

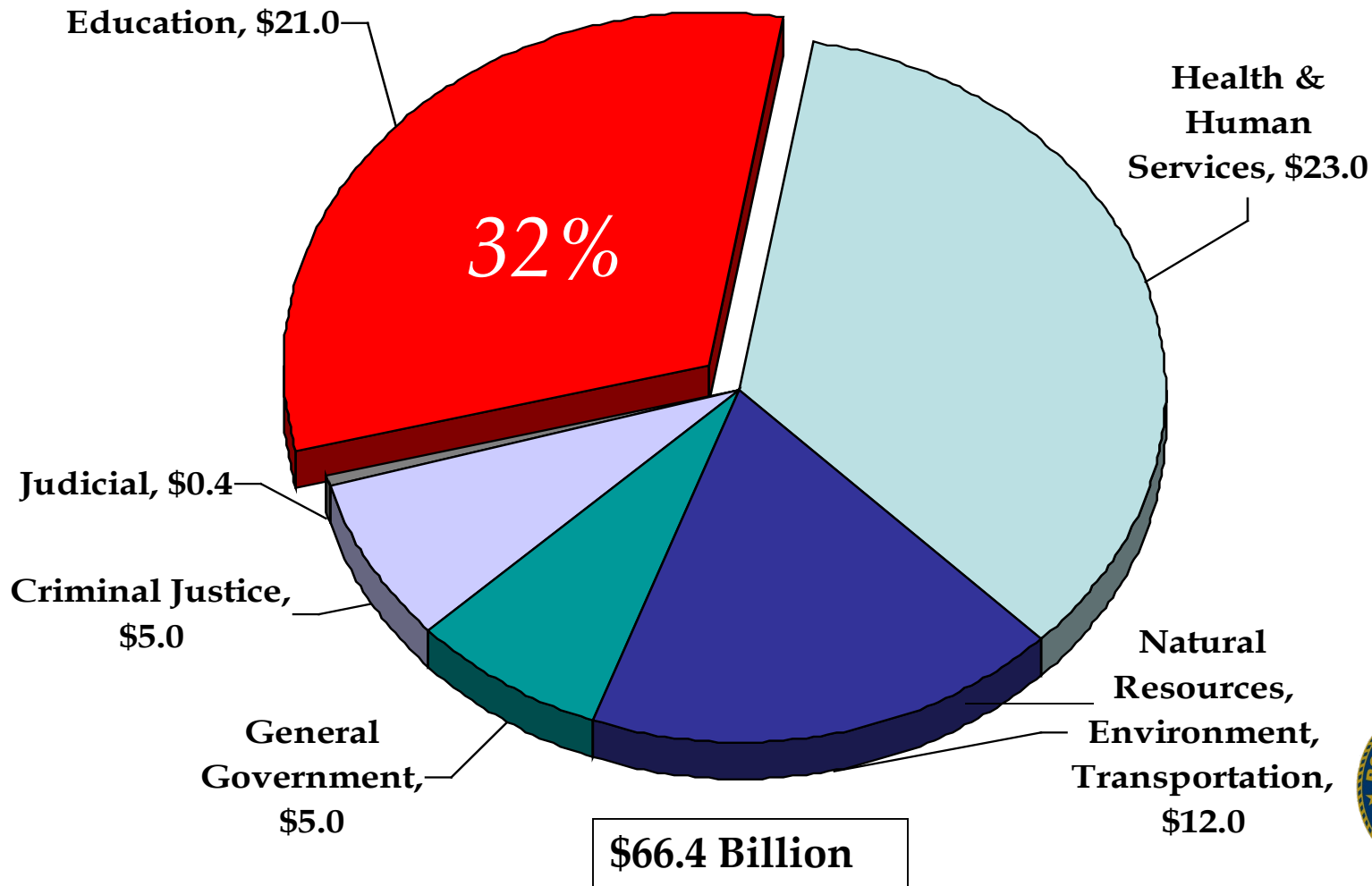


Board of Governors and University Board of Trustees

Budget Workshop

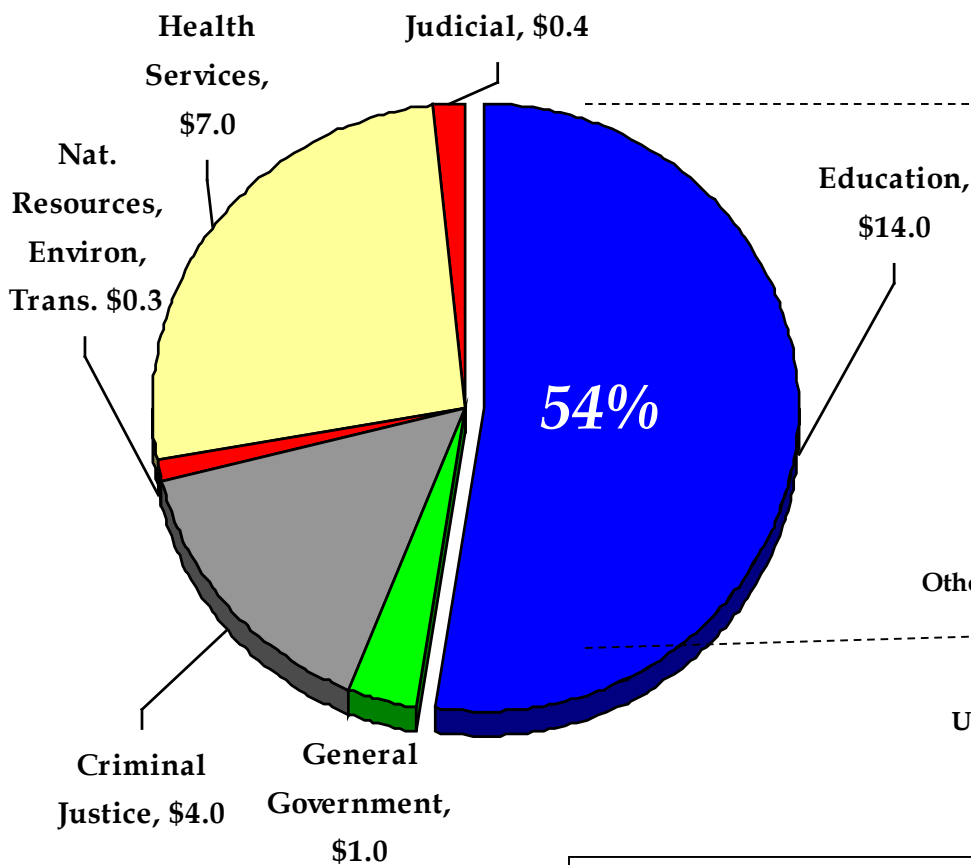
August 6, 2008

2008-09 State Budget is \$6 Billion Less than 1 Year Ago

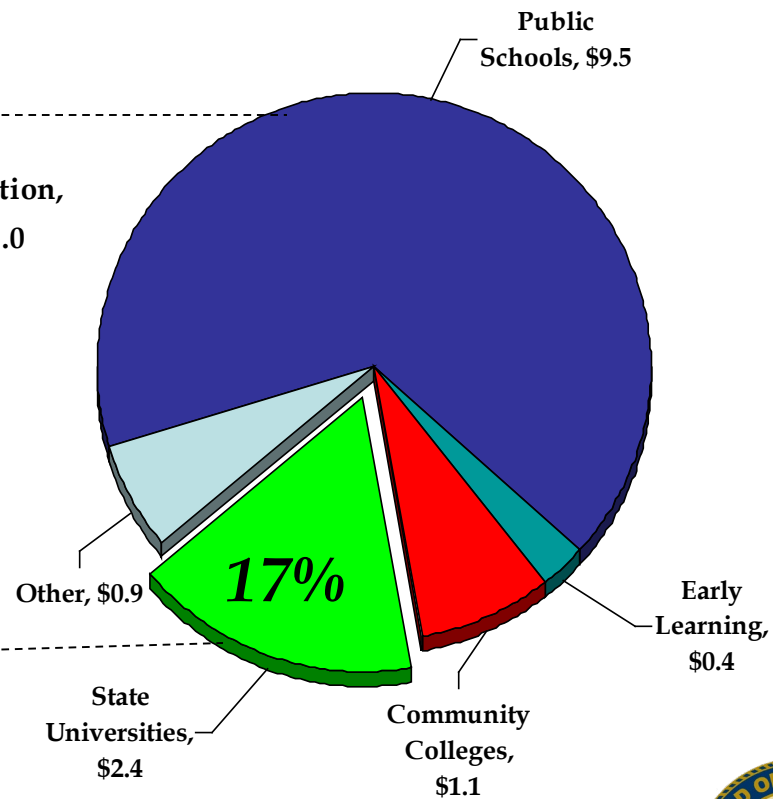


Education Receives 54% of the State Operating Budget

State Operating Budget - \$26 B



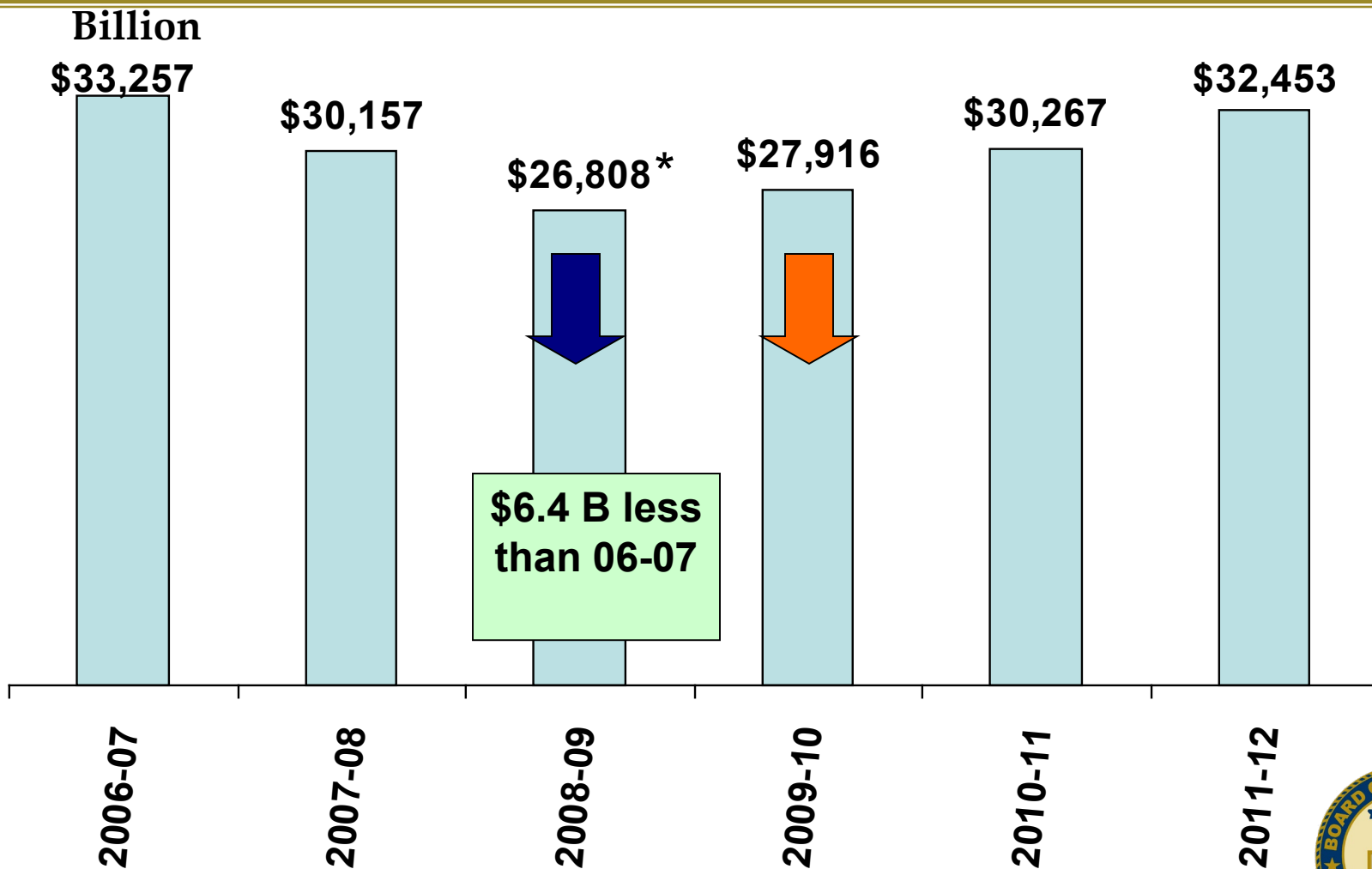
Education Operating Budget - \$14 B



2008-09 General Revenue & Lottery



Revenue Projections are not Meeting Expectations



* This does not include additional reductions that will occur in the current or future years.

Source: GR & Lottery Estimating Conferences



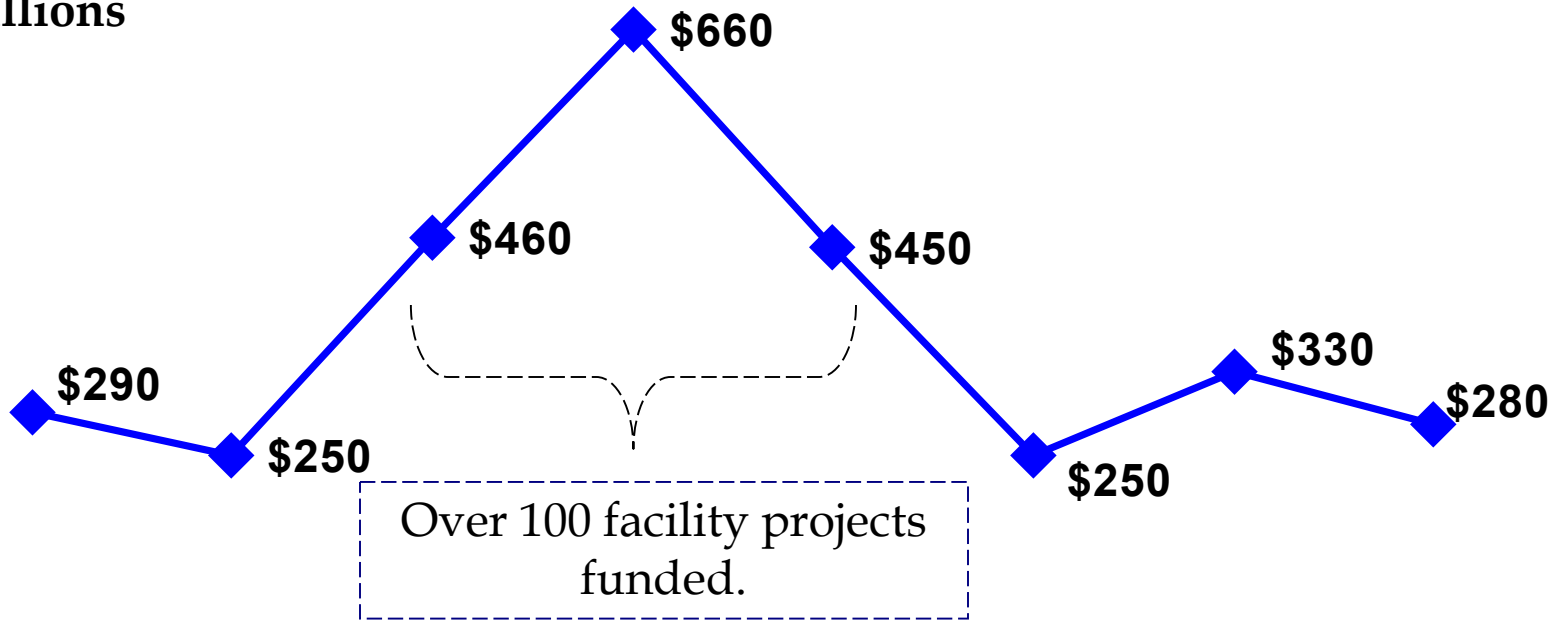
Short-term Outlook

- 2008-09 operating revenues could decrease by \$1 B +.
- Amendment 5 could be a \$11 billion impact to the State.
- No new revenue streams are currently planned.



PECO Projections will Return to Normal Levels of Funding

Millions



2004-05

2005-06

2006-07

2007-08

2008-09

2009-10

2010-11

2011-12

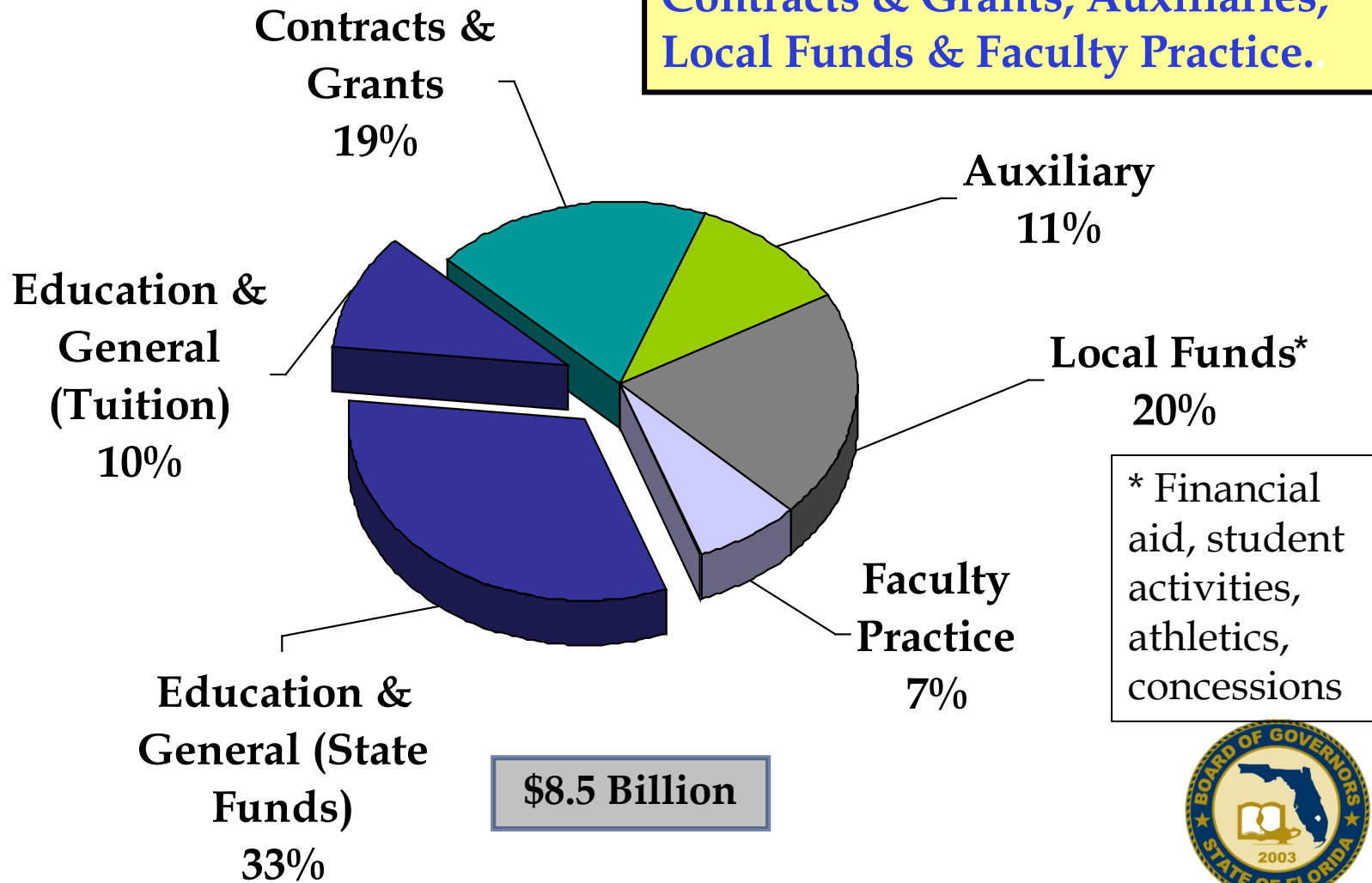




SUS Operating Budget Overview

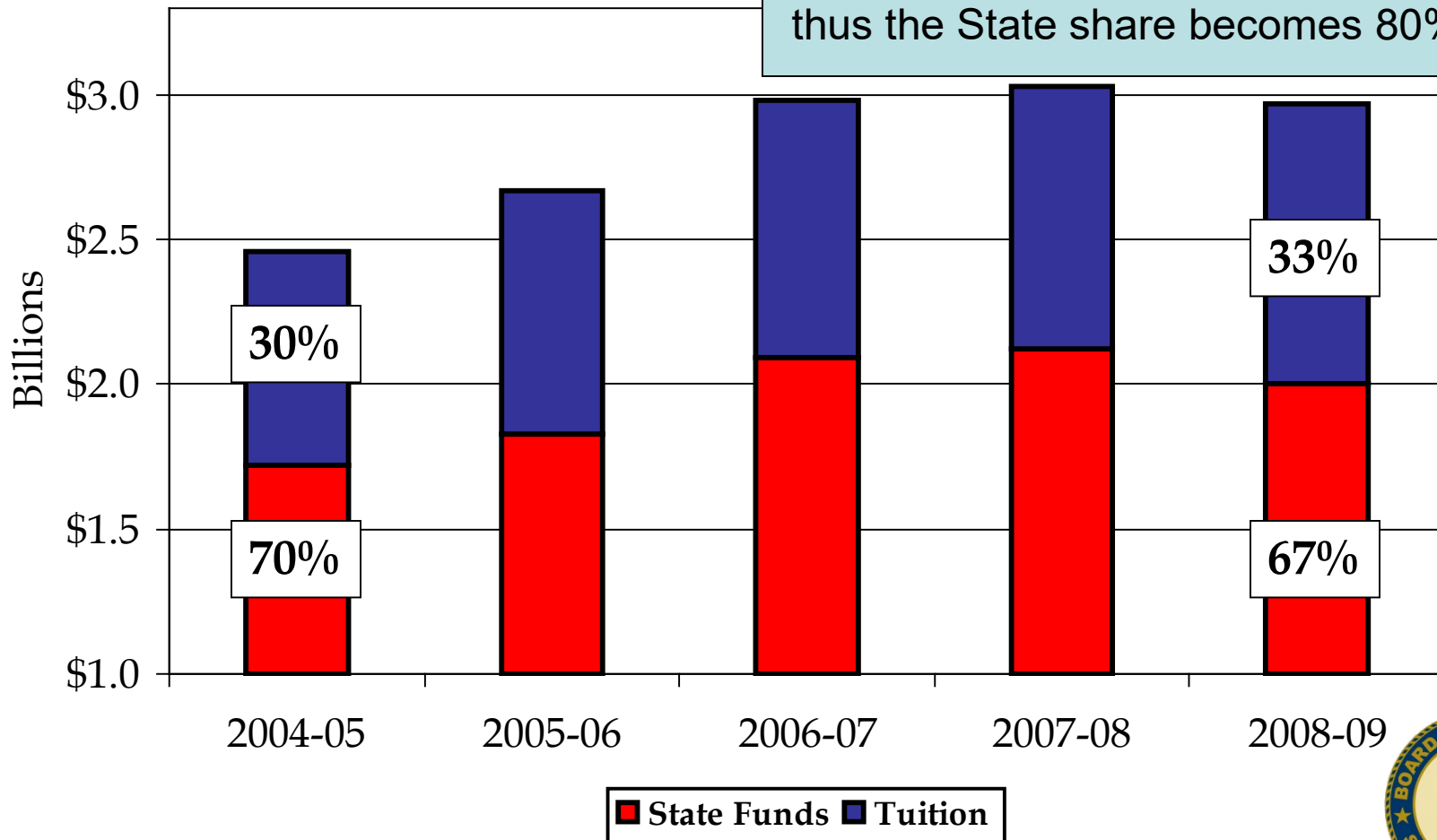
SUS 2007-2008 Operating Budget

60% of the Funds are Restricted to Contracts & Grants, Auxiliaries, Local Funds & Faculty Practice.



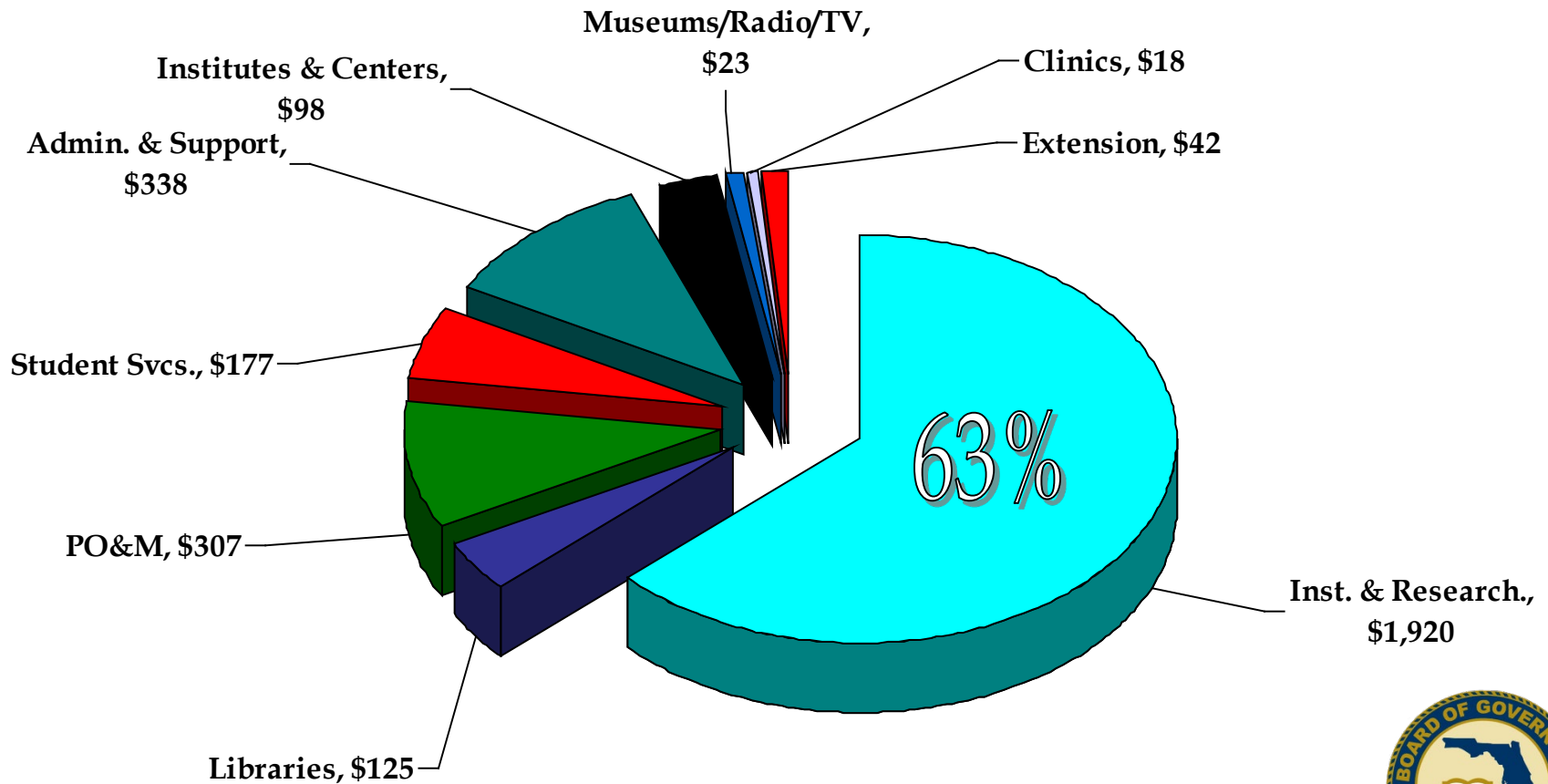
Students Contribute about 30% of Education & General Funding

Bright Futures pays a portion of tuition, thus the State share becomes 80%.



Education & General Expenditures by Activity, 2006-2007

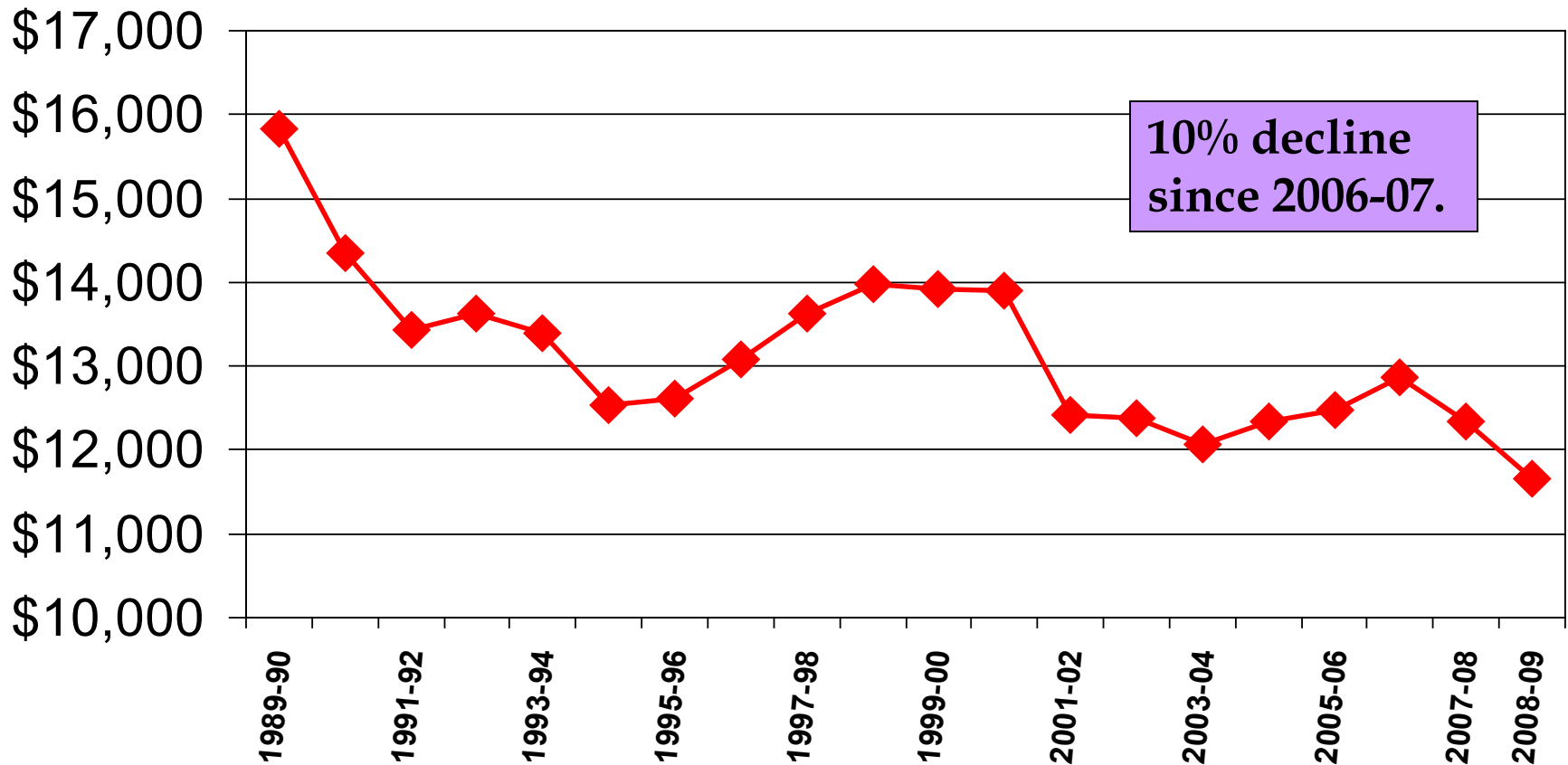
Millions



\$3.0 B Total



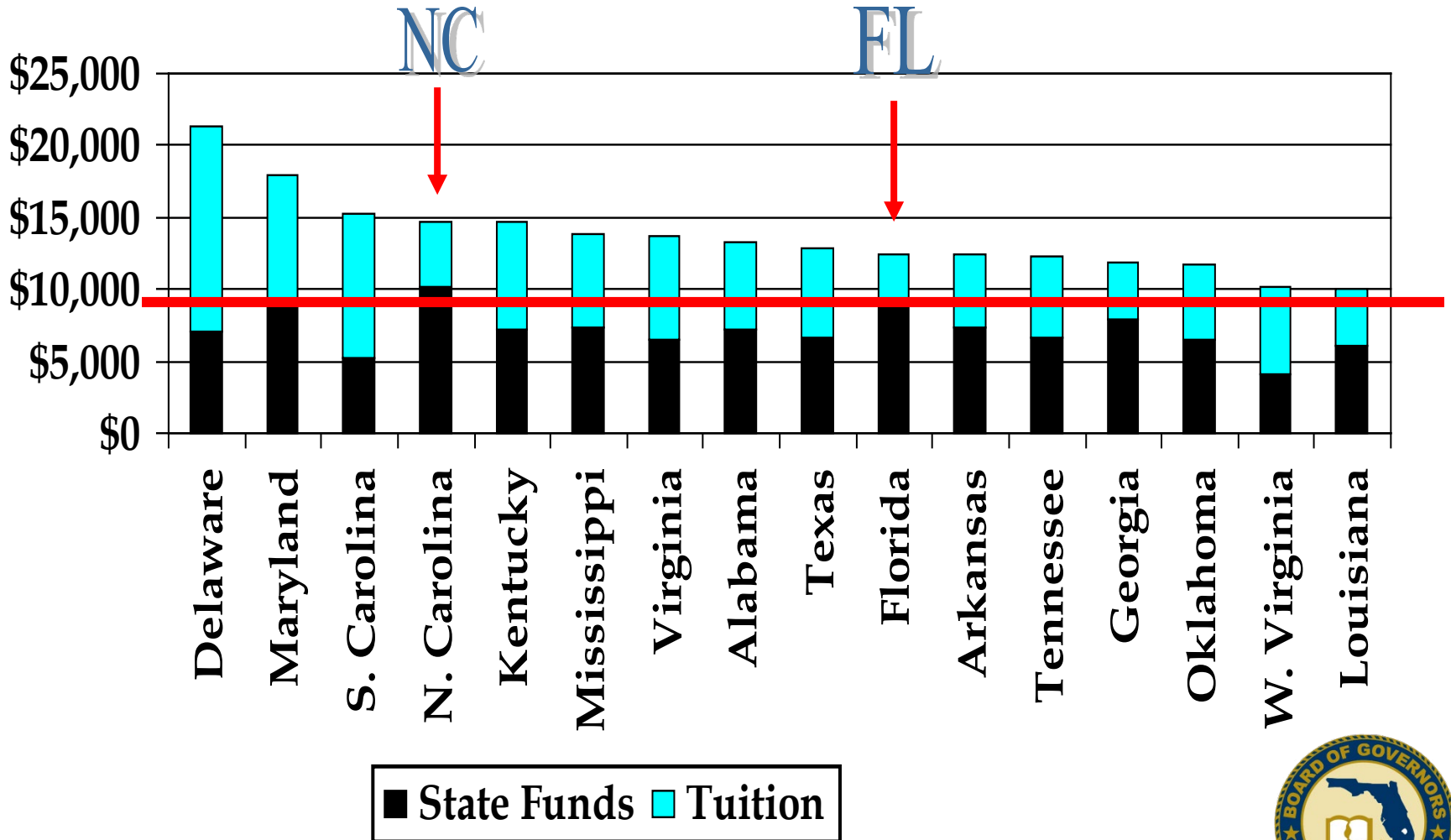
E&G Funding Per FTE Student



E&G includes state funds and tuition.
Adjusted by the Higher Education Price Index.



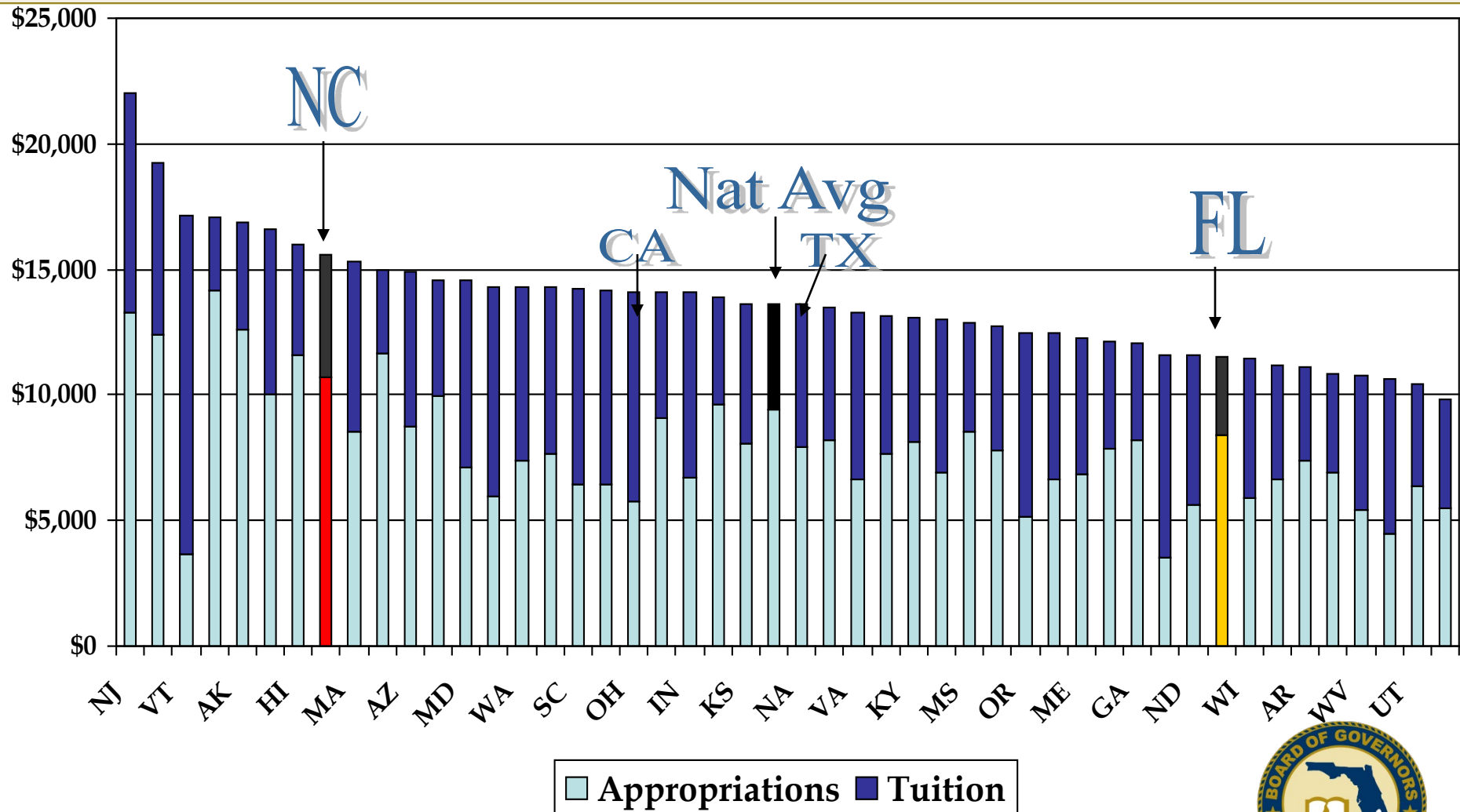
Florida's Per FTE Student Funding Ranks 10th Among Southeastern States



SREB 2006-07 data.



Florida's Per FTE Student Funding Ranks 40th Nationally



IPEDS 2006-07 data



Florida Graduation Rates are High Compared to Funding

	Graduation Rate %, (00-06)
Delaware	68.8
Virginia	66.5
Maryland	63.1
South Carolina	59.4
Florida	59.1
North Carolina	59.1
Texas	49.9
Mississippi	49.7
Georgia	48.1
Alabama	47.7
Tennessee	45.0
Oklahoma	43.6
West Virginia	41.6
Kentucky	40.6
Arkansas	39.2
Louisiana	37.2
SREB states	51.1
US Avg	51.2

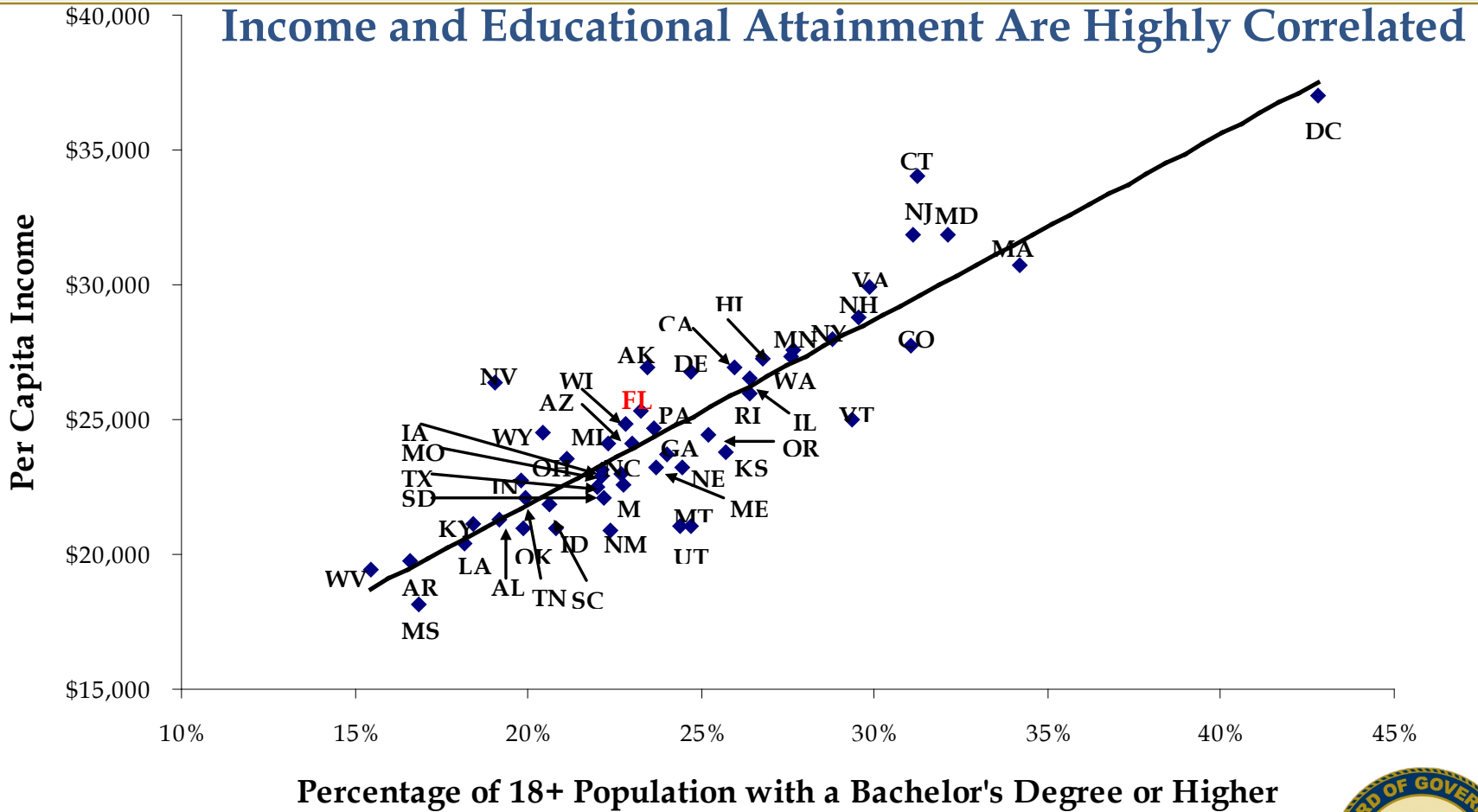


Notes:

Data from the National Center of Education Statistics graduation rate survey, bachelor's or equivalent degree/certificate-seeking subcohort (4-year institutions), adjusted cohort, completers of bachelor's or equivalent degrees in 4 years or less, in 5 years, and in 6 years.



Educated States Have Higher Income



Strategic Plan – Focused on Increasing Degree Production

	Actual 2006-07	2012-13 Original Strategic Plan Goal	06-07 to 12-13 Annual Growth Rate to Reach Goal
Bachelor	47,326	57,638	3.4%
Masters	13,786	17,514	3.3%
Professional	1,841	2,167	5.2%





2009-10 Budget

Budget Timeline

- **August - Board approves operating budget**
- **September - Board approves fixed capital outlay budget**
- **October - Budgets submitted to Governor & Legislature**
- **February - Governor's budget released**
- **March - Legislative session begins**



State Funding Reductions

- **2007-08 Reductions - \$114 M**
- **2008-09 Initial Reductions - \$60 M**
- **2008-09 Potential Add'l Reductions (4%) - \$96 M**

“The outlook we anticipate for the next budget year, the '09 session, is expected to look very similar to the '08 session. We'll have to make more reductions in certain places and look at new ways to fund our priorities.”

Rep. Ray Sansom
(May 12, 2008; Tallahassee Democrat)



Increase in the Core E&G Budget of 5.27%

2008-09 Budget	\$2,984,104,675
Student Success	\$91,396,527
Shared Resources	\$7,622,500
Campus Infrastructure	\$78,164,711
Total 2009-10 Budget	\$3,141,475,904
% Increase	5.27%



3 Keys to Student Success

- **Student Safety**
- **Student Access**
- **A Quality Faculty Cohort**



Student Safety - \$14.6 M

- **Emergency Notification Systems**
 - Sirens, speakers, signage



- **Police Staffing**
 - Improve student / police ratio



Student Access for Community College Transfers - \$20 M

- Preserve 2 + 2 system.
- 27,000 CC students enroll each year.
- 25% of undergraduate students enrolled in SUS from CCs.



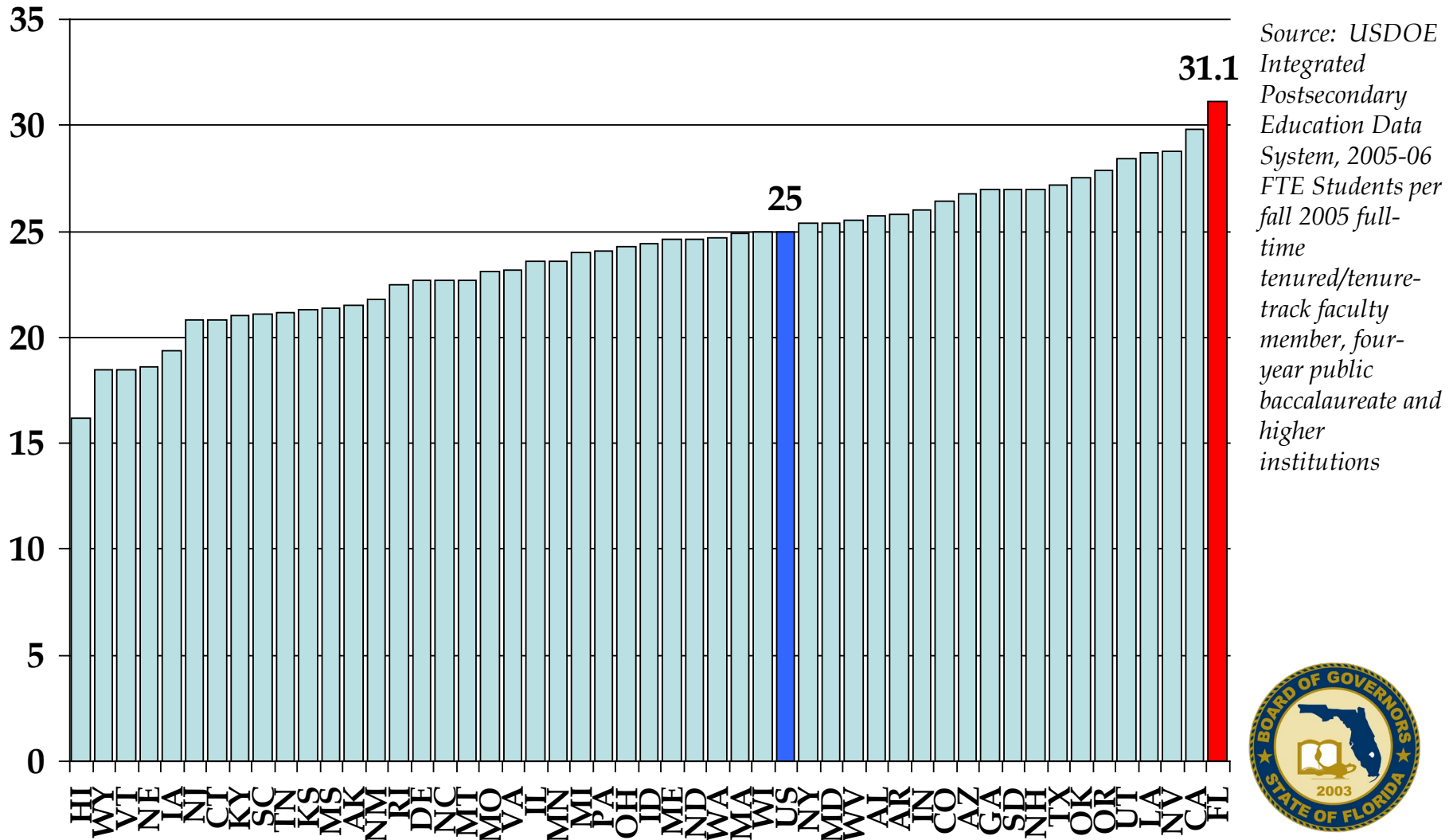
A Quality Faculty Cohort

Adequacy:

- Worst Student/Faculty ratio in the nation.
- Low % of tenured/tenure-earning faculty compared to other states.
- A growing dependency on contingent faculty.

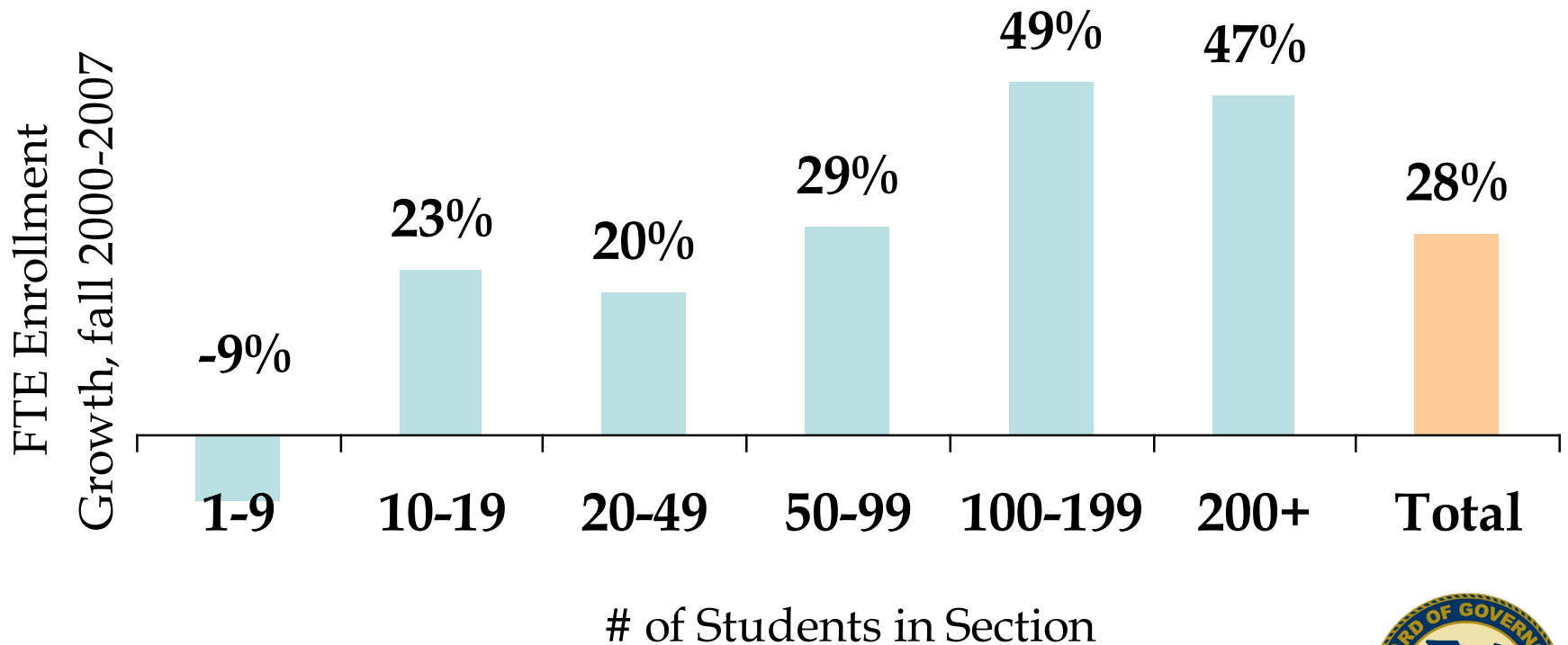


Florida – The Most Efficient or the Worst Student/Faculty Ratio in the U.S.?



Enrollment in Large Classes Increased by Almost 50%

Enrollment Growth by Section Size, 2000-2007



A Quality Faculty Cohort

Quality:

- Recruitment, development and retention of the best faculty.
- National Academy Members, faculty awards, and national/international rankings of Florida's universities.
- Continuing stagnancy or attrition will result in irretrievably lost opportunities, along with diminishing economic investment and growth.



Stemming the Faculty Brain Drain - \$65.4 M

- The state has provided funding for 2 raises in the last 5 years.
- Out-of-state institutions raiding Florida faculty.
- \$161,000 in total research per faculty; higher than most in the U.S.

“The cuts certainly made leaving Florida easier, and they are definitely going to diminish the competitiveness of Florida on the job market.” UF Faculty Quote



Stemming the Faculty Brain Drain

Potential Solutions:

- Investing in human capital.
- Matching the competition.
- Rebuilding a culture of confidence regarding higher education in Florida.



Stimulating the Faculty Brain Gain

- The SUS will need to add 1,600 more faculty members just to reach the average student/faculty ratio.
- Without addressing both the faculty *Brain Drain* and *Brain Gain* now, we will witness a student brain drain, diminishing educational access and quality, declining retention and degree completion rates, along with an outflow of federal and private investment and diminishing economic growth.



Shared System Resources

- **Florida Center for Library Automation - \$5.9 M**
 - Purchase of scholarly resources.
- **University Press of Florida - \$.5 M**
 - Publishing scholarly books in arts, humanities, social sciences, etc.
- **Florida Initiative on Global Education - \$1.2 M**
 - Scholarships to study abroad for First Generation Students.



Other Budget Initiatives

- Utility Increases 20% +
- Medical Education
 - UCF / FIU Medical Schools
 - Year 3 – Initial Class of Students
 - UF / USF Medical Schools
 - Base Funding
- Public / Private Partnership - Major Gift Matching Program - \$102 M



Total E&G Funding Per FTE Student will Increase Slightly

