



FLORIDA
INTERNATIONAL
UNIVERSITY

BUDGET UPDATE

April 14, 2011

Dear members of the university community:

I have just returned from a fruitful trip to Tallahassee at a critical time during the legislative session.

We met with our champions who are already familiar with our legislative issues, and took time to get to know some of the newer members of the Legislature who represent Miami-Dade County in Tallahassee. Despite the budget challenges, it was gratifying to find so much support for FIU.

The House and Senate have passed their versions of the General Appropriations Act for 2011-2012 and we expect conference to formally begin after Easter. In the meantime, legislative staff will be getting ready to present the many differences in the House and Senate budgets to the conferees.

The stakes are high not only for FIU but for South Florida in general as legislators work to close a \$3.7 billion gap in the state's budget due to decreased revenues.

House and Senate budget proposals reduce FIU's recurring state operational support by approximately \$19 million and \$16 million respectively. These reductions could be partially offset by a tuition increase. The House is recommending a five percent base tuition increase and a 10 percent tuition differential fee increase. The Senate is recommending zero base tuition increase and a 15 percent tuition differential fee increase.

The net result of these different tuition proposals is that E&G revenues from tuition would be reduced by approximately \$3 million in the Senate proposal. Hence both House and Senate have equivalent operating budget impact. The Senate is proposing "add back" funding for STEM initiatives. Any such funding would need to be matched on a one-to-one basis with non-state money. Fortunately our faculty have been very successful in obtaining external funding for STEM initiatives so we would be able to identify the required match.

Another area of interest for us is the Herbert Wertheim College of Medicine budget, which gets approved separately from the university's general appropriation. The House budget provides our College of Medicine approximately \$4 million less than the Senate budget. We have been following the funding schedule approved by the Liaison Committee on Medical Education (LCME) accreditation process. The Senate comes very close to fully funding our College of Medicine so we are asking the Senate to hold its position.

Insurance and retirement

The budget cuts not only reduce funds available for university operations, but will also likely affect our individual budgets in the form of increased insurance premiums and a new requirement to contribute to our pensions. Following the recommendations of Governor Scott, the Legislature has been considering private sector practices and policies regarding employee benefits programs. The Senate is proposing to cap state funding for health insurance and increase the health insurance family premium paid by employees from the current \$180 to \$200 a month. Insurance coverage could be affected, so we will be watching the details closely.

The Senate and House are also considering changes in the State's pension plans. The situation is very fluid, but we expect that state employees will be required to make at least a three percent contribution to their pensions. The Governor is seeking a five percent contribution.

Please note that as the Legislative Session comes to an end over the next few weeks, many of these figures could change. That is why it is important that you stay informed. One way to do that is by visiting our [Governmental Relations](#) website, which is updated weekly with the latest decisions that affect the FIU community. For daily legislative news, follow [FIUgov on Twitter](#) or [FIU Governmental Relations on Facebook](#).

Also, please mark your calendar and plan to attend our **Budget Town Hall meeting scheduled from 2 to 4 p.m. on May 19** at the MARC Pavilion, Modesto A. Maidique Campus. More details and a simulcast site at the Biscayne Bay Campus will follow. At this meeting we will discuss final decisions reached during the legislative session and how they may impact FIU.

In the meantime, I remind you that all members of the FIU community have the right to express their personal views to their representatives in Tallahassee. In accordance with state law, we just ask you to exercise your democratic right on your own time and refrain from using university or state equipment to do so.

Thank you for your dedication to FIU and your interest in our future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark B. Rosenberg', with a stylized flourish at the end.

Mark B. Rosenberg
President