



## 2006-2007

# Legislative Budget Request

**"The State University System is helping our State prepare for the 21st century by enhancing research and broadening opportunities for learning. The success of our universities will determine the future of Florida."**

**- Carolyn Roberts, Chair, Florida Board of Governors**

# Finance Committee

## 2006-2007 Legislative Budget Presentation

**Introduction**

**Chancellor Austin**

**Continuation and Restoration  
Issues**

**Tim Jones**

**Access, Retention & Degree  
Production**

**Meeting Statewide Professional  
& Workforce Needs**

**Building World-Class Academic  
Programs & Research Capacity**

**Community Needs / Institutional  
Mission**



**R.E. LeMon**

**Tuition**

**Tim Jones**

**BOG Budget**

**Tim Jones**

# Board of Governors' Strategic Plan

- **Access to and Production of Degrees**
- **Meeting Statewide Professional and Workforce Needs**
- **Building World-Class Academic Programs and Research Capacity**
- **Community Needs and Institutional Mission**

# Policy Decision-points

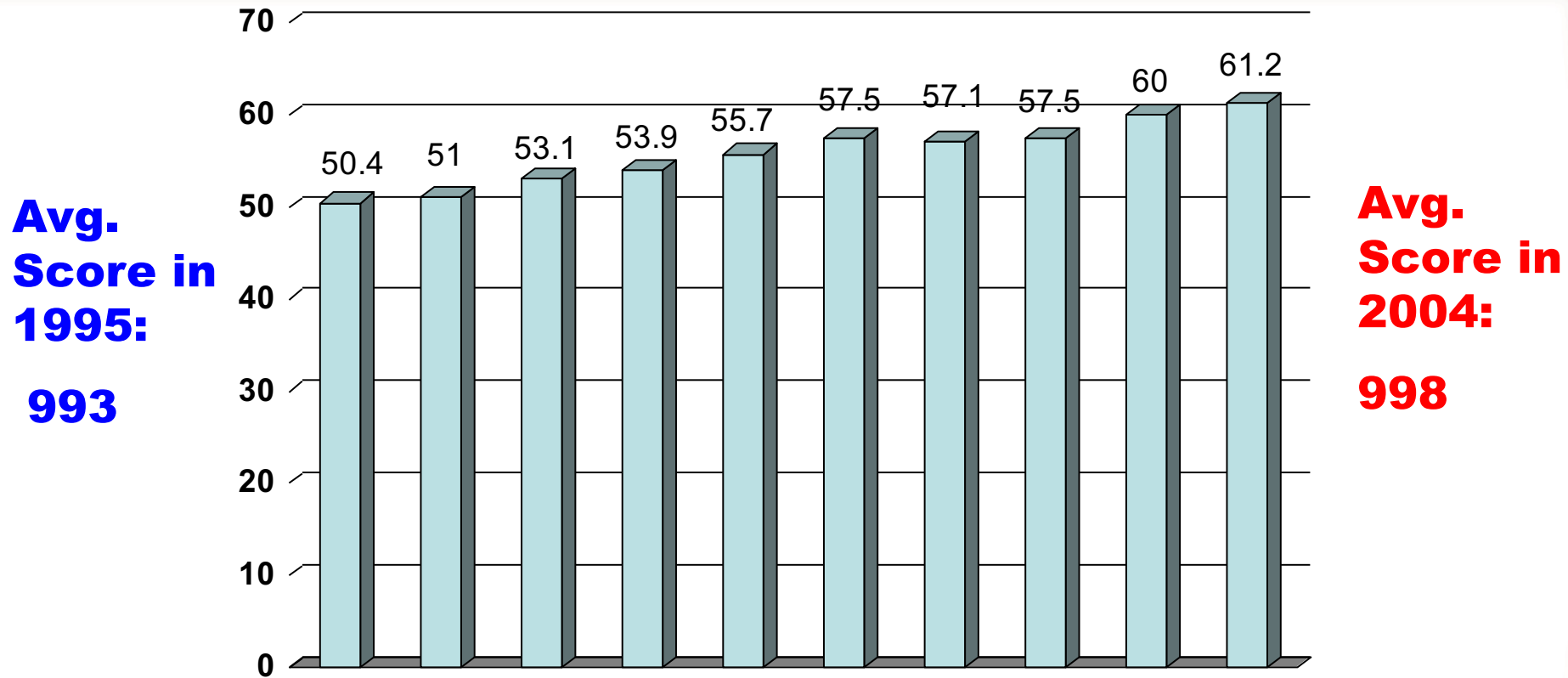


- **Enrollment growth policy**
- **Tuition policy**
- **Support State Board of Education Financial-aid policy**

# College-bound population growing faster than Age Group

	<u># of 18- Year-Olds</u>	<u>HS Graduates</u>	<u>HS SAT- Takers</u>	<u>FL FTIC Applicants to SUS</u>
<b>1995</b>	<b>184,258</b>	<b>100,200</b>	<b>50,470</b>	<b>33,868</b>
<b>2004</b>	<b>225,135</b>	<b>142,748</b>	<b>87,290</b>	<b>58,044</b>
<b>Percent Growth</b>	<b>22%</b>	<b>42%</b>	<b>73%</b>	<b>71%</b>

# % of HS Grads Taking SAT is Increasing



# The Trend is Likely to Accelerate

- Only state improving in 4th-grade reading
- Mean 8th-grade FCAT math score
  - in 1999 = 295
  - in 2005 = 313
- Last year's 8th-graders will start entering
  - college in 2008-09
  - upper-division in 2010-11
  - graduate school in 2013-14
- 4th-graders start in 2012...

# The SUS is Making Rapid Gains in Degree Production

- **6.7% increase in bachelor degrees from 2002-03 to 2003-04 (19.5% since 2000-01)**
- **4.5% increase in Educational and General funding during this same period**



# **The SUS is Making Rapid Gains in Degree Production**

- **9.9% increase in African American bachelor graduates (29.1% since 2000-02)**
- **9.5% increase in Hispanic bachelor graduates (26.9% since 2000-01)**
- **These gains significantly outpace growth in FTE enrollments, both actual and funded (4%)**

# Graduation Rates in the SUS are Strong and Improving

- **10<sup>th</sup> in the US in average public university graduation rates (up from 12<sup>th</sup> in 2001-02)**
- **5<sup>th</sup> in African-American graduation rates (highest among large states)**
- **11<sup>th</sup> in Hispanic student graduation rates (highest among large states)**

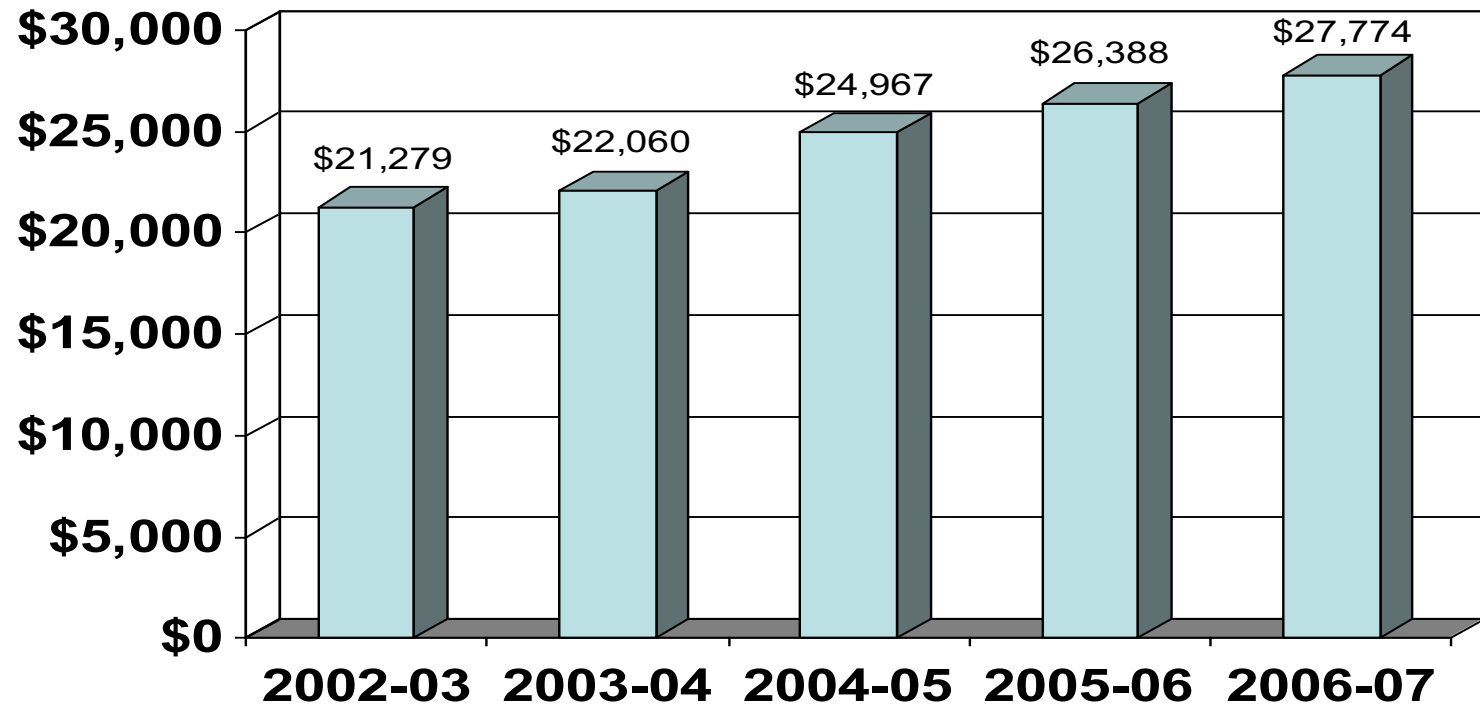
(DCU Analysis of 2002-2003 IPEDS Graduation Rate data)

# Budget Challenges

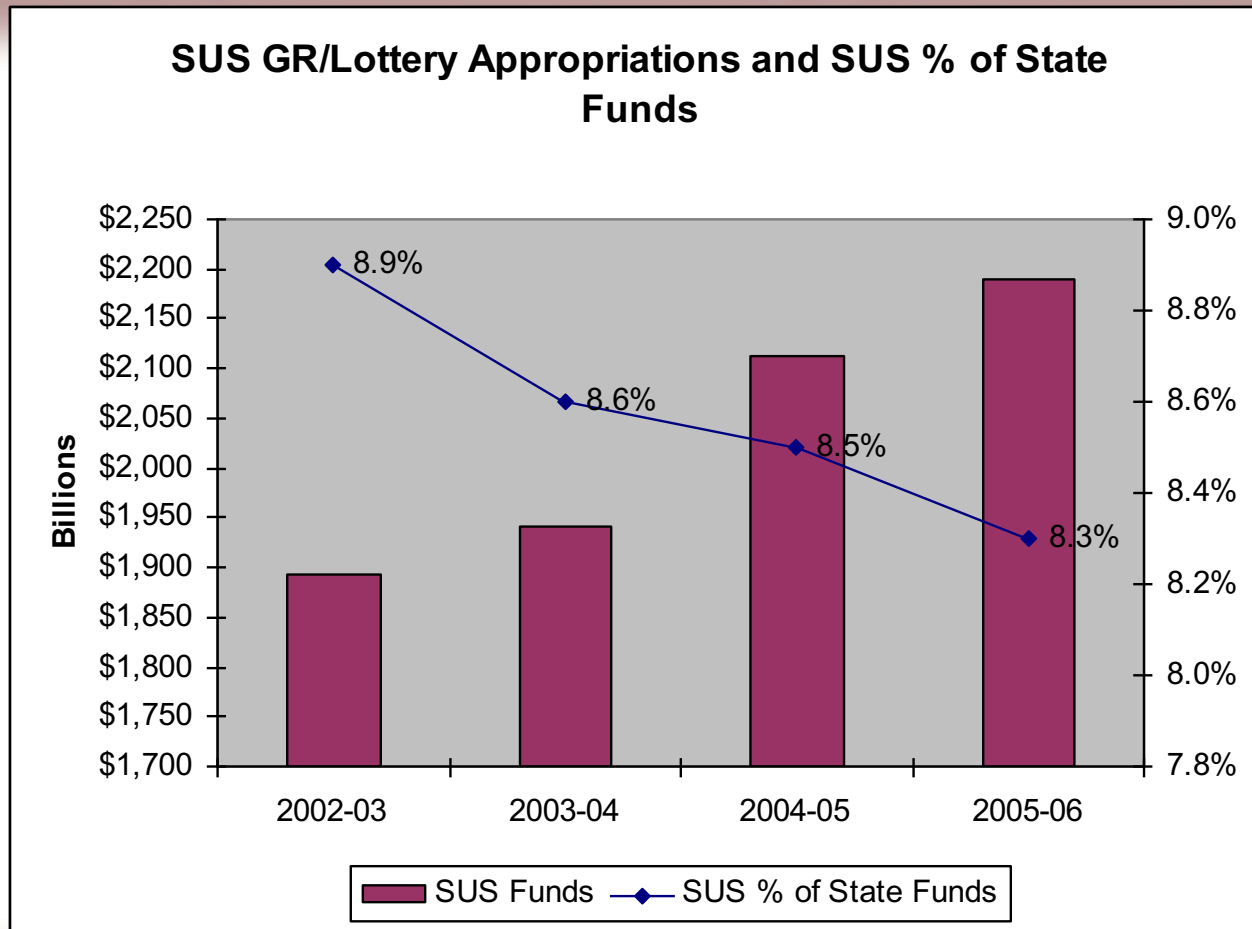
- **K-12 enrollments continue to grow**
- **Improved achievement in the K-20 areas signifies more and better prepared students to enter our universities**
- **Although the economy continues to strengthen, there are many competing priorities for scarce state resources**

# Revenue Projections

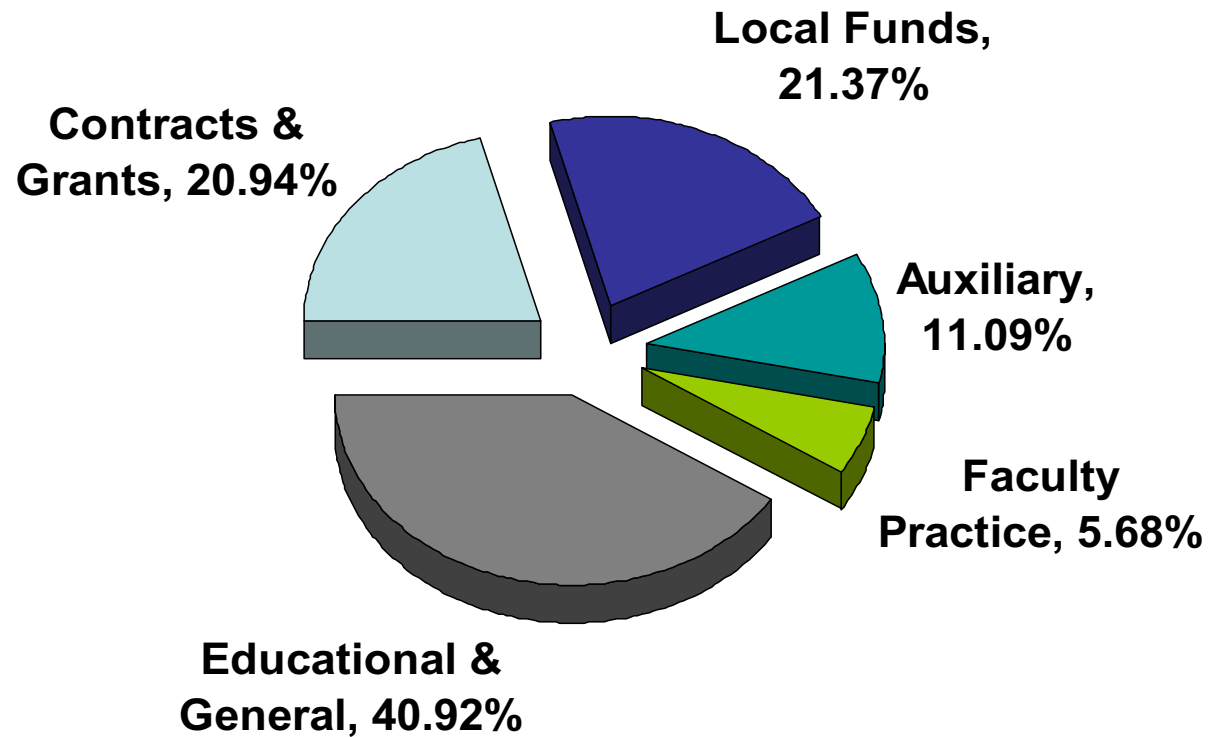
**State General Revenue & Lottery Appropriations with 2006-07  
Estimated Outlook (billions)**



# Although SUS Funds Continue to Increase, the Total SUS Share of State Funds Declines



# Educational & General Budget

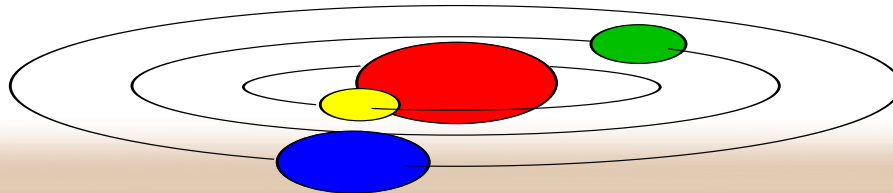


# Potential Funding Issues

## The Universe of Requests:

• Cost-to-Continue Issues	\$ 83.6 m
• Enrollment Growth	\$137.9 m
• Salary Increases / Technology	\$ 31.2 m
• University Requests	<u>\$267.9 m</u>

<b>Total Identified Needs</b>	<b>\$520.6 m</b>
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# University Submissions

## University Documentation Included:

- **Needs Statement**
- **Outcomes**
- **Current Year Funding**
- **University Reallocations**
- **Facility Impact**



# Decision Filters

- **Strong Relation to BOG Strategic Plan**
- **A Systemic Priority**
- **A High University Priority**
- **Clear Evidence of Outcomes**

# Summary of LBR Issues

- |   | \$ | % |
|---|----|---|
| • <b>Cost to Continue/Restoration Issues</b>                            |    |   |
| • <b>Access, Retention &amp; Degree Production</b>                      |    |   |
| • <b>Statewide Professional And Workforce Needs</b>                     |    |   |
| • <b>Building World-Class Academic Programs &amp; Research Capacity</b> |    |   |
| • <b>Community Needs/Institutional Missions</b>                         |    |   |

**TOTAL**

# LBR Cost to Continue/Restoration Issues

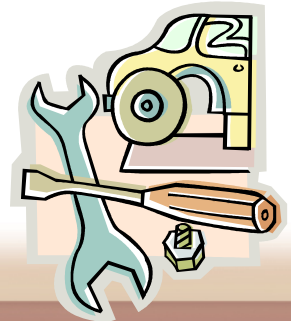
- **Annualization of Health Insurance**
  - **Request: \$6 million (estimated)**
  - **Outcome: Allow universities to fully fund increases in state health insurance that go into effect on January 1, 2006.**

# LBR Cost to Continue/Restoration Issues

- **Annualization of Salary Increases**
  - **Request: \$5.6 million (estimated)**
  - **Outcome: Allow universities to fully fund salary increases that go into effect on August 1, 2005.**

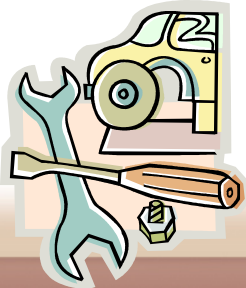
# LBR Cost to Continue/Restoration Issues

- **2005-06 Plant Operations & Maintenance Funding for Phased-in Space**
  - **Request: \$6.3 million**
  - **Outcome: Allow universities to fully fund the operations and maintenance of 1.7 million gross square feet of new facilities coming on-line during 2005-06.**

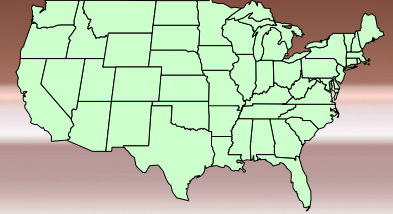


# LBR Cost to Continue/Restoration Issues

- **2006-07 Plant Operations & Maintenance Funding for New Space**
  - **Request: \$7,581,137**
  - **Outcome: Allow universities to fully fund the operations and maintenance of 1.5 million gross square feet of new facilities that will be coming on-line during 2006-07.**



# LBR Cost to Continue/Restoration Issues



- **Ratio of in-State/Out-of-State Students**
  - **Request: \$18.7 million**
  - **Outcome: Replaces un-materialized tuition revenues. The % of out-of-state students declined in 2004-05. Previous Legislative funding decisions have been made based on an estimated mix of resident and out-of-state students. New funding model doesn't differentiate between in-state or out-of-state students.**

# LBR Cost to Continue/Restoration Issues

- **Restoration of General Revenue funds for the UF College of Medicine**
  - **Request: \$7.6 million**
  - **Outcome: Restores funds previously deducted as a result of the Physician Upper Payment Limit program**



# LBR Cost to Continue/Restoration Issues

- **Increased Cost of Operations**
  - **Request: \$11.7 million**
  - **Outcome: Allow the universities to pay for the increased cost associated with daily operations.**

# LBR Cost to Continue/Restoration Issues

- **IFAS Research / Extension Workload**
  - **Request: 2 issues**
    - **Restore \$610,825 funded in 2005-06**
    - **\$1.7 million for 2006-07**
  - **Outcome: Supports an 18% increase in the various delivery methods (educational materials; group learning participants; field, office, & telephone consultations) used to interact with the public during 2004.**



# Summary of LBR Issues

- **Cost to Continue/Restoration Issues**
- **Access, Retention & Degree Production**
- **Statewide Professional And Workforce Needs**
- **Building World-Class Academic Programs & Research Capacity**
- **Community Needs/Institutional Missions**

**\$68.2 M**

**17.5%**



**TOTAL**

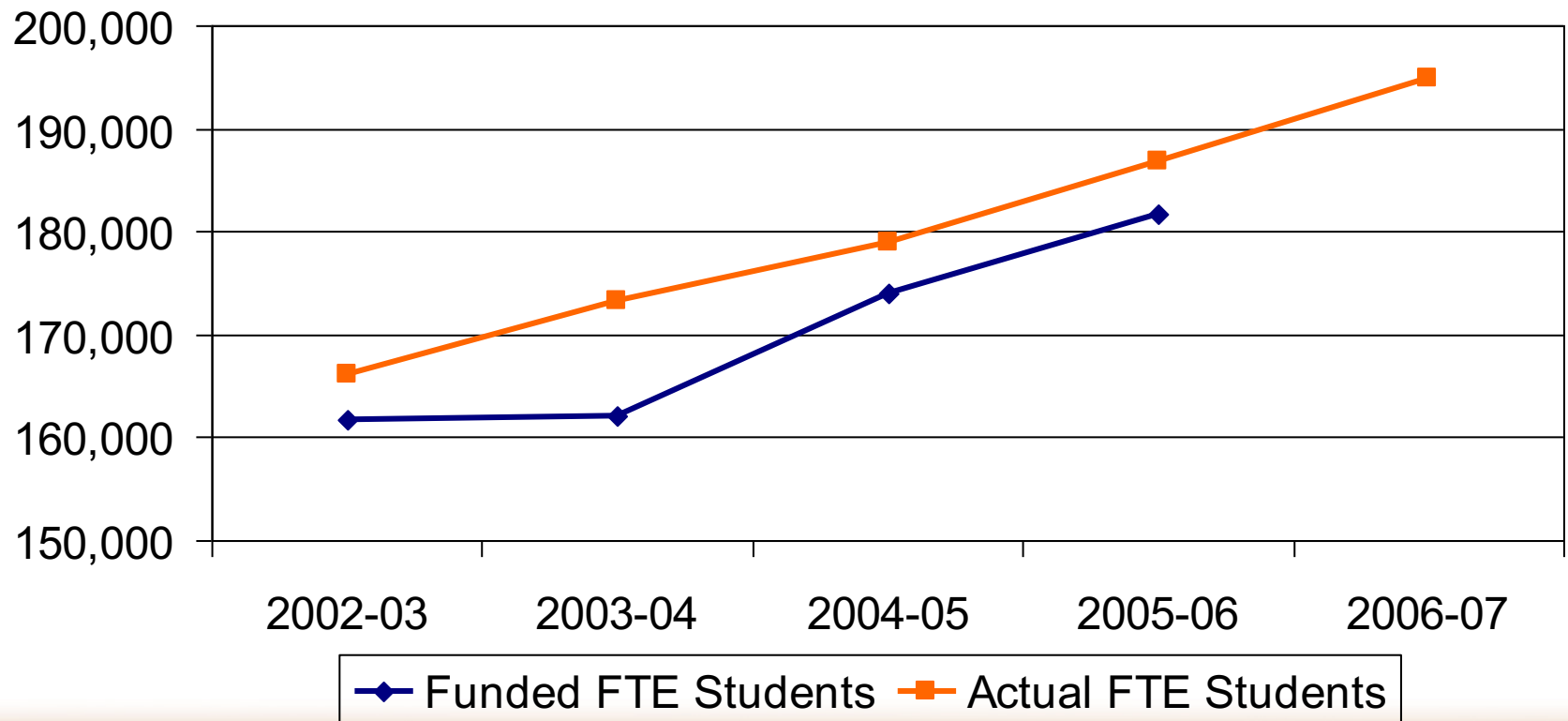
# LBR Access / Retention / Degree Production

- **Enrollment Issues:**
  - **Enrollment Growth**
    - **Request: \$137,988,819 (\$76,659,138)**
    - **Outcome: 13,574 (7,454) FTE Students**



# LBR Access / Retention / Degree Production

Funded FTE Students Compared to Actual FTE Students



# LBR Access / Retention / Degree Production



- **Enrollment Policy**

- **Current Policy – Fund growth of 7,454 full-time equivalent (FTE) students (\$76.6 million)**
- **SUPA Recommended Policy – Fund growth plus over-enrollments for a total of 13,574 FTE students (\$137.9 million)**

# LBR Access / Retention / Degree Production

- **Enrollment Issues:**

- **FSU Medical School**

- **Request: \$2,299,700**

- **Outcome: 61 FTE Students**

- **FAU Medical Partnership with UM**

- **Request: \$2.1 million**

- **Outcome: 125 new residency positions in 3-4 years.  
New practicing physicians will begin in 2011-12.**



# LBR Access / Retention / Degree Production

- **Enrollment Issues:**

- **FAMU Law School**

- **Request: \$1,887,500**

- **Outcome: 115 FTE Students**

- **FIU Law School**

- **Request: \$0 (funding completed in 2003-04)**

- **Outcome: 99 FTE Students**





# LBR Access / Retention / Degree Production

- **Expansion, Tracking and Student Assistance**

- **UWF Ft. Walton Expansion**

- **Request: \$3,183,000**

- **Outcome: 900 headcount / 450 FTE increase by 2010-11; increase of 292 bachelors, 146 master's, and 55 Ph.D.s by 2012.**

- **USF Academic Tracking**

- **Request: \$1,539,000**

- **Outcome: 10% increase in retention rate and 20% increase in graduation rate**

# LBR Access / Retention / Degree Production

- **Expansion, Tracking and Student Assistance**
  - **FAU Targeted Financial Aid**
    - **Request: \$1,500,000**
    - **Outcome: 1,500 students from part- to full-time; 300 more baccalaureates annually**

# Summary of LBR Issues

• <b>Cost to Continue/Restoration Issues</b>	<b>\$ 68.2 M</b>	<b>17.5%</b>
• <b>Access, Retention &amp; Degree Production</b>	<b>\$148.4</b>	<b>38.2%</b>
• <b>Statewide Professional And Workforce Needs</b>		
• <b>Building World-Class Academic Programs &amp; Research Capacity</b>		
• <b>Community Needs/Institutional Missions</b>		
<b>TOTAL</b>		

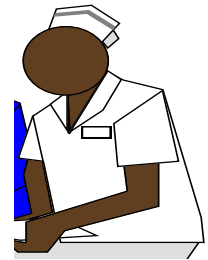


# Professional and Workforce Needs

**NET** Gain: More **N**urses, **E**ngineers, and **T**eachers

–Nursing

»No Capacity / high demand



–Engineering

»Capacity / low retention

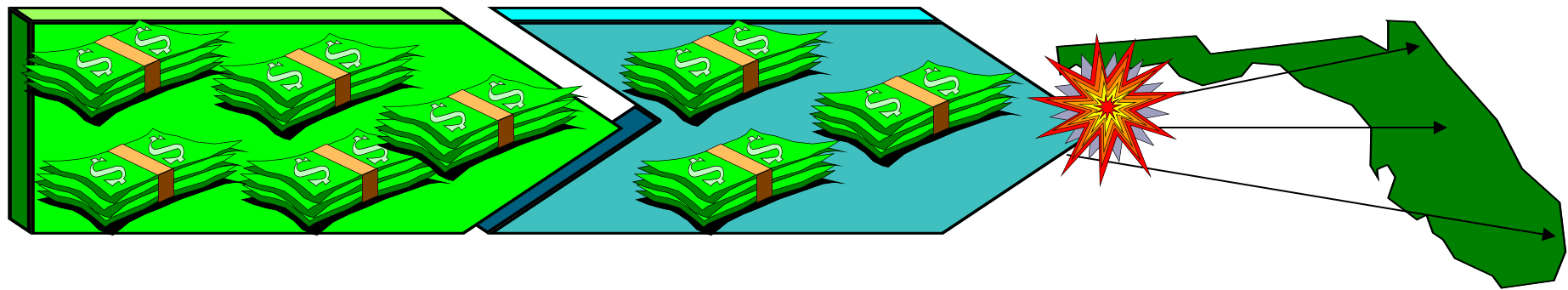


–Teacher Ed

»Capacity / low demand



# Cost-To-Product



**Request**

**Allocation**

**Distribution**

# Professional and Workforce Needs

- **NET Gain: More Nurses, Engineers, and Teachers**

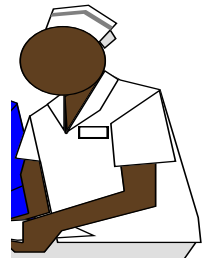
- Nursing Request: \$13,857,000

- Outcome:

- »484 BSN graduates

- »84 new MS prepared nurses

- »25 additional Ph.D. prepared nurses



# Professional and Workforce Needs

- **NET Gain: More Nurses, Engineers, and Teachers**
  - **Engineering Request: \$15,000,000**
    - » **Outcome: 21% increase in engineering graduates (3,300 to 4,000) in five years**



# Professional and Workforce Needs

- **NET Gain: More Nurses, Engineers, and Teachers**

–Teacher Ed Request: \$11,361,850

»Outcome: 977 additional completers (above normal growth) in 2006-07, which is a 20% increase above normal growth, with approximately 1,000 more completers above normal growth each year thereafter.





# Professional and Workforce Needs

- **UF College of Medicine Jacksonville (UF HSC)**

- **Request: \$2,500,000**
- **Outcome: Enrollment increase of 28 students**

- **Vet Medical Teaching Hospital**

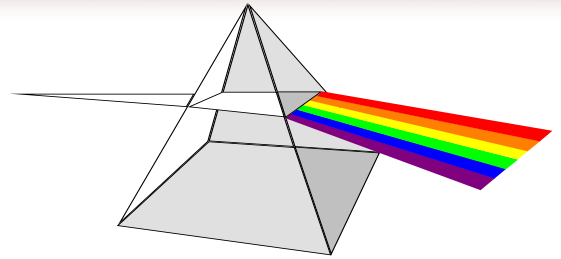
- **Request: \$300,000**
- **Outcome: Increase from 335 students to 341**



- **FIU Medical Partnership with USF (Residency)**

- **Request: \$1,710,200**
- **Outcome: 25 more students, reduce time to degree; 3 new residency programs**

# Professional and Workforce Needs



- UCF High Skill / High Wage Programs

- Request: \$3,000,000

- Outcome:

- Simulation and Training: up to 55 additional graduate degrees; increase of \$4-6M external funding

- Life Sciences: 500 bachelors majors and 100 master's students in 5 years

- Biophotonics: Increased graduate enrollment; \$3-7M external funding; potential spin-off companies.

# Summary of LBR Issues

• <b>Cost to Continue/Restoration Issues</b>	<b>\$ 68.2 M</b>	<b>17.5%</b>	
• <b>Access, Retention &amp; Degree Production</b>	<b>\$148.4</b>	<b>38.2%</b>	
• <b>Statewide Professional And Workforce Needs</b>	<b>\$ 49.8</b>	<b>12.8%</b>	
• <b>Building World-Class Academic Programs &amp; Research Capacity</b>			
• <b>Community Needs/Institutional Missions</b>			

**TOTAL**

# World Class Academic and Research: Systemic Issues

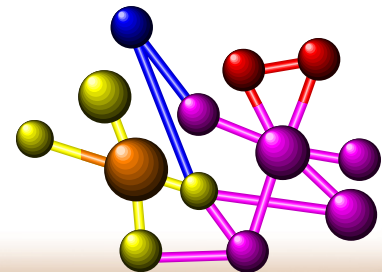
- **Salary Increases**
  - **Request: \$21,180,273** ( universities should continue to be in administered funds; percentage increase would be in addition to administered funds)
  - **Outcome: Ability to recruit and retain highly qualified faculty; Goal is to reach the upper quartile of institutions in the AAUP rankings; SUS average for doctoral institutions is below the AAUP average**

# World Class Academic and Research: Systemic Issues

- **Major Gifts Matching**
  - **Request: \$40,000,000**
  - **Outcome: Continue public/private partnerships to establish endowments for scholarships, professorships, and eminent scholar chairs; Over 2,300 permanent endowments have been established totaling in excess of \$1.3 billion**

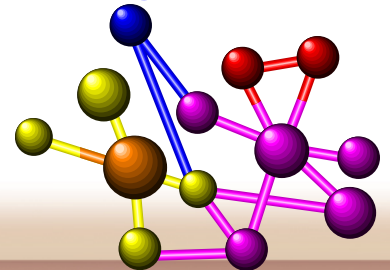
# World Class Academic and Research: Systemic Issues

- **Technology Needs**
  - **Request: \$4,100,000 for Florida Center for Library Automation**
  - **Outcome:**
    - **Access to 14 multi-disciplinary databases valuable for undergraduate and graduated education and focused on science, medicine and technology**
    - **40% discount for the SUS**
    - **Enhancement for Scripps partnering**



# World Class Academic and Research: Systemic Issues

- **Technology Needs**
  - **Request: \$5,900,000 for other technology improvements**
  - **Outcome:**
    - **Cover numerous technology needs such as wireless campus initiatives**
    - **Broadband infrastructure support**
    - **Provide courses, catalogues, and other key student services**



# World Class Academic and Research: Systemic Issues

- **Graduate Health Insurance**

**Request: \$17,242,500**

**Result: More competitive incentive packages; improved rankings on the National Research Council's survey used to rank doctoral research programs.**



# World Class Academic and Research: University Issues

- **UF Pathogens (UF, IFAS, UF-HSC)**
  - **Request: \$6,658,726 total**
  - **Outcome: NIH and Homeland Security funding; \$5.5M in research**
- **UF Pharmaceutical & Materials Chemistry Research**
  - **Request: \$3,380,000**
  - **Outcome: 400 additional chemistry credit hours; \$2.4M in new research dollars**

# World Class Academic and Research: University Issues

- **FSU Center for Advanced Power Systems**
  - **Request: \$3,300,000**
  - **Outcome: World-class power simulation equipment; 20% Department Of Energy cost-sharing requirement**
  - **Outcome: Doubling of federal and private research dollars**

# World Class Academic and Research: University Issues

- **FAMU Academic Program Enhancements**

- **Request: \$3,500,000**

- **Outcome: 1,000 more sections, 272 more students taking four courses, 3,264 more credit hours taken within 5 years; reduce reliance on adjuncts**

# World Class Academic and Research: University Issues

- **USF-HSC Center for Women's Advanced Healthcare**
  - **Request: \$1,850,000**
  - **Outcome: Doubling of federal and private research dollars**

# Summary of LBR Issues

• <b>Cost to Continue/Restoration Issues</b>	<b>\$ 68.2 M</b>	<b>17.5%</b>	
• <b>Access, Retention &amp; Degree Production</b>	<b>\$148.4</b>	<b>38.2%</b>	
• <b>Statewide Professional And Workforce Needs</b>	<b>\$ 49.8</b>	<b>12.8%</b>	
• <b>Building World-Class Academic Programs &amp; Research Capacity</b>	<b>\$107.1</b>	<b>27.6%</b>	
• <b>Community Needs/Institutional Missions</b>			

**TOTAL**

# Community Needs: Infrastructure

- **USF: Expanded Library Services for Lakeland Campus**
  - **Request: \$347,000**
  - **Outcome: Dedicated library services for growing student body and research faculty**
- **FGCU: Library Enhancements**
  - **Request: \$1,625,918**
  - **Outcome: Will serve 50% increase in FTE student body by 2010-11**

# Community Needs: Infrastructure

- **New College: Academic Support Infrastructure;  
Academic Learning Compacts Implementation;  
Administrative Support Infrastructure**
  - **Request: \$1,800,000**
  - **Outcome: Sufficient infrastructure to handle  
current and anticipated student body**

# Community Needs: Infrastructure

- **UF: High-tech Matching Funds**
  - **Request: \$3,000,000**
  - **Outcome: UF joins USF and UCF in support of High Tech Corridor**



# Community Needs: Programs

- **UF-IFAS: 4H and Family Initiative**

- **Request: \$1,341,000**

- **Outcome: Extension program enhanced to respond to education mission**

- **FIU: Life Sciences and Public Health**

- **Request: \$4,879,200**

- **Outcome: support research for 60 students, achieve accreditation of School, generate 3:1 return in federal research dollars.**

# Community Needs: Programs

- **FGCU: B.S. in Resort & Hospitality Management**

- **Request: \$1,025,120**

- **Outcome: Enrollment growth from 150 to 500 by 2010**

- **UNF: B.S. in Computer Network Administration**

- **Request: \$500,000**

- **Outcome: 30 majors by 06-07; 80 by 2010-11**

# Summary of LBR Issues

• <b>Cost to Continue/Restoration Issues</b>	<b>\$ 68.2 M</b>	<b>17.5%</b>
• <b>Access, Retention &amp; Degree Production</b>	<b>\$148.4</b>	<b>38.3%</b>
• <b>Statewide Professional And Workforce Needs</b>	<b>\$ 49.8</b>	<b>12.8%</b>
• <b>Building World-Class Academic Programs &amp; Research Capacity</b>	<b>\$107.1</b>	<b>27.7%</b>
• <b>Community Needs/Institutional Missions</b>	<b>\$ 14.5</b>	<b>3.7%</b>
<b>TOTAL</b>	<b>\$388.0 M</b>	



# 2006-2007 Legislative Budget Request



**Option 1** – Identifies all cost-to-continue, restorations, access, major gifts, performance enhancements, and other system-wide and institutional issues.

**Option 2** – Includes all Option 1 issues, except it funds enrollment growth based on the current policy.

# 2006-2007 Legislative Budget Request



**Option 3** – Includes all Option 2 issues, except for certain issues identified as community needs / institutional mission.

**Option 4** – Includes all issues from Option 3 except for lower priority issues identified under Access, Statewide Professional and Workforce Needs, Academic Programs & Research Capacity and Community Needs / Institutional Mission.

# 2006-2007 Legislative Budget Request



**Option 5** – Includes only cost-to-continue and restoration issues, plus certain priority issues identified by the Board and Presidents.

**Option 6** – Includes all Option 5 issues, except for certain cost-to-continue and restoration issues and Academic Programs & Research Capacity issues.

# Tuition

- **Florida is a low tuition state**
- **Popularity of Bright Futures and Florida Pre-Paid Programs keep tuition low**
- **30% of the Educational and General budget is supported with tuition; the national average is about 36%\***
- **Florida's undergraduate resident tuition has increased an average of 6.5% over the last 10 years**

\*per the State Higher Education Finance Report, FY 2004, by the State Higher Education Executive Officers (SHEEO)

# Tuition

<b>Fiscal Year</b>	<b>Resident Undergraduates</b>	<b>All Other Students</b>
2003-2004	8.5%	8.5%, plus UBOT authority to increase up to 6.5%
2004-2005	7.5%	12.5%, plus UBOT authority to increase up to 2.5% for out-of-state students
2005-2006	5.0%	UBOT authority to set tuition and out-of-state fees for new students; existing students no more than 5%



# Tuition: Decision-point



1. Universities should have authority to set tuition and fees for all levels of students other than resident undergraduates
2. Recommend a 5% increase in tuition to address other university unmet needs
3. Advocate for full funding of the State Board of Education's legislative budget request for need-based financial aid

# Board of Governors' LBR



<b>2005-06 Budget</b>	<b>\$6,147,328</b>
<b>Proposed Increase</b>	<b>\$47,768</b>
<b>2006-07 Request</b>	<b>\$6,195,096</b>
<b>% Increase</b>	<b>.78%</b>