

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
UNIVERSITY OF WEST FLORIDA
PENSACOLA, FLORIDA
MARCH 16, 2016

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

Mr. Ned Lautenbach, Chair, convened the meeting of the Budget and Finance Committee at 4:03 p.m. Members present for roll call were Dean Colson, Tonnette Graham, Wayne Huizenga, Jr., Tom Kuntz, Alan Levine, and Norman Tripp. Other board members present included Dick Beard, Pat Frost, and Wendy Link.

1. Call to Order

Mr. Lautenbach called the meeting to order.

Mr. Lautenbach highlighted some of the budget decisions that came out of the legislative session that ended Friday.

- \$4.7 billion appropriation (5% increase in the E&G base budget) for the SUS. This includes state appropriations and projected tuition revenues and represents a continued investment in our system.
- In 2013-14, the state had invested \$2.3 billion in state appropriations (state funds, not tuition). This year it is \$2.77 billion; up almost 20% (\$500 million) over the last 4 years.
- \$75 M in new performance funding, bringing the total state investment of \$225 M.
- \$30 M for preeminent and emerging preeminent universities.
- \$465,000 for Johnson Matching scholarships that was included in our request.
- \$1.5 M for the integrated library system that was included in our request.
- \$60 M for various other university projects.

Mr. Lautenbach thanked Mr. Hosseini and Mr. Kuntz for their hard work during the legislative session.

2. Approval of January 21, 2016 Committee Meeting Minutes

Mr. Kuntz moved that the Committee approve the minutes of the meeting held on January 21, 2016 as presented. Mr. Tripp seconded the motion, and members of the Committee concurred.

3. 2016-2017 Calendar of Primary Activities

Mr. Lautenbach review the Committee's meeting schedule and primary activities scheduled for the next two years.

4. Auxiliary Facilities that have Bond Covenants Requiring Approval of Estimated 2016-2017 Operating Budgets

Mr. Lautenbach asked Mr. Tim Jones to provide present this item.

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 2016-2017.

After discussion, Mr. Colson moved that the Committee approve the auxiliary operating budgets as submitted. Mr. Huizenga seconded the motion, and members of the Committee concurred.

5. Public Notice of Intent to Amend Board of Governors' Regulation 7.008 – Waivers and Exemptions of Tuition and Fees

Mr. Lautenbach asked Mr. Tim Jones to provide present this item.

Mr. Jones stated that the current regulation limits waivers provided to students who were in the custody of the Department of Children and Family Services and students who lack a fixed, regular, and adequate nighttime residence to 120 hours for any undergraduate degree. This limitation was consistent with many other waivers or exemptions provided in statute and Board regulation. However, in discussions with the universities and other parties clarification is needed on the statutory intent of these two

programs and whether a limitation applies to the number of credit hours that can be taken. On December 14, 2015 the Board Office notified universities to forgo the limitation identified in this regulation until further clarification is obtained.

Mr. Colson moved that the Committee approve the auxiliary operating budgets as submitted. Mr. Levine seconded the motion, and members of the Committee concurred.

6. Performance Based Funding Model

Mr. Lautenbach noted that the State has continued to invest in the Board's performance funding model by appropriating an additional \$75 million, bringing the total State investment to \$225 million. The Legislature has also passed legislation codifying the model in statute. Mr. Lautenbach asked Mr. Jones to go over these items along with the latest points based on the accountability report that will be discussed during the Strategic Planning Committee.

Mr. Jones walked the Committee through the PowerPoint slides presenting the points distribution based on 100 points. Mr. Jones highlighted the progress FAU has made going from the bottom three in year one to the top three in year three. He also highlighted the improvements being made by FAMU and the stretch metric that UF has identified as they work to increase their research profile among AAU institutions.

Committee meetings applauded FAU on the progress they have made. President Kelly said it was truly a team effort and focus by the entire campus on improving.

Mr. Lautenbach stated that we have come a long way since the Board approved this model in January 2014. We are seeing great progress by many of the universities on the metrics, but there is still a lot of work to be done. Once the budget is signed by the Governor, we will look at the allocation of the performance funds and consider that at a future meeting.

7. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 4:20 p.m.

Tim Jones, Vice Chancellor
Finance and Administration

Ned Lautenbach, Chair