

BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
Budget Committee
August 8, 2007

SUBJECT: 2008-2009 State University System and Board of Governors' Operating Budget

PROPOSED BOARD ACTION

Approve a 2008-2009 operating budget for the State University System and the Board General Office and allow the Chancellor to make technical changes as necessary.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Subsection (d) of Section 7 of Article IX, Education, of the Constitution of Florida as amended.

BACKGROUND INFORMATION

Annually, the Board of Governors must prepare and submit a State University System (SUS) Legislative Budget Request for state appropriated operating funds and a General Office budget request. Both budgets must be reviewed and recommendations made on the issues to be included in the 2008-2009 legislative budget request (LBR).

On March 29, 2007, the Board of Governors adopted the 2008-2009 LBR Guidelines. The following significant events have taken place since the development of these guidelines: revenues have been lower than expected based on the March general revenue estimating conference; the Legislature and Governor's offices have informed agencies to brace for a minimum 4% reduction in their 2007-2008 budgets; a request has been made for a 10% general revenue budget reduction plan; a general revenue estimating conference will convene on August 1 to review the current revenue outlook; and a special session is likely to occur this fall to deal with the budget shortfalls.

With the expected budget reductions, resources must be focused on the needs of students.

The proposed budget request focuses on three main areas; funding to improve student success, efficiencies gained through shared resources, and the basic funds needed to continue previously approved programs and build the institutional foundation for a world class system. This budget focuses on system priorities, which may include university issues. Not surprisingly however, the 8% LBR issues specifically identified by the universities are not included in the 2008-2009 budget.

The SUS core education and general (E&G) funding per full-time equivalent (FTE) student has declined from a high of \$14,000 in 1989-1990 to \$10,900 in 2007-2008 after a 4% budget reduction. This could dip lower if budget reductions are higher than 4%. Given the State's revenue picture, the 2008-2009 budget seeks support to return funding per FTE to the 2006-2007 level.

The net increase to the E&G core budget is about \$317 million (Attachment III). Approximately \$240 million of this increase focuses on funding to support student retention and graduation, funding to support students currently enrolled in the system, and community college transfers.

Funding for other SUS initiatives are shown in Attachment IV. The main focus is on medical education, including year 2 planning funds for the UCF and FIU medical schools, base funding for existing medical schools, continued centers of excellence funding, and support for the major gift matching program.

Finally, the Board's General Office includes a modest increase to continue obligations of the Board. If budget reductions occur as a result of a special session, the Board's General Office request may need to be revisited.

Supporting Documentation Included:

- a. Attachment I - Current Revenue / Budget Situation
- b. Attachment II - State Investment in the SUS
- c. Attachment II-a - 2008-2009 Student Focused Budget Overview
- d. Attachment III - E&G Core Budget, Executive Summary
 - a. Attachment III-a - Student Success Programs
 - b. Attachment III-b - Access / Support for Current Students
 - c. Attachment III-c - Support for Traditionally Underrepresented Students
 - d. Attachment III-d - Access / Success for Students with Disabilities
 - e. Attachment III-e - Meeting Statewide Needs in Engineering
 - f. Attachment III-f - Florida Center for Library Automation
 - g. Attachment III-g - Florida Institute of Oceanography
 - h. Attachment III-h - University Press of Florida
 - i. Attachment III-i - Florida Initiative for Global Education
 - j. Attachment III-j - Building Capacity in On-Line Instruction and Student Support
 - k. Attachment III-k - Foundation for a World Class System Issues
- e. Attachment IV - 2008-2009 Special Units / State Initiatives Budget Need
 - a. Attachment IV-a - Special Units / State Initiative Narratives
 - b. Attachment IV-b - FIU College of Medicine
 - c. Attachment IV-c - UCF College of Medicine
 - d. Attachment IV-d - Ten Year Medical Education Plan

- f. Attachment V - University Eight Percent Issues
- g. Attachment VI - Board of Governors' General Office Budget Need
- h. Attachment VII - General Office Narrative

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