

FLORIDA BOARD OF GOVERNORS
NOTICE OF PROPOSED REGULATION AMENDMENT

DATE: September 17, 2013

REGULATION NUMBER AND TITLE: 9.007 State University Operating Budgets

SUMMARY:

This regulation is being amended to include the following changes:

- Adds clarifying language that university carry forward funds shall be included in annual expenditure data.
- Adds clarifying language that Education & General funds are to be used for operating activities, unless specifically authorized by law.
- Adds language requiring universities to comply with all applicable federal, state, and local laws when implementing grants, contracts and sponsored research programs.
- Adds language regarding the inclusion of technology fee revenues/expenditures and Board approved fees in the annual operating budget submissions.
- Adds clarifying language that Education & General interest earnings should be used for Education & General operating purposes, unless specifically authorized by law.

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, Chief Financial Officer

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:

General Counsel, Board of Governors, State University System, 325 W. Gaines Street, Suite 1614, Tallahassee, Florida 32399, (850) 245-0466 (phone), (850) 245-9685 (fax), or generalcounsel@flbog.edu.

9.007 State University Operating Budgets

(1) Each university president shall prepare an operating budget for approval by the uUniversity bBoard of tTrustees, in accordance with instructions, guidelines, and standard formats provided by the Board of Governors.

(2) Each uUniversity bBoard of tTrustees shall adopt an operating budget for the general operation of the university as prescribed by the regulations of the Board of Governors. The uUniversity bBoard of tTrustees-ratified operating budget is presented to the Board of Governors for approval. Each university president shall implement the operating budget of the university as prescribed by regulations of the Board of Governors, policies of the uUniversity bBoard of tTrustees, provisions of the General Appropriations Act, and data reflected within the State University System Allocation Summary and Workpapers publication.

(3) The operating budgets of each state university shall represent the following budget entities:

(a) Education and General (E&G)- reports actual and estimated year operating revenues and expenditures (~~actual year expenditures should include year end encumbrances~~) for all E&G funds, including: General Revenue, Student and Other Fees, Educational Enhancement Trust Fund (Lottery), Phosphate Research Trust Fund, - and including the following previously-appropriated trust funds: Experiment Station Federal Grant, Experiment Station Incidental, Extension Service Federal Grant, Extension Service Incidental, UF-HSC Incidental, and UF-Health Science Center Operations and Maintenance. In addition, expenditures from university carryforward funds (unexpended E&G balances from all prior-period appropriations) shall be included in the actual history year reporting. University carryforward funds shall not be included in any estimated-year (budgeted) amounts.

1. Unless otherwise expressed by law, E&G funds are to be used for E&G operating activities only, such as, but not limited to, general instruction, research, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment-related and stand-alone operations of the universities.

1.2. Universities shall accumulate ending fund balances for activities such as, but not limited to, a contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in

university operations, and prior year encumbrances. At any time the unencumbered available balance in the E&G fund of the uUniversity bBoard of tTrustees approved operating budget falls below five (5) percent of the approved total, the president shall provide a written notification and explanation to the Board of Governors.

3. 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.
4. 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

- (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 uUniversity’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.
 - 5.7. 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 tuition. 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 prior year encumbrances~~) (including E&G carryforward amounts expended), and positions, as well as current-year estimated revenues, expenditures, and positions. University carryforward funds shall not be included in any estimated-year (budgeted) amounts.
 - (c) Assurance that the universities are in compliance with general legislative intent for expenditure of the appropriated state funds and with the Board of Governors' guidelines and priorities.

(5) Interest earnings resulting from the investment of current-year E&G appropriations are considered to be of the same nature as the original appropriations, and are subject to the same expenditure regulations as the original appropriations. E&G interest earnings are not to be utilized for non-E&G related activities or for fixed capital outlay activities except where expressly allowed by law. Interest earnings resulting from invested carryforward funds are considered to be additions to the university's carryforward balance.

Anticipated interest earnings for the estimated year from invested E&G funds should not be included when building the detailed operating budget schedules. Estimated-year E&G interest earnings and planned expenditures of these funds should only be reported on the manually-prepared E&G Schedule I and Summary Schedule I reports.

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

Authority: Section 7(d), Art. IX, Fla. Const., History–New 12-6-07, _____