Fiscal Year 2022-23
Budget Kick-Off
<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Diane Singh</td>
</tr>
<tr>
<td>Provosts’ Remarks</td>
<td>Dr. Kenneth Furton</td>
</tr>
<tr>
<td></td>
<td>Dr. Elizabeth Bejar</td>
</tr>
<tr>
<td>CFO’s Remarks</td>
<td>Aime Martinez</td>
</tr>
<tr>
<td>Budget Assumptions</td>
<td>Diane Singh</td>
</tr>
<tr>
<td>Budget Development</td>
<td>Janet Medina</td>
</tr>
<tr>
<td>What’s New!</td>
<td>Janet Medina</td>
</tr>
<tr>
<td>FIU Foundation</td>
<td>Michelle Chiu-Hung</td>
</tr>
</tbody>
</table>
Provost’s Remarks
Next Horizon 2025
Budget Kick-Off
February 15, 2022

Elizabeth Bejar, Ph.D.
Senior Vice President for Academic & Student Affairs
Interim Provost-Designate
Florida International University will achieve exceptional student-centered learning and upward economic mobility, produce meaningful research and creative activities, and lead transformative innovations locally and globally, resulting in recognition as a Top-50 public university.
Florida International University is an urban, multi-campus, public research university serving its students and the diverse population of South Florida. We are committed to high-quality teaching, state-of-the-art research and creative activity, and collaborative engagement with our local and global communities.
Level Set: How has COVID-19 Shifted our Approach to our Academic & Research Enterprise?

- Unanticipated changes to enrollment
- Rapid Shift to Remote, Hybrid, and Online Instruction
- Increased comfort with instructional technology/online tools
- Agile WorkForce/The Great Resignation
- Shifting Demand
  - Online/New learners (upskilling/reskilling)
  - Calls for closer alignment to market demand
COMMITMENT

• Top 50 In Excellence and Opportunity

• Leading the Next Generation

VALUES

• Truth — in the pursuit, generation, dissemination, and application of knowledge
• Freedom — of thought and expression
• Respect — for diversity and the dignity of the individual
• Responsibility — as stewards of the environment and citizens of the world
• Excellence — in intellectual, personal, and operational endeavors
Our Framework

• Amplify Learner Success & Institutional Affinity

• Accelerate Pre-Eminence & Research and Innovation Impact

• Assure Responsible Stewardship
Our Strategies

• National Recognition
  • Programs of Distinction
  • Pre-Eminence/Emerging Pre-Eminence

• Investments & Initiatives around Student Success
  • Teaching Faculty
  • Scholarships
  • Student Support
  • Academic Pathways and Year-Round University

• Investments & Initiatives around Research Excellence
  • Research Infrastructure
  • Research Faculty
  • Shared Services & Agile Work Force
  • Academic Pathways and Year-Round University

• Return on Investment
Closing Thoughts
Leadership Considerations

• Five Common Leadership Tensions
  • Survive vs Thrive
  • Expediency vs Empowerment
  • Responder vs Convener
  • High Expectation vs High Support
  • Self-Reliance vs Amplification of Others
QUESTIONS?

Elizabeth Bejar, Ph.D.
Senior Vice President for Academic & Student Affairs
Interim Provost-Designate
Fiscal Year 2021-22 Outlook

• Fiscal year 2021-22 results through the second quarter
  • E&G revenues on track; decline in tuition revenues due to lower enrollment are offset by savings in waivers
  • Student fee revenues below plan due to lower enrollment
  • Auxiliary revenues below plan mainly due to timing in billing and receipt of payment for fees and goods
  • Real expense savings of $10.7 million or 1.5% across all funds, mainly E&G

• Supplement lower revenues with HEERF funds, subject to available funds
  • Lost revenues calculation methodology and process same as claim for fiscal year 2020-21
  • Performed at fiscal year and compared to a base year of fiscal year 2018-19 (pre-pandemic)
  • Any E&G lost revenues will be available in university central carry forward; restricted to non-recurring expenditures
2022 Legislative Session Update

• 2022 legislative session convened January 11, and concludes March 11

• Initial proposed budgets (February 3, 2022); no additional unrestricted state appropriations:

<table>
<thead>
<tr>
<th>Category</th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>System-wide base funding increases or decreases</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Performance-Based Funding</td>
<td>Maintain current level, $560 million</td>
<td>Maintain current level, $560 million</td>
</tr>
<tr>
<td>Tuition Increases</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>PECO</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Bright Futures</td>
<td>Maintain current level</td>
<td>Maintain current level</td>
</tr>
<tr>
<td>Nursing Education (LINE &amp; PIPELINE)</td>
<td>$46 million</td>
<td>$0</td>
</tr>
<tr>
<td>Washington Center</td>
<td>$125,000</td>
<td>$250,000</td>
</tr>
</tbody>
</table>
Headcount Enrollment

Fall 2013: 52,980
Fall 2014: 58,063
Fall 2015: 58,787
Fall 2016: 58,934
Fall 2017: 56,598
Fall 2018: 56,208
Fall 2019: 57,910
Fall 2020: 58,063
Fall 2021: 58,787
Fall 2022: 58,934
Fall 2025: 56,598

Undergraduate
Graduate
Professional
Unclassified
Total
FTE Enrollment Composition by Modality

AY 2013-14: 76% Face-to-Face, 22% Hybrid, 2% Online
AY 2014-15: 73% Face-to-Face, 23% Hybrid, 3% Online
AY 2015-16: 70% Face-to-Face, 25% Hybrid, 5% Online
AY 2016-17: 65% Face-to-Face, 27% Hybrid, 7% Online
AY 2017-18: 60% Face-to-Face, 31% Hybrid, 10% Online
AY 2018-19: 55% Face-to-Face, 33% Hybrid, 11% Online
AY 2019-20: 52% Face-to-Face, 37% Hybrid, 12% Online
AY 2020-21: 40% Face-to-Face, 50% Hybrid, 11% Online
AY 2021-22: 30% Face-to-Face, 39% Hybrid, 9% Online
2025 Goal: 30% Face-to-Face, 30% Hybrid, 40% Online
Planning for Fiscal Year 2022-23

- **Estimated E&G revenues of $536 million, a decrease of $1.6 million vs. the prior year budget**
  - Only increase in state appropriations covers risk management insurance premium increase of $0.5 million
  - Continued decline in enrollment results in lower tuition revenues of $2.1 million; no change in tuition rates

- **Estimated E&G expenses of $551 million; rising operating expenses and ongoing commitments**
  - Fringe benefit rates — higher health insurance premiums and unfunded increases in retirement rates
  - Utilities — higher FPL rates
  - Increases in minimum wage — increases every year by $1/hr. until $15/hr.; FY 2022-23 rate is $11/hr.
  - Collective bargaining agreements
  - Compliance and security requirements
  - Diversity, Equity, and Inclusion

- **Not enough unallocated recurring funds to meet commitments**

- **E&G funding gap of $15 million**
Strategies to address E&G funding shortfall

• E&G unit budget reduction of 1.5%
  • Budget reduction targets established by Executive Area
  • Vice Presidents will determine amount of reduction by department
  • Colleges have an additional $1.0 million reduction due to tuition revenue reallocation model

• Reinstate salary float on admin/staff/faculty, excludes tenured and tenure-earning faculty

• Use available carry forward balances to help fill the gap
  • Will potentially have lost revenues from HEERF
  • Carry forward restricted by legislature to non-recurring expenses only
Planning for Fiscal Year 2022-23

- Enrollment declines also impact student fees; no increases in student fee rates
  - Athletics, activity and service, health, parking, technology fee, financial aid fee, CITF
- Auxiliary market rate/self-supporting programs enrollment holds steady
- Shift from on campus to online enrollment and flexible work schedule will impact auxiliaries whose revenues depend on on-campus presence
- Rising operating expenses impact all funding sources
  - Fringe benefit rates — higher health insurance premiums and unfunded increases in retirement rates
  - Utilities — higher FPL rates, estimated 21% increase
  - Increases in minimum wage — increases every year by $1/hr. until $15/hr.; FY 2022-23 rate is $11/hr.
Budget Assumptions

- Tuition and Fees
- Pooled Fringe Benefit Rates
- University-wide Expenses
- E&G Control Totals
- E&G Carry Forward
- E&G Position Savings
Tuition and Fees

- Tuition rates and Student Fees, no changes

**Tuition Rates**
- Undergraduate -- Base, Tuition Differential
- Graduate -- Base, Nursing Differential
- Professional -- Law, Medicine

**Student Fees**
- Student credit hour fees – Athletics, Student Activity, Technology Fee, and Financial Aid
- Headcount fees – Athletics, Health and Parking

- Bad Debt, no changes except for E&G and Financial Aid Fee
  - Academic & Other Auxiliaries (including Health Fee), Housing, Athletics Fee, Student Activity, Technology Fee, and Test Preparation Fee remain at 0.85% of gross revenue
  - E&G and Financial Aid Fee reduced by 0.5% to 1.0% of gross revenue

- Shared Services Fee, no changes
  - 7.0% of operating expenses for auxiliaries, and 5.5% for student activities
## Pooled Fringe Benefit Rates

<table>
<thead>
<tr>
<th>Fringe Pool</th>
<th>FY 2021-22</th>
<th>FY 2022-23*</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin or Faculty (excluding COM Faculty)</td>
<td>36.13%</td>
<td>38.66%</td>
<td>2.53%</td>
</tr>
<tr>
<td>COM Faculty</td>
<td>28.26%</td>
<td>27.50%</td>
<td>-0.76%</td>
</tr>
<tr>
<td>Staff</td>
<td>55.80%</td>
<td>61.69%</td>
<td>5.89%</td>
</tr>
<tr>
<td>Overtime</td>
<td>19.87%</td>
<td>24.06%</td>
<td>4.19%</td>
</tr>
<tr>
<td>OPS &amp; Temporary Faculty</td>
<td>4.09%</td>
<td>5.31%</td>
<td>1.22%</td>
</tr>
<tr>
<td>Graduate Student Assistants</td>
<td>8.20%</td>
<td>11.90%</td>
<td>3.39%</td>
</tr>
<tr>
<td>Miscellaneous Payroll Allowance &amp; Other Earnings</td>
<td>7.65%</td>
<td>7.65%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

* Subject to approval by the U.S. Department of Health and Human Services

**Notes:**
- Approved rates built into the budget
- Effective beginning of next fiscal year
- E&G control totals by Executive Area adjusted for changes in pooled rates
Benefit Rate Comparison

- State and local government workers: 17.95%
- Private industry workers: 4.22%
- Civilian workers: 6.49%

Total:
- Legally required benefits: 42.08%
- Retirement and Savings: 25.91%
- Insurance: 22.66%

Benefit Rate Comparison

State and local government workers: 16.38%
Junior colleges, colleges, and universities: 13.61%
FIU: 3.83%

Total: 42.08%
Insurance: 35.89%
Retirement and Savings: 35.35%
Legally required benefits: 16.30%
Other benefits (FIU): 3.83%

University-wide Expenses

Salary Actions
• University-wide recurring salary adjustments
  • Budgeted centrally for E&G
  • Budgeted by units for non-E&G funds – consider existing bargaining commitments
• Departments should budget for individual salary actions

Other Direct Expenses
• Interdepartmental rates - refer to budget portal for the various rates
• Year-end accruals – receipt date
E&G Executive Area Control Totals Based on FY 2021-22 final budget adjusted for:

- Recurring and non-recurring special legislative appropriations
- Changes in fringe benefit rate
- Recurring university-wide salary adjustments
- Strategic Investments approved in FY 2021-22
- Net tuition revenue reallocation model (colleges only)
- Organizational changes between executive areas
- Executive area budget reductions – 1.5% of FY 2022-23 control total before reductions

Preliminary Executive Area Control Totals available in Executive Area Budget Manager Teams folder by Friday, February 18, 2022

- Vice-President of each Executive Area determines allocation to departments
Year-end process:

- 50% of the departmental net available balance at year-end
- Open Purchase Orders request for furniture, fixtures, and equipment only

Legislative and Board of Governors requirement to submit an E&G Carry Forward Spending Plan:

- Spending plan includes description of expenditure along with cost and timeline for completion
- Office of Financial Planning will request units’ spending plan toward the end of July when carry forward balances have been determined
- Spending plan must meet allowed uses as defined by the Florida Board of Governors,

E&G Faculty Reallocation Pool

- No change to the process

- Tenured and tenure-earning faculty positions that become vacant subject to reallocation process
  - 50% of the savings on vacant faculty lines transferred to an Academic Affairs central faculty pool
  - Pooled funds will be reallocated to support the top 50 faculty hiring plan
E&G Position Savings

E&G Salary Float

• Reinstated July 1, 2022
• Applies to faculty, admin, and staff positions, except tenured and tenure-earning faculty positions
• University retains 50% of budgeted salary and benefits over the period the position is vacant
• Units keep the remaining 50%
• Impacts only the current year budget
Budget Development

- Timeline
- Deliverables
- Process
- Workshop Schedules
Timeline

- **Feb 15**: DBM is open
- **Feb 21**: ACTUALS 1-8 Salary Forecast data refreshed
- **Mar 9**: CFO / Unit Budget Reviews start
- **Mar 25**: Position Tool Opens
- **Apr 25**: Position Data Refreshed
- **Apr 29**: FCST DUE FY 2021-22 FCST Due in DBM
- **BUDGET DUE FY 2022-23 BUD Due in DBM**
Deliverables

Forecast and budget by Activity Nbr, by accounting period, and by account

FY 2021-22 Forecast
- Update loaded Forecast in Detail Budget Maintenance
- Update Cash Transfer tool
- Update DSO Reimbursements tool

FY 2022-23 Budget
- Update position budgets in FIU Position Budget tool
- Update cash transfer budget in FIU Cash Transfers In/Out tool
- Update DSO reimbursements in FIU DSO Reimbursements tool
- Enter all other budgets in Detail Budget Maintenance
- Run reports and review with unit head
Deliverables

All units with auxiliary operations* are requested to submit a three-year fund balance plan

• The three-year period covers FY 2022-23 through FY 2024-25
• Auxiliary and Enterprise Development will send a separate communication with further details
• Units are requested to submit their plans by April 11, 2022

What is a fund balance plan?

• Captures mainly investments in new or existing enterprises and large capital expenditures in infrastructure and technology
• Plan reflects unit commitments against their fund balance

* An auxiliary operation is an entity that exists to furnish goods or services primarily to benefit students, faculty and staff, and that charges a fee directly related to, although not necessarily equal to, the cost of the goods or services
Deliverables

*Materials and Supply Fee and Equipment Use Fee Budget Process*

- Ensure the appropriate rate is charged to students to recover allowable expenses in compliance with statute and regulation
- Office of the Provost Planning and Finance (OPPF) determines the appropriate rate and revenue estimates by department; units must complete annual M&S and Equipment Use review
- OPPF approves the expenditure budget by budgetary account for each department
- Colleges load approved revenues and expenses by budgetary account into the Requested budget
Deliverables

The Office of Research and Economic Development will develop the forecast and budget for the following funds:

• Sponsored Research Projects and Miscellaneous/Overhead ID’s — Funds 651 through 655
• Recharge Centers — Fund 350
Deliverables

**Concessions (Fund 461) and Food Credits**

- For FY 2022-23 budget, new control totals for each Executive Area subject to available funds:
  - Official, annual university-wide events: priority funding
  - Other activities and events: alignment with strategic goals, unit prioritization
- Office of Financial Planning (OFP) will communicate further guidelines to EABM’s as we receive more clarity on Concession revenues
- EABMs request funding and justification for all events through the FIU Budget Portal by **May 6, 2022**
- OFP will establish Concessions budget in PantherSoft, and communicate Food Credits allocation to EABM’s and Chartwells based on CFO’s approval
Process

Tools

• Detail Budget Maintenance (DBM) — Already open
• Cash Transfer Tool — Already open
• DSO Reimbursements Tool — Already open
• Position Tool — open for input Monday, February 21, 2022
  • Data as of February 9 loaded for information purposes only
  • Position tool data refreshed as of February 21, 2022
• OPS expenses budgeting tool — available
Resources

• Comprehensive Budget Portal
• Budget Manual
• Training Workshops - Live Webinar
  • Budget Concepts, Tools, and Reports for Newcomers
  • Budget Concepts and On-Line Budget Tool
  • Budget Reports and Analysis
• On-demand pre-recorded videos available on-line
• One-on-one sessions
• Contact List
## Workshop Schedules

<table>
<thead>
<tr>
<th>Workshop</th>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newcomer Training</td>
<td>Thursday, February 17, 2022</td>
<td>9:30 AM – 5:00 PM</td>
<td>Webinar</td>
</tr>
<tr>
<td>Budget Tools</td>
<td>Friday, February 18, 2022</td>
<td>9:30 AM – 12:00 PM</td>
<td>Webinar</td>
</tr>
<tr>
<td>Budget Reports and Analysis</td>
<td>Monday, February 21, 2022</td>
<td>1:30 PM – 4:00 PM</td>
<td>Webinar</td>
</tr>
<tr>
<td>Foundation Reports &amp; Analysis</td>
<td>Tuesday, February 22, 2022</td>
<td>2:00 PM – 4:00 PM</td>
<td>Webinar</td>
</tr>
</tbody>
</table>

Register via FIU Develop

On demand “How-To” videos are also available on the Budget Portal
What’s New!
What’s New?

- Budget upload template is now available for university-wide use
  - **Optional** — EABM’s and College Finance Managers decide if area will use template, they will provide further direction to their departments; enter information directly in DBM if upload template not used
  - OFP/AED receive templates from EABMs and College Finance Managers only
  - Training on Wednesday, February 23, 2022, for EABM’s and College Finance Managers

- Added time stamps for allocation processes to the DBM page
FIU Foundation

Fiscal Year 2022-23
Budget Kick-Off

February 15, 2022
NAVIGATION:

- Visit Foundation website: [http://give.fiu.edu](http://give.fiu.edu)
- Click on “About” tab at the top of the page.
- Then click on “FIU Foundation”
- On the left side of the page, click on “Financials” tab and the Operating Budget information is located at the bottom of the page
• Use budgetary account R14000 to forecast and budget revenues

• Use the following “Transfers Out” budgetary accounts to forecast and budget expenses to be reimbursed to FIU by Foundation:
  • E57000 – All Other Expenses
  • E57001 – Equipment Expenses
  • E57002 – Scholarship Expenses
  • E57003 – Construction Expenses
  • E57004 – Salary Expenses
  • E57006 – Events
  • E57007 – Subscriptions and Memberships
  • E57008 – Postage
  • E57009 – Travel
  • E57010 – Insurance
  • E57011 – Rental
  • E57012 – Repairs & Maint
  • E57013 – Professional Services
  • E57014 – Advertising and Promotion
  • E57015 – Materials & Supplies

• All other Expenses: Use the University Budgetary Accounts
Highlights

• Work with your Deans and Development Officers when forecasting and budgeting New Cash gifts

• Do not include expected pledge payments from signed pledged/gift agreements in Raiser’s Edge as of January 31, 2022, that are due between March 1, 2022, and June 30, 2023

  • Amounts will be pre-populated for you in the Actual and Requested ledgers using budgetary account R14001
## Investment Update as of December 31, 2021

<table>
<thead>
<tr>
<th>Asset Class/Composite</th>
<th>Market Value ($000s)</th>
<th>% of Total Managed Assets</th>
<th>Fiscal Year to Date</th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Equity</td>
<td>314,691</td>
<td>70.9%</td>
<td>4.1%</td>
<td>17.6%</td>
<td>17.9%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>58,593</td>
<td>13.2%</td>
<td>1.8%</td>
<td>29.2%</td>
<td>29.1%</td>
<td>24.6%</td>
</tr>
<tr>
<td>Hedge Funds</td>
<td>14,470</td>
<td>3.3%</td>
<td>5.0%</td>
<td>14.1%</td>
<td>13.0%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Private Real Estate</td>
<td>8,152</td>
<td>1.8%</td>
<td>8.7%</td>
<td>39.2%</td>
<td>15.7%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Infrastructure and Natural Resources</td>
<td>16,895</td>
<td>3.8%</td>
<td>11.0%</td>
<td>22.7%</td>
<td>5.7%</td>
<td>8.3%</td>
</tr>
<tr>
<td>High Quality Bonds &amp; Cash</td>
<td>31,114</td>
<td>7.0%</td>
<td>0.9%</td>
<td>0.4%</td>
<td>5.6%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Total Managed Assets Net of Fees</td>
<td>443,915</td>
<td>100.0%</td>
<td>3.9%</td>
<td>17.7%</td>
<td>16.9%</td>
<td>12.3%</td>
</tr>
</tbody>
</table>

**ASSUMPTION:** 4% spending distribution from investment earnings to endowment operations on June 30, 2022, unless gift agreement contractually mandates a different distribution amount, using 3-year rolling average as of 12/31/21.
Budget Tools

Queries and Reports

• Review FY 2021-22 Forecast (ACTUAL) and FY 2022-23 Budget (REQUESTED) through one of three ways:
  • Query — FIU02_BUDGET_DATA
  • nVision report — FIU02_BUDGET_BX_BY_PROJECT
  • nVision report — FIU02_R2_Foundation
Budget Tools

3% Gift Fee Allocation

• Runs nightly from 7:00 PM – 7:45 PM, please do not run reports or make entries into the budget tool during this 45-minute window

• Automatically reduces all forecasted and budgeted revenues (exceptions built in)

• Run the query or BX nVision report to obtain final NET revenue amounts for both your forecast and requested budget
<table>
<thead>
<tr>
<th>Deliverables</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-Month Forecast in ACTUAL Ledger</td>
<td>Friday, March 25, 2022</td>
</tr>
<tr>
<td>12-Month FY 2022-23 Budget for Colleges, Schools, Divisions in REQUESTED Ledger</td>
<td>Friday, April 29, 2022</td>
</tr>
<tr>
<td>Budget materials presented to management and Board leadership</td>
<td>May 16-20, 2022</td>
</tr>
<tr>
<td>Budget materials distributed to BOD</td>
<td>Friday, June 3, 2022</td>
</tr>
<tr>
<td>BOD Finance meeting (to approve budget)</td>
<td>Friday, June 10, 2022</td>
</tr>
<tr>
<td>Annual Board of Directors meeting (to approve budget)</td>
<td>Saturday, June 11, 2022</td>
</tr>
<tr>
<td>BOT Finance &amp; Facilities Committee meeting (to approve budget)</td>
<td>Thursday, June 16, 2022</td>
</tr>
</tbody>
</table>
Questions & Answers
Thank you!

Stay Safe!