

**The Florida International University**  
**Budget Town Hall Discussion**



**May 22, 2008**

# THE FLORIDA INTERNATIONAL UNIVERSITY

## AGENDA



- **Update from Last Town Hall Meeting**
- **E&G Budget Reduction Proposed Plans**
  - *Budget Cut Methodology*
  - *Proposed Plans Academic Affairs*
  - *Proposed Plans Non-Academic Affairs Operations*
- **Next Steps: Timeline**

# UPDATE FROM LAST TOWN HALL

## Collaborative Process

- ✓ Vice Presidents, Deans, Directors and Department Heads submitted 3 year reduction plans to the Provost & CFO
- ✓ Faculty Senate and Provost Office constant dialogue
- ✓ Ideas vetted by the Budget Stabilization Task Force, including members from faculty, students, staff, and administration

## Continuous Communications *10 months*

- ✓ Weekly Presidents' Budget Crisis Update
- ✓ Town Hall meetings
- ✓ USPS meetings
- ✓ Faculty Senate Budget Committee meetings
- ✓ Board of Trustees Chairs and Workshop

## Expedited Timing

- ✓ Board of Trustees request
- ✓ Alleviate uncertainty
- ✓ Continue making progress as an institution
- ✓ Full year savings needed to realize target cuts

# UPDATE FROM LAST TOWN HALL

## Legislative Highlights

### Positive Outcomes

- Tuition increase of 6% for Undergraduate
- Differential Tuition bill expanded language
- College of Medicine received additional \$6M
- Additional Lotto funds: \$4M recurring and \$2M non-recurring may offer temporary reprieve but are very uncertain

### Unfavorable Impacts

- General Revenue \$12M recurring reduction
- No cost to continue for inflationary increases
- College of Medicine \$3.9M lower than requested
- Support for On-line education decreased, adding \$4M to operating gap



**RESULT: CONTINUE WITH BUDGET REDUCTION PLANS  
UNDER A NEW STRATEGIC PARADIGM**

# University 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, Law, Engineering, Public Health, Medicine
- Rapid enrollment growth
- Publicly funded
- Very low tuition

## FIU 3.0

### Future Paradigm

- Comprehensive public urban research university with sharp strategic focus
- Managed enrollment
- State of the art managerial systems and infrastructure
- Publicly assisted
- Higher tuition
- Requiring greater public/private partnerships and revenue generating operations

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# BUDGET CUT METHODOLOGY

## 3 Year Planning Methodology



- Multi-year State budget cuts expected
- Strategic plans take multiple years to achieve full implementation
- Lessens immediate impact to students and employees
- Stability of funding expectation to the units

## Strategic Reductions



- Focused alignment to strategic mission
- Minimize long term impact to the University
- Maintain quality
- Emerge more efficient and productive

## Continue Hiring



- Highest student to faculty ratio as compared to peer institutions
- High student to advisor ratio, resulting in low retention and graduation rates
- Essential to deliver core curriculum courses
- Maintain compliance

# MULTI-YEAR OPERATING GAP

| State Cuts Assumptions <sup>1</sup> | Enrollment/ Tuition <sup>2</sup> | Unfunded Operations | Critical Investments | University-wide Mitigation <sup>3</sup> | Resulting Units' Gap |          |   |         |   |                    |
|-------------------------------------|----------------------------------|---------------------|----------------------|---|----------------------|----------|---|---------|---|--------------------|
| <b>FY08-09</b><br>\$-14.0M          | +                                | \$5.0M              | +                    | \$-5.2M                                 | +                    | \$-17.9M | + | \$17.1M | → | \$-15.0M<br>-4.8%  |
| <b>FY09-10</b><br>\$-17.7M          | +                                | \$9.6M              | +                    | \$-6.9M                                 | +                    | \$-23.2M | + | \$15.0M | → | \$-23.2M<br>-7.4%  |
| <b>FY10-11</b><br>\$-14.1M          | +                                | \$14.6M             | +                    | \$-8.5M                                 | +                    | \$-35.8M | + | \$8.1M  | → | \$-35.7M<br>-11.4% |

1. Assumes current cut of 5.9% will increase and/or incremental Lotto funds will not materialize to the equivalent of a 7% cut

2. Assumes 6% tuition increase in undergrad, Net of 30% need-based Financial Aid allocation. Includes \$1M increase in incidental revenues, and excludes differential tuition

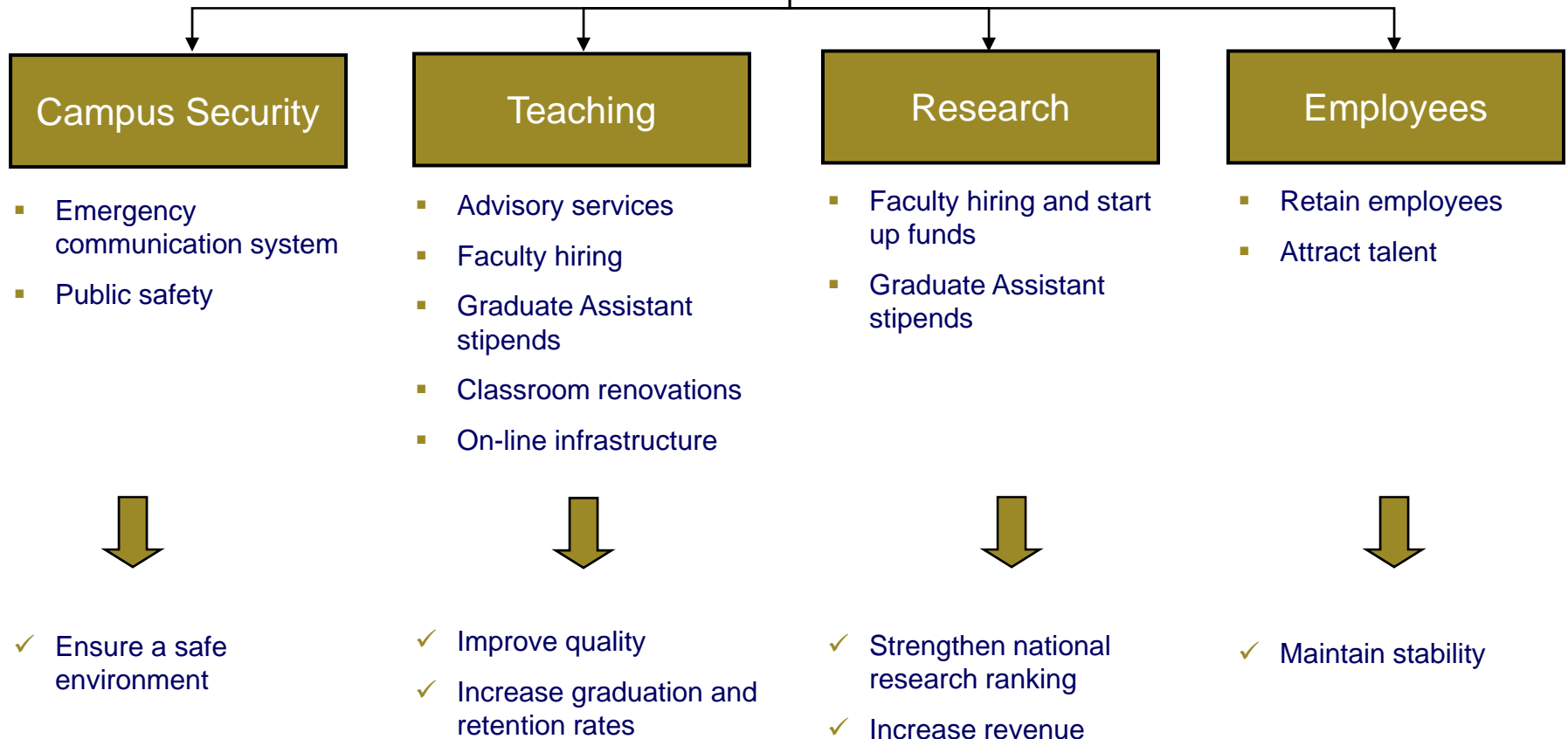
3. Includes carry forward funds, salary float, and incremental treasury returns



# FY08-09 CRITICAL INVESTMENTS

## INVESTMENTS TO REACH MINIMUM STANDARDS IN CRITICAL STRATEGIC AREAS

\$17.9M



# ACADEMIC AFFAIRS CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$26.5M

Generate Incremental  
Revenue

Shift to Other  
Funding Sources

Lower Operational  
Costs

Curriculum  
Change

Degree Program  
Closure

# ACADEMIC AFFAIRS CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$26.5M

Generate Incremental  
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### Expand Graduate Tuition Plus and Self Supporting Programs

Increase fees for select high cost graduate programs

### Law Increased Enrollment

Return tuition revenue

### Private Support for Museum Operations

New development initiatives for Wolfsonian and Patricia and Phillip Frost Art Museum

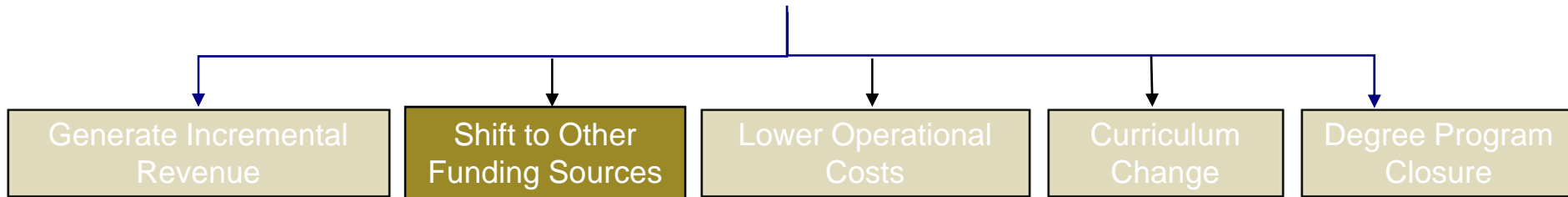
### Accelerated Masters Program in Architecture

Evaluation to begin Fall 08

Generates \$2.8M

# ACADEMIC AFFAIRS CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$26.5M



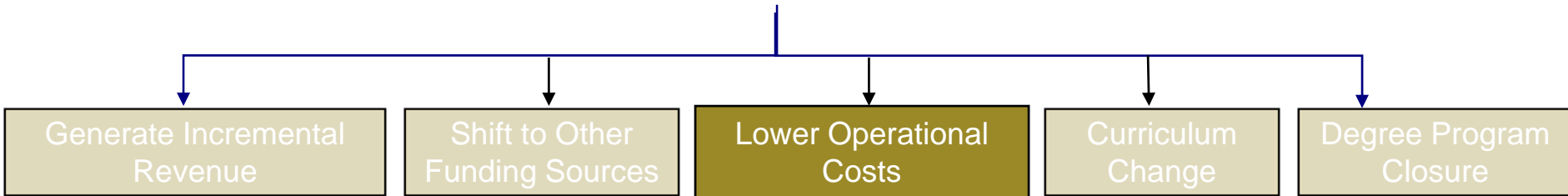
### Reallocate Operating and Overhead costs

Allocate salaries and expenses to Grants, Overhead and Fees  
-Tuition Plus/Self Supporting programs



# ACADEMIC AFFAIRS CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$26.5M



### Merge Operations

Consolidate Dean's office and departmental administrative functions, eliminate redundancy

### Reduce Less Essential Operations

Athletics Marching Band, travel, consultants, computer replacements, marketing in select programs, consolidate recruitment event, reduce state funded scholarships, reduce permanent and temporary staff

### Reduce Instructional Costs

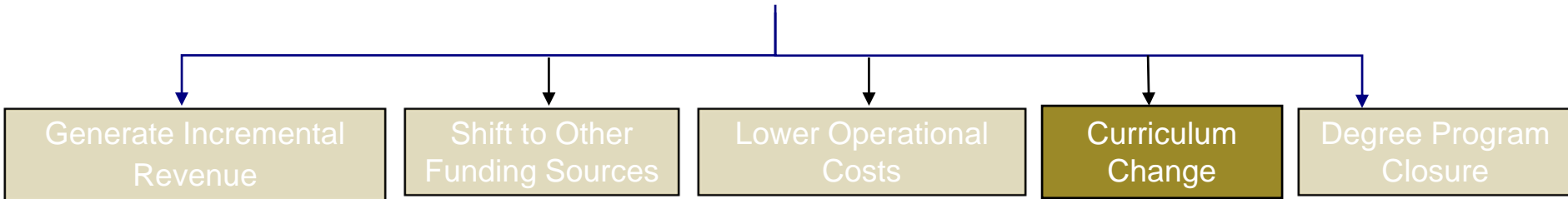
Change instructional mix of summer courses, implement differential assignments and lock step programs, expand use of Teaching Assistants in select areas, decreased use of adjuncts due to enrollment strategy, increase class size, eliminate faculty through vacancy, attrition



Impacts approximately 107 Positions  
Attrition 41, Vacancy 28, Elimination 38: Saves \$16.6M

# ACADEMIC AFFAIRS CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$26.5M



### Eliminate Track/Certificate Programs

Museum Studies, Business Journalism, Television Production Management, Performing Arts Management, Post Professional Athletic Training

### Accelerated Masters Program in Architecture

Evaluation to begin Fall 08

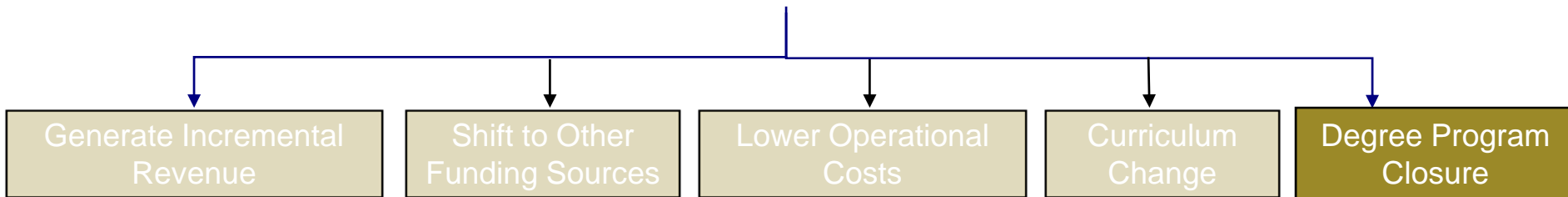
### New Model for Secondary Education



Saves \$1M

# ACADEMIC AFFAIRS CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$26.5M



### Architecture & the Arts

Dance (B)  
Music Teacher Ed (B)

### Business

Insurance and Risk Mgmt (B)  
Logistics and Material Mgmt (B)

### Education

English Teacher Ed (B, M)  
Mathematics Teacher Ed (B, M)  
Science Teacher Ed (B, M)  
Social Science Teacher Ed (B, M)  
Exercise Science (B, M)

### Arts & Sciences

German (B)  
Humanities (B)

### Engineering

Environmental Urban Systems (M)  
Technology Management (M)  
Industrial & Systems Engineering (B, M, D)

### Nursing & Health Sciences

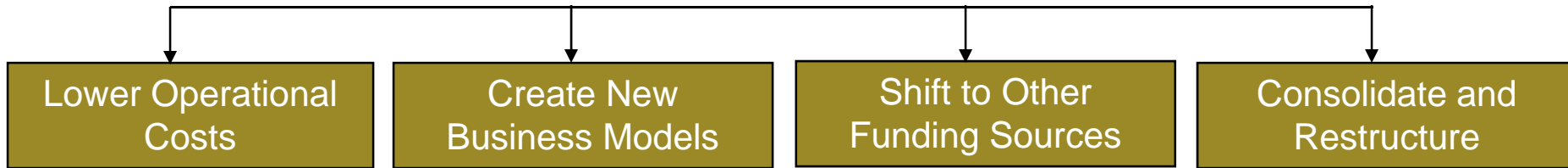
Speech Pathology & Audiology (M)  
Health Information Management (B)  
Health Sciences (B)



Impacts approximately 48 positions  
Attrition 3, Vacancy 5, Elimination 40: Saves \$4M

# NON-ACADEMIC AFFAIRS OPERATIONS\* CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$9.2M

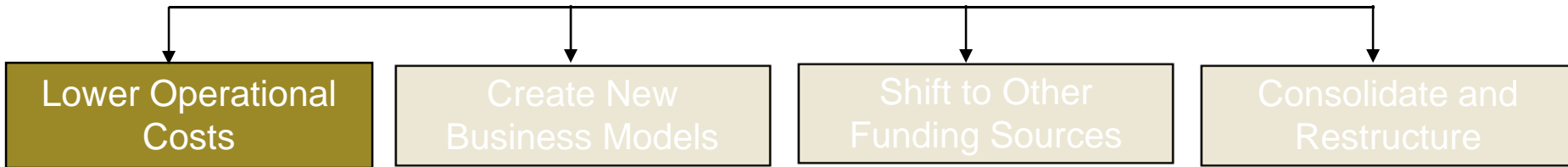


*\*Includes: Finance, HR, Facilities, UTS, General Counsel, EH&S, Internal Audit, Advancement, Community Relations, Government Relations, Office of the President*



# NON-ACADEMIC AFFAIRS OPERATIONS CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$9.2M



### **Gain Energy Efficiencies**

Convert to motion light switches, switch from liquid propane to natural gas for use in labs, boilers, dining and humidity control, expand energy management systems and increase water conservation

### **Renegotiate or Cancel Contracts**

Review all FIU contracts specifically the Off-site IT Data Centers (NWRDC and NAP), People Soft Maintenance, Aramark Landscaping and IT Maintenance Contracts

### **Generate Incremental Revenue**

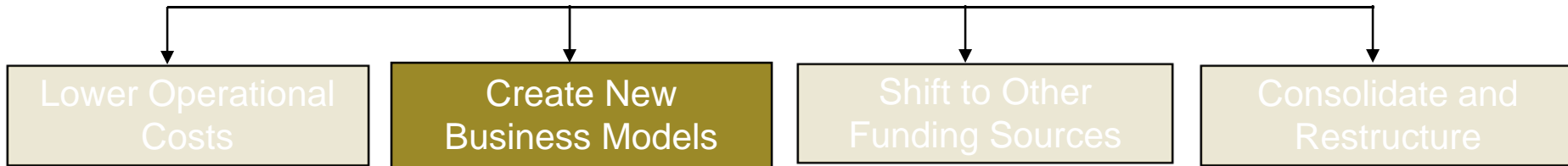
Increases ProCard transactions for additional rebates and operational efficiencies. Convert vendor payments from check to direct bank payment generating rebates, reduced costs and improved efficiency.



Saves \$1.9M

# NON-ACADEMIC AFFAIRS OPERATIONS CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$9.2M



### Immediate withdrawal of state support

**Vehicle Services:** Establish a self supporting operation and reduce the number of existing and new vehicles

**Construction Management:** Create a new operation with variable expenses. All projects will pay a Construction Service Charge (CSC) to cover the associated direct costs.

### Immediate withdrawal of state support:

#### 1 year transition funds

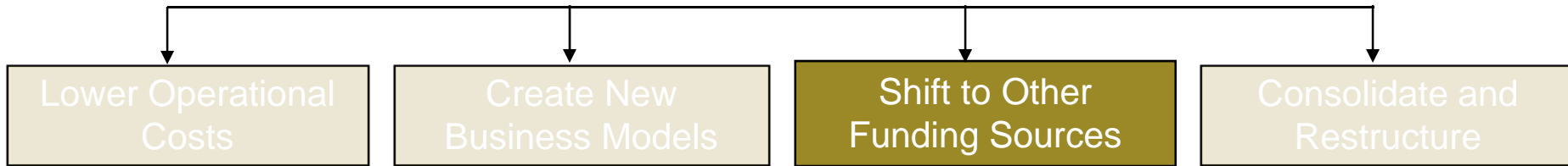
**IT Services:** Establish a self supporting media group (non academic support areas)



Impacts approximately 42 filled positions  
Saves \$2.5M

# NON-ACADEMIC AFFAIRS OPERATIONS CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$9.2M



### Allocate expenses to appropriate areas

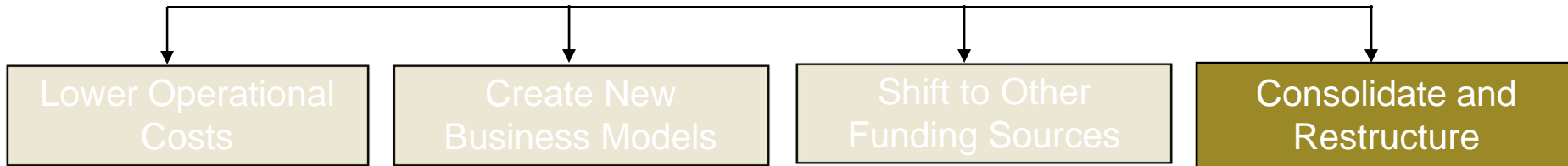
Payroll processing expenses, Contract & Grants expenses, Environmental Health & Safety expenses, Advancement personnel



Impacts approximately 3 filled and 1 unfilled positions: Saves \$1.0M

# NON-ACADEMIC AFFAIRS OPERATIONS CUT STRATEGIES

## Multifaceted 3 Year Plan to Reduce Budget by \$9.2M



### **Merge Operations**

Consolidate select operations within and across departments in Human Resources, IT, Purchasing and Controllers, EH&S

### **Reduce Less Essential Operations**

Eliminate services in UTS, Administration and Human Resources IT employee and student support.

### **Change Service Delivery Model**

Redefine service models in student collections, maintenance, custodial, mailroom, and employee training.



Impacts approximately 53 filled and 12 unfilled positions: Saves \$3.8M

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# TIMELINE

- May 23** USPS Senate & Employee Meeting
- June 3** Faculty Senate Steering Committee Meeting
- June 9** Governor's Veto period expires *(approximately)\**
- June 10** Faculty Senate Meeting
- June 12** Board of Trustees Meeting

Please send all comments, questions and ideas to President Maidique at [presmail@fiu.edu](mailto:presmail@fiu.edu)

\* Depends on when the Governor received the budget. As of May 20, 2008 this had not happened.

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