



Florida International University

FA1 Proposed Operating Budget FY 2010-11

Friday, June 4, 2010

AGENDA

- ✓ **Executive Summary**
- ✓ **Requested FY 2010-11 Budget Review**
 - *Education and General*
 - *Auxiliary Enterprises*
 - *Contracts and Grants*
 - *Student Financial Aid*
 - *Intercollegiate Athletics*
 - *Activity and Service*
 - *DSOs*
- ✓ **Proposed Resolutions**
 - *Operating Budget FY 2010-11*
 - *University Tuition Fee*
 - *Tuition for Market Rate Programs*
 - *Student Health Fee*
 - *Amendment of University Traffic and Parking Regulation*

FY 2010-11 PROPOSED OPERATING BUDGET

Executive Summary

- ✓ **FIU's FY 2010-11 Expenditure Operating Budget totals \$942M, an increase of 11% over the prior year's budget.**

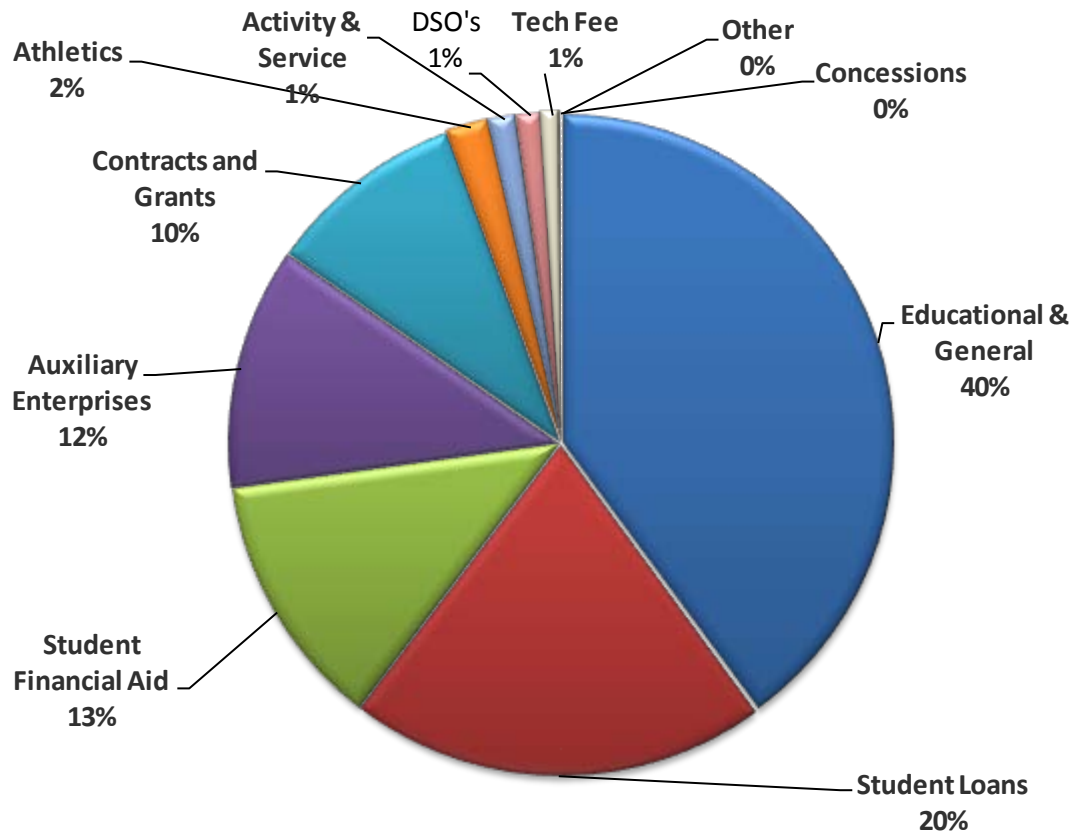
EXPENDITURE BUDGET

<i>\$ Millions</i>	FY 2009-10 Final	FY 2010-11 Proposed	Percentage Change
Education and General	\$360.1	\$376.7	4.6%
Auxiliary Enterprises	\$104.2	\$111.6	7.1%
Student Financial Aid	\$88.4	\$117.5	32.9%
Contracts and Grants	\$89.0	\$92.1	3.5%
Intercollegiate Athletics	\$19.1	\$19.5	2.1%
Activity and Service	\$11.4	\$12.4	8.8%
Concessions	\$0.4	\$0.5	25.0%
Direct Support Organizations	\$13.1	\$11.5	-12.2%
Student Loans	\$152.9	\$192.6	26.0%
Other	\$8.1	\$7.8	-4.2%
TOTAL EXPENDITURES	\$846.7	\$942.2	11.3%

FIU UNIVERSITY BUDGET

FY 2010-11 Operating Expenditures

OPERATING BUDGET
\$942M



E&G STATE APPROPRIATIONS

E&G Appropriations¹

- ✓ Estimated increase of \$4.8M over the prior year, including recurring, non-recurring, special legislative items and pass-throughs
- ✓ Recurring Base reduction -- \$3.2M (1.8% reduction)
 - Recurring General Revenue base budget reduction \$6.5M (-4.1%)
 - Additional recurring Lottery revenue \$2.7M
 - Restoration of FY 2009-10 non-recurring funds \$0.7M
- ✓ Non-recurring Item -- Increase of \$1.5M
- ✓ Legislative Line Items & Pass-Throughs \$6.5M
 - \$1.2M to cover FY 2009-10 annualization of Health Insurance
 - \$1.2M Plant Operations and Maintenance for new and phased-in facilities
 - \$1.9M to cover increase in employer's share of the Florida Retirement System
 - \$250K for Leadership Center (College of Business)
 - \$2.0M for Center for Ethics and Professionalism (College of Law)
 - Pending: New Florida Initiative – share of \$10M non-recurring
- ✓ Federal Stimulus Funding -- \$13.6M

¹ State Appropriations are based on the appropriations bill approved by the legislature (HB 5001) and pending Governor's signature.

E&G STATE APPROPRIATIONS

College of Medicine¹

- ✓ Total estimated FY 2010-11 appropriations of \$25.2M are in line with 10-year plan
- ✓ \$2.7M Incremental Recurring Funding
- ✓ \$1.0M in non-recurring Medical Program Support
- ✓ Federal Stimulus Funding -- \$0.9M
- ✓ **HIGHLIGHTS--**
 - ✓ 613 faculty on board; 13 of 15 chairs hired ²
 - ✓ 1st and 2nd year curriculum completed; 3rd year clerkships being developed
 - ✓ 43 students accepted from 3,606 applicants for second class of 2014
 - ✓ Total enrollment approximately 85 students
 - ✓ LCME site visit for provisional accreditation expected in February 2011

¹ State Appropriations are based on the appropriations bill approved by the legislature (HB 5001) and pending Governor's signature.

² Includes 94 paid Faculty and 519 voluntary faculty. Does not include FY 2010-11 budgeted faculty positions

E&G TUITION RATES

FY 2010-11 Budget

Base Tuition

- ✓ Undergraduate: 8% Increase proposed by legislature¹
- ✓ Graduate: 10% Increase
- ✓ Law: 15% Increase

Differential Tuition

- ✓ Applies to undergraduate tuition only
- ✓ Maximum of 15% increase, including 8% base increase
- ✓ Applies to new students as of Fall 2007 except students with Florida prepaid contracts
- ✓ 30% directed toward need-based financial aid
- ✓ 70% to be used toward enhancing and maintaining quality undergraduate education

How we compare

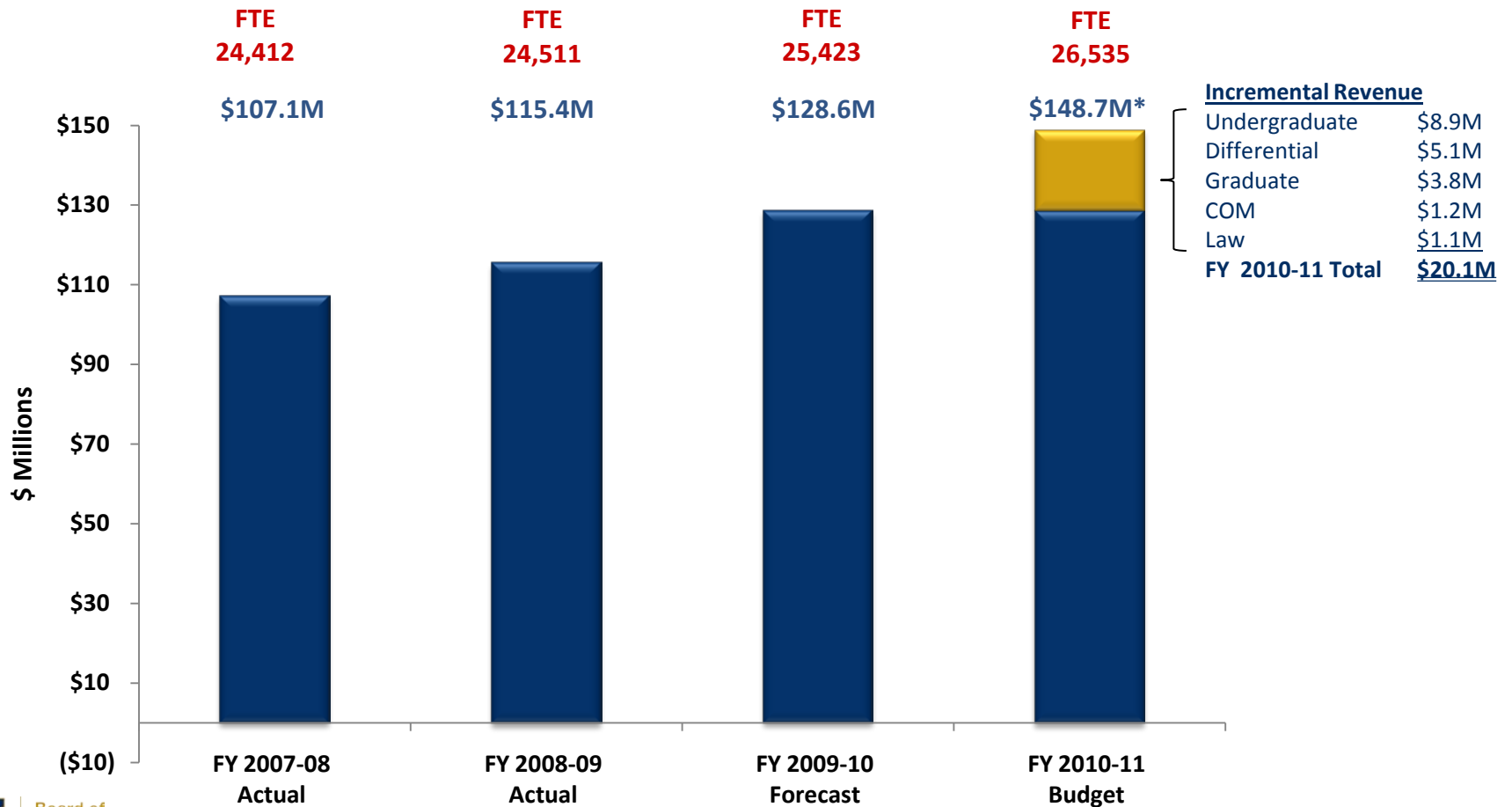
- ✓ The maximum undergraduate tuition and fees for a student taking 30 hours will total \$4,930, an increase of 11.6% over the prior year
- ✓ The estimated 2010-11 national average: public doctoral-granting universities \$8,265; public 4 year institutions \$7,441
- ✓ All 5,000 students with \$0 EFC will receive full coverage from financial aid

¹ Tuition rate increases based on the appropriations bill approved by the legislature (HB 5001) and pending Governor's signature.

E&G INCREMENTAL REVENUE

FY 2010-11 Budget

Net tuition revenue increase of \$20.1M, resulting from higher enrollment levels and new tuition rates, helps offset reductions in state appropriations, operating cost increases, and critical investments



*Includes the effects of enrollment growth. Revenue amounts are net of Financial Aid \$5.7M and exemptions and waivers of \$19.8M.

AUXILIARY ENTERPRISES

FY 2010-11 Budget

- ✓ Academic auxiliaries, such as FIU Online and executive education programs, Housing, Parking and Traffic and Student Health represent 76% of auxiliary operations

- ✓ FY 2010-11 projected expenditures of \$111.6M

- ✓ Projected expenditure increase of \$7.4M mainly associated with:
 - Health Fee increase, which will fund new positions in Counseling and Psychological Services
 - Parking fee increases, which will cover maintenance and operations of the new Parking Garage V – Market Station and ensure compliance with debt service obligations
 - Expansion of Academic programs such as Corporate MBA

STUDENT HEALTH FEE FY 2010-11 Budget

Recommended fee increase of \$15.99 from \$67.20 to \$83.19 per semester

Allocation

- ✓ Student health fees are used to fund health, wellness, counseling and psychological services, victim's advocacy and disability resources
- ✓ The fee increase was unanimously recommended by the Health Fee Committee, which is comprised of 50% (4) students and 50% (4) Faculty / Staff
- ✓ The last increase to the health fee was in FY 2006-07

Incremental Fee Uses

- ✓ Proposed fee increase will be used mainly to:
 - Expand counseling and psychological services in accordance with International Association of Counseling Services standards
 - Convert temporary personnel (OPS) to salaried positions to meet employment guidelines
 - Expand services in the Victim's Advocacy Center
 - Soundproof counseling rooms to ensure patient privacy
 - Cover operating cost increases

PARKING REGULATION

FY 2010-11 Budget

Recommended decal fee increase of 5% for all classifications

Incremental Fee Uses

- ✓ Maintenance and operations of the new Parking Garage V – Market Station which increases capacity by 15% (2000 spaces)
- ✓ Increase necessary to meet new debt service obligations and operating cost increases
- ✓ Recommended by Parking and Transportation Advisory Committee which includes representatives of the student government association, faculty and staff

Fee Structure

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Student Fee (per semester)		
Fall & Spring Semesters	\$77	\$81
Summer Semester	\$71	\$75
 Faculty / Staff (annual)		
Executive	\$842	\$884
Administrative	\$387	\$406
Faculty / Staff	\$176	\$185

TUITION FOR MARKET RATE PROGRAMS

FY 2010-11 Budget

- ✓ Tuition market rates are being proposed for specific graduate-level online courses and graduate-level courses and programs offered through FIU's Continuing Education Program
- ✓ Continuing Education Programs will be moved to market rate pricing once BOG develops guidelines as per the HB7237
- ✓ Courses and programs are in high demand, have greater delivery costs, and require higher levels of pricing flexibility
- ✓ For FY 2010-11, there is no change in price over the prior year

CONTRACTS AND GRANTS

FY 2010-11 Budget

- ✓ FY 2010-11 projected expenditures of \$92.1M*, an increase of \$3.1M

- ✓ Higher indirect cost recovery rate
 - The negotiated indirect cost federal reimbursement rate will increase from 44% to 45% in FY 2010-11
 - The indirect recovery “blended” rate has risen from 18% to 20%

- ✓ Key projects for FY 2010-11
 - Clinical Trials Office, formed to direct clinical research on human subjects, is expected to be established in FY 2010-11
 - Continue to identify other successful Cluster Hiring opportunities such as the Pelham Group, which was recruited in FY 2009-10

** National Science Foundation survey of research and development expenditures, which include non-sponsored research, are projected at approximately \$110M*

STUDENT FINANCIAL AID

FY 2010-11 Budget

- ✓ FY 2010-11 projected expenditures of \$117.5M for need-based, merit-based financial aid and college work study, an increase of \$29.1M

- ✓ Need-based Scholarships are projected to increase \$28.3M
 - Increase in Pell grant maximum award -- \$5,350 to \$5,500
 - Increases in eligible students
 - Increases in average award
 - Increase in the 30% need-based aid allocation from Differential Tuition

INTERCOLLEGIATE ATHLETICS

FY 2010-11 Budget

- ✓ Intercollegiate Athletics is the functional area of the University responsible for team sports and their support activities. Examples of University sports activities include football, softball, baseball, soccer, golf, basketball, cross country, track, swimming, tennis and volleyball
- ✓ FY 2010-11 projected expenditures of \$19.5M
- ✓ Revenues to support increased expenditures of approximately \$0.4M are primarily from increased student enrollments
- ✓ Net Operating loss of \$0.1M in FY 2010-11 is covered by reserve balance
- ✓ First installment of working capital loan from Treasury interest earnings of \$5.0M to be distributed in June 2011

ACTIVITY AND SERVICE FY 2010-11 Budget

- ✓ The Activity and Service Fee fund is the student life component of the University which supports clubs, organizations, student centers and recreational sports for all campuses

- ✓ FY 2010-11 projected expenditures of \$12.4M

- ✓ Revenues to support increased expenditures of approximately \$1.0M are primarily from increased enrollment and will support
 - Increased funding for new and continuing programs
 - The FIU Marching Band
 - Additional funding for student programs and student groups that are designed to build student affinity and provide essential services to enhance student learning

DIRECT SUPPORT ORGANIZATIONS (DSOs) FY 2010-11 Budget

TOTAL EXPENDITURES OF APPROXIMATELY \$12 MILLION

FIU Foundation Inc.:

- ✓ Investment returns are based on a 5% return on a \$125M endowment, or \$6M
- ✓ Operating revenues of \$24M are driven mainly by endowment revenues totaling \$16M which include anticipated pledge payments and gifts to the College of Medicine of \$14.5M

FIU Athletics Finance Corp:

- ✓ Net operating income decreases by \$0.24M but maintains the debt service coverage ratio at 1.26

FIU Health Care Network:

- ✓ Anticipated services will expand in the coming year to include minor surgical procedures and ancillary services
- ✓ Operating revenues and expenditures of \$0.1M; Net operating loss covered by reserves

FIU Research Foundation Inc.:

- ✓ Continue to receive royalties revenue and begin to receive external consulting revenues
- ✓ Operating revenues and expenditures of \$0.1M