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

Source: UCF Institute for Economic Competitiveness (4/9/2010)
Unemployment Rate

Source: Florida Agency for Workforce Innovation
• 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.

taxable retail sales grew at 5.4% per year 1990 - 2003

Source: Rick Harper: Director UWF HAAS
STATE BUDGET ROLLER COASTER

- HURRICANE RECOVERY BUBBLE
- REAL ESTATE BOOM
- Dec 2006
- RECESSION
- FEDERAL STIMULUS
- Last year's prediction
- 2012?
- NEW NORMAL
• 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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Reduction in Recurring State Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2007/08</td>
<td>(3,285,810)</td>
</tr>
<tr>
<td>FY2008/09</td>
<td>(5,044,082)</td>
</tr>
<tr>
<td>FY2009/10</td>
<td>(9,408,579)</td>
</tr>
<tr>
<td>FY2010/11 Conference Estimate</td>
<td>(1,941,885)</td>
</tr>
<tr>
<td>Four Year Total (27% from FY2007/08)</td>
<td>(19,680,356)</td>
</tr>
</tbody>
</table>
### UWF 2009/10 Budget

<table>
<thead>
<tr>
<th>Source</th>
<th>FY2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue Recurring</td>
<td>50,959,106</td>
</tr>
<tr>
<td>Tuition</td>
<td>27,149,286</td>
</tr>
<tr>
<td>Differential Tuition</td>
<td>847,400</td>
</tr>
<tr>
<td>Differential Tuition- Financial Aid (Mandatory 30%)</td>
<td>254,220</td>
</tr>
<tr>
<td>Lottery</td>
<td>5,532,667</td>
</tr>
<tr>
<td>Non-recurring</td>
<td>381,088</td>
</tr>
<tr>
<td>Federal Stimulus (Ends FY2010/11)</td>
<td>4,516,518</td>
</tr>
<tr>
<td>Total</td>
<td>89,640,285</td>
</tr>
</tbody>
</table>
FY2009/10 E&G Budget

- Recurring: $84,742,679, 95%
- Non-recurring GR: $381,088, <1%
- Federal Stimulus: $4,516,518, 5%

RECURRING E&G
FY2009/10 Recurring Budget

LOTTERY
5,532,667, 6%

Differential Financial Aid =>

254,220, < 1%

Tuition =>

27,149,286, 31%

Base Tuition

1,648,038, 2%

STIMULUS ($3.48M) Used as
<= Recurring Plug in FY2010
<= Used for Added Visiting Faculty

1,833,096, 2%

847,400, 1%

5,532,667, 6%

50,959,106, 58%

General Revenue
### Federal Stimulus Impact

<table>
<thead>
<tr>
<th>Semester</th>
<th>Courses</th>
<th>Courses taught by Faculty on stimulus</th>
<th>Student credit hours from courses taught on stimulus</th>
<th>Head count of students in courses taught on stimulus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2009</td>
<td>Undergrad</td>
<td>405, 24.87%</td>
<td>26,691, 25.94%</td>
<td>10,140</td>
</tr>
<tr>
<td>Fall 2009</td>
<td>Graduate</td>
<td>52, 10.58%</td>
<td>1,503, 13.88%</td>
<td>649</td>
</tr>
<tr>
<td>Spring 2010</td>
<td>Undergrad</td>
<td>359, 22.18%</td>
<td>23,737, 24.13%</td>
<td>8,732</td>
</tr>
<tr>
<td>Spring 2010</td>
<td>Graduate</td>
<td>45, 9.50%</td>
<td>1,326, 13.72%</td>
<td>489</td>
</tr>
</tbody>
</table>
## FY2010/11 Proposed Legislative Budget

<table>
<thead>
<tr>
<th>UWF Budget Issue</th>
<th>Conference (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base</strong> GR, Lottery, and Student Fees</td>
<td>$ 85-87 Million</td>
</tr>
<tr>
<td>New Florida Funds</td>
<td>$250K</td>
</tr>
<tr>
<td>Stimulus Funds</td>
<td>$4.5 Million</td>
</tr>
<tr>
<td>Tuition Increase</td>
<td>8% (all students)</td>
</tr>
<tr>
<td>Tuition Differential</td>
<td>7% authority</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>No Salary Cuts Possible .25% Retirement Contribution</td>
</tr>
<tr>
<td>PECO – Infrastructure College of Business</td>
<td>$4 M $11.8 M</td>
</tr>
</tbody>
</table>
UWF’s New College of Business Building
UWF Budget Mix Trends

- Federal Stimulus (Non recurring)
- Interest
- Differential Tuition - Financial Aid
- Differential Tuition
- Student Fee Trust Fund
- Summer Student Fee Trust
- Educational Enhancement (Lottery)
- General Revenue (Recurring Only)
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

- State Support & Base Tuition Only (Includes Federal Stimulus in FY09-10 & FY10-11)
- State Support with Enrollment Growth & Differential
- Expenses


$2.7m

$8.4m
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
FY2010 University Resources (non capitol)

- Educational & General: $915,360, 1%
- Contracts & Grants: $129,187, <1%
- Auxiliaries: $16,292,626, 13%
- Athletics: $12,380,000, 10%
- Student Activity: $2,691,302, 2%
- Technology: $3,919,463, 3%
- Concessions: $129,187, <1%

Total: $89,617,841, 71%