

## **Legislative Budget Request: Overview**

### Actions that are required to develop and approve a budget request:

- Board of Governors adopts general guidelines for the development of the Legislative Budget Request
- Chancellor provides instructions to staff for the preparation of the State University System Operating and Fixed Capital Outlay Legislative Budget Request
- Chancellor solicits and receives from each university its prioritized issues for the operating budget and, for the facilities budget, a five-year capital improvement program
- Commissioner of Education provides the State University System PECO Allocation based on latest revenue estimate
- Staff reviews university requests:
  - BOG staff from the Academic Programs and Fiscal Policy Units and staff from the University Budget Office under DOE's Deputy Commissioner for Finance and Operations evaluate the issues proposed by the universities for consistency with the BOG Strategic Plan goals and objectives, institutional mission and strategic plan, and legislative mandates.
  - BOG staff from the Division of Colleges and Universities Academic Programs and University Support Services Units and staff from the DOE Office of Educational Facilities under the Chief Financial Officer evaluate the projects proposed by the universities for consistency with Board of Governors Strategic Plan goals and objectives, institutional mission and strategic plan, campus master plan, academic program approval status, plant survey recommendations, and building programs. Also, reasonableness of cost estimates, project schedules, and formula space needs are examined.
- Staff uses BOG guidelines and priorities to develop a proposed Legislative Budget Request for the State University System.
- Proposed budget request is reviewed and approved by the Chancellor before presentation to the Board of Governors for approval and subsequent transmittal to the Commissioner of Education, Governor's Office, and Legislature.

### Schedule for Legislative Budget Request (LBR):

- April: The BOG approves the LBR Policy Guidelines
- May: Chancellor provides technical instructions and requests universities to submit their operating budget issues and Five-Year Capital Improvement Plans to include proposed projects and authorizations.
- July: BOG approves the operations LBR
- August: Universities' BOTs submit Five-Year Capital Improvement Plans
- September: BOG approval of Fixed Capital Outlay LBR. Both operating and fixed capital outlay LBRs are submitted to the Commissioner, Governor, and Legislature

### Documents that comprise an operating budget request:

- Pursuant to joint Governor and Legislative instructions, the State University System Operating Legislative Budget Request includes:
  - Exhibit A
    - ❖ Summarizes the funds for issues currently being performed
    - ❖ Summarizes the funds for issues planned for the future
  - Exhibit B
    - ❖ Summarizes the budget request by appropriation category
    - ❖ Compares the request to the actual prior year expenditures and current year estimated expenditures
  - Exhibit D3A
    - ❖ Constitutes the main body of the Legislative Budget Request.
    - ❖ Includes all narrative justification to support continuation of existing appropriations
    - ❖ Includes all narrative justification to support new and enhancement issues

Documents that comprise a fixed capital outlay budget request:

- The State University System Fixed Capital Outlay Legislative Budget Request includes:
  - Three-Year PECO Project Priority List
    - ❖ The Three-Year PECO Project Priority List, pursuant to Florida Statutes, is constrained based on revenue limits provided by the Commissioner of Education.
    - ❖ The list is to reflect a statewide plan for program growth and quality improvement.
    - ❖ It represents a statement of academic and academic support facilities needs.
    - ❖ It excludes facilities for self-supporting enterprises normally funded from enterprise revenue and excludes student activities related projects normally funded from Capital Improvement and Building Fee revenues.
  - Five-Year Capital Improvement Program Project List
    - ❖ The Five-Year Capital Improvement Program Project List is developed based on projects submitted by the universities and is not revenue constrained.
    - ❖ The first projects listed follow the project priorities set within the PECO List.
    - ❖ Other projects identified in the university lists are included, provided they are consistent with the respective university mission and are supportive to academic purposes.
    - ❖ This List is required pursuant to Florida Statutes.
  - Alec P. Courtelis Facilities Enhancement Challenge Grant Program Request
    - ❖ Pursuant to Florida Statutes, Facilities Enhancement Challenge Grant Program projects must support instruction or research, be included in the institutions= Five-Year Capital Improvement Program, and the private cash matching must be on deposit.
    - ❖ When the universities have projects eligible for challenge grant program funding, a challenge grant program list is prepared.
    - ❖ Initially, all eligible projects are included on the project list.
    - ❖ In January, actual cash collections are reported by the universities, resulting in some projects being removed and some new projects added.

- ❖ A revised list is then submitted to the Governor and Legislature.
- Capital Improvement Fee (CIF) Project List (included approximately every third year)
  - ❖ Capital Improvement and Building Fees are authorized by Florida Statutes.
  - ❖ A CIF Project List is not submitted annually as part of the Fixed Capital Outlay Legislative Budget Request.
  - ❖ Generally, an appropriation is requested every three years based on availability of funds.
  - ❖ This fund source has been used for student-related projects such as student unions and recreational facilities or improvements.
  - ❖ The projects are financed from a combination of unobligated cash from fee collections and proceeds from the sale of bonds issued with a pledge of revenues from the two fees.
- Supplemental Special Request (included if necessary)
  - ❖ A supplemental special request may be developed to address issues that are not afforded from the SUS share of PECO funds and other SUS sources.
  - ❖ Such issues include critical deferred maintenance, ADA corrections, federal grant matches, and other special university building projects.
- Required Authorizations for Projects Constructed from Non-State Funds, Bond Issues, and Projects Constructed or Financed by Direct Support Organizations
  - ❖ Florida Statutes requires legislative approval to construct facilities from non-state funds if state general revenue is required to operate and maintain the facilities.
    - These projects normally include academic and student support facilities.
  - ❖ The Florida Constitution requires legislative approval of projects financed by revenue bonds.
    - Universities submit proposed projects to be financed in part or total from revenue bonds.
    - These projects include dormitories, parking garages, bookstores, etc. for which operating revenues are pledged to pay debt service.

- ❖ Florida Statutes requires legislative approval of facilities constructed or financed by DSOs.
  - These projects typically include dormitories, athletic, research, and foreign facilities.
- PECO Remodeling/Renovation/Repair/Maintenance Formula Funds Appropriation Request
  - ❖ Pursuant to Florida Statutes, funds for remodeling, renovation, repair and maintenance for existing facilities are provided and allocated based on a depreciation formula from the total amount of available Public Education Capital Outlay (PECO) funds.
  - ❖ Funds are used to expand or upgrade current educational facilities to prolong the useful life of the plant.
- Currency Trust Fund Appropriation Request
  - ❖ Florida Statutes established the State University System Concurrency Trust Fund. The trust fund receives revenues from the local option gas tax.
  - ❖ Following the adoption of a university's Campus Master Plan, the University Board of Trustees is required to enter into a Campus Development Agreement with each affected host local government. The Campus Development Agreement must, in accordance with statutory provisions, determine the impact of proposed campus development on identified public facilities and services, and any deficiencies likely to occur as a result of proposed campus development; identify facility improvements necessary to correct identified deficiencies; identify the University Board of Trustees' fair share of the costs of necessary improvements; and be consistent with the adopted campus master plan and the host local government's comprehensive plan.
  - ❖ Funding from the State University System Concurrency Trust Fund in an amount which constitutes a University Board of Trustees' total fair share of the cost of the off-campus improvements identified in a Campus Development Agreement is provided to local governments.