

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
NOVEMBER 4, 2015

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and its Committees are accessible at <http://www.flbog.edu/>.*

Mr. Tom Kuntz, Chair, convened the meeting of the Budget and Finance Committee at 1:49 p.m. Members present for roll call were Ned Lautenbach, Dean Colson, Tonnette Graham, Mori Hosseini, Wayne Huizenga, Jr., Alan Levine, and Norman Tripp. Other board members present included Dick Beard, Matt Carter, Wendy Link, Ed Morton, Katherine Robinson, and Pam Stewart.

1. Call to Order

Mr. Kuntz called the meeting to order.

Mr. Kuntz stated that during November we always ask the universities to give us a preview of new fees and potential fee increases that may be under consideration for the Committee to review at the June meeting. He reported that at this time no university is proposing a new fee or an increase to any select fees.

2. Approval of September 3 and September 22, 2015 Committee Meeting Minutes

Mr. Hosseini moved that the Committee approve the minutes of the meetings held on September 3 and 22, 2015 as presented. Mr. Colson seconded the motion, and members of the Committee concurred.

3. Performance Based Funding Model

Mr. Kuntz noted that during the September workshop there was discussion on five areas:

1. A definitional change to Metric 1, Percent of Bachelor Graduates Employed and/or Continuing their Education Further 1 Year after Graduation;
2. A potential metric on student loan default rates;
3. A potential metric on 2 + 2 articulation;
4. Tiebreaker options; and
5. Moving from a 50 point to a 100 point model.

He thanked the universities for their comments and suggestions on the model. He also noted that there was significant discussion at the September 22 workshop regarding Metric 3, Cost of an Undergraduate Degree. Mr. Kuntz recognized the need to enhance this metric to reflect a better calculation methodology. He asked the Chancellor and staff to work with the universities for options to improve this metric.

Mr. Kuntz then requested Mr. Tim Jones to review the five areas that were discussed in September.

For Metric 1, Mr. Jones stated that the definition was being reviewed to possibly increase the employment wage threshold from minimum wage to a higher level. An analysis was presented that shows raising the wage threshold to at least \$25,000 was a possibility.

Mr. Jones noted that the data for this metric comes from a variety of state and federal sources. It is taking staff longer than anticipated to gather all of the data necessary to provide and make an informed recommendation to the Committee. Therefore, we will need to allow staff to continue working on the data and come back to Committee in January with more information.

After discussion, the Committee agreed to allow staff to continue to work on the data for this metric.

Mr. Kuntz asked staff to work with Mr. Ron Toll, Chair of the Council for Academic Vice Presidents on the definitional change.

Mr. Jones presented information on student loan default rates. Data shows that Florida universities are under the national average for student loan default rates. It was the sense of the Committee that this is an area that should be monitored, but it doesn't rise to the level of including it as a metric.

Mr. Jones presented information on 2+2 articulation. The SUS continues to admit a higher percentage of Florida College System applicants than First-Time-In-College (FTIC) applicants. The SUS graduation rate for College System transfer students and FTIC students is similar. It was the sense of the Committee that this is an area that

should continue to be monitored, but it doesn't rise to the level of including it as a metric at this time.

Mr. Jones presented the following tie-breaker options:

- a. Total of excellence and improvement scores;
- b. Give advantage to higher points earned through excellence;
- c. Score metric by metric giving a point to the school scoring higher; and
- d. If tied after three tiebreakers, the tie will go to the benefit of the institutions.

After discussion, Mr. Lautenbach moved that the Committee approve the tie-breaker options as presented. Mr. Colson seconded the motion, and members of the Committee concurred.

The final item for discussion was moving the model from 50 points to 100 points. Mr. Jones noted that although the change in the point scale will not necessarily eliminate any ties, there would be a wider spread between the top and bottom score. In addition, the minimum to be eligible for the state investment would need to be increased from 26 points to 51 points. Mr. Jones indicated that developing the benchmarks for a 100 point model, results in some of the benchmarks going out two decimals. Mr. Jones expressed concern about this level of specificity and requested permission from the Committee to work on the benchmarks.

Mr. Colson questioned whether going to 100 points was really necessary at this time and does it really provide a benefit to the model.

After further discussion, Mr. Hosseini moved that the Committee approve increasing the point scale from 50 to 100. Mr. Lautenbach seconded the motion, and members of the Committee concurred.

4. Market Tuition Proposals

Mr. Kuntz introduced the next agenda item which is the annual consideration of market tuition programs. He noted that after the Committee reviews and consider the proposals today, the pilot program will end. Staff will perform a comprehensive review of the pilot period and report back to the Committee in June with recommendations.

Mr. Kuntz asked Mr. Jones to give an overview of the nine market tuition program proposals.

Mr. Jones provided a little history on the program and then reviewed each proposal submitted by the four universities.

1. Florida International University:
 - a. Master of Science in Engineering Management;
 - b. Master of Science in Computer Engineering; and
 - c. Master of Arts in Disaster Management.

2. University of Central Florida:
 - a. Executive Masters of Science in Health Services Administration; and
 - b. Master of Science Industrial Engineering – Healthcare Systems Engineering Track.

3. University of Florida:
 - a. Master of Science in Family, Youth and Community Sciences;
 - b. Master of Science in Forest Resources and Conservation with a Concentration in Natural Resource Policy and Administration;
 - c. Master of Arts in Mass Communication with a specialization in Public Relations Communication Management; and
 - d. Master of Science in Sport Management.

4. University of South Florida:
 - a. Doctorate in Business Administration.

Mr. Tripp asked Dr. Joe Glover, University of Florida Provost, to provide additional information on the history of the program and the work of the original work group that developed the regulation.

After considerable discussion and questions Mr. Colson moved that the Committee approve the proposed nine market tuition programs as presented. Mr. Tripp seconded the motion, and members of the Committee concurred.

5. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 2:27 p.m.

Tim Jones, Vice Chancellor
Finance and Administration

Tom Kuntz, Chair