

Agenda Item: FL101

USF Board of Trustees
December 18, 2018

Issue: 2018/2019 Carryforward Reporting/Spend Plan

Proposed action: Approve the 2018/2019 Carryforward Spend Plan

Executive Summary: The Board of Governors at their Budget and Finance Committee meeting on October 16, 2018 requested that University Boards of Trustees approve a spending plan for University E&G Carryforward Funds. The amount for USF as of August 21, 2018, was \$61.5 million. This is the amount shown on the 2018-2019 Operating Budget Carryforward Fund Balance Composition Report as “Committed Funds”.

As of the end of November 2018, the remaining carryforward to be addressed in the spending plan is approximately \$45.4 million.

Once approved by the USF Board of Trustees, the plan will be presented to the Board of Governors for approval at their January 30-31, 2019 meeting.

Financial Impact:

The expenditure of \$45.4 million in carryforward funds will contribute towards the University’s strategic initiatives.

Strategic Goal(s) Item Supports: Strategic goal 4

Committee Review Date: N/A

Supporting Documentation Online (please circle): Yes No

USF System or Institution specific: USF System

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UNIVERSITY of SOUTH FLORIDA

Carryforward Balance Strategies

Presentation to Board of Trustees

December 18, 2018

Objectives

- What: What are carryforwards?
- Why: Why the focus on carryforwards?
- Outcome: Approval of carryforward spending plans.



Carryforward Example

Description	Fiscal Year Budget	Actual Expenditures	Net
Department Chair	\$ 200,000	\$200,000	\$ ---
Professor A	150,000	150,000	---
Associate Prof B	125,000	125,000	---
Associate Prof C	125,000	125,000	---
Assistant Prof D	100,000	100,000	---
Assistant Prof E	100,000	50,000	50,000
Assistant Prof F	100,000	100,000	---
Assistant Prof G	<u>100,000</u>	<u>100,000</u>	<u>---</u>
Department Budget	<u>\$1,000,000</u>	<u>\$950,000</u>	<u>\$50,000</u>

Carryforwards are unspent funds accumulated over many years.

Carryforward Balances – SUS System¹

Description	Amount
	August, 2018
Total SUS System Carryforwards	\$ 814
Less:	
Restricted / Contractual Obligations	(556)
“Committed” Balances	<u>(230)</u>
Available Funds	<u>\$ 64</u>

Point of Reference:
16% of combined higher education budget
OR
58 days of cash



¹ Source: BOG President / Chair Meeting, August, 2018

Carryforward Balances – SUS System Combined

Description	Amount	
	<u>August, 2018</u>	<u>BOG Challenge</u>
Total SUS System Carryforwards	\$ 814	
Less:		
Restricted / Contractual Obligations	(556)	\$ 20
“Committed” Balances	<u>(230)</u>	230
Available Funds	<u>\$ 64</u>	
UCF Restoration		<u>38</u>
Totals Needing Carryforward Approvals		<u>\$ 289</u>

Carryforward Balances – USF

Description	August 2018 Amounts (millions)	
	<u>USF</u>	<u>Health</u>
Total USF Carryforwards	\$ 118	\$31
Less:		
Restricted / Contractual Obligations	(66)	(23)
“Committed” Balances	<u>(54)</u>	<u>(8)</u>
Available Funds	<u>\$ --</u>	<u>\$ --</u>

BOG Directives:

“Funds would be set aside and redirected to strategic priorities...”

“...pending approval by BOT and BOG (earliest 1/31/19)¹.”

Selected Priority Categories:

- Faculty research / start-up
- Faculty /staff instructional and advising support /start-up
- Infrastructure and capital renewal
- Information technology
- Student services, enrollment, retention
- Library resources
- Security and safety
- Utilities

Collaboration Determining Balances & Priorities:

- Conferred with academic deans re college needs
- Polled support deans
- Received prioritized lists of equipment / renovations
- Cross-hatched listings with research leadership initiatives
- Reviewed / approved with senior leadership



Strategic Targets:

BOG Category	Selected Detail re Spend	Amounts (millions)	
		USF	Health
Research and public service support and start-up funding for targeted faculty	Research equipment and research start-up funding	\$10.0	\$1.1
Instructional and advising support and start-up for targeted faculty	Lab equipment and faculty start-up	9.8	7.0
Infrastructure, capital renewal, renovations	Strategic deferred maintenance	7.6	1.6
Information technology	Selected IT enhancements	4.3	
Student services, enrollment, retention	Mental health initiatives funding	1.3	
Library resources	E-texts and library enhancements	1.1	
Other selected priorities		1.6	
Total targeted spending		<u>\$ 35.7¹</u>	<u>\$9.7¹</u>

¹ Note that amounts differ from August 2018 balances due to strategic spend down and other activity occurring in the interim.

Outcomes:

- Created an accelerated, but thoughtful, inclusive process
- Met a number of long-needed research upgrades and deferred maintenance needs across the campus
- Funded research faculty with start-up funds in areas of emphasis
- Met BOG requirements for filing to achieve approvals



Next steps:

- What: What are carryforwards?
- Why: Why the focus on carryforwards?
- Outcome: Approval of carryforward spending plans.

**Requested Action: Approval of the carryforward plans
and authorize submission to the BOG.**

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Questions