

Florida Board of Governors 2010-11 Legislative Budget Request Overview and Rationale Summary

I. Education and General Core Budget:

Total Incremental Budget Request: \$175 Million

As stated in the Florida Revenue Outlook document, funding for state services, including education, has declined significantly over the last two years. However, the outlook for 2010-11 as currently projected by the Revenue Estimating Conference reflects modest growth. Although this is good news compared to the last two years, the State will have to start planning fairly quickly for the loss of the federal stimulus funds.

For the State University System (SUS), federal stimulus funds are supporting an estimated 2,900 positions for 2009-10. Recurring funding to keep these positions intact should be a top priority issue for the Board.

The 2010-11 budget has been developed by taking into account the state revenue forecast, federal stimulus funds, and the arrival of a new chancellor. As such, it is a far more restricted budget than what has historically been developed. This modest budget request will allow the new chancellor to develop a system strategy to identify the most pressing academic and research needs and the revenue sources that may be used to fund these needs for the benefit of the State, the SUS faculty and most importantly the students. The chancellor may present a plan to the Board during the amendatory budget process after the first of the year. This request does not include an undergraduate tuition increase which will be determined at a later date.

The Education and General Core budget for 2010-11 will be focused primarily on three areas:

1. Plant Operations & Maintenance Funding for New and Existing Facilities
2. Year 2 of the Federal Stimulus funds
3. Replacement of non-recurring funds

One of the first priorities of the SUS will be to seek funding to replace the federal stimulus funds.

The following summarizes the three issues mentioned above:

- \$28.6 million for plant operations and maintenance for new and existing facilities; \$11.3 million will provide operating funds for new

facilities that are expected to open during 2010-11; \$6.9 million will provide the remainder of the funds to support facilities that come on-line during 2009-10; \$10.4 million will be used to fund increases in utility costs for existing facilities. This latter request is consistent with the recommendation from the Facilities Task Force and approved by the Board.

- \$134 million for the second year of the federal stimulus funds.
- \$11.3 million for the replacement of the non-recurring general revenues appropriated to the universities in 2009-10. During 2009-10, the universities are utilizing these non-recurring revenues to fund faculty salaries, recruitment of temporary employees, summer courses, and the enhancement of course offerings. The replacement of these funds will allow the universities to restore funds to various units affected by the reductions in order to improve the services rendered to the students.

II. Special Units and State Initiatives Budget:

Total Incremental Budget Request: \$195 Million

This portion of the SUS budget addresses various instruction and public service initiatives. Funding is requested for health services education, major gift matching program and distance learning initiatives. Additional details can be found in Attachment 8.