



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

Agenda and Meeting Materials January 25-26, 2017

Saddle Creek Logistics Commons
Innovation, Science and Technology
Building
Florida Polytechnic University
4700 Research Way
Lakeland, FL 33805



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

**ACTIVITIES
BOARD OF GOVERNORS MEETINGS**

**Saddle Creek Logistics Commons
Innovation, Science and Technology Building
Florida Polytechnic University
4700 Research Way
Lakeland, Florida 33805
January 25-26, 2017**

**By Telephone Conference Call
Dial-in Number: 888-670-3525
Listen-Only Code: 4122150353#**

Wednesday, January 25, 2017

- | | |
|-------------------------------------|--|
| 10:00 a.m. –
12:00 p.m. | Select Committee on 2+2 Articulation Workshop, Part 1 |
| or upon | Chair: Mr. Alan Levine; Vice Chair: Ms. Wendy Link |
| Adjournment of
Previous Meetings | Members: Huizenga, Lautenbach, Stewart, Tripp |
| 12:00 – 1:00 p.m. | Lunch will be provided |
| 1:00 – 3:00 p.m. | Select Committee on 2+2 Articulation Workshop, Part 2 |
| or upon | |
| Adjournment of
Previous Meetings | |
| 3:00 – 3:15 p.m. | Break |

3:15 – 4:00 p.m. Academic and Student Affairs Committee
or upon Chair: Mr. Norman Tripp; Vice Chair: Ms. Wendy Link
Adjournment of Members: Beard, Frost, Hebert, Jordan, Kitson, Morton, Stewart,
Previous Meetings Tyson, Valverde

4:00 – 5:30 p.m. Facilities Committee
or upon Chair: Mr. H. Wayne Huizenga, Jr.; Vice Chair: Dr. Fernando Valverde
Adjournment of Members: Beard, Doyle, Jordan, Kitson, Levine, Link, Morton,
Previous Meetings Tyson

5:30 – 6:30 p.m. Welcome Reception

Thursday, January 26, 2017

7:30 – 8:30 a.m. Members Breakfast with the Advisory Council of Faculty Senates

7:30 – 8:30 a.m. Breakfast will be provided

8:30 - 9:00 a.m. Budget and Finance Committee
or upon Chair: Mr. Ned Lautenbach; Vice Chair: Mr. Alan Levine
Adjournment of Members: Doyle, Hebert, Huizenga, Kitson, Kuntz, Tripp
Previous Meetings

9:00 – 9:30 a.m. Audit and Compliance Committee
or upon Chair: Ms. Wendy Link; Vice Chair: Mr. Alan Levine
Adjournment of Members: Frost, Huizenga, Jordan, Lautenbach, Morton, Valverde
Previous Meetings

9:30 – 10:00 a.m. Strategic Planning Committee
or upon Chair: Mr. Ed Morton; Vice Chair: Ms. Darlene Jordan
Adjournment of Members: Beard, Doyle, Frost, Lautenbach, Levine, Link, Tyson
Previous Meetings

10:00 – 10:15 a.m. Select Committee on Florida Polytechnic University
or upon Chair: Ms. Wendy Link
Adjournment of Members: Doyle, Jordan, Morton, Valverde
Previous Meetings

10:15 – 10:30 a.m. Break

10:30 a.m. –	Board of Governors – Regular Meeting
12:00 p.m.	Chair: Mr. Tom Kuntz; Vice Chair: Mr. Ned Lautenbach
or upon	All Board members
Adjournment of	
Previous Meetings	
 12:00 p.m.	 Lunch will be provided

Please note that this schedule may change at the Chair's privilege.



CONSTITUTION OF THE STATE OF FLORIDA

AS REVISED IN 1968 AND SUBSEQUENTLY AMENDED

ARTICLE IX

EDUCATION

SECTION 7. State University System.--

(a) **PURPOSES.** In order to achieve excellence through teaching students, advancing research and providing public service for the benefit of Florida's citizens, their communities and economies, the people hereby establish a system of governance for the state university system of Florida.

(b) **STATE UNIVERSITY SYSTEM.** There shall be a single state university system comprised of all public universities. A board of trustees shall administer each public university and a board of governors shall govern the state university system.

(c) **LOCAL BOARDS OF TRUSTEES.** Each local constituent university shall be administered by a board of trustees consisting of thirteen members dedicated to the purposes of the state university system. The board of governors shall establish the powers and duties of the boards of trustees. Each board of trustees shall consist of six citizen members appointed by the governor and five citizen members appointed by the board of governors. The appointed members shall be confirmed by the senate and serve staggered terms of five years as provided by law. The chair of the faculty senate, or the equivalent, and the president of the student body of the university shall also be members.

(d) **STATEWIDE BOARD OF GOVERNORS.** The board of governors shall be a body corporate consisting of seventeen members. The board shall operate, regulate, control, and be fully responsible for the management of the whole university system. These responsibilities shall include, but not be limited to, defining the distinctive mission of each constituent university and its articulation with free public schools and community colleges, ensuring the well-planned coordination and operation of the system, and avoiding wasteful duplication of facilities or programs. The board's management shall be subject to the powers of the legislature to appropriate for the expenditure of funds, and the board shall account for such expenditures as provided by law. The governor shall appoint to the board fourteen citizens dedicated to the purposes of the state university system. The appointed members shall be confirmed by the senate and serve staggered terms of seven years as provided by law. The commissioner of education, the chair of the advisory council of faculty senates, or the equivalent, and the president of the Florida student association, or the equivalent, shall also be members of the board.

History.--Proposed by Initiative Petition filed with the Secretary of State August 6, 2002; adopted 2002.



STATE
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of FLORIDA
Board of Governors

AGENDA

**Select Committee on 2+2 Articulation Workshop
with Invited Discussants
Saddle Creek Logistics Commons
Innovation, Science and Technology Building
Florida Polytechnic University
4700 Research Way
Lakeland, Florida 33805
January 25, 2017
10:00 a.m. – 3:00 p.m.**

**Chair: Mr. Alan Levine; Vice Chair: Ms. Wendy Link
Members: Huizenga, Lautenbach, Stewart, Tripp**

Purpose of the Workshop

Review and discuss select issues regarding 2+2 articulation and identify appropriate strategies and solutions for addressing critical issues.

- | | |
|---|---|
| 1. Call to Order and Opening Remarks | Governor Alan Levine |
| 2. Strategies for Improving 2+2 Articulation | Committee & Invited Discussants |
| A. Background and Purpose | Governor Levine |
| B. Key Issues | |
| Overview | Dr. Christy England
<i>Associate Vice Chancellor
for Academic Research and Policy</i> |
| Discussion of Select Issues | All Participants |

Break

C. Strategies and Solutions

Overview

Dr. England

Discussion

All Participants

3. Concluding Remarks and Adjournment

Governor Levine

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Select Committee on 2+2 Articulation
January 25, 2017**

SUBJECT: Strategies for Improving 2+2 Articulation

PROPOSED COMMITTEE ACTION

For discussion

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

According to the Committee work plan, approved on June 23, 2016, the Committee will identify appropriate strategies that the Board can implement in order to improve 2+2 articulation.

Supporting Documentation Included:

- 1. Enhancement Programs & Partnerships at State Universities
- 2. Conceptual Map: 2+2 Articulation & Solutions

Facilitators/Presenters: Dr. Christy England & Invited Discussants

Florida Statewide 2+2 Articulation Enhancement Programs & Partnerships at State Universities

NOTE: This is not inclusive of all articulation program, partnerships and agreements

SUS Institution	Program Name	Partner FCS Institutions	Majors Eligible
Florida A&M University	TCC2FAMU Golden Guarantee	Tallahassee Community College	All Majors*
	PHSC2FAMU Program	Pasco-Hernando State College	All Majors*
	SF2FAMU Program	Santa Fe Community College	All Majors*
	Broward College	Broward College	All Majors*
Florida Atlantic University	FAU Link Program	Broward College, Indian River State College, Palm Beach State College	All Majors*
Florida Gulf Coast University	SCF 2+2 Program	State College of Florida (Manatee-Sarasota)	All Majors*
Florida International University	Connect4Success^	Miami Dade College, Broward College, Florida Keys Community College, Palm Beach State College	All Majors*
Florida State University	TCC2FSU Golden Guarantee Program	Tallahassee Community College	All Majors*
University of Central Florida	DirectConnect	College of Central Florida, Daytona State College, Eastern Florida State College, Lake Sumter State College, Seminole State College, Valencia College	All Majors*
	UCF Online~	Florida Gateway College, Indian River State College	Anthropology, Criminal Justice, Interdisciplinary Studies, Bachelor of Applied Science, Communication & Conflict, English - Creative Writing, English – Literature, English - Technical Communication, Health Informatics & Information Management, Health Services Administration, History, International & Global Studies, Latin American Studies, Nursing B.S.N. Completion Programs, Political Science, Psychology, Religion & Cultural Studies, Sociology, Technical Education & Industry Training
University of Florida	UF Connect	Santa Fe College	Pharmacy, Engineering, Design & Construction
<p>*Admission to specific programs is not guaranteed. Limited access and restricted access programs have additional requirements.</p> <p>^Some pre-transfer programs and services (e.g., pre-transfer advising via video chat) available to all FCS students.</p> <p>~UCF is providing online bachelor's degrees to place bound students at partner FCS institutions. Students receive enhanced coaching prior to enrollment at UCF and, once enrolled, pay a set of reduced fees with a savings of over \$51 per credit hour.</p>			

Florida Statewide 2+2 Articulation Enhancement Programs & Partnerships at State Universities

NOTE: This is not inclusive of all articulation program, partnerships and agreements

SUS Institution	Program Name	Partner FCS Institutions	Majors Eligible
University of North Florida	UNF Connect	Florida State College at Jacksonville	All Majors*
	SF2UNF	Santa Fe College	All Majors*
	<u>Forthcoming:</u> SJRS to UNF Gateway	St. Johns River State College	All Majors*
	FGC to UNF	Florida Gateway College	All Majors*
University of South Florida	FUSE program	Hillsborough Community College, St. Petersburg College, Polk State College	<u>Hillsborough</u> Accounting, Art History, Biomedical Sciences, Communication Sciences & Disorders (Concentration: Language, Speech & Hearing), Criminology, Elementary Education, Exceptional Student Education, Finance, Marketing, Studio Art <i>Forthcoming: English, Geology, Public Health</i> <u>St. Petersburg</u> Accounting, Art History, Biomedical Sciences, Criminology, Finance, Marketing, Studio Art <i>Forthcoming: Biology</i> <u>Polk</u> Health Sciences, Health Sciences with Concentration in Biological Health Sciences, Information Technology, Psychology
		<u>Forthcoming:</u> Pasco-Hernando State College, State College of Florida, College of Central Florida, South Florida State College	<u>Pasco-Hernando</u> Accounting, Biomedical Sciences , Education (all majors), Finance, Health Sciences, Health Sciences with Concentration in Biological Health Sciences, Marketing, Psychology <u>State College</u> Biomedical Sciences, Business Analytics & Information Systems, Education (all majors), Social Work <u>Central Florida</u> Accounting, Biomedical Sciences, Education (all majors), Psychology <u>South Florida</u> Accounting, Biomedical Sciences, Finance, Psychology
*Admission to specific programs is not guaranteed. Limited access and restricted access programs have additional requirements.			

Florida Statewide 2+2 Articulation Enhancement Programs & Partnerships at State Universities

NOTE: This is not inclusive of all articulation program, partnerships and agreements

SUS Institution	Program Name	Partner FCS Institutions	Majors Eligible
University of West Florida	2UWF	Gulf Coast State College, Northwest Florida State College, Pensacola State College, Tallahassee Community College	All Majors*
Florida Polytechnic University	n/a		
New College of Florida	n/a		
*Admission to specific programs is not guaranteed. Limited access and restricted access programs have additional requirements.			

Florida Statewide 2+2 Articulation Enhancement Programs & Partnerships at State Universities

NOTE: This is not inclusive of all articulation program, partnerships and agreements

Program Websites		
SUS Institution	Program Name	Program Link
Florida A&M University	TCC2FAMU Golden Guarantee	https://www.tcc.fl.edu/academics/transfer-options/tcc2famul/
	PHSC2FAMU	Website forthcoming
	SF2FAMU	http://www.sfcollege.edu/famu/
	Broward College	http://www.broward.edu/studentresources/transfereagreements/Pages/default.aspx
Florida Atlantic University	FAU Link Program	https://www.fau.edu/admissions/link.php
	FAU Capture Program	http://www.fau.edu/capture-program/
Florida Gulf Coast University	SCF 2+2 Program	http://www.fgcu.edu/Admissions/Prospective/scf2plus2.html
Florida International University	Connect4Success	http://admissions.fiu.edu/apply/connect4success/
Florida Polytechnic University	n/a	https://floridapolytechnic.org/admissions/transfer-admissions/
Florida State University	TCC2FSU Golden Guarantee Program	https://www.tcc.fl.edu/academics/transfer-options/tcc2fsu/
New College of Florida	n/a	https://www.ncf.edu/admissions/how-to-apply/transfer-students/
University of Central Florida	DirectConnect	http://directconnecttoucf.com/
University of Florida	UF Connect	http://www.sfcollege.edu/gators/
		https://www.eng.ufl.edu/students/students/prospective-students/programs/gator-engineering-santa-fe/gesf-faqs/
		https://dcp.ufl.edu/gdc/
University of North Florida	UCF Online	http://www.ucf.edu/online/
	UNF Connect	http://www.fscj.edu/academics/associate-in-arts-degree/unf-connect
	SF2UNF	http://www.sfcollege.edu/unf/
University of South Florida	FUSE program	http://www.usf.edu/admissions/transfer/fuse/
University of West Florida	2UWF	http://uwf.edu/admissions/undergraduate/apply/2uwf-programs/

Board of Governor's Select Committee on 2+2 Articulation Workshop Roadmap

Since March, the Board of Governor's (BOG) Select Committee on 2+2 Articulation has reviewed the statewide articulation law and policies, the pipeline of AA students coming to the State University System (SUS) from the Florida College System (FCS), and the performance of AA students within the SUS. At the Committee's September meeting, staff from the University of Central Florida and the University of South Florida described programs that have been developed in partnership with institutions from the Florida College System in order to increase access, provide greater clarity regarding pathways to completing a bachelor's degree, increase degree completion, and meet local workforce needs. In November, the Committee reviewed issues associated with four major components of 2+2 articulation (the academic transition, the admissions process, the cultural transition, and information on AA graduates). The Committee also discussed potential solutions for some of the issues noting that in many instances, a single solution may address more than one issue. For information about the issues and solutions discussed in November, refer to "Improving 2+2 Articulation in Florida" (available at http://flbog.edu/board/committees/index.php?committee_id=14).

During the January 25, 2017 Workshop, the Committee will look more closely at two academic transition issues with input from invited discussants. The Committee will also work with invited discussants to identify and develop appropriate solutions to the most critical issues. The remainder of this document provides background information on the additional academic transition issues and an overview of the proposed solutions and how to address the issues reviewed by the Committee to date.

Additional Academic Transition Issues

1. Dual Enrollment Programs

To be eligible for enrollment in college credit dual enrollment courses, students must meet the following requirements:

- Be enrolled as a student in a Florida public or nonpublic secondary school (grades 6-12), or in a home education program;
- Have a 3.0 unweighted high school grade point average (GPA) to enroll in college credit courses, or a 2.0 high school unweighted GPA to enroll in career dual enrollment courses;
- For college credit courses, achieve a minimum score on a common placement test;
- Meet any additional eligibility criteria specified by the postsecondary institution in the Dual Enrollment Articulation Agreement; and
- Cannot be scheduled to graduate from high school prior to the completion of the dual enrollment course.

Students in grades 6-12 who meet eligibility requirements must be allowed to participate in dual enrollment. Eligibility requirements or limits on dual enrollment participation based on grade level must be to ensure college readiness and not to arbitrarily prohibit students who have demonstrated the ability to master advanced courses from participation.

Early admission is a form of dual enrollment permitting high school students to enroll in college or career courses on a full-time basis. As with all dual enrollment programs, students earn both high school and college/career credits for courses completed.

All dual enrollment agreements must be submitted annually to the Department of Education by August 1. The Department reviews each agreement for compliance with statutory provisions. Copies of the current agreements are posted on the web at <http://www.fldoe.org/policy/articulation/dual-enrollment-agreements.shtml>.

Relative to the transferability of dual enrollment courses, the Department of Education is required by statute to issue a statement to inform students and their parents, prior to enrollment in a dual enrollment courses, of the potential for dual enrollment courses to transfer either as a general education course or an elective for a postsecondary education certificate or degree program. The following excerpt from the current statement, which most directly addresses transferability, notes that students may reduce the time needed to complete a program by choosing courses wisely. The statement also encourages students who are not sure what discipline they are interested in consult with an advisor and consider focusing on the general education requirements.

Course selection is important for the dual enrollment student since different programs at a college require different courses to complete the certificate or degree. By choosing courses wisely, students can reduce the time it takes to complete a program after high school graduation. Some students are even able to complete their college certificate or degree at the same time they graduate from high school. Students who don't know what they want to study in college should consult with an advisor to consider focusing on completing general education requirements in communications, mathematics, social sciences, natural sciences, and humanities. All degree programs require general education coursework and, while there is some variation from institution to institution, there are general education courses that are common among most, if not all, institutions.

Florida dual enrollment college credit will transfer to any Florida public college or university offering the Statewide Course Numbering System course number, and must be treated as though taken at the receiving institution. However, if students do not attend the same college or university where they earned the dual enrollment credit the application of transfer credit to general education, prerequisite, and degree programs may vary at the receiving institution.

Source: Dual Enrollment Transfer Guarantees (July 2012)

[available at <https://info.fldoe.org/docushare/dsweb/Get/Document-6472/hb7059tabp.pdf>]

Most students with dual enrollment credits will be considered as first-time-in-college freshmen upon admission to an SUS institution. High school students who graduate with an associate in arts degree at high school graduation move into upper division coursework if they have completed the course prerequisites for the program of study they wish to enter.

Issue 1: The dual enrollment information currently available to counselors, advisors, and students does not directly address the relationship between dual enrollment, the statewide 2+2 articulation agreement, and SUS program prerequisites.

Issue 2: Students who do not plan properly may take courses that cannot be applied to the AA and/or a bachelor's degree at an SUS institution.

Issue 3: Admission and prerequisite course requirements may change between the time a student completes a dual enrollment course and the time they apply to an AA program and/or a bachelor's degree at an SUS institution.

Issue 4: Too much time may lag between the time a student completes a critical prerequisite course through a dual enrollment program and the time they apply to a bachelor's degree at an SUS institution (e.g., calculus for engineering programs, anatomy and physiology for nursing programs).

2. Prerequisite Courses

In 1996, Florida's higher education institutions established a list of common prerequisite courses for every baccalaureate program through the direction of the Articulation Coordinating Committee (ACC) in accordance with statute 1007.25(5).F.S. The list is intended to provide prospective transfer students with information about the courses required in order to be admitted to upper division programs at Florida's public institutions. The list, referred to as the Common Prerequisite Manual, is approved and published by the ACC in a format determined by the Oversight Committee of the ACC at <https://dlss.flvc.org/admin-tools/common-prerequisites-manuals>.

The common prerequisites must be required of all public institution students applying to a baccalaureate program – both native and transfer. The Oversight Committee and the ACC must approve all changes to the Common Prerequisite Manual. Each course, including substitutions, must be approved by the Oversight Committee and the ACC. Specific program tracks and program exceptions must also be approved by the

Oversight Committee and the ACC. Institutions may not substitute courses without approval from the Oversight Committee and the ACC. In some instances, the Oversight Committee and the ACC may approve changes to the manual after the original publication date.

Faculty committees, with representation from across the state, meet annually to develop and review the common prerequisite courses for their respective programs. All Florida public institutions are expected to adhere to the program prerequisites established by those committees as approved by the Oversight Committee and the ACC.

Some programs may not require common prerequisite courses. Some programs may have additional admission requirements not published in the Manual. Limited Access Programs also may have additional requirements for admission that are not published in the Manual. In addition, some common prerequisite courses have course prerequisites that must be met before a student can enroll in the common prerequisite course. As the manual does not include all of the admission requirements for every program, students are encouraged to also utilize university catalogs, counseling manuals, and advisors in conjunction with the Common Prerequisite Manual.

The actual Common Prerequisite Manual (see link provided above) for a given academic year is a combination of web pages and pdf files. The “Summary of Changes” and “Policies, Procedures and Important Information” sections are comprised of various web pages. The “Policies, Procedures and Important Information” section includes general information about the manual, definitions, procedures for making changes to the manual, and other information indicated below.

- Purpose of the Common Prerequisites Manual
- Catalog Year in Effect
- Definitions of Common Prerequisites, Substitutions, Suggested Courses
- Coding in University Counseling Manuals/Catalogs
- General Education Courses
- Course Numbering
- Institution Acronyms
- Making Revisions to the Common Prerequisites

The “Index of Common Prerequisites by Program” section contains specific program information as listed below.

- A. Program Listing by Alphabetic Order
(Adobe Acrobat Reader required to view individual degree programs)
- B. Program Listing by CIP Code
(Adobe Acrobat Reader required to view individual degree programs)
- C. Program Listing by Discipline Area

(Adobe Acrobat Reader required to view individual degree programs)

D. Engineering Programs Common Prerequisites

E. Teacher Education Information

Through Option A, users may search programs sorted by alphabetical order based on the program name. See Figure 1 below.

Figure 1
Common Prerequisites Manual 2015 - 2016

[Table of Contents](#)

Alphabetic Order	Catalog Year: 2015-2016
Please select the degree program you would like to view from the list below. Click a letter to display the degree programs who letter	
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z	
Accounting FAMU, FAU, FGCU, FIU, FSU, IRSC, UCF, UF, UNF, USF, USF SM, USFSP, UWF	
Actuarial Science	
Advanced Technology - Big Data	
Advertising	
Aerospace Engineering	
Aerospace Sciences	

Users may search by CIP code number or the two-digit CIP code discipline name. See Figures 2 and 3 below.

Figure 2
Common Prerequisites Manual 2015 - 2016

[Table of Contents](#)

CIP Code Order	Catalog Year: 2015-2016
Please select the degree program you would like to view from the list below:	
01.0000	Agriculture Science
01.0102	Agricultural Business/Operations
01.0103	Agricultural (Food & Resource) Economics
01.0603	Landscape and Nursery Horticulture
01.0901	Animal Science (Track 1 of 2) - Animal Biology
01.0901	Animal Science (Track 2 of 2) - Animal Industry
01.1001	Food Science & Technology (Track 1 of 2) - Food Science UF
01.1001	Food Science & Technology (Track 2 of 2) - Nutritional Sciences UF
01.1101	Plant Sciences
01.1103	Horticulture Science
01.1201	Soils Science

Figure 3

Common Prerequisites Manual 2015 - 2016

Table of Contents

Discipline Area Order	Catalog Year: 2015-2016
Please select the discipline area whose degree programs you would like to view from the list below:	
Discipline Area	Any Discipline Area (347 records found)
Accounting FAMU, FAU, FGCU, FIU, FSU, IRSC, UCF, UF, UNF, USF, USF SM, USFSP, UWF	
Actuarial Science	
Advanced Technology - Big Data	
Advertising	
Aerospace Engineering	
Aerospace Sciences	
African-American (Black) Studies	
Agricultural (Food & Resource) Economics	
Agricultural Business/Operations	

Once a user has located the program of interest, the program link downloads a pdf file containing the common prerequisite information for that program (see Appendix A). Each pdf file downloads with the same generic name (doc.pdf). The main web page for each manual provides links for downloading a complete copy of the manual in pdf format. The current version of which is 428 pages long. Information for interpreting the manual is also provided on the web main page for each manual.

Balancing the need for student consumer protection against the need for curricula revision is the primary role of the ACC and those who staff it, including the faculty discipline committees. Implementing the ACC approved changes is the role of university and college leadership.

Issue 1: Implementation of the common prerequisites occurs through various means including transcript reviews, advising, the publishing of institution-specific catalogs and related materials, and the training of staff across institutions. Ensuring accuracy and consistency across all means is challenging, yet necessary in order to remain in compliance and to best serve students.

Issue 2: Meeting program prerequisites for highly sequenced programs and those with lab or studio requirements - such as many STEM, healthcare, and fine arts programs - can be challenging and difficult to do in a timely manner, particularly for transfer students. Students who begin at an SUS institution in such fields are advised to complete prerequisites as freshmen and sophomores to ensure timely progression through the program of study.

Issue 3: The current format of the Common Prerequisite Manual (e.g., individual pdf files for each program) is difficult for users to navigate, particularly for technology-savvy users accustomed to more interactive web-based interfaces.

Issue 4: The number of credit hours required from program prerequisites range from zero credit hours (e.g., Urban Design) to more than 40 credit hours (e.g., Environmental Science, Architecture).

- Some students may not be able to complete all program prerequisites as part of their AA prior to application. As a result, these students may not be admitted to the program of their choice at an SUS institution. These students will not be eligible for most forms of financial aid while they are non-degree seeking students.
- Students who decide to change their field of study may need to complete additional courses to meet the common prerequisites for the newly chosen field of study.

Issue 5: Too much time may lag between the time a student completes a critical prerequisite course through a dual enrollment program and the time they apply to a bachelor's degree at an SUS institution (e.g., calculus for engineering programs, anatomy and physiology for nursing programs).

Proposed Solutions

Most of the proposed solutions discussed by the Committee in November address multiple issues reviewed by the Committee. In addition, the solutions can be collapsed into three types of solutions: providing accurate and timely information, encouraging and incentivizing best practices, and developing a data toolkit. Following is a description of the proposed solutions based on these three categories. The Concept Map in Appendix B provides a visual depiction of the issue(s) addressed by each proposed solution.

1. Accurate and Timely Information

Sample Solution 1: Clearly communicate institution-specific course numbers for the general education core curriculum courses and common program prerequisite courses for SUS and FCS institutions and a recommended pathway for completing the requirements for both the AA degree and the bachelor's degree at specific institutions.

Sample Solution 2: Develop a more user-friendly interface for the prerequisite manual to better assist students and advisors in locating and interpreting information.

Sample Solution 3: Institutions and BOG staff collaborate with high school counselors to develop and provide information regarding general education core, prerequisites and dual enrollment through counselor handbooks, admissions tour, and other mechanisms.

Sample Solution 4: Institutions and BOG staff collaborate with FCS advisors to develop and provide information regarding prerequisites, completing prerequisites while degree-seeking student, first year student campus contacts, and contact information for comparable SUS student services (e.g., disability services) through PowerPoint/webinars, handbook, and other mechanisms.

2. Encourage and Incentivize Best Practices

The Committee has identified several best practices of strategies that support and enhance the state's current 2+2 agreement. The Committee has also discussed the need to encourage and incentivize the implementation of best practices that will enhance the existing statewide 2+2 agreement, but has not yet discussed specific strategies that will encourage and incent institutions to implement best practices at the local level. The following are examples of the best practices identified by the Committee to date and is not intended to be an inclusive list.

Example Best Practice 1: Send SUS advisors to FCS campuses to provide on-site information about admission, general education and program requirements to better facilitate the transition.

Example Best Practice 2: Work with FCS institutions to develop joint programs in which students concurrently enroll to ensure that students follow an efficient pathway for completing a bachelor's degree.

Example Best Practice 3: Waive application fees for transfer students.

Example Best Practice 4: Provide scholarships for transfer students.

Example Best Practice 5: Provide programs and events to reduce "transfer shock."

3. Data Toolkit

A considerable amount of data regarding AA graduates is currently available. The following data were presented to the Committee during the March and June 2016 meetings.

- SUS Enrollments by Student Type
- AA Transfer Student Applications to SUS Institutions
- AA Transfer Student Application Patterns at SUS Institutions
- AA Transfer Student Demographics at SUS Institutions
- AA Transfer Student Graduation Rates from SUS Institutions
- Associate Degrees Awarded by FCS Institutions by Year
- FCS Students Attending SUS Institutions
- Top SUS Majors for FCS Transfers
- Mean Cumulative GPA of SUS Upper Division Students by Student Type

While Florida has access to a wide array of student data, as exemplified by the above list, some of the questions raised during the 2016 Committee meetings cannot be answered through existing data and/or analyses. In some instances, actual student behavior cannot be adequately described through descriptive data. Some questions have not yet been answered due to the complexity of the question, limitations of existing data systems, and limited staff availability.

In addition to the analyses outlined above, the following research questions have also been recommended for further review and potential analyses.

Proposed Research Question 1: Why are one-third of AA graduates not applying to the SUS?

Proposed Research Question 2: Where do AA graduates go who are admitted to the SUS but do not enroll?

Proposed Research Question 3: Where do AA graduates go who do not transfer to the SUS?

Proposed Research Question 4: Do AA graduates transfer to the SUS without loss of credit?

Proposed Research Question 5: What are the SUS outcomes for the AA transfers by program of study?

Proposed Research Question 6: Why do 90% of transfer students apply to only one University?

By the end of the Workshop, the Committee will identify a final set of solutions for the development of an implementation plan. According to the approved work plan for the Committee, BOG staff are scheduled to present an implementation plan to the Committee during the March 2017 meeting.

Appendix A

Sample Program Page from the 2015-2016 Common Prerequisite Manual

Program: <u>Advertising</u>	CIP: <u>09.0903</u>
Offered At: <u>UCF*</u>	Track: <u>1</u>
<u>UF*</u>	Program Length: <u>120 Cr. Hrs.</u>
	<u>124</u>

REVISED 5/27/09

REVISED 10/28/2009

USF offers advertising under CIP 52.1499.

Comment added 2011.

LOWER LEVEL COURSES

	Cr. Hrs.
SPCX607 ⁽¹⁾	3
or- SPCX608 ⁽¹⁾	
&- ECOX023	3
or- ECOX013	3
or- ECOX020	3
&- AMHX010 ⁽²⁾	3
&- AMHX020 ⁽²⁾	3
&- POSX041 ⁽²⁾	3
&- POSX112 ⁽²⁾	3

FOR ALL MAJORS: Students are strongly encouraged to select required lower division electives that will enhance their general education coursework and that will support their intended baccalaureate degree program. Students should consult with an academic advisor in their major degree area.

-
- (1) Course is not required by UF.
 (2) Course is not required by UCF.
 * Limited Access.

Appendix B

Conceptual Map: 2+2 Articulation Issues and Solutions

PROPOSED SOLUTIONS	ISSUES								
	Academic Transition					Admissions Process	Cultural Transition	Information on A.A. Students	
	Confusing prerequisite information	Difficult to meet prerequisites in highly sequenced programs	Program admission not guaranteed	Limited information for dual enrollment students	Difficult to maintain accuracy of prerequisite information	Costly, time-consuming process	Transfer shock	Data can't describe all behavior	Complex research questions
1. Clearly communicate accurate and timely information for prospective transfer students and students in dual enrollment programs									
a. Convert current prerequisite manual from a series of pdf files to interactive database	X	X	X	X	X				
b. Develop institution-specific degree maps that align with requirements published in the prerequisite manual (e.g., Project FUSE)	X	X	X	X	X				
c. Institutions and BOG staff collaborate with HS counselors to develop and provide information regarding general education core, prerequisites and dual enrollment through counselor handbooks, admissions tour, etc.				X	X	X	X		
d. Institutions and BOG staff collaborate with FCS advisors to develop and provide information regarding prerequisites, completing prerequisites as while degree-seeking student, first year student campus contacts, and contact information for comparable SUS student services (e.g., disability services) through PowerPoint/webinars, handbook, etc.	X	X	X		X	X	X		
2. Encourage and incentivize best practices including but not limited to the following									
a. Provide advising on FCS campuses	X	X	X		X	X	X		
b. Develop joint programs with select FCS institutions for programs with tightly sequenced course requirements	X	X	X		X				
c. Waive application fees for transfer students						X			
d. Provide scholarships for transfer students						X			
e. Provide programs and events to reduce "transfer shock"							X		
3. Develop a data toolkit to support BOG planning efforts									
a. Reviewing existing analyses to determine whether additional or different analyses are needed								X	X
b. Identify and conduct studies to answer the most critical unanswered questions not addressed by existing analyses								X	X



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA

**Academic and Student Affairs Committee
Saddle Creek Logistics Commons
Innovation, Science and Technology Building
Florida Polytechnic University
4700 Research Way
Lakeland, FL 33805
January 25, 2017
3:15 p.m. – 4:00 p.m.**

or

Upon Adjournment of Previous Meetings

Chair: Mr. Norman Tripp; Vice Chair: Ms. Wendy Link

Members: Beard, Frost, Hebert, Jordan, Kitson, Morton, Stewart, Tyson, Valverde

- 1. Call to Order and Opening Remarks** **Governor Norman Tripp**
- 2. Minutes of Committee Meeting** **Governor Tripp**
Minutes, November 3, 2016
- 3. Vice Chancellor and Chief Academic Officer's Report** **Dr. Jan Ignash**
*Vice Chancellor for
Academic and Student Affairs*
- 4. The Impact of Counseling Services on the
Academic Success of Students** **Dr. Christy England**
*Associate Vice Chancellor for
Academic and Student Affairs*
- 5. Academic and Student Affairs Updates**
 - A. SUS Council of Academic Vice Presidents (CAVP)** **Dr. Gary Perry**
Chair, CAVP

B. SUS Council for Student Affairs (CSA)

Dr. Corey King
Chair, CSA

C. Florida Student Association

Governor Jacob Hebert
Chair, Student Government Association

6. Concluding Remarks and Adjournment

Governor Tripp

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 25, 2017**

SUBJECT: Minutes of Committee Meeting held November 3, 2016

PROPOSED COMMITTEE ACTION

Consider for approval the minutes of the meeting held on November 3, 2016 at Florida Atlantic University

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review for approval the minutes of the meeting held on November 3, 2016 at Florida Atlantic University.

Supporting Documentation Included:	Minutes, November 3, 2016
Facilitators/Presenters:	Governor Norman Tripp

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
ACADEMIC AND STUDENT AFFAIRS COMMITTEE
Florida Atlantic University
777 Glades Road
Boca Raton, Florida 33431
November 2-3, 2016

*Video or audio archives of the meetings of the Board of Governors
and its Committees are accessible at <http://www.flbog.edu>.*

1. Call to Order and Opening Remarks

Chair Tripp convened the meeting on November 3, 2016 at 8:52 a.m. with the following members present and answering roll call: Governors Link, Hebert (arrived 9:28 am), Stewart, Tyson, and Valverde. A quorum was established.

2. Minutes of Committee Meeting

Governor Tripp asked for a motion to approve the minutes from the September 21, 2016, committee meeting. Governor Link moved to approve the minutes, Governor Valverde seconded the motion, and the motion was approved.

3. Vice Chancellor and Chief Academic Officer's Report

Dr. Jan Ignash reported on the following activities of the Academic and Student Affairs (ASA) unit:

- Associate Vice Chancellor England, Assistant Vice Chancellor Logan, and Vice Chancellor Ignash attended a 2-day R&D workshop in Washington, D.C. to discuss priorities for federal funding opportunities.
- ASA staff began work on the accountability report.
- ASA staff have been working with the Auditor General on the Board office audit.
- ASA staff provided data and responses to questions on anti-hazing, student codes of conduct, and sponsored research.
- An ASA staff member, Cathy Oakley, attended NASPA Student Affairs Administrators in Higher Education conference and the anti-hazing preconference at the Florida International University.
- ASA staff have been working with budget and finance staff on the changes to Performance Based Funding, particularly Metric 3.

- ASA staff reviewed and provided feedback to the New College administration regarding their plan to increase enrollment to 1,200 students and the resources needed.
- ASA staff members, Richard Stevens and Lynn Hunt Long, completed the textbook and instructional materials affordability study.
- Board staff provided information to the Chancellor and several Board members relating to the Florida Gulf Coast University strategic plan.
- Board staff participated in a teleconference with the Vice Presidents of Research from the 12 universities to discuss priorities in the research LBR and work on defining variables for the research dashboard.
- ASA staff members, Diana Barbu and Emily Sikes, attended the Cybersecurity Conference in Tampa. Jan introduced Emily and explained her role as well as her contributions to the Board office in terms of research and outreach.
- Board staff have been working with communications and trustee relations staff to prepare materials for the 2+2 and research sessions for the Trustee Summit.
- Vice Chancellor for Finance and Administration, Tim Jones, and Vice Chancellor Ignash met with Senate staff to discuss LBR requests.

4. Mental Health Update

Chair Tripp introduced Dr. Maribeth Ehasz, Vice President of Student Development and Enrollment Services at the University of Central Florida. Dr. Ehasz provided the Board with an update of the student mental health concerns that her institution has been addressing since the 2016 fall semester and the funding sources that are supporting the additional counseling staff.

Governor Tyson asked if the counseling needs of online students differ from on-campus student needs and questioned the outreach efforts to online students. Dr. Ehasz commented that the needs do differ and stated that the inability to follow-up with online students is an issue. Dr. Ehasz stated that online students are referred to resources in their community.

Governor Morton commented that mental health deserves the dignity afforded to all health.

Chair Tripp pointed out that each Board member had been provided with a notecard containing the key talking points around this issue. The notecards highlight three main points: 1) more students are coming to the SUS institutions already diagnosed and on medication, 2) students are coming with more serious mental health issues; and 3) years of under-funding student affairs to protect academic programs has prevented student counseling centers from increasing staffing levels to keep pace with the increase in student demand.

Chair Kuntz charged the Chancellor to develop a strategy for providing a coordinated approach to support the State University System Mental Health Counseling Services Legislative Budget Request.

5. Academic and Student Affairs Updates

A. SUS Council of Academic Vice Presidents (CAVP)

Dr. Ralph Wilcox reported on the following CAVP activities:

- The CAVP have been examining enhancing access, affordability, completion, and quality in higher education.
- Dr. Wilcox pointed to the growing trend of out-of-state public universities encroaching into the SUS market. This is a matter of concern for the following reasons:
 - Lack of quality control and consumer protection for these institutions;
 - Competition with Florida's public universities for clinical and residency placements in the healthcare professions, by buying up clinical slots;
 - Utilization of state taxpayer resources through the use of Bright Futures;
 - Impacting the state and its public universities' strategic priorities
- The CAVP requested that the Board of Governors work with the Council for Independent Education and the Florida Board of Education through the Higher Education Coordinating Council (HECC) to better understand the process followed in approving out-of-state public universities coming into Florida.

In response to these issues the Chancellor noted that he will work with the CIE to identify issues that can be addressed at the HECC meeting.

B. SUS Council for Student Affairs (CSA)

Dr. Corey King, Chair of the CSA, reported on:

- The Anti-Hazing Summit was hosted by the Florida International University on October 13, 2016. There were over 30 attendees and all institutions participated.
- The need to make the summit a yearly event, but moving it from fall to spring to allow for program development during the summer. The University of Central Florida offered to host the summit for the next three years.
- The online anti-hazing education course was implemented three years ago and 36,126 students have participated in the course. Students learn about the course through orientation, student organizations, athletics, and sorority and fraternity rush activities. The course takes 30-45 minutes to complete. Post survey results show that 86% of students reported having greater knowledge about hazing and how to address it. The course is offered through AliveTek and renewal of the contract will be due in April.

C. Florida Student Association (FSA)

Governor Jacob Hebert, Chair of the FSA, reported on the following activities:

- The FSA has formally chosen to support the Bright Futures, mental health, and campus safety LBRs.
- The FSA is gathering data regarding excess credit hours and planning to request an exemption for students who graduate in four years.
- The FSA is preparing a plan for the impact of CITF bonding on campuses and retention.
- There is no policy that provides easy access to information regarding in-state tuition for undocumented students . The FSA is workshopping this topic.

6. Concluding Remarks and Adjournment

Governor Levine requested that the concern previously raised about civics education be added to the agenda for the next meeting.

Having no further business, Chair Tripp adjourned the meeting at 9:38 a.m.

Norman D. Tripp, Chairman

Richard P. Stevens,
Assistant Vice Chancellor for Academic and Student Affairs

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 25, 2017**

SUBJECT: Vice Chancellor and Chief Academic Officer's Report

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Jan Ignash, Vice Chancellor for Academic and Student Affairs, will provide an update regarding the activities of the Office of Academic and Student Affairs.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Jan Ignash

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 25, 2017**

SUBJECT: The Impact of Counseling Services on the Academic Success of Students

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

In March 2015, Board staff presented an information brief on campus safety and security to the Board's Academic and Student Affairs Committee in response to increasing concerns about the safety and well-being of students. The Board subsequently requested funds during the 2016 legislative session to expand counseling services and campus security across the State University System. However, that request was not funded and counseling centers are still struggling to keep up with demand.

In September 2016, Board staff provided an overview of the increasing need for well-trained, professional counseling services to address the mental and behavioral health of university students. Also in September 2016, the Counsel for Student Affairs presented the State University System Mental Health Counseling Services Legislative Budget Request to increase campus counseling services in order to address the critical need for expanding student mental and behavioral health coverage the System.

In November 2016, Dr. Maribeth Ehasz from the University of Central Florida described the importance of addressing the increased student demand for mental health services.

At this meeting, Board staff will provide data that show the significant positive impact counseling services have on the academic success of students.

Supporting Documentation Included:	January 2017 Information Brief
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Facilitators/Presenters:	Dr. Christy England
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Information BRIEF

www.flbog.edu

The Impact of Counseling Services on the Academic Success of Students

January 2017

"My counselor has been an incredible resource and has changed my life in ways I never knew were possible."

--New College of Florida student

HIGHLIGHTS

- After three or more counseling sessions, most students report improved behavioral and mental health.
- Students who use counseling center services are as likely as or more likely to remain enrolled and graduate than students who do not.
- Counseling center services help students do well academically, remain enrolled and graduate.

Introduction

In September 2016, the Board was informed of a critical need that is impacting students across all state universities. The "The Mental and Behavioral Health of Students and the Need for Increased Counseling Services" information brief showed that student demand for counseling services has outstripped the capacity of the counseling centers in the State University System (SUS). Since 2008-09, the number of counseling service clients served by SUS institutions has increased by 48% and the number of counseling sessions provided has increased by 67%.

The Impact of Counseling Center Services

Numerous studies have shown that poor health – physical, mental, or behavioral – adversely affects all aspects of day-to-day life, including learning. Mental and behavioral health problems often impair the quality and quantity of learning, which puts the academic success of students at risk. Yet, students are successful if these problems are effectively addressed through the services provided by the SUS counseling centers. The SUS counseling centers help improve the mental and behavioral health of students, and ensure the academic success of the students they serve.

Impact of Counseling Centers

Improved Mental and Behavioral Health

The mental and behavioral health of students seeking individual counseling services is assessed at their initial appointment and at varying intervals during follow-up appointments to determine the distress level of students and how their level of distress changes over time.

"It's a good feeling when friends and the people you love are noticing a difference in how you keep yourself together under unfortunate situations." --FAMU student

Tables 1A and 1B show that the average distress levels for students receiving at least three individual counseling sessions during fall 2016 decreased between their first appointment and their most recent appointment regardless of the issue they were dealing with.

Table 1A provides average distress levels for students from institutions that use an assessment tool where higher scores indicates higher levels of distress and lower scores indicate lower levels of distress. Therefore, the negative scores included in the "Change" column of Table 1A correspond to *improved* mental and behavioral health.

Table 1A: FAMU, FAU, FIU, FSU, NCF, UCF, UNF, USF-SP, & UWF
SUS Counseling Effectiveness Index:
Average Student Distress Levels Fall 2016

	First Appointment	Latest Appointment	Change (negative = lower distress)
Academic Distress	1.20	0.73	-0.47
Depression	0.95	0.29	-0.66
Distress Index	1.28	0.58	-0.70
Generalized Anxiety	1.12	0.51	-0.61
Hostility	1.25	0.37	-0.88

*Data from 2,036 clients treated at FAMU, FAU, FIU, FSU, NCF, UCF, UNF, USF-SP, & UWF between August 18, 2016 – November 18, 2016 for at least three sessions.

Conversely, Table 1B includes results from three SUS counseling centers that use a different scale. High scores indicate lower distress and lower scores indicate higher distress levels. Table 1B shows that students benefited from counseling center services in all areas, especially the ones related to suicide and anxiety. Therefore, the positive scores included in the "Change" column of Table 1B correspond to *improved* mental and behavioral health.

Impact of Counseling Centers

Table 1B: FGCU, UF, & USF
SUS Counseling Effectiveness Index:
Average Student Distress Levels Fall 2016

	First Appointment	Latest Appointment	Change (<i>positive = lower</i> distress)
Alcohol/Drugs	2.91	3.51	0.60
Anxiety	1.46	2.13	0.66
Depression	1.83	2.40	0.57
Global Mental Health	2.18	2.61	0.44
Life Functioning	1.80	2.17	0.38
Suicide	2.34	3.36	1.03
Symptoms	2.26	2.79	0.53
Well-Being	1.31	1.88	0.58

^Data from 1,211 clients treated at FGCU, UF, & USF between August 18, 2016 – November 18, 2016 for at least three sessions.

Overall, the results from Tables 1A and 1B point to the same conclusion -- counseling helps students lower their distress levels.

Reduced Risk to Self and Others

The SUS counseling centers regularly evaluate the extent to which a student may be a risk to themselves or others. Students become less likely to be considered at risk for hurting themselves and those around them when they have access to the services provided by the counseling centers. For example, Florida Atlantic University reports that the majority of students (88% or more) who were at risk at their first counseling session in early fall 2016 were no longer a risk to themselves or others after five sessions.

"It saved my life..." --UWF student
"Counseling saved my life." --FIU student

Improved Academic Success

Two state universities compared the academic success of students who receive support from the counseling centers to those who do not. Both institutions reported that students who received support from the counseling centers performed as well as or better than students who did not use counseling center's services.

"I'm getting more school work done (I actually really enjoy my studies now, too)."
--USF student

Researchers at the University of North Florida found that students who took advantage of counseling center's services were more likely to be retained after the first year than those who did not. These students were also more likely to graduate and graduated with fewer excess credit hours.

Impact of Counseling Centers

**Table 2: UNF First-Year Retention and 6-Year Graduation Rates
Counseling Center Students and Non-Center Students
Academic Years 2006 - 2015**

	First-Year Retention Rates ¹	6-Year Graduation Rates ²
Center Students	93%	63%
Non-Center Students	79%	49%

¹N=19,649; ²N=18,334

Source: UNF Counseling Center Analysis of Student Usage and Metric-Related Correlations, November 30, 2016

At the University of Central Florida, researchers compared persistence rates of students who used counseling center services to students who did not. They found that the percent of students who used services in one academic year and re-enrolled the following academic year was comparable to or higher than the percent of students who did not use these services.

Client satisfaction surveys also show that the services provided by counseling centers help students do better academically and remain enrolled. Surveys from Florida State University show that approximately two-thirds of clients treated in the 2015-2016 academic year indicate that counseling center services helped them to do better academically and remain enrolled.

Overall Client Satisfaction

Students who use services provided by the counseling centers report high levels of satisfaction with their counselors and the services they receive. The majority of students indicate that they would use the services again and would refer others to use them as well. Surveys at Florida Gulf Coast University since fall 2013 show that, on average, 95% of clients would recommend the counseling center to others.

"I have felt more satisfied with myself and my life than I have ever felt."

--UF student

Summary

The SUS counseling centers provide critical services to students facing a wide range of mental and behavioral issues. Students who take advantage of the services offered benefit from improved mental and behavioral health, which impacts their academic success. Overall, students are more likely to do well academically and graduate when they receive the help they need.

Staff Contact

Dr. Christy England
Associate Vice Chancellor for Academic Research and Policy
Academic and Student Affairs
(850) 245-0466
christy.england@flbog.edu

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 25, 2017**

SUBJECT: State University System Council of Academic Vice Presidents (CAVP)

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Gary Perry, chair of the State University System Council of Academic Vice Presidents (CAVP), will provide an update on current CAVP activities and issues.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Gary Perry

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 25, 2017**

SUBJECT: State University System Council for Student Affairs

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Corey King, Chair of the State University System Council for Student Affairs, will provide an update on recent activities of the Council for Student Affairs.

Supporting Documentation Included:	None
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Facilitators/Presenters:	Dr. Corey King
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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 25, 2017**

SUBJECT: Florida Student Association

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Governor Jacob Hebert, President of the Florida Student Association, will update the Committee on recent Association activities.

Supporting Documentation Included: None

Facilitators / Presenters: Governor Jacob Hebert



STATE
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Board of Governors

AGENDA

Facilities Committee

Saddle Creek Logistics Commons

Innovation, Science, and Technology Building

Florida Polytechnic University

4700 Research Way

Lakeland, FL 33805-8531

January 25, 2017

4:00 p.m. – 5:30 p.m.

or

Upon Adjournment of Previous Meetings

Chair: Mr. H. Wayne Huizenga, Jr.; Vice Chair: Dr. Fernando Valverde

Members: Beard, Doyle, Jordan, Kitson, Levine, Link, Morton, Tyson

- 1. Call to Order and Opening Remarks** **Governor H. Wayne Huizenga, Jr.**
- 2. Minutes of Committee Meetings** **Governor Huizenga**
Minutes, September 22, 2016
Minutes, October 18, 2016
- 3. UF Educational Plant Survey Amendment** **Mr. Chris Kinsley**
*Assistant Vice Chancellor for
Finance & Facilities*
- 4. Amendment to the 2017-2018 SUS Fixed Capital
Outlay Legislative Budget Request** **Mr. Kinsley**
- 5. UF Parking Garage XIV - Bond Authorization** **Mr. Kinsley**
- 6. FSU College Town Phase III - Debt Authorization** **Mr. Kinsley**
- 7. SUS Housing Study** **Mr. Kinsley**
- 8. UCF Academic Medical Center** **Dr. Deborah German**
Dean, UCF College of Medicine
- 9. Concluding Remarks and Adjournment** **Governor Huizenga**

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 25, 2017**

SUBJECT: Minutes of Committee Meeting held September 22 and October 18, 2016

PROPOSED COMMITTEE ACTION

Approve the minutes from the meetings held on September 22, 2016 and October 18, 2016

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and approve the minutes from the meeting held on September 22, 2016 at New College of Florida; as well as the minutes from the workshop conducted on October 18, 2016, at the University of South Florida.

Supporting Documentation Included: Minutes: September 22 & October 18, 2016

Facilitators/Presenters: Governor H. Wayne Huizenga, Jr.

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
NEW COLLEGE OF FLORIDA
SARASOTA, FLORIDA
September 22, 2016

*Video or audio archives of the meetings of the Board of Governors
and its Committees are accessible at <http://www.flbog.edu/>.*

Mr. Wayne Huizenga Jr., Chair, convened the meeting of the Board of Governors Facilities Committee meeting at 8:41 a.m., September 22, 2016. The following members were present: Vice Chair Dick Beard, Daniel Doyle, Alan Levine, Wendy Link, Edward Morton, Gary Tyson, and Fernando Valverde. Other members present included Dean Colson, Darlene Jordan, Tom Kuntz, Ned Lautenbach and Norman Tripp.

1. Call to Order

Mr. Wayne Huizenga, Jr. called the meeting to order.

2. Minutes of Committee Meetings: Governor Huizenga

Governor Levine moved that the Committee approve the minutes of the Facilities Committee meetings held May 12 and June 23, 2016. Governor Doyle seconded the motion and it passed unanimously.

3. 2017-2018 SUS Fixed Capital Outlay Legislative Budget Request

Chair Huizenga called on Mr. Chris Kinsley, Assistant Vice Chancellor for Finance and Facilities, to discuss the 2017-18 Legislative Budget Request for Fixed Capital Outlay. Mr. Kinsley presented the request and explained that it matches the official PECO estimates. Governor Beard moved approval, Governor Morton seconded and the members of the committee concurred.

4. UCF Educational Plant Survey Amendment

Chair Huizenga explained the amendment to UCF's Educational Plant Survey, changing the initial recommendation for Colbourn Hall from renovation to demolition, since renovation would cost more than 60% of the building's value. Governor Beard motioned to approve the amendment, Governor Doyle seconded and the motion passed.

5. UNF Housing Bonds - Refunding Authorization

Mr. Kinsley explained that the UNF Board of Trustees were requesting authority to refinance their housing system debt. The Division of Bond Finance and Board staff jointly reviewed the request and supporting documentation and found it to be in compliance with statute and university debt guidelines. Mr. Kinsley explained that this was coming to the Board as a refunding because it was a combination of existing housing debt and a mortgage UNF took out using the mortgage exception. This would save UNF \$1 million per year, which they plan to use to keep housing rates flat for the next five years. The authorization was motioned by Governor Levine and seconded by Governor Doyle; the motion passed unanimously.

6. Debt Management Guidelines Amendment

Governor Huizenga called upon Mr. Kinsley to explain the proposed amendments to the debt management guidelines. Mr. Kinsley described how Board staff had presented the initial amendments to the Board in June, held a workshop with university financial experts and have since incorporated feedback to bring as much clarity and transparency to the process as possible. Additionally, Board staff have also worked closely with the Division of Bond Finance to ensure there are no amendments without consensus between the offices.

The amendments include:

- Student housing projects must now come to the Board for consideration. Universities can still engage in commercial mortgage financing unless it involves housing.
- Joint rating review surveillance by the Division of Bond Finance and the Board Office of Finance and Facilities.
- University Boards of Trustees must approve any debt proposals before Board staff can begin formally review. Currently universities can submit packages that are not complete, however Board staff recommend closing this opportunity.

Mr. Kinsley also noted that Board staff proposed striking the first bullet under the “Exemptions”, relating to equipment financing, however there is not consensus on this point with the Division of Bond Finance, so it has been left in the guidelines for now. Governor Levine motioned adoption of the proposed amendments. Governor Link seconded the motion and the members of the committee concurred.

7. Sightlines Presentation

Mr. Kinsley made a brief overview of the committee’s history with the Sightlines Facilities Benchmarking Service, explaining that a year ago the committee strongly encouraged universities to adopt the service. Board staff negotiated a pricing

arrangement with Sightlines and the contract was authorized in January; all schools implemented the software by July. Mr. Kinsley explained that for the schools not already using the software, this meant that they had to upload 5 years' worth of data across more than 50 data points. This has given the Board staff an abundance of information to examine as well as access to national data.

Mr. Kinsley then presented a sample of the types of information offered by the software and the types of comparisons now possible. However, he emphasized that this is a powerful tool but that there is still much work to be done with this data to determine its uses. He underscored that this is a new tool and that there should be no assumptions about the data it affords.

8. Impact of Online Education on Space Needs Planning

Mr. Kinsley presented proposed changes to the space planning process. In his State of the System address in January, Chair Kuntz asked the Innovation and Online Committee as well as the Facilities Committee several questions regarding how online education is impacting space needs. The Space Needs Generation Formula currently used was developed in the 1960s and updated in the 1990s and does not fully address current issues. In response Board staff have developed a new Dynamic Capital Planning model to address these issues.

- Currently SUS projected space need is an additional 50% of current inventory. The new model reduces this additional need to about 30% of current inventory.
- Currently research space is funded based on student FTE growth. Board staff propose changing this to be based on the amount of grant money potentially generated by requested research space.
- The current model removes online student FTE only from Classroom space needs generation, however the new model proposes expanding this practice to include Teaching Labs, Auditorium and Gymnasium space as well.
- The current model uses weighted space factors by institution, the new model changes this to a single set of standardized space factors.

Mr. Kinsley detailed plans to distribute this new model to the universities for vetting and to collect their feedback. He also noted that this is the survey year for USF, UWF and FPU, and as such the new model will be tested on these universities. When their surveys come before the Board, a comparison with their previous 5 year surveys under the old model will be made so that the Board can properly evaluate the new model and determine any adjustments and whether or not to adopt it.

9. Housing Rates

The committee members briefly discussed housing rates and efforts to limit their increase. A more detailed update on this topic was scheduled for the November board meeting.

10. Concluding Remarks and Adjournment

There being no further business, Chair Huizenga adjourned the meeting at 9:41 a.m., September 22, 2016.

Chris Kinsley, Assistant Vice Chancellor
Facilities

H. Wayne Huizenga, Jr., Chair

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
UNIVERSITY OF SOUTH FLORIDA
TAMPA, FLORIDA
October 18, 2016

*Video or audio archives of the meetings of the Board of Governors
and its Committees are accessible at <http://www.flbog.edu/>.*

Mr. Wayne Huizenga, Jr., Chair, convened the meeting of the Board of Governors Facilities Committee meeting at 8:30 a.m., October 18, 2016. The following members were present: Dick Beard, Vice Chair; Wendy Link, Edward Morton, Gary Tyson and Fernando Valverde. Other members present included Tom Kuntz and Jacob Hebert.

1. Call to Order

Mr. Huizenga, Jr. called the meeting to order at 8:30 a.m.

2. University Presentations

The Committee heard presentations from all 12 universities on selected high priority fixed capital outlay projects in the following order:

- a. Florida State University
- b. New College of Florida
- c. University of Central Florida
- d. University of Florida
- e. University of North Florida
- f. State University System
- g. Florida A&M University
- h. Florida Polytechnic University
- i. University of West Florida
- j. Florida International University
- k. Florida Gulf Coast University
- l. Florida Atlantic University
- m. University of South Florida

As the meeting was designed as an informational workshop, no action was taken at the meeting.

3. Staff Presentation

Chris Kinsley, Assistant Vice Chancellor, Finance and Facilities, provided a brief presentation regarding system maintenance and retrofit challenges and opportunities, to provide context to the requests for additional space. Mr. Kinsley recommended that regardless of final project priorities, that maintenance continue as the Board's top priority, and that additional funding be added to the LBR so that a grand total of \$70 million be set aside for renovation, remodeling and retrofit. This would represent an increase over the 2016-17 funding level of \$61.8 million. The statutory formula provides an estimated \$45.5 million for maintenance, which is 26% less than current funding.

4. Adjournment

The Committee discussed the presentations and the need to balance maintenance and utility infrastructure needs with the need for new facilities. There being no further business, the meeting adjourned at 3:19 p.m., October 18, 2016.

Chris Kinsley, Assistant Vice Chancellor
Facilities and Finance

H. Wayne Huizenga, Jr., Chair

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 25, 2017**

SUBJECT: UF Educational Plant Survey Amendment

PROPOSED COMMITTEE ACTION

Review and approve the proposed amendment to the University Florida's Educational Plant Survey

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Sections 1013.03 and 1013.31, Florida Statutes

BACKGROUND INFORMATION

The University of Florida's current Educational Plant Survey (EPS) was approved by the Board of Governors on January 21, 2015. The original survey recommended project, 3.3 Mechanical Aeronautical Engineering Building (72,000 NSF), would be replaced by one new project, the Multi-Disciplinary Information Technology Data Science Building (102,000 NSF); and Project 2.12, Music Building Renovation would be modified to include the addition of 49,000 NSF to the recommendation.

These two revisions of the Needs Assessment Form use the original UF Survey data inputted as it existed at the time of the original survey. As such, adding the two additional project GSF keeps the university within the needs space requirements that were in place at that time. This proposed supplemental revision does not exceed any of the space categories 100% requirements.

The UF Board of Trustees approved the survey amendment on June 4, 2015.

Both projects were discussed at the Committee workshop on October 18th, and Board staff support this EPS change.

Supporting Documentation Included:	None
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Facilitators/Presenters:	Mr. Chris Kinsley
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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 25, 2017**

SUBJECT: Amendment to the 2017-2018 State University System Fixed Capital Outlay
Legislative Budget Request

PROPOSED COMMITTEE ACTION

Review and amend the 2017-2018 SUS Fixed Capital Outlay Legislative Budget Request

Approval is recommended by the Chancellor

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The requested budget provides the State University System of Florida continued capital outlay support and has been prepared in accordance with statutory requirements and guidelines adopted by the Board of Governors. All university fixed capital outlay budget requests have been approved by the institutional boards of trustees.

This is the first amendment to the original budget request for 2017-2018, as approved by the Board on September 22, 2016. A workshop was held on October 18, 2016, at USF, at which the Committee reviewed selected high priority PECO and CITF projects with detailed project presentations by university representatives.

Specific Fixed Capital Outlay Appropriation Requests

- A. Public Education Capital Outlay - \$124,818,494
 - 1. \$45,562,241 for Maintenance, Repair, Renovation & Remodeling (S. 1013.64 (1)(a))
 - 2. \$79,256,253 for SUS Projects (S. 1013.64 (4) (a))
- B. \$291,000,000 supplemental request for SUS Projects, (S. 216.043)
- C. \$45,000,000 Capital Improvement Trust Fund Allocation (S. 1010.86)
- D. Legislative Authorization only - Authorization for State University System Fixed Capital Outlay projects requiring Debt Financing (S. 1010.62)

- E. Legislative Authorization only - Authorization for non-appropriated projects which may qualify for General Revenue funds to Operate and Maintain (S. 1013.74)

Supporting Documentation:

Schedules A-E

Facilitators/Presenters:

Mr. Chris Kinsley

STATE UNIVERSITY SYSTEM OF FLORIDA
Facilities Committee

**Maintenance/Repair/Renovation and Remodeling (from
PECO)**

2017/18 LBR and Comparative Actual Budget Data

	Funded Amount 15-16	Funded Amount 16-17	Board Request * 17-18
UF	\$ 14,072,792	\$ 24,440,012	\$ 17,128,521
FSU	\$ 4,902,384	\$ 8,825,475	\$ 6,647,355
FAMU	\$ 1,619,745	\$ 2,844,758	\$ 2,118,093
USF	\$ 4,675,740	\$ 8,350,355	\$ 6,122,153
FAU	\$ 1,814,819	\$ 3,205,375	\$ 2,345,358
UWF	\$ 849,061	\$ 1,498,788	\$ 1,106,910
UCF	\$ 2,671,659	\$ 4,762,187	\$ 3,854,367
FIU	\$ 2,725,005	\$ 4,889,539	\$ 3,913,226
UNF	\$ 996,409	\$ 1,797,538	\$ 1,357,487
FGCU	\$ 412,389	\$ 726,242	\$ 642,436
NCF	\$ 249,987	\$ 446,359	\$ 311,289
FPU	\$ 10,011	\$ 18,070	\$ 15,046
	<u>\$ 35,000,000</u>	<u>\$ 61,804,699</u>	<u>\$ 45,562,241</u>

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
2017-2018 DRAFT PECO LIST
January 26, 2017

No.	Univ	Project Name	Total Prior State Funding	Funding % Completed as of 2016-2017	2017-2018 PECO Request	2018-2019 PECO Request	2019-2020 PECO Request	Proposed Total State Funding	Other Funding Available	Total Project Cost	Comments
1		Sum of Digits (Maintenance)			\$45,562,241	\$45,363,841	\$48,356,837	\$139,282,919			
2		Retrofit - Strategic Investment A			\$13,818,153	\$27,000,000	\$27,000,000	\$67,818,153			
3	NCF	Heiser Natural Science Addition	\$7,877,601	81%	\$1,850,600			\$9,728,201		\$9,728,201	
4	FAU	Cooling Towers Replacement - Utility Infrastructure			\$3,500,000			\$3,500,000		\$3,500,000	
5	NCF	Multi-Purpose Building			\$4,000,000		\$42,000,000	\$46,000,000		\$46,000,000	Linked to Operating LBR
6	UWF	Laboratory Sciences Annex (Phase I)	\$21,800,000	83%	\$4,460,000			\$26,260,000		\$26,260,000	
7	UF	Nuclear Science Building Reno/ Addition (Engineering Nexus)	\$19,768,434	70%	\$8,650,000			\$28,418,434	\$26,981,566	\$55,400,000	\$27M of internal funding
8	FAU	Jupiter STEM/Life Sciences Bldg.	\$3,031,247	9%	\$11,850,000	\$8,100,000	\$11,000,000	\$33,981,247		\$33,981,247	Access to \$20M of research equipment at adjacent Scripps
9	FSU	Earth Ocean Atmospheric Sciences Building, Phase I	\$40,850,000	58%	\$14,500,000	\$14,500,000		\$69,850,000		\$69,850,000	
10	USF	Morsani College of Medicine and Heart Health Institute	\$78,893,118	70%	\$16,627,500	\$16,627,500		\$112,148,118	\$41,000,000	\$153,148,118	\$18M - Morsani Gift + \$22.6M private funds
11	UF	Norman Hall	\$14,070,362	45%		\$12,683,633	\$4,716,367	\$31,470,362		\$31,470,362	
		Total PECO Projects	\$186,290,762		\$79,256,253	\$78,911,133	\$84,716,367	\$429,174,515	\$67,981,566	\$429,337,928	

PECO A(i) +A (ii)

124,818,494

\$124,274,974

\$133,073,204

2016-17 MRRR Allocation: \$61,804,669
 2016-17 Dev Research School Allocation: \$5,293,588
 2016-17 Capital Projects Allocation: \$141,306,750
\$208,405,007

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
OTHER CAPITAL PROJECTS PRESENTED TO THE BOARD
January 26, 2017

No.	Univ	Project Name	Total Prior State Funding	Funding % Completed as of 2016-2017	Supplemental Request	Proposed Total State Funding	Other Funding Available	Total Project Cost-Excludes In Kind Contributions	Comments
12		Retrofit - Strategic Investment B			\$10,000,000				
13	SUS	Florida Academic Repository	\$2,017,512	18%	\$9,000,000	\$11,017,512	\$9,000,000	\$20,017,512	Raise \$9M among Universities
14	UCF	<i>*Engineering Building I Renovation</i>	\$3,620,723	18%	\$17,000,000	\$20,620,723		\$20,620,723	
15	UNF	Schultz Hall Bldg. 9 Renovations			\$3,000,000	\$3,000,000		\$3,000,000	
16	NCF	Hamilton Classroom Building			\$5,000,000	\$5,000,000		\$5,000,000	
17	UNF	Science & Engineering Bldg. 50 Renovations			\$7,000,000	\$7,000,000		\$7,000,000	
18	FSU	Interdisciplinary Research Commercialization			\$41,000,000	\$41,000,000	\$44,000,000	\$85,000,000	Raised \$44M in private funds
19	USF	Interdisciplinary Science - Research Lab Buiult			\$9,000,000	\$9,000,000		\$9,000,000	
20	UCF	<i>*Interdisciplinary Research & Incubator Facility</i>			\$38,000,000	\$38,000,000	\$8,331,198	\$46,331,198	\$8.3M in internal funding
21	FPU	Applied Research Center	\$5,000,000	17%	\$25,000,000	\$30,000,000	\$5,000,000	\$35,000,000	\$5M from 16/17 carry fwd.
22	FGCU	School of Water Resources & Integrated Sciences	\$3,852,065	7%	\$48,000,000	\$51,852,065		\$51,852,065	
23	FAMU	Student Affairs Building (CASS)	\$12,655,000	32%	\$27,000,000	\$39,655,000		\$39,655,000	Project program and costs TBD
24	FSU	College of Business Building			\$10,000,000	\$44,000,000	\$44,000,000	\$88,000,000	Planning Only/50% Private Match
25	FIU	School of International & Public Affairs			\$15,000,000	\$15,000,000	\$15,000,000	\$30,000,000	\$15M in donated funds
26	UF	Data Science and Information Building			\$7,000,000	\$70,000,000		\$70,000,000	Planning Only
27	UF	Music Building Remodeling & Additon			\$12,500,000	\$38,400,000		\$38,400,000	
		Total PECO Presentation List	\$27,145,300		\$ 283,500,000	\$423,545,300	\$125,331,198	\$548,876,498	

**Project previously vetoed*

Projects vetted at Workshop Held on 10/18/2016

Highlighted projects have not received prior funding

State University System
Board of Governors
2017-2018 Allocation for Capital Improvement Fee - Proposed LBR for January 2017

Based on 2015-16 Actual Collections

FTE	UF	UFO	FSU	FAMU	USF	FPU	FAU	UWF	UCF	FIU	UNF	FGCU	NCF	SUS
Receipts by Source														
2015-16 Actual Receipts	\$9,323,229	\$211,910	\$5,305,994	\$1,874,694	\$8,419,620	\$209,168	\$4,774,357	\$1,692,963	\$10,614,104	\$8,025,219	\$2,679,889	\$2,459,344	\$177,756	\$ 55,768,247
Prior Year Reserve														\$ 7,222,415
														\$ 62,990,662
Gross Allocation	16.72%	0.38%	9.51%	3.36%	15.10%	0.38%	8.56%	3.04%	19.03%	14.39%	4.81%	4.41%	0.32%	100%
Debt Service Allocation %	16.84%	0.00%	9.59%	3.39%	15.21%	0.00%	8.63%	3.06%	19.18%	14.50%	4.84%	4.44%	0.32%	\$ 55,347,168
Debt Service	(\$2,718,354)	\$ -	\$ (1,547,057)	\$ (546,600)	\$ (2,454,891)	\$ -	\$ (1,392,049)	\$ (493,613)	\$ (3,094,732)	\$ (2,339,896)	\$ (781,370)	\$ (717,066)	\$ (51,828)	\$ (16,137,456)
Child Care Allocation	\$288,063	-	\$ 242,966	\$ 59,920	\$ 271,681	\$ -	\$ 154,593	\$ 60,124	\$ 335,396	\$ 271,143	\$ 88,600	\$ 80,720	\$ -	\$ (1,853,205)
Available for University Allocation														\$ 45,000,000
Net Allocation (LBR)	\$7,523,014	\$170,993	\$4,281,464	\$1,512,711	\$6,793,882	\$168,780	\$3,852,480	\$1,366,070	\$8,564,635	\$6,475,636	\$2,162,432	\$1,984,471	\$143,433	\$ 45,000,000
2016-17 Appropriation	\$5,795,838	\$ 68,701	\$ 3,344,687	\$ 1,162,274	\$ 5,553,916	\$ 64,676	\$ 3,029,743	\$ 1,082,521	\$ 6,834,140	\$ 4,802,996	\$ 1,575,310	\$ 1,570,889	\$ 114,309	\$ 35,000,000

Attachment D

STATE UNIVERSITY SYSTEM OF FLORIDA

BOARD OF GOVERNORS

Proposed Language for 2017-18 Projects Requiring Legislative Approval to be
Constructed, Acquired and/or Financed by a University or a University Direct Support
Organization (BOB-1)

January 25, 2017

SECTION ____ Pursuant to section 1010.62 and section 1013.171, Florida Statutes, and section 11(d) and (f), Art. VII of the State Constitution, the following fixed capital outlay projects may be constructed, acquired, and financed by a university or university direct support organization. Financing mechanisms include any form of approved debt or bonds authorized by the Board of Governors.

No state appropriation of funds will be associated with these projects. The Legislature has provided the Board of Governors general authority to consider debt financing for most classes of projects. However, certain athletic and commercial facilities require specific Legislative authorization as a prerequisite condition for these projects. Legislative authorization does not supersede any of the requirements for Board of Governors review and approval of all projects to be financed from debt.

University of South Florida – USF St. Petersburg Housing/Conference Space

University of Central Florida – Wayne Densch Sports Center Expansion

University of Central Florida – Baseball Stadium Expansion Phase II

University of Central Florida – Softball Stadium Expansion and Renovation

University of Central Florida – Bright House Networks Stadium Expansion and Improvements Phase I

University of Central Florida – Baseball Clubhouse Expansion and Renovation

University of Central Florida – Bright House Networks Stadium Expansion and Improvements Phase II

University of Central Florida – Football Building

Florida International University – Hotel/Conference/Alumni Center

STATE UNIVERSITY SYSTEM**Fixed Capital Outlay Projects that may Require Legislative Authorization
(Debt and P3 projects)****BOB-1**

Univ.	Project Title	GSF
USF	USF St. Petersburg Housing/Conference Space	206,000
UCF	Wayne Densch Sports Center Expansion	40,000
UCF	Baseball Stadium Expansion Phase II	
UCF	Softball Stadium Expansion and Renovation	
UCF	Bright House Networks Stadium Expansion and Improvements Phase I	21,337
UCF	Baseball Clubhouse Expansion and Renovation	
UCF	Bright House Networks Stadium Expansion and Improvements Phase II	80,000
UCF	Football Building	45,000
FIU	Hotel/Conference/Alumni Center	133,247

Univ.	Brief Description of Project	Project Location	Project Amount
USF	550 Bed-Residential Housing, Dining Space and Conference Center	USF St. Petersburg	\$52,000,000
UCF	Office Space, two small locker rooms, one meeting room	UCF, Orlando	\$5,100,000
UCF	300 seat club, enhancements	UCF, Orlando	\$3,060,000
UCF	400 to 600 additional seats, shade structure over grandstand, new press box	UCF, Orlando	\$1,020,000
UCF	Additional club seating, suites, and operational booths	UCF, Orlando	\$14,790,000
UCF	New playing field, chair backs, audio, and lighting upgrade	UCF, Orlando	\$1,020,000
UCF	Additional seating up to 20,000	UCF, Orlando	\$39,662,000
UCF	Offices, storage, and support space	UCF, Orlando	\$14,737,500
FIU	Meeting Rooms for Conference/ Alumni Center with 105 Bed Hotel	MMC	\$50,000,000

Univ.	Funding Source	Estimated Annual Amount For Operational & Maintenance Costs		
		BOG Approval Date	Amount	Source (O&M)
USF	Public Private Partnership	TBD	TBD	
UCF	Donations	July	\$540,000	DSO
UCF	Donations	July	\$0	DSO
UCF	Donations	July	\$0	DSO
UCF	Donations	July	\$320,055	DSO
UCF	Donations	July	\$0	DSO
UCF	Donations	July	\$1,200,000	DSO
UCF	Donations	July	\$675,000	Auxiliary
FIU	P3/DSO	Jun-17	\$1,546,998	P3/DSO (a)

Univ.	Comments and Questions
USF	Public Private Partnership
UCF	
UCF	
UCF	
UCF	
UCF	
UCF	
UCF	
FIU	When is this coming to the BOG?

Attachment E

STATE UNIVERSITY SYSTEM OF FLORIDA

BOARD OF GOVERNORS

Proposed Language for 2017-18 Fixed Capital Outlay Plant, Operation and Maintenance
Appropriation request (BOB – 2)

January 25, 2017

SECTION _____. Pursuant to s. 1013.74 and s.1013.78, Florida Statutes, the following facilities may be constructed or acquired from non-appropriated sources, which upon completion will require general revenue funds for operation of Education and General space within the building. Main campus unless otherwise noted:

University of Florida – J Wayne Reitz Union Career Resource Center Addition & Renovations – Renovation of existing space and addition of 5,500 gsf.

UF – IFAS/ Administrative Services Building (B0089) – Will be used to relocate main campus administrative offices so that space can be converted to teaching and research functions, 11,780 gsf.

UF –IFAS/ Research Office Nature Coast Biological Station (B1851) – Research office building needed for Nature Coast Biological Station research activities and outreach programs, 10,269 gsf. Located at Cedar Key.

UF – IFAS/Equipment Storage Ordway-Swisher Biological Station (B2261) – Newly acquired equipment storage building supporting research at the Ordway-Swisher Biological Station, 440 gsf. Located in Hawthorne.

UF – IFAS/Equipment Storage Gulf Coast REC (B5223) - New equipment storage building supporting research at the Gulf Coast Research and Education Center, 10,000 gsf. Located in Balm.

UF – IFAS/Greenhouse Gulf Coast REC (B5224) – Greenhouse supporting research at the Gulf Coast Research and Education Center, 7,200 gsf. Located in Balm.

UF – IFAS/Screen House Lake Alfred (B7132) – Greenhouse supporting research at the Citrus Research and Education Center, 396 gsf. Located in Lake Alfred.

UF – IFAS/Turf Facility Ft Lauderdale REC (TBD) – Will be used in support of research conducted at the Southwest Florida Research and Education Center, 4,000 gsf. Located in Ft Lauderdale.

UF – IFAS/Greenhouse Southwest Florida REC (B7756) – Greenhouse supporting research at the Southwest Florida Research and Education Center, 8,000 gsf. Located in Immokalee.

UF – IFAS/Headhouse Southwest Florida REC (B7757) - Greenhouse supporting research at the Southwest Florida Research and Education Center, 1,660 gsf. Located in Immokalee.

UF – IFAS/Research Building Range Cattle REC (B8116) – New research building supporting research at Range Cattle Research and Education Center, 2,824 gsf. Located in Ona.

UF – IFAS/Office/lab Building (addition) Tropical REC (B8219) - The addition will support research at the Tropical Research and Education Center, 960 gsf. Located in Homestead.

UF – IFAS/Entomology/Pathology Building (addition) Tropical REC (B8235) – The addition will support research at the Tropical Research and Education Center, 1,252 gsf. Located in Homestead.

UF – IFAS/Bio-Technology Building (addition) Tropical REC (B8253) - The addition will support research at the Tropical Research and Education Center, 840 gsf. Located in Homestead.

UF – IFAS/Hydrology Building (addition) Tropical REC (B8266) - The addition will support research at the Tropical Research and Education Center, 840 gsf. Located in Homestead.

UF – IFAS/Conference Facility (addition) Suwannee Valley Agriculture Extension Center (B8329) - The addition will support research at the Suwannee Valley Agriculture Extension Center, 1,000 gsf. Located in Live Oak.

UF – IFAS/Graduate Residence (addition) West Florida REC (B8424) – The addition will support research at the West Florida Research and Education Center, 8,000 gsf. Located in Jay.

UF – IFAS/ Admin/Classroom/Storage/Shop Animal Sciences – Beef Teaching Unit North (TBD) – The new building will support beef research and teaching conducted at the Beef Teaching Unit, 10,000 gsf. Located in Gainesville.

UF – IFAS/Equipment Storage (addition) Animal Sciences – Beef Teaching Unit North (B0894) – The addition will support beef research and teaching conducted at the Beef Teaching Unit, 3,000 gsf. Located in Gainesville.

UF – IFAS/Equipment Storage Animal Sciences – Dairy Unit (TBD) – The new building will support dairy research conducted at the Dairy Unit, 200 gsf. Located in Hague.

Florida State University – Teaching Pavilion – Will provide teaching space for outdoor programs and academic activities, 400 gsf.

Florida State University – Administrative Annex West College Avenue – Property being acquired through the university’s land acquisition program, will be used to house E&G functions, 6,500 gsf.

Florida State University – Academic Annex South Duval Street - Project being acquired through the university’s land acquisition program, will be used to house E&G functions, 16,316 gsf.

Florida State University – Research Annex Maryland Circle - Project being acquired through the university’s land acquisition program, will be used to house E&G functions, 33,500 gsf.

Florida State University – College of Medicine Annex South Appleyard Drive - Project being acquired through the university’s land acquisition program, will be used to house E&G functions, 6,500 gsf.

Florida State University – Northwest Regional Data Center (NWRDC) - NWRDC was transferred to FSU several years ago but the PO&M funding was never provided, this request seeks to correct that oversight, 21,500 gsf.

Florida State University – Visitors Center Expansion – Addition will support expanding performing and visual arts programs at the Ringling Cultural Center, 7,000 gsf.

Florida A&M University – Foundation Building Upgrades – Will house E&G entities, 19,418 gsf.

Florida A&M University – Brooksville Agricultural & Environmental Research Station (FAMU-BAERS) – Sub-tropical agricultural and environmental research station, 56,000 gsf.

University of South Florida – USF Sarasota Manatee Central Energy Plant Expansion (SMP-3071) – Offices, emergency operations center, 6,283 gsf.

University of South Florida – USF Sarasota Manatee Modular Research Lab (SMA-3076) – STEM research lab, 599 gsf.

University of South Florida - USF Sarasota Manatee Modular Research Lab (SMB-3077) – STEM research lab, 599 gsf.

University of South Florida - USF Sarasota Manatee Modular Office Building (SMD-3078) – Offices, academic support, 2,520 gsf.

Florida Atlantic University – Schmidt Family Complex – Academic Support Center – Will provide classrooms, computer labs and study rooms, 17,875 gsf.

Florida Atlantic University – College of Medicine Simulation Center & Clinical Skills Lab – Offices and teaching labs, used for simulation training and testing, 14,764 gsf.

University of West Florida – University Park Building (2nd Floor Academic) – 2nd floor academic space shared between FSU School of Medicine and UWF College of Health, 15,200 gsf.

University of West Florida – Pensacola Museum of Art – Educational museum space located in historic building in downtown Pensacola, 16,778 gsf.

University of West Florida – Anna Simpson House – Historic house will be museum supporting Arcadia Mill, 2,336 gsf.

University of West Florida – Anna Simpson Shed – Classroom/workshop supporting Archaeology and History programs, 280 gsf.

University of West Florida – Robinson/Hall Farm House – 1860s farm house will be restored as a museum, 1,204 gsf.

University of West Florida – Robinson/Hall Shed 1 – Shed supporting museum function, 320 gsf.

University of West Florida – Robinson/Hall Shed 2 – Shed supporting museum function, 880 gsf.

University of West Florida – Robinson/Hall Shed 3 – Shed supporting museum function, 168 gsf.

University of West Florida – Robinson/Hall Shed 4 – Shed supporting museum function, 90 gsf.

University of West Florida – Robinson/Hall Feed House – Shed supporting museum function, 72 gsf.

University of Central Florida – Florida Advanced Manufacturing Research Facility – Research labs, wet labs, collaboration rooms and offices, 81,750 gsf.

University of Central Florida – Optics Materials Lab Addition – Research labs, 5,530 gsf.

University of Central Florida – Library Expansion Phase I – Automatic Retrieval Center, 8,800 gsf.

University of Central Florida – New Trevor Colbourn Hall – Offices, classrooms, 135,600 gsf.

University of Central Florida – Coastal Biology – Research, 3,000 gsf.

University of Central Florida – Arboretum Green House – Teaching lab, 800 gsf.

University of Central Florida – Brand Building – Teaching labs and offices, 6,000 gsf.

University of Central Florida – CREOL Expansion Phase II – Research labs and offices, 13,900 gsf.

STATE UNIVERSITY SYSTEM**Fixed Capital Outlay Projects that may Require Legislative Authorization
and General Revenue Funds to Operate and Maintain
BOB-2**

Univ.	Project Title	GSF	Brief Description of Project
UF	J Wayne Reitz Union Career Resource Center Addition & Renovations	5,500	The University of Florida's Career Resource Center (CRC) is an E&G centralized comprehensive unit serving 50,000 students and alumni. Recognized as the nation's #1 career center in 2010 and 2012 by the Princeton Review, the CRC provides a diverse range of services to help connect job seekers with employers. The project includes a complete renovation of the existing space and a roughly 5,500 GSF addition to better serve the UF student population.
IFAS	Administrative Services Building (B0089)	11,780	The building will be used to relocate some administrative offices (IFAS Shared Service Center and IT departments) so their space can be utilized for teaching and research functions on the core of campus.
IFAS	Research Office Nature Coast Biological Station (B1851)	10,269	Research Office building is needed for Nature Coast Biological Station research activities and outreach programs.
IFAS	Equipment Storage Ordway-Swisher Biological Station (B2261)	440	Newly acquired storage building will be used to store equipment in support of the research at the Ordway-Swisher Biological Station.
IFAS	Equipment Storage Gulf Coast REC (B5223)	10,000	New equipment storage building used to store research equipment in support of research located at the Gulf Coast Research and Education Center/
IFAS	Greenhouse Gulf Coast REC (B5224)	7,200	Greenhouse will be used in support of research being conducted at the Gulf Coast Research and Education Center.
IFAS	Screen House Lake Alfred (B7132)	396	Greenhouse will be used in support of research being conducted at the Citrus Research and Education Center.
IFAS	Turf Facility Ft Lauderdale REC (TBD)	4,000	The new Turf Facility will be used in support of research being conducted at the Ft. Lauderdale Research and Education Center.
IFAS	Greenhouse Southwest Florida REC (B7756)	8,000	The new Greenhouse will be used in support of research being conducted at the Southwest Florida Research and Education Center.
IFAS	Headhouse Southwest Florida REC (B7757)	1,660	The new Greenhouse will be used in support of research being conducted at the Southwest Florida Research and Education Center.

Univ.	Project Location	Project Amount	Funding Source	Estimated Annual Amount For Operational & Maintenance Costs		Comments and Questions
				Amount	Source	
UF	Main Campus	\$ 2,500,000	CITF	\$ 52,721	State	
IFAS	Gainesville	\$ 1,800,000	Interest Earned	\$ 28,361	State	
IFAS	Cedar Key	\$ 2,000,000	Indirect Cost and/or Interest Earned	\$ 94,074	State	
IFAS	Hawthorne	\$ 3,000	Donated	\$ 1,942	State	
IFAS	Balm	\$ 146,580	SHARE (outside UF contribution)	\$ 24,076	State	
IFAS	Balm	\$ 600,000	SHARE (outside UF contribution)	\$ 31,783	State	
IFAS	Lake Alfred	\$ 6,200	SHARE (outside UF contribution)	\$ 953	State	
IFAS	Ft Lauderdale	\$ 140,000	Indirect Cost and/or Interest Earned	\$ 17,657	State	
IFAS	Immokalee	\$ 800,000	Indirect Cost and/or Interest Earned	\$ 35,315	State	
IFAS	Immokalee	\$ 140,000	Indirect Cost and/or Interest Earned	\$ 7,328	State	

Univ.	Project Title	GSF	Brief Description of Project
IFAS	Research Building Range Cattle REC (B8116)	2,824	The new Research Building will be used in support of research being conducted at the Range Cattle Research and Education Center.
IFAS	Office/Lab Building (addition) Tropical REC (B8219)	960	The addition will be used in support of research being conducted at the Tropical Research and Education Center.
IFAS	Entomology/Pathology Building (addition) Tropical REC (B8235)	1,252	The addition will be used in support of research being conducted at the Tropical Research and Education Center.
IFAS	Bio-Technology Building (addition) Tropical REC (B8253)	840	The addition will be used in support of research being conducted at the Tropical Research and Education Center.
IFAS	Hydrology Building (addition) Tropical REC (B8266)	840	The addition will be used in support of research being conducted at the Tropical Research and Education Center.
IFAS	Conference Facility (addition) Suwannee Valley Agriculture Extension Center (B8329)	1,000	The addition will be used in support of research being conducted at the Suwannee Valley Agriculture Extension Center.
IFAS	Graduate Residence (addition) West Florida REC (B8424)	8,000	The addition will be used in support of research being conducted at the West Florida Research and Education Center.
IFAS	Admin/Classroom/Storage/Shop Animal Sciences - Beef Teaching Unit North (TBD)	10,000	The new building will be used in support of beef research and teaching being conducted at the Beef Teaching Unit.
IFAS	Equipment Storage (addition) Animal Sciences - Beef Teaching Unit North (B0894)	3,000	The new building will be used in support of beef research and teaching being conducted at the Beef Teaching Unit.
IFAS	Equipment Storage Animal Sciences - Dairy Unit (TBD)	200	The new building will be used in support of dairy research being conducted at the Dairy Unit.
FSU	Teaching Pavilion	400	This project will provide teaching space for outdoor programs and academic activities
FSU	Administrative Annex West College Avenue	6,500	This property is being acquired through the University's land acquisition program and will be used to house E&G functions.
FSU	Academic Annex South Duval Street	16,316	This project is being acquired through the University's land acquisition program and will be used to house E&G functions.
FSU	Research Annex Maryland Circle	33,500	This project is being acquired through the University's land acquisition program and will be used to house E&G functions.

Univ.	Project Location	Project Amount	Funding Source	Estimated Annual Amount For Operational & Maintenance Costs		Comments and Questions
				Amount	Source	
IFAS	Ona	\$ 400,000	Indirect Cost and/or Interest Earned	\$ 25,870	State	
IFAS	Homestead	\$ 300,000	Indirect Cost and/or Interest Earned	\$ 8,795	State	
IFAS	Homestead	\$ 1,200,000	Indirect Cost and/or Interest Earned	\$ 11,469	State	
IFAS	Homestead	\$ 500,000	Indirect Cost and/or Interest Earned	\$ 7,695	State	
IFAS	Homestead	\$ 300,000	Indirect Cost and/or Interest Earned	\$ 7,695	State	
IFAS	Live Oak	\$ 225,000	Indirect Cost and/or Interest Earned	\$ 9,161	State	
IFAS	Jay	\$ 180,000	Indirect Cost and/or Interest Earned	\$ 73,288	State	
IFAS	Gainesville	\$ 800,000	Indirect Cost and/or Interest Earned	\$ 91,609	State	
IFAS	Gainesville	\$ 80,000	Indirect Cost and/or Interest Earned	\$ 13,243	State	
IFAS	Hague	\$ 20,000	Indirect Cost and/or Interest Earned	\$ 883	State	
FSU	Main Campus	\$ 50,000	E & G Funds	\$ 2,000	General Revenue	
FSU	Main Campus	\$ 2,000,000	University Funds	\$ 65,000	General Revenue	
FSU	Main Campus	\$ 1,200,000	University Funds	\$ 163,160	General Revenue	
FSU	Main Campus	\$ 2,000,000	University Funds	\$ 335,000	General Revenue	

Univ.	Project Title	GSF	Brief Description of Project
FSU	College of Medicine Annex South Appleyard Drive	6,500	This project is being acquired through the University's land acquisition program and will be used to house E&G functions.
FSU	Northwest Regional Data Center (NWRDC)	21,500	The Northwest Regional Data Center was transferred to Florida State a few years ago but the PO&M funding was never provided. This request seeks to correct that oversight.
FSU	Visitors Center Expansion	7,000	This addition consists of auditorium and exhibition space to accommodate expanding performing and visual art programs at the Ringling Cultural Center.
FAMU	Foundation Building Upgrades	30,583 (Total bldg. sq. ft.)---19,418 gsf PECO funded	An office building located in the Downtown CRA District, was initially acquired for occupancy by the FAMU Foundation. The University will be taking over the building and utilizing the building's vacant space for other FAMU E&G entities. However, upgrades are necessary for the building..
FAMU	Brooksville Agricultural & Environmental Research Station (FAMU-BAERS)	56,000	This is a sub-tropical agricultural and environmental research station once operated by the U.S. Dept. of Agriculture which has been donated to FAMU for its College of Agriculture and Food Sciences Programs. Site approval is required via the Educational Plant Survey Process prior to obtaining PO&M funding.
USF	USF Sarasota-Manatee Central Energy Plant Expansion SMP-3071	6,283	New Construction - Offices, Emergency Operations Center
USF	USF Sarasota-Manatee Modular Research Lab SMA-3076	599	New Construction - STEM Research Lab
USF	USF Sarasota-Manatee Modular Research Lab SMB-3077	599	New Construction - STEM Research Lab
USF	USF Sarasota-Manatee Modular Office Building SMD-3078	2,520	New Construction - STEM Offices, Academic Support
FAU	Schmidt Family Complex - Academic Support Center	17,875	Included as part of the Schmidt Family Complex, the Academic Support Center will provide classrooms, computer labs and study rooms
FAU	College of Medicine Simulation Center & Clinical Skills Lab	14,764	Offices and teaching labs to support College of Medicine programs. Facility to be used for simulation training and clinical skills testing.
UWF	University Park Building (2nd Floor Academic)	15,200	This request is to obtain recurring Plant Operations Maintenance funding for the 2nd floor academic space shared between the FSU School of Medicine and UWF College of Health.
UWF	Pensacola Museum of Art	16,778	The museum is an educational space similar to the other museums under the Historic Trust. Located at 407 S. Jefferson Street, Pensacola, FL, on .3 acres. Constructed in 1906 as the Pensacola City Jail. The Pensacola Museum of Art has been in the building since 1954. Building is in good condition, with some code issues that will need repair.
UWF	Anna Simpson House	2,336	The house and shed will be used as educational museums that will be open to the public and school groups. The history of this house and land is directly tied to the development of Arcadia Mill and will help tell the story.
UWF	Anna Simpson Shed	280	Shed - a perfect space for a classroom/workshop that services UWF Archaeology and History students
UWF	Robinson/Hall Farm House	1,204	The main house was built in the 1860s and renovated in the 1920s. House is in good condition and will be restored as a museum.
UWF	Robinson/Hall Farm Shed 1	320	Sheds date from the early 1900s to 1980s and will be used for demonstration/educational purposes.
UWF	Robinson/Hall Farm Shed 2	880	Sheds date from the early 1900s to 1980s and will be used for demonstration/educational purposes.
UWF	Robinson/Hall Farm Shed 3	168	Sheds date from the early 1900s to 1980s and will be used for demonstration/educational purposes.
UWF	Robinson/Hall Farm Shed 4	90	Sheds date from the early 1900s to 1980s and will be used for demonstration/educational purposes.
UWF	Robinson/Hall Farm Feed House	72	Sheds date from the early 1900s to 1980s and will be used for demonstration/educational purposes.
UCF	Florida Advanced Manufacturing Research Facility	81,750	Research Labs, Wet Labs, Collaboration Rooms, Offices
UCF	Optical Materials Lab Addition	5,530	Research Labs
UCF	Library Expansion Phase I	8,800	Automatic Retrieval Center
UCF	New Trevor Colbourn Hall	135,600	Offices, Classrooms

Univ.	Project Location	Project Amount	Funding Source	Estimated Annual Amount For Operational & Maintenance Costs		Comments and Questions
				Amount	Source	
FSU	Main Campus	\$ 500,000	University Funds	\$ 65,000	General Revenue	
FSU	Southwest Campus	\$ -	E & G Funds	\$ 325,000	General Revenue	
FSU	Ringling Cultural Center	\$ 4,100,000	Private Funds	\$ 105,000	General Revenue	
FAMU	Tallahassee	\$2,153,217 (Based on FCA report)	PECO Funding for the 19,418 gsf of the Foundation's total 30,583 gsf.	\$ 116,508	PO&M Funding for the 19,418 gsf of E&G Space.	
FAMU	Brooksville	\$ 3,498,063	PECO Funding	\$ 336,000	PO&M Funding (after Spot Educational Plant Survey has been done).	
USF	Sarasota-Manatee	\$ 1,600,000	E&G Funds	\$ 65,995	State	
USF	Sarasota-Manatee	\$ 399,074	E&G Funds	\$ 11,681	State	
USF	Sarasota-Manatee	\$ 231,719	E&G Funds	\$ 11,681	State	
USF	Sarasota-Manatee	\$ 500,000	E&G Funds	\$ 26,470	State	
FAU	Boca Raton	\$ 4,826,250	Private	\$ 190,370	General Revenue	
FAU	Boca Raton	\$ 1,631,523	E&G	\$ 150,593	General Revenue	
UWF	Main Campus	\$ 6,846,142	University, FSU, CITF, President's Opportunity Fund, Fund Raising	\$ 231,800	General Revenue	
UWF	Historic Downtown Site	Estimated \$75,000	Gifted to the University	\$ 210,889	General Revenue	
UWF	Arcadia Mill Site	Estimated \$100,000	Gifted to the University	\$ 29,364	General Revenue	
UWF	Arcadia Mill Site			\$ 1,418	General Revenue	
UWF	Pace	Estimated \$762,000 - \$1,235,000	Gifted to the University	\$ 15,134	General Revenue	
UWF	Pace			\$ 1,621	General Revenue	
UWF	Pace			\$ 4,455	General Revenue	
UWF	Pace			\$ 850	General Revenue	
UWF	Pace			\$ 456	General Revenue	
UWF	Pace			\$ 365	General Revenue	
UCF	UCF-Osceola	\$ 75,000,000	PECO	\$ 1,339,850	General Revenue	
UCF	UCF-Orlando	\$ 1,640,000	E&G	\$ 90,634	General Revenue	
UCF	UCF-Orlando	\$ 19,313,132	CITF	\$ 144,228	General Revenue	
UCF	UCF-Orlando	\$ 38,000,000	E&G	\$ 2,222,430	General Revenue	

Univ.	Project Title	GSF	Brief Description of Project
UCF	Coastal Biology	3,000	Research
UCF	Arboretum Green House	800	Teaching Lab
UCF	Band Building	6,000	Teaching Labs, Offices
UCF	CREOL Expansion Phase II	13,900	Research Labs, Offices

Univ.	Project Location	Project Amount	Funding Source	Estimated Annual Amount For Operational & Maintenance Costs		Comments and Questions
				Amount	Source	
UCF	Melbourne Beach	\$ 2,500,000	E&G	\$ 49,169	General Revenue	
UCF	UCF-Orlando	\$ 400,000	E&G	\$ 13,112	General Revenue	
UCF	UCF-Orlando	\$ 5,000,000	E&G	\$ 98,338	General Revenue	
UCF	UCF-Orlando	\$ 6,784,228	E&G	\$ 227,815	General Revenue	

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Line #	University Name	Project	Prior Funding	2017-18	2018-19	2019-20	2020-21	2021-22
1	UF	Nuclear Science Building Renovation/Addition (Engineering Nexus)	19,768,434	8,650,000				
2		Norman Hall	14,070,362	10,387,950	7,000,000			
3		IFAS Academic Building			8,000,000	7,868,900		
4		FL Natural History Museum Biodiversity & Special Collections Facility			10,000,000	22,800,000		
5		Multidisciplinary Information Technology Building		27,500,000	29,800,000	12,500,000		
6		Dental Science Building Addition and Renovations				25,000,000	16,500,000	16,500,000
7		College of Liberal Arts and Sciences (CLAS) Life Sciences Building					14,000,000	20,000,000
8		Whitney Center for Marine Animal Health					11,682,000	8,118,000
9		Data Science and Information Technology Building		25,000,000	25,000,000	19,800,000		
10		Public Safety Building					8,500,000	17,300,000
11		IFAS Natural Resources Building						23,000,000
12		Psychology Building Remodeling and Addition						13,800,000
13		ROLFS Hall Renovation/Restoration						14,000,000
14		Weil Hall Remodeling (Phase II)						14,322,684
15		McCarty Hall A,B,D Renovations						35,293,500
16		Environmental Health & Sciences Building						45,000,000
17		Music Building Renovation						18,250,000
18		Tropical Research and Educational Center						6,000,000
			33,838,796	71,537,950	79,800,000	87,968,900	50,682,000	231,584,184
19	FSU	Earth Ocean Atmospheric Sciences Building (Phase I)	40,850,000	29,000,000				
20		Interdisciplinary Research Commercialization Building (IRCB)		31,000,000	10,000,000			
21		College of Business Building		15,000,000	25,650,000	3,350,000		
22		STEM Teaching Lab		10,000,000	26,900,000	5,600,000		
23		Veterans Legacy Complex		2,000,000	23,100,000	3,400,000		
24		FAMU-FSU College of Engineering III-Joint Use	985,665	5,034,335				
25		FSU/TMH Medical Education Building		24,400,000	2,200,000			
26		Winchester Building Remodeling		850,000	6,800,000	1,200,000		
27		Library System Improvements (Phase I)		2,900,000	25,200,000	5,700,000		
28		Land Acquisition		5,000,000		5,000,000		5,000,000
29		Academic Support Building		3,300,000	35,000,000	4,900,000		
30		Dittmer Building Remodeling		4,550,000	27,350,000	18,000,000	6,600,000	
31		Physics Building			5,400,000	57,200,000	6,800,000	
32		Kellogg Research Remodeling					2,000,000	18,000,000
33		Biology Unit I Building Remodeling					3,400,000	31,600,000
			41,835,665	133,034,335	187,600,000	104,350,000	18,800,000	54,600,000

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34	FAMU	Student Affairs Building (CASS)	12,655,000	23,537,879	3,100,000			
35		Dyson Remodel (Teaching Labs)		6,651,500	14,444,300			
36		Smart Classroom /Distance Learning Upgrades			3,422,500	87,500		
37		Science Teaching Facility			3,812,925	44,138,996	2,711,195	
38		Computer Information Systems Building			3,177,000	47,188,632	3,724,443	
39		Social Sciences Building			2,026,000	28,376,984	1,338,386	
40		Howard Hall Remodel			674,758	6,880,974	518,640	
41		Engineering Technology Building			1,397,200	20,384,158	1,567,191	
42		Perry-Paige Renovation/Addition			246,537	24,923,100	1,620,000	
43		General Classroom (Phase II)				2,903,244	34,546,668	1,434,683
44		FAMU/FSU College of Engineering (Phase III)	10,985,665	13,014,335	2,000,000			
45		Land Acquisitions			6,500,000	4,500,000	4,500,000	
			23,640,665	43,203,714	40,801,220	179,383,588	50,526,523	1,434,683
46	USF	TPA-USF Health Morsani College of Medicine and Heart Health Institute	78,893,118	33,255,000				
47		TPA-Interdisciplinary Science Teaching & Research Facility	74,732,583	9,031,204				
48		TPA-Cybersecurity/Data Center		7,178,985	15,755,578	14,000,000		
49		SM-Academic STEM Facility		2,230,334	24,078,357	4,160,000		
50		TPA Health College of Pharmacy		10,124,901	36,083,040	3,708,304		
51		TPA-Engineering Building 4		15,000,000	29,558,826	40,580,109		
52		TPA-STEM Learning Center		5,875,996	31,805,775	20,944,972		
53		STP-Facility Purchase and Renovation			16,000,000	2,000,000		
54		TPA-Public Safety Building (Phase I)				4,881,236	21,409,840	8,063,740
55								
		TPA-College of Sciences Multidisciplinary Complex (CAS CMC) Remodeling (formerly PHY)				2,115,026	13,491,860	1,289,186
56		TPA-USF Health Renovate/Reconfigure Medical Research Lab Facility				19,266,647	22,218,000	26,759,100
57		TPA-USF Health Major Renovation/Remodeling/Addition Research Space				8,438,211	10,024,179	32,523,025
58		TPA-USF Health Center of Excellence for Diabetes & Autoimmune Disorders				10,625,624	39,760,887	1,993,376
59		STP-STEM Teaching/Research Facility				3,018,649	25,504,412	2,500,000
			153,625,701	82,696,420	153,281,576	133,738,777	132,409,178	73,128,427
60	FAU	Jupiter STEM/Life Sciences Building	3,031,247	27,743,000	3,202,000			
61		Medical Building (Phase I)		3,350,000	35,007,000	3,973,000		
62		Boca Library Renovation		3,920,000	16,000,000	20,480,000		
63		College of Science and Engineering Building (36, 43 & 55) Renovation		15,200,000				
64		Culture and Society Building (Phase II)			2,452,000	28,813,000	3,873,000	
65		Social Sciences Building 44 Renovation			2,718,000	18,682,000	3,840,000	
66		Central/Satellite Utility Plant			661,000	6,050,000	416,000	
67		Arts & Letters Building 9 Renovation & Addition						6,700,000
68		Realignment of Indian River Blvd.						5,356,000
			3,031,247	50,213,000	60,040,000	77,998,000	8,129,000	12,056,000

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69	UWF	Laboratory Sciences Annex (Phase I)	21,800,000	4,460,000				
70		Laboratory Sciences Renovation		1,000,000	4,000,000			
71		Education Development Center Renovation		2,100,000	10,582,000			
72		Science Collections Laboratory and Auditorium		829,800	6,210,200			
73		Physical Education Building Renovation			1,660,500	17,523,500		
74		Science and Engineering Addition			3,988,000	31,080,000		
75		Natatorium Renovation (Phase II)					4,249,500	
76		Campus Drive Road Extension and Modifications (Phase I)					1,208,000	11,857,500
77		Campus Drive Road Extension and Modifications (Phase II)						2,515,000
			21,800,000	8,389,800	26,440,700	48,603,500	5,457,500	14,372,500
78	UCF	Interdisciplinary Research and Incubator Facility		6,042,667	34,529,519	6,042,667		
79		Engineering Building I Renovation	3,620,723	15,986,913	1,059,739			
80		Math Sciences Building Remodeling and Renovation		10,784,652	801,965			
81		Trevor Colbourn Hall and Colbourn Demolition		38,000,000				
82		John C. Hitt Library Renovation (Phase II)		3,712,800	31,293,600	3,712,800		
83		Arts Complex Phase II (Performance)		6,472,794	51,782,356	6,472,794		
84		Chemistry Renovation			630,848	11,469,981	630,848	
85		Florida Solar Energy Center Renovation			10,000,000			
86		Infrastructure Chilled Water Replacement			5,100,000	10,200,000	7,401,120	
87		College of Nursing and Allied Health				7,350,000	58,800,000	7,350,000
88		Research Building I				6,058,800	48,470,400	6,058,800
89		Visual Arts Renovation and Expansion				3,505,732	28,045,855	3,505,732
90		Wastewater, Water, Natural Gas Replacement				7,140,000	10,200,000	12,780,600
91		Millican Hall Renovation				1,327,019	10,616,158	1,327,019
92		Business Administration Renovation				577,278	11,073,255	577,278
93		Facilities & Safety Complex Renovation				5,674,889		
94		Research Building II				6,609,600	52,876,800	6,609,600
95		Multi-purpose Research and Education Building				3,247,693	25,981,577	3,247,697
96		UCF Downtown Campus Building II					77,717,325	
			3,620,723	80,999,826	135,198,027	79,389,253	331,813,338	41,456,726

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97	FIU	Strategic Land Acquisition	10,000,000	20,000,000	20,000,000			
98		School of International & Public Affairs (SIPA) Phase II		14,999,874				
99		Engineering Building (Phase I & II)		3,536,976	56,001,479	45,461,544		
100		Education Space - MMC (Remodel/Renovation)		19,000,000	19,000,000	19,000,000		
101		Education Space - BBC (Remodel/Renovation)		14,000,000	14,000,000	14,000,000		
102		Green Library Addition (Study, Hub & Student Success Space - MMC)				15,000,000	25,000,000	22,300,000
103		Academic Health Center Study Complex				10,280,000	14,120,000	
104		Science Laboratory Complex - MMC				15,150,000	19,300,000	34,450,000
105		Classroom/Office (Academic III) - BBC				3,420,000	23,000,000	7,130,000
106		Academic Center Remodel/Renovation - MMC					12,775,000	7,557,500
107		Faculty and Staff Training & Development Center - MMC					1,250,000	21,450,000
108		Honors College - MMC					2,000,000	37,750,000
109		Humanities Center (Science, Tech, Eng. Arts & Math) - MMC					24,300,000	17,550,000
			10,000,000	71,536,850	109,001,479	122,311,544	121,744,999	148,187,499
110	UNF	Science & Engineering Bldg. 50 (STEM) Renovations		7,000,000				
111		Schultz Hall Bldg. 9 Renovations		3,000,000				
112		Land Acquisition			9,000,000	9,000,000		
113		Honors Hall Bldg. 10 Coggin College of Business Renovations			6,500,000	6,500,000		
114		Brooks College of Health Bldg. 39 Renovations					4,000,000	
115		Eastern Ridge Road Extension (Phase II)					8,000,000	
116		Western Ridge Road Extension (Phase II)						8,000,000
			0	10,000,000	15,500,000	15,500,000	12,000,000	8,000,000
117	FGCU	Water Resources & Integrated Sciences (Prev. Integrated Watershed & Coastal Studies)	3,852,065	44,141,730	4,500,000			
118		Health Sciences (Prev. Multipurpose Education Facility)			3,842,000	42,820,950	4,500,000	
119		Central Energy Plant Expansion (Phase III)			9,000,000			
			3,852,065	44,141,730	17,342,000	42,820,950	4,500,000	0
120	NCF	Heiser Natural Science Addition	7,877,601	1,850,585				
121		Information Technology Infrastructure Upgrades (Campus wide)		1,872,750				
122		Hamilton Classroom Building Renovation/Remodeling		618,193	4,586,592			
123		Old Caples House and Carriage House Mechanical Renovation/Remodeling			610,448	3,901,689		
124		Pritzker Marine Biology Service Core Addition & Renovation/Remodeling			1,398,398			
125		Robertson Hall Mechanical Renovation/Remodeling			151,565	2,222,956		
126		College Hall Service Core Addition, Renovation/Remodeling			1,101,004	4,000,000	3,317,384	
127		Cook Hall Mechanical Renovation and Remodeling				905,934	3,855,040	
128		Land Purchase (58th Street Properties)			400,000	475,000	400,000	1,350,000
129		Center for Global Studies					91,851	3,161,022
130		Shared Services Facility - NCF/USFSM/FSU Emergency Operations Center					686,823	6,299,944
131		Shared Use Facility - NCF/FSU Ringling Cooling Tower Geothermal Heat Rejection Installation						1,192,709
			7,877,601	4,341,528	8,248,007	11,505,579	8,351,098	12,003,675

STATE UNIVERSITY SYSTEM OF FLORIDA
 BOARD OF GOVERNORS
 Facilities Committee
 University PECO Projects from BOT Approved Capital Improvement Plans as submitted 09/1/2016
 (Excludes Utility/Infrastructure/Capital Renewals/Roofs)
 January 25, 2017

Line #	University Name	Project		2017-18	2018-19	2019-20	2020-21	2021-22	
132	FPU	Applied Research Center	5,000,000	25,338,230	0				
133		Student Achievement Center		0	5,043,475	8,097,300	2,999,500		
134		Faculty Staff Office Building		0	3,852,975	8,108,000	3,039,500		
			5,000,000	25,338,230	8,896,450	16,205,300	6,039,000	0	
		Total	308,122,463	625,433,383	842,149,459	919,775,391	750,452,636	596,823,694	3,734,634,563

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 25, 2017**

SUBJECT: A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") to issue revenue bonds on behalf of the University of Florida to finance construction of a Parking Garage and to redeem certain outstanding bonds

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the Division of Bond Finance on behalf of University of Florida (the "University"), in an amount not to exceed \$37,200,000 (the "Bonds") for the purpose of financing the Parking Garage XIV ("the Project") on the University's campus and to redeem certain outstanding bonds.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance has reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and complies with the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing and bond redemption.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution

BACKGROUND INFORMATION

The University has submitted a proposal for financing and construction of the Project. The Project will be located on the main campus of the University in the center of campus immediately south of the existing Reitz Student Union on an existing surface lot. The proposed project will contain approximately 1,520 parking spaces and will provide 1,169 net new spaces. The total Project cost is expected to be \$37,600,000.

The University Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$37,200,000 of fixed rate, tax-exempt

revenue bonds to finance the construction of the project and pay costs of issuing the Bonds. The University's Transportation and Parking Services will make an equity contribution of \$1.3 million, which will fund the garage design and allow the project to advance to construction seamlessly once the bond proceeds become available. The Bonds will include twenty (20) annual amortizations with level annual debt service payments.

Net parking system revenues will be pledged for the payment of debt service. These revenues are derived primarily from decal fees, parking fines, toll/metered parking, and special event fee income after deducting operating and maintenance expenses. The Pledged Revenues do not include student transportation access fee revenues or fines collected by the Student Traffic Court. The Bonds will be issued on a parity with the outstanding UF Parking Facility Revenue Bonds, currently outstanding in the aggregate principal amount of \$14,865,000.

Projections provided by the University indicate that sufficient net revenues will be generated from decal sales, visitor and patient toll parking, fines and other revenues to pay debt service on the Bonds and the outstanding Parking Bonds. The University will implement proportionate increases to faculty, staff and commercial decal fees (7% increase in 2017-18 and 2018-19, then further increasing by 4% in 2019-20 and 2020-21). The current student decal fees are \$160 per year and, at this time, the University does not anticipate the need to increase student decal fees in connection with this financing. At UF, the decal fee is an optional cost to students.

The University's Board of Trustees approved the Project and the financing thereof at its December 2, 2016 meeting.

Supporting Documentation Included:

1. Requesting Resolution
2. Project Summary
3. Estimated Sources and Uses of Funds
4. Historical and Projected Pledged Revenues and Debt Service Coverage

Facilitators/Presenters: Mr. Chris Kinsley

A RESOLUTION REQUESTING THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA TO ISSUE REVENUE BONDS ON BEHALF OF THE UNIVERSITY OF FLORIDA TO FINANCE THE CONSTRUCTION OF A PARKING GARAGE ON THE MAIN CAMPUS OF THE UNIVERSITY OF FLORIDA IN AN AMOUNT NOT TO EXCEED \$37,200,000; AUTHORIZING THE REDEMPTION OF CERTAIN OUTSTANDING BONDS; AND PROVIDING AN EFFECTIVE DATE.

The duly acting and appointed Board of Governors of the State of Florida at a meeting duly held pursuant to notice and a quorum being present do hereby make the following resolutions:

BE IT RESOLVED:

1. Findings. The Board of Governors hereby finds as follows:

(A) Pursuant to Article IX, Section 7 of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control and manage the State University System of Florida. The Board of Governors is further vested with the authority to approve the issuance of revenue bonds by a state university pursuant to section 1010.62(2), Florida Statutes.

(B) The Board of Trustees of the University of Florida (the "University") has requested approval from the Board of Governors for the Division of Bond Finance to issue revenue bonds in an amount not exceeding \$37,200,000 (the "Bonds"), for the purpose of financing: (i) a parking garage of approximately 1520 spaces and associated improvements to be located on the main campus of the University; (ii) a debt service reserve fund, if necessary, and (iii) certain costs relating to the Bonds (collectively, the "Project"). The foregoing plan to finance the Project is collectively referred to herein as the "Financing Plan".

(C) The Project will be part of the parking system at the University.

(D) Upon consideration of the Financing Plan, the Board of Governors further finds that the issuance of the Bonds is for a purpose that is consistent with the mission of the University; is structured in a manner appropriate for the prudent financial management of the University; is secured by revenues adequate to provide for all debt service payments; has been properly analyzed by the staffs of the Board of Governors and the Division of Bond Finance; and is consistent with the Board of Governors' Debt Management Guidelines.

(E) The Board of Governors declares that the Project will serve a public purpose by providing parking facilities at the University.

(F) The Project is included in the master plan of the University.

2. Approval of the Project. The Project is approved by the Board of Governors as being consistent with the strategic plan of the University and the programs offered by the University.

3. Approval of the Bonds. The Board of Governors hereby approves and requests the Division of Bond Finance of the State Board of Administration of Florida (the "Division") to issue the Bonds for the purpose of financing the construction of the Project, in an amount not to exceed \$37,200,000. Proceeds of the Bonds may be used to pay the costs of issuance of such Bonds and to provide for a municipal bond insurance policy, if any. The Bonds are to be secured by the net revenues of the parking system of the University, which may include but are not limited to, decal fees, parking fines, toll/metered parking, and special event fee income, and may additionally be secured by other revenues that are determined to be necessary and legally available. The Bonds will not be secured by the transportation access fee or fines collected by the Student Traffic Court. The Division shall determine the amount of the Bonds to be issued and the date, terms, maturities, and other features of a fiscal or technical nature necessary for the issuance of the Bonds. Proceeds of the Bonds and other legally available monies shall be used for the Project, which is authorized by Section 1010.62, Florida Statutes, or such other parking facility project at the University which is authorized by Section 1010.62, Florida Statutes.

4. Refunding Authority. Authority is further granted for the issuance of bonds for the purpose of refunding all or a portion of any bonds secured by the revenues described, if it is deemed by the Division to be in the best financial interest of the State. The limitation on the amount authorized for the Bonds in Section 3 above shall not apply to such refunding bonds. Other terms of this resolution shall apply to any such refunding bonds as appropriate.

5. Compliance. The Board of Governors will comply, and will require the University to comply, with the following:

(A) All federal tax law requirements upon advice of bond counsel or the Division as evidenced by a "Certificate as to Tax, Arbitrage and Other Matters" or similar certificate to be executed by the Board prior to the issuance of the Bonds.

(B) All other requirements of the Division with respect to compliance with federal arbitrage law, pursuant to Section 215.64 (11), Florida Statutes.

(C) All requirements of federal securities law, state law, or the Division, relating to continuing secondary market disclosure of information regarding the Bonds, the University, and the University's parking system, including the collection of the revenues pledged to the Bonds. Such requirements currently provide for the disclosure of information relating to the Bonds, the University, and the University's parking system, including the collection of the revenues pledged to the Bonds, on an annual basis and upon the occurrence of certain material events.

(D) All covenants and other legal requirements relating to the Bonds.

6. Fees. As provided in Section 215.65, Florida Statutes, the fees charged by the Division and all expenses incurred by the Division in connection with the issuance of the Bonds (except for periodic arbitrage compliance fees, if any, which shall be paid from other legally available funds) shall be paid and reimbursed to the Division from the proceeds of the sale of such Bonds. If for any reason (other than a reason based on factors completely within the control of the Division) the Bonds herein requested to be authorized are not sold and issued, the Board agrees and consents that such fees, charges and expenses incurred by the Division shall, at the request of the Division, be reimbursed to the Division by the University from any legally available funds of the University.

7. Authorization. The Division is hereby requested to take all actions as necessary to issue the Bonds.

8. Reserve and Insurance. If determined by the Division to be in the best interest of the State, the Board of Governors may cause to be purchased a debt service reserve credit facility and/or municipal bond insurance, issued by a nationally recognized bond insurer.

9. Redemption. The Division of Bond Finance is hereby requested to take action as necessary to redeem certain State of Florida, Board of Regents, University of Florida Parking Facility Revenue Bonds, Series 1998.

10. Repealing Clause. All resolutions of the Board of Governors or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

11. Authorization of Further Actions Consistent Herewith. The members of the Board of Governors, attorneys, or other agents or employees of the Board of

Governors are hereby authorized and directed to do all acts and things required of them by this resolution or desirable or consistent with the requirements hereof, to assure the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds and this resolution; including execution of such documents, certificates, contracts and legal opinions and other material delivered in connection with the construction or financing of the Project for use by the University, the issuance of the Bonds or as necessary to preserve the exemption from the taxation of interest on any of the Bonds which are tax-exempt, in such form and content as the Chair, Vice Chair or authorized officers executing the same deem necessary, desirable or appropriate.

12. Effective Date. This resolution shall become effective immediately upon its adoption.

Adopted this 26th day of January, 2017

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the issuance of Bonds by the Division of Bond Finance of the State Board of Administration of Florida is a true and accurate copy as adopted by the Board of Governors on January 26, 2017, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

**BOARD OF GOVERNORS OF THE
STATE UNIVERSITY SYSTEM OF
FLORIDA**

Dated: _____, 2017

By: _____
Corporate Secretary

00538599.1

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
University of Florida
Parking Garage XIV**

Project Description:	<p>The University of Florida (the “University”) currently has 24,172 spaces within its parking system, approximately 14,287 surface parking spaces and 9,885 garage parking spaces. The proposed project, Parking Garage XIV (the “Project”) will be an eight -level parking structure on the campus of the University, and will provide approximately 1,520 parking spaces (1,169 net new spaces on this particular site), as well as associated site and roadway enhancements. The Project will accommodate faculty, students and staff with some metered spaces available for anyone to use. The Project will be managed as part of the University Parking System within which the University rebalances spaces available to students, faculty, and staff each time the inventory of parking spaces is modified.</p> <p>The purpose of the Project is to accommodate the University’s rising demand for spaces due to enrollment growth and to offset a portion of the surface parking spaces projected to be lost to new building construction projects, which is consistent with the mission of the University. The Project is included in the current Campus Master Plan and is reflected in the approved master plan for the University.</p>
Facility Site Location:	<p>The Project will be located in the center of campus immediately south of the existing Reitz Student Union on an existing surface lot.</p> <p>The University conducted extensive site evaluation; ultimately relying on the work of Brasfield and Gore in selecting this location.</p>
Projected Start and Opening Date:	<p>It is anticipated that construction of the Project will commence in July 2017, and will be completed in January 2019.</p>
Quantitative Demand And Construction Analysis:	<p>The University community is presently comprised of over 46,000 students, 29,596 full and part-time faculty and staff, and a large number of daily visitors. Currently 32,384 permitted drivers (comprised of 15,105 student vehicles, 16,832 employee vehicles and 447 vendors and contractors) compete for the 24,172 parking spaces. As demand for parking continues to climb, the University is experiencing high utilization in all parking facilities campus-wide.</p>

Over the past three years, peak demand for parking has grown by 3,675 decal issues or almost 13%. The University believes it must plan and respond to an increased demand for parking, a growing campus population and projected loss in parking inventory in close proximity of the academic core of campus. By constructing this replacement parking Project, the University will bring its parking space inventory levels closer to a manageable state.

As a part of the 2015-2025 Campus Master Plan, the University prepared an analysis of its Transportation Element which authorized an additional 2,000 parking spaces. The University's existing inventory of thirteen parking garages accommodate approximately 42% of total university parking. The decal to space ratio currently stands at 1.34, an increase from 1.28 recorded in 2014-15. By 2020-21, the University projects growth in the campus population that will increase the demand for parking decals by an additional 488 and the supply of surface spaces to decline by 959, resulting in a projected decal to space ratio of 1.42 (based on future projections).

Three years ago, the ratio of decals to parking spaces was 1.18, with 4,456 more decals issued than the number of parking spaces. As it stands today, the University's decal to parking ratio is 1.34 or 8,212 more decals issued than the number of parking spaces, a growth in the parking deficit of 84% during this three year period. This demand is the highest for parking within the last 20 years.

Study of Private Sector Alternatives:

As a part of its ongoing strategy to review the efficacy of private alternatives, the University engaged the services of Walker Parking Consultants to evaluate the practicality of privately owned and managed parking. Their feasibility review concluded that a privately owned and operated parking option is neither desirable nor cost-effective for the University.

The private sector would presumably finance a parking garage at a higher, taxable interest rate, compared to the University's lower tax-exempt rate. According to the study, a private owner/operator will also be subject to property taxes unlike the University's tax-exempt properties. In addition, the private business will need to make a reasonable profit and according to the study this may result in a minimum charge of \$8 to \$10 per space per day. For a commuting student spending a minimum of three days on campus, this would translate to over \$120 per month in parking costs (approximately \$450 per semester), which is considerably higher than the current decal fee of \$80 per semester.

The University is sensitive to any price increases and aims to keep costs low, particularly for students. The University believes the bond financed garage strategy provides vastly more affordable parking opportunities for all parties involved as opposed to a “for profit” parking option from the private market.

The study also added that with approximately 60% of the University’s parking inventory being low cost, minimal maintenance surface lots, this position allows the University to take a revenue portfolio approach to its operations and spread the cost of the parking structure over its entire parking customer base. The private owner/operator would have to achieve its financial obligations from revenues derived from a single facility making the cost to the customer substantially higher. Walker Parking Consultants determined that the cost differential alone makes a privately owned and operated parking garage unlikely to be supported by the students due to the increased cost.

(See attached Walker Parking Consultants’ Feasibility Review)

**Project Cost and
Financing Structure:**

The total project cost is \$37.6 million which includes planning, design, construction, equipping, and enhancing costs. The project cost also includes approximately \$2.4 million of roadway enhancements and \$2.5 million for possible façade upgrades due to the prominent location of the garage. The Project, and a debt service reserve account, if deemed needed, will be financed with fixed rate, tax-exempt revenue bonds issued by the Florida State Board of Administration’s Division of Bond Finance, on behalf of the University of Florida, in an amount not to exceed \$37.2 million. The University’s Transportation and Parking Services will make an equity contribution of \$1.3 million, which will fund the garage design and allow the project to advance to construction seamlessly once the bond proceeds become available. The bonds will be structured with 20 amortizations and level annual debt service.

(See attached Estimated Sources and Uses of Funds)

Transportation and Parking Services presently has two outstanding parking garage bond issues. The 1998 bonds will mature in 2018-19, eliminating approximately \$800,000 in annual debt service payments. The University is requesting Board approval to redeem this series early in order to eliminate the debt service related to this series, which they plan to do prior to issuing the proposed bonds.

The 2007 bonds, with \$1,520,000 in annual debt service expense, will mature in 2027-28.

Security/Lien Structure: Net parking system revenues will be pledged for the payment of debt service. These revenues are derived primarily from decal fees, parking fines, toll/metered parking, and special event fee income after deducting operating and maintenance expenses. At UF, decal fees are currently \$80 per semester (\$160 per year) and are an optional cost to students. The Pledged Revenues do not include transportation access fee revenues and fines collected by Student Traffic Court. **At this time, UF does not anticipate the need to increase student decal fees in connection with Parking Garage XIV.**

In an effort to secure additional funds needed for the proposed financing, to cover growth in annual operating costs and provide for future capital needs of the system, the University will implement parking decal price increases over a four year period affecting faculty and staff. Of the parking decals issued at peak demand in the Fall 2016 semester, student decals represented 47% of the total decal volume, but only 30% of total decal revenues. The university plans no increases to student decal prices for either 2017-18 or 2018-19. The Fall 2016-17 decal fee is projected at \$160 (no change from 2015-16).

The Bonds will be issued on parity with the outstanding UF Parking Facility Revenue Bonds, currently outstanding in the aggregate principal amount of \$14,865,000.

**Pledged Revenues,
Debt Service Coverage,
and Return on
Investment:**

During the five year period from fiscal year 2011-12 to 2015-16, Pledged Revenues increased from \$4.9 million to \$5.8 million, with debt service coverage growing from 1.58x to 2.52x. This increase was primarily due to an overall increase in decal and reserve space sales.

Pledged Revenues are expected to decline 22% or \$1.27 million to \$4,522,125 in 2016-17, primarily due to an increase in expenses (Maintenance, Materials and Supplies) as the University completes \$500,000 of special projects and begins to increase annual maintenance projects which have been deferred in recent years. Due to the increased expenses, projected debt service coverage for 2016-17 is expected to decrease to 1.96x.

Projected operating revenues are based on the assumption that faculty, staff and commercial decal fees will increase by 7% per year in 2017-18 and 2018-19, then further increasing by 4% per year in 2019-

20 and 2020-21. Visitor and Patient Toll Parking are also projected to increase, growing to \$2.3 million by 2020-21 (currently \$1.7 million).

Expenses have remained fairly stable within the last five years, with minor fluctuations. However, Salaries and Personnel expenses are projected to increase 3% per year beginning 2016-17. Maintenance, Materials and Supplies are projected to grow by 5% per year. In 2016-17, this expense item is projected to increase by 105% or \$1,125,354, as described above. Beginning in 2017-18, Maintenance, Materials and Supplies expenses are expected to be \$1.7 million per year, plus an annual inflation adjustment of 5%.

Pledged revenues for 2017-18 are projected to be \$5,348,000 with debt service coverage estimated to decline to 1.52x as the first interest payment on the proposed bonds is expected to be paid. Pledged revenues over the next three years from 2018-19 to 2020-21 are projected to grow from \$5.8 million to \$6.05 million with debt service coverage projected of 1.3x to 1.36x as the full annual debt service payments on the proposed bonds are realized.

Pledged Revenues and debt service coverage calculations exclude the transportation access fee, which are not pledged to the bonds. The projected debt service coverage ratios have been calculated using an interest rate of 5% on the proposed bonds.

The project is also expected to provide a positive internal rate of return estimated at 1.1%, based upon assumptions provided by the University.

(See attached Historical and Projected Pledged Revenues and Debt Service Coverage)

Type of Sale:

The Division of Bond Finance will sell the Bonds through a competitive sale.

Analysis and Recommendation:

Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by University of Florida with respect to the request for Board of Governors approval for the subject financing. Projections provided by the University indicate that sufficient net revenues will be generated from decal sales, visitor and patient toll parking, fines and other revenues to pay debt service on the Bonds and the outstanding Parking Bonds. It appears that the proposed financing is in compliance with the Florida Statutes governing the issuance of university debt and is in compliance with

the Board of Governors' Debt Management Guidelines. Accordingly, staff of the Board of Governors recommends adoption of the resolution authorizing the proposed financing.

ATTACHMENT - SOURCES AND USES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
UNIVERSITY OF FLORIDA PARKING FACILITY REVENUE BONDS, SERIES 2017A
Estimated Sources and Uses of Funds
Parking Garage 14

Sources of FundsBasis for Amounts

Bond Par Amount	\$ 37,200,000	Series 2017A Bonds par amount based on fixed rate, tax-exempt interest rate of 5% for 20 years.
Cash Contribution from Parking System		
For Prepay 08/01/18 Maturity of 1998 Bonds	765,000	
Cash Contribution for Project Costs	<u>1,300,000</u>	
Total Cash Contribution	2,065,000	
Less: Underwriter's Discount	(744,000)	Estimated at 2% of par.
Total Sources of Funds	<u>\$ 38,521,000</u>	

Uses of Funds

Project Cost	\$ 37,600,000	Planning, Design, Construction & Equipment
Prepayment of 8/1/18 Maturity of 1998 Bonds	765,000	
Costs of Issuance	133,191	Estimated Bond Counsel (\$15,000); arbitrage compliance (\$7,440), DBF Fees (\$80,200); estimated Ratings (\$27,100); and other misc. (\$3,451).
Bond Sizing Contingency	22,809	
Total Uses of Funds	<u>\$ 38,521,000</u>	

State of Florida, Board of Governors
University of Florida
Parking Facility Revenue Bonds

Historical and Projected Coverage Table ¹

	Historical					Projected				
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Operating Revenues²										
Decal and Reserved Space Sales	\$ 7,358,225	\$ 7,434,633	\$ 7,876,520	\$ 8,188,826	\$ 8,650,404	\$ 8,700,000	\$ 9,126,000	\$ 9,582,000	\$ 9,861,000	\$ 10,151,000
Visitor and Patient Toll Parking	2,232,632	1,778,492	2,032,221	1,691,319	1,725,409	1,713,000	1,952,500	2,177,500	2,227,500	2,277,500
Fines Revenues	1,496,001	1,559,599	1,767,868	1,609,788	1,714,295	1,725,000	1,725,000	1,725,000	1,725,000	1,725,000
Other Revenues	925,443	975,891	1,018,618	1,004,185	976,351	941,125	813,000	833,000	854,000	885,000
Total Operating Revenues	\$ 12,012,301	\$ 11,748,615	\$ 12,695,227	\$ 12,494,118	\$ 13,066,459	\$ 13,079,125	\$ 13,616,500	\$ 14,317,500	\$ 14,667,500	\$ 15,038,500
Current Expenses³										
Salaries and Personnel Services	\$ 2,454,339	\$ 2,100,450	\$ 2,305,797	\$ 2,498,980	\$ 2,589,306	\$ 2,675,784	\$ 2,755,347	\$ 2,839,477	\$ 2,924,161	\$ 3,013,386
Bus Rent	1,561,382	1,450,000	1,737,946	1,625,235	1,500,000	1,625,500	1,625,500	1,700,000	1,750,000	1,800,000
Maintenance, Materials and Supplies	1,281,618	1,239,269	769,397	1,094,278	1,074,646	2,200,000	1,726,000	1,852,000	1,858,000	1,915,000
Student Traffic	324,392	305,544	386,108	361,780	418,545	397,000	397,000	397,000	397,000	397,000
Utilities	641,399	571,947	528,829	468,341	429,017	425,000	415,000	425,000	425,000	450,000
Other Operating Expenses	1,099,034	1,352,608	1,447,529	1,245,601	1,286,606	1,251,716	1,367,653	1,308,523	1,369,339	1,430,614
Less Major Maintenance Expenses	(41,877)									
Total Current Expenses	\$ 7,320,287	\$ 7,019,818	\$ 7,175,606	\$ 7,294,215	\$ 7,298,120	\$ 8,575,000	\$ 8,286,500	\$ 8,522,000	\$ 8,723,500	\$ 9,006,000
Plus Operating Investment Income	242,439	\$ 239,572	\$ 104,042	\$ 36,389	\$ 26,097	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
Pledged Revenues	\$ 4,934,453	\$ 4,968,369	\$ 5,623,663	\$ 5,236,292	\$ 5,794,436	\$ 4,522,125	\$ 5,348,000	\$ 5,813,500	\$ 5,962,000	\$ 6,050,500
Annual Debt Service										
Outstanding Parity Bonds ⁴	\$ 3,130,422	\$ 3,129,941	\$ 3,130,041	\$ 2,300,982	\$ 2,298,406	\$ 2,302,011	\$ 2,277,799	\$ 1,517,411	\$ 1,520,711	\$ 1,521,519
Proposed 2016A Bonds ⁵	-	-	-	-	-	-	\$ 1,240,000	\$ 2,942,250	\$ 2,940,375	\$ 2,940,625
Total Estimated Annual Debt Service	\$ 3,130,422	\$ 3,129,941	\$ 3,130,041	\$ 2,300,982	\$ 2,298,406	\$ 2,302,011	\$ 3,517,799	\$ 4,459,661	\$ 4,461,086	\$ 4,462,144
Pledged Revenues after Debt Service and Available for other Expenses/Transfers	\$ 1,804,031	\$ 1,838,428	\$ 2,493,622	\$ 2,935,310	\$ 3,496,030	\$ 2,220,114	\$ 1,830,201	\$ 1,353,839	\$ 1,500,914	\$ 1,588,356
Maximum Annual Debt Service	\$ 3,130,422	\$ 3,130,041	\$ 3,130,041	\$ 2,302,011	\$ 2,302,011	\$ 2,302,011	\$ 4,465,054	\$ 4,465,054	\$ 4,465,054	\$ 4,465,054
Debt Service Coverage Ratios										
Total Annual Debt Service	1.58x	1.59x	1.80x	2.28x	2.52x	1.96x	1.52x	1.30x	1.34x	1.36x
Maximum Annual Debt Service	1.58x	1.59x	1.80x	2.27x	2.52x	1.96x	1.20x	1.30x	1.34x	1.36x

¹ The financial information related to revenues and expenses was provided by the University of Florida.

² Operating revenues for purposes of calculating Pledged Revenues do not include the transportation access fee revenues, which are not pledged to the bonds. Projected operating revenues are based on the assumption that faculty, staff and commercial vehicle decal, meter (visitor parking at Welcome Center and Garage 14) and UAA event fees will increase by 7% in 2017-18 and 2018-19, and 4% in 2019-20 and 2020-21.

³ Exclude depreciation and general administrative overhead charges of the University, which are excluded from Current Expenses for purposes of calculating Pledged Revenues. Projected salary expenses are assumed to grow by 3% per year and Maintenance, Materials, and Supplies are projected to grow by 5% per year. The maintenance, materials and supplies expense line also includes special projects programmed for specific years, including energy efficient lighting replacements, repaving, and crosswalk upgrades. Maintenance, materials and supplies expense line has several projects not yet completed in 2015-2016 of \$533k (primarily new raised crosswalks and roadway signs), the actuals for these projects are projected to hit in 2016-2017.

⁴ Assumes redemption of 8/1/18 maturity of 1998 Bonds (\$765,000) has occurred prior to the issuance of the bonds, utilizing excess cash in the parking system.

⁵ Estimated debt service calculated at 5% for 20 years.

2015-2016 are unaudited actuals. Decal revenue is \$459k higher than projected, other revenues exclude \$945k in parking mitigation fees that will be transferred to reserves for replacement parking space projects, and maintenance, materials & supplies expense line has several projects not yet completed in 2015-2016 of \$533k (primarily new raised crosswalks and roadway signs), the actuals for these projects are projected to hit in 2016-2017.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 25, 2017

SUBJECT: Resolutions of the Board of Governors approving the issuance of debt by the Seminole Boosters, Inc. to construct a mixed use student housing facility near the main campus of Florida State University.

PROPOSED COMMITTEE ACTION

Adoption of two (2) separate, but related resolutions approving the issuance of fixed rate debt by the Seminole Boosters, Inc. (the "Seminole Boosters"), in an aggregate amount not to exceed \$46,000,000 (the "Debt") to finance a portion of the construction of a mixed use student housing facility. The debt will consist of two bank loans, a not to exceed \$15,000,000 short term bank loan and a not to exceed \$31,000,000 long term bank loan, which together will fund the 1) construction of the housing facility and parking garage, interest on the debt during construction and issuance costs; and 2) buy-out of the investors in CollegeTown I.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance has reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed Financing Plan is in compliance with Florida Statutes governing the issuance of university debt and generally complies with the Debt Management Guidelines adopted by the Board of Governors, except as noted below.

The financing plan raises three issues the Board of Governors should be aware of and consider. The first is that although CollegeTown I is complete and operational, it has never been reviewed or approved by the Board of Governors. CollegeTown III is an expansion of the CollegeTown development and is being submitted to the Board of Governors for consideration because it is being financed with debt in the form of a bank loan. CollegeTown I is also being reviewed because debt is being incurred to repay investors/lenders in CollegeTown I and to fund a down-payment or contribution to the financing of CollegeTown III, which is the second issue. Thirdly, the finance plan includes a not to exceed \$15 million short term loan which will mature in 2020 and will need to be refinanced with a permanent loan. The Board of Governors Guidelines do not contemplate or provide guidance on using temporary loans that will require refinancing which introduces interest rate risk and refinancing risk. Detailed information regarding these matters and the finance plan are included in the analyses attached hereto.

Staff of the Board of Governors recommends adoption of the resolutions and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62(3), Florida Statutes; and Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

The Seminole Boosters submitted a proposal for financing the construction of a mixed use student housing facility two blocks south of the main campus of Florida State University (the "University"). The project, CollegeTown III, is intended to be the third and final phase of the CollegeTown development; and will include a seven-story building, containing 129 units (300 beds), a parking garage with 500 spaces and 1,500 square feet of commercial space. The Project will be located on land currently controlled by the Seminole Boosters. The total project cost is expected to be approximately \$34,000,000.

The Seminole Boosters intend to obtain a \$31,000,000 fixed rate, taxable loan (the "Permanent Debt") to finance a portion of CollegeTown III (the "Project"), fund capitalized interest and pay costs associated with the issuance of the Permanent Debt. The Permanent Debt will mature twenty-five (25) years after issuance with level debt service payments with the first principal payment occurring August 1, 2019 and a final maturity date of December 1, 2045. The Seminole Boosters will obtain additional debt via a short term note in the not to exceed amount of \$15,000,000, (the "Additional Debt") which will be secured by a pledge against the Seminole Boosters portion of CollegeTown I revenues. Approximately \$5,300,000 will be used to finance the construction of the Project, and approximately \$8,700,000 will be used to take out the investors in CollegeTown I. After three years, the Seminole Boosters plans to take out the Additional Debt, and obtain permanent financing secured by a mortgage, and first lien, on CollegeTown I.

The Debt is payable from the Project revenues, which are derived primarily from rental income, after deducting operating expenses. The pledged security includes a mortgage on the subject property as well as a covenant by the Seminole Boosters to maintain a 1.3x debt service coverage. The Additional Debt, while not secured by CollegeTown I, will be payable from revenues available to the Seminole Boosters from CollegeTown I, and Projections provided by the Seminole Boosters indicate sufficient revenues to pay debt service on the Debt.

It appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and the Board of Governors Debt Management Guidelines except as noted herein.

The Seminole Boosters' Real Estate Committee approved the proposed financing terms of CollegeTown I and CollegeTown III on September 20, 2016, and the Seminole Boosters' Board approved the terms on September 27, 2016. The proposed financing is still subject to approval from the University's Board of Trustees on January 17, 2017.

Supporting Documentation Included:

1. \$31 M Requesting Resolution
2. \$15 M Requesting Resolution
3. Project Summary
4. Estimated Sources and Uses of Funds
5. Historical and Projected Pledged Revenues and Debt Service Coverage
6. Projected Revenues Metric

Facilitators/Presenters: Mr. Chris Kinsley

**A RESOLUTION APPROVING THE ISSUANCE OF
FIXED RATE DEBT BY THE FLORIDA STATE
UNIVERSITY SEMINOLE BOOSTERS, INC (THE
“DSO”), IN AN AMOUNT NOT TO EXCEED \$31,000,000;
AND PROVIDING AN EFFECTIVE DATE.**

The duly acting and appointed Board of Governors of the State of Florida at a meeting duly held pursuant to notice and a quorum being present do hereby make the following resolutions:

BE IT RESOLVED:

1. Findings. The Board of Governors hereby finds as follows:

(A) Pursuant to Article IX, Section 7 of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control and manage the State University System of Florida. The Board of Governors is further vested with the authority to approve the issuance of revenue bonds and debt by a state university pursuant to Section 1010.62(3), Florida Statutes.

(B) The Seminole Boosters, Inc. (the “Seminole Boosters”) was incorporated by the Florida State University Board of Trustees (the “University Board”) to provide direct support to Florida State University (the “University”) and designated as a “University Direct Support Organization” by the University Board pursuant to Section 1004.28, Florida Statutes.

(C) The University Board has requested approval from the Board of Governors for the Seminole Boosters to issue taxable debt, in an amount not to exceed \$31,000,000 (the “Debt”) for the purpose of financing: (i) a portion of the construction of a mixed use student housing facility with 300 beds and associated parking to be located near the main campus of the University (College Town III); (ii) funding capitalized interest; and (iii) certain costs relating to the Debt (collectively, the “Project”). The foregoing plan to finance the Project is collectively referred to herein as the “Financing Plan”.

(D) Upon consideration of the Financing Plan, the Board of Governors further finds that the issuance of the Debt is for a purpose that is consistent with the mission of the University; is structured in a manner appropriate for the prudent financial management of the University; is secured by revenues adequate to provide for all debt service payments; has been properly analyzed by the staffs of the Board of Governors and the Division of Bond Finance; and is consistent with the Board of Governors’ Debt Management Guidelines.

(E) The Board of Governors declares that the Project will serve a public purpose by providing student housing and other necessary facilities near the University.

2. Approval of the Project. The project is approved by the Board of Governors as being consistent with the strategic plan of the University and the programs offered by the University.

3. Approval of the Debt. The Board of Governors hereby approves issuance of the Debt by the Seminole Boosters for the purposes described herein, in an amount not to exceed \$31,000,000, said Debt to have a final maturity not to exceed thirty (30) years from the date thereof and at a fixed rate of interest acceptable to the Seminole Boosters. This approval is subject to the understanding that: (i) the Debt shall be secured by a first lien upon and real estate mortgage on the subject property, (ii) debt service coverage of 1.30x must be maintained and (iii) the proceeds of the Debt shall be used exclusively to fund the Financing Plan. The Debt will be privately placed.

4. Compliance. The University Board will comply, and will require the University and the Seminole Boosters to comply, with the following:

(A) All federal tax law requirements upon advice of bond counsel or the Division as evidenced by a "Certificate as to Tax, Arbitrage and Other Matters" or similar certificate to be executed by the University Board prior to the issuance of the Debt.

(B) All covenants and other legal requirements relating to the Debt.

5. Repealing Clause. All resolutions of the Board of Governors or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

6. Authorization of Further Actions Consistent Herewith. The members of the Board of Governors, attorneys, or other agents or employees of the Board of Governors are hereby authorized and directed to do all acts and things required of them by this resolution or desirable or consistent with the requirements hereof, to assure the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds and this resolution; including execution of such documents, certificates, contracts and legal opinions and other material delivered in connection with the construction or financing of the Financing Plan for use by the University, the issuance of the Bonds or as necessary to preserve the exemption from the taxation of interest on any of the Bonds which are tax-exempt, in such form and content as the Chair, Vice Chair or authorized officers executing the same deem necessary, desirable or appropriate.

7. **Effective Date.** This resolution shall become effective January 26, 2017.

Adopted this 26th day of January, 2017

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the issuance of Debt by the Financing Corporation is a true and accurate copy as adopted by the Board of Governors on January 26, 2017, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

**BOARD OF GOVERNORS OF THE
STATE UNIVERSITY SYSTEM OF
FLORIDA**

Dated: _____, 2017

By: _____
Corporate Secretary

**A RESOLUTION APPROVING THE ISSUANCE OF
FIXED RATE DEBT BY THE FLORIDA STATE
UNIVERSITY SEMINOLE BOOSTERS, INC., (THE
“DSO”) IN AN AMOUNT NOT TO EXCEED \$15,000,000;
AND PROVIDING AN EFFECTIVE DATE.**

The duly acting and appointed Board of Governors of the State of Florida at a meeting duly held pursuant to notice and a quorum being present do hereby make the following resolutions:

BE IT RESOLVED:

1. Findings. The Board of Governors hereby finds as follows:

(A) Pursuant to Article IX, Section 7 of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control and manage the State University System of Florida. The Board of Governors is further vested with the authority to approve the issuance of revenue bonds and debt by a state university pursuant to Section 1010.62(3), Florida Statutes.

(B) The Seminole Boosters, Inc. (the “Seminole Boosters”) was incorporated by the Florida State University Board of Trustees (the “University Board”) to provide direct support to Florida State University (the “University”) and designated as a “University Direct Support Organization” by the University Board pursuant to Section 1004.28, Florida Statutes.

(C) The University Board has requested approval from the Board of Governors for the Seminole Boosters to issue debt, in an amount not to exceed \$15,000,000 (the “Debt”) for the purpose of financing: (i) a portion of the construction of a student housing facility and related parking facility (College Town III) to be located near the main campus of the University; and (ii) certain outstanding indebtedness relating to the construction of College Town I (collectively, the “Project”). The foregoing plan to finance the Project is collectively referred to herein as the “Financing Plan”.

(D) Upon consideration of the Financing Plan, the Board of Governors further finds that the issuance of the Debt is for a purpose that is consistent with the mission of the University; is structured in a manner appropriate for the prudent financial management of the University; is secured by revenues adequate to provide for all debt service payments; has been properly analyzed by the staffs of the Board of Governors and the Division of Bond Finance; and is consistent with the Board of Governors’ Debt Management Guidelines.

(E) The Board of Governors declares that the Project will serve a public purpose by contributing to the student housing and other necessary facilities near the University.

2. Approval of the Project. The project is approved by the Board of Governors as being consistent with the strategic plan of the University and the programs offered by the University.

3. Approval of the Debt. The Board of Governors hereby approves issuance of the Debt by the Seminole Boosters for the purposes described herein, in an amount not to exceed \$15,000,000, said Debt to have a final maturity not to exceed five years from the date thereof and at a fixed rate of interest acceptable to the Seminole Boosters. This approval is subject to the understanding that the Debt shall be secured by the assignment of Seminole Boosters revenues from the College Town I Project. The proceeds of the Debt shall be used exclusively to fund the Financing Plan. The Debt will be privately placed.

4. Compliance. The University Board will comply, and will require the University and the Seminole Boosters to comply, with the following:

(A) All federal tax law requirements upon advice of bond counsel or the Division as evidenced by a "Certificate as to Tax, Arbitrage and Other Matters" or similar certificate to be executed by the University Board prior to the issuance of the Debt.

(B) All covenants and other legal requirements relating to the Debt.

5. Repealing Clause. All resolutions of the Board of Governors or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

6. Authorization of Further Actions Consistent Herewith. The members of the Board of Governors, attorneys, or other agents or employees of the Board of Governors are hereby authorized and directed to do all acts and things required of them by this resolution or desirable or consistent with the requirements hereof, to assure the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds and this resolution; including execution of such documents, certificates, contracts and legal opinions and other material delivered in connection with the construction or financing of the Financing Plan for use by the University, the issuance of the Bonds or as necessary to preserve the exemption from the taxation of interest on any of the Bonds which are tax-exempt, in such form and content as the Chair, Vice Chair or authorized officers executing the same deem necessary, desirable or appropriate.

7. **Effective Date.** This resolution shall become effective January 26, 2017.

Adopted this 26th day of January, 2017

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the issuance of Debt by the Financing Corporation is a true and accurate copy as adopted by the Board of Governors on January 26, 2017, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

**BOARD OF GOVERNORS OF THE
STATE UNIVERSITY SYSTEM OF
FLORIDA**

Dated: _____, 2017

By: _____
Corporate Secretary

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
Seminole Boosters, Inc.
CollegeTown III Financing Project
And CollegeTown I Refinancing and New Money**

Project Description: The proposed project, CollegeTown III, is a new off-campus student housing facility comprised of a seven-story building, containing: 129 housing units (300 beds) a parking garage with 500 spaces (348 residential and 152 retail), and 1,500 square feet of commercial space (the "Project"). The Seminole Boosters plan to own and manage the Project, through an operating agreement with a private management company, as a part of CollegeTown. In addition, the Seminole Boosters plan to refinance a portion of the debt on CollegeTown I and obtain an additional loan payable from an assignment of the Seminole Booster's portion of CollegeTown I revenues in order to provide a portion of the financing for CollegeTown III (together the "Refinancing").

The CollegeTown project is being constructed in three phases. CollegeTown I was completed in 2013. It has a total of 71 units and 135 beds. This phase also includes 33,522 square feet of retail space and 147 designated parking spaces. CollegeTown II broke ground in 2015. The residential space of CollegeTown II opened fall 2016 and is 96% leased. The commercial space for CollegeTown II was completed late fall 2016. It contains a total of 89 residential units with 202 beds. This phase also contains 21,145 square feet of retail space and 544 designated parking spaces. The CollegeTown project is not a part of FSU's housing system.

Facility Site Location: The Project will be located on W. Madison Street, which is approximately two blocks south of The Florida State University campus (the "University"). The Project will be built on property currently owned by T'Alley Properties, LLC ("T'Alley Properties"), a wholly owned subsidiary of the Seminole Boosters; T'Alley Properties plans to formally transfer the property title to the Seminole Boosters, upon approval of the project.

Projected Start and Opening Date: It is anticipated that construction for the Project will begin in March 2017 and be completed by August 2018.

Approvals: The Seminole Boosters' Real Estate Committee approved the proposed financing terms of CollegeTown I and CollegeTown III on

September 20, 2016, and the Seminole Boosters' Board approved the terms on September 27, 2016. The proposed financing is still subject to approval from the University's Board of Trustees on January 17, 2017.

Demand Analysis:

Cureton-Johnson & Associates, LLC, a real estate appraisal firm, performed a market study for the Project. According to the study, the CollegeTown area is foreseen to have very good long-term value prospects. As of March 2016, most occupancy rates for new construction, of both commercial and residential spaces, in immediate areas around FSU are in excess of 90%. The study also indicates that even though approximately 7,000 beds have been added to the market over the past five years, the influx of students to the immediate area is leading to occupancy rates exceeding 95%. Currently, FSU has over 41,000 students, but is only equipped to house approximately 6,600 students on campus, which forces the remainder to rely on off-campus housing. Additionally, although current commercial retail space in CollegeTown and in immediate surrounding areas is leased-up with national retailers and restaurant chains such as CVS, Urban Outfitters, Brooklyn Bagel, Pom berry, Jimmy Johns, etc., more commercial retailers such as Publix and Walgreens are expected to locate in the area in the coming years. The Project is already 60% pre-leased residentially for fall 2018. CollegeTown I currently is 99% leased and has an average residential occupancy rate of 98% since opening in 2013. CollegeTown I also has an average commercial occupancy rate of 97.5%. CollegeTown II, which just opened for fall 2016, is 96% leased residentially and 60% pre-leased commercially.

Residents of CollegeTown have their own designated parking. Due to its location, a majority of residents walk to campus and leave their cars at home. The Project includes a parking garage so that it can provide parking to CollegeTown III residents as well as replace 108 surface spots lost for CollegeTown I residents. All CollegeTown parking provides spaces for retail customers as well.

There are numerous comparable student housing facilities within walking distance to FSU. In the 5,000 most competing beds to CollegeTown III, the average rent per square foot ranges from \$1.92/SF-\$2.30/SF. The proposed lease rates fall within this range, at \$2.08/SF.

**Project Cost and
Financing Structure:**

The total project cost is estimated at nearly \$34,000,000. This amount includes soft costs of \$2.7 million (architecture, engineering, appraisal, permitting, etc.), apartment and commercial space costs of \$19.1

million, garage costs of \$10.3 million, and other hard costs of \$1.4 million.

The project will be financed with a not to exceed \$31.0 million bank loan between the Seminole Boosters and Ameris Bank (the "Loan") and approximately \$5.3 million from a separate bank loan with Hancock Bank to be obtained on CollegeTown I (described below).

The Loan will be taxable and comprised of up to a three year, interest only, construction loan; however, the project is planned to be complete in August 2018, at which time the construction loan will be taken out with a 25 year, level annual debt service permanent financing. The Loan will finance a portion of the cost of the Project, fund capitalized interest (\$1.6 million), and pay costs of issuance (\$574,000). The first principal payment is scheduled to occur in August 2019 with a final maturity date of December 1, 2045. The interest rate on the construction loan is calculated as the Wall Street Journal prime rate at the day of financing commitment (3.5% as of 9/20/2016, which is assumed throughout all supporting documents of the Project submission), converting to permanent financing for 25 years, calculated at 7-year UST + 218bps after retirement of the construction loan (3.69% as of 9/20/16, which is also assumed throughout all supporting documents of the Project submission). Although the Seminole Boosters plan on beginning amortizations of the loan in 2019, in the event the Project is not generating sufficient revenues, Ameris Bank will allow for interest only payments until March 2020. The terms of the Loan put the Seminole Boosters at interest rate risk, as the construction loan rate and the permanent financing rate are not set until a later time.

The approximate \$5.3 million CollegeTown I loan mentioned above will be derived from a portion of a not to exceed \$15 million loan from Hancock Bank. The \$5.3 million is needed for CollegeTown III because the Ameris Bank loan on CollegeTown III is already at 80% loan to cost, and the bank will not exceed that leverage point. In addition, approximately \$8.7 million of the loan will be used to retire a private investment in CollegeTown I from 10 G&G, LLC, a group of private investors comprised, in part, of members from the Seminole Boosters board of directors. The 10 G&G loan carries a 6% rate of interest. If the 10 G&G loan remains outstanding after 2018, the loan converts to equity and the investors will receive 29% of the net revenues of CollegeTown I in addition to the 6% interest rate for the life of the project. The CollegeTown Project has averaged around \$1.3 million per year for the three years it has been in operation. Assuming the future net revenues will be around the same level, 10 G&G will receive

approximately \$380,000 annually from net revenues. As a result, the estimated overall yield to the investor from the 6% interest rate and the estimated 29% share of net revenues, is around 8%.

The Hancock Bank loan will pay interest only for up to three years at a fixed rate of 2.95% and will have to be refinanced after that period. Under the Debt Management Guidelines, debt should be structured on a level annual debt service basis. Deferring debt is usually used with new construction when revenues may not be available until the project is complete. In this case, CollegeTown I has been in operation for three years. Accordingly, the structure proposed, that is three years with no amortization of the principal, is in violation of the level debt service principle. Furthermore, since the loan is only for three years and will need to be refinanced, the current plan is to refinance it with a 30 year, nonrecourse structure secured by net revenues. Since that will extend the debt, it does not comport with the refunding exception in the guidelines. This will require the Seminole Boosters to come back to the Board of Governors for approval. The Seminole Boosters will be exposed to interest rate risk and liquidity risk on the \$15 million Hancock Bank loan. The Seminole Boosters have stated that they plan to utilize cash and investments on hand in the event they cannot refinance the Hancock Bank loan. The Seminole Boosters have had approximately \$17 million of cash on hand in average per year over the last five years.

In addition to the \$8.7 million 10 G&G loan, CollegeTown I was also financed with an additional private investment of approximately \$12 million. This loan is payable from the net revenues of CollegeTown I until 2018 when it retires. The Seminole Boosters will seek permanent financing on CollegeTown I once this loan retires.

Although the CollegeTown I loan is used to partially finance the Project, it does not appear to violate the functionally related test of the Debt Management Guidelines. The Project is for student housing, parking and retail space as was CollegeTown I and both are part of the overall CollegeTown concept.

(See Attachment Sourced and Uses).

Security/Lien Structure: The Loan with Ameris Bank for the Project will be secured by a mortgage on the property and net revenues of the Project. The revenues are derived primarily from rental income, retail and parking, after deducting operating expenses. The pledged security also includes a covenant by the Seminole Boosters to maintain a 1.3x

debt service coverage ratio. However, the bank has verbally agreed that it will not apply this requirement until 2019, after one full year of operation.

The loan with Hancock Bank on CollegeTown I is secured by an assignment of the Seminole Booster's portion of CollegeTown I revenues. The pledged security also includes a covenant by the Seminole Boosters to maintain a 1.3x debt service coverage ratio. Any future financing to take out the Hancock Bank loan in 2018 is planned to be secured by all net revenues of CollegeTown I.

Study of Private Sector Alternatives:

The Project is being constructed to provide comparably priced housing conveniently located to the university. It is also being viewed as an investment to generate additional financial resources in order to further support the University. Accordingly, the Seminole Boosters want to own the Project so that they are able to retain all benefits. Using a private party to build and run the Project or entering into a partnership agreement with a third party would require the Seminole Boosters to give up financial benefits associated with ownership. Furthermore, if the Project is 100% owned by the Seminole Boosters, as proposed, it would be exempt from property taxes, saving approximately 9% a year in expenses. As is the case in CollegeTown I and II, the Seminole Boosters' will involve the private sector by retaining a private management company, currently Greystar Inc., to operate and maintain the Project.

Taxable vs. Tax-Exempt: Although they have represented that tax counsel has not been consulted, the Seminole Boosters believe a taxable loan, in both circumstances, is necessary because of the potential end-users of CollegeTown I and the Project and the structure of the management contract will not allow the debt to be issued as tax-exempt. As a general rule, federal tax law restricts the private use of facilities to no more than ten percent of the amount financed with tax-exempt debt and the payment of the debt to no more than ten percent by private parties. Because the Seminole Boosters do not plan to restrict residents to students only, there is also private retail within the CollegeTown buildings, and the parking component of the Project will also provide for commercial spaces they believe the tax law allowing for tax-exemption on the loans will be violated. The Seminole Boosters also plan to utilize the same private management agreement used on other CollegeTown projects, which they believe violates the rules associated with tax-exempt financing.

**Pledged Revenues &
Debt Service Coverage:
CollegeTown I:**

During the two year period from year-end 2013 to 2015, CollegeTown I's net revenues grew from \$269,889 to approximately \$1.3 million resulting in historical coverage ratios of 0.62x and 1.53x for 2013 and 2015, respectively. For 2013, it was expected that revenues would be insufficient to meet debt service. Accordingly, reserves were used in the amount necessary to pay debt service. Based on projections, CollegeTown I is expected to generate net revenues of \$1.49 million in year-end 2016 at a 1.72x coverage ratio. These net revenues are expected to grow to \$1.53 million in year-end 2017 with a coverage ratio of 1.98x. The increase in coverage is a result of the refinancing of the 10 G&G loan. CollegeTown I's pledged revenues are expected around the \$1.6 million mark thereafter and increasing to \$1.7 million by year-end 2022.

CollegeTown III:

The Project is expected to open for fall 2018. During the first five-years of operation, pledged revenues are expected to grow from \$1.05 million in 2018 for a partial year and then from \$2.5 million to approximately \$2.7 million from year-end 2019 to year-end 2022. The majority of the Project's revenues come from rental and parking income. Coverage ratios for the Project are expected to go from 2.97x in 2018 to 1.38x in 2020 and 1.44x in 2022. The decline in coverage is due to anticipated principal payments occurring as early as 2019. Coverage is expected to be well above the banks' requirement of 1.3x and the Board of Governors' requirement of 1.2x.

Housing rental income has assumed a 95% occupancy rate based on annual leases. Projected operating revenues do not have set rate increases built in, however, they do assume that there will be an average 2.5% growth in all revenues each year. The assumptions provided explain rates may be increased or decreased, depending on market conditions. Garage and housing expenses, which include repairs, maintenance, insurance, cleaning, and management, are estimated at 28% and 29% of revenues, respectively, based on the experience of the developer from the previous CollegeTown projects and with other garages and apartments. There is also an assumed 2.5% increase in expenses each year.

The projected debt service for the Project loan has been calculated using an interest rate of 3.5% for the first three years of the construction loan, where debt service will be interest only. Following year three, the interest rate is assumed to increase to 3.69% for the remaining years until maturity. The projected debt service for the refinancing of CollegeTown I has been calculated using an interest

rate of 2.95% for two years until the conversion to permanent financing, at which a rate of 5% is estimated, as that financing will be determined at that time.

(See Attachment Historical and Projected Debt Service Coverage).

**Quantitative
Metrics/ IRR:**

The performance metrics for CollegeTown I and III will be based upon their annual cash flow after debt service payments which are available to support FSU. The Project is projected to generate an average of nearly \$1 million per year over the five year projection period. Additionally, CollegeTown I is projected to produce another \$800 thousand annual average over five years. The result is that more than \$1.8 million in additional annual cash flow is expected to be available for the Seminole Boosters to support the University. Additionally, a relevant performance metric for the Seminole Boosters is the level of support provided to the University. To measure the Seminole Boosters performance overall, information regarding the historical annual revenues generated by the Seminole Boosters and contributions to the University for each of the last six years has been provided in the Attachment (See Projected Revenues Metric). The Seminole Boosters' historical revenues averaged approximately \$37 million over the last six years and contributions to FSU were \$2.625 million per year. Management of the Seminole Boosters has set a floor for revenues of at least \$37 million per year and a floor for contributions to FSU of at least \$2.625 million per year. There is no formal plan for projected revenues or contributions to the University to measure future performance. The performance metrics for CollegeTown I and III are cash flow available from operations to support the University. The performance metrics for the Seminole Boosters is based on the Seminole Boosters growth in revenues and contributions to the University. The Historical and Projected Debt Service Coverage tables show the projected CollegeTown I and III cash flow available from operations and historical Seminole Boosters' revenues and contributions to FSU, respectively.

Type of Sale:

The Seminole Boosters provided a standard competitive versus negotiated sale analysis which analyzed various criteria in making a determination to negotiate a bank loan. While the Seminole Boosters have cited a number of criteria in the analysis as favoring a negotiated sale, the most compelling is due to the nature of the security pledged to repay the debt. Unlike a system-wide pledge of revenues (like the FSU housing system uses, which is a stronger and more secure pledge), CollegeTown III is a stand-alone pledge secured only by the net revenues from the CollegeTown III project. A stand-alone pledge is inherently a weaker security. If revenues from

the Project are insufficient to pay debt service, revenues from CollegeTown I and CollegeTown II are legally not available. Fundamentally this type of pledge is more difficult to place in the public market.

**Selection of
Professionals:**

The professionals involved in this transaction were not selected through a formal competitive solicitation process. The Seminole Boosters' selection process for financial advisor was based on Brad Williamson's, with Berkadia, experience of the CollegeTown project from a relationship developed over the completion of CollegeTown II, where he worked as the developer. The bond counsel for this transaction will be the Seminole Booster's general counsel, who is already under contract. The banks, however, were selected through a competitive selection process. Due to the complexity of this project and the loans involved, the Seminole Boosters determined the best way to obtain bank loan proposals was to judge interest and then discuss the projects with the banks that showed interest. Banks interested in either project provided the terms for the phase, or phases they were interested in. The financial advisor put the proposed terms in to a matrix for final approval by the SBI Real Estate Sub-Committee.

**Analysis and
Recommendation:**

Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by Florida State University with respect to the request for Board of Governors approval for the subject financing. Projections provided by the University indicate that sufficient net revenues will be generated from housing rental income, commercial rental income, parking fees, and other associated revenues to pay debt service on the Loan, the Hancock Bank loan, and other outstanding housing debt. It appears that the proposed financing is in compliance with the Florida Statutes governing the issuance of university debt and is generally in compliance with the Board of Governors Debt Management Guidelines, with the following as exceptions to the Debt Management Guidelines:

The Hancock Bank loan for CollegeTown I is paying interest only payments over the designated three year loan term, not principal, contrary to the debt guidelines. Nor does it comport with the refunding exception under the guidelines. Accordingly, Board staff is recommending it come back to the board to obtain approval for the refinancing.

Additionally, the Board of Governors should consider that the Hancock Bank loan exposes the Seminole Boosters to liquidity and

interest rate risk. If the Seminole Boosters are unable to obtain take-out financing at the end of the three years, they have stated they would pay the loan from cash and other investments available. This would be a significant amount of their current \$17 million cash position.

The Ameris Bank loan also puts the Seminole Boosters at interest rate risk as the construction loan rate and the permanent financing rate are not set until commitment of the financing after approval.

The 10 G&G investors in CollegeTown I are comprised of Seminole Booster Board members. The participation by Booster Board members as investors/lenders in CollegeTown I creates a possible conflict of interest; however, the current proposal removes any future participation by 10 G&G in CollegeTown I. CollegeTown III will be 100 % owned by the Boosters from inception.

Under the Debt Management Guidelines amended by the Board effective September 22, 2016, the original CollegeTown I project would have required the Board of Governors authorization, as it does not clearly fit within any category of debt that may be approved by the Trustees without Board approval. Nonetheless, the opinion of Board staff is that the proposed Project remedies the deficiencies identified with CollegeTown Phase I; and, solely relying on the financial projections of the University, the University has a reasonable expectation of seeking approval for permanent financing from the Board in 2020 that fully conforms to the Debt Management Guidelines.

Accordingly, staff of the Board of Governors recommends adoption of the resolution authorizing the proposed financing.

ATTACHMENT - SOURCES AND USES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FLORIDA STATE UNIVERSITY - SEMINOLE BOOSTERS, INC {"SBI"}
Estimated Sources and Uses of Funds
College Town III NM and College Town I Refinancing

Sources of Funds**Basis for Amounts**

Ameris Mortgage (CT III)	\$ 30,365,136	Construction loan amount based on a fixed interest rate of 3.5% for three years and then converting to 3.69% for 25 years
Hancock Bank Line of Credit (CT I)	15,000,000	Loan amount based on a fixed interest rate of 2.95% for 3 years
Total Sources of Funds	<u>\$ 45,365,136</u>	

Uses of Funds

Project Cost	33,515,637	Soft Costs (\$2,727,200), Building Costs (\$19,138,437), Garage Costs (\$10,250,000), Other Hard Costs (\$1,400,000)
10 G&G LLC Remuneration	8,694,000	Initial amount loaned plus 2% additional interest at take-out for 4 years estimated
Capitalized Interest	1,594,169	Estimated capitalized interest based on a fixed rate of 3.69% for 2.5 years
Project Contingency	987,409	
Cost of Issuance	573,921	Estimated mortgage title insurance (\$74,000); lender's attorney fees (\$15,000); mortgage brokerage fee (\$152,000); FA Fee (\$152,000) doc stamps (\$106,300); FL intangible tax (\$60,100) and other associated fees.
	<u>\$ 45,365,136</u>	

State of Florida, Board of Governors
Florida State University
Historical and Projected Debt Service Coverage
CollegeTown I - III

	Historical			Estimated Current	Projected				
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues									
<i>CT Phase I Revenues</i>									
Housing Revenues	\$ 560,422	\$ 1,559,247	\$ 1,315,431	\$ 1,536,674	\$ 1,575,091	\$ 1,614,468	\$ 1,654,830	\$ 1,696,200	\$ 1,738,605
Retail/ Commercial Rent	358,303	996,895	1,315,431	1,476,412	1,513,322	1,551,156	1,589,934	1,629,683	1,670,425
Parking Revenues	-	-	-	-	-	-	-	-	-
Other Operating Income	57,389	-	-	-	-	-	-	-	-
<i>CT Phase I Revenues Subtotal</i>	\$ 976,114	\$ 2,556,142	\$ 2,630,862	\$ 3,013,086	\$ 3,088,413	\$ 3,165,623	\$ 3,244,764	\$ 3,325,883	\$ 3,409,030
<i>CT Phase II Revenues</i>									
Housing Revenues	\$ -	\$ -	\$ -	\$ 757,198	\$ 1,817,274	\$ 1,862,706	\$ 1,909,273	\$ 1,957,005	\$ 2,005,930
Retail/ Commercial Rent	-	-	-	152,419	457,256	468,687	480,404	492,414	504,725
Parking Revenues	-	-	-	457,113	1,371,338	1,405,621	1,440,762	1,476,781	1,513,701
Other Operating Income	-	-	-	25,000	60,000	61,500	63,038	64,613	66,229
<i>CT Phase II Revenues Subtotal</i>	\$ -	\$ -	\$ -	\$ 1,391,729	\$ 3,705,868	\$ 3,798,514	\$ 3,893,477	\$ 3,990,814	\$ 4,090,585
<i>CT Phase III Revenues</i>									
Housing Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,170,804	\$ 2,810,001	\$ 2,880,178	\$ 2,952,182
Retail/ Commercial Rent	-	-	-	-	-	9,562	22,950	23,524	24,112
Parking Revenues	-	-	-	-	-	282,747	678,592	695,557	712,946
Other Operating Income	-	-	-	-	-	37,500	90,000	92,250	94,556
<i>CT Phase III Revenues Subtotal</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,613	\$ 3,601,543	\$ 3,691,509	\$ 3,783,796
Total CT Operating Revenues	\$ 976,114	\$ 2,556,142	\$ 2,630,862	\$ 4,404,815	\$ 6,794,281	\$ 8,464,751	\$ 10,739,784	\$ 11,008,206	\$ 11,283,411
Operating Expenses									
<i>CT Phase I Expenses</i>									
Salaries and Personnel Services	\$ 129,193	\$ 158,172	\$ 151,974	\$ 176,330	\$ 180,738	\$ 185,257	\$ 189,888	\$ 194,635	\$ 199,501
Maintenance/Materials & Supplies	43,634	125,816	147,876	133,000	136,325	139,733	150,538	161,830	173,627
Utilities	93,337	270,499	232,848	260,186	266,691	273,358	280,192	287,197	294,377
Parking/Garage Expenses	-	-	-	-	-	-	-	-	-
Other Operating Expenses	440,061	775,397	764,834	949,052	972,778	997,098	1,022,025	1,047,576	1,073,765
<i>CT Phase I Expenses Subtotal</i>	706,225	1,329,884	1,297,532	1,518,568	1,556,532	1,595,446	1,642,644	1,691,238	1,741,270
<i>CT Phase II Expenses</i>									

Salaries and Personnel Services	\$ -	\$ -	\$ -	\$ 37,919	\$ 91,007	\$ 93,282	\$ 95,614	\$ 98,004	\$ 100,454
Maintenance/Materials & Supplies	-	-	-	30,163	72,390	74,200	76,055	77,956	79,905
Utilities	-	-	-	64,848	155,636	159,526	163,515	167,602	171,792
Parking/Garage Expenses	-	-	-	103,687	311,062	318,839	326,810	334,980	343,354
Other Operating Expenses	-	-	-	185,890	446,136	457,289	468,722	480,440	492,451
CT Phase II Expenses Subtotal	\$ -	\$ -	\$ -	\$ 422,507	\$ 1,076,230	\$ 1,103,136	\$ 1,130,714	\$ 1,158,982	\$ 1,187,957
CT Phase III Expenses									
Salaries and Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,802	\$ 105,124	\$ 109,455	\$ 113,937
Maintenance/Materials & Supplies	-	-	-	-	-	34,842	83,620	87,065	90,630
Utilities	-	-	-	-	-	74,908	179,779	187,186	194,850
Parking/Garage	-	-	-	-	-	79,169	190,006	194,756	199,625
Other Operating Expenses	-	-	-	-	-	214,727	515,345	536,576	558,547
CT Phase III Expenses Subtotal	-	-	-	-	-	447,447	1,073,874	1,115,038	1,157,589
Total CT Operating Expenses	\$ 706,225	\$ 1,329,884	\$ 1,297,532	\$ 1,941,075	\$ 2,632,762	\$ 3,146,028	\$ 3,847,232	\$ 3,965,258	\$ 4,086,815
CT I Net Operating Revenue	\$ 269,889	\$ 1,226,258	\$ 1,333,330	\$ 1,494,518	\$ 1,531,881	\$ 1,570,178	\$ 1,602,120	\$ 1,634,645	\$ 1,667,760
Operating Investment Income	-	-	-	-	-	-	-	-	-
CT I Pledged Revenues	\$ 269,889	\$ 1,226,258	\$ 1,333,330	\$ 1,494,518	\$ 1,531,881	\$ 1,570,178	\$ 1,602,120	\$ 1,634,645	\$ 1,667,760
CT II Net Operating Revenue	\$ -	\$ -	\$ -	\$ 969,221	\$ 2,629,638	\$ 2,695,379	\$ 2,762,763	\$ 2,831,832	\$ 2,902,628
Investment Income	-	-	-	-	-	-	-	-	-
CT II Pledged Revenues	\$ -	\$ -	\$ -	\$ 969,221	\$ 2,629,638	\$ 2,695,379	\$ 2,762,763	\$ 2,831,832	\$ 2,902,628
CT III Net Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,053,166	\$ 2,527,669	\$ 2,576,471	\$ 2,626,207
Investment Income	-	-	-	-	-	-	-	-	-
CT III Pledged Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,053,166	\$ 2,527,669	\$ 2,576,471	\$ 2,626,207
Total CT Pledged Revenues	\$ 269,889	\$ 1,226,258	\$ 1,333,330	\$ 2,463,739	\$ 4,161,519	\$ 5,318,723	\$ 6,892,553	\$ 7,042,948	\$ 7,196,595
Annual Debt Service									
Hancock Debt Service (\$15M)	\$ -	\$ -	\$ -	\$ -	\$ 368,750	\$ 442,500	\$ 442,500	\$ -	\$ -
\$15M Refinance	-	-	-	-	-	-	-	\$ 950,635	\$ 1,052,262
10 G&G LLC Payment (\$2.1M)	\$ 39,375	\$ 126,000	\$ 126,000	\$ 126,000	\$ -	\$ -	\$ -	\$ -	\$ -
10 G&G LLC Accrued (\$2.1M)	\$ 44,625	\$ 42,000	\$ 42,000	\$ 42,000	\$ -	\$ -	\$ -	\$ -	\$ -
10 G&G LLC Preferred Return	\$ 148,500	\$ 297,000	\$ 297,000	\$ 297,000	\$ -	\$ -	\$ -	\$ -	\$ -
Federal New Market Tax Credit (CTA Loan A - \$7.4M)	\$ 55,742	\$ 111,484	\$ 111,484	\$ 111,484	\$ 111,484	\$ 111,484	\$ -	\$ -	\$ -
Federal New Market Tax Credit (CTA Loan B - \$2.33M)	\$ 17,660	\$ 35,319	\$ 35,319	\$ 35,319	\$ 35,319	\$ 35,319	\$ -	\$ -	\$ -
Federal New Market Tax Credit (CDE Loan A - \$13.1M)	\$ 99,227	\$ 198,454	\$ 198,454	\$ 198,454	\$ 198,454	\$ 198,454	\$ -	\$ -	\$ -
Federal New Market Tax Credit (CDE Loan B - \$3.9M)	\$ 29,548	\$ 59,096	\$ 59,096	\$ 59,096	\$ 59,096	\$ 59,096	\$ -	\$ -	\$ -
CT I Debt Service	\$ 434,677	\$ 869,353	\$ 869,353	\$ 869,353	\$ 773,103	\$ 846,853	\$ 442,500	\$ 950,635	\$ 1,052,262

CT II Debt Service	-	-	-	-	-	927,200	1,043,100	1,493,987	1,708,140
CT III Debt Service*	-	-	-	-	-	354,260	1,395,559	1,861,521	1,861,521
Total Estimated Annual Debt Service	\$ 434,677	\$ 869,353	\$ 869,353	\$ 869,353	\$ 773,103	\$ 2,128,313	\$ 2,881,159	\$ 4,306,143	\$ 4,621,923
CT I Pledged Revenues after DS and avail for other Exp/Trfrs	\$ (164,788)	\$ 356,905	\$ 463,977	\$ 625,165	\$ 758,778	\$ 723,325	\$ 1,159,620	\$ 684,010	\$ 615,498
CT II Pledged Revenues after DS and avail for other Exp/Trfrs	\$ -	\$ -	\$ -	\$ 969,221	\$ 2,629,638	\$ 1,768,179	\$ 1,719,663	\$ 1,337,845	\$ 1,194,488
CT III Pledged Revenues after DS and avail for other Exp/Trfrs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 698,906	\$ 1,132,110	\$ 714,950	\$ 764,686
Total Pledged Revenues after DS and avail for other Exp/Trfrs	\$ (164,788)	\$ 356,905	\$ 463,977	\$ 1,594,386	\$ 3,388,416	\$ 3,190,410	\$ 4,011,394	\$ 2,736,806	\$ 2,574,673
Maximum Annual Debt Service	\$ 434,677	\$ 869,353	\$ 869,353	\$ 869,353	\$ 773,103	\$ 2,128,313	\$ 2,881,159	\$ 4,306,143	\$ 4,621,923
<u>Debt Service Coverage Ratios</u>									
CT I Total Annual Debt Service	0.62	1.41	1.53	1.72	1.98	1.85	3.62	1.72	1.58
CT II Total Annual Debt Service						2.91	2.65	1.90	1.70
CT III Total Annual Debt Service						2.97	1.81	1.38	1.41
Maximum Annual Debt Service	0.62x	1.41x	1.53x	2.83x	5.38x	2.50x	2.39x	1.64x	1.56x

Revenue: Within these revenues above it is assumed that there will be an increase in the revenues of 2.5% per year, which results in a 2.5% increase in expenses each year.

Expenses: The estimated expenses for the garage and residential include items such as repairs and maintenance, insurance, cleaning, and overall management of the facilities.

For CollegeTown III the 2018 year is a short-year, as the facility will open in August for the 2018-2019 school year. Therefore, the 2018 calendar year will only provide 5 months of revenue while calculating DSC on a full year or debt service.

D/S in 2013 was short and stood at 0.62. D/S was partially paid with excess reserves from the NMTC Loans and Ten G&G.

* Excludes Capitalized interest for 2017 and 2018 totaling \$1.6M

**State of Florida, Board of Governors
Florida State University
CollegeTown I and III Projected Pledged Revenues Available to Transfer to FSU Metric**

	<u>FY2017*</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>
CT III's Projected Revenues after DS Available to Contribute to FSU	-	610,341	1,550,196	870,689	924,319	978,923
CT I's Projected Revenues after DS Available to Contribute to FSU	758,778	723,325	1,166,932	699,033	638,648	680,921

*CollegeTown III is projected to open 8/17 and operates on a calendar year basis, leading to no available revenues for 2017

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 25, 2017**

SUBJECT: Housing Study

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

At its meeting held on September 22, 2016, Committee members reviewed detailed information concerning each university's housing system, including information regarding current and historical rates charged to students. During the meeting, staff were charged with working with the universities to provide additional information; in particular, addressing the rationale and use of housing fund reserves.

Towards that end, the universities were asked to address key questions regarding housing reserves. This information has been summarized in the attached responses, the individual responses of the universities are available upon request.

Supporting Documentation Included: Housing Summary Report

Facilitators/Presenters: Mr. Chris Kinsley

State University System Housing Analysis Summary

1. What kind of market analysis is done by universities when evaluating university housing rental rates?

A survey is conducted by each university to come up with a fair price to set for on campus housing. Many of the universities in the SUS compare their prices to nearby off campus apartments. However, some universities, such as FSU and UF, find comparing their on campus housing options to off campus apartments is not reasonable when taking amenities and facility type into consideration. Other universities, such as FPU and NCF, are located in smaller areas so off campus housing is not an alternative. A majority of the universities in the SUS indicated their goal in the market analysis was to minimize their debt as well as make the on campus housing affordable and a better option for students. Surveys are administrated every year by the universities in order to keep up to date with the market.

2. What amount and kind of reserves are maintained by housing operations?

Operating cash amounts vary throughout the year as housing rents are received, and debt payments, capital improvement, deferred maintenance projects, and other operational expenses are paid. The amount of operating expenditures and operating reserves varies for each of the universities in the SUS. For instance, UCF has maintained renewal and replacement reserves equal to 30% of their annual operating rental revenue, while FAU has reserved 2-3% of their revenue for major equipment replacement.

3. What is the intent of the reserves?

Reserves are maintained to ensure the university is able to meet debt service requirements. Operating cash is primarily preserved as part of a good business practice to address unforeseen major expenses within the residential community and to provide funding for planned major repairs and renovations. FSU has placed operating cash available in the case of an emergency, such as a natural disaster that closes the campus for a period of time, or major equipment replacement and hall renovations. The higher levels of reserves are viewed favorably by the rating agencies.

4. How are housing reserves being used?

Operating cash is used to cover bond payments, capital improvement projects, payroll, deferred maintenance, utilities, and other operational expenses. The operating cash balance will decrease when these expenses are made and increase when rental income is deposited, deferred rent is

due, or when financial aid funds are received. These are all large infusions of cash.

5. Are the reserves ever used for non-housing related purposes? If so, what purposes?

All of the universities have answered no.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 25, 2017**

SUBJECT: University of Central Florida Academic Hospital

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 1013.171, Florida Statutes

BACKGROUND INFORMATION

On October 27, 2016, The University of Central Florida (UCF), submitted a request for P3 Approval. UCF proposes to lease 25.2 acres to UCF Academic Health, Inc. (UCFAH), a direct support organization of UCF, who will in turn, sublease the land to Hospital Corporation of America (the "Owner" or "HCA") for the purpose of building an academic hospital to support research and training for its medical school.

The UCF project will be introduced by Board staff, followed by a presentation from UCF which will describe the project in further detail. Pursuant to the Guidelines, UCF will come before the Committee at a future meeting to seek approval.

Supporting Documentation Included: None

Facilitators/Presenters: Mr. Chris Kinsley
Dr. Deborah German



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA
Budget and Finance Committee
Saddle Creek Logistics Commons
Innovation, Science, and Technology Building
Florida Polytechnic University
4700 Research Way
Lakeland, FL 33805-8531
January 26, 2017
8:30 a.m. – 9:00 a.m.
or
Upon Adjournment of Previous Meetings

Chair: Mr. Ned Lautenbach; Vice Chair: Mr. Alan Levine
Members: Doyle, Hebert, Huizenga, Kitson, Kuntz, Tripp

- | | | |
|-----------|---|---|
| 1. | Call to Order and Opening Remarks | Governor Ned Lautenbach |
| 2. | Minutes of Committee Meeting
Minutes, October 17, 2016
Minutes, November 3, 2016 | Governor Lautenbach |
| 3. | Public Notice of Intent to Amend Board of Governors Regulation <ul style="list-style-type: none">Regulation 9.014 Collegiate License Plates Revenues | Mr. Tim Jones
<i>Vice Chancellor for Finance and Administration</i> |
| 4. | 2017-2018 Board Office Legislative Budget Request | Mr. Jones |
| 5. | Performance-Based Funding Model | Governor Lautenbach |
| 6. | Concluding Remarks and Adjournment | Governor Lautenbach |

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
January 26, 2017**

SUBJECT: Minutes of Committee Meetings held October 17, 2016 and
November 3, 2016

PROPOSED COMMITTEE ACTION

Approve the minutes from the meeting held on October 17, 2016 and November 3, 2016

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and approve the minutes of the meetings held on October 17, 2016 at the University of South Florida and November 3, 2016 at Florida Atlantic University.

Supporting Documentation Included: Minutes: October 17, 2016
Minutes: November 3, 2016

Facilitators/Presenters: Governor Ned Lautenbach

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
UNIVERSITY OF SOUTH FLORIDA
TAMPA, FLORIDA
OCTOBER 17, 2016

*Video or audio archives of the meetings of the Board of Governors
and its Committees are accessible at <http://www.flbog.edu/>.*

Mr. Ned Lautenbach, Chair, convened the meeting of the Budget and Finance Committee at 3:03 p.m. Members present for roll call were Dean Colson, Jacob Hebert, Tom Kuntz, H. Wayne Huizenga, Jr., and Norman Tripp. Other board members present included Dick Beard, Wendy Link, Edward A. Morton, and Gary Tyson.

1. **Call to Order**

Mr. Lautenbach called the meeting to order.

2. **Prioritization of Legislative Budget Issues**

Mr. Lautenbach stated that although revenues for 2017-18 looked promising, the state could experience a shortfall in 2018-19 and 2019-20. Since then Hurricane Matthew pounded the state and shut down our whole eastern and central sections of the state. It's too early to tell the fiscal impact, but this will have a negative impact on the state's revenues for this year. Updated revenue projections won't be provided by the State until December, thus the impact on the current year budget is unknown at this time.

In September there were several budget issues which come through other committees to the Budget and Finance Committee. This Committee's charge from the Chair is to prioritize these issues in terms of strategic importance for the Board.

In addition to those issues voted out of the respective committees, the Strategic Planning committee heard presentations from UF and FSU on their goals and fiscal needs to improve in the national rankings.

Also, Mr. Huizenga, Mr. Colson and Mr. Lautenbach have been working with New College of Florida on a plan to improve their campus and grow enrollments. There will be a presentation from New College at the November meeting on their fiscal needs.

For today, the Committee needs to prioritize the issues presented in the materials. Staff has looked at some of the issues to see how they may be implemented over a two year period, and that recommendation is included.

Mr. Tim Jones spoken to each of you to get your priorities, and those have been summarized in the document before each member.

Mr. Tripp stated that it would be helpful if there was a prioritization of what types of cluster hires would be made with the \$80 million requested. Having a list of those priorities would help our elected leaders.

Dr. Jan Ignash indicated that the research vice presidents had looked at four areas of focus. However, the intent of the issue was to make it a competitive grant to give institutions flexibility on the type of cluster hire that would be most strategic for their institution.

After discussion, Mr. Tripp moved that the Committee approve the prioritized list as presented. Mr. Hebert seconded the motion, and members of the Committee concurred.

3. **Performance Based Funding Model**

Mr. Lautenbach introduced the next item which is the annual review of the performance funding model. Staff is here to walk us through the various issues. No action will be taken at this meeting. The plan is to give direction to staff on each item and depending on that direction, the Committee may be able to approve changes in November.

Mr. Jones walked the Committee through the following issues:

- A. Metric 1 – Percent of Bachelor’s Graduates Employed and/or Continuing their Education Further 1 Year after Graduation. This metric’s definition was amended by the Board in January 2016 to raise the wage threshold from minimum wage to \$25,000. Past practice has been to adjust the benchmarks based on the new definitions. Therefore, staff proposes to revise the benchmarks to reflect the new system average based on the updated definition, thus the benchmarks would be adjusted accordingly.

Members discussed whether the benchmarks should be adjusted or should they be left alone as a method of making the metric more challenging. Members requested staff to present at the next meeting what the points by institution would be if the benchmarks were left alone versus adjusted.

- B. Metric 2 - Median Wages of Bachelor's Graduates Employed Full-time in Florida One Year after Graduation. Currently this metric only includes wages from bachelor's recipients that work in Florida. Data is now available from 42 states, District of Columbia, and Puerto Rico. Staff proposes to expand the data set to include wages from outside Florida and if so, determine the correct benchmarks.

Members discussed whether to include data from outside Florida. Consensus was that we should capture employment data from all the SUS graduates. Members requested staff to present at the next meeting what the points by institution would be if the data set was adjusted but the benchmarks were left alone.

- C. Metric 3 - Average Cost per Bachelor's Degree. Currently this metric consists of the last four years of expenditure data divided by the number of credit hours for that year to create a cost per credit hour for each year. This cost per credit hour for each year is multiplied by 30 to derive an annual cost. The average annual cost for each year is summed to provide an average cost for a baccalaureate degree that requires 120 credit hours.

This metric has two primary concerns; 1) as long as the appropriations to the universities increase, there will not be any improvement on this metric; and 2) the allocation of faculty effort can significantly impact expenditures.

Florida statute passed in 2016, and Board Regulation 5.001 adopted September 22, 2016 requires an affordability metric.

The proposal is to replace this metric with a metric that determines a student's net tuition and fee cost for a 120 hour baccalaureate degree. This metric will have four entry points for the universities to impact; 1) although undergraduate tuition is set by the legislature, the university controls fees and will have an incentive to keep fees low; 2) inclusion of textbooks as an to reduce the cost; 3) universities can increase institutional financial aid to lower a student's cost; and 4) universities will be incentivized to ensure that students take only the courses needed to obtain their baccalaureate degree in 120 hours.

Members discussed the proposed metric. Mr. Morton requested information on the funding per FTE student and indicated that a universities funding level would have an impact on the amount of institutional aid that can be provided. Members discussed whether student debt should be a component of the new metric. Florida Gulf Coast University and Florida International University spoke against changing the metric while New College spoke in support of the change. Staff stated that the textbook component of the proposed metric uses national data as there is not a methodology currently in place for Florida university data.

Members requested staff to work with the universities on a methodology for Florida textbooks.

D. Metric 10 – Board of Trustee Choice Metric –

- a. UNF is requesting to change the BOT Choice Metric from Percentage of Course Sections Offered via Distance and Blended Learning to Percentage of SUS Undergraduate FTE Enrollments in Online Courses. This change aligns UNF’s metric with the revised SUS Online Education Strategic Plan Goal.
- b. UF is requesting to change the BOT Choice Metric from Total Research Expenditures (benchmarked against AAU institutions) to Licenses & Options Completed with Companies Commercializing Researcher Discoveries. This change would remove the “stretch” from UF’s metric and create a metric and benchmarks that result in a higher Excellence score.

Members discussed a process for reviewing Metrics 9 and 10; the two choice metrics. As we complete Year 4 of the performance funding model, reviewing a process for modifying these two metrics should be a topic of discussion in the fall of 2016.

4. **Concluding Remarks and Adjournment**

Having no further business, the meeting was adjourned at 4:57 p.m.

Tim Jones, Vice Chancellor
Finance and Administration

Ned Lautenbach, Chair

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA ATLANTIC UNIVERSITY
BOCA RATON, FLORIDA
NOVEMBER 3, 2016

*Video or audio archives of the meetings of the Board of Governors
and its Committees are accessible at <http://www.flbog.edu/>.*

Mr. Ned Lautenbach, Chair, convened the meeting of the Budget and Finance Committee at 10:13 a.m. Members present for roll call were Dean Colson, Dan Doyle, Jacob Hebert, Tom Kuntz, H. Wayne Huizenga, Jr., and Norman Tripp. Alan Levine joined the meeting at 10:24. Other board members present included Darlene Jordan, Wendy Link, Edward A. Morton, Pam Stewart, Gary Tyson and Fernando Valverde.

1. **Call to Order**

Mr. Lautenbach called the meeting to order.

Mr. Lautenbach noted that during November universities are asked to let the Board know whether the institution are considering any increases to certain existing fees or new fees. He reported that no university is requesting a new fee or increases to any select fees at this time. Final institutional requests are due to the Board Office in March, 2017.

2. **Prioritization of Legislative Budget Issues Update**

Mr. Lautenbach reviewed the prioritized list approved at the October 17 meeting, and asked if the Committee members had any changes. Barring no changes, the list will be presented to the full Board for consideration.

Mr. Lautenbach stated that in the Strategic Planning Committee, New College presented a plan for growth that included additional operating and facility funding needs. The Strategic Planning Committee moved that this Committee consider the operational funding request.

The new College operating funding request is for \$11.9 million over three years: \$5.4 M for 2017-18; \$4.1 M for 2018-19; and \$2.4 M for 2019-20.

After discussion, members of the Committee indicated support for including the New College operating funding request in the Board's official LBR.

Mr. Colson moved that the Committee approve the New College plan for growth of \$5.4 million in the official 2017-18 LBR. Mr. Doyle seconded the motion, and members of the Committee concurred.

3. **Performance-Based Funding Model**

Mr. Lautenbach stated that the Committee met on October 17 to review potential changes to the model.

He requested Mr. Jones walked the Committee through each of the issues, one at a time, and the Committee would discuss and determine any action.

Mr. Jones presented the following issues:

- A. Metric 1 – Percent of Bachelor's Graduates Employed and/or Continuing their Education Further 1 Year after Graduation. This metric's definition was amended by the Board in January 2016 to raise the wage threshold from minimum wage to \$25,000. Past practice has been to adjust the benchmarks based on the new definitions. Staff presented the impact of points on this metric based on using the existing benchmarks compared to changing the benchmarks.

Ms. Link expressed concern about modifying the benchmark based on the revised definition as it gives the appearance that we are lowering our standard. Mr. Lautenbach stated that adjusting the benchmarks would be consistent with past practices when the definition of the metric is changed.

Mr. Kuntz stated that Ms. Link raises a good point, and that in the future the Committee may want to have discussion on benchmarks.

After discussion, Mr. Tripp moved that the Committee approve the adjusted benchmark for Metric 1 effective immediately. Mr. Doyle seconded the motion, and members of the Committee concurred.

- B. Metric 2 - Median Wages of Bachelor's Graduates Employed Full-time in Florida One Year after Graduation. Currently this metric only includes wages from bachelor's recipients that work in Florida. Data is now available from 42 states, District of Columbia, and Puerto Rico. Staff proposes to expand the data set to include wages from outside Florida and if so, determine the correct benchmarks.

Staff presented the impact of points on this metric based on using the existing benchmarks compared to changing the benchmarks.

After discussion, Mr. Kuntz moved that the Committee approve the adjusted definition and benchmark for Metric 2 effective immediately. Mr. Tripp seconded the motion, and members of the Committee concurred.

- C. Metric 3 – Average Cost per Bachelor’s Degree. Currently this metric consists of the last four years of expenditure data divided by the number of credit hours for that year to create a cost per credit hour for each year. This cost per credit hour for each year is multiplied by 30 to derive an annual cost. The average annual cost for each year is summed to provide an average cost for a baccalaureate degree that requires 120 credit hours.

The proposal is to replace this metric with a metric that determines a student’s net tuition and fee cost for a 120 hour baccalaureate degree. This metric will have four entry points for the universities to impact; 1) although undergraduate tuition is set by the legislature, the university controls fees and will have an incentive to keep fees low; 2) inclusion of textbooks as an to reduce the cost; 3) universities can increase institutional financial aid to lower a student’s cost; and 4) universities will be incentivized to ensure that students take only the courses needed to obtain their baccalaureate degree in 120 hours. Staff provided information on student loan default rates.

It was also noted that this metric addresses many of the points raised by Governor Scott during his presentation yesterday afternoon to the Board. Particularly keeping student tuition and fees low and graduating in four years.

Staff presented benchmarks for the proposed Metric 3 based on the system average.

Florida International University and Florida Gulf Coast University expressed concerns about the new metric, specifically the double-counting of excess credit hours that are currently in Metric 9. Mr. Lautenbach stated that if a university improves on the excess hour metric, then it would be a double benefit to the university. Florida Gulf Coast University also requested that implementation of the metric be delayed one year.

After the discussion, Mr. Kuntz moved that the Committee approve the proposed new Metric 3 effective immediately. Mr. Colson seconded the motion, and members of the Committee concurred.

Mr. Kuntz instructed staff to work with the universities on developing a consistent textbook methodology that could be used instead of the national average.

D. Metric 10 – Board of Trustee Choice Metric –

- a. UNF is requesting to change the BOT Choice Metric from Percentage of Course Sections Offered via Distance and Blended Learning to Percentage of SUS Undergraduate FTE Enrollments in Online Courses. This change aligns UNF’s metric with the revised SUS Online Education Strategic Plan Goal.

After the discussion, Mr. Kuntz moved that the Committee approve the revised Metric 10 for the University of North Florida effective immediately. Mr. Tripp seconded the motion, and members of the Committee concurred.

- b. UF is requesting to change the BOT Choice Metric from Total Research Expenditures (benchmarked against AAU institutions) to Licenses & Options Completed with Companies Commercializing Researcher Discoveries. This change would remove the “stretch” from UF’s metric, and create a metric and benchmarks that result in a higher Excellence score.

After the discussion, Mr. Kuntz moved that the Committee approve the revised Metric 10 for the University of Florida effective immediately. Mr. Tripp seconded the motion, and members of the Committee concurred.

4. **Concluding Remarks and Adjournment**

Having no further business, the meeting was adjourned at 10:45 a.m.

Tim Jones, Vice Chancellor
Finance and Administration

Ned Lautenbach, Chair

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
January 26, 2017**

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 9.014
Collegiate License Plate Revenues

PROPOSED COMMITTEE ACTION

Approve the public notice of intent to amend Board of Governors Regulation 9.014

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Section 320.08058(3), Florida Statutes

BACKGROUND INFORMATION

Section 320.08058(3)(b), Florida Statutes, states that the Board of Governors shall require each state university to submit a plan for approval of the expenditure of all revenues collected from the sale of collegiate license plates. The funds may only be used for academic enhancement, including scholarships and private fundraising activities.

During fiscal year 2014-2015, close to \$6 million was generated from the sale of collegiate license plates for the universities.

	Gross Revenues
FAMU	\$431,615
FAU	\$60,114
FGCU	\$42,455
FIU	\$65,421
FSU	\$1,806,837
NCF	\$22,919
UCF	\$392,534
UF	\$2,569,729
UNF	\$44,906
USF	\$389,796
UWF	\$28,764

The expenditure plans below indicate the percentage of funds expended for scholarships, fundraising and academic enhancements. The plans are effective

indefinitely, unless the university requests to deviate from the approved plan by more than 10 percent pursuant to regulation.

	Scholarships	Fundraising	Academic Enhancement
FAMU	85%	15%	
FAU	75%	25%	
FGCU	100%		
FIU	50%	50%	
FSU	90%	10%	
NCF	50%	10%	40%
UCF	20%	30%	50%
UF	60%	40%	
USF	20%	66%	14%
UNF	70%	30%	
UWF	40%	60%	

A change is needed for the University of West Florida to conform to the expenditure plan approved by the Board of Regents in 1997. The following change is requested:

	Scholarships	Fundraising
UWF - Current	40%	60%
UWF - Change	60%	40%

A change is needed for the Florida A&M University to conform to the expenditure plan approved by the Board of Trustees in February 2011. The following change is requested:

	Scholarships	Fundraising
FAMU - Current	85%	15%
FAMU - Change	25%	75%

On December 1, 2016, the University of Florida Board of Trustees approved a modification to their expenditure plan as follows:

	Scholarships	Fundraising
UF - Current	60%	40%
UF- Proposed	40%	60%

If approved, the amended regulation will be noticed on the Board's website for 30 days with final approval by the Board at the March 30, 2017 meeting.

Supporting Documentation Included: 1. Amended Regulation 9.014
2. UWF Material
3. FAMU Material
4. UF Material

Facilitators/Presenters: Mr. Tim Jones

9.014 Collegiate License Plates Revenues

(1) Pursuant to ~~S~~section 320.08058(3)(b), Florida Statutes, each university board of trustees must submit an expenditure plan to the Board of Governors for approval of all funds generated from the sale of collegiate license plates. The revenues generated may be used only for academic enhancement, including scholarships and private fund raising activities.

(2) The expenditure plan shall indicate the percentage of revenues allocated for academic enhancement, including scholarships and private fund raising activities. The expenditure plans previously approved are as follows:

	Scholarships	Fundraising	Academic Enhancement
FAMU	25 85%	75 15%	
FAU	75%	25%	
FGCU	100%		
FIU	50%	50%	
FSU	90%	10%	
NCF	50%	10%	40%
UCF	20%	30%	50%
UF	60 40%	40 60%	
USF	20%	66%	14%
UNF	70%	30%	
UWF	40 60%	60 40%	

(3) The Board of Governors Office must be notified of any deviations from the approved expenditure plan in subparagraph (2) and any deviations of more than 10 percent from the approved expenditure plan must be submitted to the Board of Governors for review and approval.

Authority: Section 7(d), Art. IX, Fla. Const.; Section 320.08058(3)(b), Florida Statute, New 11-25-13, [Amended](#).



University of West Florida
Foundation, Inc.

11000 University Parkway
Pensacola, FL 32514-5750

September 3, 2014

Ryan Hill
Bureau of Titles and Registrations
Division of Motor Vehicles
Specialty License Plate Section, Mail Stop 68
2900 Apalachee Parkway
Tallahassee, FL 32399-0500

Mr. Hill,

Florida Statute Sections 320.08056, 320.08058, and 320.08062 establish the policies and procedures for the administration of the collegiate license plate program. The statutes and administrative guidance state that the funds may be "used only for academic enhancement, including scholarships, and private fund-raising activities" and funds "shall be utilized consistent with the university expenditure plans approved by the FBOE (Florida Board of Education)." In keeping with the statute, license tag funds have been expended for scholarships and fundraising each year (see chart below).

University of West Florida Foundation
Calculation of 6 Year Average of License Plate Disbursements
For the Dates Indicated

FY10	Fundraising	775.27	2.75%
FY10	Scholarships	27,378.55	97.25%
FY11	Fundraising	15,010.79	40.01%
FY11	Scholarships	22,505.86	59.99%
FY12	Fundraising	9,000.00	20.69%
FY12	Scholarships	34,500.00	79.31%
FY13	Fundraising	6,823.52	16.51%
FY13	Scholarships	34,500.00	83.49%
FY14	Fundraising	24,244.73	67.02%
FY14	Scholarships	11,930.00	32.98%
5 year total	Fundraising	55,854.31	29.92%
5 year total	Scholarships	130,814.41	70.08%
5 year average	Fundraising	11,170.86	29.92%
5 year average	Scholarships	26,162.88	70.08%

Phone 850.474.2758 Fax 850.474.2714

Web uwf.edu

An Equal Opportunity/Equal Access Institution



University of West Florida
Foundation, Inc.

11000 University Parkway
Pensacola, FL 32514-5750

When received by the Foundation, license tag funds are split 60/40 into separate accounts for scholarships and fundraising, respectively. The UWF Foundation approved plan indicates that once in those accounts, funds cannot be expended for any other purpose. In this way we ensure that the overall use of funds is in compliance with our approved plan. However, as noted in previous years, due to the timing of the expenditures, the utilization of funds is seldom a 60/40 split within any given year.

Please review the 5-year average chart and the current Specialty License Plate Revenue, Expenditure, and Compliance Affidavit for FY13. I hope that I have addressed in advance any questions or concerns you may have with the attached information. However, if I have not, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel Lucas", with a large, loopy initial "D" and a trailing flourish.

Daniel Lucas
CFO
UWF Foundation, Inc.

Enclosure

Phone 850.474.2758 Fax 850.474.2714

Web uwf.edu

An Equal Opportunity/Equal Access Institution



Florida Agricultural and Mechanical University

TALLAHASSEE, FLORIDA 32307-3100

JAMES H. AMMONS, Ph.D., PRESIDENT

OFFICE OF THE PRESIDENT

TELEPHONE: (850) 599-3225
FAX: (850) 561-2152
TDD: (850) 561-2784

March 2, 2011

Ms. Kristie Harris
Director of University Budgets
Board of Governors
State University System of Florida
325 West Gaines Street
Tallahassee, FL 32399-0400

Dear Ms. Harris:

This is to inform you that effective February 10, 2011, the Florida A&M University Board of Trustees approved changing the allocation of revenues received from Collegiate License Plate fees. Below is a summary of the reallocations:

Previous Allocations:

85% - Scholarships

15% - Fundraising

Revised Allocations (Effective 2/10/2011):

25% - Scholarships

75% - Fundraising

This action is pursuant to Section 320.08058 of the Florida Statutes. If you have any questions or concerns, I may be reached at (850) 599-3225.

Sincerely,

James H. Ammons

James H. Ammons
President

CC: Carla S. Willis, Vice President, University Relations, Florida A&M University
Frank Brogan, Chancellor, State University System of Florida
Jeanette Collins, Florida Department of Motor Vehicles

Laurel's campaign

FAMU IS AN EQUAL OPPORTUNITY/EQUAL ACCESS UNIVERSITY



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON FINANCE AND FACILITIES
COMMITTEE ACTION ITEM FF3
December 1, 2016**

SUBJECT: Allocation of License Plate Revenues

BACKGROUND INFORMATION

Revenues generated by the sale of collegiate license plates in the State of Florida, under Florida Statute 320.08058(3)(b), may be spent by each university pursuant to an expenditure plan to be submitted by the Board of Trustees to the Board of Governors for approval. Revenues may be used only for academic enhancement, including scholarships and private fundraising activities, as set forth in BOG Regulation 9.014.

The current approved plan for the University of Florida distributes funds as follows:

- 60% of the first \$2,000,000 to general scholarships;
- 40% of the first \$2,000,000 to fundraising operations; and
- 100% of the amount over \$2,000,000 to Machen Florida Opportunity Scholars ("MFOS").

A new plan ("Revised Allocation") for allocation is proposed as follows, retroactively effective July 1, 2015:

- 40% of the total received to MFOS; and
- 60% to fundraising operations to fund campaign initiatives.

Based on the revenue figures for last year, this reallocation would result in increased support to MFOS of approximately \$440,000 and to fundraising of approximately \$760,000. This reallocation will also contribute to the success of endowment growth through fundraising, which is important to advance University of Florida to top ten public university stature and will build scholarship funds.

This Revised Allocation has the approval of the Vice President for Advancement, the Provost and Senior Vice President, and the President.



June 10, 2015

Dr. W. Kent Fuchs, President
University of Florida
226 Tigert Hall
Gainesville, FL 32611

Dear Dr. Fuchs,

The University of Florida receives revenues each year from the state generated by fees for the UF license plate. Generally the amount received each year is approximately \$2,600,000; the total amount received for fiscal year 2013-14 was \$2,593,102. Florida Statute 320.08058(3)(b) provides that each university is required to submit a plan for the expenditure of such funds to the Board of Governors for approval. The statute further states that the funds may only be used for "academic enhancement, including scholarships and private fundraising activities."

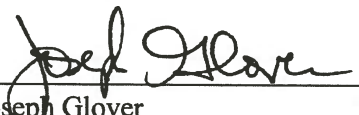
The current approved plan for the University of Florida distributes the funds as follows:

- 60% of the first \$2,000,000 to general scholarships
- 40% of the first \$2,000,000 to fundraising operations
- 100% of the amount over \$2,000,000 to Machen Florida Opportunity Scholars (MFOS)

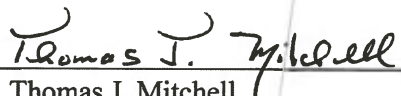
We have reviewed the current allocation in light of available funds and projected needs and would like to propose a new expenditure plan to be submitted by the Board of Trustees to the Board of Governors for approval. The new plan would allocate 40% of the total to MFOS, increasing support for that program by \$440,000, and 60% of the total to fundraising operations to fund campaign initiatives, increasing that support by \$760,000. The results can be compared, based on the approximate total of \$2,600,000, as follows:

Current plan:	General Scholarships	\$1,200,000
	Fundraising	800,000
	MFOS	600,000
Proposed plan:	MFOS	\$1,040,000
	Fundraising	1,560,000

Sincerely,



Joseph Glover
Provost and Senior Vice President
Office of the Provost and Academic Affairs



Thomas J. Mitchell
Vice President
Development and Alumni Affairs



July 7, 2016

Dr. W. Kent Fuchs, President
University of Florida
226 Tigert Hall
Gainesville, FL 32611

Dear Dr. Fuchs,

As a follow up to the attached letter of recommendation and our conversations to date regarding license plate revenues, we are respectfully requesting your consideration to approve a shift in the current revenue allocations. As evidenced by our signatures on the letter, Dr. Glover and I have consulted on this plan and are in full agreement.

There is a compelling case to be made for this change. It's beneficial for us to leverage these funds rather than just continue to allocate them as currently designated. The new expenditure plan would provide additional support to hire more fundraisers, which in turn would ultimately increase scholarship support and reduce the university's scholarship obligation over time. The plan would also enable us to further strengthen the funds needed to drive campaign initiatives. We are happy to discuss this further with you, if needed.

If you are in agreement with the proposed plan, please sign and date below and return a copy of this letter to me. The new plan would need to be submitted for approval at the next Board of Trustees meeting.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom", written over a horizontal line.

Thomas J. Mitchell
Vice President for Advancement

A handwritten signature in black ink, appearing to read "W. Kent Fuchs", written over a horizontal line.

W. Kent Fuchs
President

July 7, 2016
Date

Attachment

cc: Dr. Joe Glover, Provost and Senior Vice President for Academic Affairs

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
January 26, 2017**

SUBJECT: 2017-2018 Board Office Legislative Budget Request

PROPOSED COMMITTEE ACTION

Approve the 2017-2018 Board General Office Amended Budget Request and allow the Chancellor to make technical changes as necessary.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 216.023 Florida Statute

BACKGROUND INFORMATION

The Office of Information Resource Management (IRM) is the primary collector and provider of data that is used to develop education policy decisions. The office provides technical assistance to those using the information, state and federal reporting support, those supplying information, and enhancement support for the databases. This office processes approximately 9,000 files each year that contain millions of student, financial and facilities data. The Board Office has worked diligently over the last several months to develop a plan to address needs within IRM.

The Board has a limited budget, but resources are allocated strategically to ensure the Board's 2025 Strategic Plan is met. Over the last three years the Chancellor has directed additional resources to IRM to support their operations. This has included additional positions and compensation to retain and attract staff. Recently a reorganization was completed to better streamline and improve process flows that will assist in the development of new staff.

Even with these changes, over the last three years turnover in IRM has been 40 percent and salaries lag behind comparable positions in other state agencies by 10 to 12 percent. In addition, concerns regarding data security and project management have increased over the last few years.

This request of \$1.1 million includes resources to bring existing IRM staff up to the average of other staff agencies to address retention issues; four new positions to ensure quality control, security and project management; and resources for business continuity and security projects.

Supporting Documentation Included: Board Office Legislative Budget Request

Facilitators/Presenters: Mr. Tim Jones

**Florida Board of Governors
General Office, 2017-2018 Budget Request**

	2016-17 Board Budget	Additional Resources	2017-18 Board Request
1 Salary & Benefits-GR	\$5,631,851		\$5,631,851
2 Salary & Benefits-Trust Fund	\$764,518		\$764,518
Staff Retention - GR		\$92,000	\$92,000
4 Positions - GR		\$442,000	\$442,000
3 Total	\$6,396,369	\$534,000	\$6,396,369
4			
5 Other Personal Services-GR	\$51,310		\$51,310
6 Other Personal Services-Trust Fund	\$20,785		\$20,785
7 Total	\$72,095		\$72,095
8			
9 Expenses-GR*	\$715,329		\$715,329
10 Expenses-Trust Fund	\$206,799		\$206,799
11 Expenses associated with new positions		\$40,884	\$40,884
12 Total	\$922,128	\$40,884	\$963,012
13			
14 Operating Capital Outlay-GR	\$11,782		\$11,782
15 Operating Capital Outlay-Trust Fund	\$5,950		\$5,950
16 Total	\$17,732	\$0	\$17,732
17			
18 Contracted Services-GR	\$240,127		\$240,127
19 Contracted Services-Trust Fund	\$23,000		\$23,000
20 Business Continuity - GR		\$517,954	\$517,954
21 Total	\$263,127	\$517,954	\$781,081
22			
23 Tnsfr to DMS for HR Services-GR	\$17,351		\$17,351
24 Tnsfr to DMS for HR Services-Trust Fund	\$4,385		\$4,385
HR Services for 4 positions		\$1,356	\$1,356
25 Total	\$21,736	\$1,356	\$23,092
26			
27 Tnsfr to DMS for Risk Mgmt Insurance-GR	\$11,937		\$11,937
28			
29 NW** Regional Data Center-GR	\$123,516		\$123,516
30 Security/IT Infrastructure		\$66,480	\$66,480
31 Total	\$123,516	\$66,480	\$189,996
32			
33 Total Board Office Budget-GR	\$6,803,203	\$1,160,674	\$7,963,877
34 Total Board Office Budget-Trust Fund	\$1,025,437		\$1,025,437
35 Total	\$7,828,640	\$1,160,674	\$8,989,314
36			
37 <i>\$ Change from 2016-17 Budget</i>			\$1,160,674
38 <i>% Change from 2016-17 Budget</i>			14.8%
39			
40 <i>Authorized Positions</i>	63	0	63
41 <i>Increase(Decrease) in Positions</i>	0	4	4
42 <i>Total</i>	63	4	67

43 *GR - General Revenue

44 **NW - Northwest

**Florida Board of Governors' General Office
Legislative Budget Request - \$1.2 M
Information Resource Management (IRM) Needs**

The Florida Board of Governors General Office is the smallest governing board¹ of the top 10 states in the country. Yet, Florida is known throughout the nation for its robust data collection and analysis. As the Board moves forward overseeing its constitutional and statutory responsibilities, the Office of Information Resource Management (IRM) needs have drastically increased.

Challenges:

- Replacement and retention cost for qualified IT staff has far outstripped our current personnel compensation levels. IRM experienced a 40% turnover rate within the last three years and refilling a position can take six months or longer. This is primarily due to the lower than average pay scale (10-12 percent below other state agency averages). IRM has continually hired level 1 or 2 technical staff into level 3 or 4 technical positions at the lowest salary level possible, trained new staff to manage the higher level of responsibility, and had the staff recruited by other agencies and universities.
- The Board faces an ever increasing risk of information security failures due to the current escalating risk from cyber intrusions worldwide. No security positions were provided for the Board upon its reconstitution.
- The very nature of the Board's information gathering and data usage has also drastically changed since the formation of the Board. The bulk of the research data being collected by IRM is now being used for accountability considerations. Performance funding alone currently has half of a billion dollars associated with the metrics populated by data collected and processed by IRM. To ensure the validity of this data, IRM needs to staff a quality control unit.

Proposed Solutions

- Retain existing technical staff by having salaries comparable to the State's average technical salary levels. Distribution of rate will be based upon performance;
- Add 4 FTE positions to ensure quality control and prevent cyber security threats;
- Implement critical cyber security IT projects; and
- Implement critical business continuity IT projects.

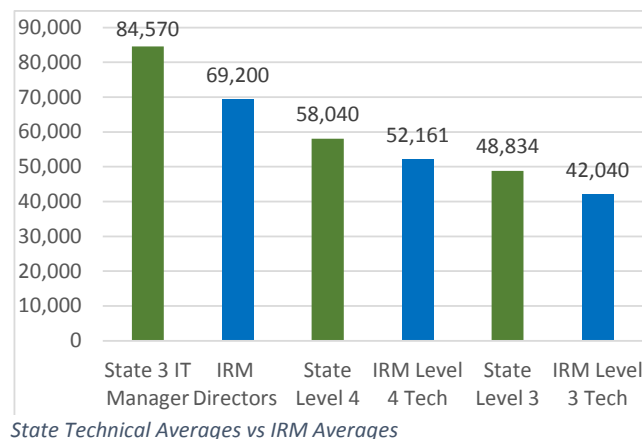
¹ The Board General Office has 63 positions. The largest of the top 10 is California with 570 positions and the closest to Florida is Ohio with 75 positions.

2017-18 Florida Board of Governors' IRM Budget Request

Category	Type	Recurring	Nonrecurring	Total
Salary & Benefits	Technician Retention	\$92,000	\$0	\$92,000
	Quality Control – 2 positions	\$221,000	\$0	\$221,000
	IT Security – 2 positions	\$221,000	\$0	\$221,000
Expenses	4 positions	\$24,700	\$16,184	\$40,884
Contracted Svcs	Business Continuity	\$60,000	\$457,954	\$517,954
NWRDC	Security/IT Infrastructure	\$66,480	\$0	\$66,480
HR Svcs	4 positions	\$1,356	\$0	\$1,356
Total		\$686,536	\$474,138	\$1,160,674

1. Technician Retention - \$92,000

Existing technician salaries are 10 to 12 percent below comparable positions in other state agencies. Although we are unable to compete with the private sector or universities, losing technicians to other agencies can be addressed by having comparable compensation. Turnover in the IRM unit has greatly outpaced turnover in other Board offices. This is primarily due to lower than average compensation.

**2. Quality Control – 2 Positions - \$221,000 and \$20,442 in Expenses**

Creation of a Quality Assurance (QA) unit consisting of a QA director, a QA Analyst, and a Project Management Professional (PMP²). IRM needs two new positions and additional resources for an existing lower level position to create this unit.

Prior to performance-based funding (PBF), the lion's share of IRM's collected data was used for quantitative research and reporting. IRM's longitudinal research data error rates were well within statistically acceptable ranges for this purpose. The advent of PBF has created a higher demand for data quality. Traditionally, the IRM data administration staff performed both data administration and quality assurance. However, these functions were previously spread across 14 dedicated staff. The introduction of new technologies and moving from a

² The Board office is currently out of compliance with the Agency for State Technologies (AST) recent project management compliance regulation due to lack of staffing in this critical area.

shared IBM mainframe required IRM to reassign 40% of data administrative staff to other critical functional areas. For example, the prior data system did not use a relational database. The move to a relational database required IRM to reclassify a data administration position for database administration.

In accordance with the State's 2017-18 legislative budget instructions, \$10,221 per position is allocated for position expenses.

3. Security - 2 Positions - \$221,000 and \$20,442 in Expenses.

The Board office does not have an Information Security Officer or Access Management Technician. Current heightened cybersecurity trends have placed the Board at risk for a security breach or other types of security failures. IRM has hired an entry-level technician and has been developing this staff member to fulfill some of these needs; however, business continuity needs such as disaster recovery and data backup support have consumed all of the staff member's time. IRM also lacks training resources to assist this individual in obtaining IT security credentials. Managing access in an ever-growing environment is currently a challenge for IRM. Also, IRM has not been able to implement multiple security projects due to the lack of staff. Outsourcing projects is viable, but cost prohibitive. Currently, the state data center does not offer access management as a service. As a comparison, the Department of Education (DOE) has 7 full-time staff overseeing IT security with an annual outsourcing budget of \$1.5 million. All of the Board's sensitive data systems are outside of the DOE data system. DOE does provide security monitoring for our external servers, but responding to any alerts is the responsibility of IRM staff. IRM is currently working with DOE to increase these monitoring services.

These two positions will allow the Board to hire an Information Security Officer and Access Management Technician to minimize the risk of information security breaches. The majority of IRM's data collections are personally identifiable information which include social security numbers. Our collection system is also not integrated with the universities security systems which creates a security management issue that leaves the Board vulnerable to loss. The proliferation of cloud based software-as-a-service (Boardbooks, Board's Web Mobile App, etc.) also creates a management and security risk that were not present prior to the acquisition of these services in 2014.

In accordance with the State's 2017-18 legislative budget instructions, \$10,221 per position is allocated for position expenses.

4. Business Continuity - \$517,954 (\$60,000 recurring)

Business Processing and Continuity - In 2011, IRM had limited disaster recovery or backup processes in place for its enterprise systems at Northwest Regional Data Center. Although IRM has continually added support in these areas, the current level of disaster recovery and backup is not consistent with current industry standards. This continually puts the Board at risk for data loss and disruption of business operations.

IRM has identified several cybersecurity related projects needed to better limit the Board's risk (details can be provided upon request).

5. Northwest Regional Data Center (NWRDC) IT Services - \$66,480

To support the business and security IT projects, IRM is requesting an increase in the Northwest Regional Data Center budget. The projects mentioned above will require ongoing support. Also, the State is moving all agencies into a consolidated data center service model. This model requires recurring annual funding as opposed to the capitalization model we have been operating under. IRM has been transferring ownership of all of its hardware to NWRDC and anticipates to be fully divested within the next three years. This situation needs to be addressed with annual budgeting reviews and possible increases in the data processing budget.

6. Transfer to DMS for HR Services - \$1,356

In accordance with the State's 2017-18 legislative budget instructions, \$339 per position is allocated for PeopleFirst Human Resource Services.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
January 26, 2017**

SUBJECT: Performance-Based Funding Model

PROPOSED COMMITTEE ACTION

For discussion

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The current choice Metrics 9 and 10, other than recent changes, have been consistent since the implementation of the model in 2014. Implementation of the model in 2017 will be the fourth year; thus, it is reasonable that a review of the metrics be undertaken in preparation for potential modifications in year five.

The Committee will review a process for potentially changing Metrics 9 and 10 and provide guidance to Board staff. Staff will communicate a course of action to the universities.

Supporting Documentation Included: Metric 9 and 10 Discussion Overview

Facilitators/Presenters: Governor Lautenbach

Performance-Based Funding Metric 9 and 10 Discussion Overview

The current choice Metrics 9 and 10, other than recent changes, have been consistent since the implementation of the model in 2014. Implementation of the model in 2017 will be the fourth year; thus, it is reasonable that a review of the metrics be undertaken in preparation for potential modifications in year five.

This review would take place at the October 3, 2017 Budget & Finance Committee performance-based funding workshop.

Options for consideration:

Metric 9 – Board of Governors Choice Metric

- a. Review the existing metrics to determine if improvement is continuing to be made.
- b. Consider whether to change or keep the metrics.
- c. If the metric(s) remain, consider whether to revise the benchmarks.
- d. Determine when the change would take place.
- e. How often should the metric be reviewed? At least every 5 years?

Metric 10 – Board of Trustees Choice Metric

- a. Metrics and benchmarks were approved by the Board of Trustees then adopted by the Board of Governors.
- b. Metrics vary by institution, but must be selected from a list of defined metrics by institution currently in the SUS Accountability Report.
- c. All universities receive 10 points on the current metric (except UF which received 7 points in Year 3, but a recent metric change would result in 10 points next year).
- d. Discussion items:
 - a. Should the metrics be changed?
 - b. Should the metrics still be selected from a defined set of metrics in the 2025 System Strategic Plan?
 - c. Should Trustees select three metrics (plus benchmarks) for consideration and recommendation to the Board, with the Board choosing one metric for inclusion in model?
 - d. Should the university be able to select the benchmarks to achieve a 10 or should these be stretch benchmarks?
 - e. If stretch benchmarks, how should benchmarks be established? By the Trustees or the Board of Governors?
 - f. Should benchmarks be set so no university can get more than 'x' number of points? If so, what should that be? 7 points, higher, lower?
 - g. How often should the metric be reviewed? At least every 5 years?



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA

Audit and Compliance Committee
Saddle Creek Logistics Commons
Innovation, Science and Technology Building
Florida Polytechnic University
4700 Research Way
Lakeland, Florida 33805-8531
January 26, 2017
9:00 a.m. – 9:30 a.m.

or

Upon Adjournment of Previous Meeting

Chair: Ms. Wendy Link; Vice Chair: Mr. Alan Levine
Members: Frost, Huizenga, Jordan, Lautenbach, Morton, Valverde

1. **Call to Order and Opening Remarks** **Governor Wendy Link**
2. **Minutes of Committee Meeting** **Governor Link**
 - Minutes, September 21-22, 2016
3. **Update on Approved Regulations for OIGC and Related Investigative Standards** **Mr. Joseph Maleszewski,**
*Inspector General and
Director of Compliance*
4. **Update on Florida A&M University 2013 Corrective Action Plan – Athletics Cash Deficit** **Mr. Maleszewski**
5. **Update on Auditor General Operational Audit of Board of Governors Office – Result and Corrective Action Plan** **Mr. Maleszewski**

- | | | |
|-----------|---|------------------------|
| 6. | Update on Performance-Based Funding
Audits and Certifications | Mr. Maleszewski |
| 7. | Summary of SUS Compliance Consortium
and State University Audit Council Meetings | Mr. Maleszewski |
| 8. | Concluding Remarks and Adjournment | Governor Link |

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 26, 2017**

SUBJECT: Minutes of Committee Meeting held September 21-22, 2016

PROPOSED COMMITTEE ACTION

Approval of the September 21-22, 2016, Committee meeting minutes

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will consider approval of the minutes of the September 21-22, 2016, Committee meeting.

Supporting Documentation Included: Minutes: September 21-22, 2016

Facilitators/Presenters: Governor Alan Levine

MINUTES
BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
AUDIT AND COMPLIANCE COMMITTEE MEETING
NEW COLLEGE OF FLORIDA
SARASOTA, FLORIDA
SEPTEMBER 21-22, 2016

*Video or audio archives of the meetings of the Board of Governors
and its Committees are accessible at <http://www.flbog.edu/>.*

Chair Alan Levine convened the meeting of the Audit and Compliance Committee on September 21, 2016, at 4:43 p.m., at the Main Auditorium in the NCF Harry Sudakoff Conference Center on the New College of Florida campus, in Sarasota, Florida. The meeting was adjourned at 5:10 p.m. on September 21, and was resumed at 8:35 a.m. on September 22. The meeting was conclusively adjourned at 8:41 a.m. on September 21. The following Audit and Compliance Committee members were present: Ed Morton, Wayne Huizenga, Darlene Jordan, Ned Lautenbach, Wendy Link, and Fernando Valverde. The following members of the Board were also present: Richard Beard, Dean Colson, Tom Kuntz, Norman Tripp, Gary Tyson, and Jacob Hebert.

September 21, 2016 - 4:43 p.m.

1. Call to Order

Mr. Levine called the meeting to order.

2. Approval of Minutes

Mr. Valverde motioned that the Committee approve the minutes of the Audit and Compliance Committee held June 21, 2016, as presented. Mr. Morton seconded the motion. The minutes were approved.

3. Public Notice of Intent to Create Board of Governors Regulations

Mr. Maleszewski, the Board of Governors Inspector General and Director of Compliance, walked the committee through the four regulations the Board of Governors intends to publicly notice on its website. The four regulations are described below.

- Board of Governors Regulation 4.001, *State University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement*, addresses the

creation and duties of the Office of Inspector General and Director of Compliance. It includes the board of trustees' responsibility to establish processes for addressing allegations of waste, fraud, or financial mismanagement.

Mr. Lautenbach motioned the committee to approve the public notice of intent to create Regulation 4.001. Ms. Link seconded the motion. Regulation 4.001 was approved for public notice of its intention to be created.

- Board of Governors Regulation 4.002, *State University System Chief Audit Executives*, recognizes that State University System of Florida chief audit executives are a point for responsibility for activities that promote accountability, integrity, and efficiency. It requires each board of trustees to have an audit and compliance committee with responsibilities defined in a charter approved by the board of trustees and periodically reviewed and updated. It also requires a charter for the office of chief audit executive which defines duties for audits, investigations and other activities which promote economy, efficiency, and effectiveness of university programs and operations.

Governor Levine noted that this regulation was initially controversial, because some chief audit executives did not report directly to the university president. He also noted that this regulation would require some universities to change their processes and structures, so that the chief audit executives and audit functions are fully independent.

Mr. Lautenbach motioned the committee to approve the public notice of intent to create Regulation 4.002. Mr. Morton seconded the motion. Regulation 4.002 was approved for public notice of its intention to be created.

- Board of Governors Regulation 4.003, *State University System Compliance and Ethics Programs*, is designed to set minimum requirements for university compliance and ethics programs based upon the guidelines in the Federal Sentencing Guidelines Manual. It provides for an effective compliance and ethics program to be implemented within 2-years of the regulation being adopted. The regulation also requires a charter document for the office of the chief compliance officer and periodic review by the board of trustees.

Governor Levine stressed that, with this regulation, the board will always be aware of the effectiveness of university compliance programs.

Brian Lamb, Chair of USF's Board of Trustees, noted that USF has already adopted the practices described in the regulation, and is now in process of separating its budget, compliance and audit functions. He stressed support of the regulation and was appreciative of its creation.

Mr. Maleszewski noted that other universities, such as UNF, have also moved in the direction of adopting the regulation.

Mr. Lautenbach motioned the committee to approve the public notice of intent to create Regulation 4.003. Ms. Link seconded the motion. Regulation 4.003 was approved for public notice of its intention to be created.

- Board of Governors Regulation 4.004, *Board of Governors Oversight Enforcement Authority*, outlines the processes this Board may use to address repeat audit findings and other material noncompliance. These processes include Board authority to command compliance, investigate noncompliance, require periodic updates, withhold funds, and declare the university ineligible for competitive grants distributed by the Board.

Mr. Lautenbach motioned the committee to approve the public notice of intent to create Regulation 4.004. Mr. Valverde seconded the motion. Regulation 4.004 was approved for public notice of its intention to be created.

4. Update, Florida A&M University 2013 Corrective Action Plan

At the June 21, 2016, AACC meeting, Mr. Maleszewski provided an update of the FAMU corrective action plan the Committee has been monitoring since January 2013. Here, Governor Levine confirmed with Chair Lawson that the FAMU BOT was willing to own and address the issue of an Intercollegiate Athletics cash deficit.

FAMU Board of Trustees Chair Lawson and Angela Poole, FAMU Vice President for Finance and Administration, provided an update on the Intercollegiate Athletics Cash Deficit Plan. Ms. Poole stated that funds were being used from auxiliary accounts that were not allowed to be used for athletics. Seven million dollars will be refunded back to these auxiliaries over a twelve-year term. FAMU will be using allowable direct support organization funds to assist during the refund period. Ms. Poole noted that the athletics auxiliary has reflected the payable on its books, and funds have been transferred to no longer show the cash deficit.

The university has implemented a three-year Corrective Action Plan that will include monthly reviews of operating expenses with Board and university officials. Approval from the university CFO and President will be required to transfer any funds to the auxiliary accounts. The university has also implemented an aggressive fundraising campaign for athletics. A 20% increase has already been noted in season ticket sales. Governor Levine noted that FAMU athletics will continue to have an Auditor General finding related to this issue until the deficit is eliminated.

Concluding Remarks and Adjournment

The meeting of the Audit and Compliance Committee was adjourned at 5:10 p.m. on September 21, 2016, to resume the next morning.

September 22, 2016 – 8:35 a.m.

5. Update, 2015-2016 OIGC Annual Report

Mr. Maleszewski directed the Committee's attention to the OIGC Annual Report. The OIGC is required to submit an annual report outlining the work and activities performed that fulfill its mission to promote accountability, integrity, and efficiency in the State University System of Florida.

The report includes a review of system audits (181 total), receipt and disposition of matters including complaints and related requests (43 total), Performance Based Funding Data Integrity certifications and audits, and review of university senior official employment contracts and renovations. It also highlights regulations development and the monitoring of university corrective actions.

6. Update, Auditor General Operational Audit of Board of Governors Office

Mr. Maleszewski provided a brief update on the Auditor General's audit of the Board Office. Statute requires the operational audit to be performed once every three years. On March 24th of this year, an entrance conference for the Auditor General's operational audit of the Board Office was held. Audit staff were on-site through mid-July and an exit conference was held July 14th to discuss the Auditor General's work and potential audit findings. Subsequently, Board Office staff provided additional information and are awaiting the Preliminary and Tentative audit report. Once received, the Chancellor will have 30 days to review and respond to any audit findings.

7. Concluding Remarks and Adjournment

Mr. Maleszewski announced the following university staffing changes: Debra Gula of USF will be retiring in December of 2016, Carol Slade of FGCU will also be retiring in December of 2016, and Julia Hann has recently been appointed as the new Chief Audit Executive at UNF.

The meeting of the Audit Committee was adjourned at 8:41 a.m.

Alan Levine, Chair

Lori Clark, Compliance and Audit Specialist

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 26, 2017**

SUBJECT: Update on Approved Regulations for OIGC and Related Investigative Standards

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Inspector General and Director of Compliance, Joe Maleszewski, will provide an update to the Committee regarding State University System of Florida institutions' progress and concerns in implementing Board of Governors Regulations 4.001 – 4.004, approved at the November 3, 2016.

Supporting Documentation Included: None

Facilitators/Presenters: Mr. Joseph Maleszewski

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 26, 2017**

SUBJECT: Update on Florida A&M University 2013 Corrective Action Plan – Athletics
Cash Deficit

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Inspector General and Director of Compliance, Mr. Joe Maleszewski, will update the Committee on the status of Florida A&M University's corrective action plan regarding the Intercollegiate Athletics cash deficit reduction plans.

Supporting Documentation Included: None

Facilitators/Presenters: Mr. Joseph Maleszewski

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 26, 2017**

SUBJECT: Update on Auditor General Operational Audit of the Board of Governors
Office – Result and Corrective Action Plan

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Inspector General and Director of Compliance, Mr. Joseph Maleszewski, will report on the result of the Florida Auditor General's office operational audit of the Board of Governors office.

Supporting Documentation Included: Board of Governors Operational Audit
Report No. 2017-048

Facilitators/Presenters: Mr. Joseph Maleszewski

Report No. 2017-048
November 2016

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

**STATE UNIVERSITY SYSTEM
BOARD OF GOVERNORS**



Sherrill F. Norman, CPA
Auditor General

Board of Governors and Chancellor

During the period July 2014 through May 2016, Marshall Criser, III, served as Chancellor of the Board of Governors and the following individuals served as Members of the Board of Governors:

Morteza "Mori" Hosseini, Chair	Tonnette Graham from 6-1-15 ^a
Thomas G. Kuntz, Vice Chair	H. Wayne Huizenga, Jr.
Ned C. Lautenbach	Ned C. Lautenbach
Richard A. "Dick" Beard, III	Alan M. Levine
Dr. Matthew M. Carter, II	Wendy S. Link
Stefano Cavallaro to 5-31-15 ^a	Edward A. Morton
Manoj Chopra to 8-3-14 ^b	Katherine M. Robinson from 8-4-14 ^b
Dean C. Colson	Pam Stewart ^c
Daniel Doyle, Jr.	Norman D. Tripp
Patricia L. Frost	Elizabeth Webster to 3-19-15 ^d

^a Chair of the Florida Student Association (equivalent to Florida Student Association President referred to in Article IX, Section 7(d) of the State Constitution).

^b Chair of the Advisory Council of Faculty Senates.

^c Commissioner of Education.

^d Board member resigned on 3-19-15, and position remained vacant through 6-30-15.

The team leader was Cheryl B. Buchanan, CPA, and the audit was supervised by Karen L. Revell, CPA.

Please address inquiries regarding this report to Jaime N. Hoelscher, CPA, Audit Supervisor, by e-mail at jaimehoelscher@aud.state.fl.us or by telephone at (850) 412-2868.

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STATE UNIVERSITY SYSTEM BOARD OF GOVERNORS

SUMMARY

This operational audit of the Board of Governors (BOG) for the State University System (SUS) focused on selected BOG processes and administrative activities and included a follow-up on findings noted in our report No. 2013-024. Our operational audit disclosed the following:

Finding 1: The BOG needs to enhance regulations to help State universities establish uniform standards that conform to statutory requirements. A similar finding was noted in our report No. 2013-024.

BACKGROUND

Pursuant to Article IX, Section 7(d) of the State Constitution, the Board of Governors (BOG) has the duty to operate, regulate, control, and be fully responsible for the management of the State University System. The BOG is composed of 17 members, including 14 citizen members who are appointed by the Governor, subject to confirmation by the Senate, and serve 7-year staggered terms; the Commissioner of Education; the Chair of the Advisory Council of Faculty Senates, or the equivalent; and the President of the Florida Student Association, or the equivalent.

The BOG establishes the powers and duties of the University Boards of Trustees (UBOTs). The UBOTs are responsible for setting university policies, which provide governance in accordance with State law and BOG regulations.

This operational audit focused on selected BOG processes and administrative activities and included a follow-up on findings noted in our report No. 2013-024.

FINDING AND RECOMMENDATION

Finding 1: Guidance and Oversight Function

Pursuant to the State Constitution,¹ the Board of Governors (BOG) has the duty to operate, regulate, control, and be fully responsible for the management of the State University System (SUS). State law² authorizes the BOG to regulate the SUS and adopt a regulation development procedure for the BOG and the University Boards of Trustees (UBOTs) to use in implementing their constitutional duties and responsibilities. Pursuant to this authority, the BOG adopted regulations to delegate powers and duties to the UBOTs so that they have the powers and duties necessary and appropriate for the direction, operation, management, and accountability of each State university. However, our review disclosed certain regulations related to the remuneration of university presidents and administrative employees, sponsored research, anti-hazing policies, student codes of conduct, and purchasing practices that the

¹ Article IX, Section 7(d) of the State Constitution.

² Section 1001.706, Florida Statutes.

BOG could clarify to help State universities establish uniform standards and, as applicable, conform to statutory requirements.

Remuneration of Presidents and Administrative Employees

State law³ stipulates that a State university administrative employee may not receive more than \$200,000 in annual remuneration⁴ from appropriated State funds. According to State law,⁵ this limitation does not apply to university teaching faculty or medical school faculty or staff.

BOG regulations⁶ define a university teaching faculty member as an employee who provides direct instructional services to students or provides indirect support in the instruction of students by establishing curriculum and other requirements involved in teaching students, including classroom activities, research laboratories, co-curricular activities or service activities in which students participate. The regulations give specific examples of employees who would be exempt from the statutory remuneration limitation, such as provosts, deans, professors, lecturers, librarians, curators, scholars, and scientists. Notwithstanding BOG regulations, and BOG constitutional authority⁷ to establish such regulations, the BOG may not promulgate rules that are contradictory to statutory provisions enacted by the Legislature.

State law⁸ specifically states that the requirements for limiting remunerations for university presidents and administrative employees is not subject to any other rule to the contrary, and clearly contemplates that the limitation would not apply to teaching faculty but would otherwise apply to employees other than medical school staff. Because university teaching faculty, as defined by BOG regulations, includes those who provide indirect support in the instruction of students by establishing curriculum and other requirements involved in teaching students, the regulations may undercut the dichotomy between administrators and teaching faculty contemplated by State law and allow universities to use public funds to pay annual remunerations in excess of \$200,000, contrary to State law.

Sponsored Research

State law⁹ requires the BOG to develop guidelines related to divisions of sponsored research, pursuant to provisions of State law,¹⁰ to serve the function of administration and promotion of the programs of research. According to State law,¹¹ each State university shall submit to the BOG a report of activities of each division of sponsored research together with an estimated budget for the next fiscal year. Although BOG regulations¹² require each university to include in the annual budget, among other things, the actual and estimated fiscal year sponsored research revenues, expenditures, and positions for functions that are supported by foundations, various State and Federal agencies, local units of governments,

³ Section 1012.976(2), Florida Statutes.

⁴ Remuneration is defined by Section 1012.976(1)(c), Florida Statutes, as salary, bonuses, and cash-equivalent compensation paid to a State university administrative employee for work performed, excluding health insurance and retirement benefits.

⁵ Section 1012.976(3), Florida Statutes.

⁶ BOG Regulation 9.006, *Remunerations of Presidents and Administrative Employees*.

⁷ Article IX, Section 7(d) of the State Constitution.

⁸ Section 1012.976(2), Florida Statutes.

⁹ Section 1001.706(3)(b), Florida Statutes.

¹⁰ Section 1004.22, Florida Statutes.

¹¹ Section 1004.22(6)(a), Florida Statutes.

¹² BOG Regulation 9.007, *State University Operating Budgets*.

businesses, and industries, there is no other policy or procedure guidance or regulations for operating university-sponsored research programs. For the 2014-15 fiscal year, State universities reported approximately \$1.8 billion in sponsored research awards, and \$1.6 billion in expenditures from Federal, State, and other sources.

In response to our inquiries, BOG personnel indicated that BOG regulations¹³ and State law¹⁴ authorize the UBOTs to create divisions of sponsored research and to establish policies regulating the administration and operation of the divisions of sponsored research. In addition, BOG personnel indicated that these research programs are considered unique depending on the topic, deliverable, and university and, as such, each individual university should create and develop appropriate policies and procedures within the structure provided by the research program itself. However, absent BOG guidance for sponsored research activities, the BOG has limited assurance that university-sponsored research activities comply with applicable laws, rules, and regulations and are consistent with the mission and long-term plans of the SUS. Such guidance should include, for example, restrictions on the use of research funds; procedures for negotiating, entering into, and executing research contracts; procedures for soliciting and accepting research grants and donations; and procedures over the collection of fees and donations. A similar finding was noted in our report No. 2013-024.

Anti-Hazing Policies

Pursuant to BOG regulations,¹⁵ the BOG delegated to the UBOTs the responsibility for developing anti-hazing policies, penalties, and enforcements. In the fall of 2011, BOG personnel surveyed each of the State universities about the universities' policies and procedures designed to create an environment of respect for all students as well as hazing incident reporting mechanisms and hazing prevention strategies. In March 2012, BOG personnel presented the results of the survey to the BOG Academic and Student Affairs Committee (Committee). In June 2013, BOG personnel updated the survey and the updated survey results showed that all 11 universities had hazing prevention strategies that incorporated reporting systems operating 24 hours a day to receive reported hazing incidents. However, the results also showed that 7 universities¹⁶ hazing prevention strategies excluded professional staff development and training, 3 universities¹⁷ did not have an established anti-hazing Web site, and 2 universities¹⁸ did not have an anti-hazing educational program for student organizations. As of June 2016, the updated survey results had not been presented to the Committee.

BOG personnel indicated that the BOG Assistant Vice Chancellor of Academic and Student Affairs is the BOG liaison with the SUS Council for Student Affairs (Council), which consists of the Vice Presidents of Student Affairs for all universities, and the Council sponsors annual Anti-Hazing Summits, coordinates efforts across the SUS to reinforce the message that the SUS has zero tolerance for hazing activities and

¹³ BOG Regulation 1.001, *University Board of Trustees Powers and Duties*.

¹⁴ Section 1004.22, Florida Statutes.

¹⁵ BOG Regulation 1.001(4)(a)(8), *University Board of Trustees Powers and Duties*.

¹⁶ Five of the 7 universities were in the process of implementing professional staff development and training, or proposed to do so.

¹⁷ Two of the 3 universities were in the process of implementing an anti-hazing Web site, or proposed to do so.

¹⁸ One of the 2 universities was in the process of implementing an anti-hazing educational program for student organizations. Subsequent to our inquiry, in July 2016, the remaining university indicated anti-hazing educational programs had been addressed for student organizations.

to share best practices to prevent hazing, and provides periodic updates to the Committee on anti-hazing initiatives. These anti-hazing initiatives include an online anti-hazing training course to inform students about the signs and symptoms of hazing and how to report hazing. The 2014-15 fiscal year General Appropriations Act¹⁹ required University of Central Florida to procure the online anti-hazing course available to all SUS students and provided State funding for the procurement. At the June 18, 2015, Committee meeting, a Council representative informed the Committee that:

- The online anti-hazing program was piloted in the Spring 2015 semester with 2,861 participating students.
- The program would be fully implemented in the Fall 2015 semester.
- Each university was in the process of identifying populations of students to survey regarding the student's attitude, knowledge, and awareness of hazing and intent to change behavior after participating in the online hazing course. The survey populations would include first year students, new and current members of the Greek system, and band members.

However, although online anti-hazing courses were implemented in the Fall 2015 semester and the Council representative indicated that survey results would be compiled and reported to the Committee, as of October 2016, the results had not been presented to the Committee. In response to our inquiries, the BOG liaison with the Council indicated that survey results will likely be presented at the November 2016 Committee meeting. The 2015-16 fiscal year General Appropriations Act²⁰ required Florida Polytechnic University (FPU) to procure an online anti-hazing course available to all SUS incoming freshmen and provided State funding for the procurement.

While SUS efforts have been made to recognize, prevent, and report hazing activities, as of June 2016, BOG regulations²¹ delegated responsibility for developing anti-hazing policies, penalties, and enforcements to the UBOTs and did not provide for BOG oversight or establish specific guidance for the universities to follow. To further improve student safety and reduce incidents of hazing, BOG regulations could be enhanced by establishing anti-hazing policies as well as the penalties and enforcement actions for universities, faculty and staff, and students found to be participating in or not reporting known hazing activities. In addition, to provide the BOG a means for monitoring hazing activities at the universities, the regulations could require universities to periodically report to the BOG the number of hazing incidents that occurred. A similar finding was noted in our report No. 2013-024.

Student Codes of Conduct

BOG regulations²² require the UBOTs to develop a student code of conduct that includes, among other things, the rights and responsibilities of students; standards of student conduct expected by the university; a list of violations, appropriate penalties, and sanctions; and procedures for initiating and conducting student disciplinary procedures arising from certain types of misconduct. However, the BOG did not identify the student misconduct expected to be addressed in each university's student code of conduct or describe what the BOG considers appropriate disciplinary action for unacceptable conduct.

¹⁹ Chapter 2014-51, Laws of Florida, Specific Appropriation 143.

²⁰ Chapter 2015-232, Laws of Florida, Specific Appropriation 138.

²¹ BOG Regulation 1.001(4)(a)(8), *University Board of Trustees Powers and Duties*.

²² BOG Regulation 6.0105, *Student Conduct and Discipline*.

In response to our inquiries, the BOG General Counsel indicated that university codes of conduct outline the misconduct that can lead to disciplinary action at a university, and that the BOG has not tried to replicate the conduct codes because the authority has been delegated to the UBOTs in BOG regulation.²³ Additionally, BOG staff prepared a chart listing 30 types of student misconduct, surveyed the universities in April 2013 to determine if the universities had implemented a policy to address the misconduct, and documented on the chart that most universities had a comprehensive student code of conduct. However, as shown in Table 1, 6 of the 30 types of misconduct included on the chart had not been addressed by each university.

Table 1
Types of Student Misconduct Not Addressed
in University Student Codes of Conduct

Type of Misconduct	Number of Universities With Codes That Don't Address
Gambling	4
Unauthorized Commercial Solicitation	4
Arson/Fires	2
Misconduct at Sponsored Events	2
Unauthorized Entry	1
Illegal Alteration or Use of Identification	1

Subsequent to our inquiry, BOG staff provided an updated chart as of July 2016, which showed all types of misconduct had been addressed for each university, except for gambling (4 universities), unauthorized commercial solicitation (2 universities), and arson/fires (1 university). BOG-established guidance identifying student misconduct to be addressed in university student codes of conduct and describing what the BOG considers appropriate disciplinary action for unacceptable conduct would promote consistent student disciplinary procedures throughout the SUS. A similar finding was noted in our report No. 2013-024.

Purchasing Practices

State law²⁴ and BOG regulations²⁵ require the UBOTs to adopt purchasing regulations. Effective procurement processes, such as competitive solicitation procedures that help identify and select vendors that provide goods and services at fair, competitive, and reasonable prices consistent with desired quality, serve to increase public confidence in the procurement process. BOG regulations²⁶ require competitive solicitation procedures for deliverables subject to certain conditions, however, BOG regulations provide waivers from the competitive solicitation process for certain goods and services, such as artistic services, academic reviews, and lectures. Although these waivers appear reasonable given the unique nature of these deliverables, we also noted that BOG regulations waived the use of competitive solicitation

²³ BOG Regulation 1.001(4), *University Board of Trustees Powers and Duties*.

²⁴ Section 1010.04(2), *Florida Statutes*.

²⁵ BOG Regulation 18.001, *Purchasing Regulation*.

²⁶ BOG Regulation 18.001(4) and (6)(d), *Purchasing Regulation*.

procedures for other goods and services and BOG records did not readily identify the reason for the waivers. For example, BOG regulations provided waivers from the competitive solicitation procedures for:

- Accounting and advertising services, which are generally available from various sources.
- Goods and services acquired through the extension of an existing contract, without specifying a maximum number of contract extensions or a time frame (number of years) for the extensions.
- Purchases of goods for resale.

BOG personnel indicated that, in their opinion, there is often a university need to be more strategic in purchases of services not subject to competitive solicitation and the quality and timeliness of exempted services are more important than obtaining the lowest price. However, utilizing a competitive solicitation process for the procurement of goods and services available from various sources does not compromise the quality and timeliness of the deliverables and may help universities acquire goods and services at lower prices and avoid the appearance of favoritism in vendor selection. A similar finding was noted in our report No. 2013-024.

On September 22, 2016, the BOG approved a public notice of intent to amend BOG regulations²⁷ to rename the regulation, no longer waive from competitive solicitation goods and services acquired through the extension of an existing contract, and specify the maximum time frame for contract extensions. The amended regulations would also exclude media placement services from the advertising services competitive solicitation waiver because media placement services are general services not directed to a target audience and may be competitively placed.

Recommendation: The BOG should review, and revise as appropriate, its current regulations to:

- **Ensure definitions of teaching faculty do not conflict with State law.**
- **For sponsored research activities, provide guidance including, for example, restrictions on the use of research funds; procedures for negotiating, entering into, and executing research contracts; procedures for soliciting and accepting research grants and donations; and procedures over the collection of fees and donations.**
- **Provide guidance for establishing anti-hazing policies as well as the penalties and enforcement actions and require universities to periodically report to BOG the number of hazing incidents that occurred.**
- **Provide guidance identifying student misconduct to be addressed in university student codes of conduct and describing the appropriate disciplinary action for unacceptable conduct.**

We also recommend that the BOG continue efforts to document consideration of the appropriateness of waivers from the competitive solicitation process for certain goods and services, such as accounting and advertising services, and purchases for resale.

²⁷ BOG Regulation 18.001, *Procurement Regulation*.

PRIOR AUDIT FOLLOW-UP

Except as noted in Finding 1, the Board of Governors had taken corrective actions for findings included in our report No. 2013-024.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from April 2016 to June 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2013-024.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, weaknesses in management's internal controls; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests,

analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during the audit period of July 2014 through May 2016, and selected actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit we:

- Reviewed the BOG's written information technology (IT) policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, and disaster recovery.
- Reviewed BOG procedures for maintaining and reviewing access to IT resources. We examined access privileges over the data base applications for 8 of the 72 BOG employees to determine the appropriateness and necessity based on employees' job duties and user account functions and adequacy with regard to preventing the performance of incompatible duties. We also examined administrator account access privileges granted and procedures for oversight of administrator accounts for the network, operating system, database, and application to determine whether these accounts had been appropriately assigned and managed.
- Reviewed BOG procedures designed to prohibit former employees' access to electronic data files. We examined access privileges for the 14 former employees who separated from BOG employment during the audit period to determine whether their access privileges had been timely deactivated.
- Evaluated BOG written security policies and procedures governing the classification, management, and protection of sensitive and confidential information.
- Reviewed operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Determined whether a written, comprehensive IT risk assessment had been developed for the audit period to document the BOG's risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of data and IT resources.
- Determined whether a comprehensive IT security awareness and training program was in place for the audit period.
- Evaluated BOG, committee, and advisory board minutes to determine whether BOG approval was obtained for the policies and procedures in effect during the audit period and for evidence of compliance with Sunshine Law requirements (i.e., proper notice of meetings, meetings readily accessible to the public, and properly maintained meeting minutes).
- Examined BOG records to determine whether the BOG had developed an anti-fraud policy and procedures to provide guidance to employees for communicating known or suspected fraud to

appropriate individuals. Also, we examined BOG records to determine whether the BOG had implemented appropriate and sufficient procedures to comply with its anti-fraud policy.

- Examined written policies, procedures, and supporting documentation to determine whether the BOG had developed adequate monitoring and provided timely guidance regarding remunerations of university presidents and administrative employees; operating policies and procedures for university-sponsored research programs; anti-hazing policies; uniform student codes of conduct; and conflicts with vendors that conduct business with a university or give donations to a university's direct-support organization.
- Reviewed approval of tuition differential fees during the audit period to determine whether the BOG approved all tuition differential fees in compliance with Section 1009.24(16)(a), Florida Statutes.
- Determined whether during the audit period the BOG monitored university compliance with Section 1004.085, Florida Statutes, related to textbook affordability.
- From the population of 72 employees compensated a total of \$8,729,396 during the audit period, examined records supporting compensation payments totaling \$1,911,921 to 6 selected employees to determine the accuracy of the rate of pay and whether supervisory personnel reviewed and approved employee reports of time worked.
- For the 12 new hires during the audit period, examined personnel records to determine whether the records evidenced that the employees had the necessary qualifications, degrees, and experience for the position based on the written position descriptions.
- Evaluated BOG policies and procedures for payments of accumulated annual and sick leave (terminal leave pay) to determine whether the policies and procedures promoted compliance with State law and BOG policies. From the population of 6 employees who separated from BOG employment during the audit period, and paid \$48,460 for terminal leave, we selected 3 employees who received terminal payments totaling \$24,593 and examined the supporting records to evaluate the payments for compliance with Section 110.122, Florida Statutes.
- Examined severance pay provisions in the Chancellor's contract to determine whether the provisions complied with Section 215.425(4), Florida Statutes.
- From the population of 72 employees (including the Chancellor) who received compensation totaling \$8,729,396 during the audit period, we selected and examined BOG records related to the Chancellor, who received compensation totaling \$853,033, to determine whether the amounts paid did not exceed the limits established in Section 1012.975(3), Florida Statutes.
- Evaluated BOG policies and procedures for obtaining personnel background screenings to determine whether employees in positions of special trust and responsibility, such as positions with direct contact with persons under age 18, had undergone the appropriate background screenings.
- Examined BOG expenditure documentation to determine whether the expenditures were reasonable, correctly recorded, adequately documented, for a valid public purpose, properly authorized and approved, and in compliance with applicable laws, rules, contract terms, and BOG policies and whether applicable vendors were properly selected and carried adequate insurance. From the population of expenditures totaling \$2,406,773 for the audit period, we examined:
 - Documentation relating to 32 selected payments for general expenditures totaling \$106,502.
 - Documentation relating to 5 selected payments totaling \$448,094 for contractual services agreements.
 - Documentation relating to the competitive selection of one vendor that received 10 payments totaling \$495,149.

- From the population of \$298,606 purchasing card (P-card) transactions during the audit period, examined BOG records supporting 18 selected P-card transactions totaling \$39,786 to determine whether the P-card program was administered in accordance with BOG policies and procedures and transactions were not of a personal nature.
- Examined P-card records for 4 cardholders who separated from BOG employment during the audit period to determine whether P-cards were timely canceled upon the cardholders' employment separation.
- From the population of \$324,473 in total travel expenditures during the audit period, examined 25 selected travel expenditures totaling \$41,186 to determine whether the travel expenditures were reasonable, adequately supported, for valid BOG purposes, and limited to amounts allowed by Section 112.061, Florida Statutes.
- Reviewed BOG policies and procedures related to identifying potential conflicts of interest. We also reviewed Department of State, Division of Corporation, records; statements of financial interest; and BOG records for 15 selected BOG officials to identify potential relationships that represented a conflict of interest with vendors used by the BOG.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" being more prominent.

Sherrill F. Norman, CPA
Auditor General


MANAGEMENT'S RESPONSE



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

Office of the Chancellor
325 West Gaines Street, Suite 1614
Tallahassee, FL 32399
Phone 850.245.0466
Fax 850.245.9685
www.flibog.edu

To: Sherrill F. Norman, Auditor General

From: Marshall Criser III, Chancellor 

Date: November 16, 2016

Re: Management Response to Preliminary and Tentative Findings,
2016 Board of Governors Operational Audit

I offer my thanks to you and your staff for their diligence and thoroughness in conducting this operational audit over the past several months.

As reflected in our detailed response below, we have carefully reviewed and considered your finding and related recommendations for the Board of Governors to amend guidance and oversight in the areas of remuneration of teaching faculty, sponsored research, anti-hazing, student code of conduct, and procurement.

I am pleased that your Preliminary and Tentative report contained no adverse audit findings on the many Board Office operational responsibilities covered by your audit testing. Through your work, I am reassured that Board Office staff are vigilant in ensuring the Board Office operates efficiently, effectively, and in compliance with applicable laws, rules, regulations, policies, and procedures.

Below is the management response to your finding related to the Board of Governors guidance and oversight function.

GUIDANCE AND OVERSIGHT FUNCTION

Finding 1: The Board of Governors (BOG) needs to enhance regulations to help State universities establish uniform standards that conform to statutory requirements. A similar finding was noted in our report No. 2013-024.

Florida A&M University | Florida Atlantic University | Florida Gulf Coast University | Florida International University
Florida Polytechnic University | Florida State University | New College of Florida | University of Central Florida
University of Florida | University of North Florida | University of South Florida | University of West Florida

November 16, 2016

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Our review disclosed certain regulations related to the remuneration of university presidents and administrative employees, sponsored research, anti-hazing policies, student codes of conduct, and purchasing practices that the BOG could clarify to help State universities establish uniform standards and, as applicable, conform to statutory requirements.

REMUNERATION OF PRESIDENTS AND ADMINISTRATIVE EMPLOYEES

Recommendation: The BOG should review, and revise as appropriate, its current regulations to ensure definitions of teaching faculty do not conflict with State law.

Board of Governors Response: We concur with the recommendation to avoid conflict between our regulation and State law regarding the definition of teaching faculty. The Board will work to ensure alignment between the regulation and section 1012.976, Florida Statutes, with respect to remuneration of university teaching faculty.

The Auditor General's report correctly notes that pursuant to the State Constitution, the Board of Governors has the duty to operate, regulate, control, and be fully responsible for the management of the State University System. The Constitution provides the regulatory authority to the Board to implement system-wide policies that affect the universities, including university personnel. The authority over the personnel programs is recognized in law in section 1001.705(2), Florida Statutes, and in the Governance Agreement between the Board of Governors, the Legislature, and the Executive Office of the Governor. Consequently, the Board of Governors has the authority to promulgate a regulation that affects university personnel. Notably, the reference to "university teaching faculty" in section 1012.976, Florida Statutes, is not defined.

SPONSORED RESEARCH

Recommendation: The BOG should review, and revise as appropriate, its current regulations for sponsored research activities to provide guidance including, for example, restrictions on the use of research funds; procedures for negotiating, entering into, and executing research contracts; procedures for soliciting and accepting research grants and donations; and procedures over the collection of fees and donations.

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Board of Governors Response: We concur with the recommendation to review, and revise as appropriate, our regulations for sponsored research activities. The Board of Governors will develop appropriate guidelines for divisions of sponsored research in alignment with applicable state and federal law related to sponsored research contracts and grants.

ANTI-HAZING POLICIES

Recommendation: The BOG should review, and revise as appropriate, its current regulations to provide guidance for establishing anti-hazing policies as well as the penalties and enforcement actions and require universities to periodically report to BOG the number of hazing incidents that occurred.

Board of Governors Response: We concur with the recommendation to review, and revise as appropriate, our regulations for anti-hazing policies. Board staff will conduct a review of existing university anti-hazing policies and recommend changes as appropriate to the universities' policies and/or Board of Governors' regulations.

With regard to providing specific penalties and enforcement actions for hazing incidents within Board of Governors regulations, we recognize each incident is fact-specific and student affairs professionals must address these incidents consistently with the principles described below.

Student affairs professionals and student conduct programs have a well-established practice of "administering student discipline to the end that the individual will be strengthened, and the welfare of the group preserved" and of viewing discipline as "a special phase of counseling in the development of self-responsibility for behavior rather than in the spirit of punishment of misbehavior" while simultaneously complying with federal, state, and local laws (The Student Personnel Point of View, 1937 & 1949, published by the American Council on Education).

The current *Ethical Principles and Standards of Conduct for the Association of Student Conduct Administration* states:

Members support the principle of adherence to community standards and when those standards are violated, the necessity of

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disciplinary interventions that contribute to the educational and personal growth of the student.

In addition, the Council for the Advancement of Standards in Higher Education (CAS) develops standards for all areas of student affairs that reflect best practices agreed upon by the student affairs profession-at-large. The CAS standards for student conduct programs state that the program goals:

... must address the institution's need to provide learning experiences for students whose conduct may not be consistent with institutional expectations as well as for those students who participate in the operations of the student conduct system.

These principles and standards are also supported by national student affairs leaders as indicated by the following:

The student conduct process, unlike the criminal and civil legal systems, is designed to address the student's relationship to the institution and its behavioral standards and policies. While the process may involve situations that overlap with criminal laws (e.g. theft, drugs, or sexual assault) and civil statutes (e.g. fraud, social host laws, and other neighborhood issues) campus policies and processes are intentionally and appropriately different. Instead, the student conduct process focuses on assessing the impacts of an individual's behavior on the learning environment of others and facilitating student growth, learning, and development. (An Attorney's Role in the Conduct Process, By Tamara King, JD and Benjamin White, JD, published by the Association for Student Conduct Administration)

Board staff will work with university personnel to develop a process for collecting the number of hazing incidents that occur and will work with university student affairs professionals to assess consistency with the principles articulated above.

STUDENT CODES OF CONDUCT

Recommendation: The BOG should review, and revise as appropriate, its current regulations to provide guidance identifying student misconduct to be addressed in

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university student codes of conduct and describing the appropriate disciplinary action for unacceptable conduct.

Board of Governors Response: We concur with the recommendation to review, and revise as appropriate, our regulations for university student codes of conduct. Board staff will work with the universities whose codes do not address gambling, unauthorized commercial solicitation, and arson/fires to revise their student codes of conduct to include these types of misconduct.

With regard to describing the appropriate disciplinary action for unacceptable conduct within Board of Governors regulations, we recognize each incident is fact-specific and student affairs professionals must address these incidents consistently with the principles described below.

Student affairs professionals and student conduct programs have an established practice of "administering student discipline to the end that the individual will be strengthened, and the welfare of the group preserved" and of viewing discipline as "a special phase of counseling in the development of self-responsibility for behavior rather than in the spirit of punishment of misbehavior" while simultaneously complying with federal, state, and local laws (The Student Personnel Point of View, 1937 & 1949, published by the American Council on Education).

The current *Ethical Principles and Standards of Conduct for the Association of Student Conduct Administration* states:

Members support the principle of adherence to community standards and when those standards are violated, the necessity of disciplinary interventions that contribute to the educational and personal growth of the student.

In addition, the Council for the Advancement of Standards in Higher Education (CAS) develops standards that reflect best practices agreed upon by the student affairs profession-at-large. The CAS standards for student conduct programs state that the program goals:

... must address the institution's need to provide learning experiences for students whose conduct may not be consistent with

November 16, 2016

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institutional expectations as well as for those students who participate in the operations of the student conduct system.

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The student conduct process, unlike the criminal and civil legal systems, is designed to address the student's relationship to the institution and its behavioral standards and policies. While the process may involve situations that overlap with criminal laws (e.g. theft, drugs, or sexual assault) and civil statutes (e.g. fraud, social host laws, and other neighborhood issues) campus policies and processes are intentionally and appropriately different. Instead, the student conduct process focuses on assessing the impacts of an individual's behavior on the learning environment of others and facilitating student growth, learning, and development. (An Attorney's Role in the Conduct Process, By Tamara King, JD and Benjamin White, JD, published by the Association for Student Conduct Administration)

Board staff will work with university student affairs professionals to assess consistency of student conduct disciplinary action with the principles articulated above.

PURCHASING PRACTICES

Recommendation: We also recommend that the BOG continue efforts to document consideration of the appropriateness of waivers from the competitive solicitation process for certain goods and services, such as accounting and advertising services, and purchases for resale.

Board of Governors Response: We concur with the recommendation that the Board of Governors continue efforts to document consideration of the appropriateness of waivers from the competitive solicitation process for certain goods and services, such as accounting and advertising services, and purchases for resale.

November 16, 2016

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Effective November 3, 2016, the Board of Governors amended Regulation 18.001, Procurement Regulation. The amended regulation places limits on extensions and renewals, and specifies that the advertisement exemption does not include media placement services. The intent of the exemption, except for media placement, is to allow for advertisements such as required legal notices or other items that require public notice to be placed in local markets that may have limited advertisement opportunities.

Regarding the other two exemptions specified in the audit, accounting services and goods for resale, we have gathered documentation for their continued exemption.

1. University procurement officers advised that the exemption for accounting services is applied in cases where the university's business needs include factors such as: specialization in a particular industry; focus on specific target audiences; a unique business model; or a particular geographic focus. According to the universities, the use of this exemption is infrequent.
2. Regarding purchases of goods for resale, the use of this exemption is extensive and long-standing. Purchase of goods for resale by a university by its nature is not conducive to a strict bidding process. These types of purchases, or sales decisions, are driven by customer preferences.

The Board of Governors will continue to monitor the use of these exemptions, as well as other aspects of the Procurement regulation, and consider further amendments as may be needed in the future.

MC/jkm

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 26, 2017**

SUBJECT: Update on SUS Performance-Based Funding Audits and Certifications

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Inspector General and Director of Compliance, Mr. Joseph Maleszewski, will report on the status of State University System of Florida Performance-based Funding audits and data integrity certifications.

Supporting Documentation Included: None

Facilitators/Presenters: Mr. Joseph Maleszewski

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 26, 2017**

SUBJECT: Summary of SUS Compliance Consortium and State University Audit Council Meetings

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Inspector General and Director of Compliance, Mr. Joseph Maleszewski, will report on the most recent meetings of the SUS Compliance and Ethics Consortium (which met December 12-13, 2016) and the State University Audit Council (which met October 13-14, 2016).

Supporting Documentation Included: None

Facilitators/Presenters: Mr. Joseph Maleszewski



AGENDA

**Strategic Planning Committee
Saddle Creek Logistics Commons
Innovation, Science and Technology Building
Florida Polytechnic University
4700 Research Way
Lakeland, Florida 33805
January 26, 2017
9:30 a.m. – 10:00 a.m.**

or

Upon Adjournment of Previous Meetings

**Chair: Mr. Ed Morton; Vice Chair: Ms. Darlene Jordan
Members: Beard, Doyle, Frost, Lautenbach, Levine, Link, Tyson**

- | | |
|--|--|
| 1. Call to Order and Opening Remarks | Governor Ed Morton |
| 2. Minutes of Committee Meeting
Minutes, November 3, 2016 | Governor Morton |
| 3. Steering by Intention: An Overview of the Work
of the Strategic Planning Committee | Dr. Jan Ignash
<i>Vice Chancellor
Academic and Student Affairs</i> |
| 4. Concluding Remarks and Adjournment | Governor Morton |

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
January 26, 2017**

SUBJECT: Approval of Minutes of Committee Meeting held November 3, 2016

PROPOSED COMMITTEE ACTION

Consider approval of the minutes of the Strategic Planning Committee's November 3, 2016 meeting

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Strategic Planning Committee will consider for approval the minutes of its November 3, 2016 meeting at Florida Atlantic University.

Supporting Documentation Included: Minutes: November 3, 2016

Facilitators/Presenters: Governor Ed Morton

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
STRATEGIC PLANNING COMMITTEE
FLORIDA ATLANTIC UNIVERSITY
BOCA RATON, FLORIDA
November 3, 2016

*Video or audio archives of the meetings of the Board of Governors
and its Committees are accessible at <http://www.flbog.edu/>.*

1. Call to Order

Governor Colson convened the meeting of the Strategic Planning Committee at 9:38 a.m. on November 3, 2016 with the following members present: Governors Jordan, Lautenbach, Levine, Morton, and Tyson. A quorum was established. Other Board members in attendance were Governors Kuntz, Doyle, Hebert, Huizenga, Link, Stewart, Tripp, and Valverde.

2. Approval of September 21, 2016 Committee Meeting Minutes

Governor Colson called for a motion to approve the minutes from the Committee's September 21, 2016 meeting. A motion was made by Governor Lautenbach, seconded by Governor Jordan, and the motion carried unanimously.

3. New College of Florida Growth

Governor Colson said that in the context of its 2016 University Work Plan presented in June 2016, New College of Florida was asked to consider the particular initiatives and associated resources necessary to increase its student population to 1,200. He said that on July 29, 2016 Board staff conducted a site visit at New College of Florida, meeting with College personnel and touring facilities. Chair Colson noted that the Strategic Planning Committee's recommendation would be forwarded to the Board's Budget and Finance Committee for consideration. He then invited New College of Florida President Donal O'Shea to make a presentation on the College's initiative plans, needed resource estimates, and a Legislative Budget Request to increase its enrollment to 1,200 students.

President O'Shea began by saying that New College of Florida has a curricular model of education that works, involving close interaction between students and faculty. He

noted that New College of Florida students garner attention nationally and that a disproportionate share of national fellowships are won by New College of Florida students. President O'Shea noted that over the last 15 years, 82 New College of Florida students have won Fulbright fellowships and that the prospect of winning a Fulbright is approximately one in a thousand. He said, therefore, that the number of Fulbright fellowships that would have been predicted for New College of Florida, based upon its small size, would have been just two students over the last 15 years.

President O'Shea said that 80% of New College of Florida graduates go to graduate school within five years after receiving their baccalaureates and that another significant percentage start their own businesses. He said that the National Science Foundation tracks graduates who go on and received doctorates in STEM and that New College of Florida leads the State University System in that category.

He noted that New College of Florida is currently ranked the 5th public liberal arts college in the United States by *U.S. News and World Report* and first by the *Washington Monthly*. He said that New College's aspiration is to become one of the top 25 liberal arts colleges in the country, both public and private.

He then turned to impediments. He said that New College is simply not graduating enough students. He noted that New College of Florida's four-year graduation rate is only 57% and that this is not good enough to be comparable with the top national private liberal arts institutions, which are New College's competitors. President O'Shea said that one of the primary reasons for New College of Florida's low graduation rate is that there are few activities for students outside of the classroom.

President O'Shea said that although New College of Florida's academic program is excellent it is too thin and that the College has only 79 professors to cover 30 disciplines. He noted that if a professor takes a leave of absence, students might need to postpone their theses or change their topics. He said that inadequate student affairs and academic infrastructure result in New College of Florida's not being big enough to reach an economy of scale. He said that to become great New College of Florida needs to achieve a four-year graduate rate of 80% and that to improve graduation rates the College needs to increase its retention rate because retaining more students would result in higher enrollment. He said, however, that, due to its current infrastructure, the College is not able to support a higher number of students.

President O'Shea indicated that enhancing academic programs and providing student support services is critical and that facilities are necessary to do both. He said that this would necessitate adding 40 faculty in order to maintain a 10:1 student-to-faculty ratio, which would put New College of Florida at approximately the mid-point of the top 100 liberal arts colleges. He said that additional staff would also be needed to improve residential life.

Turning to associated costs, President O'Shea said that facilities would be needed to accommodate growth to 1,200 students. He said that 125,000 square feet of new space would be needed, noting that the costs associated with residence halls would be provided with public/private donations. President O'Shea indicated that necessary recurring funds would be mostly devoted to personnel associated with academics and student affairs infrastructure and that Plant Operations and Maintenance dollars in order to maintain facilities would total \$12.3M a year.

As to non-recurring costs, he said that the 125,000 square feet of new space would cost approximately \$45M. He noted that 45% of New College of Florida's buildings are more than 40 years old and that seven are more than 85 years old.

Finally, he said that the four-year graduation rate is important because it represents a lower cost to the student and a lower cost to the state. He noted, further, that the Sarasota area has many interesting companies and that all of them want New College of Florida graduates. He said that 100% of the companies having interns from New College of Florida want another one and that the College is simply not able to produce enough graduates to meet the demand.

Following President O'Shea's presentation, Board members had the opportunity to ask questions or to make observations. Governor Colson queried as to whether the \$45M associated with a student center would allow it to be shared with other institutions in the Sarasota area, and President O'Shea said that New College of Florida was very amenable to that idea. Governor Morton noted that New College of Florida students seemed to do very well in getting scholarships. President O'Shea responded that if the College grew to 1,200 students it would translate to increased fundraising and, therefore, even more scholarships.

Governor Link said that increasing New College of Florida's student enrollment to 1,200 would be one of the best investments that the Board of Governors could make. Governor Tyson asked whether the College anticipated an increase in the number of students winning national awards if its enrollment increased, and President O'Shea said that he believed it would. Governor Jordan said that enhancing the student affairs component at New College of Florida would greatly increase its ability to retain students.

There being no further discussion, Governor Colson entertained the motion to forward New College of Florida's growth plan and recommended Legislative Budget Request to the Board's Budget and Finance Committee, except for that portion relating to facilities which would be submitted to the Facilities Committee.

The motion was made by Governor Lautenbach, seconded by Governor Jordan, and the motion carried unanimously.

4. Closing Remarks and Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 10:06 a.m.

Dean Colson, Chair

R.E. LeMon, Associate Vice Chancellor

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
January 26, 2017**

SUBJECT: Steering by Intention: An Overview of the Work of the Strategic Planning Committee

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Vice Chancellor Ignash will provide an overview of the regular annual activities associated with the Strategic Planning Committee as well as review special initiatives which the Committee has conducted over the past several years.

The Board's three major strategic planning documents, the *Strategic Plan 2012-2025*, the *Annual Accountability Report*, and the university Annual Work Plans, provide both forward-looking and backward-looking data and information for strategic planning purposes. In this data-rich environment, the Board of Governors is able to help steer higher education to produce outcomes that align with governmental priorities. The Board's *Strategic Plan 2012-2025* was first approved in November 2011 and amended in March 2016. The *Plan* is scheduled for another review during 2018, for possible amendment, if needed, in 2019. The *Annual Accountability Report*, which is presented in March, is developed to coincide with the beginning of the legislative session. Each June, the Board also approves individual university Annual Work Plans that provide a three-year projection on a host of metrics, such as graduation rates and new programs, which allow the Board to determine how each institution is contributing to achieving the overall System goals.

In addition to the regular strategic planning tools described above, the Strategic Planning Committee also conducts ad hoc initiatives and studies to help steer the System in the direction of the state's highest needs. Beginning in 2012, the Board's Commission on Higher Education Access and Attainment studied how Florida can make informed, strategic choices on how best to increase the state's educational attainment levels. The Commission's work resulted in a gap analysis of the need for

graduates in occupations that require a baccalaureate degree, work that was generously supported by a legislative appropriation to increase graduates in selected high demand majors. At its January 20, 2016, meeting the Committee reviewed higher education enrollments and degree trends and implications for planning at the various types of campuses throughout the System, including main campuses, regional stand-alone campuses, regional, hosted/joint-use campuses and special focus campuses. Throughout all of 2015, the Committee conducted an in-depth study of the topic of affordability that included data and information on tuition, state appropriations, and financial assistance, national trends in “sticker price” and “net price” for college, and net costs by family income groups. The Strategic Planning Committee has also reviewed requests for changes in the classification of campuses as they grow and gain enrollments and functions, as well as special requests for new ventures, such as the UCF and USF special campus requests in 2015.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Jan Ignash



AGENDA

**Select Committee on Florida Polytechnic University
Saddle Creek Logistics Commons
Innovation, Science and Technology Building
Florida Polytechnic University
4700 Research Way
Lakeland, Florida 33805
January 26, 2017
10:00 a.m. - 10:15 a.m.**

or

Upon Adjournment of Previous Meeting

Chair: Ms. Wendy Link

Members: Doyle, Jordan, Morton, Valverde

- | | |
|--|--|
| 1. Call to Order and Opening Remarks | Governor Wendy Link |
| 2. Minutes of Select Committee Meeting
Minutes, November 3, 2016 | Governor Link |
| 3. Florida Polytechnic University Implementation Update | Dr. Randy K. Avent
<i>President</i>
<i>Florida Polytechnic University</i> |
| 4. Concluding Remarks and Adjournment | Governor Link |

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Select Committee on Florida Polytechnic University
January 26, 2017**

SUBJECT: Minutes of Select Committee on Florida Polytechnic University Meeting
held on November 3, 2016

PROPOSED COMMITTEE ACTION

Consider for approval the meeting minutes of the Select Committee on Florida Polytechnic University held on November 3, 2016

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Select Committee on Florida Polytechnic University will consider for approval the summary minutes of its November 3, 2016 meeting.

Supporting Documentation Included: Minutes: November 3, 2016

Facilitators/Presenters: Governor Wendy Link

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
SELECT COMMITTEE ON FLORIDA POLYTECHNIC UNIVERSITY
FLORIDA ATLANTIC UNIVERSITY
BOCA RATON, FLORIDA
November 3, 2016

*Video or audio archives of the meetings of the Board of Governors
and its Committees are accessible at <http://www.flbog.edu>*

1. Call to Order

Governor Wendy Link called the meeting to order on 10:46 a.m. at November 3, 2016 with Committee members Doyle, Jordan, Morton, and Valverde present. A quorum was established. Other Board members in attendance were Governors Colson, Hebert, Huizenga, Kuntz, Lautenbach, Levine, Stewart, Tripp, and Tyson.

2. Approval of Select Committee Minutes, September 21, 2016

Governor Link called for a motion to approve the minutes of the Select Committee's September 21, 2016 meeting. A motion was made by Governor Morton, seconded by Governor Doyle, and the motion carried unanimously.

3. Florida Polytechnic University Implementation Status Report

As Poly President Avent was not able to attend the meeting, Dr. Terry Parker, Vice President for Academic Affairs, provided the University's status report. Dr. Parker said that his comments would focus on accreditation, the last of the six statutory requirements that the University needs to accomplish by December 31, 2017. He noted that regional accreditation is a long process and that the Southern Association of Colleges and Schools (SACS) is very firmly in control of the timeline. Relying on his own prior experience, Dr. Parker said that SACS has a reputation for being the most rigorous regional accrediting body. He also noted that initial accreditation requires a significantly greater level of effort than a reaffirmation.

Dr. Parker indicated that the University submitted a draft application to its consultant for review in late August and that she suggested minor revisions. He said that the University planned to submit its application by December 15, 2016 but that it was likely that SACS will request that Fall assessment data be included and that this would move

the submission to early January 2017. He noted that the site visit team's chair indicated that his January 2017 visit may not be necessary. Dr. Parker said that the formal site visit, comprised of a nine-member team, will occur in February 2017. He said that subsequent to the site visit, SACS will formally consider the University's request for accreditation. Dr. Parker said that the University is hoping that the decision will be made in June 2017 but that SACS may not make a decision until December 2017.

Governor Link said that when she spoke earlier with President Avent she emphasized that the Board is hoping for a June 2017 decision. She asked Dr. Parker if he foresaw any obstacles to receiving a decision by June 2017. Dr. Parker said that he did not but that, once again, the University had very limited ability to control the SACS process and timeline. He said that the University had communicated to SACS its strong desire that a decision would be made in June 2017.

4. Closing Remarks and Adjournment

There being no further business to come before the Committee the meeting was adjourned at 10:13 a.m.

Wendy Link, Chair

R.E. LeMon,
Associate Vice Chancellor,
Academic and Student Affairs

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Select Committee on Florida Polytechnic University
January 26, 2017**

SUBJECT: Florida Polytechnic University Implementation Update and Progress Report

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

In 2012, the Florida Legislature created and Governor Scott signed legislation establishing Florida Polytechnic University. The Florida Legislature has stipulated that, by December 31, 2017, the University shall achieve accreditation from the Commission on Colleges of the Southern Association of Colleges and Schools; initiate new programs in STEM fields; seek discipline-specific accreditation for programs; attain a minimum FTE enrollment of 1,244 with at least 50 percent of that FTE in STEM fields and 20 percent in programs related to STEM fields; complete facilities and infrastructure; and have the ability to provide administration of financial aid, admissions, student support, information technology, and finance and accounting with an internal audit function. The University enrolled its first students in Fall 2014.

Representatives from Florida Polytechnic University will provide a status update and respond to any questions from the Select Committee concerning the institution's latest progress report, including accreditation, student enrollment, faculty recruitment, curriculum development, scholarship support, and budget and facilities.

Supporting Documentation Included: Latest University Progress Report

Facilitators/Presenters: President Randy K. Avent



Monthly Update to the Select Committee on Florida Polytechnic University

Implementation Tracking Report (January 2017)

Implementation Status Summary			
Criteria	Directives	Completed	Good Progress
A. STEM Academic Programs	5	5	✓
B. Student Enrollment	4	4	✓
C. Administrative Capability	2	2	✓
D. Accreditation	14	7	7 (9 dependent on SACSCOC)
E. Discipline Specific Accreditation	1	1	✓
F. Facilities & Construction	3	3	✓
TOTAL	29	21	8

Legend:	✓ Completed	● Good Progress	● Slow Progress	● Poor Progress
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Criterion A – Initial Development of New STEM Programs		
Statutory Due Date: 12/31/2017 (per 2016 legislature)		Progress Indicator
A1 - New degree program proposals approved by the Florida Polytechnic university Board of Trustees	January 2014: COMPLETED - Program proposals were considered and approved by the Academic Affairs Committee of the Florida Polytechnic University Board of Trustees.	✓
A2 - New degree program proposals reviewed by BOG staff for inclusion in the SUS Academic Degree Program Inventory.	February 2014: COMPLETED – BOG has accepted the new degree program proposals and entered them into the SUS Academic Degree Program Inventory.	✓
A3 – Prerequisite courses approved by the Oversight Committee of the Articulation Coordinating Committee (ACC) and the ACC itself.	July 2014: The Oversight Committee voted to approve the University's prerequisite courses. The ACC approved the University's prerequisite courses on June 28, 2014.	✓
A4 – All college credit courses are entered into the Statewide Course Numbering System.	<p>July 2014: All courses have been approved by the Statewide Course Numbering System. DOE has begun entering the University's courses in the Common Course Numbering System.</p> <p>August 2014: Courses continue to be input into the Common Course Numbering System.</p> <p>September 2014: Courses have been input into the Common Course Numbering System.</p>	✓
A5 – Program faculty and general education faculty are in place.	<p>July 2014: Sufficient program faculty are in place to develop curricula. We have hired 23 of 25 fulltime faculty¹. Fifteen adjunct faculty have been selected and ten have been signed.</p> <p>August 2014: Ten of the 15 selected adjunct faculty have been signed.</p> <p>September 2014: COMPLETED All full-time and adjunct faculty have been hired (23 full-time and 18 adjunct). Additional faculty continue to be hired in preparation for additional students.</p>	✓

¹Florida Poly needs 25 instead of 30 fulltime faculty because of a higher than projected number of freshmen admitted.

Criterion B – Enrollment of 1,244 FTE			
Statutory Due Date: 12/31/2017 (per 2016 legislature)		Progress Indicator	Board Staff Progress Indicator
B1 – Total students enrolled	Fall 2016 (Census): Total Students – 1,314 <i>Undergraduates – 1,281 (97.5%) Graduates – 31 (2.4%)</i> <i>Non-Degree Seeking – 2 (0.2%)</i> <i>New Students – 534 (Undergraduates: 521, Graduates: 11, Non-degree seeking: 2)</i> <i>Retention Rate (Fall 2015 to Fall 2016) – 83%</i> <i>Gender – Male 87% Female 13%</i> <i>Race/Ethnicity – American Indian 0.5%; Asian 3.8%; Black or African American 4.6%; Hispanic 18.6%; Native Hawaiian 0.3%; Non-Resident Alien 1.9%; Two or More Races 2.6%; White 66.0%; Not Reported 1.7%</i> <i>Residency – In-State 95%; Out-of-State 3%; International 2%</i> <i>Total Credit Hours – 18,193 (Undergraduate: 17,744; Graduate: 223)</i> <i>Average Credit Load – 13.8 (Undergraduate: 14.0; Graduate: 7.2)</i> <u>Census 2016-17 FTE – 1,276 / Drop-Add 2016-17 FTE – 1,279 (actual for summer 2016, fall 2016, and projected spring 2017)</u>	✓	
B2 – Number of completed applications received	February 2014: 2,846 (exceeds the goal for applications) July 2014: 2,983 (as of July 30 th , 2014; 119% of goal for number of applications) Spring 2015: 241 Fall 2015 (as of July 30, 2015): 2,255	✓	
B3 – Number of students admitted	February 2014: 922 (90% of the goal to be admitted) July 2014: 1,029 (100% of the goal for the number of students expected to be admitted) Spring 2015: 58 (Goal Met) Fall 2015 (as of July 30, 2015): 1,117	✓	
B4 –Actual enrollments in each degree program.	Fall 2016 (Drop/Add): Computer Engineering – 230 (17.5%) Electrical Engineering – 116 (8.9%) Mechanical Engineering – 280 (21.1%) Advanced Technology – 48 (3.6%) Computer Science & Information Technology – 559 (43.0%) Science & Technology Management – 16 (2.7%) Engineering (MS) – 16 (1.0%) Innovation & Technology (MS) – 3 (1.1%) Undeclared – 13 (1.0%) Non-Degree Seeking – 2 (0.1%)	✓	

Criterion C – Administrative Capability		
Statutory Due Date: 12/31/2017 (per 2016 legislature)		Progress Indicator
C1 – Capability to administer financial aid, admissions, and student support.	Fall 2014: Florida Polytechnic University has established offices for financial aid, admissions and student services.	✓
C2 – Capability to administer information technology, and finance & accounting with internal audit function.	Fall 2014: Florida Polytechnic University has a shared services agreement with UF and has hired an Executive Budget Director and a CIO.	✓

Criterion D – Accreditation					
Activity	Necessary Action by SACSCOC or by University	Estimated Completion Date	Actual Completion Date	FPU Progress Indicator	Board Staff Progress Indicator
D1 – Pre-Application Workshop (optional)	The institution attended an optional pre-application workshop.	December 2013	December 2013	✓	✓
D2 – Submit pre-application for regional accreditation	<p>The institution engaged a technical advisor to assist with preparing the application for regional accreditation.</p> <p>The initial application was submitted to the regional accreditation agency.</p> <p>Additional assessment evidence was submitted to the regional accreditation agency as planned.</p> <p>The institution received a SACSCOC request for application updates with a turn-around by August 2015. Dr. Belle Wheelan president of SACSCOC, addressed the institution's BOT at its June 4, 2015 meeting.</p> <p>The institution submitted an updated application to SACSCOC.</p>	December 2014	December 2014	✓	✓
D3 – Regional Accreditor Candidacy site visit	A SACSCOC Candidacy site visit was scheduled and conducted.	March 2016	March 2016	✓	✓
D4 – Candidacy Committee submits report to SACSCOC Board	The Candidacy Committee submitted its report to the SACSCOC Board.	March 2016	March 2016	✓	✓
D5 – Institution responds to Candidacy Report	The institution responded to the Candidacy Report.	This activity was waived by the University		✓	✓
D6 – SACSCOC Board makes candidacy determination	The SACSCOC Board will make a candidacy determination.	June 2016	June 2016	✓	<p>✓</p> <p>Critical date which, if not met, could have an effect on future dates, including other critical dates.</p>
D7 – Institution submits Compliance Certification to SACSCOC	The institution will submit Compliance Certification to SACSCOC.	December 15, 2016*	January 3, 2017	✓	<p>✓</p> <p>Critical date which, if not</p>

					met, could have an effect on future dates, including other critical dates.
D8 – SACSCOC Staff site visit	SACSCOC staff will conduct a site visit.	January 13, 2017**		●	
<i>* To be submitted January 2017 as evidence from Fall 2016 is required to complete the Compliance Certification per SACSCOC.</i> <i>**Activities D8 and D9 are tentative and will be dependent on SACSCOC.</i>					
D9 – Committee Chair site visit for Initial Accreditation	The Committee Chair will conduct a site visit for Initial Accreditation.	January 13, 2017**		●	
D10 – Committee site visit for Initial Accreditation	A Committee will make a site visit for Initial Accreditation.	February 17, 2017		●	Critical date which, if not met, could have an effect on future dates, including other critical dates.
D11 – Committee report for Full Initial Accreditation sent to Institution & SACSCOC Committee on Compliance and Reports	A Committee report for Full Initial Accreditation will be sent to the institution and to the SACSCOC Committee on Compliance and Reports.	March 10, 2017			
D12 – Institution responds to Full Initial Accreditation Committee Report	The institution will respond to the Full Initial Accreditation Committee Report.	August 10, 2017			Critical date which, if not met, could have an effect on future dates, including other critical dates.
D13 – Committee Report for Full Initial Accreditation, institution response, Committee Chair review of institution response sent to SACSCOC Board	The Committee Chair will review the institution's response. The Committee Chair's review of the institution's response will be sent to the SACSCOC Board.	October 11, 2017			
D14 – SACSCOC Board makes determination for Full Initial Accreditation	The SACSCOC Board will make a determination for Full Initial Accreditation.	December 15, 2017		●	Critical date which, if not met, results in lack of accreditation.

Criterion E – Seek Discipline Specific Accreditation

Statutory Due Date: 12/31/2017 (per 2016 legislature)		Progress Indicator
E1 – Contact discipline specific accrediting bodies.	Spring 2015: Although program (ABET) accreditation cannot be sought until regional accreditation is achieved, as regional accreditation requirements are being addressed these requirements also address ABET requirements.	✓

	March 2016: Contacted ABET to discuss their accreditation process. We will continue to develop our programs to support ABET accreditation as we proceed through the SACSCOC accreditation process.	
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Criterion F – Facilities and Infrastructure		
Statutory Due Date: 12/31/2017 (per 2016 legislature)		Progress Indicator
F1 – Complete the Innovation, Science and Technology Building for Fall 2014 start of classes.	December 2014: COMPLETED	✓
F2 – Complete the Residence Hall for 241 students.	September 2014: COMPLETED - Construction is complete and all 241 beds are occupied as of the target move-in date of August 20, 2014.	✓
F3 – Complete the Phase I of Wellness Center and other site facilities or infrastructure.	Fall 2014: COMPLETED - The Wellness Center, Phase I is complete and operating as of the target date of August 20, 2014. It includes cafeteria, bookstore, exercise equipment, student services offices.	✓

Facilities

Construction of Florida Poly's first building, the Innovation Science and Technology building (IST) is within budget and opened as planned for classes on August 25, 2014. The total appropriation for constructing the campus is \$134 million with \$60 million of that targeted for the IST.

Table 6: Facilities Construction Project Final Budgets, Costs, and Balances (June 2016) (In Millions)

Component	Progress	Budget (Feb. 2014)	Budget (Revised March 2014)	Final Funded Budget (June 2015)	Final Total Expenses / (Costs)	Balance (June 2015)
IST Building	Completed	\$78.3	\$60.0 ¹	\$60.0	\$59.7	\$ 0.4
Site and Infrastructure Reimbursement by Donor	Completed	40.0	40.0	33.1 ⁵	33.1	0.0 10.0 ⁷
Engineering, Design, Land, and other soft costs	Completed	-	22.0 ²	20.8	20.7	0.1
Campus Control Center	Completed	3.5	3.9 ³	3.9	3.9	0.0
Classroom and laboratory furniture, fixtures & equipment	Completed	7.0	- ⁴	-	-	-
Contingency	NA	1.9	2.9	- ⁶	-	-
Total Original Projects		\$134.4	\$128.8	\$117.88	\$117.4	\$10.4
Admissions Center	Completed	-	1.3	1.3	1.3	0.0
Housing Utilities and Integration	Completed	-	1.2	1.2	1.2	0.0
Wellness Center – Phase 1	Completed	-	4.5	4.5	4.5	0.0
Perimeter Fencing	Completed	-	0.4	0.4	0.4	0.0
Total All Projects		\$134.4	\$136.2	\$125.2	\$124.8	\$10.4

¹ Budget (\$18.3 M) was moved to a separate budget line entitled Engineering, Design, Land and other soft costs.

² \$3.7 M of land related costs were erroneously left out of initial report and is now included in the line for Engineering, Design, Land and other soft costs, bringing the total for this budget center to \$22.0 M.

³ BOT increased budget in 2014 so the University could place a cell phone signal amplification system at the Campus Control Center which enhanced the cell phone reception within each of the buildings on the main campus.

⁴ \$7 M was originally budgeted to be spent on classroom and laboratory furniture, fixtures & equipment. \$1 M was moved back to the overall Contingency line item. Ultimately, \$6 M of assets were purchased, and the funding came from the State of Florida's Consolidated Equipment Financing Program and the University's operating funds. No construction funds were used.

⁵ BOT elected to not move forward with the certain infrastructure development (nor fund) on portions of the southern half of the main campus during the construction of the initial campus facilities, opting to defer development until a later date. This election reduced the budget and funding necessary to open the campus from \$40.0 M down to \$33.1 M. This is the budget which was ultimately funded.

⁶ Contingency budget funding for main campus construction was deemed in 2014 to not be necessary, and therefore never became a funded budget line item. No construction funds were used.

⁷ Pursuant to a 2010 agreement with Polk County, Florida Poly received reimbursement during 2014 of \$10 M for the University's construction of the campus main road. The reimbursement came after the full required funding and construction of the main road, hence the \$10 M was labeled "balance" for this final report. These funds are available to the University for other campus projects.

The University received in March 2015 approval from the Board of Governors for a 529 bed housing project to be developed on campus using a Public-Private Partnership. This second residence hall project is also being developed by Vestcor, the winner of the public solicitation process. Construction began in June of 2015 and the facility is scheduled to be open for the Fall of 2016 term.



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA

**Board of Governors Meeting
Saddle Creek Logistics Commons
Innovation, Science and Technology Building
Florida Polytechnic University
4700 Research Way
Lakeland, Florida 33805
January 26, 2017
10:30 a.m. – 12:00 p.m.**

or

Upon Adjournment of Previous Meetings

- | | |
|--|--|
| 1. Call to Order and Chair's Remarks on the State of the University System | Chair Tom Kuntz |
| 2. Minutes of Board of Governors Meetings <ul style="list-style-type: none">• Minutes, November 3, 2016 | Chair Kuntz |
| 3. Chancellor's Report | Chancellor Marshall M. Criser III |
| 4. Think Florida | Chair Kuntz |
| 5. Public Comment | Chair Kuntz |
| 6. Higher Education Coordinating Council Report | Governor Alan Levine |
| 7. Select Committee on 2+2 Articulation Report | Governor Levine |
| 8. Academic and Student Affairs Committee Report | Governor Norman Tripp |

9. **Facilities Committee Report** **Governor H. Wayne Huizenga, Jr.**
 - UF Educational Plant Survey Amendment
 - Amendment to the 2017-2018 State University System Fixed Capital Outlay Legislative Budget Request
 - UF Parking Garage XIV – Bond Authorization
 - FSU College Town Phase III – Debt Authorization
10. **Budget and Finance Committee Report** **Governor Ned Lautenbach**
 - Public Notice of Intent to Amend Board of Governors Regulation 9.014 Collegiate License Plates Revenues
 - 2017-2018 Board Office Legislative Budget Request
11. **Audit and Compliance Committee Report** **Governor Wendy Link**
12. **Strategic Planning Committee Report** **Governor Ed Morton**
13. **Select Committee on Florida Polytechnic University Report** **Governor Link**
14. **Presidential Search Reports**
 - Florida Gulf Coast University **Governor Morton**
15. **Concluding Remarks and Adjournment** **Chair Kuntz**

Public comment will only be taken on agenda items before the Board. Public comment forms will be available at the staff table at each meeting and must be submitted prior to the plenary meeting of the Board. A maximum of 15 minutes will be set aside after the Chancellor's Report to accept public comment from individuals, groups, or factions who have submitted a public comment form.)

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: Chair's Report to the Board of Governors and Remarks on the State of the University System

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Chair, Tom Kuntz, will convene the meeting with opening remarks.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Tom Kuntz

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: Minutes of Board of Governors Meeting held November 3, 2016

PROPOSED BOARD ACTION

Approval of minutes of the Board of Governors meeting held on November 3, 2016 at Florida Atlantic University.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board members will review and approve the minutes of the Board of Governors meeting held on November 3, 2016 at Florida Atlantic University.

Supporting Documentation Included: Minutes: November 3, 2016

Facilitators/Presenters: Chair Tom Kuntz

MINUTES: FLORIDA BOARD OF GOVERNORS

NOVEMBER 3, 2016

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BOARD OF GOVERNORS
LIVE OAK PAVILION
STUDENT UNION
FLORIDA ATLANTIC UNIVERSITY
BOCA RATON, FLORIDA
NOVEMBER 3, 2016

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

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MINUTES: FLORIDA BOARD OF GOVERNORS

NOVEMBER 3, 2016

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
LIVE OAK PAVILION
STUDENT UNION
FLORIDA ATLANTIC UNIVERSITY
BOCA RATON, FLORIDA
NOVEMBER 3, 2016

1. Call to Order and Chair's Remarks

Chair Tom Kuntz convened the meeting at 11:13 a.m., on November 3, 2016, with the following members present: Vice Chair Ned Lautenbach; Dean Colson; Daniel Doyle, Jr.; Jacob Hebert; H. Wayne Huizenga, Jr.; Darlene Jordan; Alan Levine; Wendy Link; Edward Morton; Pam Stewart; Norman Tripp; Gary Tyson; and Fernando Valverde.

Chair Kuntz thanked President Kelly and Chair Barbar for hosting the meeting and the Trustee Summit, recognizing the effort that led up to two great days of meetings. President Kelly welcomed the Board and shared information on two new grants recently received by Florida Atlantic University. FAU received \$5.6 million of a \$47 million grant made by the Wallace Foundation, working in conjunction with the United States Department of Education, to fund a school principal preparation program that will focus on local needs for principals in Broward, Palm Beach, and St. Lucie counties.

The second was a \$4.4 million grant that FAU received as an Hispanic-serving institution. The purpose of the grant is to encourage Hispanic and low-income students' interest in computer sciences programs, by funding dual-language mentors to assist those students. This grant also ties into the workforce needs identified by the Access and Attainment Commission for computer programmers. President Kelly noted both initiatives relate to the Ready, Set, Work challenge and FAU's focus on setting targets for what their disciplines should earn. He explained FAU is embedding their advisors in the private sector to assist with matching students to job opportunities that may not be evident and making sure students are being paid a competitive wage.

President Kelly also announced that FAU is being designated by Nikon as a Center of Excellence in Microscopy, the only one in the southeastern United States. FAU will offer their facilities and expertise which Nikon will use to design better microscopes.

Chair Barbar welcomed the Board to FAU on behalf of the Board of Trustees and thanked the Board for their efforts on the Summit.

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Chair Kuntz thanked all of the trustees who attended the Summit, stating we had record attendance and he thanked the presidents and the board chairs for encouraging their trustees to attend. He commented the Summit included productive dialogues on 2+2, performance funding, effective leadership, and elevating the System's research profile. He emphasized that it was important for everyone at least annually to come together as a group to share ideas and information and he encouraged trustees to attend future Summits.

Chair Kuntz informed members that two presidential confirmations were on the agenda for Dr. Robinson, as the new interim president at FAMU and for Dr. Martha Saunders, as the new president of UWF. He reiterated the selection of a president is one of the most important responsibilities of both the boards of trustees and this Board in light of the president's role to ensure the accountability, quality and integrity of the university. He stated he was looking forward to the confirmation hearings and encouraged members to engage the candidates in an active dialogue.

2. Trustee Summit/Remarks by Governor Rick Scott

The Trustee Summit was held on November 2, 2016, at FAU. The Summit included sessions on research and technology transfer, performance funding, articulation with Florida state colleges, and effective trustee leadership. Mr. Rick Goings, the Chief Executive Officer of Tupperware Brands, Inc. was the keynote speaker at lunch and presented a global perspective on shifts in population, jobs, education, and the world economy. Governor Rick Scott addressed the trustees and Board members to talk about the number of job openings in Florida, declining unemployment, the influx of new businesses seeking to relocate to Florida, the increase in STEM degrees, and the desire for students to graduate with a college degree without debt. He also emphasized the importance of utilizing mechanisms such as advanced placement, dual enrollment and credit for internships, in addition to online learning to help students graduate earlier and in a degree field which prepares them for a job. He urged trustees to find ways to reduce operating costs and the need for additional facilities. His goal is for Florida to have the number one university system in the country and for every student to walk out of a university with a job.

3. Minutes of Board of Governors Meeting

A. Board of Governors Meetings held September 22, 2016

Mr. Lautenbach moved approval of the Minutes of the meeting held on September 22, 2016, as presented. Mr. Colson seconded the motion, and the members concurred unanimously.

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4. Chancellor's Report

Chancellor Criser thanked Paige Beles for her work on the Trustee Summit, stating this was the most productive Summit we've had to date. He also thanked the FAU team for their efforts in making everyone feel welcome and making the experience first class.

Chancellor Criser stated under the leadership of the Governor and the Legislature, we have enhanced textbook affordability standards as part of the process to address student affordability across the state. Board members received a report on November 1, 2016 that is a compilation of the individual reports submitted by the twelve universities on textbook affordability initiatives. He advised members that the universities used Fall 2016 semester data as a baseline for working to meet the expectation of lowering the costs of textbooks.

On a broader level, he noted our Board owes a report to the Governor and Legislature by the end of the year that addresses affordability initiatives, including textbook affordability. Our staff is actively engaged in cataloguing the activities that have been conducted during the past year and since there isn't a board meeting prior to December 31, he committed to working with individual Board members to ensure they have the opportunity to advise on content so we can submit the report on time.

Chancellor Criser next turned to the topic of graduation rates. One metric used to look at student success around graduation is time to degree, which he found helpful to understanding the underlying data behind graduation rates. He presented two slides, with the first slide depicting student progression for full and part-time students in the 2009-2015 cohort. As indicated on the slide, by year three, 4% of the students graduate and by year four, 44% of the students have graduated. By year 5, 65% of the students have graduated and by year 6, 71% of the students have graduated. This slide also shows the progression of students who are not retained and by year 6, we should be looking at our efforts to assist the remaining 7% of students from that cohort who have not graduated.

The second slide shows time to degree for three cohorts and the experience for each university in years 2012-13, 2013-14, and 2014-15. This slide also shows where we are moving as a System during the period of time and it reflects a positive direction in reducing the time to degree. He stated beginning this year, he anticipates ongoing discussions with the Board about time to degree to understand if there are systemic areas where certain policies have the effect of helping or hindering time to degree. One area previously discussed was the summer attendance regulation and we need to understand if that policy encourages or impedes students from graduating sooner. The ability of having the Bright Futures scholarship funded in the summer is another area for discussion.

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Chancellor Criser commented he recently had the opportunity to meet with Cissy Proctor, the Executive Director of the Department of Economic Opportunity, about increasing engagement with the business community. He also had a similar discussion with the university presidents on how to build upon the relationships with business and community leaders, specifically to look for more opportunities to match our talent with workforce needs. He recognizes the sensitivity around those conversations, but is working closely with university leadership to get context around the volume and value of those conversations.

5. Think Florida

Chair Kuntz introduced Mr. John Sherry and Dr. Heather White who provided members with an overview of the partnership between the University of Florida and the Walt Disney Company and the services of the UF Career Resource Center. Mr. Sherry is a recruiter who has been with Walt Disney for over 25 years in a variety of leadership roles in operations and human resources. He is also an alumnus of the University of Florida. Dr. Heather White is the Director of the University of Florida's Career Resource Center, which has been ranked number one on the Princeton Review's "Best Career Services" list in 2010 and 2012. Dr. White has over 15 years of progressive leadership experience in higher education and student affairs.

Dr. White thanked the Board for the opportunity to present information about the University of Florida's partnership with Disney and the Career Resource Center. The Career Resource Center serves undergraduate and graduate students. Last year, they reached 26,507 students and made 15,749 employment connections. She described several Career Resource Center initiatives such as embedding career center staff into the various colleges to create career communities, and integrating career center staff into courses such as the "Good Life" that all first year students are required to take. According to Dr. White, experience has shown if they connect with students early in their academic career, it greatly increases their prospects for employability upon graduation. Another initiative is the B.E.S.T. program (Bridging Employment Success Today) which offers free training modules to students to enhance their employability skills. The B.E.S.T. program will also offer a career course called the "Art of Getting Hired" and additional career readiness modules for students to use.

Dr. White said the Career Resource Center provides comprehensive recruiting services to its industry partners, such as Disney. Each year, the center sends out a graduation survey that has a 95% response rate. Last year, 55% of their students reported being employed within two weeks of graduation. The survey shows that internships are extremely important in that 30% of students who completed an internship found a job upon graduation.

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Mr. Sherry stated Disney has enjoyed an active relationship with the university for over ten years. Disney sends hiring leaders to the university, attends the Career Resource Center Showcase each year, and partners with the Heavener Business School, in addition to recruiting from the other colleges. Disney focuses on developing key relationships with faculty to help them understand the type of positions Disney has open and the skills they need. Additionally, Disney sends recruiting leaders to help students with their resume writing skills. Mr. Sherry emphasized that they recruit for all aspects of the Disney Company, which operates in 40 different countries and has branched into areas including interactive gaming, movies, consumer products, sportscasting, television, in addition to the Disney parks. Currently, Disney has 35 UF students in Orlando in internships this semester.

Dr. White concluded their presentation by playing a short video produced by the University that is used for marketing their students and graduates to employers.

6. Public Comment

Chair Kuntz asked the Board's General Counsel Vikki Shirley if there were any requests for public comment for items on the Board's agenda. Ms. Shirley stated no requests for public comment had been received.

7. Confirmation of Interim President for Florida A&M University

Chair Kuntz stated the Board of Trustees of Florida A&M University selected Dr. Larry Robinson to serve as the interim president on September 20, 2016. Mr. Kelvin Lawson, the Chair of the Florida A&M University Board of Trustees, submitted a request for confirmation of Dr. Robinson's appointment. Chair Kuntz advised members that Mr. Lawson's request, along with a summary of key contract terms and Dr. Robinson's Curriculum Vitae, are included in the agenda materials.

Chair Kuntz explained the order of information for presidential confirmation items, indicating that members will first hear from the Chairs who will present their candidates for confirmation. The candidates will then address the Board, focusing on their vision for how their respective universities will contribute to the System and how they expect their universities to address university-specific concerns. After that, the floor will be open for questions from members.

Chair Lawson said he was honored to present Interim President Dr. Larry Robinson for confirmation. He described Dr. Robinson as a passionate, seasoned, and energetic leader with thirty years of prior experience as a renowned scientist, senior administrator and educator. Mr. Lawson detailed Dr. Robinson's stellar educational and employment background, including his former service as Interim President of the university in 2007 when he lead the university through a transition period, and again in

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2012 to 2014, when he was instrumental in leading the university through the Southern Associations and Colleges and Schools accreditation process. Mr. Lawson also highlighted some of Dr. Robinson's awards and accolades such as the Tallahassee Urban League Legends Award and the University of Memphis College of Arts and Sciences Outstanding Alumni award. Mr. Lawson concluded his remarks by summarizing Dr. Robinson's proven ability to lead, stating he was honored to present Dr. Robinson for confirmation as interim president.

Dr. Robinson thanked Mr. Lawson for his comments, stating he was humbled by his selection to serve as the interim president. He noted we all share the common desire for Florida A&M University to continue to provide a life-changing high quality educational experience for its students. Dr. Robinson provided the Board with an overview of Florida A&M University's achievements including its number one ranking by U.S. News and World Report as the nation's premier public HBCU; its number one ranking by the National Science Foundation as the top HBCU producer of research awards and research expenditures; and he recounted the recent \$15.4 million award the university received from the National Oceanic and Atmospheric Administration, 50% of which must be spent on student support. Additionally, the National Society of Black Engineers announced it will award \$400,000 to 24 students to ensure the opportunity for them to participate in internships and find gainful employment.

Dr. Robinson next outlined his plan for addressing how Florida A&M University will meet the goals in its strategic plan and the Board of Governors' performance funding model. First, the university will focus on the six-year graduation rate and excess credit hours. They are developing strategies to implement the comprehensive retention, progression, graduation and debt reduction plan first presented in 2012. They will increase student participation in first year experience activities, expand living-learning community dormitory experiences, increase student engagement in curricular and co-curricular initiatives, offer professional development opportunities to students and faculty advisors; and enhance electronic mentoring of student progression.

Second, to increase retention rates, the university will increase the selectivity of students for admission and for those students admitted on a conditional basis, the university will offer them access to a program that will help them accelerate their college preparedness.

Third, they will focus on post-graduation success by ensuring their students find gainful employment. They will review all existing degree programs and propose new program and tracks with attention to current trends in various professions and the job market in general. They will expand membership in Florida A&M's graduate feeder program that provides access to high caliber graduate programs around the nation. They will revitalize the industry cluster program which has been a vital source of internships, employment opportunities and donations.

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Fourth, with regard to student debt and loan default rates, they will continue to hold mandatory financial literacy workshops to teach students how to budget and embed those in freshmen academic success courses. They will continue to participate in the American Student Assistance program which teaches students life-long financial skills. They will utilize debt counselors to assist students with financial literacy skills and they have strengthened their financial aid procedures to rigorously require students to demonstrate satisfactory academic progress to enable them to continue to receive federal need-based financial aid.

Fifth, they want to move closer to the system standards on licensure passage rates. For each program with specialized accreditation, they will examine their policies and procedures to ensure that their students are prepared to pass the examinations upon graduation.

Dr. Robinson also touched on a campus safety and security initiative led by their Chief of Police to develop innovative education and communication strategies to enhance the safety and security of their students. The university is also preparing for its 10-year reaffirmation by the Southern Association of Colleges and Schools and is developing new recruitment strategies with a focus on 2+2. Dr. Robinson concluded his remarks by commenting on the academic standing of its current freshman class, which is at the highest level in the last six years and the level of degree production, which is at the highest level in the last seven years.

Mr. Levine stated it was a pleasure to work with Dr. Robinson as part of the university's strategic planning process and commented favorably on the linkage between the university's strategic plan and the Board's performance funding initiative. He congratulated Mr. Lawson and the Florida A&M Board of Trustees for selecting Dr. Robinson. Mr. Morton likewise congratulated the board of trustees on their outstanding selection of Dr. Robinson as interim president.

Mr. Tripp indicated he had the opportunity to talk with Dr. Robinson during the Trustee Summit and asked Dr. Robinson to address his concern about getting the university on the right path to become a premier research institution. Dr. Robinson explained he came to Florida A&M University, in part, because of the vision of the then-president to move the university into the realm of a high-quality research university. To move the university forward in research, he noted it takes high quality faculty and rigorous tenure and promotion criteria to contribute to the research mission. It also takes great leadership and the willingness of talented faculty and students to make it all work.

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Mr. Levine moved to approve confirmation of the Interim President for Florida A&M University. Mr. Colson seconded the motion, and the members concurred unanimously.

8. Confirmation of Appointment of the President for the University of West Florida

Chair Kuntz stated the next item is consideration of the confirmation of the appointment of the President of the University of West Florida. On September 15, 2016, the University of West Florida Board of Trustees selected Dr. Martha Saunders to serve as the next President of the university. Mr. Lewis Bear, the Chair of the University of West Florida Board of Trustees, submitted a request for confirmation of Dr. Saunders' appointment. Chair Kuntz explained that the request, along with documentation relating to the search process and a summary of key contract terms, are included in the agenda materials. Chair Kuntz called on Chair Bear for remarks.

Chair Bear said it was an honor for him to present Dr. Martha Saunders for confirmation on behalf of the Board of Trustees. Prior to taking up the confirmation, he thanked outgoing President Judy Bense for her service to the university, the region, and the state. He praised President Bense for anchoring the university to the 21st century and for preparing students to enter high-wage, high-skilled jobs. Members gave President Bense a standing ovation and Chair Kuntz called on her for remarks.

President Bense thanked the Board of Governors for their support. She explained she has spent her life in higher education, starting with the University of West Florida in 1979. In her role as interim and then full president, she described herself as the "greenest rookie" anyone had ever seen and she appreciated the support and education she received from this Board and its predecessor members. She noted the University of West Florida is different, stating she came to learn their place and thanked her Board of Trustees, past and present, for their support and encouragement.

Chair Bear then described the search process as being a very robust process. He thanked Vice Chair O'Sullivan for his efforts, along with the other board members and members of the search committee. He next provided members with an overview of Dr. Saunders' credentials, starting with her initial position in the College of Arts and Sciences at the University of West Florida where she became the Dean of the College. Over her thirty year career, she has served in leadership positions in higher education in Mississippi, Georgia, Florida and Wisconsin, serving as a university president on two occasions. Dr. Saunders returned to the University of West Florida in 2012 as the Provost. Since returning to the university, she established the Innovation Institute which houses Complete Florida and the Florida Virtual Campus; the Center for Research and Economic Opportunity; the Center for Cybersecurity; and the University College, which delivers high-impact educational practices leading to professional readiness and student success. Dr. Saunders also established the Office of Equity,

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Diversity and International Programs and launched a faculty and staff professional development program. She developed a five-year strategic enrollment plan which he commented is already bearing fruit and led the successful reaffirmation of the university's accreditation status. Chair Bear then offered Dr. Saunders to the Board for confirmation of her appointment as President of the University of West Florida.

Chair Kuntz called on Dr. Saunders for her presentation. Dr. Saunders thanked the Board for its consideration and talked about the journey that brought her here today. She explained she worked her way up through the faculty ranks until she was a Dean and was encouraged by former President Morris Marks to reach higher in her career. She left the university and became a provost in Georgia, a chancellor in Wisconsin, and returned to her alma mater in Mississippi to become its president. Along the way, Dr. Saunders stated she learned about fundraising, cultivating enrollment of capable students, and building a university brand. Her first task is to crystallize the achievements of her predecessor, President Bense, who transformed the campus from a commuter school to a traditional university. She is also going to focus on growing the university to its full potential, aligning university goals with those of the Board of Governors. Her goal is for the university to provide a quality product and increase visibility both within and beyond the regional community.

Dr. Saunders is looking to refine the university's physical space so it will become a campus of distinction. The campus is rich with natural and historical resources. She will also recommend the approval of a few new programs of distinction designed to meet market demand, to put students into jobs, to increase research capacity, and to enhance the university's partnerships with industry. She also plans to increase their online offerings so the university can build on its successful online programs. She wants to leverage the university's successes in diversity such as their TRIO scholars program where at risk students are graduating at a higher rate because of the support of the program. Dr. Saunders stated this program should be scalable to other students at the university.

She acknowledged the university will need to make performance based funding work for them. Performance based funding has effected change in the State University System. However, it has been more challenging for the University of West Florida than for others. Between the first and second year of performance based funding, they improved in the excellence category by 22% and by 10% the following year. We are projecting another double digit increase this year in the excellence category. She stated they have the right people at the university to do this work and an outstanding faculty. They also have amazing students, self-directed and self-possessed and a very engaged board of trustees. She wants to provide greater professional growth opportunities for faculty, students and staff. By building programs of distinction, she predicts they will be able to gain national attention. In closing, Dr. Saunders thanked the Board for their service and for this opportunity to serve the university, its students, and the state.

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Chair Kuntz called on Mr. Doyle. Mr. Doyle stated the search committee worked very hard and he recalled the great interview that Dr. Saunders gave before the search committee, describing her as a “bright spot in the room,” similar to her presentation today.

Ms. Link inquired about the academic areas Dr. Saunders would like to focus on with regard to creating new programs of distinction. Dr. Saunders responded they are seeking approval for a Doctorate in Intelligent Systems and Robotics in partnership with the Institute of Human and Machine Cognition. She also views their cybersecurity program as an area where there is high demand, in addition to a Logistics and Supply Train Management program that is currently offered. She will explore new programs in the College of Health such as a program focused on the study of chronic disease in an aging population.

Mr. Tripp noted the university has already established itself as a military-friendly campus, but asked what can be done to increase that reputation. Dr. Saunders replied they have a military advisory council that meets several times a year with university representatives and there are a number of areas in which the interests of the university and the military representatives are aligned. She noted approximately 23% of their students are military-affiliated and believes they can do more, especially with veterans. Their engineering students work with industry partners at Eglin Air Force Base and they can build on the programs needed by these partners.

Mr. Colson moved to approve confirmation of the President for the University of West Florida. Mr. Doyle seconded the motion, and the members concurred unanimously.

9. Board of Governors Regulation 1.006 Conflict of Interest

Chair Kuntz called on Ms. Shirley to present the item. Ms. Shirley explained there were no public comments and the regulation was ready for final approval.

Mr. Lautenbach moved to approve amended Board of Governors Regulation 1.006 Conflict of Interest. Mr. Tripp seconded the motion, and the members concurred unanimously.

10. Audit and Compliance Committee Report

Chair Kuntz called on Mr. Levine for the Audit and Compliance Committee report.

A. Public Notice of Approval of Board of Governors Regulations

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- i. Regulation 4.001 University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement

Mr. Levine moved approval of Board of Governors Regulation 4.001 University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement. Mr. Lautenbach seconded the motion, and the members concurred unanimously.

- ii. Regulation 4.002 State University System Chief Audit Executives

Mr. Levine moved approval of Board of Governors Regulation 4.002 State University System Chief Audit Executives, noting that the regulation was revised during the comment period to require a copy of the approved university chief audit executive charters, and any subsequent changes, be provided to the Board of Governors. Mr. Lautenbach seconded the motion, and the members concurred unanimously.

- iii. Regulation 4.003 State University System Compliance and Ethics Programs

Mr. Levine moved approval of Board of Governors Regulation 4.003 State University System Compliance and Ethics Programs, noting that the regulation was revised during the public comment period to clarify that the chief compliance officer not be the same individual as the chief audit executive, except that this requirement would not apply to New College of Florida and Florida Polytechnic University based on fiscal and workload considerations. In addition, the regulation was revised to require a copy of the approved university chief compliance officer charters, and any subsequent changes, be provided to the Board of Governors. Mr. Lautenbach seconded the motion, and the members concurred unanimously.

- iv. Regulation 4.004 Board of Governors Oversight Enforcement Authority

Mr. Levine moved approval of Board of Governors Regulation 4.004 Board of Governors Oversight Enforcement Authority. Mr. Lautenbach seconded the motion, and the members concurred unanimously.

11. Facilities Committee Report

Chair Kuntz recognized Mr. Huizenga for the Facilities Committee report. Mr. Huizenga reported the Facilities Committee conducted an all day workshop on October 18th and heard presentations on over 30 high priority university capital projects. In addition to the new projects, the Committee noted the system-wide need to address outstanding maintenance items in a meaningful way. The plan is for staff to begin

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development of a prioritized funding list that will be ready for consideration by the Board at the January meeting.

12. Select Committee on 2+2 Articulation Report

Chair Kuntz recognized Mr. Levine for the Select Committee on 2+2 Articulation report. Mr. Levine said the Select Committee began with a review of the key findings from previous meetings which indicate 2+2 articulation is working well overall with nearly half of Associate in Arts graduates enrolling in an SUS institution each year, although there are a few areas where there are improvement opportunities to provide a more seamless transition for students.

In accordance with the approved work plan, the Committee discussed potential solutions for improving 2+2 articulation in the areas of academic transitions, the admissions process, and cultural transitions. The Committee also discussed information currently available about Associate in Arts graduates and whether additional information is needed to support the Board's planning efforts.

The Committee will continue the dialogue on the strategies at a workshop in January and include topics discussed yesterday related to: working with K-12 to provide information on transfer and articulation to students in dual enrollment courses; overlapping or integrated advising in K-12 through postsecondary; and exploring 2+2 opportunities for students in rural areas. In addition, staff will provide an overview of the process for addressing issues around quality and alignment in the Florida College System and the State University System.

13. Innovation and Online Committee Report

Chair Kuntz called on Mr. Lautenbach for the Innovation and Online Committee report. Mr. Lautenbach stated the Committee met on October 17 to hear the *Cost of Online Education* report, which included the following findings:

1. It's costing universities, on average, \$41.48 more per credit hour to develop and deliver online courses than it costs to offer on-campus courses. Universities may recover part of that cost by charging students an average of \$30 per credit hour for a distance learning fee.
2. Florida already has in place initiatives to save or avoid costs, but more can be done.
3. In general, the more online courses a student takes, the faster he or she is likely to graduate.
4. The price students pay when they register for online courses varies across the system.

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Mr. Lautenbach moved that the reconstituted Task Force on Strategic Planning for Online Education develop and recommend a new tuition and fee model that would encourage online students to graduate in a timely manner, while being cognizant of institutional costs and fairness in student pricing. Mr. Tripp seconded the motion, and the members concurred unanimously.

Mr. Lautenbach moved that the Implementation Committee and Steering Committee present recommendations for sharing additional services and/or resources. Mr. Tripp seconded the motion, and the members concurred unanimously.

Mr. Lautenbach moved that the Implementation Committee and Steering Committee present recommendations for sharing courses and programs. Mr. Tripp seconded the motion, and the members concurred unanimously.

Mr. Lautenbach moved that the Implementation Committee and Steering Committee develop common definitions and common dashboards to more effectively manage online education. Mr. Tripp seconded the motion, and the members concurred unanimously.

Mr. Lautenbach reported the Committee expects all of these recommendations to be presented at the March meeting. Finally, the Committee received a presentation on UF Online's annual report and nonmaterial amendments to its comprehensive business plan, and a presentation from a UF faculty member who teaches courses through UF Online and in the classroom setting.

14. Academic and Student Affairs Committee Report

Chair Kuntz recognized Mr. Tripp to report on the Academic and Student Affairs Committee. Mr. Tripp stated the Committee received a special update on mental health from Dr. Maribeth Ehasz, Vice President of Student Development and Enrollment Services at the University of Central Florida. Dr. Ehasz noted an increase in both the number and severity of student mental health issues compared to last year at this time. She also highlighted the need for additional mental health professionals on university campuses. In addition, Dr. Corey King, Vice President for Student Affairs at Florida Atlantic University and Chair of the Council for Student Affairs, updated the Board on the Anti-Hazing Prevention Session that was held this October 13.

A. Public Notice of Approval of Board of Governors Regulations

i. Regulation 6.013 Military Veterans and Active Duty

Mr. Tripp moved approval of amended Regulation 6.013 Military Veterans and Active Duty. Ms. Link seconded the motion, and the members concurred unanimously.

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- ii. Regulation 8.003 Textbook and Instructional Materials Affordability

Mr. Tripp moved approval of amended Regulation 8.003 Textbook and Instructional Materials Affordability. Ms. Link seconded the motion, and the members concurred unanimously.

15. Strategic Planning Committee Report

Chair Kuntz called on Mr. Colson for the Strategic Planning Committee report. Mr. Colson stated the Committee took up one action item related to New College of Florida.

A. New College of Florida Plan for Growth

Mr. Colson reported that in the context of its 2016 University Work Plan presented in June, New College was asked to consider the particular initiatives and associated resources necessary to increase its student population to 1200 students. Board staff conducted a site visit on July 29, 2016, and Board members toured New College and met with administrators on September 20 and 22, 2016. At the meeting today, President O'Shea presented information on the initiatives and resources necessary to increase its student population to 1200. Mr. Colson moved that the Board approve the New College of Florida growth plan and that the legislative budget request be forwarded to the Budget and Finance and Facilities Committees for consideration. Mr. Levine seconded the motion, and the members concurred unanimously.

16. Select Committee on Florida Polytechnic University Report

Chair Kuntz recognized Ms. Link for the Select Committee on Florida Polytechnic University report. Ms. Link reported the Select Committee met today and Provost Terry Parker provided the Committee with the University's latest status update. Florida Polytechnic is on pace to meet all of its legislative mandates and is on pace with regard to receiving accreditation by the Southern Association of Colleges and Schools no later than December 2017. The university's next major hurdle will be to submit the Compliance Certification to SACS, which it expects to accomplish by December 15, 2016.

17. Budget and Finance Committee Report

Chair Kuntz recognized Mr. Lautenbach for the Budget and Finance Committee report.

A. Public Notice of Approval of Board of Governors Regulations

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- i. Regulation 7.002 Tuition and Fee Assessment, Collection, Accounting and Remittance

Mr. Lautenbach moved to approve amended Regulation 7.002 Tuition and Fee Assessment, Collection, Accounting and Remittance. Mr. Tripp seconded the motion, and the members concurred unanimously.

- ii. Regulation 18.001 Purchasing

Mr. Lautenbach moved to approve amended Regulation 18.001 Purchasing. Mr. Tripp seconded the motion, and the members concurred unanimously.

B. Prioritization of Legislative Budget Issues

Mr. Lautenbach reported the Committee met on October 17 to review and prioritize a number of budget request issues that were discussed by committees at the September meeting. He noted these issues are not included in the Board's official LBR which is focused on performance funding, student safety and mental health, but they are important to the system. Each Budget and Finance Committee member had an opportunity to weigh in on a suggested priority list, which is included in the agenda materials, and which could be funded if additional resources are available from the Legislature. He reported that two issues rise to the top: strategic cluster hires and the Sunshine State Education & Research Computing Alliance, and moved to approve the Legislative Budget Priorities list, as presented. Mr. Tripp seconded the motion, and the members concurred unanimously.

C. New College of Florida Growth Plan

Mr. Lautenbach moved to include the New College of Florida Growth Plan in the Board's official 2017-2018 Legislative Budget Request. Mr. Tripp seconded the motion, and the members concurred unanimously.

D. Performance-Based Funding Model

Mr. Lautenbach moved to approve the following amendments to the performance funding model:

1. For metric 1, the benchmarks are modified to reflect the new wage threshold definition adopted back in January.
2. For metric 2, the definition and benchmarks are modified to include wages of graduates employed outside Florida.

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3. For metric 3, the cost per undergraduate degree metric is modified to move to a net tuition per undergraduate student metric with benchmarks that will focus on student tuition and fee affordability.
4. The Boards of Trustees at the University of North Florida and the University of Florida have modified their choice metric and the amendments accept their modifications.

Mr. Tripp seconded the motion, and the members concurred unanimously.

18. Presidential Search Report

A. Florida Gulf Coast University

Chair Kuntz recognized Mr. Morton for a report on the presidential search at Florida Gulf Coast University. Mr. Morton stated the Search Committee met recently with the search consultant who advised that the number of applicants exceeded expectations and they have an array of qualified candidates. The Search Committee next meets on November 10, 2016, to narrow the list of applicants to those who will be interviewed by the Search Committee on campus. Following the interviews, the Search Committee will narrow the list down to three to five candidates to present to the Florida Gulf Coast University Board of Trustees in early December for them to select a final candidate to bring to the Board of Governors for confirmation in January. Chair Kuntz inquired if the time for submission of applications has closed. Mr. Morton responded that the deadline is November 8th. Ms. Link asked if the university is still pursuing a different approach to the president's contract. Mr. Morton replied they asked the search firm whether the employment arrangement that was voted on resulted in a negative impact on the applicants and the response they received was "no". He clarified that there will, in fact, be a contract with the new president that will be for a one-year term with incentive clauses that may extend for a period of years.

19. Concluding Remarks and Adjournment

Chair Kuntz announced that the next meeting of the Board is scheduled for January 25-26, 2017, at Florida Polytechnic University.

Having no further business, the meeting was adjourned at 1:08 p.m. on November 3, 2016.

Thomas G. Kuntz, Chair

Vikki Shirley,
Corporate Secretary

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: Chancellor's Report to the Board of Governors

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Chancellor Marshall M. Criser III will report on activities affecting the Board staff and the Board of Governors since the last meeting of the Board.

Supporting Documentation Included: None

Facilitators/Presenters: Chancellor Marshall M. Criser III

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: Think Florida

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Background Information: As part of the *Think Florida: A Higher Degree for Business* campaign, Board members regularly have the opportunity to hear from universities and the business community about the latest synergies regarding talent, research and partnerships. Today's feature is John Townsend, vice president of T. Rowe Price Group, Inc. and T. Rowe Price Services, Inc., who will present on his company's many collaborations with the University of South Florida.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Tom Kuntz

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: Public Comment

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 286.0114, Florida Statutes; Article V, Section H, Board of Governors Operating Procedures

BACKGROUND INFORMATION

Article V, Section H, of the Board of Governors Operating Procedures provides for public comment on propositions before the Board. The Board will reserve a maximum of fifteen minutes during the plenary meeting of the Board to take public comment.

Individuals, organizations, groups or factions who desire to appear before the Board to be heard on a proposition pending before the Board shall complete a public comment form specifying the matter on which they wish to be heard. Public comment forms will be available at each meeting and must be submitted prior to the plenary meeting.

Organizations, groups or factions wishing to address the Board on a proposition shall designate a representative to speak on its behalf to ensure the orderly presentation of information to the Board. Individuals and representatives of organizations, groups or factions shall be allotted three minutes to present information; however, this time limit may be extended or shortened depending upon the number of speakers at the discretion of the Chair.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Tom Kuntz

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: Higher Education Coordinating Council Chair's Report to the Board of Governors

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Section 1004.015 (5), Florida Statutes

BACKGROUND INFORMATION

Governor Alan Levine, chair of the Higher Education Coordinating Council, will report on the work of the Council, including the 2016 Annual Report.

Supporting Documentation Included: None

Facilitators/Presenters: Governor Alan Levine

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: UF Educational Plant Survey Amendment

PROPOSED BOARD ACTION

Review and approve the proposed amendment to the University Florida's Educational Plant Survey

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Sections 1013.03 and 1013.31, Florida Statutes

BACKGROUND INFORMATION

The University of Florida's current Educational Plant Survey (EPS) was approved by the Board of Governors on January 21, 2015. The original survey recommended project, 3.3 Mechanical Aeronautical Engineering Building (72,000 NSF), would be replaced by one new project, the Multi-Disciplinary Information Technology Data Science Building (102,000 NSF); and Project 2.12, Music Building Renovation would be modified to include the addition of 49,000 NSF to the recommendation.

These two revisions of the Needs Assessment Form use the original UF Survey data inputted as it existed at the time of the original survey. As such, adding the two additional project GSF keeps the university within the needs space requirements that were in place at that time. This proposed supplemental revision does not exceed any of the space categories 100% requirements.

The UF Board of Trustees approved the survey amendment on June 4, 2015.

Both projects were discussed at the Committee workshop on October 18th, and Board staff support this EPS change.

Supporting Documentation Included: None

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: Amendment to the 2017-2018 State University System Fixed Capital Outlay
Legislative Budget Request

PROPOSED BOARD ACTION

Review and amend the 2017-2018 SUS Fixed Capital Outlay Legislative Budget Request;

Approval is recommended by the Chancellor

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The requested budget provides the State University System of Florida continued capital outlay support and has been prepared in accordance with statutory requirements and guidelines adopted by the Board of Governors. All university fixed capital outlay budget requests have been approved by the institutional boards of trustees.

This is the first amendment to the original budget request for 2017-2018, as approved by the Board on September 22, 2016. A workshop was held on October 18, 2016, at USF, at which the Committee reviewed selected high priority PECO and CITF projects with detailed project presentations by university representatives.

Specific Fixed Capital Outlay Appropriation Requests

- A. Public Education Capital Outlay - \$124,818,494
 - 1. \$45,562,241 for Maintenance, Repair, Renovation & Remodeling (S. 1013.64 (1)(a))
 - 2. \$79,256,253 for SUS Projects (S. 1013.64 (4) (a))
- B. \$291,000,000 supplemental request for SUS Projects, (S. 216.043)
- C. \$45,000,000 Capital Improvement Trust Fund Allocation (S. 1010.86)
- D. Legislative Authorization only - Authorization for State University System Fixed Capital Outlay projects requiring Debt Financing (S. 1010.62)

- E. Legislative Authorization only - Authorization for non-appropriated projects which may qualify for General Revenue funds to Operate and Maintain (S. 1013.74)

Supporting Documentation:

Schedules A-E, located with the Facilities Committee meeting materials.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") to issue revenue bonds on behalf of the University of Florida to finance construction of a Parking Garage and to redeem certain outstanding bonds

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the Division of Bond Finance on behalf of University of Florida (the "University"), in an amount not to exceed \$37,200,000 (the "Bonds") for the purpose of financing the Parking Garage XIV ("the Project") on the University's campus and to redeem certain outstanding bonds.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance has reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and complies with the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing and bond redemption.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution

BACKGROUND INFORMATION

The University has submitted a proposal for financing and construction of the Project. The Project will be located on the main campus of the University in the center of campus immediately south of the existing Reitz Student Union on an existing surface lot. The proposed project will contain approximately 1,520 parking spaces and will provide 1,169 net new spaces. The total Project cost is expected to be \$37,600,000.

The University Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$37,200,000 of fixed rate, tax-exempt revenue bonds to finance the construction of the project and pay costs of issuing the

Bonds. The University's Transportation and Parking Services will make an equity contribution of \$1.3 million, which will fund the garage design and allow the project to advance to construction seamlessly once the bond proceeds become available. The Bonds will include twenty (20) annual amortizations with level annual debt service payments.

Net parking system revenues will be pledged for the payment of debt service. These revenues are derived primarily from decal fees, parking fines, toll/metered parking, and special event fee income after deducting operating and maintenance expenses. The Pledged Revenues do not include student transportation access fee revenues or fines collected by the Student Traffic Court. The Bonds will be issued on a parity with the outstanding UF Parking Facility Revenue Bonds, currently outstanding in the aggregate principal amount of \$14,865,000.

Projections provided by the University indicate that sufficient net revenues will be generated from decal sales, visitor and patient toll parking, fines and other revenues to pay debt service on the Bonds and the outstanding Parking Bonds. The University will implement proportionate increases to faculty, staff and commercial decal fees (7% increase in 2017-18 and 2018-19, then further increasing by 4% in 2019-20 and 2020-21). The current student decal fees are \$160 per year and, at this time, the University does not anticipate the need to increase student decal fees in connection with this financing. At UF, the decal fee is an optional cost to students.

The University's Board of Trustees approved the Project and the financing thereof at its December 2, 2016 meeting.

Supporting Documentation Included: Information located in the Facilities Committee materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: Resolutions of the Board of Governors approving the issuance of debt by the Seminole Boosters, Inc. to construct a mixed use student housing facility near the main campus of Florida State University.

PROPOSED BOARD ACTION

Adoption of two (2) separate, but related resolutions approving the issuance of fixed rate debt by the Seminole Boosters, Inc. (the "Seminole Boosters"), in an aggregate amount not to exceed \$46,000,000 (the "Debt") to finance a portion of the construction of a mixed use student housing facility. The debt will consist of two bank loans, a not to exceed \$15,000,000 short term bank loan and a not to exceed \$31,000,000 long term bank loan, which together will fund the 1) construction of the housing facility and parking garage, interest on the debt during construction and issuance costs; and 2) buy-out of the investors in CollegeTown I.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance has reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed Financing Plan is in compliance with Florida Statutes governing the issuance of university debt and generally complies with the Debt Management Guidelines adopted by the Board of Governors, except as noted below.

The financing plan raises three issues the Board of Governors should be aware of and consider. The first is that although CollegeTown I is complete and operational, it has never been reviewed or approved by the Board of Governors. CollegeTown III is an expansion of the CollegeTown development and is being submitted to the Board of Governors for consideration because it is being financed with debt in the form of a bank loan. CollegeTown I is also being reviewed because debt is being incurred to repay investors/lenders in CollegeTown I and to fund a down-payment or contribution to the financing of CollegeTown III, which is the second issue. Thirdly, the finance plan includes a not to exceed \$15 million short term loan which will mature in 2020 and will need to be refinanced with a permanent loan. The Board of Governors Guidelines do not contemplate or provide guidance on using temporary loans that will require refinancing which introduces interest rate risk and refinancing risk. Detailed information regarding these matters and the finance plan are included in the analyses attached hereto.

Staff of the Board of Governors recommends adoption of the resolutions and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62(3), Florida Statutes; and Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

The Seminole Boosters submitted a proposal for financing the construction of a mixed use student housing facility two blocks south of the main campus of Florida State University (the "University"). The project, CollegeTown III, is intended to be the third and final phase of the CollegeTown development; and will include a seven-story building, containing 129 units (300 beds), a parking garage with 500 spaces and 1,500 square feet of commercial space. The Project will be located on land currently controlled by the Seminole Boosters. The total project cost is expected to be approximately \$34,000,000.

The Seminole Boosters intend to obtain a \$31,000,000 fixed rate, taxable loan (the "Permanent Debt") to finance a portion of CollegeTown III (the "Project"), fund capitalized interest and pay costs associated with the issuance of the Permanent Debt. The Permanent Debt will mature twenty-five (25) years after issuance with level debt service payments with the first principal payment occurring August 1, 2019 and a final maturity date of December 1, 2045. The Seminole Boosters will obtain additional debt via a short term note in the not to exceed amount of \$15,000,000, (the "Additional Debt") which will be secured by a pledge against the Seminole Boosters portion of CollegeTown I revenues. Approximately \$5,300,000 will be used to finance the construction of the Project, and approximately \$8,700,000 will be used to take out the investors in CollegeTown I. After three years, the Seminole Boosters plans to take out the Additional Debt, and obtain permanent financing secured by a mortgage, and first lien, on CollegeTown I.

The Debt is payable from the Project revenues, which are derived primarily from rental income, after deducting operating expenses. The pledged security includes a mortgage on the subject property as well as a covenant by the Seminole Boosters to maintain a 1.3x debt service coverage. The Additional Debt, while not secured by CollegeTown I, will be payable from revenues available to the Seminole Boosters from CollegeTown I, and Projections provided by the Seminole Boosters indicate sufficient revenues to pay debt service on the Debt.

It appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and the Board of Governors Debt Management Guidelines except as noted herein.

The Seminole Boosters' Real Estate Committee approved the proposed financing terms of CollegeTown I and CollegeTown III on September 20, 2016, and the Seminole Boosters' Board approved the terms on September 27, 2016. The proposed financing is still subject to approval from the University's Board of Trustees on January 17, 2017.

Supporting Documentation Included: Information located in the Facilities Committee materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 9.014
Collegiate License Plate Revenues

PROPOSED BOARD ACTION

Approve the public notice of intent to amend Board of Governors Regulation 9.014

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Section 320.08058(3), Florida Statutes

BACKGROUND INFORMATION

Section 320.08058(3)(b), Florida Statutes, states that the Board of Governors shall require each state university to submit a plan for approval of the expenditure of all revenues collected from the sale of collegiate license plates. The funds may only be used for academic enhancement, including scholarships and private fundraising activities.

During fiscal year 2014-2015, close to \$6 million was generated from the sale of collegiate license plates for the universities.

	Gross Revenues
FAMU	\$431,615
FAU	\$60,114
FGCU	\$42,455
FIU	\$65,421
FSU	\$1,806,837
NCF	\$22,919
UCF	\$392,534
UF	\$2,569,729
UNF	\$44,906
USF	\$389,796
UWF	\$28,764

The expenditure plans below indicate the percentage of funds expended for scholarships, fundraising and academic enhancements. The plans are effective indefinitely, unless the university requests to deviate from the approved plan by more

than 10 percent pursuant to regulation.

	Scholarships	Fundraising	Academic Enhancement
FAMU	85%	15%	
FAU	75%	25%	
FGCU	100%		
FIU	50%	50%	
FSU	90%	10%	
NCF	50%	10%	40%
UCF	20%	30%	50%
UF	60%	40%	
USF	20%	66%	14%
UNF	70%	30%	
UWF	40%	60%	

A change is needed for the University of West Florida to conform to the expenditure plan approved by the Board of Regents in 1997. The following change is requested:

	Scholarships	Fundraising
UWF - Current	40%	60%
UWF - Change	60%	40%

A change is needed for the Florida A&M University to conform to the expenditure plan approved by the Board of Trustees in February 2011. The following change is requested:

	Scholarships	Fundraising
FAMU - Current	85%	15%
FAMU - Change	25%	75%

On December 1, 2016, the University of Florida Board of Trustees approved a modification to their expenditure plan as follows:

	Scholarships	Fundraising
UF - Current	60%	40%
UF- Proposed	40%	60%

If approved, the amended regulation will be noticed on the Board's website for 30 days with final approval by the Board at the September 22, 2016 meeting.

Supporting Documentation Included: Information included in the Budget and Finance Committee Material

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 26, 2017

SUBJECT: 2017-2018 Board Office Legislative Budget Request

PROPOSED BOARD ACTION

Approve the 2017-2018 Board General Office Amended Budget Request and allow the Chancellor to make technical changes as necessary.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 216.023 Florida Statute

BACKGROUND INFORMATION

The Office of Information Resource Management (IRM) is the primary collector and provider of data that is used to develop education policy decisions. The office provides technical assistance to those using the information, state and federal reporting support, those supplying information, and enhancement support for the databases. This office processes approximately 9,000 files each year that contain millions of student, financial and facilities data. The Board Office has worked diligently over the last several months to develop a plan to address needs with IRM.

The Board has a limited budget, but resources are allocated strategically to ensure the Board's 2025 Strategic Plan is met. Over the last three years the Chancellor has directed additional resources to IRM to support their operations. This has included additional positions and compensation to retain and attract staff. Recently a reorganization was completed to better streamline and improve process flows that will assist in the development of new staff.

Given these changes over the last three years, turnover in IRM has been 40 percent and, salaries lag behind comparable positions in other state agencies by 10 to 12 percent. In addition, concerns regarding data security and project management have increased over the last few years.

This request of \$1.1 million includes resources to bring existing IRM staff up to the average of other staff agencies to address retention issues; four new positions to ensure quality control, security and project management; and resources for business continuity and security projects.

Supporting Documentation Included: Information included in the Budget and Finance Committee Material