. Student Financial Aid – revenues received by the university for loans, grants, scholarships, and other student financial aid. Expenditures of these funds must be reported by activities such as externally-funded loans, student scholarships, need-based financial aid, academic-based financial aid, and athletic grants/scholarships.
 5. Technology Fee – revenues generated from the technology fee that a university is authorized to charge its students as a component of the mandatory fee schedule. Proceeds from this fee shall be used to enhance instructional technology resources for students and faculty.
 6. Board-Approved Fees – student fees presented to the Board of Governors for approval by a university board of trustees that is intended to address a student need not currently being met through existing university services, operations, or another fee.
 7. Self-Insurance Programs – revenues received by the university from entities and individuals protected by the self-insurance

programs. This budget must reflect expenditures related to the administration of the self-insurance programs and the judgments or claims arising out of activities for which the self-insurance program was created.

- (e) Faculty Practice Plan – related to the activities for the state universities' medical schools and health centers. This budget must be designed to report the monetary level of clinical activity regarding the training of students, post-graduate health professionals, and medical faculty.
- (4) The operating budgets of each university shall represent the following:
- (a) The university's plan for utilizing the resources available through direct or continuing appropriations by the Legislature, allocation amendments, or from local sources including student tuition and fees. The provisions of the General Appropriations Act and the SUS Allocation Summary and Workpapers publication will be taken into consideration in the development and preparation of the E&G data.
 - (b) Actual prior-year revenues, expenditures (including E&G carryforward amounts expended), and positions, as well as current-year estimated revenues, expenditures, and positions. University E&G

(6) Any unexpended E&G appropriation carried forward to the fund balance in a new fiscal year shall be utilized in support of nonrecurring E&G operating activities only except as otherwise provided where expressly allow by law.

(7) E&G non-recurring is defined as an expenditure that is not expected to be needed or available after a point in time. Non-recurring expenditures have distinct elements:

(a)