



State University System Federal Stimulus

During 2009-10 and 2010-11 the universities were provided with federal stimulus funds to support education and general expenditures. Each university was requested to provide a summary of their plans for dealing with the loss of the federal stimulus funds.

Pursuant to federal guidance, the stimulus funds could be used to:

- Support salaries related to classroom and laboratory instruction and instructional technology;
- Academic support for libraries, laboratories, and other academic facilities;
- Institutional support for activities related to personnel, payroll, security, environmental health and safety, and administrative offices;
- Student services that promote a student's emotional and physical well-being outside the context of the formal instructional program;
- Student financial aid; and
- Modernization, renovation or repair of facilities.

Over \$144.6 million was provided to the universities (including health science centers and the Institute of Food & Agricultural Sciences) during the current fiscal year:

Florida A&M University	\$8,460,902
Florida Atlantic University	\$11,630,612
Florida Gulf Coast University	\$3,428,533
Florida International University	\$14,494,913
Florida State University	\$23,127,026
New College of Florida	\$1,178,450
University of Central Florida	\$18,204,477
University of Florida	\$36,241,793
University of North Florida	\$5,602,324
University of South Florida	\$22,331,948
University of West Florida	\$4,321,645



Florida A&M University Federal Stimulus

Florida A&M University (FAMU) was benefited from the presence of the stimulus funds during dire fiscal years. Given the time limited nature of these funds, the University used the funds to continue essential operations that would have been eliminated with the budget reductions. With this benefit, the one concern was the time limited nature and we are currently involved in assessing how to use current employees to fulfill the critical needs vacated by those on stimulus funding. It is imperative that these funds remain in the University budgets or there will be irreparable harm to the academic enterprise. Further, stimulus funds permitted the University to provide sufficient notice for any personnel supported by these monies. Such notice informed employees of the conditions of their employment and the time limited nature of these funds.

As this funding terminates, the University has prepared by leveraging the use of technology to complete functions previously handled by employees. Also, we have revamped non-instructional units, reassessing their role in supporting the institution's mission. The use of stimulus funds permitted the University to absorb the abrupt and deep cuts to its operational budget.



Florida Atlantic University Federal Stimulus

In anticipation of the loss of Federal Stimulus funding in 2011-12, Florida Atlantic University (FAU) embarked on three-year phased-in planning process to prepare for the loss of these funds. FAU currently derives \$11,630,612 from this non-recurring allocation. The three-year planning approach (FY11, FY12, and FY13) assures that we will maintain our current level of academic course offerings throughout the same time period that we will be phasing in our budget plan.

Several budgeting assumptions were incorporated into our planning and those are (1) State Appropriations (General Revenue) will neither increase nor decrease over the next two fiscal years; (2) the State University System tuition is increased by the authorized 15% over the next three-year period; (3) FAU enrollment growth remains at 2008-09 levels; and, (4) cash/non-recurring funds will be used in declining amounts during this phased-in approach to augment budgets not covered by tuition increases.

Beginning with budget construction for 2010-11, FAU set aside base funds derived from a 4% enrollment increase experienced in 2009-10. These incremental recurring funds have not been fully allocated at this time given the single year experience. We continue to plan at the 2008-09 enrollment levels and will do so for the next two years. However, preliminary estimates indicate that enrollments for 2010-11 are at, or slightly above, 2009-10 levels which suggest we will be able to devote enrollment growth tuition funds to mitigate the Federal Stimulus funds elimination should this be required.

During 2011-12, when Federal Stimulus funds are no longer available, non-recurring funds (cash) will be used from University savings and supplemented with recurring tuition increase to cover the loss. In addition, during 2011-12, assuming enrollments hold steady from 2009-10 levels, we will have generated additional unallocated recurring and non-recurring revenues to add to the 2011-12 State authorized tuition increase.

By 2012-13, using a combination of enrollment growth excesses, tuition increases and University cash, we will have successfully completed a phased-in approach of incremental recurring dollars to cover the elimination of Federal Stimulus program funds.



Florida Gulf Coast University Federal Stimulus

Florida Gulf Coast University, upon inception of the Stimulus funding package, operated under a “two year phase out plan” allowing for the eventual withdrawal of the institution’s allocated funds without hindering operations.

The University has sustained continuous growth, and as a result collects revenue derived from tuition and fees. Given the projected revenues from the institution’s continual growth, combined with forecasted tuition increases, Florida Gulf Coast University is projected to generate sufficient revenues to assist in mitigation for the loss of Stimulus funds.

While substantial, this is not to indicate that revenue growth will serve as the sole mechanism managing the loss of Stimulus funds. In addition to growth generated revenue, the institution continues to control expenses, restrict hiring, and pursue cost saving initiatives that provide for reduction in expenses.

In total, the institution’s growth, discipline, and efficiencies will allow Florida Gulf Coast University to function upon expiration of the Stimulus funding.



Florida International University Federal Stimulus

Stimulus Funds used for salaries or other recurring expenses were provided as bridge funding until alternative funding sources were identified.

The university has a three year rolling financial plan which includes budget reduction allocations, as well as critical initiative investments. The availability of stimulus funds has allowed the university to be able to implement critical initiatives in the areas of instruction, research and compliance. Stimulus funds were used for bridge funding of positions which were slated to be funded by the generation of future research and fundraising activities as well as the implementation of critical projects such as lab renovations.

Funds that were used to hire critical positions in the College of Medicine to advance curriculum development, and planning for graduate medical education and clinical practice, will be replaced by incremental funds expected from the state, based on the 10 year FIU-COM plan approved by BOG, clinical revenue, and available gifts.

We believe the university has taken a very conservative approach on developing its revenue assumptions. However, if the continued decline of the housing market, the potential economic effect of the oil spill, and other external factors that delay the economic recovery of the state, cause additional reductions to be applied to university appropriations, it would be very difficult to support the continuation of the salaries and recurring expenses funded with stimulus funds. Under these circumstances, the university will face difficult decisions on position elimination or reduction of critical services.



Florida State University Federal Stimulus

Florida State University received over \$24 million in 2009-10 and an additional \$23 million in 2010-11. Last year the university supported over 65,500 student credit hours on stimulus.

Beginning in 2011-12 we will need to find alternative funds to support 40,500 of these hours. Courses will be discontinued that supported 13,500 student credit hours. We will increase the course size absorbing 2,500 credit hours and we will increase teaching assignments for existing faculty to accommodate close to 3,000 credit hours. Over 6,000 credit hours will be replaced with a different/pre-existing course.

Our colleges have been preparing to handle the current demand by building non-recurring reserves, moving salary and expenses to other funding sources when possible, increasing class sizes offering alternative but more popular courses, increasing teaching assignments for existing faculty, canceling low enrollment classes and raising private funds to support students and provide additional research opportunities. Tuition increase funds will also be used to absorb some of the student credit hours. Reserves will maintain the course offering for close to two additional years. If replacement funds are not available after that time either through tuition increases or enrollment growth or replacement funds, the university will experience a serious loss in its ability to offer the needed courses.

The university conducted a detailed review and planning exercise on the disposition of courses funded by Stimulus Funds in the Spring with plans compiled in May 2010.



New College of Florida Federal Stimulus

The College, through its Budget Review Committee (comprised of representatives from the faculty, staff, students and all three collective bargaining units) and Faculty Budget Committee, has been actively planning for the loss of \$1.178 million in Federal Stimulus funding. Given that the revenue side of the budget is comprised of multiple funding streams, several funding models have been prepared with various assumptions to guide decision making on how to address the pending loss of stimulus funds, in relation to other funding streams and basic expenditures. All models have a three year planning horizon (FY12, FY13 and FY14).

In an abundance of caution, the College is assuming fairly conservative revenue growth in planning for stimulus replacement, including: (1) little, if any, enrollment growth; (2) no increase or decrease in General Revenue appropriations; and (3) New College Foundation contributions in support of the College's operating budget remaining at modest 2009-10 levels. On a less conservative note, the College anticipates having to increase its resident tuition rate by the authorized maximum 15% in each of the next three years. Should we be fortunate enough to receive the remaining portion of requested start-up funding to support our freestanding status (a long standing BOG funding priority), or other revenue increases, the planned resident tuition increase percentage may be reduced.

A portion of new FY11 tuition revenue has been set aside to begin the replacement process. In addition, ongoing efforts to reduce expenditures continue, although options in this regard are extremely limited and can have significant adverse impact given the lack of sufficient start up funding. During the period FY12-14, the College will rely on a combination of revenue growth, deployment of cash reserves, and further expenditure reductions (as needed) to replace the loss of federal stimulus funds. The funding replacement should be fully completed by FY14 at the latest. The College is fully prepared to adjust the plan, as needed, should revenue circumstances change. It is certainly feasible for the funding replacement process to be accomplished earlier than FY14, should revenue growth turn out to be more favorable than assumed.



University of Central Florida Federal Stimulus

The University of Central Florida budget currently includes over \$18 million of federal stimulus funds and other non-recurring support that will be removed as of July 1, 2011. While projected tuition revenue this year will help offset the loss of the stimulus funds, UCF is still struggling to recover from over \$79 million in budget cuts that began in July 2007, and therefore immediately removing the stimulus funds is difficult.

Fortunately, during the past few years UCF has strategically built reserve funds, and will use these reserves to compensate for the lost stimulus and other non-recurring state funds. Because of this strategy and the projected steady increase in tuition revenue, the Board of Trustees authorized a multi-year plan to gradually phase out the dependence on one-time reserve funds. **The plan allows us to continue to use reserve funds to temporarily augment budgets until projected tuition revenues will negate the need to regularly draw upon one-time reserves.**

Since additional state-mandated budget cuts are possible, the BOT-approved plan is structured to accommodate a modest budget cut *without* requiring layoffs or program closures. However, state-mandated cuts of more than a few percentage points will require us to reevaluate how we ensure the university's long-term success.

The decision to build reserves has helped UCF avoid additional layoffs and program closures that would have been otherwise necessary upon removal of the stimulus funds, and to ensure the continued academic success of our students.



University of Florida Federal Stimulus

At the beginning of the economic retrenchment a couple of years ago, UF adopted as a practical policy a philosophy that the stimulus funds were only temporary and that the money cut from the budget would not be automatically restored after the recession. Consequently, UF began to adjust immediately to a new recurring budget level. Stimulus funds were used to help the university “glide” to this new level of spending. Today, no recurring operations depend on continuation of stimulus funds. While we have appreciated having them as an aid to making the budget cuts we needed and as an opportunity to invest in nonrecurring projects, the pending loss of these funds will not impede the university’s recurring operations.

Please consult Board of Trustee Resolutions R08-47 and R09-56 at <http://www.trustees.ufl.edu/resolutions/> for detailed information about UF budget reductions.



University of North Florida Federal Stimulus

This year the University of North Florida is using its allocation of \$5.6 million in federal stimulus dollars to fund 66 faculty lines, 10 administrative and professional lines and 45 support staff lines.

To the degree that these funds are not replaced in next year's budget by state allocations or additional federal dollars, the university will use the legislatively approved 15% tuition increase and where appropriate student fee dollars to cover the cost of these positions. To the degree that we fall short of hitting the needed \$5.6 million we will use nonrecurring dollars earned through excess tuition in 2011/2012, replacing those dollars with additional recurring tuition dollars in 2012/2013.

This will mean that without additional state or federal allocations, we will be unable to bring our teaching faculty to its full complement based on current enrollments, nor will we be able to increase enrollments, providing the increased access needed within the state system.



University of South Florida Federal Stimulus

The USF System has been proactive in identifying and implementing efficiencies to reduce cost and generate savings in anticipation of the loss of federal stimulus funding. However, with the loss of state funding coupled with the loss of federal stimulus funding, the cost reductions and savings realized from creating efficiencies will not fill the overall budget gap. The USF System has:

- Reduced planned student enrollment growth.
- Reduced the number of course offerings; increased the number of students per class, increased faculty workload; closed underperforming programs and consolidated small units.
- Implemented an Early Retirement Incentive Program
- Entered into agreements for shared central services within the USF System for items such as library resources, legal services, internal audit, accounting, purchasing, enterprise business systems and other administrative functions.
- Consolidated purchasing across the USF System for office supplies and computer related expenses; reduced spending of travel, equipment purchases, general operating expenses and contractual services.
- Engaged consulting services to evaluate and recommend structural changes to existing functions. The goal is to identify where infrastructure and personnel could be leveraged in order to enhance the efficiency, effectiveness and quality of services provided.
- Reduced purchased utilities costs; centralized and consolidated infrastructure and general administration in several areas; eliminated faculty, administrative and support positions.

If funding is not identified to replace the federal stimulus funds, the USF System plans to:

- Eliminate the educational jobs that were saved and/or created as a result of receiving the federal stimulus funds.
- Eliminate the DROP positions for those employees whose DROP end date falls before 6/30/11; and transfer any remaining DROP positions onto a non-E&G funding source effective 7/1/11, with the intent to eliminate every position at the end of each employee's DROP period.
- Rely on tuition increases to partially offset the loss of the stimulus funds.
- Continue evaluating the use of other funding sources to maintain the level of instruction and instructional support.
- Identify other revenue generating opportunities to offset the loss of the stimulus funds. For example, USF Information Technology has generated additional revenue through the leasing of the EBS Spectrum which will offset some of the federal stimulus funds.



University of West Florida Federal Stimulus

The majority of the federal stimulus has been invested by UWF to minimize the impact of budget reductions on the delivery of quality programs and instruction. To that end, many new visiting full-time faculty have been hired using stimulus funding. To the extent that faculty positions currently funded on federal stimulus cannot be funded with differential tuition, UWF is holding open existing vacant faculty lines to fund these positions beginning with AY starting Fall 2011. The impact of having to hold/use recently vacated faculty lines to fund these positions limits the institution's ability to recruit and hire additional faculty. This will create challenges for UWF in maintaining small class sizes and achieving faculty to student ratios that are comparable to our peer institutions.

A significant portion of the federal stimulus was used to minimize the negative impact of consecutive years of budget reductions on mission critical operations and personnel. We plan to use present and future base tuition increases to replace stimulus funding for these operations beginning in FY 2011/2012. The impact of having to use these funds to support existing efforts limits the institution's ability to invest increased base tuition dollars to enhance the education experience for UWF students.

Another portion of the expenses currently funded with stimulus dollars are not on-going costs to the institution and therefore will not require recurring funding after June 30, 2011.