

## Notes on Revenue Projections and SUS Funding

### SUS Funding Notes

\$2.1 billion = Recurring funds for 2005-06

\$2.4 billion = SUS LBR for 2006-07

5.7% = 10 year average of annual increase in recurring funds (GR/Lottery)

13% = Increase in recurring included in BOG 2006-07 Legislative Budget Request

<2% = Increase in recurring would be needed to fully implement both medical schools (less than ½ % for first year)

3.2% = Portion of 2005-06 recurring to support UF and USF medical schools

3% = Estimated portion of recurring to support FSU, FIU, and UCF at full implementation (1% each)

### State of Florida - Three Year Revenue and Expenditure Outlook - Winter 2005

Jointly prepared by the Senate Ways and Means Committee and the Office of Economic and Demographic Research

#### ANALYSIS (from page 10)

Overall, projected general revenue growth (recurring plus non-recurring) is sufficient to support anticipated spending and reserve requirements for Fiscal Year 2005-06. However, the RECURRING general revenue demands in this period will exceed the amount of RECURRING general revenue available.

In Fiscal Years 2006-07 and 2007-08, general revenue spending and reserve requirements are projected to EXCEED the projected general revenue funds available.

Unless there is significant new growth in revenues, expenditure reductions will be required in recurring operating expenditures in order to balance the budget.

### TOUGH CHOICES – Facing Florida’s Revenue Shortfall

A report from the LeRoy Collins Institute – October 2005

#### Excerpts

If the [consensus estimating conference] forecast is accurate, the next four years together will produce less revenue growth (\$4.2 billion) than did the last two (\$4.7 billion).

Senate President Tom Lee has noted that complying with the class size amendment alone – an estimated \$2 billion a year obligation – outstrips expected revenues (keeping all other state spending flat or reduced).

Two categories of state spending – preK-12 education and Medicaid – far outpace all others, accounting for roughly half of the state budget.

A bottom level effort puts higher education and children’s services at risk. [S]lowed revenue growth will challenge Florida to stay strong where it is strong and will put particular pressure on services like higher education and children’s health where the effort is barely adequate at present.