

MEMORANDUM

TO: University Boards of Trustees Chairs

FROM: Sheila M. McDevitt
Frank T. Brogan

DATE: September 2, 2009

SUBJECT: Update on State University System issues

Below is an update regarding four important issues facing the State University System, which were the focus of a conference call among the university presidents that took place on Monday. We expect these topics will be more fully discussed at the September meeting of the Board of Governors.

Revenue Estimating

Regardless of some signs that the nation's economy is starting to turn the corner, the latest estimate of tax revenue for the State of Florida (as made by the Revenue Estimating Conference) remains cool at best. The latest projections call for a year of uncertainty, with a return to modest growth in the first quarter of 2011. This information will guide the development of the Legislative Budget Request.

PECO Funding

The projection for Public Education Capital Outlay dollars does not allow for the launch of new projects. The projection - which could change, and likely will change, before the legislative session begins - sees only enough PECO money for needed maintenance and infrastructure for 2010-11; however, we will be able to complete any projects already under way. The projection does anticipate an upturn in PECO funding in outlying years.

Legislative Budget Request

The Board of Governors will consider the Legislative Budget Request (LBR) for the 2010-11 fiscal year. This LBR includes requests for key priorities such as funding to complete our new medical schools and to match private donations provided under the major gift matching program. This represents our base legislative budget request; however, we are now finalizing the development of a plan to identify funding, beyond the base LBR, which will be necessary to move our entire system significantly forward. We will continue our dialogue with the Governor, the Legislature and you, as leaders of the university boards of trustees, to ensure this enhanced proposal, which calls for additional resources, is ready within the next several weeks.

Board of Trustees Appointments

Finally, we want to assure you that the Board of Governors will be making appointments of 21 trustees to your boards. We have been very pleased with the applications - we have well more than 100 in hand. The Trustee Nomination and Board Procedures Committee will review these potential appointees, and the Board of Governors will make the appointments in October, or November at the latest.

We have many challenges this coming year, and so we look forward to working with you to find the best ways to meet each of those. Your counsel is valuable to us and to the Board of Governors.

Sheila M. McDevitt
Chair
Board of Governors

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