

**From:** Rosenberg, Mark [mailto:Mark.Rosenberg@flbog.org]  
**Sent:** Friday, June 29, 2007 10:56 AM  
**To:** Rosenberg, Mark  
**Subject:** Another Day & a New Budget Reality

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

During the 2007 legislative session, the general revenue estimating conference reduced the 2007-08 revenue estimates by approximately \$1 billion. This was a result of slower-than-expected general sales tax collections and corporate income tax. Thus, there were fewer funds available as the Legislature began working on the 2007-08 budget.

Since the general revenue conference in March, general revenue has not lived up to expectations. Revenue through May 31 is down \$318.4 million. With one month left in this fiscal year, there could be a 2006-07 deficit of \$400 million. Collections for 2007-08 could be \$800 million less than anticipated, for a total shortfall of \$1.2 billion.

Although the 2007 budget passed by the Legislature and signed by the Governor left approximately \$1.7 billion in non-recurring funds on the table, the state will be reluctant to use all of this to cover the deficit. Funds probably will continue to be held in reserve to cover unexpected emergencies, such as hurricanes. The recent property tax legislation adds to the very difficult revenue situation that may unfold in upcoming years.

There will be a general revenue estimating conference on August 1. There is a possibility of a special session to address any revenue shortfalls in the fall, however, this likely will be contingent upon the estimates calculated by the revenue estimating conference.

**We have been informed that the Governor and the Legislature will instruct all agencies and entities to identify 10% of their budgets that could be eliminated for the 2007-08 and 2008-09 fiscal years.** Once that official transmission is received, I will schedule a conference call to discuss their request.

Sincerely yours,  
Mark B. Rosenberg  
Chancellor

cc: SUS Provosts  
SUS Governmental Relations Representatives  
BOG Senior Staff

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