



The Florida International University Board of Trustees

JUNE 21, 2011



The Florida International University

Board of Trustees

Proposed 2011-2012 Operating Budget

AGENDA



- ✓ **Executive Summary**
- ✓ **Requested FY 2011-12 Budget Review**
 - ❑ FIU's Operating Budget is comprised of eleven budgetary components
 - ❑ For the first time, FIU's Operating Budget exceeds \$1 billion
- ✓ **Proposed Resolutions**
 - ❑ Operating Budget FY 2011-12
 - ❑ University Tuition Fee
 - ❑ Athletics Fee
 - ❑ Amendment of University Traffic and Parking Regulation
 - ❑ Tuition for Market Rate Programs

FY 2011-12 Operating Budget Executive Summary

FIU's FY 2011-12 Expenditure Operating Budget totals \$1,064M, an increase of 13.0% over the prior year's budget

EXPENDITURE BUDGET

<i>\$ Millions</i>	FY 2010-11 ¹	FY 2011-12 Proposed	Change	Percentage Change	Percentage of Total Budget
Education and General	\$376.7	\$384.0	\$7.4	2.0%	36%
Auxiliary Enterprises	\$111.6	\$132.0	\$20.4	18.3%	12%
Student Financial Aid	\$117.5	\$143.0	\$25.5	21.7%	14%
Contracts and Grants	\$92.1	\$86.3	(\$5.8)	-6.3%	8%
Intercollegiate Athletics	\$19.5	\$21.1	\$1.6	8.2%	2%
Activity and Service	\$12.4	\$13.5	\$1.1	8.9%	1%
Technology Fee	\$8.1	\$8.5	\$0.4	4.9%	1%
Concessions	\$0.5	\$0.6	\$0.1	20.0%	0%
Direct Support Organizations	\$13.0	\$17.5	\$4.5	34.6%	2%
Student Loans	\$192.6	\$260.6	\$68.0	35.3%	24%
Other ²	(\$1.8)	(\$2.5)	(\$0.7)	37.8%	0%
TOTAL EXPENDITURES	\$942.2	\$1,064.6	\$122.5	13.0%	100%

¹ Final Budget FY 2010-11 contains adjustments to Original Budget in FIU Foundation to include a \$1.2M transfer from the General Reserve to the Admin. Reserve to cover budgeted expenses, and FIU Athletics Finance Corp to reclassify a Debt Service Interest (Expense) of \$1.5M originally reported as Principal Payment of Debt.

² Other includes Principal Payment of Debt and Interfund Adjustments

Educational & General FY 2011-12 Operating Budget

Educational & General

✓ Comprised of:

- State appropriations
 - General Revenue
 - Educational Enhancement Trust Fund / Lottery
- Tuition and Fees

✓ Supports:

- Instruction
- Research
- Engagement / Public Service
- Library / Learning Resources
- Student Services
- University Support
- Physical Plant

✓ Projected expenditures of \$384.0M

E&G State Appropriations FY 2011-12 Operating Budget

E&G State Appropriations

- ✓ \$11.7 million in state revenue reductions
- ✓ \$1.4 million to fund health insurance increases and PO&M for new space
- ✓ Elimination of FY 2010-11 stimulus funding of \$14 million

Herbert Wertheim College of Medicine

- ✓ \$2.1M funding received for the continued phase-in of the Herbert Wertheim College of Medicine
 - ❑ 82 students accepted from 3,816 applicants for third class of 2015
 - ❑ Total enrollment of approximately 167 students Fall 2011

E&G Tuition Rates

FY 2011-12 Operating Budget

Base Tuition

- ✓ Undergraduate: 8% (\$7.65) per credit hour increase
- ✓ Graduate: 8% Increase
- ✓ Law / Medicine: 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 active Florida Prepaid contracts purchased before July 2007
- ✓ \$10.00 per credit hour increase
- ✓ 30% directed toward need-based financial aid
- ✓ 70% to be used toward enhancing and maintaining quality undergraduate education

Incremental Tuition Revenue

- ✓ Net incremental tuition revenue of approximately \$21 M

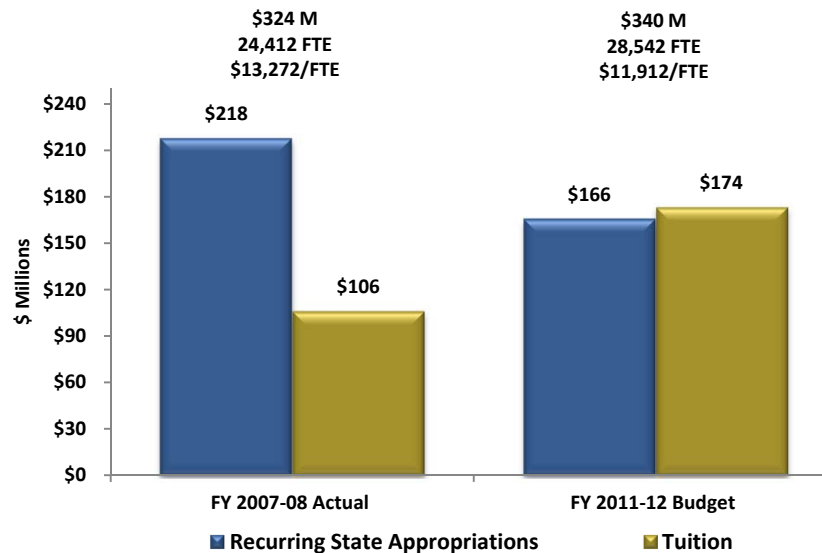
E&G Tuition Rates

FY 2011-12 Operating Budget

How we compare

- ✓ The maximum undergraduate tuition and fees for a student taking 30 hours will total \$5,513, an increase of 11.8% over the prior year¹
- ✓ The estimated 2011-12 national average: public doctoral-granting universities \$9,098; public 4 year institutions \$8,137²

Importance of Tuition Grows³



¹ Excludes FIU parking Fee for comparison purposes

² Assuming a 7% increase to the 10-11 average tuition amount published by the College Board, representing the average annual increase over the past five years.

³ State Appropriations include General Revenue and Lottery, but exclude College of Medicine, Financial Aid and Risk Management

E&G Incremental Tuition Revenue FY 2011-12 Operating Budget

How the incremental tuition is spent:

- ✓ Provides educational opportunities to over 2,000 additional students
- ✓ \$2.3M in additional need-based financial aid
 - ❑ All students with Expected Family Contribution of \$0 will receive a tuition differential scholarship of approximately \$640
- ✓ Additional Personnel:
 - ❑ 80 Faculty
 - ❑ 18 Advisors
 - ❑ 8 Police Officers
 - ❑ 59 Staff to support students and faculty
- ✓ Critical Investments focusing on:
 - ❑ Student graduation success
 - ❑ Student retention initiatives
 - ❑ Library operations support
 - ❑ Increased graduate student stipends
 - ❑ Enhanced IT infrastructure
 - ❑ Expanded student recruitment

Tuition For Market Rate Programs

- ✓ Tuition market rates are being proposed for the following programs offered through FIU's Continuing Education Program
 - ❑ *Masters in Mass Communication* - Global Strategic Communications track
 - ❑ \$30,000, 36 credits
 - ❑ *Master of Science in Engineering Management*
 - ❑ \$35,000, 30 credits (\$18,000 Jamaica Program)

- ✓ Market rate programs receive no state funding and must cover all costs of program delivery

- ✓ Proposed Implementation Date: August 2012

- ✓ The market rate tuition will enable these programs to provide students with improved career services and additional graduate teaching assistants and research project supervisors.

Auxiliary Enterprises

FY 2011-12 Operating Budget

Auxiliary Enterprises

- ✓ Projected expenditures of \$132.0M
- ✓ Comprised of over 100 different business and enterprise operations that are self-supporting through user fees, payments and charges – no state support
- ✓ Operations include: academic and on-line programs, food service, retail operations, parking and transportation, housing, continuing education, and student health services
- ✓ Projected expenditure increase of \$20.4M mainly associated with:
 - ❑ Expansion of market academic programs
 - ❑ First full year of operations for the Academic Health Center Faculty Group Practice
 - ❑ General increases in services and expenses

Parking Regulation

FY 2011-12 Operating Budget

Amendment of the University Traffic and Parking Regulation FIU-1105

- ✓ Removal of “head in parking only” restriction and corresponding fine
- ✓ Additional requirement for disabled employees and students to obtain/purchase and display a current FIU Registered Disabled sticker
- ✓ Lowering of the minimum towing or immobilization charge from \$65.00 to \$50.00
- ✓ An increase in the Permit Fees charged for temporary permits and vendor and contractor permits

	<u>FY 2010-11</u>	<u>FY 2011-12</u>
Fees (exclusive of sales tax)		
30-day Permit	\$22	\$27
60-day Permit	\$40	\$45
90-day Permit	\$60	\$65

Student Financial Aid

FY 2011-12 Operating Budget

Student Financial Aid

- ✓ Projected expenditures of \$143.0M
- ✓ Comprised of funding from student financial aid fees, support from federal and state financial aid awards, institutional programs, as well as numerous private scholarships such as:
 - ❑ Pell Grants
 - ❑ Bright Futures
 - ❑ Institutional Financial Aid Programs
 - ❑ Florida Student Assistance Grant
 - ❑ Federal Work Study
- ✓ Projected increase of \$25.5M:
 - ❑ Increase in Pell grant recipients
 - ❑ Increase in eligible students
 - ❑ Increase in average award
 - ❑ Increase in the 30% need-based aid allocation from Differential Tuition

Contracts And Grants

FY 2011-12 Operating Budget

Contracts and Grants

- ✓ Projected expenditures of \$86.3M*
- ✓ Comprised of funding from many sources, including federal, state and local governmental agencies and private organizations, to support research, public service and training
- ✓ Reduced expenditures of \$5.8M associated with projected significant reductions in Federal, State and Local government funding associated with current economic climate and expiration of ARRA awards; partially offset by increases in grant applications
- ✓ Begin federal negotiations for a new F&A rate effective FY 2012-13
- ✓ Key projects for FY 2011-12:
 - ❑ Clinical Trials Office infrastructure in place
 - ❑ Reorganize Office of Intellectual Property Management and create technology transfer function to bring inventions to market
 - ❑ Continue lab renovations and identification of cluster hiring opportunities

* National Science Foundation survey of research and development expenditures, which include non-sponsored research, are projected at approximately \$120M

Intercollegiate Athletics Fee

FY 2011-12 Operating Budget

Intercollegiate Athletics

- ✓ Projected expenditures of \$21.1M
- ✓ Comprised of funding from student athletic fees, ticket sales, game guarantees, corporate sponsorships, NCAA distributions, private support and gifts and other revenues
- ✓ University Sports -- 5 men's and 8 women's including football, softball, baseball, soccer, golf, basketball, cross-country/track and field, swimming and diving, tennis and volleyball
- ✓ Fee increase of \$1.05, from \$14.51 to \$15.56 per credit hour:
 - ❑ Recommended by the Athletic Fee Committee, which is comprised of four students and four faculty/staff
 - ❑ The last increase to the Athletic fee was in FY 2007-08
 - ❑ Proposed fee increase will be used mainly to:
 - Capital Improvement (multipurpose track around the soccer field)
 - Funding of Title IX Initiatives, which include hiring three more full-time coaching staff members for women's sports and adding Sand Volleyball as a new female varsity sport
 - Funding support for the FIU marching band and cheerleaders
 - Increase scholarships support for student-athletes
- ✓ Increase of \$1.6M in expenditures is primarily from the fee increase and higher student enrollment

Activity And Service Fee

FY 2011-12 Operating Budget

Activity and Service

- ✓ Projected expenditures of \$13.5M
- ✓ Comprised of funding from the activity and service fee paid by students as well as other types of club and program income
- ✓ Supports student clubs, organizations, student centers and recreational sports for all campuses which enhance and balance the academic experience with social real world interactions among students
- ✓ Increase of \$1.1M is primarily from higher student enrollment

Technology Fee

FY 2011-12 Operating Budget

Technology Fee

- ✓ Projected expenditures of \$8.5M
- ✓ Comprised of funding from the technology fee paid by students, established at 5% of base tuition
- ✓ Used to enhance instructional technology resources for students
- ✓ Increase of \$0.4M will be used to fund projects that are recommended by the Technology Fee Committee that includes students and faculty/staff

Concessions

FY 2011-12 Operating Budget

Concessions

- ✓ Projected expenditures of \$0.6M
- ✓ Comprised of funding derived from sales commissions from the beverage and pouring contract, snack vending, and laundry vending machines
- ✓ Supports the purchase of food and refreshment at university-wide events, e.g. commencements, student housing socials, convocation events, Board of Trustees meetings, training programs, lecture series, and faculty and staff recruitment

Direct Support Organizations (DSOs) & Component Units

FY 2011-12 Operating Budget

Projected expenditures of \$17.5M by DSO's and Component Units support the strategic priorities of the University

FIU Foundation Inc.:

- ✓ Operating expenditures total \$14.3M with projected revenues of \$39.4M
- ✓ Operating revenues are driven mainly by contributions of \$25M and investment earnings of \$11M

FIU Athletics Finance Corporation:

- ✓ Operating expenditures total \$2.4M with \$3.6M in projected revenues
- ✓ Debt service coverage ratio at 1.26

FIU Health Care Network:

- ✓ The Academic Health Center Faculty Group Practice opens July 2011 for its first full year of operations in its new location at PG-5 Market Station
- ✓ Operating revenues of \$1.1M and expenditures of \$1.2M; loss covered by auxiliary loan

FIU Research Foundation Inc.:

- ✓ Continue to receive royalties revenue plus Division of Research seed funding for Venture Capital start up activity
- ✓ Expenditures of \$17,000 for audit and tax fees

Student Loans

FY 2011-12 Operating Budget

Student Loans

- ✓ Projected expenditures of \$260.6M
- ✓ Comprised of loans from Federal and Private Sources, such as Stafford and Perkins Loans
- ✓ The university acts as an agent with respect to these funds

Proposed Resolutions

FA1. Proposed 2011-2012 Operating Budget

- A. University and DSO Operating Budgets
- B. University Tuition Fee
- C. Athletics Fee
- D. Amendment of University Traffic and Parking Regulations
- E. Proposed Tuition for Market Rate Programs



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