



LegisLetter

FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

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Faced with a \$1.1 billion shortfall in this fiscal budget year due to a slump in the real estate market, lawmakers convened last week in a special session to reduce the budget.

While they cut 3.6 percent of universities' recurring funds, they restored some of that cut with non-recurring dollars. Florida State University, after the non-recurring add-backs, sustained a **2.51 percent (\$7.689 million)** net general revenue reduction. (See related story for further details.)

Legislators also approved a mandatory 5 percent tuition increase, effective in January, 2008, and a technology fee that each university's Board of Trustees may raise, up to 5 percent of tuition, effective in 2009-10. Additional proviso allows the Board of Governors to automatically raise tuition annually, tied to the rate of inflation.

As this budget-cutting Special Session C gaveled to a close last Friday afternoon, legislators immediately convened Special Session D, which pertains to property tax reform and will run until next week.

If there is more to report, I will send a second Special Session edition of the *Legisletter* next week. Please feel free to contact me if you would like more detailed information on either of these sessions. I can be reached at **(850) 644-4453**, or via e-mail at **kdaly@fsu.edu**.



BUDGET REDUCTIONS

The Legislature wrapped up their work on budget cuts on Friday. The following is a quick summary of the agreement between the Senate and House.

- 3.6% recurring reduction for the State University System resulting in a 2.51% reduction for FSU
- 2.66% recurring reduction for the FSU College of Medicine
- Non-recurring funds of \$15.5 M added back to soften the cuts for this fiscal year
- Non-recurring funds of \$9.5 M added back to offset the loss of fall tuition
- Reduction of \$8.5 M for Centers of Excellence
- Reduction of \$2 M for Research Commercialization Grants (the original appropriation was \$4 M)
- Restoration of \$4 M for performance funding
- Reduction of \$730,000 in student financial assistance. The SUS annually receives \$20 M in direct student financial assistance, of which 71% must go to need-based aid. \$130,000 in non-recurring funds were added back, making the net reduction for this year \$600,000.
- \$300,000 of the Centers of Excellence funding can be used for expert external reviews of the applications
- \$100,000 of the Research Commercialization Assistance Grants funding can be used for expert external reviews of the applications
- Recommend 5% tuition increase effective spring 2008
- Recommend a resident undergraduate tuition increase beginning fall 2008, and at the beginning of each Fall semester, equal to the rate of inflation
- Recommend a technology fee up to 5% of the tuition per credit hour beginning fall semester 2009.

Reductions and non-recurring funds added back will be prorated based on each university's recurring general revenue base budget for 2007-08.