



LegisLetter

FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

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Florida State University Budget Cuts 2009A

After ten days of deliberations and negotiations, legislators passed a \$2.7 billion budget cut to the state's current year spending plan. The cut closes the estimated \$2.3 billion deficit to the 2008 budget and leaves about \$400 million in reserve should revenue collections dip prior to the close of this fiscal year on June 30. (Unlike the feds, Florida's constitution requires the state budget to be balanced at all times.)

Most state agencies received a 6 percent cut, but the state university system, including Florida State University, took a 4 percent reduction (see reduction breakdowns).

The \$2.7 billion reduction package does not increase taxes, but does sweep \$1.4 billion from state trust funds and savings accounts, raise traffic fines, and transfer \$700 million from the Lawton Chiles Endowment Fund to the General Revenue Fund. The legislation also counts on federal stimulus funds that may be forthcoming from Congress in a few months.

This "quick fix" will likely not be enough to cover the anticipated shortfalls to the 2009/2010 budget, which is already estimated to be about \$3.3 billion in the red. Legislators will begin crafting that budget during the upcoming regular session, which is scheduled to begin on March 3. Already, lawmakers are talking about examining a mixture of revenue enhancements, such as an increased cigarette tax and the closing of some tax exemptions, as an alternative to deeper cuts.

The regular weekly Legisletter will begin on the Monday prior to the 2009 session in March. Please feel free, however, to contact me anytime before then at kdaly@fsu.edu or (850) 644-4453 with any questions or concerns you may have.

Kathleen

| Program | 2008-09 Total Appropriation | Recurring Reductions (GR + Lottery) | Non-Recurring Reductions (GR + Lottery) | Total January 2009 Reductions | Reductions to State Funds |
|---|-----------------------------|-------------------------------------|---|-------------------------------|---------------------------|
| FSU* | \$353,409,318 | (\$13,998,873) | (\$137,500) | (\$14,136,373) | -4.00% |
| *Lottery | | | | (\$ 1,292,866) | |
| *General Revenue | | | | (\$12,843,507) | |
| Additional cuts effecting FSU | | | | | |
| Centers of Excellence FSU Center of Excellence For Advanced Aero-Propulsion | | | | (\$ 3,642,556) | -25.00% |
| STEM | | | | (\$ 360,000) | -6.00% |
| FDLRC | | | | (\$ 32,500) | -6.00% |
| Autism Program | | | | (\$ 57,875) | |
| Public Broadcasting | | | | | |
| Florida Channel Closed Captioning | | | | (\$ 25,154) | -6.00% |
| Florida Channel Year Round Coverage | | | | (\$ 96,424) | -6.00% |
| Public Television | | | | (\$ 30,484) | -6.00% |
| Public Radio | | | | (\$ 6,119) | -6.00% |
| Radio Reading Services for the Blind | | | | (\$ 22,298) | -6.00% |
| Energy | | | | (\$ 2,187,500) | -25.00% |
| James and Esther Biomedical Research Program | | | | (\$ 1,500,000) | -15.00% |
| William G. "Bill" Bankhead, Jr., and David Coley Cancer Research Program | | | | (\$ 2,250,000) | -25.00% |
| Debt Service for Civic Center | | | | (\$ 1,500,000) | -50.00% |
| Bright Futures | | | | (\$ 900,000) | |

* Appropriation includes health science centers and/or medical school

Proviso language from SPB 8002A states in part:

"Each university board of trustees may allocate their institution's reductions across their institution's Educational and General Activities category and their medical program category. Each board of trustees shall provide to the Board of Governors the allocation of reductions by category prior to March 1, 2009."

"Each university board of trustees is given flexibility to make necessary reductions to its operating budget. Each board shall develop and implement a reduction plan that minimizes reductions to classroom instruction. If any board plan reduces individual programs or projects with the university by more than 10 percent, written notification shall be provided to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives. "