The Florida International University
Budget Town Hall Discussion

March 9, 2009
AGENDA

- **Direction**
  - What is the University’s strategic direction?
  - What are the state revenue assumptions?

- **Funding Needs**
  - What is the methodology for determining FIU’s budget gap?

- **Three Year Budget Plan**
  - What steps are being taken to meet the funding shortfall?
  - What is the timeline?

- **Questions & Answers**
UNIVERSITY STRATEGIC EVOLUTION

FIU 1.0
Founding Paradigm
- Two year upper division college
- Few Masters programs
- Publicly funded

FIU 2.0
Existing Paradigm
- Comprehensive urban research university
- 30 Doctorates, Architecture, Law, Engineering, Public Health, Medicine
- Rapid enrollment growth
- Publicly funded

FIU 3.0
New Paradigm
- Comprehensive urban research university with sharp strategic focus: Health, International, Environment
- Stronger, integrated, interdisciplinary undergraduate core
- Managed enrollment
- State of the art managerial systems and infrastructure
- Reduced public funding with increased accountability
- Requiring greater sponsored research, public/private partnerships and revenue generating operations
FIU UNIVERSITY BUDGET

FIU Operating Budget
FY08-09
$642M*

Construction Funds
Projects in Process and Approved
$249M

- Scholarships $75.1 12%
- E&G State Funds $227.1 35%
- PECO $191.6M 77%
- Bonds $30.4M 12%
- CITF $20.8M 8%
- Auxiliary $3.7M 2%
- E&G Tuition $109.0 17%
- Donor Funds & Match $2.9M 1%
- Athletic Enterprises $91.6 14%
- Foundation $17.2 3%
- Activity and Service $10.3 2%
- Health $7.7 1%
- Sponsored Research $84.9 13%
- Concessions $0.4 0%

* Excludes third party loans to students which exceed $110 million
* Sponsored Research as per NSF definition exceeds $100 million
LEGISLATIVE UPDATE

State Funds Reduction $61M

Differential Tuition $10M

Tuition Revenue Increase $24M

(Other Tuition Increases + Managed Enrollment Growth)

State funds include GR & Lotto, Tuition i& Differential is net waivers and need based financial aid.
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PLANNING METHODOLOGY

Three Year Rolling Plans

✓ Multi-year state budget cuts expected
✓ Continue making investments in critical strategic areas
✓ All units creating their own three year plans for submission

First Buffer: University Mitigation

✓ Lessen immediate impact to students, faculty and staff through the use of one time funds
✓ Shared savings from new & replacement position
✓ Savings and revenues from new university-wide ideas

Units’ Reductions

✓ Reduction amounts allocated proportionately to executive areas
✓ Reductions distributed to each unit based on strategic prioritization
## GAP ANALYSIS UPDATE
### Rolling Three Year Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>State Cuts</th>
<th>Tuition</th>
<th>Unfunded Operations/Obligations</th>
<th>Critical Investments</th>
<th>University Cuts 08-09</th>
<th>Units' Cuts 08-09 plan</th>
<th>Net Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08-09</td>
<td>($13.0)</td>
<td>$9.2</td>
<td>($12.4)</td>
<td>($11.2)</td>
<td>$12.4</td>
<td>$15.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>FY09-10</td>
<td>($46.7)</td>
<td>$14.5</td>
<td>($19.8)</td>
<td>($15.5)</td>
<td>$32.9</td>
<td>$23.2</td>
<td>($11.4)</td>
</tr>
<tr>
<td>FY11-12</td>
<td>($49.8)</td>
<td>$33.9</td>
<td>($24.2)</td>
<td>($28.0)</td>
<td>$14.8</td>
<td>$35.7</td>
<td>($17.6)</td>
</tr>
</tbody>
</table>

Note: As of Mar 9, 2009
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UNIVERSITY STRATEGIC IMPERATIVES

Survive: Create a plan that allows FIU to sustain the least injury to critical operations and strategic areas

✓ Top 15 Public Urban Research University
  − Sustaining and strategically enhancing research
  − PhD production

✓ Undergraduate Retention and Graduation
  − Academic advising
  − Classroom renovations and expand technology infrastructure
  − Enhanced student services

✓ Health & Life Sciences
  − Public Health partnership
  − Medical School
  − Rationalize laboratory space and equipment

✓ Student Life and Alumni Affinity
  − Housing & undergraduate activities
  − Athletics and recreation fields

✓ Advancement & Human Resource Development
  − Leadership and professional development
  − Capital campaign
CRITICAL INVESTMENTS

STRATEGIC INVESTMENTS = $15.5M in FY09-10

Instruction
- Increase graduation and retention rates
- Hire additional instructional faculty
- Improve advisor to student ratio

Research
- Strengthen national research ranking
- Increase revenue
- Increase Graduate Student Stipends

Faculty & Staff
- ATB and merit increases
- Faculty retention
- Attract new talent

Note: Investments in Advancement infrastructure are also being provided by the FIU Foundation strategic investment pool
### ACADEMIC AFFAIRS GROUP STRUCTURE

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Relative Importance / Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Strategic to FIU</td>
<td>10 As defined in FIU strategic plan</td>
</tr>
<tr>
<td>✓ Return on Investment</td>
<td>7 Total of all funding divided by E&amp;G support – tuition, research, gifts, and auxiliaries</td>
</tr>
<tr>
<td>✓ Cost</td>
<td>5 College level analysis using Delaware study benchmark</td>
</tr>
<tr>
<td>✓ Faculty Investment</td>
<td>3 Faculty cost plus startup dollars expectation</td>
</tr>
<tr>
<td>✓ PhD Production</td>
<td>2 Three year average PhDs awarded divided by Tenure-Tenure track faculty</td>
</tr>
</tbody>
</table>
## ACADEMIC AFFAIRS BUDGET REDUCTION PLAN

<table>
<thead>
<tr>
<th>Group</th>
<th>(overall score)</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group 1</strong></td>
<td>(overall score &gt; 60)</td>
<td>3.3%</td>
<td>3.6%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Arts &amp; Sciences, Business, Engineering, Public Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Group 2</strong></td>
<td>(overall score 40 – 59)</td>
<td>4.1%</td>
<td>4.6%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Hospitality, Nursing, Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Group 3</strong></td>
<td>(overall score &lt; 39)</td>
<td>5.1%</td>
<td>5.6%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Architecture &amp; the Arts, Journalism, Law</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Group 4</strong></td>
<td>(overall score not applicable)</td>
<td>5.3%</td>
<td>5.9%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Library, Honors, Museums, Student Affairs and all other Provost areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

**Medicine**

<table>
<thead>
<tr>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
</tr>
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<tbody>
<tr>
<td>???</td>
<td>???</td>
<td>???</td>
</tr>
</tbody>
</table>

*Separate Legislative Appropriation*

*Reductions for planning purposes, subject to change*
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 17</td>
<td>Faculty Senate – Budget Presentation &amp; Discussion</td>
</tr>
<tr>
<td>February 25</td>
<td>Budget Stabilization Task Force <em>(bi-weekly meetings)</em></td>
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<tr>
<td>February 26</td>
<td>Student Forum – Budget Presentation &amp; Discussion</td>
</tr>
<tr>
<td>March 4</td>
<td>USPS Senate Meeting – Budget Presentation &amp; Discussion</td>
</tr>
<tr>
<td>March 9</td>
<td><em>Town Hall Meeting 1st</em></td>
</tr>
<tr>
<td>April 3</td>
<td>Units Submit Plans</td>
</tr>
<tr>
<td>April 17</td>
<td><em>Town Hall Meeting 2nd</em></td>
</tr>
<tr>
<td>April 17</td>
<td>Faculty Senate receives Recommendations</td>
</tr>
<tr>
<td>April 21</td>
<td>Budget Stabilization Committee receives Recommendations</td>
</tr>
<tr>
<td>May 1</td>
<td>Legislative Session Ends</td>
</tr>
<tr>
<td>May 8</td>
<td>Faculty Senate Recommendations due</td>
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<tr>
<td>May 18</td>
<td>Board of Trustees Budget Workshop</td>
</tr>
<tr>
<td>May 18</td>
<td>Governor’s Veto period expected to expire</td>
</tr>
<tr>
<td>June 12</td>
<td>Board of Trustees Meeting</td>
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*Please send all comments, questions and ideas to President Maidique at presmail@fiu.edu*
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