

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA STATE UNIVERSITY
TALLAHASSEE, FLORIDA
MARCH 19, 2013

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and its Committees are accessible at <http://www.flbog.edu/>.*

Mr. Tom Kuntz, Chair, convened the meeting of the Budget and Finance Committee at 4:00 PM. Members present for roll call were Ned Lautenbach; Carlo Fassi; Wayne Huizenga, Jr.; Alan Levine, Norman Tripp, Mori Hosseini and Dean Colson. Vice Chair Lautenbach joined the meeting at 4:06 PM and Committee member Mori Hosseini joined the meeting at 4:10 PM. Other Board members present included Dick Beard, Matthey Carter, Manoj Chopra, Ed Morton, Pam Stewart, Daniel Doyle, Jr., and Patricia Frost.

1. Call to Order

Mr. Kuntz called the meeting to order.

2. Approval of January 16, 2014, Meeting Minutes

Mr. Colson moved that the Committee approve the minutes of the meeting held January 16, 2014 as presented. Mr. Huizenja seconded the motion, and members of the Committee concurred except Vice Chair Lautenbach and Mr. Hosseini who were temporarily absent from the meeting.

3. Auxiliary Facilities 2014-2015 Operating Budget

Mr. Kuntz asked Tim Jones to present this issue. Mr. Jones stated that Section 1010.60, Florida Statutes, authorizes the issuance of bonds to finance or refinance capital projects authorized by the Legislature. Specific covenants, as set forth in the authorizing resolutions of certain bond issues, require approval of estimated operating budgets for the upcoming fiscal year at least ninety days preceding the beginning of the fiscal year. Staff has reviewed the income and expenditure statements for the seven universities identified in the packet and there will be sufficient revenues to meet the estimated level of operational expenditures and debt service payments for fiscal year 2013-2014.

Mr. Levine moved that the Committee approve the 2014-2015 operating budgets as presented. Mr. Colson seconded the motion, and members of the Committee concurred except Vice Chair Lautenbach and Mr. Hosseini who were temporarily absent from the meeting.

4. Tuition and Fee Flexibility

Mr. Kuntz introduced the next issue as a follow-up to the January meeting in which President Barron mentioned the tuition and fee flexibility that is provided to institutions in Texas. President Barron provided some additional information for the Committee to consider.

President Barron prepared a PowerPoint presentation on Florida's tuition and fee structure compared to other states. President Barron identified four options that could be considered: release the restrictions on the use of differential tuition, allow rebalancing of tuition and fees as long as total tuition and fees is neutral, allow short term rebalancing to address key priorities, and combine tuition and fees into one number to provide clarity to the total cost of attendance.

After discussion, Mr. Kuntz asked the Chancellor to share these options with the legislature, particularly the differential tuition option, since legislation is being considered to change the differential tuition statute.

5. University Shared Services Initiative

Mr. Kuntz asked Governor Lautenbach to introduce this issue since he has been working with the university Chief Financial Officers (CFOs) on this initiative.

Mr. Lautenbach thanked the Chair and reported that he met with the university CFOs after the November board meeting in Miami and has participated in two conference calls which have led to some very good discussions.

Mr. Lautenbach stated that the university CFOs have done a pretty good job of implementing various efficiencies, shared services and other cost savings measures, however, there is room for improvement. Mr. Lautenbach stated that there are some universities that do spend time looking for better and more cost effective ways of doing business, and some universities, for whatever reason, whether it is a lack of staffing or time, may not be able to take full advantage of all the opportunities that are available to them.

Mr. Lautenbach reiterated that any savings on the administrative side can then be used on the academic side to provide additional services and resources for our students and

he asked that the provosts and academic professionals to also look at ways of being more efficient and reduce academic administrative costs.

Ms. Shuman was introduced to provide an overview of some of the efficiencies the universities have worked on and the estimated savings from those efficiencies, issues that they are working on now, issues that are on the table for future discussions, and areas that we as a board, may be able to help.

Ms. Shuman presented a PowerPoint presentation. After discussion, Mr. Lautenbach asked the Chancellor to look at providing more central office help to drive more shared service initiatives.

Mr. Hosseini requested information on why some universities do not always participate in various shared initiatives or contracts. Ms. Shuman will provide this information by the June meeting.

6. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 4:53 PM.

Tom Kuntz, Chair

Tim Jones, Vice Chancellor
Finance and Administration