

# Florida International University Budget Forum



May 19, 2011

# FLORIDA INTERNATIONAL UNIVERSITY

## Budget Forum

### AGENDA



- **Education & General Appropriations**
  - **State Appropriation Reductions**
  - **FY 2011-12 Budget**
  - **State Appropriations vs. Tuition**
  - **Incremental Tuition Revenue**
- **Retirement Changes**
- **Critical Investments**
- **Public Education Capital Outlay (PECO)**

# EDUCATION AND GENERAL APPROPRIATIONS

## FY 2011-12

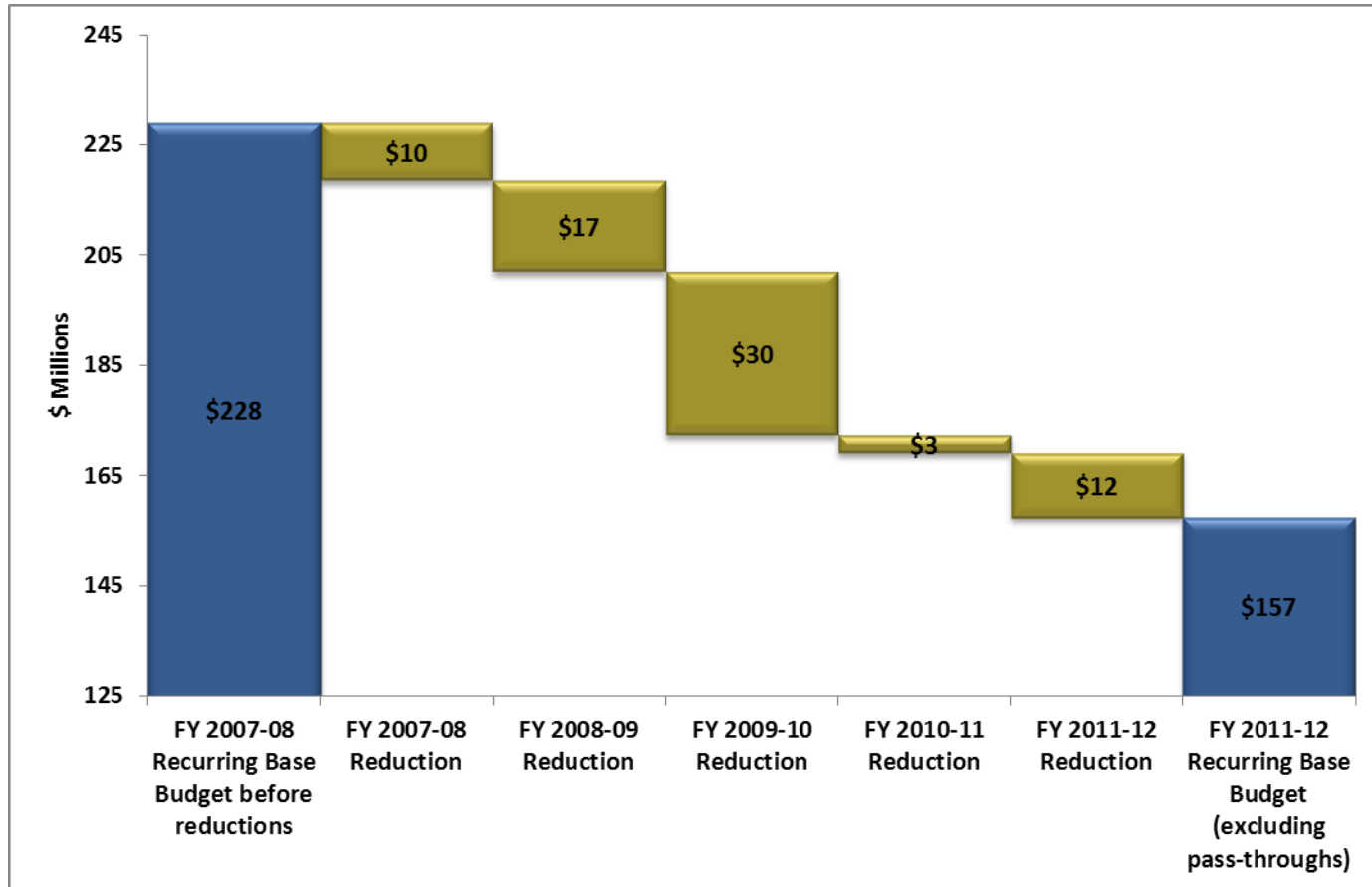
### HIGHLIGHTS

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- **\$11.7 million in general revenue reductions**
- **Elimination of FY 2010-11 stimulus funding of \$14 million**
  
- **\$1.4 million to fund health insurance increases and PO&M for new space**
- **8 percent increase in base undergraduate in-state tuition with authority for additional 7 percent discretionary increase subject to BOG approval**
- **\$2.1 million funding for the continued phase-in of the FIU College of Medicine**

# STATE APPROPRIATIONS REDUCTIONS FY 2007-08 - FY 2011-12

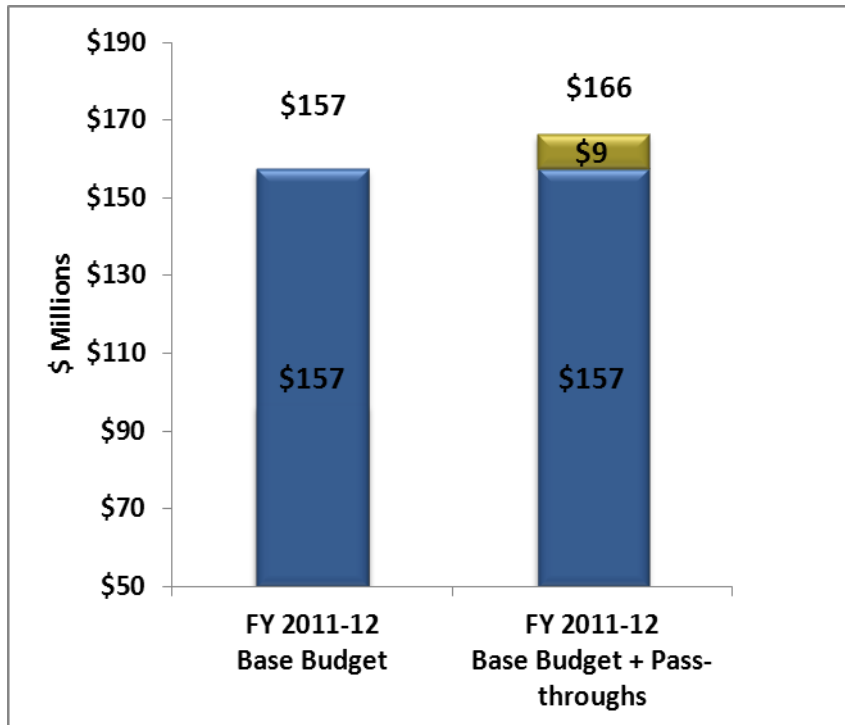
## State Appropriations to FIU shrink by \$71 million over 5 years



- State Appropriations include recurring General Revenue and Lottery, but exclude College of Medicine, Financial Aid, Risk Management and other pass-throughs such as health insurance increases and plant operations and maintenance for new buildings

# E&G STATE APPROPRIATIONS FY 2011-12 Budget

## Impact of legislative line items and pass-throughs



### Pass-throughs:

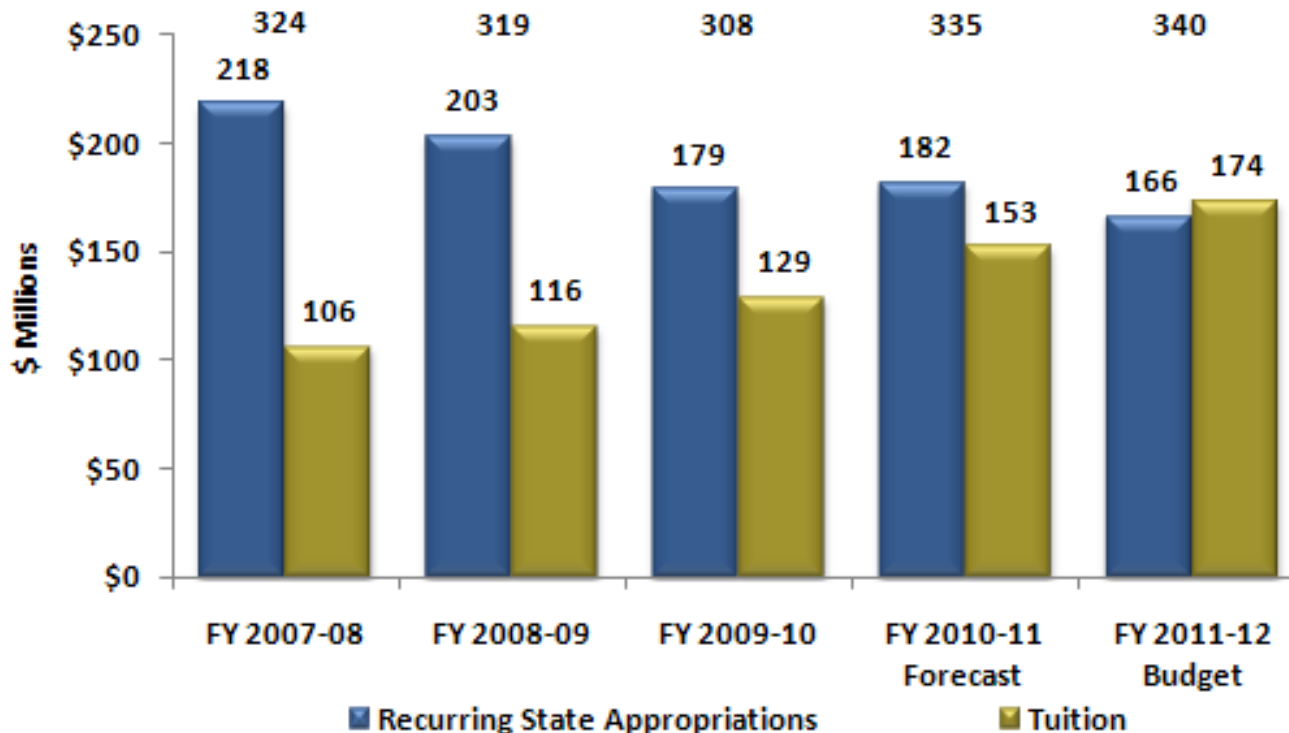
- ✓ Health insurance
- ✓ Plant Operations and Maintenance for new facilities
- ✓ Retirement costs
- ✓ Legislative initiatives

Pass-through appropriations cover new costs (no discretionary revenue)

- Base budget excludes College of Medicine \$26.2M, and Financial Aid and Risk Management \$2.5M
- Pass-throughs of \$9M in FY 2011-12 represent cumulative appropriations since FY 2007-08 and includes FY 2011-12 reduction in state funding to employees' retirement plan

# STATE APPROPRIATIONS VS TUITION FY 2007-08 - FY 2011-12

Tuition exceeds State Appropriations for the first time in FY 2011-12

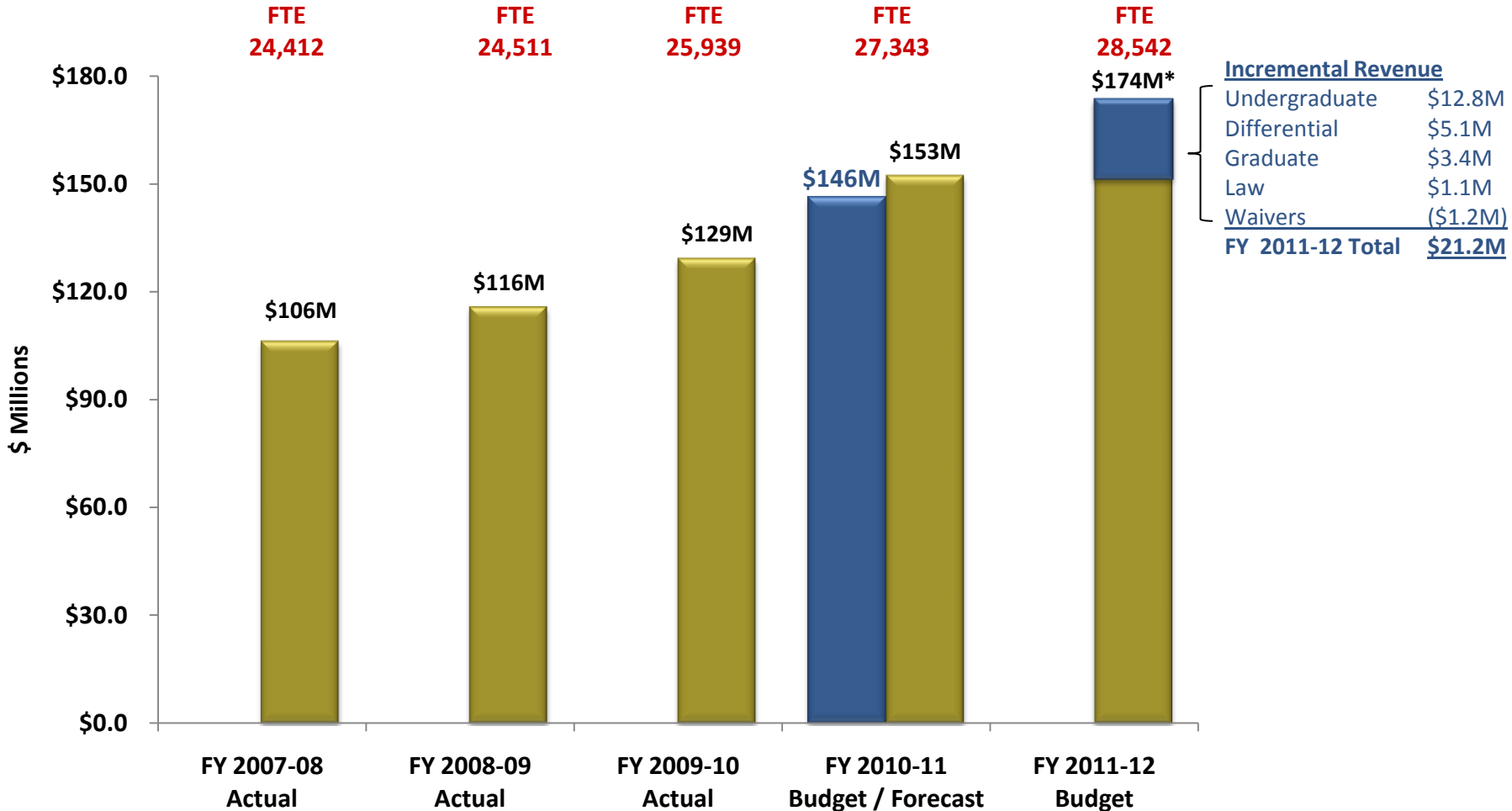


- State Appropriations include General Revenue and Lottery, but exclude College of Medicine, Financial Aid and Risk Management
- Tuition is net of Financial Aid \$9.0M and exemptions and waivers of \$21.5M.

# E&G INCREMENTAL TUITION REVENUE

## FY 2011-12 Budget

Higher Enrollment and Tuition rates result in revenue increase of \$21.2M, offsetting reductions in state appropriations, operating cost increases, and critical investments



\*Includes the effects of enrollment growth. Revenue amounts are net of Financial Aid \$9.0M and exemptions and waivers of \$21.5M. Data excludes College of Medicine

# RETIREMENT CHANGES

## FY 2011-12

### Retirement (SB 2100)

- **Requires all employees to contribute 3% to the retirement system they participate in beginning July 1, 2011**
  - Includes FRS Pension Plan, FRS Investment Plan and the Optional Retirement Program (ORP) participants
  - DROP participants are not required to contribute
- **Suspends the cost-of-living adjustment (COLA) for service earned on or after July 1, 2011 – June 30, 2016**



# RETIREMENT CHANGES

## FY 2011-12

### Changes to the FRS Pension plan:

FRS Pension Plan Attributes	Enrolled prior to July 1, 2011	Enrolled on or after July 1, 2011
<b>Average final compensation</b>	Average of the 5 highest fiscal years	Average of the 8 highest fiscal years
<b>Vesting</b> (100% of employer contributions)	6 years of creditable service	8 years of creditable service
<b>Retirement age and years of service requirements</b>		
Special Risk Class:	55 years of age 25 years of creditable service	60 years of age 30 years of creditable service
all other classes:	62 years of age 30 years of creditable service	65 years of age 33 years of creditable service
<b>Drop accrual rate</b>	6.50%	1.30%

*Vesting requirements remain unchanged for the  
FRS Investment Plan (1 year) and the ORP (immediate)*

# RETIREMENT CHANGES

## FY 2011-12

### Schedule of Workshops

#### Modesto A. Maidique Campus

Date	Spanish	English	Creole
GC 316: June 1, 3, 8 and 15	11 AM	10 AM & 1 PM	
GL 220: June 2	11 AM	10 AM & 1 PM	2 PM
GL 220: June 6 and 17	11 AM	10 AM & 1 PM	
GL 220: June 7	11 AM	10 AM & 1 PM	2 PM

#### Biscayne Bay Campus

Date	Spanish	English	Creole
LIB 319: June 6	11 AM	10 AM & 1 PM	2 PM
LIB 319: June 7, 8, 15 and 17	11 AM	10 AM & 1 PM	

If you have any questions or need additional information, please contact the Division of Human Resources Service Center at (305) 348-2181

# CRITICAL INVESTMENTS FY 2011-12

Despite state reductions, FIU has invested \$84M in high priority areas since FY 2008-09

## Student Instructional Support

- ✓ Hire new faculty
- ✓ Improve advisor to student ratio
- ✓ Increase graduation and retention rates
- ✓ Increase student support services: library, undergraduate office

## Research & Graduate Education

- ✓ Hire research faculty clusters
- ✓ Improve research infrastructure
- ✓ Increase graduate stipends

## Compliance and Support

- ✓ Complete SACS accreditation and implement QEP
- ✓ Strengthen Public Safety & Environmental Health & Safety operations
- ✓ Enhance University IT, enterprise systems, and facilities infrastructure
- ✓ Hire additional support staff and cover unfunded cost to continue expenses

For FY 2011-12

- 80 Faculty
- 32 Graduate Teaching Assistants
- 85 Staff: 18 Advisors, 8 Public Safety Officers, 44 Academic Support, and 15 Non-Academic Support

# FIXED CAPITAL OUTLAY FY 2011-12

## PUBLIC EDUCATION CAPITAL OUTLAY

FIU Utilities / Infrastructure / Capital Renewal Roofs	\$1,676,584
Satellite Chiller Plant Expansion*	\$6,000,000
<b>TOTAL</b>	<b><u><u>\$7,676,584</u></u></b>

For comparison purposes, FIU received \$35 million in Fixed Capital Outlay funding in FY 2010-11

\* Restoration of FY 2010-11 \$7 million appropriation that was vetoed by the governor

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