



UWF Budget Town Hall Meeting

April 27, 2010

**Dr. Judy Bense
President**

Topics

- Overview of National Financial Situation
- Overview of State Financial Situation
- Overview of Legislative Budget
- The New Normal
- Multi-year Strategic Budgeting
- Q&A

April 2010: Economic Drivers in the National Picture

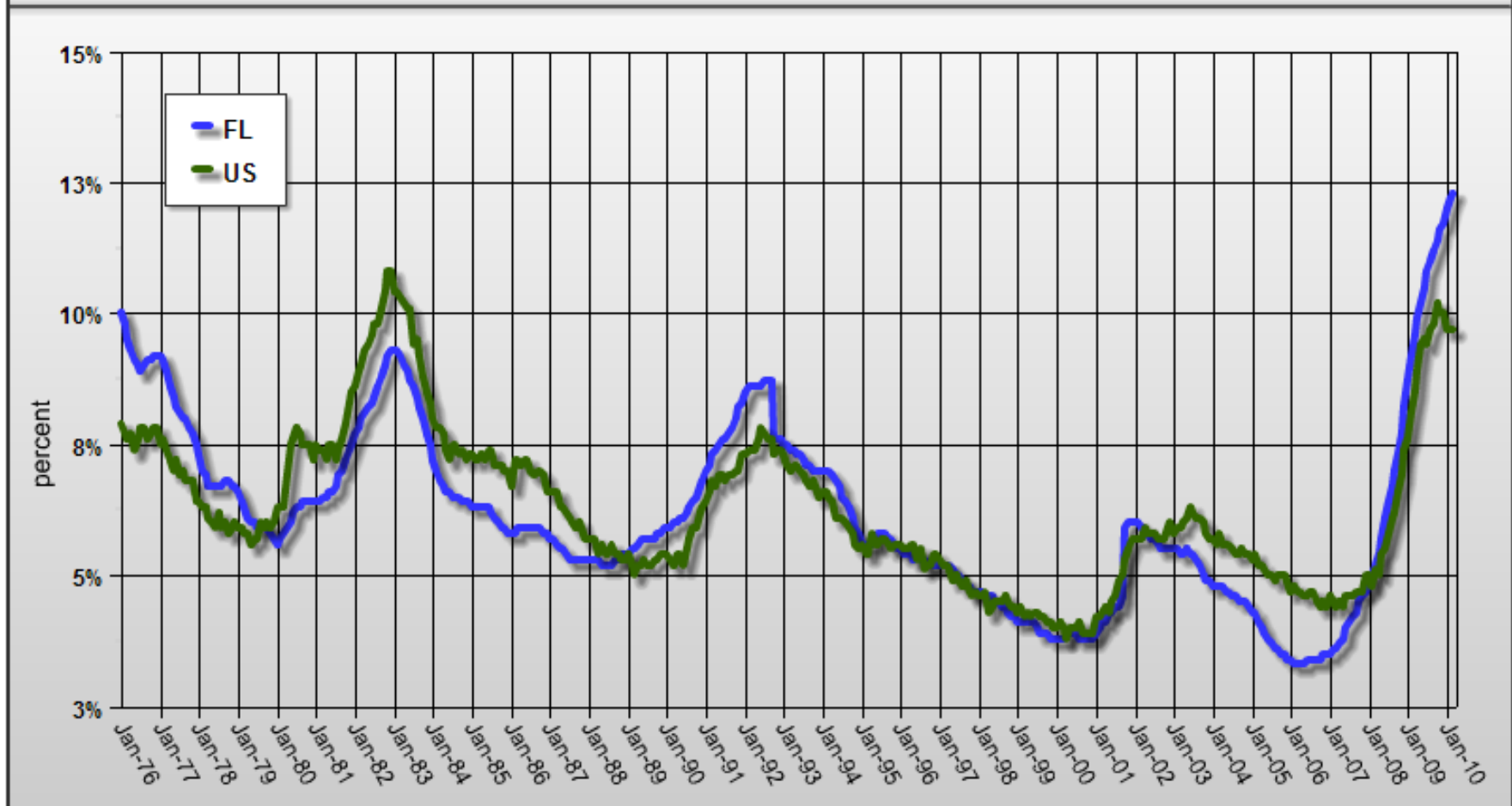
- **Positive signs in the national economy**
 - **Financial freeze eases**
 - **Economic crisis easing**
 - **Job losses end**
 - **Negative GDP growth has ended**
 - **Housing market bottom reached**

Florida's Economic Picture

- Housing starts: recover to 2001 level in 2013
- Foreclosures: leading the nation
- Pre-recession payrolls: won't recover till 2014
- Population Growth: begin in 2013 (1.5%)
- Recovery: **LAGS** behind nation by 9 months

Unemployment Rate

Unemployment Rate
Seasonally Adjusted
January 1976 - March 2010



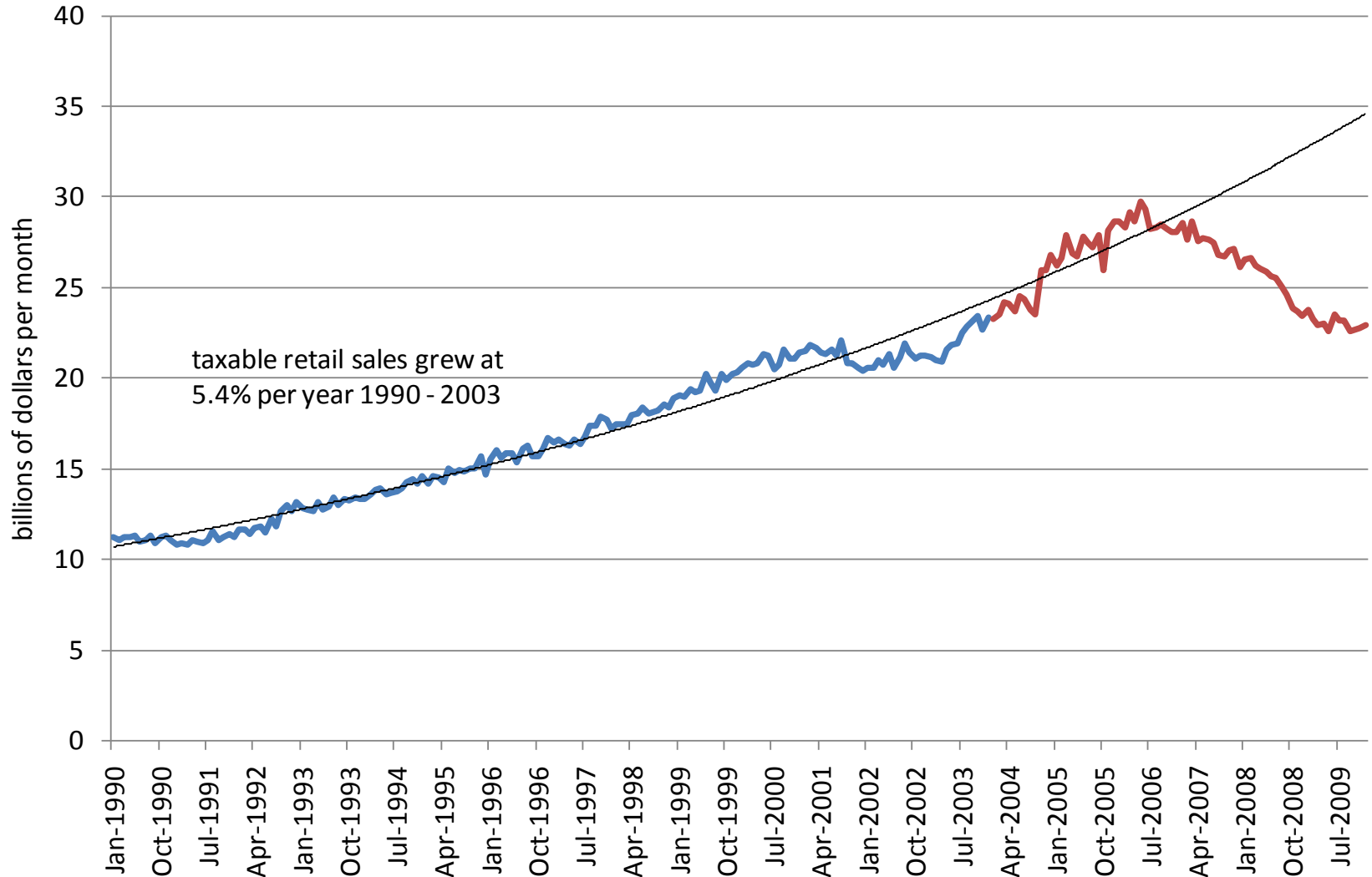
Source: Florida Agency for Workforce Innovation

FLORIDA'S FINANCIAL BASE

- Directly tied to **GROWTH** and **SPENDING**
- **PROBLEM: NO GROWTH NOW**
 - Population Decrease
 - Decrease In State Revenue
 - Sales Tax, Real Estate Transactions, Fees
 - High Unemployment

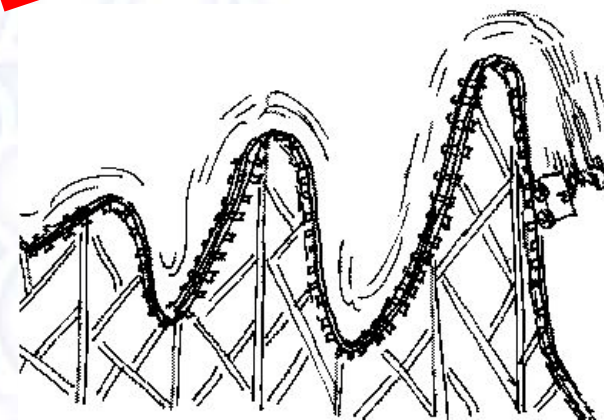
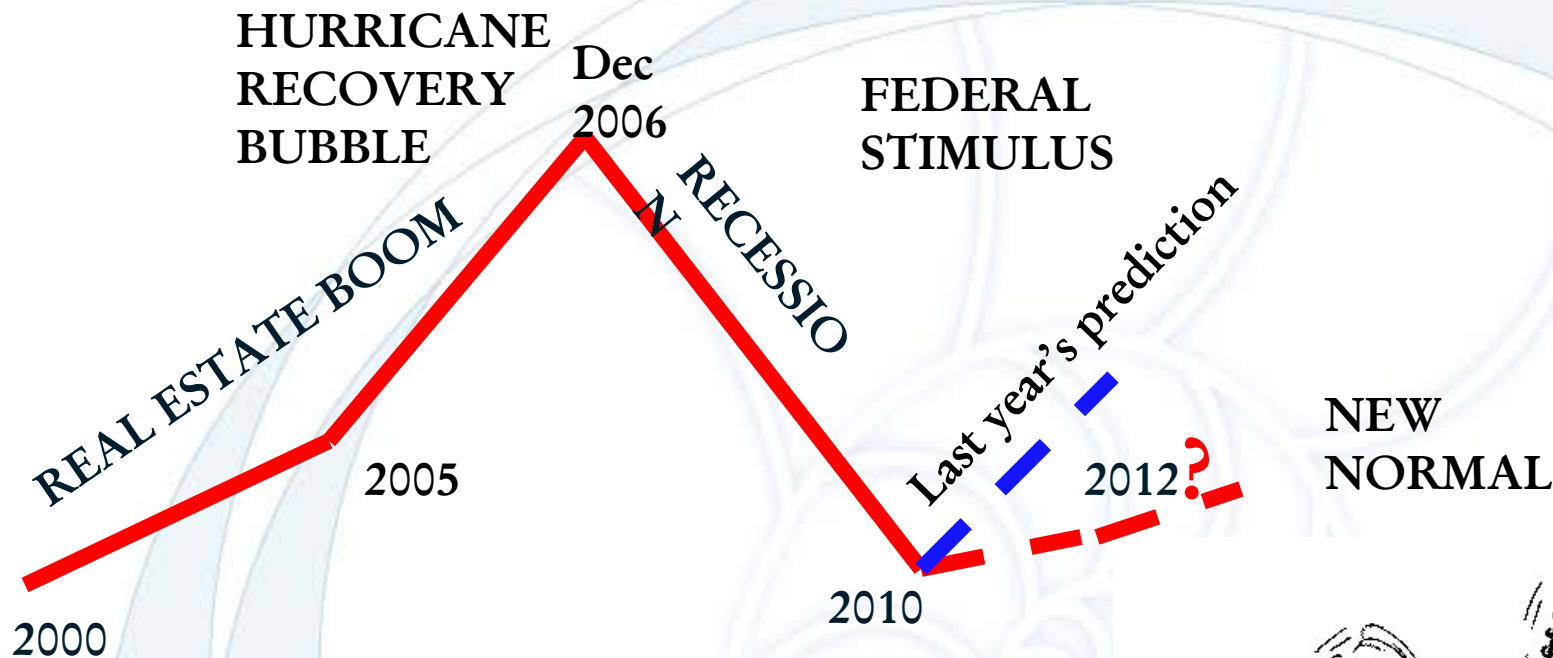
Florida taxable retail sales, January 1990 - December 2009

billions per month, s.a.



Source: Rick Harper: Director UWF HAAS

STATE BUDGET ROLLER COASTER



LEGISLATIVE BUDGET PROCESS

- Annual Budget is Based on a **Projection** of next year's income
- Revenue **Estimating** Committee Meets Quarterly
- **March Estimate** is Used to Build the Next Year's Budget

LEGISLATIVE BUDGET PROCESS AND TIMELINE

1. **JANUARY:** Governor Proposes a Budget
2. **MARCH-APRIL:** Legislature passes a budget bill
 - *April* : House and Senate pass budget bills
 - *Late April*: Joint Conference Committee Settles Differences
3. **April 30:** Legislature passes final budget bill
4. **May:** Governor's staff reviews Legislative Budget
 - Line item veto authority
5. **June:** Governor "calls" for the Legislative Budget Bill, modifies, and signs within 2 weeks
6. **July 1:** Budget is implemented

Getting Through the Fiscal Year

- New Budget July 1
- If a Shortfall is Suspected Funds are Held Back from the beginning (occurred FY07/08 & FY08/09)
- If Revenue Collection is too **Low**, a Special Session is called to formally reduce budget
- 4TH Quarter (April-June): possible **hold-back** of funds to agencies

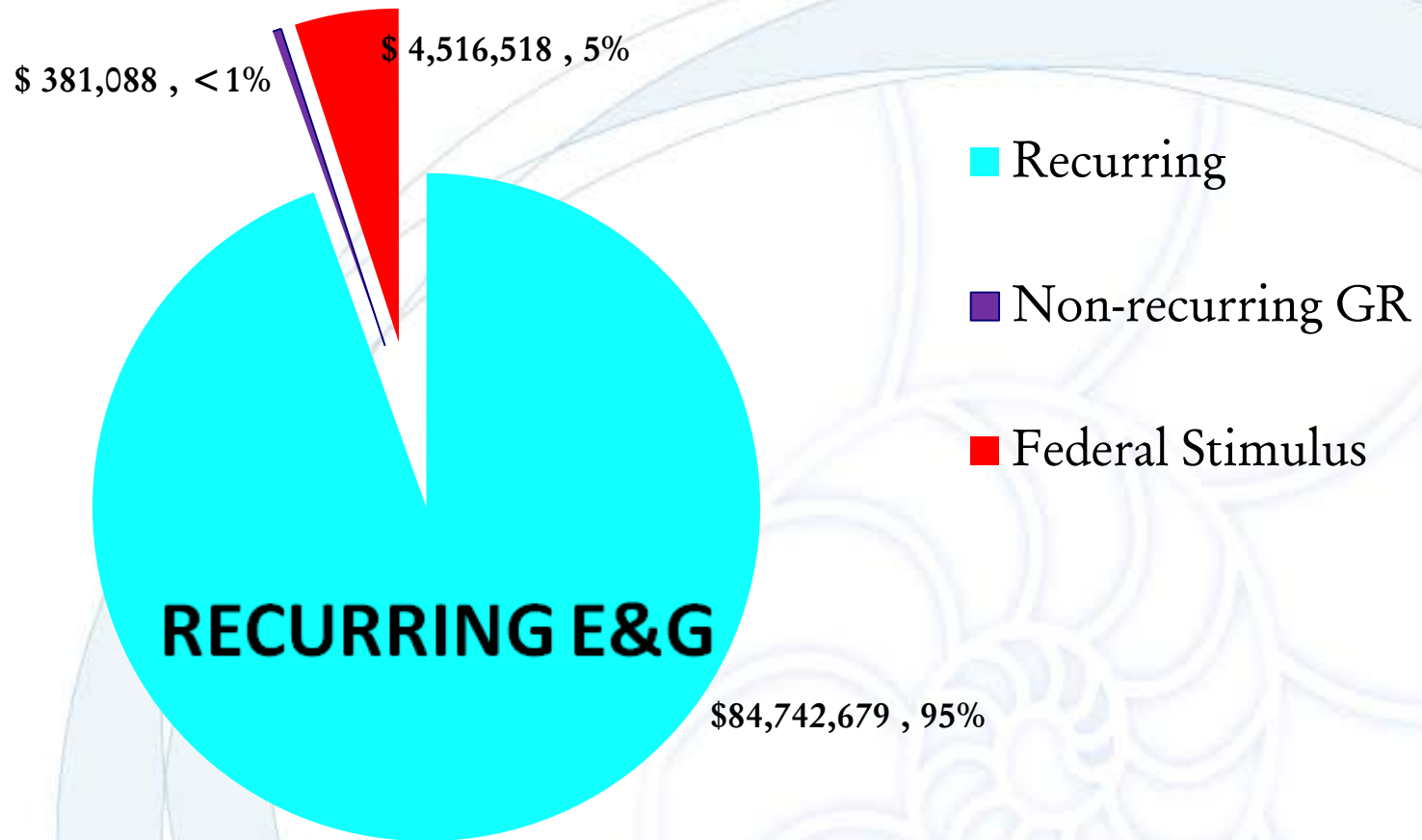
UWF State Support Trend

Fiscal Year	Reduction in Recurring State Support
FY2007/08	(3,285,810)
FY2008/09	(5,044,082)
FY2009/10	(9,408,579)
FY2010/11 Conference Estimate	(1,941,885)
Four Year Total (27% from FY2007/08)	(19,680,356)

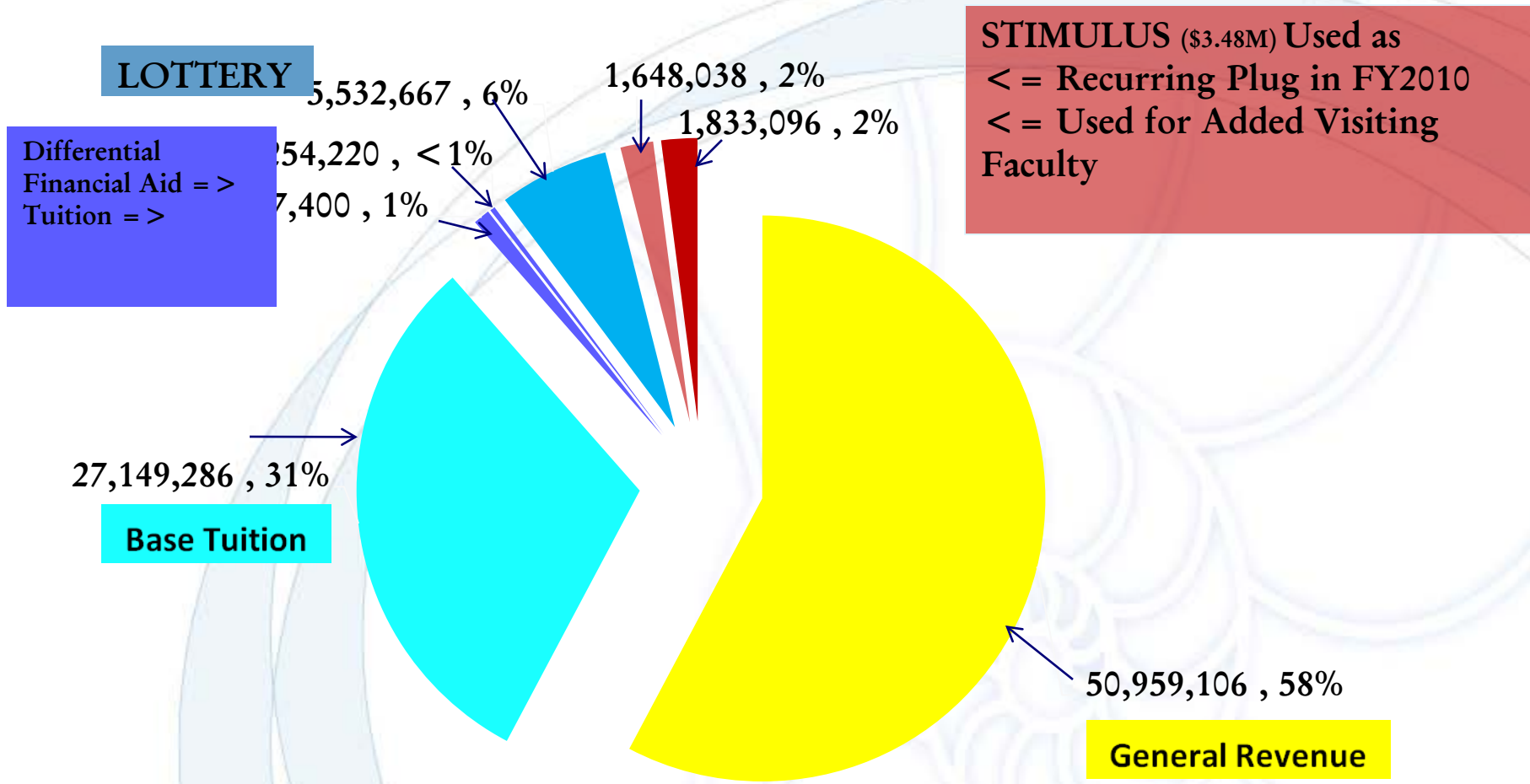
UWF 2009/10 Budget

	FY2009/10
General Revenue Recurring	50,959,106
Tuition	27,149,286
Differential Tuition	847,400
Differential Tuition- Financial Aid (Mandatory 30%)	254,220
Lottery	5,532,667
Non-recurring	381,088
Federal Stimulus (Ends FY2010/11)	4,516,518
Total	89,640,285

FY2009/10 E&G Budget



FY2009/10 Recurring Budget



Federal Stimulus Impact

Semester	Courses	Courses taught by Faculty on stimulus	Student credit hours from courses taught on stimulus	Head count of students in courses taught on stimulus
Fall 2009	Undergraduate	405, 24.87%	26,691, 25.94%	10,140
Fall 2009	Graduate	52, 10.58%	1,503, 13.88%	649
Spring 2010	Undergraduate	359, 22.18%	23,737, 24.13%	8,732
Spring 2010	Graduate	45, 9.50%	1,326, 13.72%	489

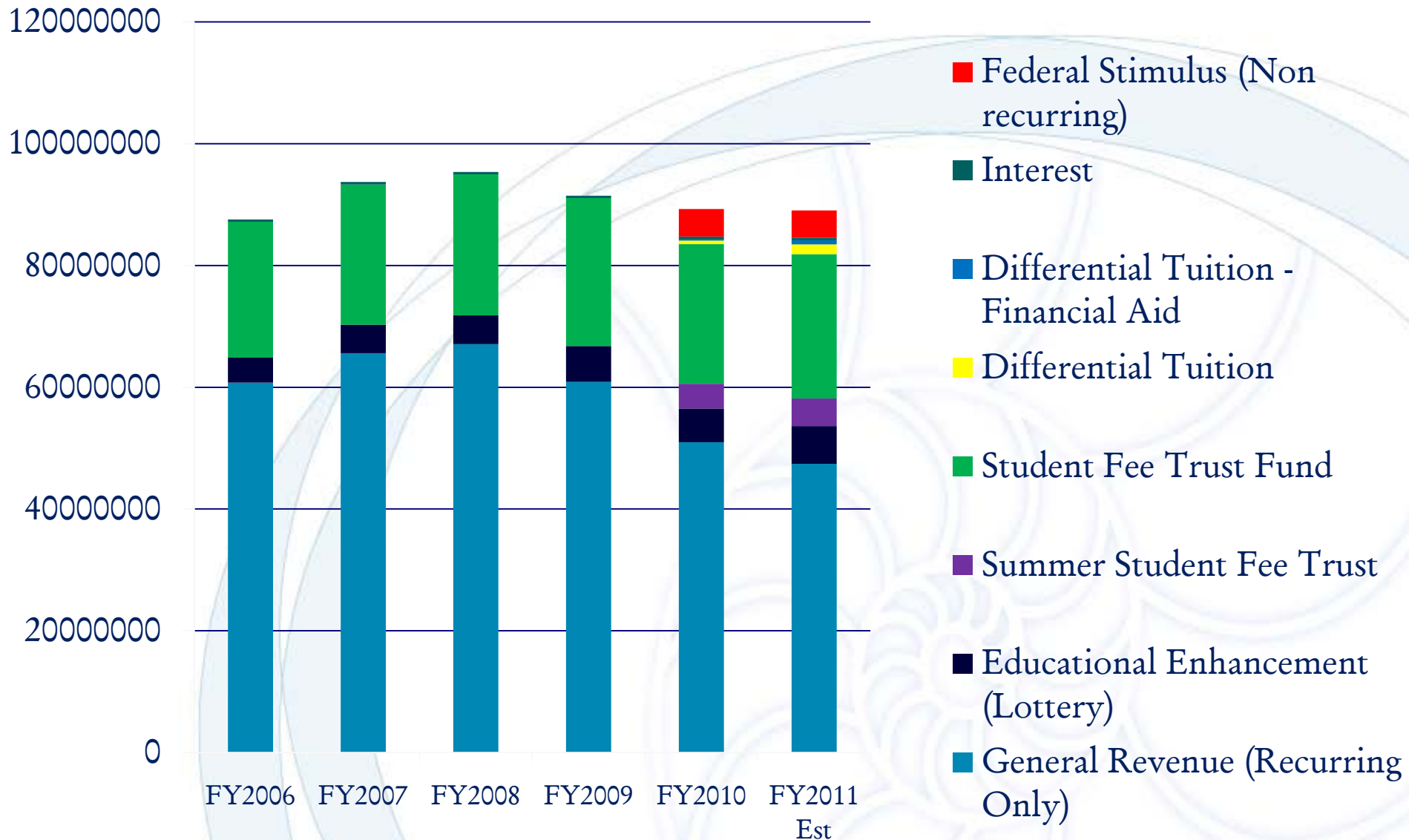
FY2010/11 Proposed Legislative Budget

UWF Budget Issue	Conference (Estimated)
Base GR, Lottery, and Student Fees	\$ 85-87 Million
New Florida Funds	\$250K
Stimulus Funds	\$4.5 Million
Tuition Increase	8% (all students)
Tuition Differential	7% authority
Employee Benefits	No Salary Cuts Possible .25% Retirement Contribution
PECO - Infrastructure	\$4 M
College of Business	\$11.8 M

UWF's New College of Business Building



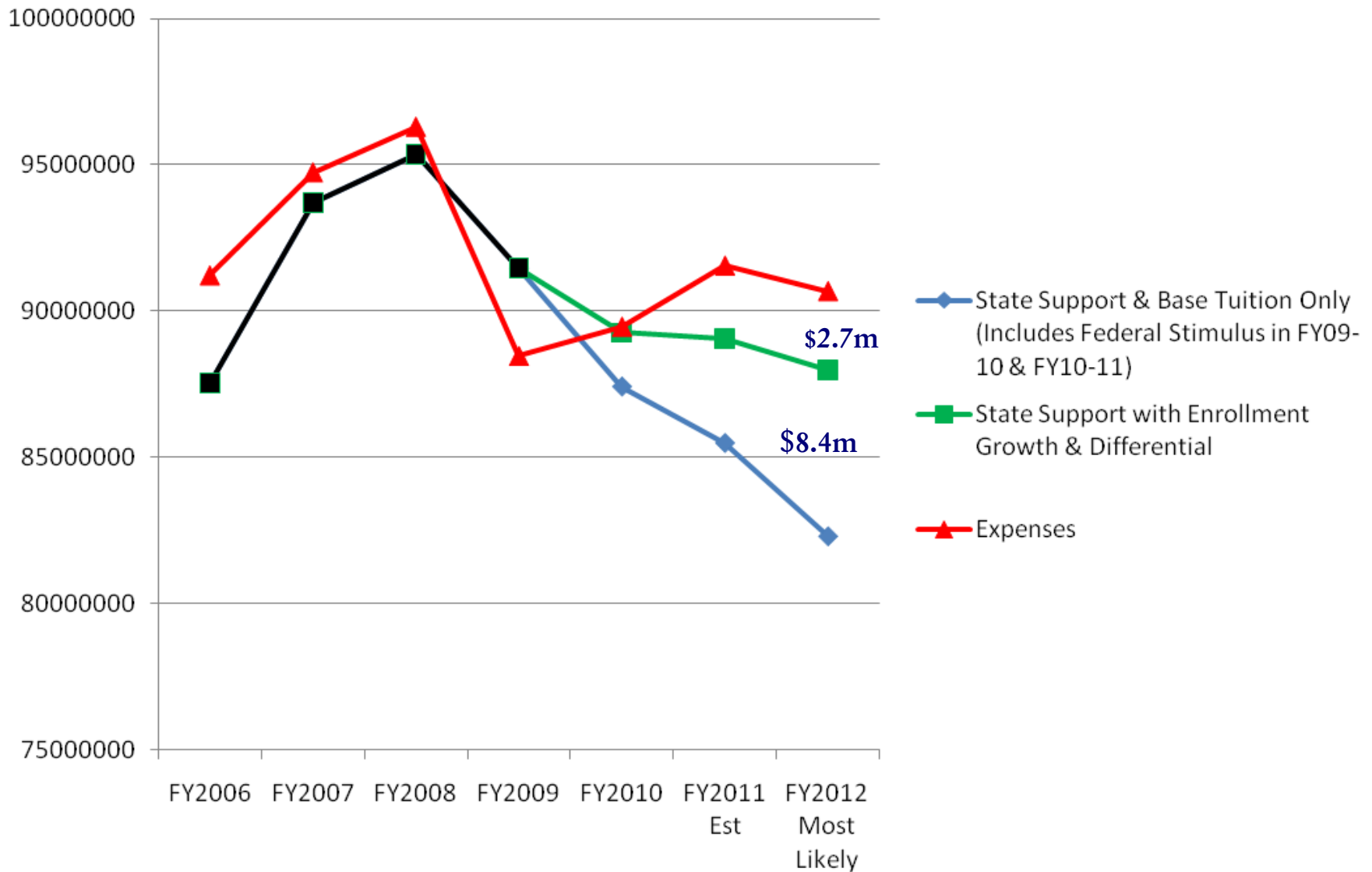
UWF Budget Mix Trends



FL's Possible Budget Cliff

- **End of Federal Stimulus Funds**
 - \$4.5m for UWF (5% of our budget)
- **Maintenance of Effort**
- **Increasing cost to state (Medicaid, etc.)**
- **Borrowing from trust funds & non-recurring sources**

UWF's Possible Budget Cliff



The Dilemma

- Possible budget cliff FY2011/12?
- The gap between funding and expenses
- Structural deficit in budget
- Keeping visiting faculty
- Investing in our priorities
- Staying true to our mission

The New Normal

- Different **budget mix**
- New **baseline** of funding
- Less** state dollars
- More **tuition** and **fees**
- Increased **competition**
- Different sources of **revenue** (cohorts, differential pricing, online, etc)
- Different **distribution of funds**

Strategic Budgeting

- Accountability
- Work Plan stemming from Strategic Plan
- Funding Priorities
- Punitive if no progress
- Multi-year models (best, worst, likely)

Why Do Multi year Budget Planning?

- Focus on priorities
- Make investments
- Possible funding cliff in FY12
- The New Normal. Reductions to General Revenue (already 27%) will NOT be returned when the economy comes back
- Tuition increases have a limit (tipping point)
- State universities are going from **state supported** to **state assisted**--- we must have a different business plan

Budget Assessment Available

- Available on the Budget website

<http://www.uwf.edu/president/budgetinfo.com>

Questions

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FY2010 University Resources (non capitol)

