

BUDGET UPDATE

March 6, 2012

Dear FIU community:

The legislative conference process has taken place in Tallahassee and we now have a better idea of what cuts we will be subject to in the 2012-13 fiscal year.

The State University System operating budget was slashed by \$300 million. In the past, every university took a proportional cut; this year, factors such as carryforward funds and enrollment projections were weighed. This resulted in the conference process recommending a \$24.3 million cut to the FIU budget.

This reduction represents 15 percent to our base budget; this is a lower percentage than for most other SUS institutions. We are thankful to our legislators for their commitment to limiting the magnitude of the cuts and to our Governmental Relations team for their hard work this session.

We did receive authorization for 15 percent differential tuition increase, which would mean \$12 million to help mitigate the \$24.3 million cut.

From what we can determine at this point, there is also a reduction to the employer-paid contribution to our employees on the Optional Retirement Program. The state's contribution to an employee's retirement would go from 7.43 percent to approximately 5.15 percent.

We received no Public Education Capital Outlay funds for 2012-13.

On the positive side, we are pleased that the Herbert Wertheim College of Medicine received full funding this year -- \$946,000. This is critical because achieving full accreditation is intimately tied to appropriate funding.

Also, today Circuit Judge Jackie Fulford ruled unconstitutional last year's requirement that three percent of state employee salaries be deducted to replace reduced state contributions to the ORP and FRS retirement programs. She ordered the state to stop the deductions immediately. This ruling will likely be appealed.

At the beginning of the financial crisis, we made some painful adjustments that involved the closing of programs and the elimination of positions. Due in large part careful fiscal planning and tuition increases, we have been able to sustain our university, continue to offer access to deserving students, and even invest in some strategic areas.

I am working very closely with many around the university to model different scenarios that could help mitigate this cut. We will share that information with you as soon we have more certainty.

I appreciate the hard work you do on behalf of our students and our community despite these challenging times. We are working to schedule a budget town hall meeting; will update you as soon as plans are finalized.

Sincerely,

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

Mark B. Rosenberg
President