



The Florida International University

Board of Trustees

FULL BOARD MEETING

June 14, 2012

Florida International University Board of Trustees

AGENDA

- ✓ **Executive Summary**
- ✓ **Requested FY 2012-13 Budget Review**
 - ❑ FIU's Operating Budget is comprised of twelve budgetary components
- ✓ **Proposed Action Items**
 - ❑ University and DSO Operating Budgets
 - ❑ University Tuition Fee
 - ❑ Activity and Service Fee
 - ❑ Athletics Fee
 - ❑ Amendment of University Traffic and Parking Regulation
 - ❑ Capital Improvement Trust Fund
 - ❑ Tuition for Market Rate Programs, 2013-14 Academic Year

FY 2012-13 Operating Budget Executive Summary

FIU's FY 2012-13 Expenditure Operating Budget totals \$1,198M, an increase of 13% over the prior year's budget

<i>\$ Millions</i>	FY 2011-12 ¹	FY 2012-13 Proposed	Change	Percentage Change	Percentage of Total Budget
Education and General - University	\$353.0	\$361.5	\$8.5	2.4%	30%
Education and General - College of Medicine	\$31.0	\$36.4	\$5.4	17.4%	3%
Auxiliary Enterprises	\$132.0	\$174.2	\$42.2	32.0%	15%
Student Financial Aid	\$143.0	\$165.5	\$22.5	15.7%	14%
Contracts and Grants	\$86.3	\$91.5	\$5.2	6.0%	8%
Intercollegiate Athletics	\$21.1	\$22.7	\$1.6	7.6%	2%
Activity and Service	\$13.5	\$16.0	\$2.5	18.5%	1%
Technology Fee	\$8.5	\$8.4	(\$0.1)	-1.2%	1%
Board Approved Fees	\$0.5	\$0.5	\$0.0	0.0%	0%
Concessions	\$0.6	\$0.7	\$0.1	16.7%	0%
Direct Support Organizations	\$17.5	\$27.4	\$9.9	56.6%	2%
Student Loans	\$260.6	\$299.9	\$39.3	15.1%	25%
Other ²	(\$2.5)	(\$6.7)	(\$4.2)	166.4%	-1%
TOTAL EXPENDITURES	\$1,065.1	\$1,198.0	\$132.9	12.5%	100%

¹ Final Budget FY 2011-12 contains the addition of Board Approved fees to the Original Budget

² Other includes Self-Insurance Program, Principal Payment of Debt and Interfund Adjustments

Educational and General

FY 2012-13 Operating Budget

Educational and 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 total expenditures of \$397.9M
 - ❑ E&G University \$361.5M
 - ❑ E&G College of Medicine \$36.4M

E&G State Appropriations

FY 2012-13 Operating Budget

E&G State Appropriations

- ✓ \$24.3 million in state revenue reductions (non-recurring)
- ✓ \$1.3 million increase to PO&M for new space
- ✓ \$4.6 million reduction for reduced contributions to the Optional Retirement Program and decrease in allowable excess hours
- ✓ \$1.3 million for new initiatives

Herbert Wertheim College of Medicine

- ✓ \$946,000 funding received for the continued phase-in of the Herbert Wertheim College of Medicine
- ✓ \$357,000 reduction for reduced contributions to the Optional Retirement Program
- ✓ 120 students accepted from 3,524 applicants for fourth class of 2016
- ✓ Total enrollment of approximately 287 students Fall 2012

E&G Tuition Rates

FY 2012-13 Operating Budget

Base Tuition

- ✓ Undergraduate: 0% Increase
- ✓ Graduate: 5% Increase
- ✓ Law: 10% Increase
- ✓ Medicine: 15% Increase
- ✓ Non-Resident Fee: 0% Increase

Differential Tuition

- ✓ Applies to new undergraduate students as of Fall 2007 except those with active Florida Prepaid contracts purchased before July 2007
- ✓ Maximum of 15% increase, including 0% base increase
- ✓ \$20.29 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 \$23M from all increases
 - ❑ E&G University \$18.0M
 - ❑ E&G College of Medicine \$5.0M

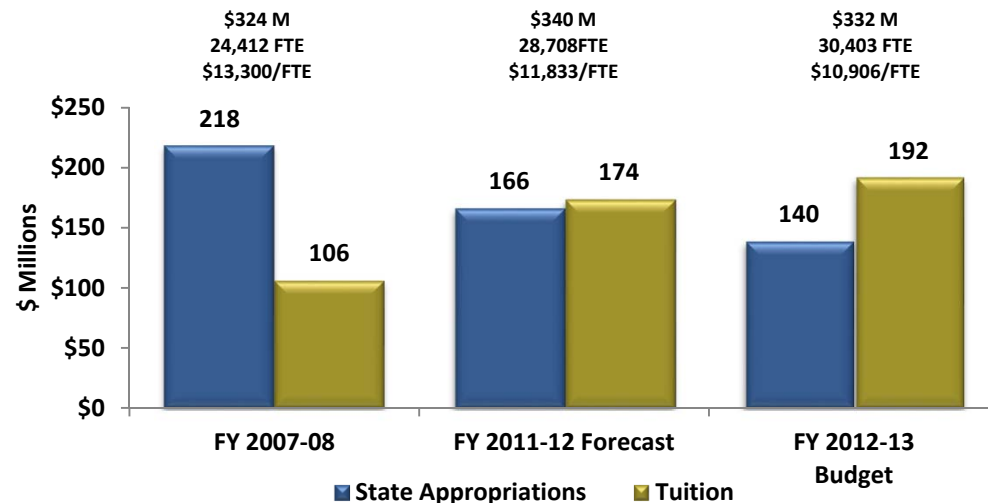
E&G Tuition Rates

FY 2012-13 Operating Budget

How we compare

- ✓ The maximum undergraduate tuition and fees for a student taking 30 hours will total \$6,236¹, an increase of \$723 or 13.1% over the prior year
- ✓ The average increase will be \$540 or 9.8%, when factoring in the additional 30% need-based financial aid
- ✓ The estimated 2012-13 national average: public, doctoral-granting universities \$9,528; public, 4-year institutions \$8,845², compared to \$6,236 for FIU

Continued Importance of Tuition³



¹ Excludes parking fees for comparison purposes

² Assuming a 7% increase to the 11-12 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 2012-13 Operating Budget

Incremental tuition will be invested in initiatives focusing on student success and student access

- ✓ \$5.9M in additional need-based financial aid
 - ❑ Almost 6000 students with Expected Family Contribution of \$0 will receive a tuition differential scholarship of approximately \$642

- ✓ Additional personnel to improve program quality and retention and graduation of students:
 - ❑ 61 Faculty including 26 in STEM areas
 - ❑ 15 Student Advisors
 - ❑ 2 Police Officers
 - ❑ 23 Student Support Staff to improve services to students and faculty, including student writing center, student graduation success, engagement, student financial services, and technology services

- ✓ Provides access to 2,000 additional students

E&G University Funding Gap

FY 2012-13 Operating Budget

	<i>\$ millions</i>
State Appropriations Base Budget	\$166
Legislative Adjustments / Budget Passthroughs	(5)
PO&M and Legislative specials	3
State Cut - Non-Recurring	(24)
2012-13 Total State Appropriations	140
2011-12 E&G Tuition Budget	174
Incremental Tuition - current and new student enrollment	18
2012-13 E&G Tuition Budget	192
Risk Management and Financial Aid	2
TOTAL E&G REVENUES	334
E&G Base Expenditure Budget	(346)
PO&M and Legislative specials	(3)
10-year Plan Investments Continuation	(3)
Faculty and Support Staff for new enrollments	(11)
TOTAL E&G EXPENDITURES	(362)
E&G ESTIMATED SHORTFALL	(28)

E&G University Funding Gap

FY 2012-13 Operating Budget

University Carryforward funds will be used to cover the
E&G estimated shortfall

UNIVERSITY CARRYFORWARD

	<i>\$ millions</i>
FY 2011-12 Beginning Balance	107
Expenditure Forecast FY 2011-12	(57)
Estimated Unused FY 2011-12 Current Year Funds	11
FY 2012-13 Estimated Beginning Balance	61
E&G Funding GAP	(28)
Legislative Earmarked Funds	(3)
Capital Campaign Investment	(5)
Health Services Compliance	(1)
College and Area Commitments	(2)
FY 2012-13 Expenditures:	(38)
FY 2012-13 Estimated Ending Balance	23

Fiscal Year 2013-14

Actions to address a potential recurring budget reduction in 2013-2014:

FIU will continue to monitor overall state budget

- ❑ General Revenue estimating conference (July - August 2012)
 - General Revenue collections January to April are above January estimates by over \$200M
 - ❑ State of Florida Long-Range Financial Outlook (Fall 2012)
-
- ✓ Suspend Strategic Plan enrollment growth of 2,000 students per year
 - ✓ Hire only strategic, mission critical positions
 - ✓ Reduce operating expenditures while protecting STEM and other critical programs

Auxiliary Enterprises

FY 2012-13 Operating Budget

Auxiliary Enterprises

- ✓ Projected expenditures of \$174.2M
- ✓ 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 \$42.2M mainly associated with:
 - ❑ Expansion of market academic programs
 - ❑ Accounting change for expense reimbursements from Direct Support Organization (\$4M)

Parking Regulation

FY 2012-13 Operating Budget

Amendment of the University Traffic and Parking Regulation FIU-1105

- ✓ Addition of “head in parking only” restriction and corresponding fine
- ✓ To allow vendors and contractors to purchase staff decals
- ✓ To provide for the towing of vehicles whose owners engage in decal fraud
- ✓ Revise the provisions concerning golf carts
- ✓ To delete the applicability of Chapter 316 to campus, except as noted
- ✓ To clarify and update the handling of visitor parking for departmental events
- ✓ Increase fees to improve services:
 - ❑ Additional shuttle buses
 - ❑ Expanded staffing at beginning of each semester
 - ❑ BBC road markings and resurfacing
 - ❑ Camera replacement for Blue & Gold garages
 - ❑ LED lighting upgrades
 - ❑ Temporary beginning of semester parking at Tamiami Park
 - ❑ Parking and lighting at Engineering Center
 - ❑ Temporary parking at Fairgrounds from August to February 1
 - ❑ Temporary parking and lighting at 17th Street

Parking Fee Comparison

FY 2012-13 Operating Budget

FIU Proposed Fees

Annual Fees (exclusive of sales tax)	FY 2011-12	FY 2012-13
Student (per semester)		
Fall/Spring	\$81	\$89
Summer	\$75	\$83
Executive	\$884	\$972
Administrative	\$406	\$447
Faculty and Staff	\$231	\$254

How do we compare?

Annual Fees	FIU	UF	UCF	UWF	FSU	UNF	USF	FAU
Student (30 hrs.) (Access and Decal Fees)	\$178	\$402	\$364	\$301	\$267	\$265	\$264	\$154
E/Reserved	\$972	\$1,757	\$1,039	\$210	\$562	\$379	\$1,025	\$641
Admin	\$447	\$1,161					\$470	\$244
Faculty / Staff - High	\$254	\$1,042	\$308	\$84	\$232	\$234	\$429	\$134
Faculty / Staff - Low	\$133	\$162	\$183	\$84	\$232	\$234	\$257	\$58

Student Financial Aid

FY 2012-13 Operating Budget

Student Financial Aid

- ✓ Projected expenditures of \$165.5M
- ✓ No increase in Financial Aid fee for undergraduate students
- ✓ Comprised of funding from student financial aid fees, support from federal and state financial aid awards, institutional programs, as well as numerous private scholarships
 - ❑ Pell Grants
 - ❑ Bright Futures
 - ❑ FIU University-Wide and College
 - ❑ Florida Student Assistance Grant
 - ❑ Federal Work Study
 - ❑ First Generation
- ✓ Projected increase of \$22.5M:
 - ❑ Increase in Pell grant recipients
 - ❑ Increase in financial aid eligible students
 - ❑ Increase in the 30% need-based aid allocation from Differential Tuition
- ✓ Approximately 30,000 students will receive financial aid including 20,000 PELL recipients

Contracts and Grants

FY 2012-13 Operating Budget

Contracts and Grants

- ✓ Projected expenditures of \$91.5M*
- ✓ Comprised of funding from many sources, including federal, state and local governmental agencies and private organizations, to support research, public service and training
- ✓ Federal negotiations for a new F&A rate effective FY 2012-13 continue
- ✓ Key projects for FY 2012-13:
 - ❑ Focus on the technology transfer function to bring inventions to market
 - ❑ Continue lab renovations and identification of cluster hiring opportunities
 - ❑ Hire National Academy quality faculty

* National Science Foundation research and development expenditures projected to be \$120M.

Intercollegiate Athletics Fee

FY 2012-13 Operating Budget

Intercollegiate Athletics

- ✓ Projected expenditures of \$22.7M
- ✓ 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 9 women's including football, softball, baseball, soccer, golf, basketball, cross-country/track and field, swimming and diving, tennis and volleyball
- ✓ Fee increase of \$0.54, from \$15.56 to \$16.10 per credit hour
 - ❑ Recommended by the Athletic Fee Committee (4-3)
 - ❑ Proposed fee increase will be used to cover costs associated with the transition from the Sun Belt Conference to Conference USA
- ✓ Increase of \$1.6M in expenditures is primarily from contractual obligations and an increase in scholarship expense

Intercollegiate Athletics Fee Comparison

FY 2012-13 Operating Budget

How do we compare?

<i>\$ per credit hour</i>	FIU	UWF	FAU	FGCU	UNF	USF	UCF	FSU	NCF	UF
Intercollegiate Athletics Fee	\$16.77	\$19.39	\$17.27	\$17.04	\$16.33	\$15.13	\$13.44	\$7.54	\$6.28	\$1.90

Fee for FIU and FSU includes a \$10 flat fee per semester; equivalent to \$0.67 per credit hour at 15 credit hours per semester

Activity and Service Fee

FY 2012-13 Operating Budget

Activity and Service

- ✓ Projected expenditures of \$16.0M
- ✓ 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
- ✓ Fee increase of \$1.27, from \$11.60 to \$12.87 per credit hour
 - ☐ Recommended by the Activity & Service Fee committee (5-2)
 - ☐ Proposed fee increase will be used mainly to:
 - Fund and sustain current initiatives for student clubs and organizations
 - Increase funding to the Women's Center, Center for Leadership & Service and student travel related expenses to regional and national conferences
 - Renovate the Wolfe University Center and improvements to the Graham Center
 - Additional staff positions that will directly serve students
- ✓ Increase of \$2.5M in expenditures is primarily to support various student programs and centers

Activity and Service Fee Comparison

FY 2012-13 Operating Budget

How do we compare?

<i>\$ per credit hour</i>	FIU	NCF	UF	UWF	FAU	FSU	USF	UCF	FAMU
Activity and Service Fee	\$12.87	\$16.65	\$16.06	\$13.30	\$12.32	\$12.24	\$12.18	\$10.79	\$10.50

Fee for USF includes a \$7 flat fee per semester; equivalent to \$0.47 per credit hour at 15 credit hours per semester

Technology Fee

FY 2012-13 Operating Budget

Technology Fee

- ✓ Projected expenditures of \$8.4M
- ✓ No increase in Technology fee for undergraduate students
- ✓ Comprised of funding from the technology fee paid by students, established at 5% of base tuition
- ✓ Used to enhance instructional technology resources for students
 - ❑ Renovation of classrooms with state-of-the-art technology
 - ❑ Course capturing technology
 - ❑ Wireless expansion
- ✓ Committee of 6 students and 6 faculty/staff make project recommendations

Board Approved Fees

FY 2012-13 Operating Budget

Board Approved Fees

- ✓ Projected expenditures of \$502,000
- ✓ Comprised of funding from the Test Preparation Fee paid by College of Law students in programs where licensing to practice requires successful completion of the Bar examination
- ✓ FIU provides the Bar preparation course through a third party vendor

Concessions

FY 2012-13 Operating Budget

Concessions

- ✓ Projected expenditures of \$720,000, an increase of \$122,000 over the prior year
- ✓ 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) and Component Units

FY 2012-13 Operating Budget

Projected expenditures of \$27.4M by DSO's and Component Units support the strategic priorities of the University

FIU Foundation Inc.:

- ✓ Operating expenditures total \$21.5M with projected revenues of \$41.4M
- ✓ Operating revenues are driven primarily by contributions of \$24M and investment earnings of \$13M

FIU Athletics Finance Corporation:

- ✓ Operating expenditures total \$2.4M with \$3.6M in projected revenues
- ✓ Debt service coverage ratio at 1.25

FIU Research Foundation Inc.:

- ✓ Continue to receive royalties revenue
- ✓ Expenditures of \$18,000 for audit and tax fees

FIU Health Care Network:

- ✓ The Faculty Group Practice opened in August 2011 for its first full year of operations in its new location at PG-5 Market Station
- ✓ Operating expenditures are \$3.5M with revenues of \$1.8M; loss covered by auxiliary loan

Student Loans

FY 2012-13 Operating Budget

Student Loans

- ✓ Projected expenditures of \$299.9M
- ✓ Comprised of loans from Federal and Private Sources
 - ❑ Federal Stafford, Perkins and PLUS
 - ❑ Sallie Mae Private
- ✓ The university acts as an agent with respect to these funds
- ✓ Approximately 21,000 students will receive some form of student loan

Capital Improvement Trust Fund

- ✓ The CITF is used to fund new projects or real property acquisition meeting the requirements of chapter 1013, F.S., such as student recreation and wellness centers and student unions
- ✓ House Bill 5201, approved by Governor on April 1, 2012 authorized an increase in the CITF fee of up to \$2.00 per credit hour
- ✓ The last increase (\$1.00) was in 1988-89, taking the amount to \$4.76
- ✓ This legislation was supported by the Florida Student Association
- ✓ Recommended by the CITF Fee Committee (5-1)

How do we compare?

All institutions recommended the \$2.00 increase except NCF (\$1.38) and FSU (\$0.00); FSU previously established the Facilities Use Fee of \$2.00 per credit hour plus \$20.00 per semester

Tuition For Market Rate Programs

- ✓ Tuition market rates are being proposed for the following programs offered through FIU's Continuing Education Program
 - ❑ *Master of Science in Management Information Systems*
 - \$30,000 (Resident Tuition)
 - \$33,000 (Non-resident Tuition)
 - ❑ *Executive Master of Science in Public Administration*
 - \$32,000
 - ❑ *Master of Science in Hospitality and Tourism Management*
 - \$48,000 (42-credit program)
 - \$30,000 (30-credit Executive Program)
- ✓ Market rate programs receive no state funding and must cover all costs of program delivery
- ✓ Proposed Implementation Date: Fall 2013, pending BOG approval
- ✓ The market rate tuition will enable these programs to provide students with improved career opportunities

Proposed Action Items

6. FA1. Proposed 2012-2013 Operating Budget

- A. University & DSO Operating Budgets
- B. University Tuition Fee
- C. Activity and Service Fee
- D. Athletics Fee
- E. Amendment of University Traffic and Parking Regulation
- F. Capital Improvement Trust Fund
- G. Tuition for Market Rate Programs, 2013-14 Academic Year



The Florida International University

Board of Trustees

FULL BOARD MEETING

June 14, 2012