

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
UNIVERSITY OF FLORIDA
June 27, 2024

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1. Call to Order and Opening Remarks

Mr. Levine, Chair, convened the meeting of the Budget and Finance Committee at 3:43 p.m. on June 27, 2024. Members present for roll call were Chair Levine, Ken Jones, Timothy Cerio, Pat Frost, John Brinkman, Brian Lamb, Charlie Lydecker, and Eric Silagy.

2. Minutes of Committee Meeting held on March 26, 2024

Mr. Jones moved that the Committee approve the meeting minutes from March 26, 2024. Mr. Lydecker seconded the motion, and members of the Committee concurred.

3. UWF Auxiliary Revenues For Stadium Project

Mr. Levine introduced the next item, UWF, to use \$25 million for the construction of a new football stadium. The committee recalls that they amended regulation 9.013 auxiliary operations in June of 2023 to allow for the use of unreserved cash for non-athletic auxiliary for athletics. The regulation states that this will be considered on a case-by-case basis. The regulation requires certain information be required so that a transparent decision can be made. UWF will construct the stadium with an estimated cost of \$40 million. Fundraising will cover \$15 million, with a donor contributing \$9 million. I personally have vetted that donor, it's a longtime supporter of the University. The balance of \$25 million will be from an internal loan from non-athletics to athletics paid back over 20 years with interest. He requested Mr. Tim Jones to present the Project and the criteria needed for the committee to consider.

Mr. Jones presented the budgets, UWF has a well-documented policy and procedure regarding the internal loan. The loan will come from 3 different Auxiliaries: Administrative overhead, PCard rebate program, and Auxiliary interest earnings. There is currently a balance of \$55 million in their Auxiliary accounts. There are no outstanding debts or loans on these three Auxiliaries. They do have outstanding debt on housing through their foundation; bond finance has reviewed those covenants, and there are no issues there. Pulling this money from the different auxiliary accounts does not impact student fees or payments. They meet all the requirements of the regulation. The president of the Student Government Association has approved this, and there is a letter in your packet.

Mr. Levine, asks President Sanders, if there is anything she would like to add?

Mrs. Sanders states that the college has grown in the past few years, and this is a critical piece of the student experience. If they are going to continue at the rate they are, they really need this to happen now.

Mr. Lamb, for clarity, asks about the master plan, which also involves housing. He asks Mrs. Sanders to elaborate on that.

Mrs. Sanders states we are looking for this to be the hive of activity due to the location on campus. There is a backlog of students in need of housing, so they are treating the financing of these projects separately, but they are happening together.

Mr. Lamb stated that he wanted his colleagues to hear that there is a broader campus life experience strategy here, not just athletics. He asked when the board will see the housing come to them.

Mrs. Sanders states in 6 months.

Mr. Levine states that UWF has met all the criteria for the regulation. He asks if there are any questions from anyone else on the committee.

Mr. Silagy asks if there is a mandate that students live in the housing for any particular period of time.

Mrs. Sanders replied, no.

Mr. Silagy made a motion to approve UWF's request for \$25 million in internal loans for the construction of a football stadium and Mr. Lamb seconded the motion. The members of the Committee concurred.

Mr. Silagy comments that he likes this plan. He would like to work with Tim Jones on other submissions that were brought to them but fell out due to certain restrictions in the regulation.

Mr. Silagy states that it is a wiser way to use funds instead of accumulating debt. He wants to make sure that based on the regulations they set in place that they are not handcuffing Universities unnecessarily.

Mr. Levine responds, saying he would like to know more about it too.

4. Performance-Based Funding Allocation

Mr. Levine introduced the next item, which was Performance-Based Funding Allocation. The 2024-2025 Appropriations Act included \$645 million for this funding. This is the same amount as last year. He thanked the Governor and legislature for the funding. Over the last 11 years we have continued improving our key metrics. He asked Mr. Tim

Jones to walk them through some of the metric improvements, the high-level changes they made to the model since last November, and the expectations required to perform and receive funds allocated by the legislature.

Mr. Jones explained the historical background of where they came from 11 years ago; he explained the 10 metrics in detail and the charts showing the improvement over the years. Some of those improvements:

28% increase in bachelor's Degrees Awarded in Programs of Strategic Emphasis, 92% decrease in average cost to the student, 13% increase in the percentage of graduate degrees awarded in programs of strategic emphasis, 44% increase in median wages of bachelor's graduates employed full time. One change was made to the metric this year, and that was to Metric 2, where we raised the threshold on median wages to \$43,200 to match the Strategic Plan Goal.

Mr. Levine congratulated FIU for having the top score for the second year in a row, the University of Florida for being 2nd, Florida State, and the University of South Florida for tying for 3rd. He gave credit to The Board of Trustees, Presidents, and faculty. He also thanked Florida Atlantic University, New College, and the University of West Florida for improving their scores over the past year. There is one school below 70, Florida Gulf Coast University. They will have to do a student success plan, and Tim Jones will walk them through that plan, but first, he will discuss those schools on the watch list (FAMU, FL Poly, UCF, and UNF). They must do a student success plan if their scores drop again next year. He then asked each president to tell the Committee what they were doing to ensure they didn't drop again next year.

He asks Dr. Robinson to start, stating that their score dropped from 78 to 72, and asked him to share with them what FAMU is doing to improve their score.

Dr. Robinson replies that they are doing a lot to focus on student success and freshman/sophomore year retention rates. They are looking at how they can encourage students with great GPAs to return, looking carefully at programs with strategic emphasis at both undergrad and grad levels and providing resources to Pell Grant students. They have developed a system for students on their watch list with academic difficulties; if students have a 2.5 GPA or below, they must have an in-person tutor.

Mr. Levine stated two things: that they are the #1 HBCU, and cracking the top 100 overall is a huge accomplishment for FAMU. Next, let's hear from Florida Poly, which significantly dropped from 86 to 74. He asks Dr. Avent to share some thoughts from his perspective.

Dr. Avent says they are having difficulty with engineering programs and student success metrics like APR and four-year graduation rates, and that has amplified because those are the only programs they have, so there are no retreat majors that students can go back into, maintain them and then graduate—not saying that they can't do better. Their grad rates this year are from the beginning of Covid. They expect the next year to be low but then the year after to be up by 50%. They have made adjustments in admissions and set expectations for students, put in a week-long training for teachers before school starts, and put in a common core curriculum with standardized classes to

help students, several changes to math placement, and refined their support services advising the students on a 4-year plan and peer learning system for the older students to help the lower classmen.

Mr. Levine thanked Dr. Avent. He turned to UNF, who dropped to 76 points, which wasn't a huge drop, but a drop, nonetheless. He asks Dr. Limayem where UNF is on ensuring they do not have a drop in their score for next year.

Mr. Limayem replied that they dropped a point, but also improved in 9 metrics. They consolidated the structure for student success, they are working on degree progressions, using technology, using specific graduation plans, and changing the culture (student success is a team sport). We have phases now, and all of us in administration are getting involved; with this, we hope it will improve things.

Mr. Levine thanked the President and pointed out that he sees a culture change and that they will have great success. He asks for a word from UCF, who dropped but just to 85. 85 is still good and only 4 points from being in the top 3. He asks if Dr. Cartwright had any comments to make.

Dr. Cartwright stated that they are not happy with the progress being made. We have created a student success steering committee, centralized advising, and built a team of academic advocates. With their four-year graduation rates, their initial estimates this past year of 54.2% is what was reported, and they will be at 58.5 % next year. That being the highest in the university's history.

Mr. Levine thanked Dr. Cartwright. He pointed out to the Committee that they may want to look at a modification to require a student success plan if a school drops two years in a row but still scores in the mid-80s. He thinks it's a great idea to catch potential problems early, but maybe they should tweak it to a threshold of 80.

Mr. Lamb agreed.

Mr Levine asks Mr. Tim Jones to walk them through the student success plan process.

Mr. Levine thanked Mr. Jones and points out the importance of the Student Success Plan and funds that hinge on the success of the plan. He knows Florida Gulf Coast is aware of the process since they did this two years ago, and he hopes that under President Timurs leadership, they will see continuous improvement in their metrics.

Mr. Lamb asks if they could hear from the president.

President Timur responds, stating that they have implemented a continuous improvement framework for the student success plan taking a data-driven approach and analytics. They have already implemented the student success plan and are very confident of seeing significant improvement and success next year.

Mr. Levine thanked President Timur.

Mr. Levine thanked Mr. Tim Jones and the staff. And with no more questions, he asks for a motion to approve the allocation of funds as shown.

Mr. Ken Jones moved the approval of the allocation of \$645 million, with \$7.7 million held in reserve until Florida Gulf Coast University presents and implements its student success plan. Mr. Lamb seconded the motion, and members of the Committee concurred.

5. Performance-Based Recruitment and Retention Initiative

Mr. Levine introduced the next item, the consideration of the allocation of \$100 million in performance-based recruitment and retention funds. He thanked the Legislature and Governor for the infusion of these funds to recruit and retain full-time instruction and research personnel. He asked Mrs. Sarah deNagy to present the item.

Mrs. deNagy states that this is the second year we have received this funding and there have been some changes made that she explains while reviewing the slides.

Mr. Levine thanked Mrs. deNagy and pointed out that the guidelines allow the Chancellor to provide additional or amended guidance as needed. He then asks for a motion to approve the allocation of \$100 million as shown and the Guidance document as presented.

Mr. Cerio motioned to approve the allocation of \$100 million, as shown in the Guidance document, and Mr. Lamb seconded the motion, and members of the Committee concurred.

6. Public Notice of Intent to Repeal Board of Governors Regulation 9.018 Charity Racing Day Proceeds

Mr. Levine introduced the next item. A regulation that is being repealed. This came from a review of what regulations are absolutely necessary that Chair Lamb had previously asked the staff to do. This regulation has been identified as one that is no longer needed. He asks Mrs. deNagy to explain.

Mrs. deNagy provides a brief explanation.

Mr. Levine thanked Mrs. deNagy and asked if there are any questions, and then asks for a motion to approve the public notice of intent to repeal Regulation 9.018.

Mr. Lamb motioned to approve the public notice of intent to repeal Regulation 9.018, Mr. Cerio seconded the motion, and the members of the Committee concurred.

7. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 4:36 p.m.

Minutes Prepared by
Tim Jones, Senior Vice Chancellor
Finance and Administration