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*

- Scholarships $75.1
- $17.2
- $84.5
- $0.4
- $10.3
- $7.7
- $19.0
- $91.5
- E&G Tuition $109.0
- E&G State Funds $227.1

Construction Funds
Projects in Process and Approved
$249M

- PECO $191.6M
- CITF $20.8M
- Auxiliary Funds $3.7M
- Bonds $30.4M
- Donor Funds & Match $2.5M

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

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

- State Funds Reduction $61M
- Differential Tuition $10M
- Tuition Revenue Increase $24M
  (Other Tuition Increases + Managed Enrollment Growth)
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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

STATE CUTS + TUITION + UNFUNDED OPERATIONS/OBLIGATIONS + CRITICAL INVESTMENTS + UNIVERSITY MITIGATION + UNITS’ CUTS 08-09 plan = NET GAP

<table>
<thead>
<tr>
<th>Year</th>
<th>State Cuts</th>
<th>Tuition</th>
<th>Unfunded Operations/Obligations</th>
<th>Critical Investments</th>
<th>University Mitigation</th>
<th>Units’ Cuts 08-09 Plan</th>
<th>Total 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>
</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
<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>Score Range</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>
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</table>

**Medicine**

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

*Separate Legislative Appropriation*

*Reductions for planning purposes, subject to change*
TIMELINE

✓ February 17  Faculty Senate – Budget Presentation & Discussion
✓ February 25  Budget Stabilization Task Force (*bi-weekly meetings*)
✓ February 26  Student Forum – Budget Presentation & Discussion
✓ March 4   USPS Senate Meeting – Budget Presentation & Discussion
✓ March 9   *Town Hall Meeting 1st*
✓ April 3   Units Submit Plans
✓ April 17   *Town Hall Meeting 2nd*
✓ April 17   Faculty Senate receives Recommendations
✓ April 21   Budget Stabilization Committee receives Recommendations
✓ May 1     Legislative Session Ends
✓ May 8     Faculty Senate Recommendations due
✓ May 18    Board of Trustees Budget Workshop
✓ May 18    Governor’s Veto period expected to expire
✓ June 12   Board of Trustees Meeting

*Please send all comments, questions and ideas to President Maidique at presmail@fiu.edu*
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