



FAU

FY23 Carryforward Spending Plan

What are Carryforward Funds?

Definition

Unexpended amounts in Education & General (E&G) funds (made up of state appropriations and tuition) in a university current year operating budget shall be carried forward and included as the balance forward for that fund in the approved operating budget for the following year.

Purpose

There are numerous ways Carryforward is generated, but primarily it is created through lapse spending in vacant positions and unspent expense budget. These funds can be deployed to serve strategic university needs that may arise throughout the fiscal year. There are many examples of commitments made over a multi-year period (e.g., start-up funds for a faculty position, reserves for equipment/improvement, deferred maintenance and renewal, a new program or graduate student support).

Carryforward Overview

Carryforward Uses

Required Minimum 7% Reserve

FAU is required to retain a carryforward reserve equivalent to 7% of its state operating budget. COM as a separately budgeted entity must also maintain a reserve.

PECO Outlays

Carryforward may be committed to a Public Education Capital Outlay (PECO) project for completion if appropriations have been previously given

Renovations, Repairs, Maintenance Projects
Up to \$5M per project

Completion of Remodeling or Infrastructure Project
Up to \$10 million per project

Replacement of Minor Facility
Not to exceed 10,000 gross square feet in size, up to \$2 million per project

Repair or Replacement Project Necessary Due to Damage from Natural Disaster

Nonrecurring Operational Expenditures that Support the University Mission

An E&G nonrecurring expenditure is defined as an expenditure that is not expected to be needed or available after the current fiscal year.

- *Time-limited in nature, where an end date to a given contract or activity is known*
- *There is no promise or guarantee of future funding*
- *May cross multiple years, but the two previous provisions apply*
- *May address financial challenges resulting from external factors (example could include federal government shutdown or drop in state revenue resulting from mid-year reduction)*

Examples of Allowable Uses

- Summer Appointments
- OPS Appointments
- Adjunct Faculty
- DROP Employees
- Start-up Funds
- Equipment Purchases
- Student Financial Aid Payments
- Repairs and Maintenance
- Travel
- Bonus/Temporary Payments
- Consultant Fees
- One-time/Annual Contracts
- Rentals (Short-term)
- Transportation
- ERP Updates
- Demolition
- Leases (case-by-case)
- Utilities Expense (for unexpected mid-year increases)

Can not be used for.....

Base Salaries, Auxiliary Support, and anything outside the spirit of Instruction, Research, and Public Service

Carryforward Planning Process

Carryforward Spending Plan Timeline

Mid-July:	Budget Office Sends out Fixed Capital Outlay sheet for departments to complete
End of July:	Controller's Office closes FY
Start of August:	Budget Office takes final E&G and CF ending balances from Workday to produce total CF for new FY ELT reviews total CF balances and makes decisions regarding allocation Budget Office notifies VP areas of CF budget totals for new fiscal year and opens carryforward spending plans in Adaptive for users to enter data for BOG CF Spending Plan
Mid-August:	Carryforward Spending Plans are due from VP areas
By End of August:	Budget works with departments and CFO to compile data from Adaptive into BOG template format and finalize numbers for presentation to BOT

FAU Carryforward Looking Ahead

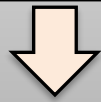
Goal

Carryforward Will Become
Part of New Budget Model Implementation



Outcome

Create Recurring Pool of
Strategic Funds



Outcome

Analyze ROI on Strategic
Initiatives and Identify
Investment Opportunities

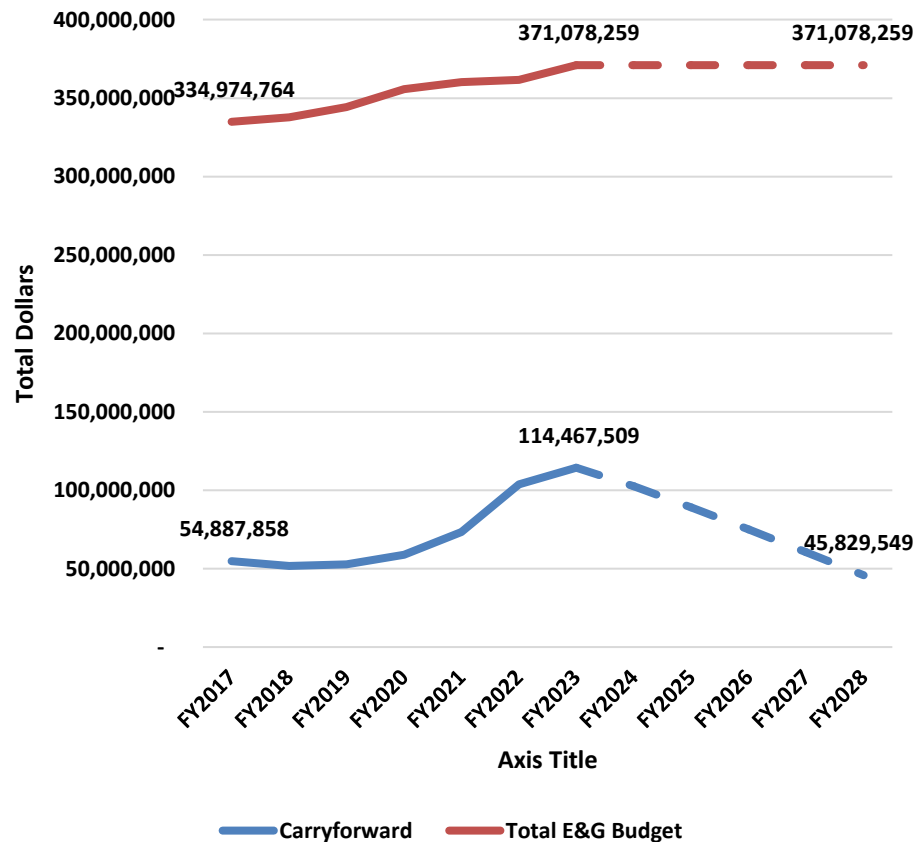


Outcome

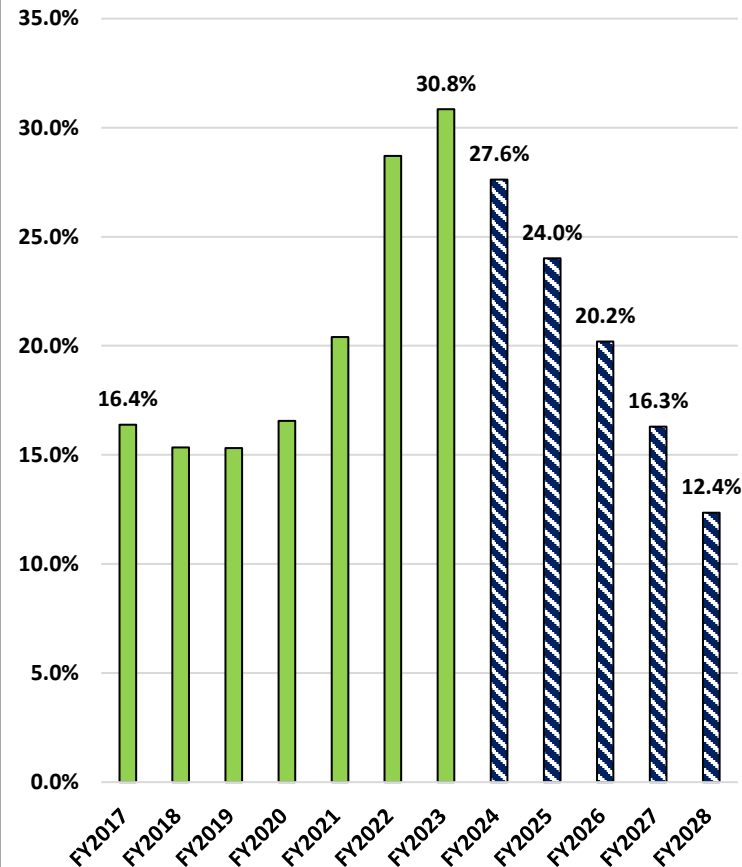
Leverage Existing Budget Tool
(Adaptive) to Track Multiyear
Commitments

Historical E&G and Carryforward

Historical and Projected E&G Budget and Carryforward



Carryforward as a Percentage of E&G Budget



Carryforward Drivers

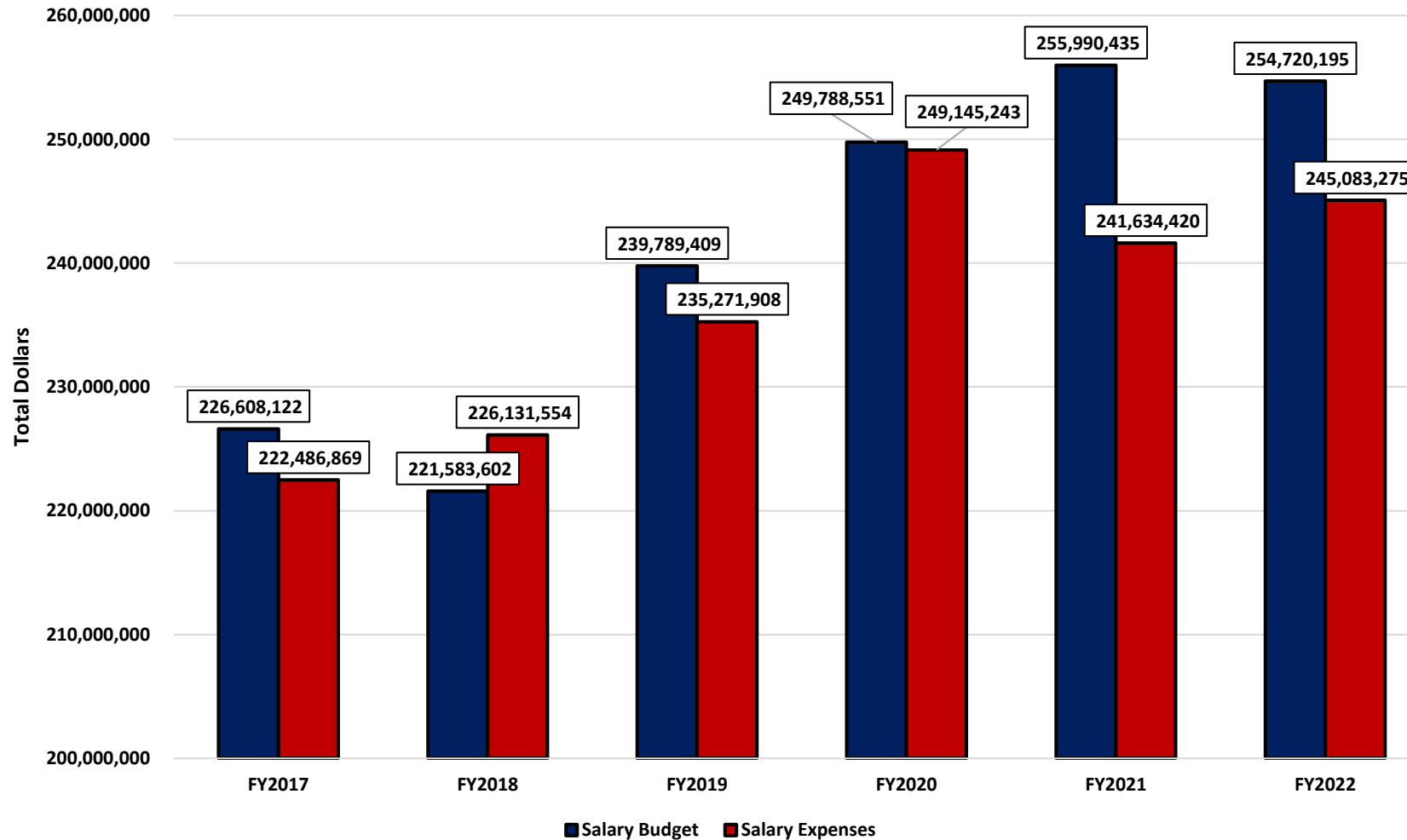
Cost Decreases

- Holdback of \$18.1M (E&G) from FY21 into FY22 adding to carryforward balances.
- Cumulative unspent salary budget of \$24M and cumulative unspent expense budget of \$62.9M in FY21 and FY22

Increases in Appropriations

- FAU 100 Funding of \$12M received in FY20.

Historical University Salaries



Workforce Challenges

- Experiencing high turnover across the university in all position levels
- Heightened competition for skilled workers in South Florida
- High cost of living in Boca Raton and South Florida
- Comparatively low salaries paid by university
- Limited flexible work arrangements
- Lack of annual staff increases to offset rising inflation

Fiscal Task Force Initiatives Approved by BOT FY22

Approved Carryforward Uses	FY23
Academic Affairs	13,328,197
Association of College and University Educators (ACUE)	270,000
Student Workday Implementation	11,338,197
Start up Costs for New Faculty Contracts	1,720,000
President	2,591,658
Personnel Costs	2,591,658
Research	7,980,000
3T fMRI	5,600,000
Atmospheric Sensing Reources	750,000
Improve to HPC Cluster	630,000
Startup for Pillars	1,000,000
Student Affairs	30,000
Mental Health Initiative - Therapy Assisted On-Line (TAO)	30,000
University	5,000,000
Workday HCM/Finance/Prism 5-YR Subscription	5,000,000
Grand Total	28,929,855

FAU FY23 Carryforward Spending Plan Summary

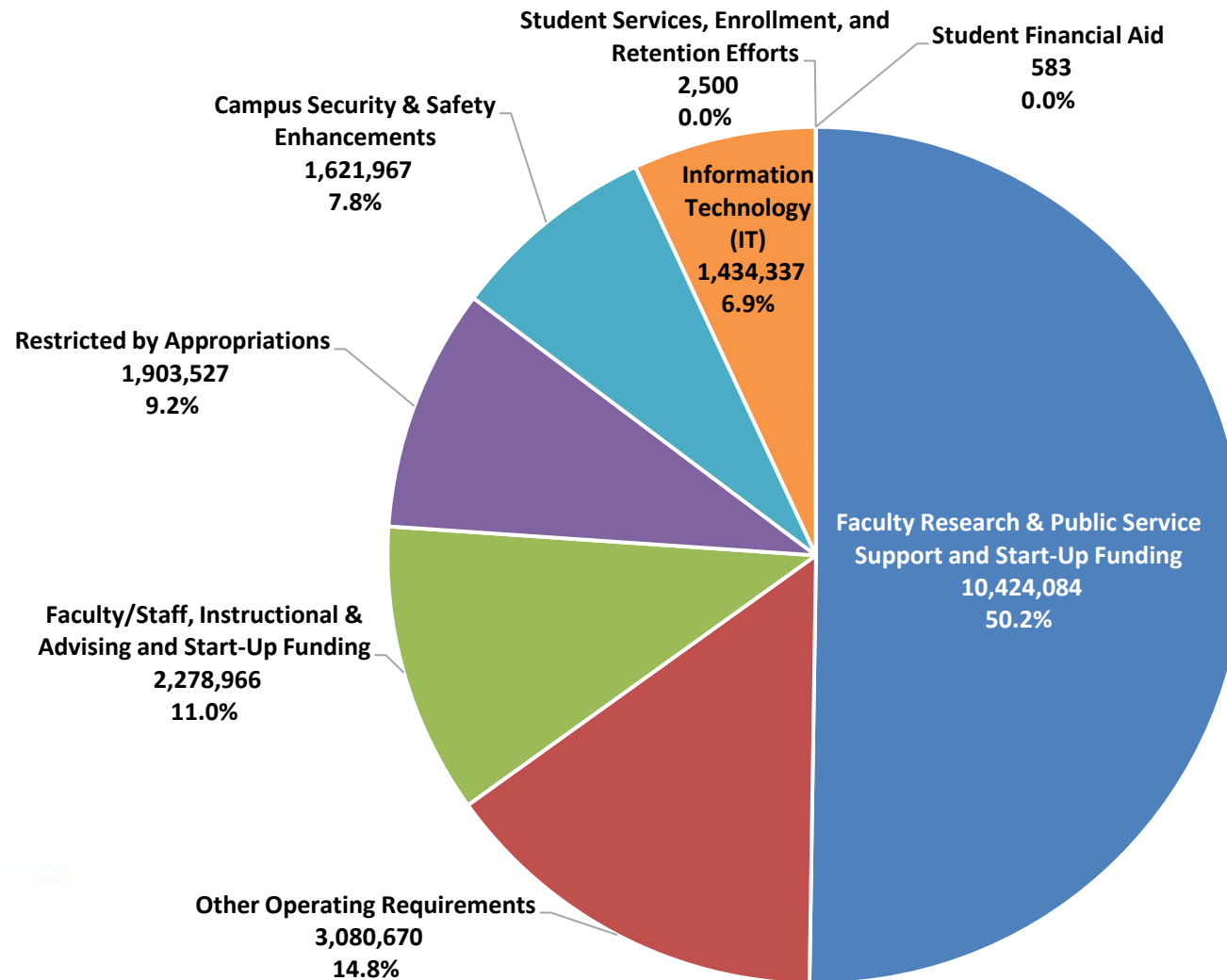
Total FY23 Carryforward	114,467,509
Non-discretionary	
7% Reserve	(25,963,267)
Jupiter STEM Building 1% Reserve	(353,162)
Restricted by Contracts - COM	(9,373,929)
Committed - COM	(825,342)
Remaining Carryforward	77,951,809
Restricted by Contracts	(20,746,632)
Commitments	(42,582,911)
Unobligated Reserves	(6,589,858)
Strategic Initiatives Reserves	(2,927,983)
Fixed Capital Outlay	(5,104,424)
Carryforward Remaining	-

Definitions

- **7% Statutory Reserve Requirement Required E&G reserve requirement per 1011.45 F.S.** - amends previous 1011.40 F.S. requirement. Based on percentage of state operating budget.
- **Restricted/Contractual Obligations-** Should generally be supported by documentation that memorializes an agreement with another party (e.g. contract, offer letter, construction contract/project number, etc.).
- **Commitments-** Monies designated for a specific purpose which are not yet encumbered/contracted/restricted. Discretion may still be exercised with respect to the use of these funds.
- **Fixed Capital Outlay-** Includes minor facilities projects (up to \$2M per project), renovations, repair, or maintenance projects

Restricted Carryforward by Category

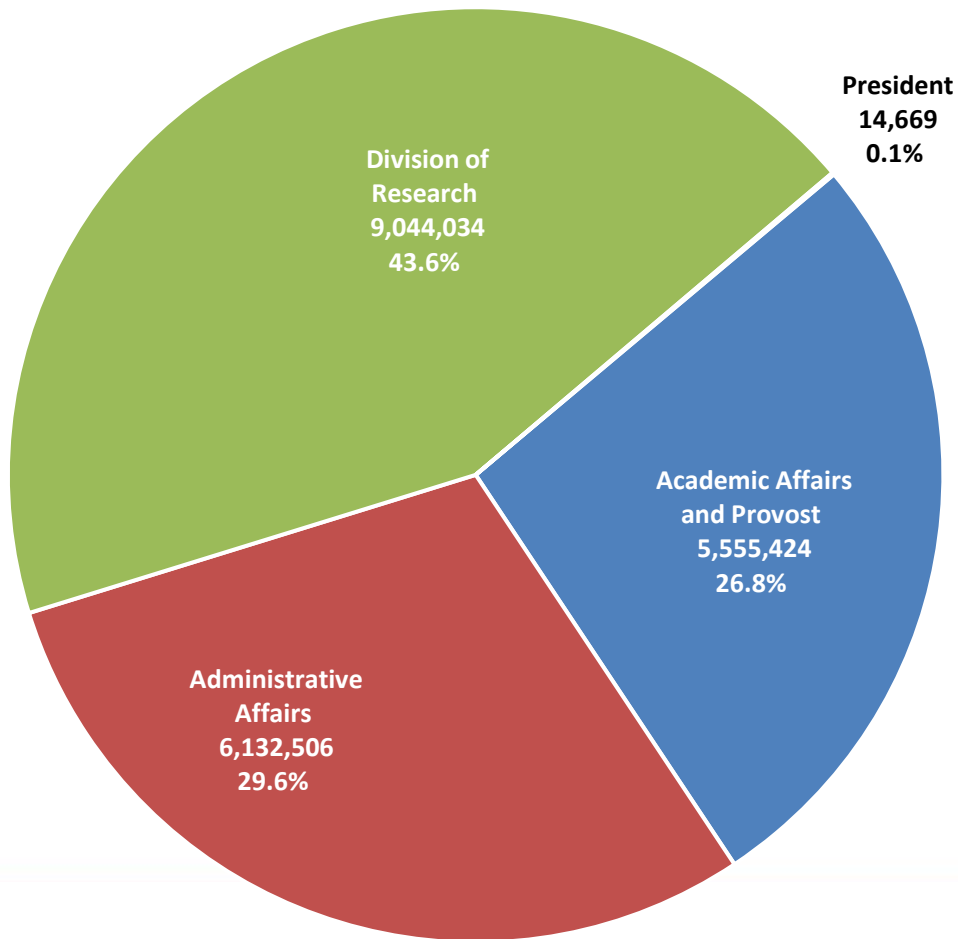
Excluding College of Medicine



Total Restricted: \$20.7M

Restricted Carryforward by Area

Excluding College of Medicine

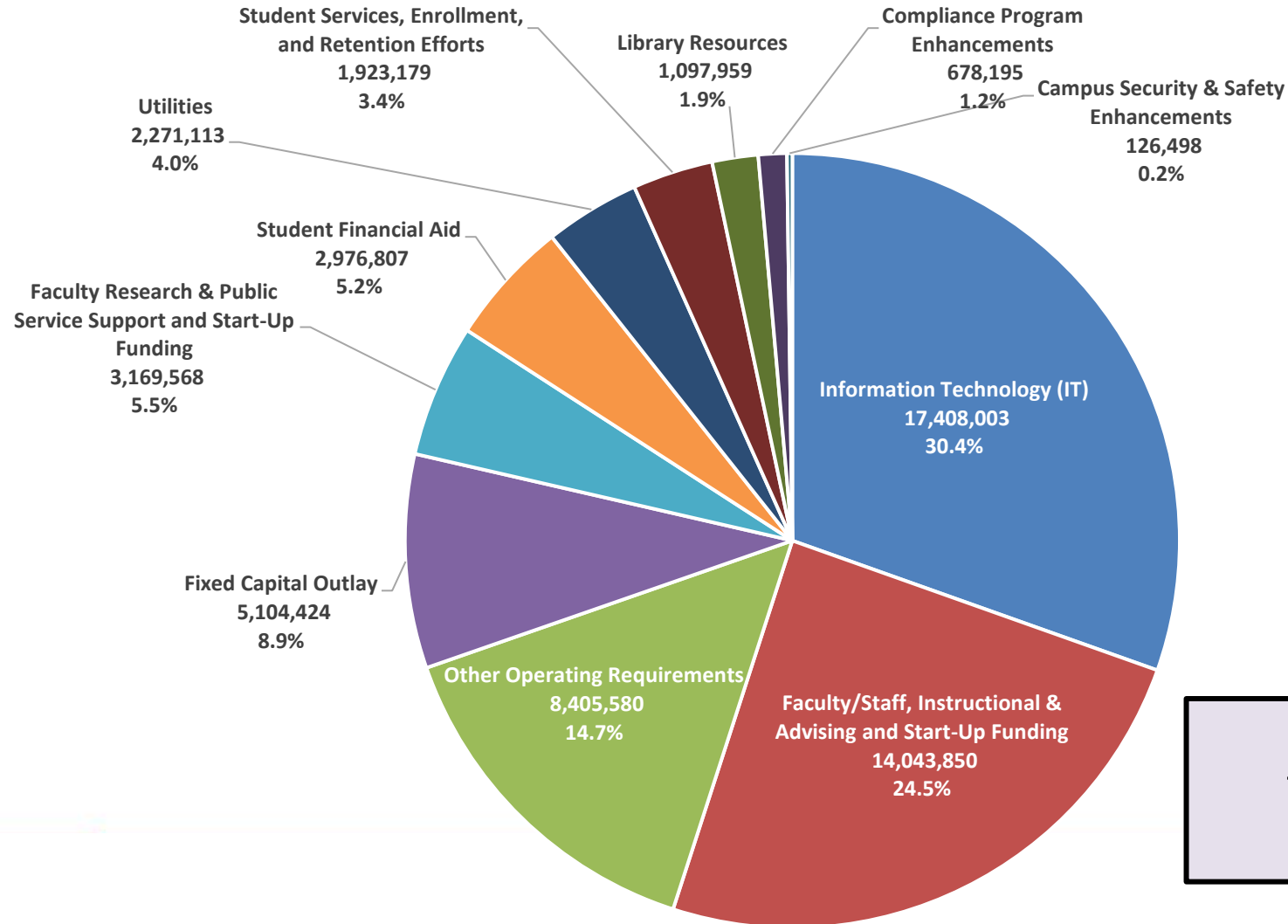


Total Restricted: \$20.7M

Academic Affairs and Provost	Total Restricted CF
Provost Admin Units and OIT	2,738,359
College of Science	1,260,236
College of Engineering and Computer Science	951,176
College of Arts & Letters	469,013
College of Nursing	132,640
College of Education	3,000
Honors College	1,000
Total Academic Affairs	5,555,424

Committed Carryforward by Category

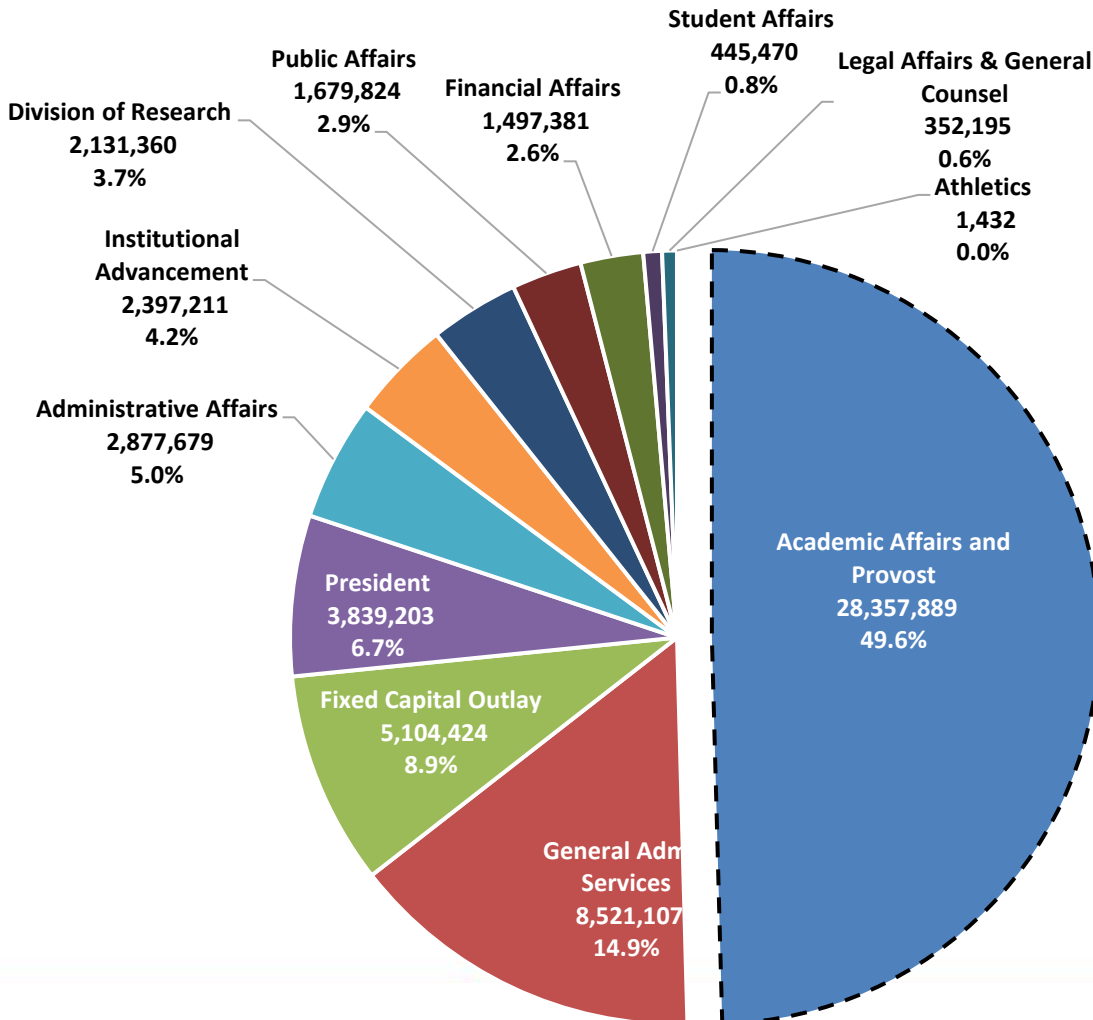
Excluding College of Medicine



Total Committed: \$57.2M

Committed Carryforward by Area

Excluding College of Medicine



Total Committed: \$57.2M

Academic Affairs and Provost	Total Committed CF
College of Science	3,600,127
College of Arts & Letters	1,778,648
Graduate College	1,720,429
College of Social Work and Criminal Justice (SWCJ)	1,214,424
College of Education	1,208,538
College of Engineering and Computer Science	1,034,074
College of Nursing	486,635
Honors College	291,199
College of Business	8,688
Provost Admin Units and OIT	17,015,127
Total Academic Affairs	28,357,889