

From: Rosenberg, Mark [mailto:Mark.Rosenberg@flbog.org]
Sent: Tuesday, April 29, 2008 5:08 PM
Subject: 2008-09 Budget Update: Final Conference Report

Dear Board of Governors, Boards of Trustees Chairs and SUS Presidents:

The Legislative Conference Budget Committee has concluded its work. Decisions have been reached on all issues, including outstanding university issues. The following is a synopsis of the final decisions:

Fixed Capital Outlay:

Highlights are as follows:

- **PECO Projects:** \$425 million – matching BOG January Legislative Budget Request (LBR) amount. No BOG recommended projects are eliminated – some have been reduced.
- **Capital Improvement Trust Fund (CITF) Projects:** \$122 million – The BOG requested \$160 million in January; however, the latest credit market information provided by the Division of Bond Finance to the Legislature indicated that a smaller level of bond debt was advisable. At the request of the Legislature, BOG staff worked with each university to revise its CITF request to align with the reduced total funding of \$122 million.
- **Courtelis Facility Challenge Grants:** \$4.8 million (compares to BOG \$68 million request)

Details of the FCO budget are provided in the attached document - “SUS 2008 FCO Budget Comparison”

The budget transfers funds from both the Concurrency Trust Fund (\$30 million) and the Courtelis Facilities Matching Trust Fund (\$8.8 million) to General Revenue.

(1) What does this mean for the Courtelis Facilities Matching Trust Fund? The Board of Governors included in its LBR \$68 million in Courtelis projects for 2008-09. For those projects that were not funded by the Legislature, each university will need to follow donor terms. If donations were made subject to appropriation this Session, then funds must be returned as required.

(2) What does this mean for the Concurrency Trust Fund? The Board of Governors included in its Legislative Budget Request \$13 million in Concurrency for 2008-09. Instead, \$43 million was swept from the fund to General Revenue. While the requested amount was not provided, previous appropriations appear adequate to meet anticipated needs through 2008-09. We will work closely with each university to determine the amount required for the 2009-10 LBR. House Bill 5067, currently in conference, redirects the Concurrency revenue source, so it is likely that the 2009-10 budget request will be made from General Revenue, barring a Governor’s veto of this legislation.

Operating Budget:

The conference committee reduced the university recurring general revenue base by \$127.7 M (5.4%). Approximately \$68 M in additional lottery funds has been allocated to the university system. This results in a net reduction in state funds of \$59.7 M (2.5%).

The following resolution was reached on medical education budget issues:

1. Medical School Support - \$4.5 M to UF and \$1.7 M to USF
2. Year 2 Medical School Planning - \$4.6 UCF and \$6.2 FIU (this basically funds the original budget plan)
3. Replace 100% of the non-recurring funds for the FSU-MS - \$4.3 M (BOG had requested \$3.2 M)

Two new issues were added to the budget:

1. \$200,000 for the ROTC Joint Military Leadership Center at USF
2. \$300,000 for the St. Augustine Properties Master Plan Development by UF

The following proviso regarding the development of the master plan states:

Funds are provided for the purpose of developing a long-range master plan to ensure long-term preservation and interpretation of state-owned historic properties in St. Augustine while facilitating an educational program at the University of Florida as specified in section 267.1735, Florida Statutes. This plan shall be submitted to the Governor, the Speaker of the House Representatives, the President of the Senate, and the Board of Governors prior to February 1, 2009.

The following proviso regarding university implementation of budget reductions has been included in the university section of the budget:

Each university board of trustees is given flexibility to make necessary adjustments to its operating budget. If any board reduces individual programs or projects within the university by more than 10 percent during the 2008-2009 fiscal year, written notification shall be made to the Executive Office of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Board of Governors.

The following proviso regarding IFAS reductions was provided:

Funds in Specific Appropriations 12 and 152 are provided for the research and extension services of the Institute of Food and Agricultural Sciences (IFAS) and shall not be transferred or used for any other purpose. The university board of trustees is given flexibility to make necessary adjustments to the budget for IFAS; however, the reductions to appropriations for IFAS made by this act shall be applied toward any other reductions made by the university board of trustees.

Board General Office:

There were no additional changes to the Board General Office. Overall, the Board loses 2 positions (\$185,321), plus \$118,587 (a 10% reduction) in non-salary categories.

Other Notable Budget Information:

Included in the Department of Community Affairs Budget are the following funds and proviso regarding campus security:

From the funds in Specific Appropriation 1529A, \$250,000 in non-recurring funds from the Federal Emergency Management Programs Support Trust Fund is provided for the Center for Disaster Risk Policy at the Florida State University to establish a pilot program to coordinate and conduct emergency exercises on university campuses. The exercise objectives shall be designed to evaluate campus security and campus emergency coordination with local emergency managers and responders.

- c: SUS CAVP
- SUS CAFA
- SUS Governmental Relations
- BOG Senior Staff

Mark B. Rosenberg
Chancellor
Board of Governors
State University System of Florida
325 W. Gaines Street, Suite 1614
Tallahassee, FL 32399-0400
Phone: 850-245-0466
Fax: 850-245-9685
Mark.Rosenberg@flbog.org
Visit us online at www.flbog.org