

**State University System
Educational & General
2004-2005 Budget Recommendations
Major Issue Summary - E&G Appropriated Funds Only
April 20, 2004**

	<u>Board of Governors</u>	<u>Governor</u>	<u>House Offer 1</u>	<u>Senate Counter Offer</u>	<u>Education Conference</u>
1 2003-2004 Appropriation	\$1,916,275,784	\$1,916,275,784	\$1,916,275,784	\$1,916,275,784	\$1,916,275,784
2 2003-2004 Adjustments to the Base					
3 Retirement Rate Increase 7/1/03	\$14,315,227	\$14,315,227	\$14,315,227	\$14,315,227	\$14,315,227
4 Salary Increase 12/1/03	\$18,184,929	\$18,184,929	\$18,184,929	\$18,184,929	\$18,184,929
5 Health Insurance Adjustment 12/1/03	\$13,756,879	\$13,756,879	\$13,756,879	\$13,756,879	\$13,756,879
6 Casualty Insurance Premium Adjustment 7/1/03	\$668,294	\$668,294	\$668,294	\$668,294	\$668,294
7 2003-2004 Adjusted Appropriation	\$1,963,201,113	\$1,963,201,113	\$1,963,201,113	\$1,963,201,113	\$1,963,201,113
8 2003-2004 Non-recurring Appropriations	(\$67,756,289)	(\$67,756,289)	(\$67,756,289)	(\$67,756,289)	(\$67,756,289)
9 2003-2004 Adjusted Base	\$1,895,444,824	\$1,895,444,824	\$1,895,444,824	\$1,895,444,824	\$1,895,444,824
10 <u>Cost-to-Continue Current Programs</u>					
11 Annualization of 12/1/03 Health Insurance Increase	\$9,826,343	\$9,826,343	\$9,826,343	\$9,826,343	\$9,826,343
12 Annualization of 12/1/03 Salary Increase	\$12,989,236	\$12,989,236	\$12,989,236	\$12,989,236	\$12,989,236
13 2003-2004 PO&M for Phased-In Space	\$2,708,577	\$2,708,577	\$2,708,577	\$2,708,577	\$2,708,577
14 2004-2005 PO&M for New Space	\$8,876,860		\$9,130,839	\$9,130,839	\$9,130,839
15 Florida Center for Reading Research - FSU	\$1,593,600	\$1,593,600	\$1,593,600	\$1,593,600	\$1,593,600
16 Major Gifts Matching Program	\$60,000,000	\$25,000,000	\$93,351,519	\$93,151,519	\$93,151,519
17 Courtelis Facilities Matching Program*					
18 Florida Office of Civil Rights Agreement - FAMU	\$2,500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
19 Total Cost-to-Continue	\$98,494,616	\$53,117,756	\$130,600,114	\$130,400,114	\$130,400,114
20 <u>Access to Higher Education</u>					
21 Enrollment Growth/Over-Enrollments - 11,496 FTE	\$82,195,286	\$50,000,000	\$49,208,417	\$49,892,018	
22 Enrollment Growth/Over-Enrollments - 9,103 FTE					\$49,892,017
23 Medical Education - FSU	\$4,313,564	\$4,313,564	\$4,313,564	\$4,313,564	\$4,313,564
24 Law School - FAMU	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
25 Total Access to Higher Education	\$87,508,850	\$55,313,564	\$54,521,981	\$55,205,582	\$55,205,581
26 <u>State Critical Needs</u>					
27 Nursing, Teaching, Information Technology	\$11,729,320				
28 Targeted Program Enhancements	\$1,000,000				
29 Total State Critical Needs	\$12,729,320	\$0	\$0	\$0	\$0
30 <u>Research/Economic Development/Graduate Education</u>					
31 Programs of Prominence	\$5,000,000				
32 Centers of Excellence	\$20,000,000	\$20,000,000			
33 Florida Lambda Rail Project - Internet 3	\$2,448,932				
34 Research/Economic Development	\$19,903,509				
35 IFAS Citrus Genome Research			\$4,211,826	\$2,000,000	\$2,000,000
36 UF-HSC Cancer Research				\$2,000,000	\$2,000,000
37 Technological Expansion	\$1,575,640				
38 Total Research/Economic Development/Graduate Education	\$48,928,081	\$20,000,000	\$4,211,826	\$4,000,000	\$4,000,000
39 <u>Other Issues</u>					
40 Targeted Incentive Programs		\$10,000,000			
41 Retirement Increase		\$3,000,000			
42 Minority Participation in Legal Education (MPLE)		\$636,548			
43 Florida Center for Teachers - USF		\$375,000			
44 St. Lucie Charter School - FAU				\$500,000	\$500,000

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	<u>Board of Governors</u>	<u>Governor</u>	<u>House Offer 1</u>	<u>Senate Counter Offer</u>	<u>Education Conference</u>
45 Scholarships - NCF				\$500,000	\$500,000
46 Virgil Hawkins Scholarship Phase-out - UF/FSU			(\$207,165)	(\$207,165)	(\$207,165)
47 FAU/UM Medical Partnership			\$2,500,000	\$2,500,000	\$2,300,000
48 UCF Project "E"			\$4,200,000	\$4,200,000	\$4,200,000
49 UF Administrative Reduction					(\$300,000)
50 UF-HSC Veterinary School Additional Funds			\$300,000		\$300,000
51 MPLE Transfer to DOE Budget			(\$1,556,203)		\$0
52 MPLE Phase-out				(\$670,863)	(\$670,863)
53 USF-FIU Medical Partnership			\$1,000,000	\$1,000,000	\$1,000,000
54 IFAS Local Extension Matching			\$995,020	\$995,020	\$995,020
55 IFAS Teaching Partnerships				\$500,000	\$500,000
56 Transfer Ringling from Dept. of State to FSU			\$1,756,000	\$2,256,000	\$2,256,000
57 IFAS Equipment - Balm Facility			\$1,000,332	\$643,218	\$843,218
58 Total Other Issues	\$0	\$14,011,548	\$9,987,984	\$12,216,210	\$12,216,210
Total Cost-to-Continue, Access, State Critical Needs, Research,	\$247,660,867	\$142,442,868	\$199,321,905	\$201,821,906	\$201,821,905
Total 2004-2005 Budget Recommendation	\$2,143,105,691	\$2,037,887,692	\$2,094,766,729	\$2,097,266,730	\$2,097,266,729
59 Increase over 2003-2004 Adjusted Appropriation (line 7)	\$179,904,578	\$74,686,579	\$131,565,616	\$134,065,617	\$134,065,616
60 % Increase Over 2003-2004 Adjusted Appropriation (line 7)	9.16%	3.80%	6.70%	6.83%	6.83%
61 Major Gift Trust Fund - Double Budget	\$44,000,004	\$6,000,000	\$78,695,352	\$78,497,352	\$78,497,352
Total 2004-2005 Budget Recommendation, including Major Gift TF	\$2,187,105,695	\$2,043,887,692	\$2,173,462,081	\$2,175,764,082	\$2,175,764,081

Other Issues:

*Senate includes \$18 million in Facilities matching in the FCO section of the bill.
Revenue generated from Tuition increases are not included in these numbers.

Centers of Excellence Appropriations of \$100,050,000 are included in HB 1019 and SB 1900. Both of these bills have gone through two committees. HB 1019 is currently in K-20 Committee, while SB 1900 has been passed out of the Senate Subcommittee on Appropriations.

**State University System
Educational and General
Education Conference Nonrecurring Issues
2004-2005**

<u>Issue</u>	<u>Amount</u>
Project "E" - UCF	\$ 3,200,000
Major Gifts Matching	\$ 93,151,519
Major Gifts TF	\$ 78,497,352
OCR - FAMU	\$ 1,000,000
IFAS Equipment - Balm Facility	\$ 843,218
St. Lucie Charter School - FAU	\$ 500,000
MPLE	\$ 885,340

Total	\$ 178,077,429

**State University System
Summary of Issues in the Proposed
2004-2005 Education Conference Report**

The following is a brief narrative of the issues in the 2004-2005 Conference Budget Recommendation for the State Universities. The numbers correspond to the issues on the Major Issue Summary document.

1. This issue, **2003-2004 Appropriation**, is the total amount appropriated in the Educational and General budget entity in the 2003 General Appropriations Act (GAA).
2. 2003-2004 Adjustments to the Base
3. The State contribution for employee **Retirement Rates** increased from 5.76% to 7.39% effective July 1, 2003. A Lump Sum appropriation for all agencies, including universities, was made in the Administered Funds section of the 2003 GAA (Specific Item 1950B).
4. State employees received a **Salary Increase** effective December 1, 2003. A Lump Sum appropriation for all agencies, including universities, was made in the Administered Funds section of the 2003 GAA (Specific Item 1945L).
5. The States share of **Health Insurance** premiums increased effective December 1, 2003. A Lump Sum appropriation for all agencies, including universities, was made in the Administered Funds section of the 2003 GAA (Specific Item 1947).
6. The universities' share of **Casualty Insurance Premiums** increased by \$668,294 effective July 1, 2003. These additional funds were provided to the universities with payment made to the State Division of Risk Management for increases in workers' compensation and general liability insurance costs.

7. This is the total **2003-2004 Adjusted Appropriation** for the eleven state universities.
8. **2003-2004 Non-recurring Appropriations** are deducted from the 2003-2004 appropriation resulting in the base budget to which new requests are added. The following issues totaling \$67,756,289 are funded with non-recurring resources:
- | | |
|--|--------------|
| a. Florida Center for Reading Research | \$ 1,593,600 |
| b. Florida Center for Teachers | \$ 375,000 |
| c. Challenge Grants | \$65,151,141 |
| d. Minority Participation in Legal Education | \$ 636,548 |
9. 2003-2004 Adjusted Base.
10. **Cost-to-Continue Programs**
11. The appropriation for the health insurance premium increase that went into effect on December 1, 2003 will only cover the seven months associated with this fiscal year. The additional five months needed for 2004-2005 is known as the **Annualization of 12/1/03 Health Insurance Increase.**
12. The appropriation for the salary insurance increase that went into effect on December 1, 2003 will only cover the seven months associated with this fiscal year. The additional five months needed for 2004-2005 is known as the **Annualization of 12/1/03 Salary Increase.**
13. **2003-2004 Plant Operations & Maintenance (PO&M) for Phased-In Space,** \$2,708,577 is the balance of resources required to support the annualized operational costs for 1.5 million gross square feet of new space that comes on-line throughout 2003-2004.

14. **2004-2005 PO&M for New Space**, \$9,130,839 is to support operational costs for 1.7 million gross square feet of new educational space that comes on-line at various times during 2004-2005. These projects have substantial completion dates before June 30, 2005.
15. **Florida Center for Reading Research**, \$1,593,600 is for the continued support for this Florida State University Center whose mission is to discover, create, catalog, disseminate and apply the most current reading research in Florida Classrooms. This issue was funded with non-recurring resources in 2003-2004. Therefore, this is a restoration of current year's funds.
16. **Major Gifts Matching**, \$94,880,397 (of which \$1.7 million is in the base) is to support the major gift matching program. The program provides state matching funds which are an incentive for private support for university scholarships, professorships, and endowed chairs. This amount eliminates the current backlog through December 31, 2003.
17. **Courtelis Facilities Matching Program**, Funds for this program are included in the fixed capital outlay section of the budget.
18. **Florida Office of Civil Rights**, \$1,000,000 is to be used for initiatives identified in the Florida/OCR Partnership Agreement. In 1995, Governor Lawton Chiles and Secretary of Education Richard Riley developed a collaborative approach to evaluate access of minority students to higher education.
19. Total cost-to-continue.
20. **Access to Higher Education**

21. Board of Governors requested \$82.2 million for **Enrollment Growth/Over-Enrollment** funding for 11,496 full-time equivalent (FTE) students.
22. **Enrollment Growth/Over-Enrollment**, funding of \$49,892,017 will fund 9,103 FTE students.
23. **Medical Education**, \$4,313,564 is for the continued implementation of the College of Medicine at Florida State University, which will fund an additional 60 FTE students. This non-traditional model of medical education focuses on a partnership with existing community hospitals, physicians, and other health care providers.
24. **Law School**, \$1,000,000 is for the continued implementation of the Florida A&M University Law School located in Orlando. An additional 98 FTE students will be enrolled beginning in the fall of 2004.
25. Total Access to Higher Education
26. State Critical Needs
- 27-28. Funding for these issues is not included in the conference recommendation.
29. Total State Critical Needs
30. Research/Economic Development/Graduate Education
- 31-33. Funding for these programs is not included in the conference recommendation.
34. Requested funding for **Research/Economic Development** was only partially funded in the conference recommendation. See items 35 and 36 for issues that were included in the Board of Governor's recommendation.

35. This funding of \$2,000,000 for **IFAS Citrus Research** will focus on the development of more pest resistant plans and the development of new plant varieties more appealing to the consumer. Mapping the citrus genome will allow researchers to more easily do both of these cutting the breeding time into almost a quarter of what it would normally require. Citrus canker is an example of a pest or pathogen that will most likely require the development of a disease-resistant variety of citrus.

36. Cancer is a leading cause of death and Florida's cancer rates are among the highest in the country. To address this problem, the University of Florida has initiated development of a cancer education, research and treatment center that will have statewide and nationwide impact. The proposed **Cancer Education, Research Treatment** at UF Health Science Center will implement an aggressive plan of recruitment to reach the critical mass of faculty and research programs necessary to achieve National Cancer Center (NCI) designation as a Comprehensive Cancer Center.

37. Funding for **Technological Expansion** at Florida Gulf Coast University and New College of Florida is not included in the conference recommendation.

38. Total Research/Economic Development/Graduate Education

39. Other Issues

40-43. The funding for these issues, as recommended by the Governor, is not included in the conference recommendation.

44. The funding of \$500,000 for the **St. Lucie Charter School** at Florida Atlantic University (FAU) will be used to plan for a unique K-12 Developmental Research Charter School to be developed in partnership with the Core Communities, Inc,

and located in St. Lucie County, a short distance from FAU's Treasure Coast Campus.

45. The funding of \$500,000 for New College of Florida (NCF) will be used for **Student Scholarships**. These funds were previously provided by the USF before NCF became the 11th state university.
46. **Virgil Hawkins Scholarship Phase-out** of \$207,165 is a reduction in the base budget for UF and FSU to eliminate this scholarship program. The 2003-2004 school year is the final year of the program. It is the general consensus that this program is no longer needed since the opening of the FAMU and FIU law schools.
47. The **FAU/UM Medical Partnership** funding of \$2,300,000 will complete the base funding for the program in Biomedical Sciences and the Partnership for Quality Medical Education. The innovative partnership with the University of Miami School of Medicine (UMSM) allows the School of Medicine to increase the capacity of its entering classes by 32 students who will receive their first-year and second-year training in the Charles E. Schmidt Center for Biomedical Sciences at FAU. Under this exemplary model, the students will subsequently join their UMSM-based counterparts in their third and fourth year clinical rotations.
48. The **UCF Project "E"** funding of \$4,200,000 is a key part of a financial package aimed at enticing the nation's largest video-game maker to expand in Central Florida. These funds would be used to launch a specialized program at the University of Central Florida to train prospective employees of Electronic Arts (EA), the California-based game company. The UCF program is part of a \$41 million package of incentives that Orlando, Orange County and others are trying to put together to push EA to expand locally. EA, which makes such games as the Madden NFL franchise, is looking to broaden its operation, possibly creating 775

more jobs. EA currently employs 275 people at a Maitland subsidiary called Tiburon.

49. An **Administrative Reduction** of \$300,000 at UF is recommended.
50. Additional general operating funds of \$300,000 are provided for the **UF School of Veterinary Medicine**.
51. The requested transfer of the **MPLÉ** program to the Office of Student Financial Assistance was not included in the conference budget.
52. This reduction of \$670,863 for the **MPLÉ Phase-out** leaves \$885,340 in the base for the final year of this program. It is the general consensus that this program is no longer needed since the opening of the FAMU and FIU law schools.
53. The **USF-FIU Medical Partnership** funding of \$1,000,000 will be used to prepare outstanding students interested in medicine by providing them with a sound baccalaureate degree foundation for medical school through an advanced curriculum, mentoring, and appropriate resources, in a competitive and interdisciplinary environment. This program is a collaborative effort between the FIU Honors College and the USF Medical School Education Program.
54. **IFAS Local Extension Matching** provides funds to match county funds to fill 26 county agent positions that are currently vacant.
55. The funding of **IFAS Teaching Partnerships** will continue to leverage new and existing partnerships with other SUS partners, private universities, and community colleges to serve place-bound students desiring basic and advanced degrees in agricultural and natural resource related programs. These partnerships will be expanded in Ft. Pierce, Homestead, Ft. Lauderdale, Milton, Apopka, Ft Myers, and Hillsborough County.

56. This issue transfers funds for the **Ringling Museum** to the Educational and General budget from the Department of State's budget.

57. Funding of \$843,218 for **IFAS Equipment at the Balm Facility** will be used to purchase equipment at the new Gulf Coast Research and Education Center being built in Balm, Hillsborough County. It consolidates the operations of the current labs in Bradenton and Dover. This facility will serve the tomato, strawberry, and horticulture producers of that region.

58. Total Other Issues

59. The total conference recommended increase over the 2003-2004 adjusted appropriation is \$134 million.

60. The total conference recommended percentage increase over the 2003-2004 adjusted appropriation is 6.83%

61. Additional **Major Gift Trust Fund** budget authority is included.