Historical Trends in State University System Base Operating Funds
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The two recurring sources of funding for universities are state appropriations (general revenue and lottery) and student tuition. Historically, state appropriations have been approximately 30 percent of the total budget at a state university. With a decline in state revenue during the past five years, the universities have seen a decline in state appropriations and a greater reliance on student tuition, almost to the point where tuition is close to 50 percent of the total Education and General (E&G) budget.

Staying in just the state base operating portion of a university’s budget (or E&G), the chart below reflects the total state appropriations provided to the State University System by the Legislature during the past 10 years. The blue bar represents general revenue and lottery funds and the green bar represents tuition budget authority. State funds appropriated in FY 2011-12 closely aligns with state funds from FY 2002-03, a strong indication of the budget shortfall experienced by the System in the time between these two years. Tuition budget authority, on the other hand, increased by 58 percent during the course of 10 years – pointing to the fact that universities are relying more heavily on tuition revenues to support basic administrative and operational services at their institutions.

1 E&G refers to instruction at the main campuses and branch campuses. It does not include special units (medical schools, health science centers or the UF Institute of Food and Agricultural Sciences).
2 Budget authority is state terminology that authorizes a university to spend tuition that it collects and deposits in local financial accounts and not the state treasury.
3 This report does not include books, housing, and other related costs students have while attending a university.
At the same time funding has decreased, total unduplicated enrollment has increased more than 24 percent:

Since Fiscal Year 2007-08, the State University System has experienced more than $730 million in recurring general revenue and lottery base budget reductions – or a 24 percent reduction. For the universities and medical schools, the total reductions for general revenue and lottery funds are $721.6 million. Although the recurring base cut exceeds $730 million, the net cut to the System is $544 million. This difference is largely due to recurring special line-item appropriations allocated by the Legislature for special initiatives at various institutions as well as non-recurring allocations (or one-time appropriated dollars) provided by the Legislature to the System to assist short-term with budget deficits.

Each university has been diligent in developing cost-saving strategies to help offset – but not fully replace – the budget shortfalls. These measures have included reducing enrollments, or increasing enrollments to generate tuition revenue; implementing hiring freezes; utilizing more adjunct professors; evaluating branch campus operations; merging units or departments; and outsourcing additional services. For more information presented at a recent Board of Governors meeting, see: http://www.flbog.edu/documents_meetings/0150_0540_4323_219%20BUD%204m%20-%20Efficiency%20reports.pdf.