

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
BUDGET AND FINANCE COMMITTEE  
UNIVERSITY OF CENTRAL FLORIDA  
ORLANDO, FLORIDA  
MARCH 27, 2018

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

Mr. Syd Kitson, Chair, convened the meeting of the Budget and Finance Committee at 2:20 p.m. Members present for roll call were Tim Cerio, Ned Lautenbach, Fernando Valverde, and Jalisa White. Other Board members present included Darlene Jordan, Wendy Link, Edward A. Morton, Jay Patel, Norman Tripp, Gary Tyson, and Zach Zachariah (via phone).

**1. Call to Order**

Mr. Kitson called the meeting to order.

**2. Minutes of Committee Meeting**

Mr. Valverde moved that the Committee approve minutes from the March 28, 2017, meeting. Mr. Lautenbach seconded the motion, and members of the Committee concurred.

**3. Performance-Based Funding Allocation**

Mr. Kitson thanked the Legislature and Governor for their continued support of the Board's performance-based funding model. This year, they appropriated \$560 million in performance-based funds, an increase of \$40 million over last year.

This is the fifth year of implementing the model and, through the performance-based funding metrics this Board has adopted, there have been significant improvements in the metrics. Metrics, that we were told, are very slow in improving and, in some cases, takes years. However, when you tie financial incentives to those metrics, it's amazing what can be accomplished.

Mr. Kitson asked Mr. Tim Jones to work the Committee through the material.

Mr. Jones reviewed a history of the model going back to the original charge from then Chair Dean Colson.

Mr. Jones reviewed improvements made in the metrics since the model was implemented. The four-year graduation rate metric of 49% is close to the Board's 2025 Strategic Plan goal of 50%. Several of the metrics exceed the Board's Strategic Plan goal.

Chancellor Criser presented two slides that focused on the change in excellence scores since the model was implemented. More metrics are in the "green" than in the first year.

Mr. Jones reviewed the allocation of the \$560 million. This included \$265 million in state investments and \$295 million in institutional investments. Overall scores are higher than in prior years. The lowest score was 68, which is 10 points higher than the lowest score last year.

In accordance with the Board regulation 5.001 that outlines the model implementation, there is an advantage to being in the top three scores. Funds that are not allocated are distributed to the top three. There were three schools tied at 86 points. There were also two schools tied at 75 points which, according to the model's regulation, only the top eight schools received a portion of the state investment. Mr. Jones reviewed the tiebreaker guidelines that the Board adopted in 2016. Pursuant to the policy, Florida State University wins the tie-breaker over the University of West Florida and University of South Florida. Florida Gulf Coast University wins the tie-breaker over New College of Florida.

Mr. Kitson noted that, at the October 2017 workshop, the Committee started the discussion about redoing the scoring so there are not three schools in the bottom every year. Governor Tom Kuntz, who was here at the beginning of the model, always said there would be a point in time that we would need to revisit the bottom three. With the improvements we are seeing in the metrics and scores, now is the time. So this Committee will need to be prepared for that discussion in October.

Mr. Jones recognized Florida International University for their improvements and getting into the top three with a score of 90.

Mr. Jones also presented a slide that shows Florida State University leading in four-year graduation rates.

Finally, Mr. Jones reviewed the potential topics on the Committee's agenda for the October workshop.

Mr. Lautenbach moved that the Committee approve the performance-based funding allocation as presented. Mr. Valverde seconded the motion, and members of the Committee concurred.

**4. 2019-2020 Legislative Budget Request Guidelines**

Mr. Kitson introduced the 2019-2020 Legislative Budget Request (LBR) guidelines. There were no changes from the draft presented at the March meeting.

Mr. Lautenbach moved that the Committee approve the 2019-2020 LBR guidelines for operations. Mr. Valverde seconded the motion, and members of the Committee concurred.

**5. Concluding Remarks and Adjournment**

Having no further business, the meeting was adjourned at 2:37 p.m.

---

Tim Jones, Vice Chancellor  
Finance and Administration

---

Syd Kitson, Chair