

## State University System Continuing Legislative Budget Request Issues

### 1. Phased-in Space - \$6,286,768

- ✓ This is the balance of resources required to support the operational costs for 1.73 million gross square feet of new space that will come on-line throughout 2005-2006. For 2005-2006, \$8.75 million was appropriated for new space. The requested resources will provide the additional funds needed to annualize this issue.

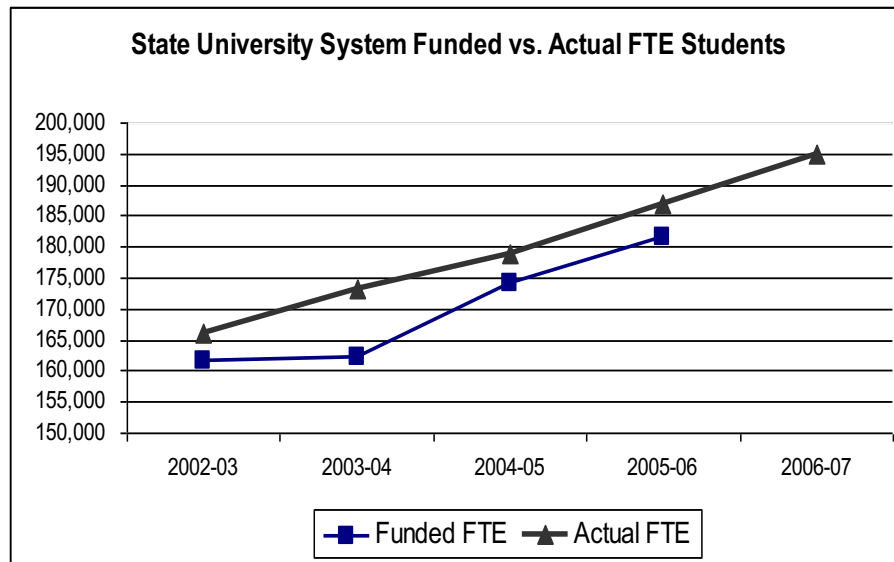
### 2. New Space - \$10,000,000

- ✓ This is the estimated need to support operational costs for new educational space that will come on-line during 2006-2007. These projects must have substantial completion dates on or before June 30, 2007. Facility information is scheduled to be submitted to the central office on July 5 and staff will begin reviewing this data.

### 3. Enrollment Growth – \$137,988,819 or \$76,659,138

- ✓ Pursuant to the 2005-2006 General Appropriations Act the Legislature has provided funding for approximately 182,000 full time equivalent (FTE) students. These FTE comprise the “funded plan”.
- ✓ **If the Board wanted to fund 2006-2007 enrollment growth, plus the 5,000 over-enrollments from 2005-2006, then the requested funding would be \$137.9 million. This would bring the total funded plan to 195,000 (182,000 + 13,000). One of the top priorities identified by the State University Presidents Association was the full funding of the universities’ incremental planned enrollments.**
- ✓ The Board of Governors developed and adopted a new incremental enrollment growth funding formula in 2004, which, if fully funded, would address a good portion of students’ educational needs.
- ✓ In the 2005-2006 LBR, the Board’s policy was to not fund enrollments that were in excess of the prior year’s (2004-2005) funded plan. This policy would encourage universities to adhere to the funded plan as closely as possible.
- ✓ **If the Board continues the policy of only requesting funding for the enrollment growth between the estimated 2005-2006 actual FTE student enrollments (187,000) and the estimated 2006-2007 FTE student enrollments (195,000), then funding of \$76.6 million for about 8,000 FTE students would be requested. This would bring the total funded plan to 190,000 (182,000 + 8,000), leaving 5,000 over-enrollments unfunded.**
- ✓ Utilizing various data (such as retention rates, graduation rates, Community College transfers, first time in college students) the universities have estimated they will enroll 187,000 FTE students in 2005-2006 and 195,000 FTE students in 2006-2007.

- ✓ The difference between the 2005-2006 funded plan of 182,000 and the estimated 2005-2006 actual enrollments of 187,000 is a result of the SUS not receiving enrollment growth funding in 2003-2004. The universities were in the enrolling and admitting process when the 2003 Legislature determined that sufficient funds did not exist to support enrollment growth in the SUS.
- ✓ The following chart shows how actual FTE students compare to the funded plan. The chart shows that overall the universities have worked to get their actual FTE students closer to the funded plan. However, some of the universities continue to plan for and admit students in excess of their funded plan, while other universities have worked to get their actual enrollments in line with the funded plan.



**4. FSU Medical School - \$2,299,700**

- ✓ This will complete the startup costs associated with the FSU College of Medicine. The initial funding of this program began in 2000-2001 and upon completion a total of \$33.7 million will have been appropriated. Upon full implementation 480 students will be enrolled in the medical program.

**5. FAMU Law School - \$1,887,500**

- ✓ This will complete the startup costs associated with the FAMU Law School. The initial funding of this program began in 2000-2001 and upon completion a total of \$15 million will have been appropriated. Upon full implementation 634 FTE students will be enrolled in the law program.

**6. FAU Medical Partnership with University of Miami – \$2,100,000**

- ✓ This initiative was approved by the Board of Governors at the April 2005 meeting. This four-year regional program with the University of Miami

Miller School of Medicine and FAU will produce 125 new residency positions with the first cohort starting in 3-4 years.

- ✓ The first new practicing physicians will begin in 2011-2012.
- ✓ A total of \$14.4 million will be needed to completely fund this partnership, with \$6.4 million having been appropriated through 2005-2006. The remaining funds will be requested as follows:
  - i. 2006-07 - \$2,100,000
  - ii. 2007-08 - \$2,600,000
  - iii. 2008-09 - \$3,300,000

#### **7. Major Gifts - \$40,000,000**

- ✓ With the 2005-2006 appropriation, all major gift matching requests have been funded through April 11, 2005. Since this date \$16.1 million in state matching funds have been requested. Based on the last four years the average monthly requests total \$2.9 million. Therefore, it is anticipated that \$23.2 million in requests for state match would be submitted between July 1, 2005 and March 1, 2006. Thus, the total estimated need from April 12, 2005 through March 1, 2006 is \$40 million.

#### **8. IFAS Research / Extension Workload Issue - \$1,695,266**

- ✓ This calculation is made pursuant to the funding model adopted by the Board in May 2004. The mission of the Institute of Food and Agricultural Sciences (IFAS) is to develop and deliver knowledge to the public. The knowledge is generated, interpreted, and made available by faculty and staff located on the UF campus, in each of the state's 67 counties, and in research and education centers throughout the state. The model uses actual documented delivery methods (educational material, field consultation, group learning, office consultation, telephone consultation) that are common across all counties, easy to collect, and can be documented through an existing record keeping system. The model generates the funds needed based on actual increases in the delivery methods. For 2004, there was a total increase of 18% in the various delivery methods used to interact with the public.

#### **9. Increased Cost of Operations – \$11,716,655**

- ✓ This calculation is made in accordance with the new funding model adopted by the Board in May, 2004. The consumer price index projection of 1.8% for 2006-2007 was determined by the Florida Office of Economic and Demographic Research and was used to calculate the increase on the non-salary base of the SUS educational and general budget of approximately \$650 million.

#### **10. Ratio of In-State to Out-of-State Students - \$18,689,180**

- ✓ The SUS has experienced declines in their net tuition collections as they enroll more resident students and fewer out-of-state students. Fewer out-of-state students are enrolling as tuition has increased significantly. For 2004-2005, UF ranked 25<sup>th</sup> for undergraduates and 14<sup>th</sup> for graduates,

while other institutions like UNF ranked 1<sup>st</sup> for undergraduates and graduates in the county in out-of-state tuition.<sup>1</sup>

- ✓ For 2004-2005 the percentage of out-of-state student credit hours has declined to about 8.4% from 9% in 2003-2004. This decrease translates into fewer out-of-state credit hours which results in less tuition being collected than originally estimated. For 2004-2005 an out-of-state undergraduate student paid approximately 6 times more than a resident undergraduate student, whereas an out-of-state graduate student paid approximately 5 times more than a resident graduate student. Thus, the loss of out-of-state tuition revenue is significant.
- ✓ The Legislature has not provided funding for this issue since 2002-2003 and the accumulated shortfall is substantial. Since past Legislative funding decisions have been made based on a certain mix of resident and out-of-state students, it is only appropriate that if the actual mix of students is different than what was anticipated, then additional funding should be provided to offset the loss in revenue.

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<sup>1</sup> Per the Washington State Higher Education Coordinating Board's annual tuition and fees survey for 2004-2005