

Executive Summary

Fiscal, legal, and political circumstances are converging to create a moment when the Board must act to assert its authority.

Fiduciary responsibilities and governance

- There is a need to determine which statutes legally bind the Board and the university boards of trustees and which do not
- The Board's constitutional authority extends to tuition
- The Legislature's powers of appropriation should not be interpreted so broadly as to make the Board's constitutional authority meaningless
- Negotiation and mutual respect with other constitutional bodies will always be essential to effective operation of the system

Funding

- Tight budgets make cost-saving measures and performance accountability more important than ever
- In constant dollars per student, revenues from state funds and tuition
 - have fallen substantially over the last two decades;
 - are among the lowest nationally and in southern states;
 - have fallen relative to other southern states; and
 - are likely to decline further unless the Board intervenes.
- Florida has the second-worst student/faculty ratio in the country.
- Both instructional and administrative expenses have declined, but administrative expenses have declined faster
- Even with tight budgets, hundreds of millions were spent on administrative reorganization during the decentralization process prior to the creation of the Board. Better controls are needed.
- Performance and accountability must be linked to funding, and the current record of performance is mixed.

Leadership accord

- An agreement among key leaders to make finance more predictable is a critical foundation for planning
- Total funding must keep pace with inflation and enrollment growth, with strategic enhancements for quality tied to performance
- When sufficient state funds are not available to preserve system quality, the Board's responsibility is to close the gap with tuition or to manage enrollment
- These trade-offs are quantifiable and predictable and should be the subject of an understanding among the state's leaders.