



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA
Budget and Finance Committee
Grand Ballroom, UCF Fairwinds Alumni Center
University of Central Florida
Orlando, Florida
June 18, 2014
4:00 p.m. – 4:45 p.m.
or
Upon Adjournment of Previous Meetings

Chair: Mr. Tom Kuntz; Vice Chair: Mr. Ned Lautenbach
Members: Cavallaro, Colson, Hosseini, Huizenga, Levine, Tripp

1. **Call to Order and Opening Remarks** **Governor Tom Kuntz**
2. **Approval of Committee Meeting Minutes** **Governor Kuntz**
Minutes, March 19, 2014
3. **Allocation of Performance Funds** **Mr. Tim Jones**
*Vice Chancellor for
Finance and Administration,
Board of Governors*
4. **Market Tuition Pilot Extension** **Mr. Jones**
5. **2015-2016 Legislative Budget Request Guidelines** **Mr. Jones**
6. **Concluding Remarks and Adjournment** **Governor Kuntz**

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
June 18, 2014**

SUBJECT: Approval of Minutes of Meeting held March 19, 2014

PROPOSED COMMITTEE ACTION

Approval of minutes of meeting held on March 19, 2014.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and approve the minutes of the meeting held on March 19, 2014 at Florida State University.

Supporting Documentation Included: Minutes: March 19, 2014

Facilitators/Presenters: Governor Kuntz

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA STATE UNIVERSITY
TALLAHASSEE, FLORIDA
MARCH 19, 2013

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.

Mr. Tom Kuntz, Chair, convened the meeting of the Budget and Finance Committee at 4:00 PM. Members present for roll call were Ned Lautenbach; Carlo Fassi; Wayne Huizenga, Jr.; Alan Levine, Norman Tripp, Mori Hosseini and Dean Colson. Vice Chair Lautenbach joined the meeting at 4:06 PM and Committee member Mori Hosseini joined the meeting at 4:10 PM. Other Board members present included Dick Beard, Matthey Carter, Manoj Chopra, Ed Morton, Pam Stewart, Daniel Doyle, Jr., and Patricia Frost.

1. Call to Order

Mr. Kuntz called the meeting to order.

2. Approval of January 16, 2014, Meeting Minutes

Mr. Colson moved that the Committee approve the minutes of the meeting held January 16, 2014 as presented. Mr. Huizenja seconded the motion, and members of the Committee concurred except Vice Chair Lautenbach and Mr. Hosseini who were temporarily absent from the meeting.

3. Auxiliary Facilities 2014-2015 Operating Budget

Mr. Kuntz asked Tim Jones to present this issue. Mr. Jones stated that Section 1010.60, Florida Statutes, authorizes the issuance of bonds to finance or refinance capital projects authorized by the Legislature. Specific covenants, as set forth in the authorizing resolutions of certain bond issues, require approval of estimated operating budgets for the upcoming fiscal year at least ninety days preceding the beginning of the fiscal year. Staff has reviewed the income and expenditure statements for the seven universities identified in the packet and there will be sufficient revenues to meet the estimated level of operational expenditures and debt service payments for fiscal year 2013-2014.

Mr. Levine moved that the Committee approve the 2014-2015 operating budgets as presented. Mr. Colson seconded the motion, and members of the Committee concurred except Vice Chair Lautenbach and Mr. Hosseini who were temporarily absent from the meeting.

4. Tuition and Fee Flexibility

Mr. Kuntz introduced the next issue as a follow-up to the January meeting in which President Barron mentioned the tuition and fee flexibility that is provided to institutions in Texas. President Barron provided some additional information for the Committee to consider.

President Barron prepared a PowerPoint presentation on Florida's tuition and fee structure compared to other states. President Barron identified four options that could be considered: release the restrictions on the use of differential tuition, allow rebalancing of tuition and fees as long as total tuition and fees is neutral, allow short term rebalancing to address key priorities, and combine tuition and fees into one number to provide clarity to the total cost of attendance.

After discussion, Mr. Kuntz asked the Chancellor to share these options with the legislature, particularly the differential tuition option, since legislation is being considered to change the differential tuition statute.

5. University Shared Services Initiative

Mr. Kuntz asked Governor Lautenbach to introduce this issue since he has been working with the university Chief Financial Officers (CFOs) on this initiative.

Mr. Lautenbach thanked the Chair and reported that he met with the university CFOs after the November board meeting in Miami and has participated in two conference calls which have led to some very good discussions.

Mr. Lautenbach stated that the university CFOs have done a pretty good job of implementing various efficiencies, shared services and other cost savings measures, however, there is room for improvement. Mr. Lautenbach stated that there are some universities that do spend time looking for better and more cost effective ways of doing business, and some universities, for whatever reason, whether it is a lack of staffing or time, may not be able to take full advantage of all the opportunities that are available to them.

Mr. Lautenbach reiterated that any savings on the administrative side can then be used on the academic side to provide additional services and resources for our students and

he asked that the provosts and academic professionals to also look at ways of being more efficient and reduce academic administrative costs.

Ms. Shuman was introduced to provide an overview of some of the efficiencies the universities have worked on and the estimated savings from those efficiencies, issues that they are working on now, issues that are on the table for future discussions, and areas that we as a board, may be able to help.

Ms. Shuman presented a PowerPoint presentation. After discussion, Mr. Lautenbach asked the Chancellor to look at providing more central office help to drive more shared service initiatives.

Mr. Hosseini requested information on why some universities do not always participate in various shared initiatives or contracts. Ms. Shuman will provide this information by the June meeting.

6. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 4:53 PM.

Tom Kuntz, Chair

Tim Jones, Vice Chancellor
Finance and Administration

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
June 18, 2014**

SUBJECT: Allocation of Performance Funds

PROPOSED COMMITTEE ACTION

The Committee will consider the final allocation of the \$200 million in performance funds.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Approved Performance Funding Model; House Bill 5001 (2014 General Appropriations Act)

BACKGROUND INFORMATION

The Board approved a performance funding model at the January 16, 2014 meeting at Florida Gulf Coast University. A legislative budget request of \$50 million, along with an equal amount of base funding, was submitted to the Legislature and Governor for consideration.

Included in the 2014 General Appropriations Act was \$200 million for performance funding. Of this amount, \$100 million was provided in new funds with the balance coming from university base funds and two other previously funded system programs. Pursuant to Proviso, these funds are to be allocated based on the Board's approved model with minor exceptions.

Attached is the allocation of the \$200 million.

Once the allocation is approved by the Board, a university that scored 26 points or higher will be able to receive their funds beginning in July, 2014. A university that scored 25 points or less must have an improvement plan approved by the Board. Upon successful implementation of the improvement plan, a portion of the funds may be released in January 2015 and the balance in June 2015. If the plan is not successfully implemented, then any unreleased funds would be allocated to the top three universities that show the most improvement on the metrics.

Supporting Documentation Included: 1. Legislative Proviso
2. Proposed Allocation of \$200 million
3. Improvement Plan Outline

Facilitators/Presenters: Tim Jones

2014 Performance Funding Legislative Proviso

From the \$200,000,000, which includes \$100,000,000 new funding and \$100,000,000 redistributed from the base, for State University Performance Based Incentives in Specific Appropriation 143 from the General Revenue Fund, the Board of Governors shall allocate all of such appropriated funds pursuant to the performance funding model approved by the board on January 16, 2014, subject to the following modification:

- (1) all universities eligible for new funding shall have their base funding, including the performance funds allocated by the Board during 2013-2014, to be restored as provided in the Board of Governors' model; and
- (2) all universities that failed to meet the board's benchmarks for new funding shall submit a plan to the Board of Governors that specifies how their base funding, including the performance funds allocated by the Board during 2013-2014, will be expended to improve upon the metrics that disqualified the universities from receiving new funding.

The Board of Governors shall review the plans, and if approved, shall monitor the universities' progress on implementing the measures specified in the plans. The universities shall submit monitoring reports to the board no later than December 31, 2014 and May 31, 2015.

A university that is determined by the Board of Governors to be making satisfactory progress on implementing the plan shall receive a pro rata share of its base funding held by the board under the board's performance funding model. The Chancellor of the State University System shall withhold disbursement of the funds until such time as the monitoring report for each university is approved by the Board of Governors.

Universities that fail to make satisfactory progress shall not have their full base funding restored, and any funds remaining shall be distributed to the three universities that demonstrate the most improvement on the metrics based upon those universities' proportional share of the new funding allocated under the board's performance funding model.

Florida Board of Governors
Performance Funding Allocation, 2014-2015

	Points	Allocation of New Funds	Restoration of 2013-2014 Base Funds ¹	Allocation of Funds Previously used in 2013-2014 for the TEAm Grants ²	Allocation of 2013-2014 Performance Funds ³	Total Performance Funding Allocation
FAMU	29	\$5,541,681	\$3,602,093	\$831,252	\$869,565	\$10,844,591
FGCU	30	\$3,297,844	\$2,143,599	\$494,677	\$2,173,913	\$8,110,033
FIU	34	\$13,912,467	\$7,103,925	\$2,086,870	\$2,173,913	\$25,277,176
FSU	33	\$16,426,934	\$10,677,507	\$2,464,040	\$2,173,913	\$31,742,394
UCF	34	\$16,757,792	\$8,953,386	\$2,513,669	\$2,608,696	\$30,833,543
UF	42	\$22,453,117	\$12,199,069	\$3,367,967	\$1,739,130	\$39,759,283
UNF	29	\$4,510,490	\$2,931,819	\$676,574	\$2,173,913	\$10,292,796
USF	37	\$17,099,675	\$9,004,505	\$2,564,951	\$2,608,696	\$31,277,827
Sub-Total		\$100,000,000	\$56,615,903	\$15,000,000	\$16,521,739	\$188,137,642

			2013-2014 Base Funds at Risk		2013-2014 Performance Funds at Risk	Total Funds at Risk
FAU	24		\$5,213,263		\$1,739,130	\$6,952,393
NCF	25		\$645,594		\$434,783	\$1,080,377
UWF	21		\$2,525,240		\$1,304,348	\$3,829,588
Sub-Total		\$0	\$8,384,097	\$0	\$3,478,261	\$11,862,358

Total		\$100,000,000	\$65,000,000	\$15,000,000	\$20,000,000	\$200,000,000
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*Institutions earning 25 points or less do not receive any new funds. Funds at risk will be restored if the improvement plan approved by Board of Governors is successfully implemented.

Notes:

¹ Each university contributed a portion of their base budget, for a total of \$65 million, to be allocated based on performance. Universities that had 26 points or higher receive their full base funding restored. Universities with 25 points or less have to submit an improvement plan to be approved by the Board of Governors. Restoration of their base funding is contingent upon successful implementation of the improvement plan.

² In 2013-2014, \$15 million was provided to the Board to provide grants to address targeted program areas as identified in the GAP Analysis Report prepared by the Commission on Florida Higher Education Access & Attainment. For 2014-2015, these funds were incorporated as part of the performance funding model and allocated accordingly. These new funds are not TEAm grants.

³ In 2013-2014, \$20 million was provided for performance funding to be allocated based on 3 metrics identified in legislation. These funds are reallocated pursuant to the Board's approved methodology adopted in November, 2013. However, universities that scored 25 points or less on the Board's performance model will only receive these funds upon successful implementation of the improvement plan.

University Performance Funding Improvement Plan Guidelines

May, 2014 -

- Universities will develop an improvement plan based on the March performance funding presentation and outline specific initiatives that will be undertaken during the 2014-2015 fiscal year. Although the goal is to show improvement on the ten performance funding metrics, the gains realized on these metrics will not be available for at least a year, therefore the specific initiatives in the improvement plan must be measurable and verifiable. For example, the initiatives may include hiring of advisors, faculty, purchase of student academic tracking software, percentage of undergraduate students receiving advisement services, development of internships, etc.

June -

- June 9 (Monday) - Universities will submit an improvement plan approved by their respective boards of trustees to the Chancellor.
- June 17-19 - Universities will present the improvement plan as a part of the work plan presentation to the Board. Up to two additional slides may be added to the work plan PowerPoint to explain the improvement plan. In most cases, focus areas addressed in the Work Plan are most likely the same issues that the institution is addressing in its Improvement Plan.
- The Board will consider approval of the Work Plan, along with separate approval of the specific components identified in the improvement plan.

July to December –

- Universities will implement the improvement plan.

December 31 –

- Universities will submit a monitoring report to the Chancellor that documents the progress made on the initiatives identified specifically in the improvement plan.

January 22, 2015 –

- The Board will review the monitoring report and determine if satisfactory progress has been made. If so, **no more** than 50% of the funds being held will be released to the university.

January to May –

- Universities will continue to implement the improvement plan.

June -

- June 1 (Monday) – Universities will submit the final monitoring report to the Chancellor that documents the progress made on the specific initiatives.
- June 16-18 – the Board will review the final monitoring report and determine if the improvement plan was successfully implemented. If so, then the remaining funds being held by the Board will be released to the university. However, if the improvement plan was not 100 percent successfully implemented, then all or a

University Performance Funding Improvement Plan Guidelines

portion of the remaining unreleased funds will be distributed to the universities that demonstrate the most improvement on the performance funding metrics for the 2013-2014 year.

Legislative Proviso:

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(1) all universities eligible for new funding shall have their base funding, including the performance funds allocated by the Board during 2013-2014, to be restored as provided in the Board of Governors' model; and

(2) all universities that failed to meet the board's benchmarks for new funding shall submit a plan to the Board of Governors that specifies how their base funding, including the performance funds allocated by the Board during 2013-2014, will be expended to improve upon the metrics that disqualified the universities from receiving new funding.

The Board of Governors shall review the plans, and if approved, shall monitor the universities' progress on implementing the measures specified in the plans. The universities shall submit monitoring reports to the board no later than December 31, 2014 and May 31, 2015.

A university that is determined by the Board of Governors to be making satisfactory progress on implementing the plan shall receive a pro rata share of its base funding held by the board under the board's performance funding model. The Chancellor of the State University System shall withhold disbursement of the funds until such time as the monitoring report for each university is approved by the Board of Governors.

Universities that fail to make satisfactory progress shall not have their full base funding restored, and any funds remaining shall be distributed to the three universities that demonstrate the most improvement on the metrics based upon those universities' proportional share of the new funding allocated under the board's performance funding model.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
June 18, 2014

SUBJECT: Market Tuition Pilot Extension

PROPOSED COMMITTEE ACTION

Consider staff's recommendation to extend the three-year pilot program by two additional years. If the Committee agrees, staff would amend Regulation 7.001 for consideration by the Committee in September.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Regulation 7.001

BACKGROUND INFORMATION

In 2010, the Board was provided statutory authority to consider market tuition rates for graduate-level courses offered online or through the university's continuing education unit when such courses constitute an approved degree program or college credit certificate program. The Budget & Finance Committee spent the fall of 2010 developing a regulation for the administration and submission of university proposals.

The Committee recommended that a three year pilot period be implemented in order to collect sufficient information to determine the merit and success of market tuition rate courses. The three year pilot period ended in 2013. Since implementation of the market tuition rates, a total of 64 programs spanning eight universities have received approval. For various reasons, several of the market tuition programs that have been approved have not been implemented.

Board staff has reviewed the annual university reports and believes that the pilot program should be extended for two additional years to allow for sufficient information to be collected on the approved programs. If so, Board Regulation 7.001 would be amended and brought to the Committee in September for consideration.

Supporting Documentation Included: List of approved market tuition programs

Facilitators/Presenters: Tim Jones

**Florida Board of Governors
Market Tuition Proposals Approved
(Date Approved)**

- A. Florida International University
 - 1. Master of International Business (03/2011)
 - 2. Master in Global Governance (03/2011)
 - 3. Master of Accounting Program (03/2011)
 - 4. Master of Business Administration (03/2011)
 - 5. Master of Science in Construction Management (11/2011)
 - 6. Masters in Mass Communication - Global Strategic Communication Management (11/2011)
 - 7. Master of Science in Engineering Management (11/2011)
 - 8. Master of Science in Finance (11/2011)
 - 9. Executive Masters in Taxation (11/2011)
 - 10. Master of Science in Hospitality and Tourism Management (11/2012)
 - 11. Master of Science in Human Resource Management (11/2013)
 - 12. Master of Science in International Real Estate (11/2013)
 - 13. Executive Masters in Public Administration (11/2013)
 - 14. Professional Master of Science Counseling Psychology (11/2013)
- B. Florida State University
 - 1. Master of Social Work (03/2011)
 - 2. Master in Library & Information Studies (03/2011)
 - 3. Master in Mgmt with major in Risk Mgmt & Insurance (03/2011)
 - 4. Master in Mgmt Information Systems (03/2011)
 - 5. Master in Business Administration (03/2011)
 - 6. Master in Criminal Justice (11/2011)
 - 7. Master of Science in Instructional Systems (11/2011)
 - 8. Graduate Certificate in Project Management (11/2011)
 - 9. Certificate in Communication and Science Disorders Bridge (11/2011)
- C. University of Central Florida
 - 1. Professional Master of Science in Mgmt Degree Program (03/2011)
 - 2. Executive and Professional Master in Business Administration Degree Programs (EMBA/PMBA) (03/2011)
 - 3. Professional Master of Science in Real Estate Degree Program (03/2011)
 - 4. Master of Science in Health Care Informatics (11/2011)
 - 5. Master of Science in Engineering Management (11/2012)
- D. University of Florida
 - 1. Master of Science in Industrial & Systems Engineering (OEM) (03/2011)
 - 2. Master in Business Administration (03/2011)
 - 3. Master of Science in Pharmacy (03/2011)
 - 4. Working Professional Doctor of Pharmacy (03/2011)
 - 5. Working Professional Doctor of Audiology Program (03/2011)
 - 6. Master of Arts in Mass Communication-Global and Strategic Communications (11/2011)

**Florida Board of Governors
Market Tuition Proposals Approved
(Date Approved)**

7. Master of Arts in Urban and Regional Planning (11/2011)
 8. Master of Science in Soil and Water Science- Environmental Science Track (11/2011)
 9. Master of Arts in Art Education (11/2012)
 10. Master of Arts in Mass Communication ---- Social Media & Web Design/Online Communications (11/2012)
 11. Master of Architecture CityLab-Orlando (11/2012)
 12. Master of Science in Forest Resources and Conservation with Concentrations in Ecological Restoration and Geomatics (11/2012)
 13. Master of Science in Pharmacy Medication Therapy Management and Clinical Pharmacy (11/2012)
 14. Doctorate of Business Administration (11/2013)
 15. Master of Music in Music Education (11/2013)
 16. Master of Fisheries & Aquatic Sciences (11/2013)
 17. Master of Electrical Engineering (11/2013)
 18. Master of Civil Engineering (11/2013)
- E. University of South Florida
1. Professional Master of Science in Electrical Engineering (11/2011)
 2. Master of Science in Entrepreneurship (11/2011)
 3. Master of Science in Management Information Systems (11/2011)
 4. Master of Science in Nurse Anesthesia (11/2011)
 5. Master of Public Administration (11/2011)
 6. Graduate Certificate in Business Foundations (11/2012)
 7. Master of Arts in Global Sustainability (11/2012)
 8. MBA in Business Administration with a Concentration in Sport and Entertainment Management (11/2012)
 9. Master of Education in Curriculum and Instruction with a Concentration in Secondary Education: TESOL (11/2012)
 10. Graduate Certificate in Applied Behavior Analysis (11/2013)
- F. University of West Florida
1. M.Ed. Educational Leadership (11/2013)
 2. M.Ed. Curriculum & Instruction (Reading Endorsement-Cognate) (11/2013)
 3. Ed.D. Curriculum & Instruction (11/2013)
 4. Master in Accountancy (11/2013)
- G. University of North Florida
1. Master of Education in Special Education (Autism concentration and ABA concentration) (11/2013)
 2. Master of Science in Nutrition (11/2013)
 3. Doctor of Nursing Practice (11/2013)
- H. Florida Gulf Coast University
1. Transitional Doctor of Physical Therapy (11/2013)

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
June 18, 2014**

SUBJECT: 2015-2016 Legislative Budget Request (LBR) Guidelines

PROPOSED COMMITTEE ACTION

Approve the 2015-2016 LBR guidelines for the operating budget.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Subsection 1001.706(4)(b), Florida Statutes

BACKGROUND INFORMATION

In order to maintain the schedule for developing the LBR in a timely manner, the Board of Governors needs to approve a set of policy guidelines for the development of the 2015-2016 operating and fixed capital outlay budget request at the June Board meeting. The Board will then review and approve a 2015-2016 operating and fixed capital outlay LBR at the September 2014 meeting. The final budget request will then be forwarded to the Governor and Legislature by October 15.

The guidelines are a living document, and the recommended changes from Board staff to the previous adopted LBR guidelines are as follows:

- I. Operating LBR** - These are the primary changes:
 - a. Eliminates the reference to requesting the Major Gift unmatched funds. The Board Office will maintain this information and make it available as requested.
 - b. Eliminates the reference to administered funds. The annualization of employee salary and benefits, retirement adjustments and health adjustments are automatically calculated by the Legislature. The Board Office will continue to monitor the annual process to ensure the universities are included in these adjustments.
 - c. Eliminates the reference to the annual funding request for the continued implementation of the FIU and UCF medical schools. The final funding for these programs was provided in 2014-2015.

d. Adds a section on performance funding.

II. Fixed Capital Outlay LBR - There are the primary changes:

- a. Eliminates the reference to requesting Courtelis Matching funds. The Board Office will maintain this information and make it available as requested.
- b. Project category names have been re-titled to align with 2014-15 LBR categories adopted by the Board in January 2014.
- c. An October Facilities Workshop has been added to the calendar.

Supporting Documentation Included: 2015-2016 LBR Guidelines

Facilitators/Presenters: Tim Jones



State University System of Florida Board of Governors 2015-16 Legislative Budget Request Development Policy Guidelines

Pursuant to Section 7, Article 9 of the Florida Constitution, the Board "...shall operate, regulate, control, and be fully responsible for the management of the whole university system." Included within this responsibility is the development of a Legislative Budget Request (LBR). In addition, Section 216.023(1), Florida Statutes, requires the submission of an LBR to the Legislature and Governor based on an independent judgment of needs.

The 2015-2016 LBR will provide flexibility for the Board of Governors (Board) and individual university boards of trustees to jointly manage the system to meet the critical needs of the state, achieve the statewide goals and objectives of the updated State University System (SUS) Strategic Plan and university work plans, and demonstrate accountability/justification. The following goals of the SUS Strategic Plan will be addressed in the request:

1. Excellence
2. Productivity
3. Strategic Priorities for a Knowledge Economy

These System goals, as well as institutional goals and initiatives, should be incorporated into the following priorities, which will be reflected in the LBR:

Operating and Specialized Program Funds:

1. Continuing costs associated with existing programs – This policy addresses the funds needed to continue existing programs:
 - a) Plant operations and maintenance for new and existing buildings –
 - i. Funds will be requested for the annualized operations and maintenance costs for buildings completed and phased-in during 2014-2015;
 - ii. Funds will be requested for the operating costs for new buildings to be completed and occupied in 2015-2016.
 - iii. Funds will be requested for the increased utilities and operating costs of existing buildings.



2. Performance Funding – Funding will be requested based on a performance funding model as agreed upon by the Board, Legislature and Governor.
3. Task Force Reports and Studies – Consideration will be given to initiatives recommended in any task force reports or studies and endorsed by the Board.
4. Shared System Resources – Consideration will be given to initiatives that allow for greater efficiencies through shared system resources.
5. If a university received non-recurring funds for an initiative and that initiative is a priority for continued funding, then the university should submit that issue for consideration by the Board. System non-recurring funds received for base budget operations will be considered for the LBR.

The following represents the timeline for submission of the SUS 2015-2016 LBR for operations:

- June: Board approves the LBR Policy Guidelines.
- July – Aug: Chancellor works with universities to develop any system and university LBR issues.
- September: Board approves the operating LBR.
- October: Operating LBR is submitted to the Governor and Legislature.
- January: If necessary, potential amendments will be considered.

Fixed Capital Outlay Funds:

The university’s approved Five Year Capital Improvement Plan (CIP) will be prioritized, in the first year, as indicated below. Please note that PECO funding to meet critical maintenance needs has been assigned a higher priority than adding new facilities, with the intent to improve the condition of existing space and campus infrastructure. Written justification, noting any exceptions to the priorities provided by the guidelines, and explaining why a priority exception is in the best interest of the university should be included in the cover letter submitted with the CIP package. This will assist Board staff in comparative evaluation of university projects, and justification in terms of relative system ranking for placing in system priority order. Each university should submit one and only one prioritized, sequentially numbered list.



Funding will be requested for institutional survey recommended PECO projects in the following priority order¹:

- A. Maintenance Projects
 - a. Funding for Remodeling/Renovation/Maintenance/Repair will be requested from PECO pursuant to formula as required by Section 1013.64(1)(a), Florida Statutes.
 - b. Critical Deferred Maintenance
- B. System and Continuation Projects
 - a. Projects funded by the legislature in the amount and in the year as last included on the Board adopted three year list.
 - b. Projects funded by the Legislature, but not on the Board adopted three year list.
 - c. Projects that require additional funding to complete.
- C. Renovation Projects
 - a. Utilities/infrastructure/capital renewal/roofs needs.
 - b. Renovation and remodeling projects to meet current space needs, structural/mechanical repairs, replacement of existing facilities which have a survey recommendation.
- D. Strategic Projects
 - a. Land or building acquisition in accordance with university board of trustees adopted master plans.
 - b. New facilities, as needed to meet instructional and support space needs.
- E. Legislative Authorizations
 - a. Required legislative authorizations will be requested for externally funded projects as proposed by the universities, in accordance with Section 1010.62 and 1013.78, Florida Statutes.

¹ Each university must incorporate utilization data as a factor in prioritization of university CIP funding requests to the Board. Programs with classroom and teaching lab space utilization below the current SUS standard will not be eligible for inclusion on the university CIP. General purpose classroom or teaching lab space (space not designated for a specific academic program or discipline) will not be eligible for inclusion if utilization was below the SUS standard for 2013-14. This standard applies both to the university as a whole and on a site-specific basis.



The following represents the timeline for submission of the SUS 2015-16 Fixed Capital Outlay LBR:

- May Chancellor provides draft technical instructions and requests universities to submit their five-year CIPs.
- June Board approves the LBR Policy Guidelines.
- August: Universities submit five-year CIPs. Board staff will review CIPs with university designee(s), technical corrections will be made as required.
- September: Board approves the fixed capital outlay (FCO) LBR.
- October: Fixed capital outlay LBR is submitted to the Governor and Legislature.
- October Board Facilities Workshop. The Board will meet with university trustees and university staff to review projects, including at a minimum all those approved in the initial September LBR.
- December: Universities submit amended FCO requests to Board as needed.
- January: Board approves amended LBR.