

BUDGET UPDATE

May 4, 2013

Dear FIU family:

This week ends in the same manner that it began on Monday – with incredibly positive energy for our community. Remember that our first three days of this past week were spent in graduation – one of the most significant in our history: our first medical school class graduated; our 200,000th graduate walked across the stage; and our youngest graduate ever received his diploma!

Then, just hours ago, the legislative session ended and we have very positive news to report with regard to the university's budget for the 2013-2014 fiscal year. This is first time in eight years that FIU has a favorable budget situation, but we must await final review by Governor Rick Scott, likely in the next month.

We are very pleased that the Legislature has kept its commitment to invest in higher education and fully restored last year's \$300 million cut, which represents a \$24.3 million restoration for FIU. We covered the reduction this year using one-time fund balances so the restoration was critical to fulfill our teaching, research and engagement priorities. The budget being sent to Gov. Scott also contains a three percent tuition increase for undergraduate in-state students.

For this coming fiscal year, we can expect Tallahassee- mandated investments in performance funding, facilities, and other projects for institutions, as well as salary increases for faculty and staff.

This is how some of the new money is being allocated:

- Performance Funding: \$65 million
 - \$15 million for the winners of last year's IT competition (FIU's share is \$3.7M)
 - \$15 million for a master's degree in cloud virtualization technology and related large data management (this is a program FSU already has)
 - \$15 million for high-demand programs of emphasis determined by the BOG using the gap-analysis data
 - \$20 million to be allocated by the BOG based on percentage of graduates employed or enrolled in further education, the average salary of graduates and the average cost per degree
- Fixed Capital Outlay: \$184 million system-wide
 - \$70 million for CITF; FIU's share to be allocated by BOG
 - \$44.4 million in critical deferred maintenance; FIU's share to be allocated by BOG
 - \$70 million in Capital projects; \$5.6 million for FIU's long-awaited Student Academic Support Center

- Complete Florida Initiative: \$4M (a project led by UWF, in which FIU takes part, will enable adults to finish their degrees online)

After several years of no state funded pay raises for state employees, the Legislature is proposing the following salary increases effective Sep. 30, 2013: \$1,400 salary increase for full-time employees making up to \$40,000 annually and \$1,000 salary increase for full-time employees making more than \$40,000 annually. Additionally, we will receive funding to recognize approximately 35 percent of our employees with up to \$600 merit-based bonuses.

While employer health insurance premiums are expected to go up by 10 percent this year, you will not be directly impacted because the budget contains funding to cover that increase.

Some projects specific to FIU also received funding in the budget that is being sent to the governor:

- \$700,000 for the Wall of Wind
- \$600,000 for the Public Loss Model (a model that assesses hurricane risk and predicts annual expected insured residential losses in Florida)
- A new allocation of \$1.5M for enhancements to the Public Loss Model, with a commitment to funding years two and three of the project at \$1.3 million and \$1.3 million respectively
- \$300,000 for the College of Education's Panther LIFE program
- The Wertheim College of Medicine received the requested increment to its base budget of \$724,449 and in addition received \$800,000 for Graduate Medical Education and \$4.4 million for the Green Family Foundation NeighborhoodHELP

Not directly related to the legislative budget but certainly important to FIU funding going forward, a potential half penny discretionary sales surtax, contingent upon voter approval, to benefit Miami-Dade College and FIU did not make it through the legislative session. The initiative, sponsored by Senator Anitere Flores and Representative Erik Fresen, would have generated an estimated \$100 million for FIU over five years.

We are thankful to our elected officials in Tallahassee, who clearly have seized the first opportunity to invest in higher education. We are proud of our governmental relations team, headed by Vice President Steve Sauls, who has done an excellent job of making the case for the funding that we need to continue to serve our community.

And I am so thankful for you, the faculty and staff of FIU. As a university community we have pulled together over the past few years and worked as a very cohesive team to continue delivering a high quality education and keep our FIU moving forward. Our state funding today is significantly below where it was eight years ago but we are more efficient and we have found new sources of revenue. Thank you for your work and dedication to this institution.

We are all proud of our students who work so hard and are so committed to their education, often overcoming significant challenges on the road to graduation. Our students

have stepped up and they are paying more tuition because they understand that a college education will change their lives forever and uplift our entire community.

So as we face forward to engage our future, we have very positive momentum going into the 2013-2014 academic year! There is much to do – thank you for believing in FIU!

Have a great summer!

Sincerely,

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

Mark B. Rosenberg
President