

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA A&M UNIVERSITY
TALLAHASSEE, FLORIDA
MARCH 28, 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, Vice-Chair, convened the meeting of the Budget and Finance Committee at 9:08 AM. Members present were Ned Lautenbach; Norman Tripp; Dick Beard; Cortez Whatley; John D. Rood; H. Wayne Huizenga, Jr.; Alan Levine and Dean Colson. Other Board members present included Mori Hosseini, Matt Carter, Manoj Chopra, Ed Morton, Pat Frost and Wendy Link.

1. Call to Order

Mr. Kuntz called the meeting to order.

2. Approval of January 17, 2013, Meeting Minutes

Mr. Colson moved that the Committee approve the minutes of the meeting held January 17, 2013 as presented. Mr. Beard seconded the motion, and members of the Committee concurred.

3. Committee Calendar of Primary Activities

Mr. Kuntz reviewed the primary activities calendar with the Committee.

4. Performance Funding Update

Mr. Kuntz recapped the discussion held at the January meeting. After the January meeting, the Governor released his budget recommendation for the universities which included the distribution of \$167 million based on only three metrics. Mr. Kuntz stated that it is too early to know what will happen with the budget, but based on the work this Committee and staff has done, that we are in a position to move forward in whichever direction we need.

Mr. Jones provided an update on the meetings being held by the Provosts as they work to establish the weights and rubrics. Mr. Jones also provided an update on the work of the Cost per Degree Workgroup created by the Chancellor.

Mr. Kuntz directed Committee members to page 223 of the agenda packet that focuses on tuition differential metrics that would help guide this Committee when universities submit requests for tuition differential increases. Mr. Kuntz reviewed the tuition differential process.

Mr. Kuntz reminded the Committee that the June meeting is when presentations are made by the universities on their annual work plans, which will include any university tuition differential increases that may come from the local Board of Trustees. There are several weeks left in session and we do not know what the Legislature will do with base tuition, nor do we know if any university Board of Trustees will request a tuition differential increase. However, in an abundance of caution we need to be prepared just in case a Board of Trustees brings forward a tuition differential request.

Mr. Kuntz asked that staff and the universities have the tuition differential metrics finalized by June 1. He further indicated that the Committee may need to schedule a meeting in early June to review the metrics. Mr. Kuntz asked Chair Colson if a full Board meeting could be scheduled in early June as well to consider the metrics that may be approved by the Committee. Chair Colson would look at scheduling an early June meeting.

5. Auxiliary Facilities 2013-2014 Operating Budget

Mr. Kuntz asked Mr. Jones to present the approval of 2013-14 operating budgets for certain auxiliary facilities.

Mr. Jones indicated that 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 (90) days preceding the beginning of the fiscal year. Staff has reviewed the income and expenditure statements 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 questioned why FIU's ending fund balances were declining. Ms. Aime Martinez, FIU, indicated that the drop in cash in the housing auxiliary during fiscal year 2012-2013 was primarily related to the increase in operating expenses, of which \$1.6 million was budgeted for furniture upgrades, repairs and maintenance. The second component was the significant transfers-out, of which \$6.7 million related to housing auxiliary cash contribution to the construction of the new Parkview project and additional projects also budgeted during the year.

Mr. Tripp moved that the Committee approve the operating budgets as presented. Mr. Beard seconded the motion, and members of the Committee concurred.

6. **Concluding Remarks and Adjournment**

Having no further business, the meeting was adjourned at 9:30 AM.

Tom Kuntz, Chair

Tim Jones,
Chief Financial Officer