



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

Agenda and Meeting Materials November 4-5, 2015

Ballroom
Graham University Center
Florida International University
Modesto A. Maidique Campus
11200 S.W. 8th Street
Miami, FL 33199



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

ACTIVITIES
BOARD OF GOVERNORS MEETINGS

Ballroom
Graham University Center
Florida International University
Modesto A. Maidique Campus
11200 S.W. 8th Street
Miami, Florida 33199
November 4-5, 2015

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

Wednesday, November 4, 2015

- | | |
|---|--|
| 7:30 – 8:30 a.m. | Breakfast will be provided |
| 8:30 - 9:30 a.m.,
or upon
Adjournment of
Previous Meetings | Facilities Committee
Chair: Mr. H. Wayne Huizenga, Jr.; Vice Chair: Mr. Dick Beard
Members: Carter, Doyle, Hosseini, Levine, Link, Morton, Robinson |
| 9:30 – 9:45 p.m. | Break |
| 9:45 – 11:45 a.m.,
or upon
Adjournment of
Previous Meetings | Innovation and Online Committee
Chair: Mr. Ned Lautenbach; Vice Chair: Mr. Ed Morton
Members: Beard, Colson, Kuntz, Link, Robinson, Stewart, Tripp |
| 11:45 a.m. –
12:30 p.m. | Lunch will be provided |

- 12:30 - 1:15 p.m.** **Plenary Session with Dr. Ken Ford**
or upon
Adjournment of
Previous Meetings
- 1:15 - 1:30 p.m.** **Break**
- 1:30 - 2:30 p.m.,** **Budget and Finance Committee**
or upon
Adjournment of
Previous Meetings
Chair: Mr. Tom Kuntz; Vice Chair: Mr. Ned Lautenbach
Members: Colson, Graham, Hosseini, Huizenga, Levine, Tripp
- 2:30 - 2:45 p.m.,** **Select Committee on Florida Polytechnic University**
or upon
Adjournment of
Previous Meetings
Chair: Mr. Tom Kuntz
Members: Link, Morton
- 2:45 - 3:00 p.m.** **Break**
- 3:00 - 4:00 p.m.,** **Academic and Student Affairs Committee**
or upon
Adjournment of
Previous Meetings
Chair: Mr. Norman Tripp; Vice Chair: Ms. Wendy Link
Members: Beard, Carter, Frost, Graham, Robinson, Stewart
- 4:00 - 4:15 p.m.** **Break**
- 4:15 - 5:15 p.m.** **Plenary Session with Mr. Benno Schmidt**
- 5:15 - 5:30 p.m.** **Special Guest, Governor Rick Scott**
- 5:30 - 6:15 p.m.** **Welcome Reception**

Thursday, November 5, 2015

- 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 - 9:30 a.m.** **Plenary Session with Mr. Albert Manero**
- 9:30 - 9:45 a.m.** **Break**
- 9:45 a.m. -** **Strategic Planning Committee**
11:15 p.m.
or upon
Adjournment of
Previous Meetings
Chair: Mr. Dean Colson; Vice Chair: Ms. Patricia Frost
Members: Beard, Doyle, Lautenbach, Morton, Robinson

11:15 a.m. – 12:15 p.m. or upon Adjournment of Previous Meetings	Members will join the Interactive Session with BOG Leadership
12:15 – 1:15 p.m.	Lunch will be provided
1:15 – 3:00 p.m. or upon Adjournment of Previous Meetings	Board of Governors – Regular Meeting Chair: Mr. Mori Hosseini; Vice Chair: Mr. Tom Kuntz All Board members
3:00 – 3:30 p.m. or upon Adjournment of Previous Meetings	Board of Governors Foundation, Inc. Meeting Chair: Mr. Mori Hosseini; Vice Chair: Mr. Tom Kuntz All Board members

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.



AGENDA

Facilities Committee

Ballroom

**Graham University Center
Florida International University
Modesto A. Maidique Campus
11200 S.W. 8th Street
Miami, Florida 33199
November 4, 2015
8:30 a.m. – 9:30 a.m.**

**Chair: Mr. H. Wayne Huizenga, Jr.; Vice Chair: Mr. Dick Beard
Members: Carter, Doyle, Hosseini, Levine, Link, Morton, Robinson**

- 1. Call to Order and Opening Remarks** Governor H. Wayne Huizenga, Jr.
- 2. Committee Meeting Minutes** Governor Huizenga
Minutes, September 2, 2015
- 3. Amendment to the 2016-2017 SUS Fixed Capital Outlay
Legislative Budget Request** Mr. Chris Kinsley
*Assistant Vice Chancellor
Finance & Facilities
Board of Governors*
- 4. UCF Conference Center Hotel Project** Mr. Kinsley
- 5. USF Grocery Store Project** Mr. Kinsley
- 6. USF Public Private Partnership Housing Project** Mr. Kinsley
- 7. Concluding Remarks and Adjournment** Governor Huizenga

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 4, 2015**

SUBJECT: Minutes of the Meeting held September 2, 2015

PROPOSED COMMITTEE ACTION

Approval of the minutes of the Facilities Committee Meeting held on September 2, 2015, at the University of Florida, Gainesville.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board members will review and approve the minutes of the meeting held on September 2, 2015.

Supporting Documentation Included: Minutes: September 2, 2015

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

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
September 2, 2015

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

Chairman H. Wayne Huizenga, Jr., convened the Board of Governors Facilities Committee meeting at 4:54 p.m., September 2, 2015. The following members were present: Vice Chair Dick Beard, Matt Carter, Mori Hosseini, Wendy Link, Alan Levine, Edward Morton and Kathy Robinson. Other members present included Tonnelle Graham, Tom Kuntz, Pat Frost, Ned Lautenbach, Pam Stewart and Norm Tripp.

1. Call to Order

Governor Huizenga called the meeting of the Facilities Committee to order, and thanked the members for their participation on the previous meeting for the P3 Conference Call.

2. Approval of Minutes of the Meetings of the Facilities Committee

Governor Levine moved that the Committee approve the minutes of the Facilities Committee Conference Call Meeting held July 23, 2015. Governor Beard seconded the motion, and members of the Committee concurred.

3. 2016-17 SUS FCO LBR

The 2016-17 Legislative Budget Request for Fixed Capital Outlay was discussed. Mr. Chris Kinsley, Assistant Vice Chancellor for Facilities and Finance, explained that the initial request matches the official PECO estimates, and that the 7 projects recommended represent the initial recommendation. The Committee will hold a workshop on September 22 to discuss these projects and any others the Chair wishes to receive consideration. Governor Beard moved approval, and Governor Link seconded the motion, and the members of the Committee concurred.

4. 2015-2016 CITF Allocation

Governor Levine moved approval of the 2015-2016 CITF Allocation, and Governor Link seconded the motion. The motion passed by unanimous consent.

5. Sightlines Presentation

Mr. Kinsley then made a presentation on a facilities benchmarking system provided by the Sightlines firm. UF, FSU, UCF and FAU already use this product. Using UCF data, Mr. Kinsley discussed the following points:

- Allows the school to benchmark against itself, its peers and other systems;
- Examples of how data can be used, manipulated for presentation purposes, etc.;
- Evolution of UCF buildings over the past decade;
- How this will facilitate the collection of facility information on a system level;
- Total system cost \$1M, \$500,000 for initial set up (non-recurring); \$500,000 recurring for maintenance.

Governor Huizenga identified the role Sightlines can play in addressing maintenance, deferred maintenance and benchmarking for future. Governor Morton asked if every university has agreed to use the product. Mr. Kinsley replied “No, FPU is too new to have a need for it and NCF too small to gain a benefit. “ Mr. Kinsley is hoping all will come on board and recognize systemic benefit.

Governor Hosseini commented that this software puts the need for maintenance right in front of our faces. Universities who would like consideration for maintenance need to have this information for Board to review and consider their request. Governor Huizenga closed the conversation by asking staff to come back with an analysis and cost breakdown of cost per university.

6. Concluding Remarks and Adjournment

Governor Huizenga reminded the Committee of the Facilities Committee Meeting on September 22. He also asked the universities to continue to update the data and return on investment information in preparation for the meeting.

There being no further business following, the meeting adjourned at 5:27 p.m.,
September 2, 2015.

H. Wayne Huizenga, Jr., Chair

Chris Kinsley,
AVC, Finance & Facilities

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 4, 2015**

SUBJECT: Amended 2016-2017 State University System Fixed Capital Outlay
Legislative Budget Request

PROPOSED COMMITTEE ACTION

Review and approve the amended 2016-2017 SUS Fixed Capital Outlay Legislative Budget Request.

Authorize the Chancellor, State University System of Florida, to make technical revisions to the 2016-2017 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 university boards of trustees.

This is an amended budget request for 2016-2017. The original request was approved on September 3, 2015, at UF. A workshop was held on September 22, 2015, in Orlando, FL. At the workshop, the Committee reviewed additional high priority projects with detailed project presentations by university representatives.

Fixed Capital Outlay Appropriation Items

- A. \$35 M Request for Capital Improvement Trust Fund Allocation, approved on September 3, 2015. The Board approved a lump sum amount, the Committee is now being asked to consider approval of the pro-rata allocation of these funds, based on current CITF revenue projections, with a base assumption of no future fee increases. (Attachment A – CITF –To Be Provided)

- B. The 2016-2017 SUS Three-Year Fixed Capital Outlay Request provides funding to address A) Renovation/Repair/Remodeling needs of each university, as determined by statutory formula; and B) high priority SUS projects, as approved by the Board on September 3, 2015. (Attachment B- PECO). Two components require further consideration:
 - a. The formula allocation of the \$61,804,699 currently approved for PECO Renovation/Remodeling/Repair (Attachment BA- Maintenance)
 - b. Other SUS Projects from Workshop. (Attachment BB-To Be Provided)
- C. Request for Legislative Authorization for State University System Fixed Capital Outlay projects requiring Debt Financing, provides legal authority for Board consideration of specific projects not otherwise authorized by s. 1010.62 F.S. (Attachment C - Bond Authority)
- D. Request for Legislative Authorization for State University System Fixed Capital Outlay projects requiring General Revenue funds to Operate and Maintain, provides legal authority for future operating budget requests for plant operations and maintenance (Attachment D - PO&M)
- E. Special Request to Transfer Property Related to USF Sarasota Manatee Campus (Attachment E)

Supporting Documentation Included:

- 1. Attachment A – CITF
- 2. Attachment B – PECO
- 3. Attachment Ba- Maintenance
- 4. Attachment Bb – SUS Projects
- 5. Attachment C - Bond Authority
- 6. Attachment D – PO&M
- 7. Attachment E – Special Request

Facilitators/Presenters: Mr. Chris Kinsley

Board of Governors Committees and Meeting - Facilities Committee

State University System Board of Governors 2016-2017 Allocation for Capital Improvement Fee - Proposed LBR for November 2015

Based on 2014-15 Actual Collections

FTE	UF	UFO *	FSU	FAMU	USF	FPU	FAU	UWF	UCF	FIU	UNF	FGCU	NCF	SUS
Receipts by Source														
2014-15 Actual Receipts	\$8,961,274	\$106,222	\$5,171,410	\$1,797,058	\$8,587,225	\$100,000	\$4,684,458	\$1,673,746	\$10,566,653	\$7,426,185	\$2,435,676	\$2,428,840	\$176,740	\$ 54,115,485
Prior Year Reserve														\$ (454,623)
														\$ 53,660,862
Gross Allocation	\$0	0.20%	9.56%	3.32%	15.87%	0.18%	8.66%	3.09%	19.53%	13.72%	4.50%	4.49%	0.33%	\$ 1
Debt Service Allocation %	\$0	0.00%	9.59%	3.33%	15.93%	0.00%	8.69%	3.10%	19.60%	13.78%	4.52%	4.51%	0.33%	\$ 53,909,264
Debt Service	(\$2,793,917)	\$ -	\$ (1,612,326)	\$ (560,281)	\$ (2,677,297)	\$ -	\$ (1,460,505)	\$ (521,835)	\$ (3,294,437)	\$ (2,315,312)	\$ (759,387)	\$ (757,256)	\$ (55,103)	\$ (16,807,658)
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
Net Allocation (LBR)	\$5,795,838	\$68,701	\$3,344,687	\$1,162,274	\$5,553,916	\$64,676	\$3,029,743	\$1,082,521	\$6,834,141	\$4,802,996	\$1,575,310	\$1,570,889	\$114,309	\$ 35,000,000
2015-16 Appropriation	\$5,198,170	\$ -	\$ 3,342,652	\$ 1,037,772	\$ 4,730,880	\$ -	\$ 2,711,483	\$ 1,045,504	\$ 5,770,635	\$ 5,258,956	\$ 1,538,498	\$ 1,363,550	\$ 93,055	\$ 32,091,155

* Includes Collections from 13-14 and 14-15

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
2016/2017 - 2018/2019 FIXED CAPITAL OUTLAY REQUEST
LBR as Approved on September 3, 2015

PECO ATTACHMENT BB

LBR as Approved by the Board on 09/03/2015

Line	Univ	Project Name	Private or University Funds	(State Funding Only)	Total Project Cost - All Sources	2016-2017	2017-2018	2018-2019	3 Year Total
1	SYSTEM	From PECO - Renovation/Repair/Remodeling		N/A		\$61,804,699			\$61,804,699
2	SYSTEM	From PECO - Critical Deferred Maintenance		N/A			\$5,000,000	\$29,000,000	\$34,000,000
Total SUS Maintenance						\$61,804,699	\$5,000,000	\$29,000,000	\$95,804,699
3	NCF	Heiser Natural Science Addition		\$8,877,601	\$8,877,601	\$4,222,601	\$1,000,000		\$5,222,601
4	UNF	Skinner Jones Hall South (STEM)		\$29,750,000	\$29,750,000	\$11,000,000			\$11,000,000
5	UCF	Partnership IV		\$42,000,000	\$42,000,000	\$14,000,000			\$14,000,000
6	FSU	Earth Ocean Atmospheric Sciences Building, Phase I		\$69,850,000	\$69,850,000	\$22,500,000	\$18,500,000		\$41,000,000
7	USF	Morsani College of Medicine and Heart Health Institute	\$40,500,000	\$112,148,118	\$152,648,118	\$22,500,000	\$33,255,000		\$55,755,000
8	UF	Nuclear Science Building Renovations/ Additions	\$4,000,000	\$49,000,000	\$53,000,000	\$10,000,000	\$15,000,000	\$18,000,000	\$43,000,000
9	FIU	Satellite Chiller Plant Expansion - MMC		\$9,315,000	\$9,315,000		\$5,616,384	\$1,445,657	\$7,062,041
10		To Be Determined						\$32,099,873	\$32,099,873
Total SUS Projects						\$84,222,601	\$73,371,384	\$51,545,530	\$209,139,515
Total PECO						\$146,027,300	\$78,371,384	\$80,545,530	\$304,944,214

Official PECO Allocation Maintenance	\$61,804,669	\$57,510,879	\$59,106,321	\$178,421,869
Official PECO Allocation SUS Projects	\$84,222,631	\$78,371,384	\$80,545,530	\$243,139,545
Total PECO	\$146,027,300	\$135,882,263	\$139,651,851	\$421,561,414

STATE UNIVERSITY SYSTEM OF FLORIDA
Facilities Committee

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

2016/17 LBR and Comparative Actual Budget Data

	Funded Amount 14-15	Funded Amount 15-16	Board Request * 16-17
UF	\$ 13,632,840	\$ 14,072,792	\$ 24,440,012
FSU	\$ 5,681,291	\$ 4,902,384	\$ 8,825,475
FAMU	\$ 1,848,584	\$ 1,619,745	\$ 2,844,758
USF	\$ 5,436,570	\$ 4,675,740	\$ 8,350,355
FAU	\$ 2,044,361	\$ 1,814,819	\$ 3,205,375
UWF	\$ 990,179	\$ 849,061	\$ 1,498,788
UCF	\$ 2,925,357	\$ 2,671,659	\$ 4,762,187
FIU	\$ 3,188,902	\$ 2,725,005	\$ 4,889,539
UNF	\$ 1,182,190	\$ 996,409	\$ 1,797,538
FGCU	\$ 500,737	\$ 412,389	\$ 726,242
NCF	\$ 218,366	\$ 249,987	\$ 446,359
FPU	\$ -	\$ 10,011	\$ 18,070
	\$ 37,649,378	\$ 35,000,000	\$ 61,804,699

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
2016/2017 - 2018/2019 FIXED CAPITAL OUTLAY REQUEST
November 4, 2015

PECO ATTACHMENT BB

Projects vetted at Workshop Held on 09/22/2015

Line #	Univ	Project Name	2016-2017 University PECO Request	Other Funding Available	Other Funding Required	In Kind Contribution	Additional PECO Need Beyond 16-17	Total Project Cost -Excludes In Kind	Comments
a	SUS*	FIO Replacement Vessel (R/V Bellows)	\$3,000,000	\$3,000,000			\$0	\$6,000,000	\$3 M in contribution from FIO members
b	SUS*	Florida Academic Repository (FLARE)	\$25,000,000				\$0	\$25,000,000	Re-use of former DOT warehouse
c	FSU*	Interdisciplinary Research & Comm. Bldg	\$36,000,000		\$44,000,000		\$5,000,000	\$85,000,000	
d	FAU	Jupiter STEM/Life Sciences Building	\$15,137,400			\$20,000,000	\$17,862,600	\$33,000,000	Access to \$20 M of research equipment at adjacent Scripps
e	FSU	College of Business	\$2,500,000	\$6,000,000	\$37,000,000		\$37,500,000	\$83,000,000	\$6 M donated; \$10 M pledged to date
f	UCF*^	UCF Downtown Campus, Building I	\$20,000,000	\$20,000,000	\$20,000,000		\$0	\$60,000,000	\$20 M from university auxiliary reserves
g	UF*	Norman Hall	\$8,000,000				\$16,000,000	\$24,000,000	82 year old building
h	FAU	Cooling Tower Replacement	\$3,300,000				\$0	\$3,300,000	Critical Deferred Maintenance Item
i	UCF*	Engineering Building I Renovation	\$15,783,937				\$0	\$15,783,937	
j	UWF*	Laboratory Sciences Annex, Phase I	\$8,000,000				\$5,000,000	\$24,000,000	
k	UCF *	Interdisciplinary Research and Incubator Facility	\$6,042,667				\$40,572,186	\$46,614,853	
l	FAMU*	Student Affairs Building	\$29,000,000				\$0	\$29,000,000	\$6 M in PECO last Session
m	FGCU	Integrated Watershed and Coastal Studies	\$3,852,065				\$31,147,935	\$35,000,000	
n	FPU	Applied Research Center	\$12,132,420				\$22,867,580	\$35,000,000	
o	FIU*	Land Acquisition	\$20,000,000				\$20,000,000	\$50,000,000	
		Total from Workshop	\$207,748,489				\$195,950,301	\$554,698,790	

+ Board FCO Guidelines establishes the project priorities as Renovation, then New Construction, then Land Acquisition.

* Projects included in prior years LBR.

^ The Strategic Planning Committee will be considering this site as a potential Type 1 campus. The inclusion on this list is only informational and will be adjusted considering the outcome of the Strategic Planning Committee decision.

Attachment C

STATE UNIVERSITY SYSTEM OF FLORIDA

BOARD OF GOVERNORS

Proposed Language for

2016-17 Projects Requiring Legislative Approval to be Constructed, Acquired and/or Financed
by a University or a University Direct Support Organization (BOB-1)

November 4, 2015

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 Florida - Hotel Conference Center

Florida A&M University - Stadium and Athletic Fields

Florida Atlantic University - Hotel Conference Center

University of West Florida - University Park -Athletic Trailer

University of West Florida - University Park -Competition Field and Site
Work/Utilities Infrastructure

University of Central Florida - Refinance UCF Foundation Properties

University of Central Florida - Parking Deck (Athletic Complex)

University of Central Florida - Baseball Stadium Expansion and Renovation

University of Central Florida - Baseball Clubhouse Expansion and Renovation

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

University of Central Florida – Tennis Center

University of Central Florida – Multi-Purpose Medical Research and Incubator Facility

University of Central Florida – Bio-Medical Annex Renovation and Expansion

University of Central Florida – Outpatient Center

University of Central Florida – Utility Infrastructure and Site Work, Lake Nona Clinical Facilities

University of Central Florida – UCF Health Expansion

Attachment D

STATE UNIVERSITY SYSTEM OF FLORIDA

BOARD OF GOVERNORS

Proposed Language for 2016-17 Fixed Capital Outlay Plant, Operation and Maintenance
Appropriation request (BOB – 2)

November 4, 2015

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 – Innovation HUB Phase II – Design and construction of Phase II of the Florida Innovation Hub at UF. Multi-level technology building with conference rooms and office and laboratory space, 50,000 gsf.

University of Florida – Addiction Research Center in Yon Hall – Repurposing of vacated Living Well Auxiliary spaces in Yon Hall to house Addiction Research Center, 6,750 gsf.

University of Florida – Baby Gator Childhood Development and Research Center (Corry Circle-Bldg# 1049) – Center to provide training and research support, 11,083 gsf.

University of Florida – Wilmont Gardens – will be used for horticultural research and teaching activities, 3,682 gsf.

UF – IFAS/Storage Building Fisheries – equipment storage for Fisheries and Aquatic Sciences, 5,000 gsf. Located at Gainesville.

UF –IFAS/Equipment Storage Wildlife – equipment storage for the Wildlife Ecology and Conservation Department, 3,200 gsf. Located at Gainesville.

UF – IFAS/Beef Teaching Facility Animal Sciences (B0891) – A teaching facility to be located at Sand Hill for the Beef Teaching unit, 22,500 gsf. Located at Gainesville.

UF –IFAS/ Greenhouse Multi-department (B1223) – New eight bay greenhouse at the on-campus Fifield greenhouse complex, 9,920 gsf. Located at Gainesville.

UF -IFAS/ Land Management Building Ordway-Swisher Biological Station (B2242) - Newly acquired building to support land management of the Ordway-Swisher Biological Station, 2,080 gsf. Located at Homestead.

UF -IFAS/ Really Nolen Cabin Ordway-Swisher Biological Station (B2270) - residence to house visiting scientists, 912 gsf. Located at Melrose.

UF -IFAS/ Storage Building Ordway-Swisher Biological Station (B2271) - storage building to store research equipment, 336 gsf. Located at Melrose.

UF -IFAS/ Equipment Storage Citrus REC (B7129) - equipment storage building, 280 gsf. Located at Lake Alfred.

UF -IFAS/ Graduate Residence (B7201) - Graduate student residence in support of Equine Sciences Center, 1,120 gsf. Located at Lowell.

UF -IFAS/ Mix/Load Facility Indian River REC (B7393) - New mix-load facility in support of grove management, 512 gsf. Located at Ft. Pierce.

UF -IFAS/ Tunnel House #1 Plant Science REU (B7528) - To be used in support of horticultural research, 1,152 gsf. Located at Citra.

UF -IFAS/ Tunnel House #2 Plant Science REU (B7529) - To be used in support of horticultural research, 1,152 gsf. Located at Citra.

UF -IFAS/ Tunnel House #3 Plant Science REU (B7530) - To be used in support of horticultural research, 1,152 gsf. Located at Citra.

UF -IFAS/ Equipment Storage Plant Science REU (B7531) - Farm equipment storage, 12,000 gsf. Located at Citra.

UF -IFAS/ Field Building Suwannee Valley Agricultural Extension Center (B8307) - New field building to protect irrigation control system, 220 gsf. Located at Live Oak.

UF -IFAS/ Equipment Storage Tropical Aquaculture Lab (B9411) - Equipment storage building for expanding research programs at Tropical Aquaculture facility, 2,720 gsf. Located at Ruskin.

UF -IFAS/Marine Lab Research Office Nature Coast Biological Station (B1850) - Research office building needed for Nature Coast Biological Station research activities and outreach programs, 1,789 gsf. Located at Cedar Key.

UF -IFAS/Research Office Nature Coast Biological Station (B1851) - Research office building needed for Nature Coast Biological Station research activities and outreach programs, 2,506 gsf. Located at Cedar Key.

UF -IFAS/Pavilion Nature Coast Biological Station (B1852) – Pavilion is needed for Nature Coast Biological Station research activities and outreach programs, 396 gsf. Located at Cedar Key.

UF -IFAS/Franklin County Extension Office Extension (B1901) – Building will be used to support aquaculture research activities and extension outreach for Franklin County, 6,504 gsf. Located at Apalachicola.

UF -IFAS/Aquaculture Facility Extension (B1902) – Building will be used to support aquaculture research activities for Franklin County, 1,344 gsf. Located at Apalachicola.

UF -IFAS/Equipment Storage Extension (B1903) – Building will be used to support aquaculture research activities and extension outreach for Franklin County, 638 gsf. Located at Apalachicola.

UF -IFAS/Storage Building Extension (B1904) – Building will be used to support aquaculture research activities and extension outreach for Franklin County, 240 gsf. Located at Apalachicola.

UF -IFAS/Bunkhouse Ordway-Swisher Biological Station (B2280) – Bunkhouse will be used to house visiting scientists, 3,798 gsf. Located at Hawthorne.

UF -IFAS/Storage Building Ordway-Swisher Biological Station (B2281) – Will be used to store equipment in support of research, 200 gsf. Located at Hawthorne.

UF -IFAS/Storage Building Ordway-Swisher Biological Station (B2285) – Residence will be used to house visiting scientists, 1,286 gsf. Located at Hawthorne.

UF -IFAS/Equipment Building – Will be used to protect irrigation controls, 252 gsf. Located at Live Oak.

UF -IFAS/Equipment Storage Jay (B8420) – Equipment storage building needed to support farm operations equipment at the West Florida Research and Education Unit, 120 gsf. Located at Jay.

UF -SA/LLambias House – Facility will be used as exhibition and event support space for UF activities at St. Augustine Campus. The Llambias House is a UF St. Augustine campus building coming under a long term lease arrangement from the St. Augustine Historical Society, 3,000 gsf. Located at St. Augustine.

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 – Building No.2020 (Former FICPA Building) – Will house E&G administrative activities, 28,000 gsf.

Florida State University – Building No. 2021 (Entrepreneurial Center) – Building will be donated to FSU, will house elements of various academic programs, 20,000 gsf.

University of Central Florida – Institute for Hospitality in Healthcare at Lake Nona – Offices, classrooms, teaching labs, 36,000 gsf.

University of Central Florida – District Energy IV Plant – Offices, 13,000 gsf.

University of Central Florida – Creative School – Classrooms, offices, 8,351 gsf.

University of Central Florida – Library Expansion Phase I – Automatic retrieval center, 12,609 gsf.

University of Central Florida – CREOL – Research labs, 2,756 gsf.

Florida International University – Arena Expansion – Prefunction space and meeting rooms, 11,309 gsf.

Florida International University – Ecology Laboratory Module – Teaching and research lab, 1,327 gsf.

Florida International University – Bayview Housing Academic Space – Advising and student study space open to all FIU students, 3,760 gsf.

Florida International University – University City Prosperity Project – Covered pedestrian Bridge, 2 elevators and 2 stairway plazas, 6,600 gsf.

Florida International University – Wolfsonian Resource Center – Archival and storage/exhibition space, 55,000 gsf.

Attachment E

STATE UNIVERSITY SYSTEM OF FLORIDA

BOARD OF GOVERNORS

Facilities Committee

Proposed Language for

Special Request to Transfer Property Related to University of South Florida Sarasota
Manatee Campus

November 4, 2015

Section X Pursuant to chapter 253, the Board of Trustees of the Internal Improvement Trust Fund shall consider the offer from the Sarasota Manatee Airport Authority to purchase the property located at 6321 North Tamiami Trail, parcel #0001040003, in Sarasota County, Florida, subject to the University of South Florida giving up its leasehold interest in the property no later than June 30, 2017.

Section Y The sum of \$850,000 from nonrecurring general revenue is hereby appropriated to the University of South Florida Sarasota Manatee to fund capital improvements associated with the relocation of its campus bookstore and other functions housed at the “Viking” property. Release of the funds is contingent upon the sale of the state land parcel involving the University of South Florida Manatee’s campus known as the bookstore/Viking property to the Sarasota Manatee Airport Authority, as described in Section X.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 4, 2015**

SUBJECT: A Resolution of the Board of Governors Approving the University of Central Florida to enter into a ground sublease with a vendor for the construction, financing, operation and maintenance of a hotel and convention center on UCF's main campus.

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the University of Central Florida ("UCF" or "University") entering into a ground lease for the construction, financing, operation and maintenance of the Project with KUD International, LLC, or its affiliate ("Owner"). If approved, UCF will enter into a 52-year ground sublease (including the construction period) that the Owner has the option to extend for an additional 10 years.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, have reviewed this resolution and all supporting documentation for compliance with Florida law and the Board of Governors P3 Guidelines. *The proposed Project appears to be in compliance with applicable Florida law but does not comply with the P3 Guidelines in all respects.* Staff note that effective lease term of 62 years is 22 years in excess of the 40-year limit in the Board's P3 Guidelines. Additionally, the anticipated financing structure comprised of interest only payments during the construction period, potential 35-year repayment period once the initial loan is refinanced into permanent debt, and ascending debt service payments does not comport with the BOG's Debt Guidelines or P3 Guidelines. *However, the debt structure and lease length are less important from a debt management perspective because the development and operation of the Project is not a University facility, does not impact traditional University auxiliary enterprises or operations, and does not affect the cost to students. As such, the proposed transaction is more like commercializing an undeveloped parcel of land to generate revenue for student scholarships than a financing mechanism for University facilities.*

AUTHORITY FOR BOARD OF GOVERNORS ACTION

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

BACKGROUND INFORMATION

The University of Central Florida Board of Trustees has reviewed a proposal and adopted a resolution authorizing the President to execute a 52-year ground lease (including the construction period and an Owner's option for a 10 year extension) for the construction and operation of a boutique hotel (the "Project") utilizing a public-private partnership arrangement. The Project will consist of a 135 guest room four star hotel and will include such amenities as a swimming pool and fitness center, a 2,500 sq. foot restaurant, a snack bar, a 500 sq. ft. faculty lounge, a 200 sq. ft. lobby bar, a 5,000 sq. ft. ballroom, and 2,000 sq. ft. of other meeting room space.

The University is interested in a full-service hotel similar to what exists at the University of South Florida (Embassy Suites) and the University of Florida (University Hilton) primarily to assist with faculty and student recruitment. *Although the P3 model makes sense from a business standpoint, it is difficult to discern how the Project supports the core mission of the University of educating and matriculating students in the most cost effective and timely manner.*

UCF cited several reasons for choosing the P3 model including the lack of interest and experience in owning and operating a hotel. Additionally, hotel operations do not infringe on traditional University or auxiliary operations such as housing or parking. As a result, there is no loss of control over traditional auxiliary enterprises or foregoing of revenues that would be generated by existing auxiliary operations. The resulting benefits to the University by using the P3 model include transferring construction, operational and demand risk to a private operator. *Additionally, the P3 is not being used to finance University facilities, the University is not obligated to financially support the Project or debt service associated with the Project, and anticipates receiving rent in return for leasing the parcel of land to the Owner.*

The Project cost of \$35,166,447 million will be financed by the Owner, who is proposing the use of equity in the amount of \$12,307,906 (35%) and a construction loan in an amount not greater than \$22,857,541 million (65%) of all of the cost of design, development and construction of the Project. The equity portion will be split between Owner (15%) and the Owner's investment partner (85%). The Owner will grant a leasehold mortgage to the lender to secure the loan. The specific financing model adopted will be dictated by market conditions and may vary in the future.

The Owner will pay UCF a base rent of \$140,000 annually beginning in 2018 (first year of operations), which will escalate by 2% annually. Once the Project operations are stabilized in 2023, the Owner is expected to pay UCF the difference between \$140,000 and \$200,000 as if \$200,000 were the starting base rent in 2018. Additionally, beginning in year 8 of operations, UCF will receive variable rent payments equal to 3% of gross operating revenues generated from the Project exceeding \$11 million annually. Over

the life of the 52-year lease, *UCF projects it will receive combined base rent and variable rent totaling approximately \$24 million.* UCF plans to use all rental payments received from the Owner for scholarships. Base rent payments are required to be paid by the Owner prior to payment of debt service or equity. Assuming current urban area CPI levels, the value of the 10 year sublease extension to UCF through additional base rent and variable rent payments is projected to be \$11.3 million. Actual CPI could positively or negatively impact projected base rent and variable rent payments.

UCF commissioned an appraisal of the land parcel indicating the value is approximately \$2.3 million. When considering the projected base rent and variable rent payments due to UCF under the ground lease, *it is estimated that UCF's internal rate of return ("IRR") for the Project is 9.0%* when considering a 52-year lease and nearly 9.2% based on the 10 year optional lease extension. *The Project pro-forma projects the Owner will receive \$35.5 million in revenues* if ownership is retained for the lease term. The *Owner's investor is projected to receive \$199.3 million* if ownership is retained for 50 years resulting in an *IRR to the Owner of 14.9%*. However, as stated previously, the Owner and any investors have the potential to make greater returns, or suffer losses depending upon the operating performance of the hotel.

Taken as a whole, approval of the Project is recommended by Board staff.

Supporting Documentation Included:

1. Requesting Resolution
2. Project Summary
3. Estimated Sources and
Uses of Funds
4. Financial Projections
5. PFK Feasibility Study
6. Letter from CBRE to KUD dated 09/13/2015
7. Campus Map

Facilitators/Presenters:

Mr. Chris Kinsley

**A RESOLUTION APPROVING THE UNIVERSITY OF
CENTRAL FLORIDA TO ENTER INTO A SUBLEASE
AND OPERATING AGREEMENT WITH KUD
INTERNATIONAL, LLC, RELATED TO THE
CONSTRUCTION, LEASING, FINANCING AND
OPERATION OF A HOTEL ON THE UNIVERSITY
MAIN CAMPUS.**

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. Pursuant to section 1013.171, Florida Statutes, a university board of trustees may negotiate and enter agreements to lease land under its jurisdiction to corporations registered with the Secretary of State to do business in the state, for the purpose of erecting facilities necessary and desirable to serve the needs and purposes of the university, as determined by the system-wide strategic plan adopted by the Board of Governors.

(B) The Board of Trustees of the University of Central Florida (the "University") has requested approval from the Board of Governors for the University to enter into a Public-Private Partnership arrangement with KUD International, LLC, for the purpose of the construction, management, operation, and maintenance of a hotel and conference center with approximately 135 guest rooms, as well as conference space on the Main Campus of the University ("the Project").

(C) The Project is expected to be financed through a combination of equity and debt from KUD International, LLC, and its investment partner.

(D) Upon consideration of the Project, the Board of Governors declares that the Project is consistent with the mission of the University; has been properly analyzed by staffs of the Board of Governors, the University and the Division of Bond Finance for consistency with the Board of Governors Public-Private Partnership Guidelines; and will serve a public purpose by engaging the community with the University activities.

(E) The Project is included in the 2015-2025 master plan of the University, approved by the Board of Trustees on November 20, 2014.

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 and is consistent with the Public-Private Partnership Guidelines. The University is hereby authorized to enter into such leases, sub-leases, operating agreements and any other contracts as may be required to consummate the Public-Private Partnership.

3. 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.

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

PASSED AND ADOPTED by the Board of Governors of the State of Florida at a public meeting duly called and held this 5th day of November, 2015.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the approval of entry of a sublease agreement by the University of Central Florida with KUD INTERNATIONAL, LLC. for the construction, management, operation, and maintenance of a hotel on the Orlando Main Campus is a true and accurate copy as adopted by the Board of Governors on November 5th, 2015, 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: _____, 2015

By: _____
Corporate Secretary

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
University of Central Florida
Conference Center Hotel Project**

Project Description:

The proposed conference center hotel project (the “Project”) will consist of a 135 guest room four star hotel and will include such amenities as a swimming pool and fitness center, a 2,500 sq. foot restaurant, a snack bar, a 500 sq. ft. faculty lounge, a 200 sq. ft. lobby bar, a 5,000 sq. ft. ballroom, and 2,000 sq. ft. of other meeting room space.

The Project will be designed and constructed by KUD International, LLC, (the “Owner”). The Owner is an experienced developer with net assets worth over \$3.0 billion, and has developed much larger projects than the one proposed, including a 1500 room hotel in Orlando. *The University of Central Florida (“UCF” or “University”) will enter into a 52-year ground sublease (including the construction period) with the Owner to design, construct, finance, operate and maintain the Project on the UCF campus.* The ground sublease is subject to the approval of the Board of Trustees for the Internal Improvement Trust Fund, which holds title to the property on behalf of the State of Florida. UCF’s lease expires in 2073, and should the State of Florida renew UCF’s lease, the Owner has the option to extend the original 52-year lease an additional 10 years.

The Owner retains ownership of the hotel throughout the term of the ground sublease, which is effectively 62 years as it will automatically renew for additional 10 years if the State of Florida renews its lease of the property to UCF. Ownership of the hotel will revert to UCF after the expiration of the lease. The University should consider including the option to require the Owner to demolish the Project at its own expense at the end of the lease term.

The Project is included in the master plan of the University. *However, the Project does not support the core mission of the University to educate and matriculate students in the most cost effective and timely manner.*

Project Site Location: The Project will be located at UCF's main campus entrance in Orlando located on the northeast quadrant of the intersection of North Alafaya Trail and University Boulevard. The site is currently undeveloped.

The proposed location on the edge of campus provides no parking, is not adjacent to any other university facilities, and is separated from the rest of campus by the main campus loop road. As future development for academic facilities is undesirable, UCF considered several alternatives for the land including a grocery store and ultimately concluded the proposed Project represents the best way to utilize the land.

(See Campus Map from UCF Master Plan)

Projected Start and Completion Date: It is anticipated that construction will commence in March 2016 with completion scheduled in January 2018.

Project Cost: *The total cost of the Project is estimated at \$35.0 million*, which includes construction costs of approximately \$21.3 million, furniture and equipment of \$4.4 million, permits, insurance and other soft costs of \$4.8 million (including a developer fee of about \$1.2 million), financing costs of \$2.9 million, and contingency costs of \$1 million.

(See estimated Sources and Uses of Funds.)

Quantitative Demand for Project:

The Owner commissioned PKF Consulting USA, A CBRE Company ("PKF") to study the possibility of an on-campus hotel and conference center. The study is primarily based on demand for a Four Star hotel relative to the limited service hotels in the nearby market. To be competitive, PKF recommended a boutique, luxury hotel with guestrooms numbering between 110-140. PKF also recommended that the hotel have conference rooms, dining facilities, and other amenities.

UCF and the Owner expect that university business partners and visitors will use the Project when doing business with UCF, and the Project will provide needed conference room space for various University events and user groups. Over the past three years the University has spent an average of \$170,000 per year for guest stays

and anticipates this trend will continue. The hotel is expected to primarily benefit by demand from groups who meet at the University that need housing including BOG meetings and other professional groups such as purchasing officers, finance officers and others who rotate meetings at the different state university campuses. *UCF estimates that it will use the Project's conference space for approximately 50 events a year, and that other entities will use the space for approximately 2,000 other events.*

PKF projects an occupancy rate starting in 2018 of around 65%, and rising to 77% by year 10, in 2027. Based on a comparison of the competitive market and the location of the proposed hotel, PKF believes that the hotel will have sufficient demand for operational profitability and be an efficient use of the site.

P3 Justification:

UCF proposes to have the Owner construct, finance, operate and maintain the Project under a public-private partnership ("P3"). While numerous limited service hotels surround UCF, the University is interested in a full-service hotel similar to what exists at the University of South Florida (Embassy Suites) and the University of Florida (University Hilton) primarily to assist with faculty and student recruitment. Although the P3 model makes sense from a business standpoint, it is difficult to discern how a hotel and convention center supports the core mission of the University of educating and matriculating students in the most cost effective and timely manner.

UCF cited several reasons for choosing the P3 model including the lack of interest and experience in owning and operating a hotel. Additionally, hotel operations do not infringe on traditional auxiliary operations such as housing or parking. As a result, there is no loss of control over a traditional auxiliary or foregoing of revenues that would be generated by existing auxiliary systems. The resulting benefits to the University by using the P3 model include transferring construction, operational and demand risk to a private operator. Additionally, the University is not obligated to financially support the Project or debt service associated with the Project and anticipates receiving rent in return for leasing the parcel of land to the Owner.

In exchange for the long-term ground lease, the University will receive base rent payments from the Owner starting at \$140,000 per year when the Project is expected to open in 2018 (the University will not receive any base rent during the two-year construction period).

Base rent payments will increase annually by the consumer price index ("CPI") for urban areas. Once the Project operations stabilize in 2023, the Owner is expected to pay UCF the difference between \$140,000 and \$200,000 as if \$200,000 were the starting base rent in 2018. It is anticipated that starting in the eighth year of operations, UCF expects to receive the base rent payment plus a variable rent payment equal to 3% of gross revenues in excess of \$11 million. Based on a revised lower initial base rent amount of \$140,000 (excluding any catch up provision in a later year), *UCF projects it will receive combined base rent and variable rent payments of approximately \$24 million over the 52-year lease period.* UCF plans to use all rental payments received from the Owner for scholarships. Rent payments will be made by the Owner prior to payment of debt service or equity distributions.

Assuming current urban area CPI levels, the value of the 10 year sublease extension to UCF through additional base rent and variable rent payments is \$11.3 million. Actual CPI could positively or negatively impact projected base rent and variable rent payments.

(See Financial Projections).

Financing Structure:

The Project will be privately financed by the Owner. Based on the submitted pro-forma, the Owner currently intends to finance the Project with an interim construction loan of \$22.8 million (65%) and equity of \$12.3 million (35%). An interest rate of 6.5% has been assumed for the interim construction loan and will require interest only payments for the first three to five years of operations. Once the Project stabilizes, the Owner plans to refinance the construction loan with a 25 – 30 year amortization at an assumed interest rate of 6%. The Owner must preserve the rights of UCF under the terms of the ground sublease; however, UCF has imposed no other conditions on the Owner's financing structure. The specific financing model actually adopted will be dictated by market conditions; however UCF's base rent and variable rent payments are the same no matter the final form of the financing.

The proposed loan structure is not in compliance with the P3 Guidelines due to the interest only payments during the first three to five years, potential 35 year repayment period and ascending debt service once the construction loan is refinanced into permanent debt with principal and interest payment requirements. *However, the debt structure and lease length are less important from a debt management*

perspective because the development and operation of the Project is not a University facility, does not impact traditional University auxiliary enterprises or operations, and does not affect the cost to students. As such, the proposed transaction is more like commercializing an undeveloped parcel of land to generate revenue for student scholarships than a financing mechanism for University facilities.

The Owner may finance, refinance, and sell all or a portion of its ownership interest in the Project. The Owner stands to earn an unlimited return or lose up to 100% of the cost of the Project, including any sums borrowed to fund construction if the Project is not successful. The information provided by the Owner has been reviewed by Board staff; however, Board staff make no assertions to the validity of the information.

Should the Owner default on any debt associated with the Project, the lender could assume control of the Project, subject to all the terms and conditions of the ground sub-lease.

Security/Lien Structure: Project revenues consist of guest room rates, food and beverage service, and parking. Debt service payments will be made from net Project revenues after payment of operating expenses and other expenses, such as taxes and management fees and base rent payments to UCF. The Owner's return on equity is projected to be 14.9% and is paid last from available net excess cash flow. Non-payment of the base rent and any required variable rent are considered a default under the lease agreement.

The commercial lender will have a leasehold interest in the Project and can assume control of the Project in the event the Owner defaults on the loan repayment.

Taxable Debt: A portion of the Project will be financed by the Owner with taxable debt. No tax-exempt debt will be utilized.

Project Guestroom Rates: The average room rates are projected to start at \$157/night and rise 3% a year, subject to market conditions. UCF has no role in the rate-setting process.

Return on Investment: UCF and the Owner will enter into a 52-year (including the construction period) ground sublease. Assuming UCF's lease with the State of Florida is extended for a new 99-year term, the Owner has the option to extend the sublease for an additional 10-year period. Thus, *the lease is effectively for a 62-year time frame.*

The term is in excess of the P3 Guidelines that allow for a 40-year term. The Guidelines allow a University to enter into a 50-year term upon justification provided by the University. *The justification for the 62-year term including construction is that the pool of investors for hotel construction financing is limited* since equity distributions and excess cash flow available to repay investors are subordinate to the terms of UCF's ground sublease and the commercial loan. (See letter from KUD Consultant CBRE to KUD dated 09/13/2015). Thus, *the Owner indicates the 62 year term is necessary to achieve the target equity return necessary to incentivize investors.*

UCF commissioned an appraisal of the land parcel indicating the value is approximately \$2.3 million. When considering the projected base rent and variable rent payments made to UCF under the ground lease, it is estimated that *UCF's internal rate of return ("IRR") for the Project is 9.0% when considering a 52-year lease and nearly 9.2% based on a 62-year lease agreement.*

The Project pro-forma projects the Owner will receive \$35.5 million in revenues if ownership is retained for the lease term. *The Owner's investor is projected to receive \$199.3 million* if ownership is retained for 50 years resulting in an *IRR to the Owner of 14.9%.* However, as stated previously, the Owner and any investors have the potential to make greater returns, or suffer losses depending upon the operating/financial performance of the hotel.

There is no purchase option in the ground sublease for UCF, however, the university will own the Project outright at the end of the lease term (or after the 10-year extension period).

University Support of Project:

Under the ground sublease, *the Owner will be permitted to connect to UCF's chilled water, potable water, and sanitary sewer systems. The Owner will be required to purchase those utilities from UCF at cost.* The Owner will also be allowed to utilize UCF's storm retention

system pursuant to permitting and regulations. UCF is not legally obligated to pay the debt service or maintain the Project. It is unlikely that it would be in UCF's interest to provide support to the Project beyond its own needs to provide rooms for visiting faculty, students and guests and holding meetings and conferences.

Analysis and Conclusion:

Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by the University with respect to the request for Board of Governors approval for the Project. The demand for the Project appears adequate given the results of the study performed by PKF and development of the Project on the main campus of a large and established University. Insufficient demand could result in the Owner's inability to operate and maintain the Project. Should the Owner be unable to operate the Project or pay all obligations, UCF could take title to the project under the ground sublease conditions of default. *Although the P3 model makes sense from a business standpoint, it is difficult to discern how the Project supports the core mission of the University of educating and matriculating students in the most cost effective and timely manner.*

The pro-forma cash flow information shows the Owner anticipates receiving an IRR of 14.9% while UCF anticipates receiving approximately 9.0% based on a 52-year lease with the Owner.

The proposed term of the ground lease does not comply with the P3 Guidelines. As previously mentioned, the effective ground lease is potentially 22 years in excess of the 40-year limit. However, it appears the longer lease term is reasonable given the Owner's inherent risk of operating and maintaining a full-service, luxury boutique hotel. The anticipated financing structure comprised of interest only payments during the construction period, potential 35-year repayment period once the initial loan is refinanced into permanent debt, and ascending debt service payments does not comport with the Debt Guidelines or P3 Guidelines. The debt structure and lease length are less important from a debt management perspective because the development and operation of the Project is not a University facility, does not impact traditional University auxiliary enterprises or operations, and does not affect the cost to students. As such, the proposed transaction is more like commercializing an undeveloped parcel of land to generate revenue for student scholarships than a financing mechanism for University facilities. As a result, justification for the longer lease term and

proposed financing structure are not as important from a debt management perspective as for P3 projects that finance university facilities or involve the aforementioned characteristics.

It appears the P3 model for this Project is appropriate with limited negative outcomes for the University.

Accordingly, Board of Governors' staff recommendation is adoption of the resolution.

STATE OF FLORIDA, BOARD OF GOVERNORS
UNIVERSITY OF CENTRAL FLORIDA
CONFERENCE CENTER HOTEL PROJECT

Estimated Sources and Uses of Funds

Sources of Funds

Basis for Amounts

Construction Loan	\$22,857,541	Estimate Interest Rate of 6.5%
Equity	\$12,307,906	KUD (\$1,846,721) Investment Partner (\$10,461,721)
Total Sources of Funds	<u>\$ 35,165,447</u>	

Uses of Funds

Project Cost	\$ 31,193,959	Architecture and Engineering Fees (\$1,726,484), Permitting, Insurance, and License, and fees (\$1,359,498), Construction Costs (\$21,343,700), FF&E and OS&E (\$3,814,830), Technology, Signage and Miscellaneous (\$540,000), Pre-Opening Costs (\$350,000) and Other Development Costs (\$2,059,447).
Financing	\$2,929,112	Closing Costs Owner (\$571,439), Construction period interest (\$1,144,026) Transaction Fee (\$470,777) and Loan Interest Reserve (\$742,870).
Contingency	\$1,042,377	
Total Uses of Funds	<u>\$ 35,165,448</u>	

UNIVERSITY OF CENTRAL FLORIDA HOTEL/CONFERENCE CENTER
FORECAST OF INCOME AND EXPENSES - OPERATIONAL YEARS 1 THROUGH 10

	Operational Yr 1	Operational Yr 2	<div style="border: 1px solid black; padding: 2px; text-align: center;"> Stabilized Year Operational Yr 3 </div>	Operational Yr 4	Operational Yr 5	Operational Yr 6	Operational Yr 7	Operational Yr 8	Operational Yr 9	Operational Yr 10	
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Total Gross Revenue:	\$ 8,639,728	\$ 9,884,207	\$ 11,173,709	\$ 11,509,246	\$ 11,854,556	\$ 12,210,290	\$ 12,576,449	\$ 12,953,684	\$ 13,341,995	\$ 13,742,033	
Land Lease (Fixed Rent)	\$ 200,000	\$ 204,560	\$ 209,224	\$ 213,994	\$ 218,873	\$ 223,864	\$ 228,968	\$ 234,188	\$ 239,528	\$ 244,989	\$ 2,218,188
Land Lease (Variable Rent)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,201	\$ 5,050	\$ 8,047	\$ 15,298
											\$ 2,233,486



July 6, 2015

Mr. Dennis Biggs
President
KUD International LLC
1251 6th Avenue, 9th Floor
New York, NY 10020
212 899-4581
dbiggs@kudllc.com

**Re: Market and Utilization Analysis: Proposed Boutique-Style Hotel at UCF
Orlando, Florida**

Dear Mr. Biggs:

This report contains our conclusions concerning the potential market support for a proposed boutique-style hotel (herein referred to as the "Project," the "Hotel," or the "Subject") adjacent to the University of Central Florida ("UCF") campus in Orlando, Florida. The proposed Hotel will be located in the northeast quadrant of the intersection of North Alafaya Trail and University Boulevard in Orlando, Florida, at the main entrance to UCF. The conclusions reached are based on our present knowledge of the competitive lodging market as of the completion of our fieldwork in May and June, 2015. The following report summarizes our findings and reflects the conclusion of our analysis.

As in all studies of this type, the estimated results are based upon our assumption that competent and efficient management will operate the Project and presume no significant change in the competitive position of the lodging industry in the market area from that set forth in this report. The estimates of utilization for the proposed Hotel contained herein were prepared on the basis of estimates and assumptions about the occurrence of future events. Since estimates and assumptions are inherently subject to uncertainty and variation, the actual results achieved by the proposed Hotel will likely vary from the estimated operating results and the variations may or may not be material. Accordingly, PKF Consulting USA does not warrant or guarantee the achievability of the estimated utilization.

Mr. Dennis Biggs

July 6, 2015

It is expressly understood that the scope of our study and report thereon do not include the possible impact of zoning or environmental regulations, licensing requirements or other restrictions concerning the Project, except where such matters have been brought to our attention and disclosed in the report.

The terms of this engagement are such that we have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of completion of our fieldwork; however, we are available to discuss the necessity for revision in view of changes in the economy or market factors which have a material effect on the proposed property.

This report was prepared for your internal use to assist you in analyzing the potential market position of the Subject Hotel. It is subject to the Statement of General Assumptions and Limiting Conditions presented in the Addenda, as well as to the assumptions presented herein.

We appreciate the opportunity to be of service and thank you for selecting PKF Consulting USA for professional services.

Sincerely,
PKF Consulting USA
A Subsidiary of CBRE, Inc.

Mr. Dennis Biggs

July 6, 2015

INTRODUCTION

KUD International is considering the development of a boutique-style hotel to be located adjacent to the UCF campus in Orlando, Florida. The proposed Project will include a hotel with 125 guestrooms and amenities commensurate with a 4-star property. In order to assist KUD International, PKF Consulting USA has first identified the potential market demand in the local lodging market. We have then provided our projections of the occupancy and average daily room rate the proposed Subject could reasonably be expected to achieve for its first five years of operation. Given these projections, we have also estimated the Subject's annual operating results including total operating revenues and expenses, net income from operations, and ratio to total revenues for ten years of operation.

For the purpose of our analysis, we have assumed that the Hotel will be open and available for occupancy by January 1, 2018. This report represents the culmination of our market research, analysis, and assessments relative to the potential market demand for the proposed Hotel.

Study Methodology

In the course of our work, we visited the market, inspected the Site, and toured the immediate area. We subsequently completed the following market analysis procedures:

- Analyzed the suitability of the Site and surrounding areas;
- Reviewed critical issues such as access to the area, transportation systems, and the compatibility of surrounding land uses;
- Interviewed representatives of possible competitive and/or comparable hotels in the area, as well as others in the community known to be knowledgeable about the local lodging market;
- Gathered information from numerous sources including our internal databases, Moody's Analytics, websites and individuals knowledgeable about the greater Orlando market area characteristics, economic and demographic data, development projects and other such market-related information;
- Interviewed a number of representatives of UCF;
- Completed an analysis of the lodging sector in the immediate market area and throughout the greater Orlando area, and translated this information into a projection of potential utilization for the Hotel proposed for development;
- Recommended development concept, market positioning, proposed facilities, and (potential) branding of proposed Hotel;

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- Estimated occupancy and average daily room rate for the proposed Hotel for the first five years of operation, based upon our analysis of market demand; and
- Estimated revenues and operating expenses for the Subject for its first ten years of operation, based upon our projected utilization.

Assumptions Used for Projections

Our analysis was based on the following set of assumptions:

- The proposed Hotel will be located on a parcel located at the entrance to the UCF campus;
- The Project will contain 125 guestrooms, a full-service lounge/restaurant, and other supportive amenities commensurate with a 4-star property;
- Professional management will operate the property in a competent and efficient manner;
- High levels of personal service will be afforded to all guests; and;
- The Subject Hotel will be open and fully operational by July 1, 2018.

EXECUTIVE SUMMARY

The principal findings, conclusions and recommendations concerning the potential boutique Hotel at UCF are listed below. Subsequent sections in this report provide the support and rationale for the following highlights.

1. The Subject site is located adjacent to the UCF campus, within the geographical and statistical boundaries of Orlando, Florida. Orlando is located in Orange County, and is part of the Orlando–Kissimmee–Sanford, Florida Metropolitan Statistical Area (MSA).
2. An analysis of historical visitation patterns indicates that the greater Orlando market consistently attracts approximately 30 percent of all tourists entering Florida. Quality attractions and other recreational facilities, including Walt Disney World, Universal Orlando, and SeaWorld Orlando, and the amenities offered by resort hotels, bring millions of visitors to the area each year. Furthermore, Orlando also has emerged as a major distribution center for the rest of Florida as it is the most centrally located city in the state. As such, Orlando has become the location of choice for companies seeking to serve the entire state.
3. To be competitive in the local lodging market, we believe the Project at UCF will need to have a minimum of 110 guestrooms. We believe the maximum number of guestrooms that may be supported is 140. For the purpose of this analysis, we

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have assumed the property to contain 125 guestrooms. It is our recommendation that the proposed Hotel be positioned as an upscale, full-service hotel that can compete in the corporate, leisure and group markets.

4. We also recommend the following amenities: outdoor pool deck, full-service food and beverage outlet, meeting and event space, fitness room, business center, concierge services, and a sundry/convenience market.
5. We selected a group of eight existing properties surrounding UCF that will most likely compete with the Subject Hotel (to varying degrees) and analyzed their aggregate performance metrics. The following table summarizes the historical performance of the selected hotels during the period 2010 through 2014 and year to date April 2014 and 2015.

Historical Performance of the Competitive Supply									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2010	346,020	N/A	217,641	N/A	62.9%	\$90.77	N/A	\$57.09	N/A
2011	346,020	0.0%	231,260	6.3%	66.8%	90.82	0.1%	60.70	6.3%
2012	346,968	0.3%	221,843	-4.1%	63.9%	96.94	6.7%	61.98	2.1%
2013	348,788	0.5%	224,451	1.2%	64.4%	98.70	1.8%	63.51	2.5%
2014	326,858	-6.3%	225,610	0.5%	69.0%	109.43	10.9%	75.54	18.9%
CAAG	-1.4%		0.9%			4.8%		7.2%	
YTD 4/2014	96,360	N/A	68,994	N/A	71.6%	\$112.37	N/A	\$80.46	N/A
YTD 4/2015	126,290	31.1%	98,957	43.4%	78.4%	113.90	1.4%	89.25	10.9%

Source: PKF Consulting USA

6. The competitive hotels accommodate demand in three segments: corporate transient, leisure transient and group meeting business. The following table summarizes the 2014 estimated mix of demand for the competitive market.

Competitive Market 2014 Mix of Demand		
Market Segment	Room Nights	Ratio
Corporate	129,500	57%
Leisure	53,500	24%
Group	42,600	19%
Total	226,000	100%

Source: PKF Consulting USA

7. The historical operating results for the competitive properties indicate that the market reached its highest occupancy and ADR in the last five years in 2014. The following table presents our projection for the competitive market for the period 2015 through 2022.

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Projected Performance of the Competitive Supply									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2015	379,235	16.0%	267,500	18.6%	71%	\$116.00	6.0%	\$82.36	9.0%
2016	400,770	5.7%	283,000	5.8%	71%	\$119.50	3.0%	84.85	3.0%
2017	420,115	4.8%	296,400	4.7%	71%	\$123.00	2.9%	87.33	2.9%
2018	465,740	10.9%	311,200	5.0%	67%	\$129.50	5.4%	86.77	-0.6%
2019	465,740	0.0%	320,600	3.0%	69%	\$134.00	3.3%	92.46	6.6%
2020	467,016	0.3%	330,300	3.0%	71%	\$138.00	3.1%	97.98	6.0%
2021	465,740	-0.3%	330,600	0.1%	71%	\$142.25	3.2%	101.00	3.1%
2022	465,740	0.0%	330,600	0.0%	71%	\$146.50	2.9%	104.02	3.0%
CAAG	3.0%		3.1%			3.4%		3.4%	

Source: PKF Consulting USA

8. The planned design and scope of the proposed Hotel will yield a superior and unique product relative to that which exists in the market today. The following tables summarize the projected occupancy, ADR, and RevPAR for the Subject Hotel for the first five years of operation.

Projected Performance of the Subject Hotel											
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Occupancy Percentage	Market Penetration	Average Daily Rate	Percent Change	REVPAR	Percent Change	Revenue Yield
2018	45,625	N/A	29,500	N/A	65%	97%	157.00	N/A	102.05	N/A	118%
2019	45,625	0.0%	31,600	7.1%	69%	101%	165.00	5.0%	113.85	11.6%	123%
2020	45,625	0.0%	33,300	5.4%	73%	103%	171.50	4.0%	125.20	10.0%	128%
2021	45,750	0.3%	33,400	0.3%	73%	103%	176.75	3.0%	129.03	3.1%	128%
2022	45,625	-0.3%	33,400	0.0%	73%	103%	182.00	3.0%	132.86	3.0%	128%
CAAG	0.0%		3.2%				3.8%		6.8%		

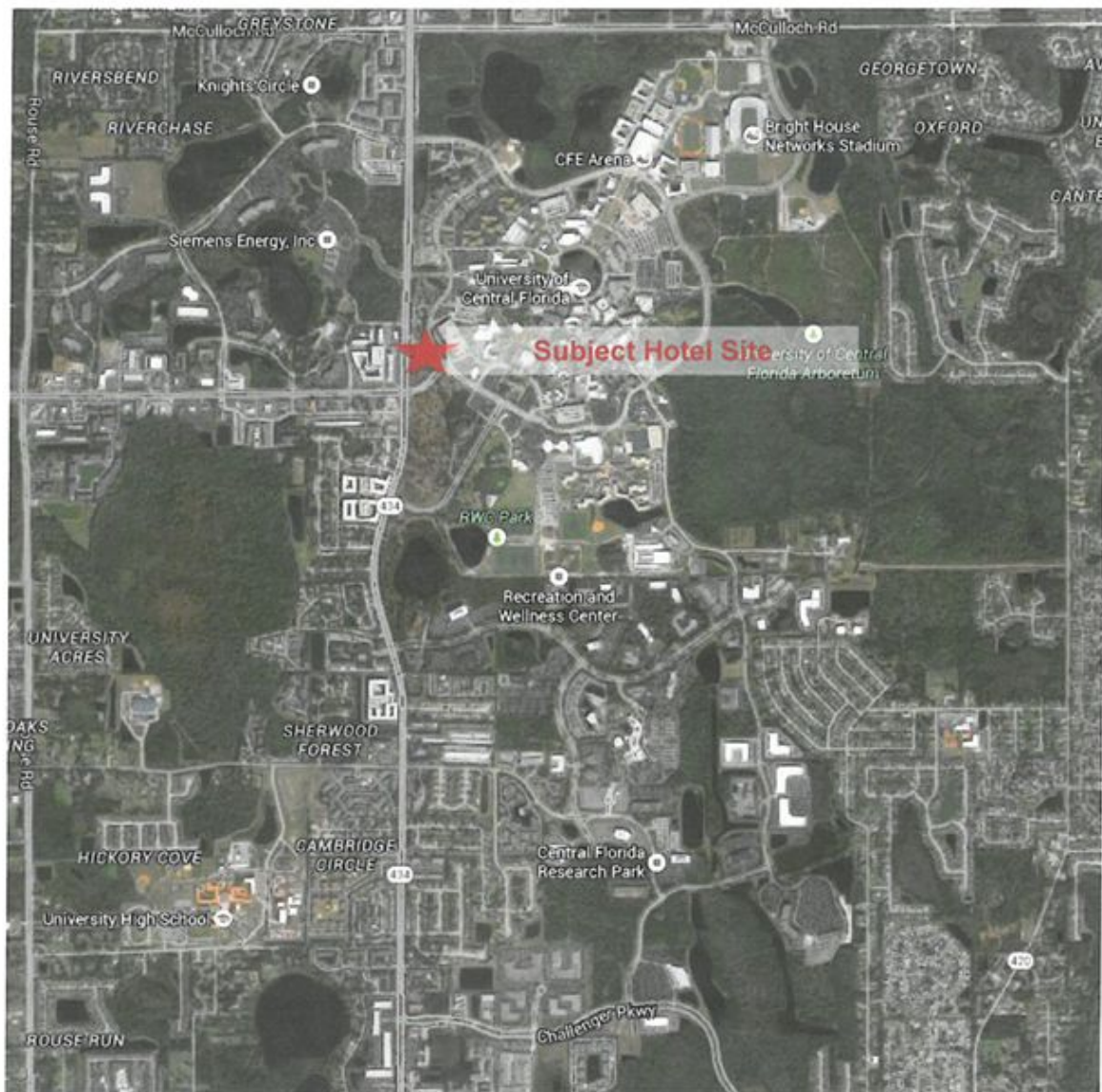
Source: PKF Consulting USA

9. The estimates of revenues, costs, and expenses are based on the Subject's specific facilities and services and their operational characteristics. As a basis for our projections, we have analyzed the operating results of lodging properties with similar characteristics that are believed to operate with efficient management and proper control of costs and expenses. The following table summarizes the estimated operating results for the first ten years of operation for the proposed boutique Hotel at UCF.

Summary of Estimated Annual Operating Results			
Year	Total Revenue	Net Operating Income	Ratio to Total Revenues
2018	\$7,736,000	\$2,077,000	27%
2019	8,560,000	2,469,000	29%
2020	9,406,000	2,849,000	30%
2021	9,667,000	2,920,000	30%
2022	9,954,000	3,006,000	30%
2023	10,255,000	3,099,000	30%
2024	10,586,000	3,204,000	30%
2025	10,873,000	3,279,000	30%
2026	11,200,000	3,378,000	30%
2027	11,540,000	3,483,000	30%

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Source: Google Maps

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PROPOSED BOUTIQUE HOTEL

Given its location and positioning within the competitive market, we are of the opinion that the construction of the proposed Subject Hotel will achieve very good efficiency for the site and operational profitability. Our comments concerning facility programming for the Subject Hotel are based on our analysis of the competitive hotels and the intended positioning of the Subject within the competitive market. Based on our analysis of the site and competitive lodging properties, as well as our interviews with representatives of UCF, we have developed recommendations as to the facilities program of the Hotel. The following provides a general scope of facilities that should be considered for the Subject.

Proposed and Recommended Hotel Facilities

To be competitive in the local lodging market, we believe the Project at UCF will need to have a minimum of 110 guestrooms. We believe the maximum number of guestrooms that may be supported is 140. For the purpose of this analysis, we have assumed the property to contain 125 guestrooms.

As the current supply of high-quality lodging product is somewhat limited in the area immediately surrounding the University, the Subject will be competing directly with a group of eight extended stay, limited-, select-, and full-service properties that are all considered to be mature and of average to good quality. To appropriately position the Subject Hotel within the competitive market, the Hotel's overall quality level should be above the competitive properties.

Based on the existing facilities within the market and the Subject's location at UCF, it is our opinion that the proposed Hotel should be developed as an upscale, full-service property. A full-service property is typically defined as a hotel with a restaurant, lounge facilities, and meeting space, as well as minimum service levels, such as bell service and in-room dining services.

STR, Inc. typically classifies hotels by chain scale, the segmentation of which is determined based on actual average room rates. The "luxury and upper upscale" market scale designation indicates hotels with an average daily room rate in the top 15 percent of a Metropolitan Statistical Area, and the "upscale" designation indicates hotels in the next 15 percent of average daily room rates. Based on our analysis of the existing supply and measurable demand for hotel room nights in the local market, we are of the opinion that the hotel room night demand within the area surrounding UCF is strong enough to support the addition of this hotel.

The Boutique and Lifestyle Lodging Association (BLLA) defines a "boutique hotel" as a lodging property that is intimate, luxurious or quirky, and in an upscale hotel environment for a very particular clientele. It also must have a distinctive design, style, and atmosphere, as well as on-site food and beverage. According to Smith Travel Research, boutique hotels may be brand or independent hotels concentrated in the Luxury, Upper Upscale and Upscale chain and class categories, having an actual or

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estimated room rate of \$150 or higher, and typically having fewer than 200 rooms. According to the BLLA, boutiques are often frequented by the sophisticate, the artist, the politico and all those travelers who have a taste for something different.

Overall Quality Level

To appropriately position the Subject within the competitive market, the Hotel's overall quality level should be at or above the best of the competitive properties. Based on the existing supply in the Subject's competitive market and the demand patterns in this market, it is our recommendation that the proposed Hotel be positioned as an upscale, full-service hotel that can compete in the corporate, leisure and group markets.

The proposed Hotel will be well-positioned to capture a significant portion of lodging demand generated mainly from adult visitors who come to UCF or one of the area businesses. In addition to deriving significant demand by virtue of its location and site positioning, the proposed Hotel is expected to capture group travelers in the market with the newest meeting facilities upon completion.

In accordance with our market research, we found support for the proposed 125 guestrooms and recommend the following additional amenities: outdoor pool deck, full-service food and beverage outlet, meeting and event space, fitness room, business center, concierge services, and a sundry/convenience market. Given the amount of leisure business that the Project will attract, a spa may be a consideration as well. Additionally, the overall quality level of the construction and furnishings is to be high quality.

Guest Rooms

The proposed Subject will consist of 125 guestrooms. Based on the existing competitive hotel supply as well as the mix of demand in the competitive market, we recommend a mix of standard guestrooms and suites with king and double-queen beds. Given its positioning, we recommend a mix of 45 percent double-queen rooms, 45 percent king rooms, and 10 percent suites.

Individual guest units should offer either king-size beds or two queen beds in approximately 350 to 400 square feet of guestroom space. Guestroom amenities should include those comparable to an upscale, full-service hotel. Therefore, we recommend that the guest rooms contain the following:

- 42-inch or larger flat-screen, remote-controlled television with on-command movie options;
- Comfortable, upholstered chairs with floor lamp nearby;
- Ample sized working desk and ergonomic chair;
- Dual line telephones with data ports and voicemail;
- Wireless internet access;
- Clock radio with MP3 capabilities or iPod connections;

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- Coffee/tea maker;
- Hairdryer;
- In-room safe;
- Iron and ironing board;
- High quality complimentary toiletries; and
- Other amenities consistent with an upscale, full-service hotel.

The suites should be larger in size, approximately 600 to 1,000 square feet, and offer separate sitting and living areas as well as a wet bar.

Meeting Space

In order to capture above its fair share of group business, the Hotel should offer more meeting space per guestroom than the hotel with the most meeting space in the competitive set. The Holiday Inn, located just a few miles from the Subject site, offers 5,000 square feet of meeting space, or roundly 35 square feet per guestroom. As such, we recommend the Subject hotel to include 6,000 to 8,000 square feet of net usable indoor meeting space, as well as an amount of additional outdoor space to take advantage of the location. The meeting space should be configured into multiple ballrooms (divisible into separate meeting rooms), with breakout rooms, a boardroom, and additional pre-function space. All available meeting space should be equipped with wireless internet access, independently controlled lighting, and a good quality sound system. All function areas should be strategically serviced by a central banquet kitchen.

Food and Beverage

Unique food and beverage outlets are an integral piece of any high-quality hotel property. As such, the Hotel should offer a variety of food and beverage options for hotel guests. The Subject property should provide one high-quality three-meal food and beverage restaurant, a lounge and bar area, and a Grab 'n' Go or coffee facility on the hotel's premises. The outdoor pool deck should also be serviced with light food and beverage options. Back of house production areas would service all food and beverage services. These food and beverage outlets will allow the subject to capture additional revenue as well as provide additional amenities to guests.

Other Facilities and Amenities

Other amenities at the proposed Subject property should include a fitness room, an outdoor pool deck, business center, on-site laundry facilities and services, public outdoor spaces, a sundry/convenience market, and wireless high-speed internet access throughout the property. Self-parking and valet parking should be available to guests. Given the property's integration with UCF, a shuttle service should be offered during certain times of the day.

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Management and Affiliation

The Subject Hotel is anticipated to be branded and operated as UCF-affiliated hotels and will not necessarily be flagged under a national hotel chain. The property will be designed and constructed to fulfill the guest service needs of the University. The Subject development will benefit from UCF's brand power. It is assumed that a professional, experienced management team will operate the Hotel with competence and efficiency.

Conclusions

The Subject Hotel will have a competitive advantage given its positioning as the newest and highest quality hotel in the area and being affiliated with UCF. The Subject's location will allow guests easy access to all of the demand generators, including the University. Being that UCF is a well-established destination and brand in and of itself, the Subject Hotel will benefit from its design and product offering with the expectation of attracting higher-rated business to the area.

These facilities and amenities are recommended to optimize the market position and performance of the Subject Hotel at the Subject Site. The proposed Hotel is well suited to successfully integrate the immediate area and cater to the various segments of demand. The type, size, and positioning of the proposed Hotel accurately reflects the preferences of many travelers to the region, and as such should allow the proposed Hotels to capture an appropriate mix of business. Our market projections for the proposed Subject assume these facilities, amenities, and services.

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ESTIMATED UTILIZATION OF THE PROPOSED HOTEL

Our estimate of the potential utilization for the proposed Hotel is based on our foregoing analysis of the market overall, our knowledge of the performance of individual properties within the market, and our assessment of the Subject property's market position. The "penetration rate" of a hotel is the percentage of room nights captured relative to the property's "fair share." The hotel's "fair share" is calculated as the ratio of a property's number of available rooms to the total supply of rooms in the competitive market, including the subject property. A 100 percent market penetration in a demand segment indicates a property is achieving its fair share of the market. Excess market share is stated in percentages greater than 100 percent; less than fair share is stated in percentages less than 100 percent. The Subject's fair share will be 9.8 percent. The actual penetration of each market segment by the subject property may deviate from fair market share for the following reasons:

- The competitive advantages or disadvantages of the subject hotel versus the competition taking into consideration such factors as location, room rate structure, room size, quality and extent of amenities offered, chain affiliation, quality of management, marketing efforts and image;
- The characteristics, composition and needs of each market segment;
- The restraint on demand captured due to capacity constraints during certain periods of the week or season, or due to the accommodation of certain market segments; and
- Management decisions concerning target markets.

Projected Occupancy of the Proposed Hotel

The estimated occupancy level for the Subject Hotel has been projected on the basis of a penetration analysis as described above. We have projected the Subject's penetration based on the following competitive factors:

- The subject's affiliation with UCF;
- The subject's location proximate to UCF and the CFRP; and,
- The subject's newer and higher quality facilities and amenities relative to the competitive set.

Based on the Subject's location and quality level, we are of the opinion that the Hotel will outperform the market with regard to the corporate and leisure market segments, but achieve slightly below its fair share of the group market segment, attributable mainly to its room count and price point.

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In its first year of operations, we expect the Subject to penetrate the corporate market at 100 percent, the leisure market at 95 percent, and the group market at 90 percent. As operations ramp up, penetration will increase to 105 percent in the corporate market, 97 percent in the leisure market, and 93 percent in the group market by 2019, and then to 107 percent, 100 percent, and 95 percent, respectively, by 2020. The Subject's estimated stabilized market mix and penetration are presented below. Overall, we expect the Subject to penetrate the market at 103 percent upon stabilization, resulting in an occupancy level of 73 percent, as shown on the following page.

Proposed Independent Boutique Hotel at UCF 2020 Mix of Demand and Market Penetration			
Market Segment	Room Nights	Ratio	Penetration
Corporate	19,400	58%	107%
Leisure	8,100	24%	100%
Group	5,800	17%	95%
Total	33,300	100%	103%
Source: PKF Consulting USA			

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Proposed Independent Boutique Hotel at UCF Market Penetration and Projected Occupancy					
	2018	2019	2020	2021	2022
TOTAL ROOMS AVAILABLE					
Proposed Independent Boutique Hotel at UCF	45,625	45,625	45,750	45,625	45,625
Competitive Market	465,740	465,740	467,016	465,740	465,740
Fair Share of Supply	9.8%	9.8%	9.8%	9.8%	9.8%
ESTIMATED TOTAL MARKET DEMAND					
Corporate	174,800	180,100	185,500	185,700	185,700
Leisure	77,500	79,900	82,300	82,400	82,400
Group	58,900	60,600	62,500	62,500	62,500
TOTAL	311,200	320,600	330,300	330,600	330,600
FAIR SHARE OF DEMAND					
Corporate	17,100	17,600	18,200	18,200	18,200
Leisure	7,600	7,800	8,100	8,100	8,100
Group	5,800	5,900	6,100	6,100	6,100
TOTAL	30,500	31,300	32,400	32,400	32,400
SUBJECT PENETRATION					
Corporate	100%	105%	107%	107%	107%
Leisure	95%	97%	100%	100%	100%
Group	90%	93%	95%	95%	95%
ROOM NIGHTS CAPTURED					
Corporate	17,100	18,500	19,400	19,500	19,500
Leisure	7,200	7,600	8,100	8,100	8,100
Group	5,200	5,500	5,800	5,800	5,800
TOTAL CAPTURED DEMAND	29,500	31,600	33,300	33,400	33,400
MARKET SHARE CAPTURED	9.5%	9.9%	10.1%	10.1%	10.1%
OVERALL MARKET PENETRATION	97%	101%	103%	103%	103%
SUBJECT OCCUPANCY	65%	69%	73%	73%	73%
MARKET MIX					
Corporate	58%	59%	58%	58%	58%
Leisure	24%	24%	24%	24%	24%
Group	18%	17%	17%	17%	17%
TOTAL	100%	100%	100%	100%	100%

Source: PKF Consulting USA

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Projected Average Daily Rate of the Proposed Hotel

Our derivation of the average daily rate for the subject property in a stabilized year of operation is based on the historical average daily rates achieved by the market and information concerning the other hotel properties in the competitive supply. Considerations were also given to the comparison of the other competitive properties with the Subjects in terms of quality of facility, location, and mix of demand. Specifically, we are aware that the Alford Hotel, located on the Rollins College campus in nearby Winter Park, posted a 2014 ADR of between \$175.00 and \$185.00 at an occupancy level between 75.0 and 80.0 percent. While not a competitor to the Subject property, it is considered comparable in terms of quality and position in the market.

In the Subject's first year of operation, 2018, we estimate that the Hotel's average daily rate will be \$157.00. ADR for the Subject property is expected to increase 5.0 percent in 2019 and 4.0 percent in 2020. ADR is expected to increase 3.0 percent in 2021 and each year thereafter for the remainder of our projections. The stabilized rate equates to an ADR of \$148.00, stated in 2015 dollars.

The following table summarizes the projected occupancy, ADR, and RevPAR for the Subject Hotel for the first five full years of operation. The below ADR estimates reflect inflationary changes.

Projected Performance of the Subject Hotel											
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Occupancy Percentage	Market Penetration	Average Daily Rate	Percent Change	REVPAR	Percent Change	Revenue Yield
2018	45,625	N/A	29,500	N/A	65%	97%	157.00	N/A	102.05	N/A	118%
2019	45,625	0.0%	31,600	7.1%	69%	101%	165.00	5.0%	113.85	11.6%	123%
2020	45,625	0.0%	33,300	5.4%	73%	103%	171.50	4.0%	125.20	10.0%	128%
2021	45,750	0.3%	33,400	0.3%	73%	103%	176.75	3.0%	129.03	3.1%	128%
2022	45,625	-0.3%	33,400	0.0%	73%	103%	182.00	3.0%	132.86	3.0%	128%
CAAG	0.0%		3.2%				3.8%		6.8%		

Source: PKF Consulting USA

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FINANCIAL ANALYSIS

This section presents the financial projections for the proposed Hotel, which include pro forma income statements for the ten years beginning January 1, 2018 and ending December 31, 2027. The format used in the analysis is the *Uniform System of Accounts for the Lodging Industry* developed by the American Hotel & Lodging Association and in general use throughout the lodging industry. In conformity with this system of account classifications, only direct operating expenses are charged to operating departments of the Hotel. The general overhead items that are applicable to operations as a whole are classified as deductions from income and include administrative and general expenses, marketing expenses, property operations and maintenance expenses, energy costs, management fees, fixed expenses, which include real estate taxes and insurance, and a reserve for replacement.

The cash flow projections over the ten-year holding period are based on an estimate of results that could be achieved with good management in a representative or stabilized year of operations, calculated in 2015 dollars. From this base, we then consider such factors as changes in room rates, occupancy, inflation, and the fixed and variable components of each revenue and expense item. The estimates of revenues, costs and expenses are based on the proposed facilities and services and the operational characteristics thereof. The basis for our projections is the operating results of lodging properties with similar characteristics that are believed to operate with efficient management and proper control over costs and expenses.

Basis for Cash Flow Projections

The estimates of financial performance are based upon the actual 2014 financial performance of five comparably sized and operated hotels, all located in the southeastern United States. The estimates are also based upon expectations of reasonable financial performance for the Hotel, based upon its proposed location, size, facilities, and quality level. The comparable hotels' financial information is obtained primarily from confidential information submitted for the 2015 edition (2014 year-end data) of the PKF Consulting USA publication *Trends in the Hotel Industry*®.

Occupancies for the comparable hotels ranged from roundly 61 to 75 percent, and ADRs ranged from approximately \$115 to \$170. Together, these hotels had a composite occupancy of 63.4 percent and an average daily rate of \$138.10 in 2014. The 2014 financial statements for the five comparable hotels are presented on the following two pages. For reasons of confidentiality, the identity of these hotels cannot be disclosed.

COMMERCIAL REAL ESTATE SERVICES

Jonathan D. Rice
Senior Vice President

CBRE Capital Markets, Inc.
Debt & Equity Finance

Capital Markets
Sales • Finance • Investment Banking



3280 Peachtree Road
Suite 1400
Atlanta, GA 30305

404 923 1432 Tel
404 504 5933 Fax
404 309 0361 Cell

jonathan.rice@cbre.com
www.cbre.com/capitalmarkets

September 13, 2015

Mr. Dennis Biggs
President and CEO
KUD International, LLC
1251 6th Avenue, 9th Floor
New York, NY 10020

Re: Leasehold Mortgage Financing – Construction of Boutique Style Hotel

Dear Dennis:

In response to the questions associated with arranging leasehold construction financing for your proposed hotel at the University of Central Florida Campus in Orlando, I would suggest the following:

1. The pool of lenders willing to provide hotel construction financing is limited,
2. While there are many lenders that will find the opportunity attractive, some lenders will not provide construction financing for a leasehold interest,
3. Lenders willing to provide leasehold construction financing will require that the ground-lease be subordinated to their interest and/or at minimum require certain notice and cure provisions to be incorporated,
4. The lease term requirement should be for a minimum period of 50 years or greater with extension options available to the owner. Many construction lenders understand that the developer will either sell or refinance the property upon completion or stabilization and in order to receive full value credit for the asset there needs to be a sufficient period of time to recoup their investment and receive an appropriate return. Any period less than sufficient will result in impairment to the asset's value and/or loan proceeds.

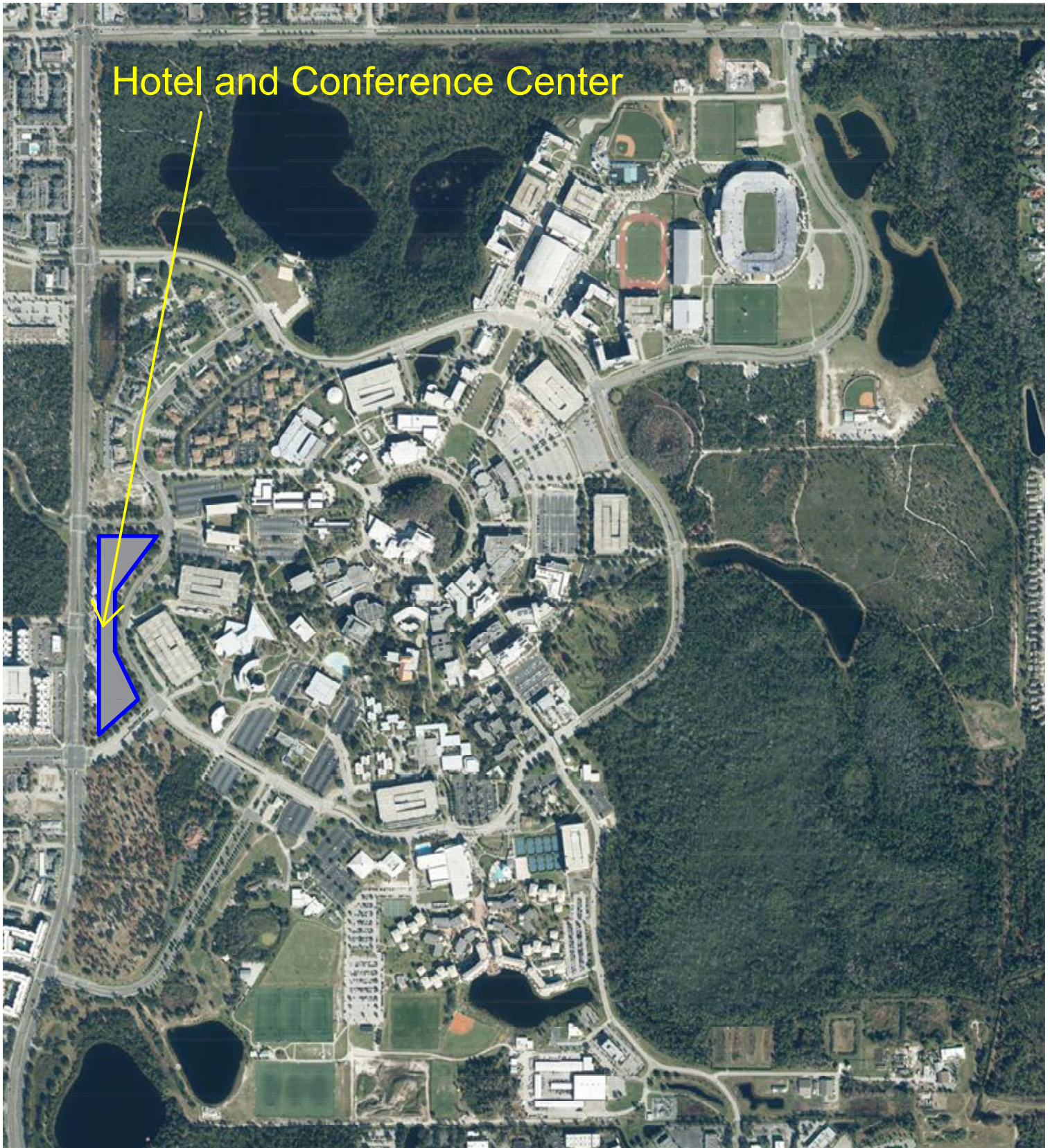
Generally speaking, leasehold financing automatically adds a complexity to arranging construction financing for any project. Lenders and investors will immediately assign a higher level of risk to the investment. This will become a factor throughout the property's useful life. In the later stages of the ground lease it will become even more significant. This will be evident in the assignment of a higher capitalization rate and associated valuation. Further, any other terms associated with the ground lease that are not perceived to be "at market" may further impair the valuation. Since construction and permanent financing terms are a direct result of the valuation and perception of risk associated with the ground lease, there will be certain additional challenges to arranging the financing for this hotel. Please let me know if we can be of further assistance with this matter and we look forward to working with you and your team on this project.

Very truly yours,

CBRE Capital Markets, Inc.

A handwritten signature in blue ink, appearing to read "Jonathan Rice".

Jonathan Rice
Senior Vice President



**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 4, 2015**

SUBJECT: A Resolution of the Board of Governors Approving the University of South Florida to enter into a ground sublease with a vendor for the construction, financing, operation and maintenance of a new grocery store on the main campus.

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving of the University of South Florida ("USF" or "University") entering into a *ground lease for the construction, financing, operation and maintenance of the Project with Publix Super Markets, Inc.*, or its affiliate (the "Owner"). If approved, USF will enter into a 20-year ground sublease for the Owner's use of the land on which the grocery store will be constructed.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, have reviewed this resolution and all supporting documentation for compliance with Florida law and the Board of Governors P3 Guidelines. *The proposed Project appears to be in compliance with applicable Florida law and the BOG P3 Guidelines except the term of the ground lease is potentially longer than 40 years.* Staff noted the lease term of 21 years (including construction) is in conformity with the Board's Guidelines. However, the Owner has an option for six additional five year renewals that would extend the lease beyond the term permitted by the Guidelines by 11 years. However, the Project may not be financially feasible for the Owner except via an extended ground sublease that allows the Owner to recoup its cash investment. Additionally, *the limit on the term of leases contained in the P3 Guidelines is less important for this Project because it is not financing a university facility and does not involve any university auxiliary enterprises or operations.*

AUTHORITY FOR BOARD OF GOVERNORS ACTION

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

BACKGROUND INFORMATION

The University of South Florida Board of Trustees has reviewed a proposal and adopted a resolution authorizing the President to execute a ground lease for the construction and operation of a grocery store (the "Project") utilizing a public-private partnership

arrangement. The Project will be approximately 29,000 gross square feet store, with 145 parking spaces. *The Project cost of \$12 million will be funded by the Owner using its cash and not project debt. The Owner will pay USF a base rent starting at \$130,000 annually, which will escalate by 10% every 5 years.*

The University of South Florida Board of Trustees, approved the Project and authorized the President to take all necessary actions and steps required to execute all documents in connection with the Project, including a ground lease at its meeting on October 13, 2015. The primary justification for the proposed Project and P3 structure is to *provide students, faculty and university employees access to a grocery store on campus and be compensated for the commercial use of land not needed by the university with little risk and no debt attributed to the University.*

The University has requested approval from the Board of Governors prior to execution of the Ground Sublease for the Project as authorized by the University Board of Trustees. *USF is not obligated to make any payments or provide any financial assistance for the Project.*

The Project will allow USF to provide students, faculty and university employees access to a grocery store on campus with no direct financial risk to the university. According to outside counsel hired by USF, the ground sublease provides strong protection for the university in the event of a default by the Owner. In addition, the Project will provide income to USF during the lease term, and employment opportunities for USF students. Lastly, the Project was legislatively approved in the 2015 special session.

Taken as a whole, approval of the Project is recommended by Board staff.

Supporting Documentation Included:

1. Requesting Resolution
2. Project Summary
3. Estimated Sources and
Uses of Funds
4. Campus Map

Facilitators/Presenters: Mr. Chris Kinsley

A RESOLUTION APPROVING THE UNIVERSITY OF SOUTH FLORIDA TO ENTER INTO A SUBLEASE AND OPERATING AGREEMENT WITH PUBLIX SUPER MARKETS, INC, OR AN AFFILIATE, RELATED TO THE CONSTRUCTION, FINANCING AND OPERATION OF A GROCERY STORE ON THE UNIVERSITY MAIN CAMPUS.

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. Pursuant to section 1013.171, Florida Statutes, a university board of trustees may negotiate and enter agreements to lease land under its jurisdiction to corporations registered with the Secretary of State to do business in the state, for the purpose of erecting facilities necessary and desirable to serve the needs and purposes of the university, as determined by the system-wide strategic plan adopted by the Board of Governors.

(B) The Board of Trustees of the University of Central Florida (the "University") has requested approval from the Board of Governors for the University to enter into a Public-Private Partnership arrangement with Publix Super Markets, Inc., for the purpose of the construction, management, operation, and maintenance of a grocery store on the Main Campus of the University ("the Project").

(C) The Project will be financed by Publix Super Markets, Inc.

(D) Upon consideration of the Project, the Board of Governors declares that the Project is consistent with the mission of the University; has been properly analyzed by staffs of the Board of Governors, the University and the Division of Bond Finance for consistency with the Board of Governors Public-Private Partnership Guidelines; and will serve a public purpose by serving the needs of the University, and will be accessible to the public.

(E) The Project is included in the 2010 master plan of the University,

approved by the Board of Trustees on December 8, 2011.

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 and is consistent with the Public-Private Partnership Guidelines. The University is hereby authorized to enter into such leases, sub-leases, operating agreements and any other contracts as may be required to consummate the Public-Private Partnership.

3. 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.

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

PASSED AND ADOPTED by the Board of Governors of the State of Florida at a public meeting duly called and held this 5th day of November, 2015.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the approval of entry of a sublease agreement by the University of South Florida with Publix Super Markets, Inc. for the construction, management, operation, and maintenance of a grocery store on the Tampa Main Campus is a true and accurate copy as adopted by the Board of Governors on November 5th, 2015, 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: _____, 2015

By: _____
Corporate Secretary

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
University of South Florida
Grocery Store Project Pre-Approval**

Project Description: The proposed grocery store (the “Project”) is to be approximately 29,000 square foot building with approximately 145 parking spaces. The Project will also provide landscaping and pedestrian improvements.

The Project will be designed and constructed by Publix Super Markets, Inc., (the “Owner” or “Publix”). The University of South Florida (“USF” or “University”) will enter into a 21-year ground sublease (including construction) with the Owner to design, construct, finance, operate and maintain the Project on the USF campus. The Owner retains the Project throughout the 21-year term of the ground sublease. The Owner will also have the option of six (6) five (5) year renewals, so long as the Owner is not in default. Thus, the potential term is 51 years, expiring in 2067. The ground sublease is subject to the approval of Board of Trustees for the Internal Improvement Trust Fund, which holds title to the property on behalf of the State of Florida. USF’s lease with the state expires in 2073.

The Project is consistent with the master plan of the University and was approved in the General Appropriations Act passed during the 2015A special session. USF also believes that it provides a desired amenity and student employment opportunities.

Once USF’s negotiation with the Owner is complete and agreed to under the ground lease, the University will be required to report to the Board of Governors Office how the final Project comports with the aspects of this Pre-Approval.

Project Site Location: The Project will be located on USF’s main campus entrance in Tampa located on the southeast corner of Fletcher Avenue and North Palm Drive. The site sits at a secondary entry point on the backside of the campus and contains minimal surface parking with the balance being undeveloped green-field property. It borders USF’s Andros Housing complex on one side and Fletcher Avenue on the other side. USF believes the land (directly on Fletcher Avenue) is undesirable for

development of an academic facility due to being adjacent to existing housing facilities.

(See Campus Map)

Projected Start and Completion Date:

It is anticipated that construction will commence upon execution of the ground sublease in mid-February 2016 with final approval by the Board of Trustees on March 3, 2016 and Project completion scheduled in late 2017.

Project Cost:

The total cost of the Project is estimated at \$12.2 million, which includes construction costs of approximately \$7.5 million, site work costs of \$2.7 million, and other soft costs of \$2 million. Estimated costs do not include store equipment.

(See estimated Sources and Uses of funds.)

P3 Justification:

USF proposes to construct, finance, operate and maintain the Project utilizing a public-private partnership ("P3"). The benefits of the P3 structure include USF's receipt of the amenity without incurring debt for the Project and receipt of revenue under the ground lease to support student success initiatives.

USF will not be required to provide any support for construction, operation, nor maintenance of the Project. Construction risk, operational risks and capital maintenance requirements are entirely born by the private partner under this P3.

Financing Structure:

The Project is expected to be funded with cash from the Owner and not with project debt. *No debt is being incurred directly or indirectly by the University. Additionally, the University is not obligated to provide any financial or operational support for the Project.*

Security/Lien Structure:

The Owner will receive a leasehold interest in the Project, which will revert to USF at the end of the lease term. The executed ground lease will include events of default with the University's rights dependent upon the nature of default including but not limited to termination due to non-payment of rent.

Return on Investment: USF and the Owner will enter into a 21-year (including construction) ground sublease. The initial term is in compliance with the P3 Guidelines that allow for a 40-year term. However, given the six, five-year renewal options, the effective term of the lease is 51 years.

USF hired Colliers International Valuation and Advisory Services ("Colliers") to provide a Restricted Appraisal Report (the "Appraisal") in January 24, 2015. Colliers estimated that an annual achievable rent range would be \$4.50 to \$7.00 per square foot. The base rental payment negotiated by USF is approximately \$4.51 per square foot, on the low end of the range provided by the Appraisal. The University will receive an annual base rental payment from the Owner of \$130,000 per year, escalating 10% every five years based on improvement size of approximately 29,000 square feet. USF will receive approximately \$3 million over the 21-year lease term and \$10.4 million if all renewal options are executed.

There is no purchase option in the ground sublease for USF, however, the University will receive ownership of the Project at the end of the lease term or require the Owner to demolish the Project at its own expense.

Quantitative Demand for Project:

No financial feasibility/demand studies have been done by the University because it has no interest in the financial performance of the Project. There are two other grocery stores in what would be considered the University community near USF campus. However, due to the distance and volume of traffic on the intersections where these stores are located, walking or biking are unsafe and impractical options requiring a car to purchase groceries off campus. Since not all students have a vehicle some find trips to a grocery store problematic.

University Support of Project:

The Project costs will not be a legal obligation of USF or any of its Direct Support Organizations and *USF has not pledged its credit or committed any financial assistance toward the Project.*

Under the ground sublease, the Owner will submit Project plans to USF for approval. USF will review for compliance with USF building codes, regulations, and consistency with USF's Master Plan goals and

objectives. USF will also work with the Owner's architect and engineer to ensure the required permits are obtained. The Owner will pay USF a one-time fee of \$60,000 to cover the cost of processing permits and conducting inspections.

**Analysis and
Conclusion:**

Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by the University with respect to the request for Board of Governors approval for the Project.

The Project will provide a desired amenity with no direct financial risk to the University in exchange for revenue to allocate toward student success initiatives and provide employment opportunities for students. The Project was legislatively approved in the General Appropriations Act passed during the 2015A special session.

As part of its review, the Board should consider whether having a grocery store on campus serves a legitimate need for the University and is adequate justification for the Project. Also, the Board should evaluate whether the loss of the property for the term of the lease is appropriate in light of other potential University needs and whether the University is receiving fair value for the ground lease given that the rent payment is on the low end of the appraisal.

Accordingly, staff recommendation is adoption of the resolution.

STATE OF FLORIDA, BOARD OF GOVERNORS
UNIVERSITY OF SOUTH FLORIDA
GROCERY STORE PROJECT

Estimated Sources and Uses of Funds

Sources of Funds

Basis for Amounts

Owner Equity	\$12,154,350	Cash Reserves (12,154,350)
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Total Sources of Funds	\$ 12,154,350
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Uses of Funds

Project Cost	\$ 7,456,600	Storeroom (5,234,000), Façade (1,250,000), Contingency (972,600)
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Site Work	\$ 2,691,000	Site work (1,730,000), Offsite Improvements (160,000), Signage (53,500), Lighting (300,000), Contingency (448,500).
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Soft Costs	\$2,006,750	Architecture and Engineering Fees (\$515,000), Other Engineering (70,000), Environmental (35,000), Impact Fees (495,000), Legal (100,000), Other (230,000), Development Fee (300,000), Contingency (261,750).
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Total Uses of Funds	\$ 12,154,350
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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 4, 2015**

SUBJECT: A Resolution of the Board of Governors Approving the University of South Florida entering into a Ground Sub-Lease and a Management Agreement with HSRE-Capstone Tampa, LLC for the demolition of existing student housing and adjacent buildings and the construction, financing, and maintenance of a new student village complex comprised of housing, parking and dining facilities, a fitness center and pool, and retail space (the "Project").

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the *University of South Florida ("USF" or "University") entering into a 51-year Ground Sub-Lease with HSRE-Capstone Tampa, LLC (the "Owner") to construct, finance, and maintain the Project. If approved, the Owner will engage USF for the operation and custodial maintenance of the housing facility under a 51-year Management Agreement* that overlaps the term of the ground lease.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, has reviewed this resolution and all supporting documentation for compliance with Florida law and both the Board of Governor's Debt Management Guidelines, as well as the P3 Guidelines. USF is seeking permission from the Board of Governors to use the authority provided in s. 1013.171, which authorizes university boards of trustees to enter into lease agreements with private entities for the purpose of constructing a facility and enter into the necessary lease and lease arrangements for the proposed Project.

The proposed Project appears to be in compliance with applicable Florida law but as proposed, is not in compliance with the P3 Guidelines in several respects. However, the BOG should consider the following information in determining whether to approve the Project as proposed:

- *The term of the Ground Sub-Lease is 51 years, 11 years longer than the 40-year term recommended in the P3 Guidelines.* USF's justification for the longer term is the Owner's ability to set initial rates lower than under a 30 or 40-year agreement.
- The Project is financed with debt and equity. *The 35-year repayment term of the equity and deferral of cumulative preferred equity distributions to year 11 of the*

agreement effectively violates the principles contained within the BOG Debt Guidelines and the P3 Guidelines as to deferring payments. Deferring payments extends the duration and increases the interest cost of the obligations.

- *Taxable debt, the longer repayment period, and 7.0% interest rate on the cumulative preferred equity increases the total interest costs of the financing over traditional tax-exempt debt by an estimated \$55 million.*
- *The Project pro-forma shows the Owner receiving cash distributions of \$410 million while USF is projected to receive \$273 million, of which \$140 million (51%) is expected to be received in years 41 through 51 of the agreement.*
- *USF's purchase option is cost prohibitive with estimates indicating that after 15 years, the University could purchase the Project from the Owner for \$431.5 million.*
- *Rental rates are 5% higher than existing housing rates even though the duration of the Ground Sub-Lease is longer than recommended by the P3 Guidelines.*
- *The financing includes costs associated with ancillary facilities (i.e. parking and dining facilities, a fitness center and pool, and retail space).*

AUTHORITY FOR BOARD OF GOVERNORS ACTION

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

BACKGROUND INFORMATION

The University of South Florida Board of Trustees has reviewed a proposal and adopted a resolution authorizing the President to execute a Ground Sub-Lease and Management Agreement with HSRE-Capstone Tampa, LLC for the construction and operation of a student village complex comprised of a housing facility with 2,165 beds (1,039 replacement and 1,125 new), parking and dining facilities, a fitness center and pool, and retail space utilizing a public-private partnership arrangement. The Project will be approximately 578,000 gross square feet, be located on the University's main campus in Tampa and supports USF's belief that living on-campus is integral to student success.

The Project cost of approximately \$133.0 million will be financed by the Owner, using a taxable loan and equity contribution which will be repaid with net housing revenues. USF is not legally obligated to pay debt service or maintain the Project. *However, the rating agencies will consider the obligations associated with the proposed Project in evaluating USF's debt profile.* The 35-year repayment term of the equity exceeds the limits imposed by the P3 Guidelines and Debt Guidelines by 5 years and defers the principal repayment of the equity until year 11 of the agreement. The equity is analyzed as subordinate debt because repayment is required under the terms of the Ground Sub-Lease and if Project cash flow is insufficient to make the required 7.0% preferred return on equity payment, the obligation is carried forward and paid in future years (i.e. the preferred return is cumulative).

USF asserts it would take eight years to deliver the Project using traditional procurement and financing methods as the existing housing system lacks sufficient debt capacity to finance the Project as proposed. However, in reaching this conclusion, *the University did not consider a phased approach to replacing and financing student housing*. Brailsford & Dunlavey estimates traditional procurement and delivery would cost approximately \$15 million to \$25 million more than the P3 model. However, these estimates are not supported by any analysis and have not been validated. Although development costs are estimated to be more than the P3 model, *this P3 arrangement requires the University to share 60% of any excess cash flow after payment of operations, debt service and the preferred equity return with the Owner (about \$410 million) while USF receives 40% (about \$273 million)* until the Owner achieves an internal rate of return (“IRR”) of 11.50%. Over the term of the agreement, the Project’s pro-forma indicates the Owner will not achieve its 11.50% IRR hurdle.

Supporting Documentation Included:

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

Facilitators/Presenters: Mr. Chris Kinsley

A RESOLUTION APPROVING THE UNIVERSITY OF SOUTH FLORIDA TO ENTER INTO A SUBLEASE AND OPERATING AGREEMENT WITH HSRE-CAPSTONE TAMPA, LLC, RELATED TO DEMOLITION OF CURRENT HOUSING AND THE CONSTRUCTION, LEASING, FINANCING AND OPERATION OF AN APPROXIMATELY 2,165 BED STUDENT HOUSING AND MIXED USE PROJECT ON THE UNIVERSITY MAIN CAMPUS.

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. Pursuant to s. 1013.171, Florida Statutes, a university board of trustees may negotiate and enter agreements to lease land under its jurisdiction to corporations registered with the Secretary of State to do business in the state, for the purpose of erecting facilities necessary and desirable to serve the needs and purposes of the university, as determined by the system-wide strategic plan adopted by the Board of Governors.

(B) The Board of Trustees of the University of South Florida (the "University") has requested approval from the Board of Governors for the University to enter into a Public-Private Partnership arrangement with HSRE-Capstone Tampa, LLC, for the purpose of the demolition of current student housing and the construction, management, operation, maintenance and repair of student housing facilities comprised of approximately 2,17 beds; as well as the construction and maintenance of associated ancillary infrastructure, including a wellness center, retail space and dining facility, plus providing capital contributions for 650 parking spaces and a roadway and other related improvements to be located on the Tampa Main Campus of the University ("the Project");

(C) The Project is expected to be financed through a combination of equity and debt from HSRE-Capstone Tampa, LLC.

(D) The Project will be operated in concert with the existing housing system of the University.

(E) Upon consideration of the Project, the Board of Governors declares that the Project is consistent with the mission of the University; has been properly analyzed by staffs of the Board of Governors, the University and the Division of Bond Finance; and will serve a public purpose by providing housing facilities at the University.

(F) The Project is consistent with 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. The University is hereby authorized to enter into such leases, sub-leases, operating agreements and any other contracts as may be required to consummate the Public-Private Partnership.

3. 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.

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

PASS AND ADOPTED by the Board of Governors of the State of Florida at a public meeting duly called and held this ____ day of November, 2015.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the approval of entry of a sublease agreement by the University of South Florida with HSRE-Capstone Tampa, LLC for the construction, management, operation, maintenance and repair of student housing facilities as well as wellness center, retail space and dining facility on the Tampa Main Campus is a true and accurate copy as adopted by the Board of Governors on November _____, 2015, 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: _____, 2015

By: _____
Corporate Secretary

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
University of South Florida
USF Student Village Public-Private Partnership Project**

Project Description: The proposed student village project (the “Project”) consists of a 525,000 square-foot student housing facility with 2,165 beds (1,039 replacement and 1,125 new), parking and dining facilities, a fitness center and pool, and retail space comprising approximately 53,000 square feet.

The Project will be owned by HSRE-Capstone Tampa, LLC (the “Owner”), a joint venture between Harrison Street Investor Corporate Member and Capstone Development Partners, LLC. The University of South Florida (“USF” or “University”) will enter into a 51-year Ground Sub-Lease with the Owner to design, construct, finance, and maintain the Project on the USF campus. The Ground Sub-Lease is subject to the approval of Board of Trustees for the Internal Improvement Trust Fund, which holds title to the property on behalf of the State of Florida. USF has a 99-year lease for the property, which expires in 2073. USF will enter into a separate Management Agreement with the Owner whereby USF will operate and perform custodial maintenance of the Project while the Owner retains responsibility for major repair and replacement costs. The Project is included in the campus master plan and supports USF’s institutional philosophy that living on-campus supports student success. USF will rescind its current on-campus residency requirement prior to completion of the Project.

The Owner will demolish the existing Andros complex and its adjacent support buildings to construct a village-style complex with multiple residential buildings, parking and dining facilities, a fitness center and pool, and retail space with landscape architecture elements and outdoor gathering spaces. To support the new complex, USF will construct 650 surface parking spaces, which will be added to the existing parking system for use by any student with a residential decal. USF will receive \$2,275,000 from proceeds of the Project’s financing toward the cost of the parking spaces. However, USF will contract with the Owner to operate the Project under a Management Agreement that overlaps the term of the Ground Sub-Lease. USF will receive reimbursement for operational costs of \$1,300 per bed and

reimbursement of custodial maintenance of \$4.08 per gross square foot.

Upon substantial completion, USF will be given the right to possess and occupy the dining facility and the fitness center. USF's Campus Recreation Department will operate the fitness center with revenues from existing student fees and user charges. USF's food service vendor will operate the dining facility. The Owner is required to make payments to a repair and replacement account for capital maintenance of these facilities which will total about \$14 million over the life of the lease or \$3.5 million on a net present value basis. The Owner will own, lease and maintain the retail spaces, with USF having the right to refuse a retail tenant (primarily to ensure no competition arises and voids existing University contracts).

Project Site Location: The Project will be located on the site of the existing Andros student housing complex on USF's main campus in Tampa.

Projected Start and Completion Date: Demolition and construction will commence in May 2016 with completion scheduled for Fall 2017. If the Project fails to open on schedule, the Owner must provide temporary housing, storage, and transportation costs for residents until completion of the Project. The lease allows the Owner to recover some of the cost of these expenses from rent payments if the temporary housing is of a similar quality as evaluated by USF and is located within one mile of the Project. As a result, *completion risk is not fully transferred to the Owner if temporary housing costs are recoverable from student housing charges.*

Project Cost: *The total Project cost is estimated at \$132.7 million, including construction and hard costs of approximately \$113.3 million. Of the \$113.3 million in construction costs, the University indicates the additional amenities (parking and dining facilities, a fitness center and pool, and retail space) is about \$14.7 million indicating about \$98.6 million is for construction of the housing facility. Other Project costs include planning, equipment and other estimated soft costs of \$7.0 million, financing and legal costs of \$3.4 million (including \$2.3 million for construction loan interest), contingency costs of \$4.6 million, and a developer fee and overhead of \$4.35 million (3.28% of the total cost). The Project will not generate revenues during*

construction therefore it's reasonable to include the \$2.3 million in the permanent financing despite the fact it increases the loan amount when executed. The total cost per bed is approximately \$61,293.

(See estimated Sources and Uses of funds.)

P3 Justification:

USF chose a public-private partnership ("P3") to construct, finance, and maintain the Project. *USF has indicated that three primary benefits of the P3 structure are 1) accelerated delivery; 2) reduced credit rating exposure; and 3) transfer of risk to the Owner for construction, operation, and demand.* Each of these is described in more detail as follows:

USF evaluated one financial alternative that involved the existing housing system issuing the entire amount of debt (\$132 million) in one issue. Under this approach, USF asserts it would take eight years to deliver the Project as the existing housing system lacks sufficient debt capacity to finance the Project as proposed. *The University did not consider a phased approach to replacing and financing student housing using tax-exempt debt secured by its existing housing system.*

The University supports this statement through an analysis of the existing housing system's capacity to issue the debt and maintain annual debt service coverage of approximately 1.25x. A pro forma coverage table of the existing USF housing system shows debt service coverage of 0.90x in 2017-2018 for the first full year of operation of the Project below the BOG Debt Management Guidelines requirement of 1.20x.

USF Debt Service Coverage Ratios	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Financing Entire Project (\$133M)	1.42x	1.51x	1.47x	0.90x	1.06x	1.15x	1.19x	1.22x	1.26x	1.28x
Tampa After Andros Removal	1.42x	1.30x	1.23x	1.26x	1.26x	1.40x	1.46x	1.50x	1.55x	1.59x

In addition, USF indicates cash available in the housing system net of debt service reserves is about \$27,000,000 (at June 30, 2015), which is insufficient to maintain current housing stock (deferred maintenance, required housing reserves, etc.) and provide cash to offset costs of the Project.

In order to finance the Project through the existing housing system in one debt issue, USF would need to reduce the scope of the Project or contribute cash to fund a portion of the Project. However, as an alternative, it may be feasible for the University to finance

construction of additional housing in phases as the housing system revenues support the debt service or just issuing debt to satisfy the deferred maintenance backlog on the Andros Complex.

The University's P3 advisor indicates if the debt were issued through the existing housing system, it would result in a one-notch downgrade to the credit ratings impairing the housing system's ability to issue additional debt or potentially increasing interest costs for future debt issuance (Moody's rating on the existing housing system's certificates of participation is A1 and S&P's rating is A+). Although the downgrade assumption is speculative, Moody's and S&P both state that rating pressure could occur with material increases in debt and/or a material decline in the pledged revenues or insufficient debt service coverage. S&P also notes that once the Project's agreement is finalized, it will evaluate the credit impact of the Project's debt on the University's rating.

The University obtained a public sector comparator to analyze the financial differences between the P3 and traditional delivery models. The analysis performed by the University's P3 advisor indicates traditional procurement and delivery would cost approximately \$15 million to \$25 million more than the P3 model. Brailsford & Dunlavey ("B&D") developed the traditional delivery costs by reviewing student housing projects implemented by the University and comparable projects implemented by other institutions. The estimates have not been validated. However, *using this P3 arrangement also requires the University to share any excess cash flow after payment of operations, debt service and the cumulative preferred equity return with the Owner. The net excess cash flow will be divided 60% for the Owner (about \$410 million) and 40% for USF (about \$273 million) until the Owner achieves an internal rate of return ("IRR") of 11.50%. Once the IRR hurdle is met, the Owner will receive 40% and USF will receive 60% of the excess cash flow. This revenue arrangement occurs throughout the entire 51-year lease period, or 20 years after the loan is repaid and 16 years beyond repayment of the preferred equity. For additional analysis of the projected results of this agreement, see "Financing Structure."*

Although construction risk and major capital maintenance risks are transferred to the Owner under this P3 arrangement, the Ground Sub-Lease requires USF to reimburse the Owner for 50% of the preliminary pre-construction costs should the Project not proceed due to adverse site conditions. USF estimates these costs to be between \$125,000 and \$1,500,000, which USF would pay from either the cash available in the

existing housing system or overhead amounts paid to the University from auxiliary funds. The Board and Bond Finance staff believe operations and demand risk transfer appears minimal. In this arrangement, the Owner will contract with USF for operations; however there are several contractual safeguards in the Ground Sub-Lease designed to ensure the Project will be well-maintained, not the least of which is that payments for maintenance are prioritized ahead of debt service. The Owner retains demand risk, which has not been analyzed, since the B&D study was conducted under the assumption that USF would maintain its policy requiring freshmen and transfer students with less than 30 hours to live on-campus. USF's commitment in the Ground Sub-Lease is to engage an outside consultant to ascertain demand prior to adding capacity to the existing housing system. *Demand risk does not appear to be a material risk factor, given the inherent demand for on-campus housing at established, large Universities like USF.*

Financing Structure:

The Project will be privately financed using an equity investment of approximately \$40.0 million and a loan of \$93.8 million. The Owner will execute a short-term construction loan, which upon completion of the Project will be refinanced into a long-term loan. Both the equity and loan will be provided by an affiliate of the Owner. The estimated interest rate on the loan is 5.25% and the preferred return on equity is 7.0%. The financing will not be tax-exempt.

The loan structure complies with the P3 Guidelines and BOG Debt Guidelines with interest only paid during the first year and level debt service continuing for 30 years beginning in year two when the Project is scheduled to open. *The equity is repaid over 35 years with the preferred return on equity of 7.0%* (equivalent to interest on a loan) being paid in years one through 10, and *cash distributions for the return of equity plus the 7.0% preferred return beginning in year 11 and continuing through year 35* (equivalent to principal and interest payments on a loan in years 11 through 35). After year 35, the Owner is projected to have received 100% repayment of its equity in addition to a 7.0% preferred return on its initial investment with 16 years remaining on the Ground Sub-Lease agreement. If Project cash flow is insufficient to make the required preferred return on equity payment, the obligation is carried forward and paid in a future year.

Repayment of equity is an obligation required under the terms of the Ground Sub-Lease agreement subordinate to repayment of the loan. If the Owner's equity were not provided, some form of debt would be

required to finance all Project costs. For purposes of this analysis, the Owner's equity is treated as subordinated debt because it's a required obligation and payable before any net excess cash flow is distributed to the Owner and the University. Deferring repayment of equity to year 11 of the agreement is tantamount to deferring debt. This aspect of the financing structure is inconsistent with the principles contained in the P3 Guidelines and BOG Debt Guidelines. It is unclear what benefit the deferment exception is to USF. The required equity distributions have been appropriately analyzed as subordinated debt to ensure the fundamental principles of the both the Board of Governors' Debt Guidelines and P3 Guidelines regarding debt structure are not violated based on the sources of funding the Project (i.e. debt versus equity).

The use of taxable debt, the longer repayment period and 7.0% interest rate on the cumulative preferred equity increases the total cost of the financing. Total interest costs under this P3 arrangement are approximately \$168.9 million (\$95.4 million for the loan and \$73.5 million for the preferred equity), which increases the total interest costs of the financing over traditional tax-exempt financing by an estimated \$55 million. For example, if the University financed 100% of the Project costs using tax-exempt debt, the annual debt service payment would be between \$7.0 million and \$8.0 million with total interest costs of about \$113.3 million. This compares to the current financing for the Project where the annual loan payment is about \$6.2 million and the annual preferred return on equity payment is approximately \$2.8 million through year 10 of the agreement increasing to \$3.4 million in years 11 through 35 (for a total combined payment of between \$9.0 million and \$9.6 million).

Fundamentally, the Project costs more than USF can afford. In order to make the Project affordable as proposed, an exception would be required whether USF used a P3 or issued the debt through the existing housing system. After loan payments and preferred equity distributions of 7.0%, the Owner receives 60% of the net excess cash flow throughout the 51-year Ground Sub-Lease until the 11.50% IRR hurdle is met. These required payments are analogous to a third lien on Project net revenues and are due and payable to the Owner if available after payment of operations and maintenance, debt service, and the preferred return on equity. Unlike the preferred equity return payment that carries forward to a future year, the excess cash flow distribution to the Owner and USF is only payable if available in any given year. *Over the Ground Sub-Lease period, projections show the Owner will receive approximately \$410 million in excess cash flow*

while USF receives approximately \$273 million. This compares to traditional Project delivery with tax-exempt, 30-year level debt service where the University would receive all excess cash flow upon repayment of the debt, or approximately \$683 million as shown in the Project's pro-forma. This is the trade-off or cost for using equity and a P3 financing structure versus financing the Project using traditional tax-exempt bonds.

Security/Lien Structure: The repayment of the loan will be an obligation of the Owner secured by net Project revenues after payment of operating expenses. The Owner's affiliate providing the loan will have a leasehold mortgage interest in the Project in the event the Owner defaults on the loan repayment. Project revenues consist of rental rates, a \$300,000 annual transfer from USF for the dining facility and approximately \$180,000 in revenue derived from leasing the retail space. There will be no other debt outstanding with a lien on the Project.

Taxable Debt: This Project will be financed by the Owner with taxable debt due to its operation as a for-profit entity. Although for-profit entities can utilize tax-exempt Private Activity Bonds issued through a conduit to finance public sector facilities, USF chose the debt and equity combination to finance the Project eliminating the tax-exempt debt option.

Project Rental Rates: The Project's housing rental rates for Fall 2017 are \$3,295/semester for a traditional double occupancy room, \$3,995/semester for a double occupancy semi-suite, and \$4,595/semester for a single-occupancy semi-suite. *These rates are approximately 5-10% higher than the next newest beds in the USF system. USF attributes 5% of the increase to the additional amenities* (i.e. parking and dining facilities, a fitness center and pool, and retail space), however, USF believes the amenities are essential and contribute to the marketability and success of the Project.

According to USF, the higher initial rates are, in part, designed to avoid the Project cannibalizing demand from existing USF housing system. However, it appears the primary reason rental rates can be held lower, even with the financing of the additional, non-revenue producing capital improvements (i.e. dining and health and wellness facilities, parking, pool and other amenities), is because of the length of the Ground Sub-Lease agreement (51 years). The duration enables

the Owner to receive profits for 16 years after repayment of the loan and preferred equity components that finance the Project.

An advisory committee comprised of two USF representatives and three Owner representatives will set the annual Project budget including any changes to rental rates. *There is no limit on rental rate increases to students, but changes to the budget require unanimous approval of the advisory committee.* If the advisory committee cannot reach unanimous approval, the existing budget remains in place with rental rates increasing by CPI until USF and the Owner finalize its implementation through a dispute resolution process involving binding arbitration. Should the Owner implement 3% annual increases in rental rates assumed in the projections, the initial rate of \$3,295 per semester for a traditional double-occupancy room will nearly double to \$6,503 in 24 years. At the end of the 51-year agreement, the semester rental rate would be \$14,445.

Pledged Revenues and Debt Service Coverage:

The Project's net revenues are estimated to begin at \$8,852,776 in 2018-19, the first year of full operations providing debt service coverage of 1.42x and 1.0x preferred equity. When considering loan and preferred equity payments together, the Project's pro-forma shows limited coverages of less than 1.2x through the first eight years of operations. The coverages on the loan and preferred equity payments provide limited cushion for the Owner to meet obligations without an increase in rental rates in excess of the 3% projections, USF foregoing its reimbursement for administrative costs, or USF supporting the Project's obligations in the event of a shortfall. The Project's pro-forma assumes an annual rental rate increase of 3%, estimated occupancy of 95% during the Fall and Spring semesters, and 3% annual increases in operating expenses.

The Project's feasibility includes receipt of revenues associated with leasing the retail space (approximately \$180,000) and \$300,000 annual fee from USF for the dining facility. USF believes that these revenues and associated facilities are functionally related based on the use of dining revenues for the dining facility, the physical proximity of these components to housing, and the Owner's belief these components are vital to the success of the village concept.

(See Historical and Projected Debt Service Coverage, and estimated net cash flow profits to Owner)

Return on Investment: *USF and the Owner will enter into a 51-year Ground Sub-Lease and Management Agreement. The lease term exceeds the P3 Guidelines that allow for a 40-year term by 11 years. The P3 Guidelines allow a University to extend the lease term to 50 years with appropriate justification.* The longer lease term allows the Owner to set initial rental rates lower. The University believes rental rates would have to increase by an additional 23.2% or 8.0%, respectively over those proposed for the Project if the Owner were given a 30 year or 40 year Ground Sub-Lease.

Throughout the term of the Ground Sub-Lease, the Owner expects to receive a preferred return of the contributed equity of 7.0% and annual cash flow profits from the Project from the net operating surplus. The cumulative preferred return on the equity is subordinate only to expenses and debt service and paid prior to any receipt of excess cash flow by USF. The Owner will receive 60% and USF 40% of the excess cash flow until the Owner has achieved an 11.50% IRR, then USF will receive 60% and the Owner 40% after the IRR threshold. The Project's pro-forma shows the Owner will meet an IRR of 11.15% (not the 11.50% hurdle), indicating the Owner will retain 60% of the excess cash flow throughout the 51-year period.

The Project pro-forma shows the Owner receiving total gross distributions of \$527.0 million including cumulative return on equity (\$113.3 million), excess cash flow profits (\$409.5 million) and developer fee and overhead (\$4.35 million) while USF is expected to receive a total of \$273 million, of which \$140 million (51%) is expected to be received in years 41 through 51 of the agreement. USF plans to use any excess cash flow to eliminate deferred maintenance on its housing facilities estimated at \$45 million after demolition of the Andros complex. The net amount USF will receive from the excess cash flow is about \$257.7 million after deducting the \$15.3 million made to the Owner for the dining facility.

USF has the option to purchase the Project after 10 years. However, the price to exercise the purchase option is cost prohibitive. The buyout cost is structured to ensure the Owner remains financially whole despite early termination of the contract. The University's estimate to buy the facility back at 15 years is \$431.5 million. The purchase cost includes payment to the Owner for outstanding debt and preferred equity (\$102.4 million) and a payment to cover the expected net excess cash flow (profits) the Owner would realize over the 51 year period to achieve its target IRR (\$329.1 million). As a

result, after 15 years of operations, USF would be required to pay 3.2 times the original cost of construction to purchase the Project if it were to exercise its purchase option.

Quantitative Demand for Project:

In November 2013, USF engaged B&D to study the possibility of an on-campus mixed use project and the redevelopment of USF's existing housing system. USF believes availability of student housing and co-located mixed use, quality-of-life activities is integral to attracting and retaining students. B&D also assisted in the development of the Invitation to Negotiate (ITN) to choose a project owner and analysis of project delivery structures.

B&D's final report, following a series of focus groups, stakeholder interviews, and an internet-based survey of more than 4,900 USF students, states USF's primary intent is to better meet the needs of freshmen students. In general, the students surveyed said quality-of-life facilities were important for a comprehensive on-campus experience. According to the study, B&D projects student demand for on-campus housing in Fall 2017, when the Project is scheduled to open, will be 5,977 beds, which will result in a deficit of more than 1,200 beds. However, the B&D study does not include the effect of eliminating the freshmen residency requirement. Further, B&D recommended demolition of the Andros facility for several reasons. First, the complex has accumulated significant capital project and deferred maintenance investment needs, due to the inability of USF to economically renovate these facilities in recent years. Second, the configuration of the buildings is inconsistent with the USF Master Plan focusing on efficient land-use to accommodate 40,000 students. Third, the Andros footprint provides the best site on campus to accommodate the mixed-use village concept to meet the strategic objective of the University to positively impact connectivity between housing and academics.

As part of its analysis, B&D examined the residential communities surrounding the campus. The off-campus market is diverse in terms of rental rates and amenities offered. Private housing located closer to campus generally were found to have higher rental rates, with one-bedroom apartments within a mile of campus ranging from \$742 a month (with fewer than 15 amenities) to \$964 (with more than 15 amenities). Comparatively, the rate for a double-occupancy semi-suite room under the Project will be \$799 a month. The lower rental

rates of the Project are achieved by having two students share one room and a private bath.

University Support of Project:

The financing will not be a legal obligation of USF or any of its Direct Support Organizations, and USF has not pledged its credit toward the Project. However, the rating agencies will consider the obligations associated with the proposed Project in evaluating USF's debt profile. USF is projected to receive \$257.7 million (net of \$15.3 million contributed to the dining facility) from the Project over the term of the agreement in the form of base rent, which it will use to address deferred maintenance. The lease requires the Owner to provide documentation to demonstrate how the distribution was calculated and pay the rent within 90 days of each Annual Period (from July 1 to June 30 of the following year).

To repay the construction costs of the dining facility (approximately \$5 million) and offset the Owner's contributions to the repair and replacement maintenance account, USF is obligated to transfer \$300,000 per year to the Owner for 51 years. USF intends to use revenues it currently receives from its food service vendor to make the payment. USF will not need to amend its current contract with its food service provider. The costs of meal plans at USF will not increase as a result of the additional dining facility. However, a new future food service contract could eliminate this revenue, requiring USF to make the payment from another source. According to USF, the \$300,000 annual payment to the Owner over the term of the agreement equates to a net present value of \$5,008,000 discounted at 5.25% or a gross total of \$15,300,000.

In addition, USF will construct 650 parking spaces (572 new spaces and 78 spaces to account for displaced spaces) to support the Project with funding from the financing in the amount of \$2,275,000. USF estimates the funding contributed from the financing will fully cover the cost of construction. If construction costs are in excess of this amount, USF will contribute the overage from its existing parking system.

USF is not legally obligated to pay debt service or maintain the Project. However, given the location of the Project on the USF main campus in Tampa and the importance of student housing to the University, USF may feel obligated to take over the Project or provide

some other form of support should the Owner fail in its responsibilities.

Analysis and Conclusion:

Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by the University with respect to the request for Board of Governors approval for the Project. The demand for the Project appears adequate given its location on the main campus of an established University. *However, the B&D study does not include the effect on demand from eliminating the freshmen residency requirement. The Owner will construct, finance, and maintain the Project throughout the 51-year Ground Sub-Lease; however, USF will operate and provide custodial maintenance of the housing facility through the Management Agreement that overlaps the term of the Ground Sub-Lease.*

Project costs will be financed with debt and equity including a preferred return on equity equal to 7.0%. The 35-year repayment and deferral of equity distributions on the cumulative preferred equity are principles that are inconsistent with the BOG Debt Guidelines and the P3 Guidelines regarding deferring payments that effectively extend the duration of the obligations. Additionally, the use of taxable debt, the longer repayment period and 7.0% interest on the preferred return on equity increases the total cost of the financing by an estimated \$55 million over a traditional, tax-exempt debt structure.

The 51-year term of the Project Ground Sub-Lease exceeds the allowable term in the P3 Guidelines by 11 years. The benefit to the University by extending the ground sublease beyond 40 years is that the Project can be immediately built at the full scope that the University believes is necessary to improve its housing stock. Additionally, *USF asserts the longer lease term allows the Owner to set initial rental rates lower* and would be 23.2% higher if the lease term were 30 years and 8.0% higher with a 40-year term. However, it appears the primary reason rental rates can be held lower, even with the financing of the additional, non-revenue producing capital improvements (i.e. parking and dining facilities, a fitness center and pool, and retail space), is the 51-year period enables the Owner to receive profits for 16 years after repayment of the loan and preferred equity components that finance the Project. Projections indicate that over the 51 year term, the Owner will receive gross distributions of nearly \$527 million (\$113.3 million in preferred equity, \$409.5 million in excess cash flow, and \$4.35 million for developer fee and overhead)

whereas USF will receive \$257.7 million net of the \$15.3 million contributed for the dining facility. If financed through USF's existing housing system, USF would retain all excess cash flow following repayment of the debt, or an estimated \$683 million.

The University's public sector comparator analysis shows traditional procurement and delivery of the Project would cost approximately \$15 million to \$25 million more than the P3 model based on a review of other housing projects implemented by the University and other institutions of similar size to USF. These estimates have not been validated. However, this P3 structure requires the University to share 60% of the excess net cash flow generated from the Project with the Owner over the 51 year period which it would otherwise retain if the Project were financed via its existing housing system. This is the trade-off or cost for using equity and a P3 financing structure versus financing the Project using traditional tax-exempt bonds.

The Board should consider the foregoing information in determining whether to approve the Project as proposed.

Board of Governors Committees and Meeting - Facilities Committee

STATE OF FLORIDA, BOARD OF GOVERNORS UNIVERSITY OF SOUTH FLORIDA Student Village Public-Private Partnership Project

Estimated Sources and Uses of Funds

Sources of Funds

Taxable Loan	\$ 92,920,764	Estimated interest rate is 5.25% and repayment for 31 years.
Equity Contribution	39,823,185	Estimated interest rate for Preferred Return is 7.0% and repayment for 35 years.
Total Sources of Funds	<u>\$ 132,743,949</u>	

Basis for Amounts

Uses of Funds

Construction & Hard Costs	\$ 113,307,619	Planning, Design, Construction, Furniture and Retail improvement allowance
Housing	96,486,593	Construct 2,165 beds (1,039 replacement and 1,125 new)
Health and Wellness	6,056,526	
Dining	4,945,202	
Retail	1,415,298	
Parking (payable to USF)	2,275,000	Paid to USF for construction of the surface parking spaces
Acceleration Payment due to USF	2,129,000	Paid to USF to offset net revenue in existing housing system generated by the Andros Complex
Soft Costs	7,003,995	Insurance and Permitting, Architect and Engineering Fees, Management Start-up Expenses
Developer Fee	4,350,000	
Closing Costs	600,000	Legal, appraisals, reports, title insurance.
USF Transaction Costs	500,000	
Construction Period Interest	2,336,297	
Project Contingency	4,646,038	
Total Uses of Funds	<u>\$ 132,743,949</u>	

Board of Governors Committees and Meeting - Facilities Committee

State of Florida, Board of Governors
University of South Florida
Projected Debt Service Coverage
Projected Debt Service Coverage for Student Village Project

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Operating Revenue¹										
Academic Rental Revenue	\$8,396,661	\$14,781,524	\$15,224,970	\$15,681,719	\$16,152,171	\$16,636,736	\$17,135,838	\$17,649,913	\$18,179,410	\$18,724,793
Summer Rental Revenue (10% of beds @\$2400)										
Retail	\$176,938	\$182,246	\$187,713	\$193,344	\$199,145	\$205,119	\$211,273	\$217,611	\$224,139	\$230,863
Fees and Recovered Expenses	\$126,500	\$216,500	\$222,995	\$229,685	\$236,575	\$243,673	\$250,983	\$258,512	\$266,268	\$274,256
Dining Hall Rent	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Total Revenues	\$9,000,099	\$15,480,270	\$15,935,678	\$16,404,748	\$16,887,891	\$17,385,528	\$17,898,094	\$18,426,036	\$18,969,817	\$19,529,912
Operating Expenses¹										
Resident Life/ Education Staff/ Programming/ Support	\$1,378,850	\$2,430,646	\$2,503,565	\$2,578,672	\$2,656,032	\$2,735,713	\$2,817,784	\$2,902,318	\$2,989,387	\$3,079,069
Marketing/ Leasing/ Billing/ Collections/ Room Assignments	\$265,650	\$468,290	\$482,338	\$496,808	\$511,713	\$527,064	\$542,876	\$559,162	\$575,937	\$593,215
Utilities	\$679,305	\$1,197,245	\$1,233,162	\$1,270,157	\$1,308,262	\$1,347,510	\$1,387,935	\$1,429,573	\$1,472,460	\$1,516,634
Facilities Maintenance and Operations	\$1,168,836	\$2,049,273	\$2,110,751	\$2,174,074	\$2,239,296	\$2,306,475	\$2,375,669	\$2,446,939	\$2,520,347	\$2,595,958
Taxes & Insurance	\$20,450	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	\$41,792	\$43,046	\$44,337	\$45,667
Reserves	\$253,000	\$445,990	\$459,370	\$473,151	\$487,345	\$501,966	\$517,025	\$532,535	\$548,511	\$564,967
Total Operating Expenses	\$3,766,091	\$6,627,494	\$6,826,318	\$7,031,107	\$7,242,041	\$7,459,303	\$7,683,081	\$7,913,573	\$8,150,979	\$8,395,510
Net Operating Income	\$5,234,008	\$8,852,776	\$9,109,360	\$9,373,641	\$9,645,850	\$9,926,225	\$10,215,013	\$10,512,463	\$10,818,838	\$11,134,402
Debt Service										
Debt Service ²	\$2,686,793	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973
Debt Coverage Ratio	1.95	1.42	1.47	1.51	1.55	1.60	1.64	1.69	1.74	1.79
Amount Available after Debt Service	\$2,547,215	\$2,634,803	\$2,891,387	\$3,155,668	\$3,427,877	\$3,708,252	\$3,997,040	\$4,294,490	\$4,600,865	\$4,916,429
Preferred Equity										
Equity Cost (Preferred Return of 7%) ³	\$2,547,244	\$2,634,804	\$2,891,388	\$3,077,056	\$2,787,623	\$2,787,623	\$2,787,623	\$2,787,623	\$2,787,623	\$2,787,623
Equity Coverage Ratio	1.00	1.00	1.00	1.03	1.23	1.33	1.43	1.54	1.65	1.76
Total Debt and Equity Payments	\$5,234,037	\$8,852,777	\$9,109,361	\$9,295,029	\$9,005,596	\$9,005,596	\$9,005,596	\$9,005,596	\$9,005,596	\$9,005,596
Combined Debt and Equity Coverage	1.00	1.00	1.00	1.01	1.07	1.10	1.13	1.17	1.20	1.24
Excess Cash Flow	\$0	\$0	\$0	\$78,612	\$640,254	\$920,629	\$1,209,417	\$1,506,867	\$1,813,242	\$2,128,806
Excess Cash Flow Distribution⁴										
USF Share of Remaining Cash Flow (40%)	\$0	\$0	\$0	\$31,445	\$256,102	\$368,252	\$483,767	\$602,747	\$725,297	\$851,522
Owner Share of Remaining Cash Flow (60%)	\$0	\$0	\$0	\$47,167	\$384,152	\$552,377	\$725,650	\$904,120	\$1,087,945	\$1,277,284

¹Projections assume 3% annual increases in rental rates and expenses and 95% occupancy rate for Fall and Spring and 10% for Summer.

²Estimated based on an assumed interest rate of 5.25% and a 32-year repayment term with interest only payable in years 1 and 2.

³Estimated based on an assumed interest rate of 7.0% and a 35-year repayment term with interest only payable during years 1 through 10.

⁴USF receives 40% of the excess cash flow and the Owner 60% until the IRR hurdle of 11.50% is met, then distribution changes where USF receives 60% and the Owner 40%.



AGENDA
Innovation and Online Committee

Ballroom
Graham University Center
Florida International University
Modesto A. Maidique Campus
11200 S.W. 8th Street
Miami, Florida 33199
November 4, 2015
9:45 a.m. – 11:45 a.m.

or
Upon Adjournment of Previous Meetings

Chair: Mr. Ned Lautenbach; Vice Chair: Mr. Ed Morton
Members: Beard, Colson, Kuntz, Link, Robinson, Stewart, Tripp

- 1. Call to Order and Opening Remarks** **Governor Ned Lautenbach**
- 2. Committee Meeting Minutes** **Governor Lautenbach**
Minutes, September 2, 2015
- 3. Draft Strategic Plan for Online Education** **President John Hitt**
Chair
Task Force for Strategic Planning
for Online Education
- 4. Concluding Remarks and Adjournment** **Governor Lautenbach**

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Innovation and Online Committee
November 4, 2015**

SUBJECT: Approval of Minutes of Meeting held September 2, 2015

PROPOSED COMMITTEE ACTION

Approval of minutes of meeting held on September 2, 2015.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board members will review and approve the minutes of the meeting held on September 2, 2015.

Supporting Documentation Included: Minutes: September 2, 2015

Facilitators/Presenters: Governor Ned Lautenbach

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
INNOVATION AND ONLINE COMMITTEE
UNIVERSITY OF FLORIDA
GAINESVILLE, FL
September 2, 2015

1. Call to Order

Chair Lautenbach convened the meeting at 1:00 p.m. on September 2, 2015, with the following members present: Governors Dick Beard, Tom Kuntz, Wendy Link, Ed Morton, Katherine Robinson, Pam Stewart, and Norman Tripp. A quorum was established. Other Board members present were Governors Mori Hosseini, Matthew Carter, Tonnette Graham, and H. Wayne Huizenga. Governor Alan Levine joined the meeting at 1:42 p.m.

2. Approval of Committee Meeting Minutes

Governor Tripp moved that the committee approve the minutes of the meeting held on March 19, 2015, as presented. Governor Stewart seconded the motion, and the members concurred.

3. Status of Committee Priorities

Dr. Nancy McKee updated the committee on the five priorities it established at its meeting on June 19, 2014: developing a strategic plan for online education; updating the metrics for online education; addressing issues related to online programs and course offerings; selecting a common, opt-in learning management system; and enhancing faculty development for those faculty who teach online courses. She indicated that:

- The Task Force for Strategic Planning for Online Education continues to meet and is scheduled to workshop its draft strategic plan with the Innovation and Online Committee in November.
- A workgroup of members from the State University System and the Florida College System was formed to update metrics for online education. Several of the revised data elements are being implemented during the fall term. In addition, the workgroup developed a definition of “fully online programs” and “primarily online programs.” Those terms are being used in the creation of an inventory of online programs in the SUS.

- Florida State University has agreed to be the lead institution for the competitive procurement process being used to select a common learning management system. The evaluation stage has been completed and the negotiations phase has begun. The goal is to make a selection in December 2015.
- An inventory of online programs is being assembled for strategic planning purposes.
- Last year, the Board approved a legislative budget request to establish a common, train-the-trainer approach for professional development staff who train faculty who teach online courses in the SUS and the FCS. An effort is underway to obtain funding from another source.

4. UF Online

Mr. Carlos Alfonso introduced the other Advisory Board members: Governor Lautenbach, Dr. John Watret, and Mr. Ernie Friend. He explained the statutory responsibilities of the Advisory Board and indicated that Dr. Andy McCollough would compare UF Online's annual report with the comprehensive business plan approved by the Board of Governors in September 2013.

Dr. McCollough presented UF Online's new initiatives, accolades, and challenges. He mentioned the admissions program, Pathways to Campus Enrollment (PaCE), hiring a new Executive Director, assuming a leadership position for Unizin, and completing the staffing of the UF Online Institute, which is actively engaged in research.

Dr. McCollough said that UF Online has exceeded total enrollment anticipated by the comprehensive business plan; however, out-of-state students had not come to UF Online in numbers anticipated by the plan. More in-state students had enrolled than anticipated, and those students had taken more credit hours than had been expected. He said that UF Online's out-of-state price point is competitive with other online research universities, and persistence rates are similar to those of UF residential students. He said that UF had implemented the critical components of the comprehensive business plan, other than e-textbooks and alternate tuition plans. Dr. Joe Glover assured the committee that there is no difference in what is offered online and what is offered on campus. The accrediting body requires the curriculum and the rigor to be the same.

Dr. Evangeline "Evie" Cummings spoke about UF Online's future. She discussed growing enrollment, marketing expansion, boosting the student experience, innovation and discovery, and continuing operational excellence. Additionally, UF Online aims to boost student experiences and foster an online sense of community.

5. Legislative Budget Requests

Dr. Pam Northrup presented a legislative budget request for \$1.5 million nonrecurring funding for the next-generation Integrated Library System. She said the current system is based on 30-year-old architecture and is severely outdated. Governor Tripp moved to approve the legislative budget request. Governor Kuntz seconded the motion and the members concurred.

Dr. Ron Toll discussed a \$4.8 million budget request for increasing availability of science, technology, engineering and mathematics (STEM) e-resources. Funds would be provided for SUS and Florida College System undergraduate STEM e-resources, Florida Polytechnic STEM e-resources, multimedia and video resources, increases in costs for e-resources, and SUS graduate e-journals. Governor Beard moved to approve the legislative budget request. Governor Link seconded the motion and the members concurred.

6. Concluding Remarks and Adjournment

Governor Lautenbach reminded the members that the Task Force for Strategic Planning for Online Education would be at the November Committee meeting and there would be a strategic, comprehensive discussion on where the system should go in online education. He invited the entire Board to attend that meeting. Governor Lautenbach adjourned the meeting at 2:12 p.m.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Innovation and Online Committee
September 2, 2015**

SUBJECT: Draft Strategic Plan for Online Education

PROPOSED COMMITTEE ACTION

For Approval

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

At its November 2014 meeting, the Committee directed that a task force be created to strategically plan for online education in the SUS. President John Hitt, University of Central Florida, agreed to chair the Task Force for Strategic Planning for Online Education, whose membership of thirteen included five university presidents and four provosts, as well as representation from faculty, students, Complete Florida/Florida Virtual Campus, and the Florida College System's Council of Presidents. Members are listed in Appendix B of the attached plan.

Governor Lautenbach charged the Task Force with focusing on three primary elements: quality, access, and affordability. The Task Force created workgroups to focus on each of these respective areas, directing them to develop strategies for advancing online education in Florida. The Task Force and its workgroups held a total of 22 meetings to develop the draft plan. In September, a draft was sent to members of the following groups for their review and feedback:

- Council of Academic Vice Presidents (CAVP)
- Council of Student Affairs (CSA)
- Council for Administrative and Financial Affairs (CAFA)
- Florida Virtual Campus, Members Council for Distance Learning and Student Services (FCS and SUS)
- Florida College System Council of Presidents
- Governmental Relations Staff
- Advisory Council of Faculty Senates

The Task Force will present to the Committee its proposed vision, goals, strategies, and tactics for online education.

Supporting Documentation Included: Draft SUS Strategic Plan for Online Education

Facilitators/Presenters: President John Hitt

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS

2025 SUS STRATEGIC PLAN
FOR ONLINE EDUCATION

--- DRAFT---

SUBMITTED BY THE
TASK FORCE FOR STRATEGIC PLANNING FOR ONLINE EDUCATION
NOVEMBER 4, 2015

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INTRODUCTION

Online education allows the State University System (SUS) of Florida to expand its portfolio of offerings to meet the needs of its diverse constituent base. Increased and convenient access to higher education, regardless of where students may live or their family or work obligations, helps to create a strong workforce and to attract businesses that provide high-skill, high-wage jobs that drive today's economy.

The state of Florida is already a national leader in terms of its breadth of online offerings. In 2013-2014, 12% of all the course sections taught in the State University System were offered via distance learning,¹ and 54% of all students took at least one distance learning course. Nine percent of students were enrolled only in distance learning courses. In terms of overall instructional effort as measured by student credit hours, 20% of all instructional activity occurred via distance learning. In comparison with other states, Florida ranked second (behind Texas) in the total number of students who took at least one distance-learning course.

Due in part to this increased interest in online education, the Board of Governors established the Innovation and Online Committee in January 2014, charging the Committee to investigate policies and best practices for transformative and innovative approaches to the delivery of higher education. The Committee was further charged to explore initiatives that will result in system-wide cost efficiencies and effectiveness for university programs and services and that will meet workforce needs through online education. To help guide the future development of online education in the SUS, the Committee directed the creation of a system-wide task force to propose a Strategic Plan for Online Education.

CONTEXT

The Innovation and Online Committee assembled the Task Force for Strategic Planning for Online Education in December 2014 and charged the Task Force to draft, for the Committee's consideration, the SUS 2025 Strategic Plan for Online Education. The objective of the Strategic Plan for Online Education is to identify additional goals for the State University System and strategies for reaching those goals. While recognizing that technology will continue to change, the Strategic Plan for Online Education will guide the development and implementation of system policies and legislative budget requests related to online education with a focus on three primary elements:

- Quality
- Access
- Affordability

The Task Force established workgroups in alignment with these elements and tasked them to develop strategies for advancing online education in Florida along these dimensions. The reports compiled by the three workgroups served as the foundation for the 2025 Strategic Plan for Online Education proposed by the Task Force. While the Strategic Plan includes goals, strategies, tactics, and performance indicators for each element, there are themes that are woven throughout the plan. These themes include: the need for

¹ Online education is one type of distance learning and is the focus of this strategic plan. Because distance learning encompasses other modalities when instructor and student are separated by time and/or distance, such as correspondence courses and courses broadcast over television networks, the term is found in this plan when appropriate.

quality in all aspects of online education; cost-efficient and effective support services for students, faculty, and staff; a sound technical infrastructure; a policy environment that encourages innovation and thoughtful growth; and an overall program of online education that is affordable to both students and institutions.

Each university's contribution to the system's plan will be determined by the university's vision and mission and is expected to be reflected in the university's annual work plan.

QUALITY

One of the barriers to the adoption and growth of online education is concerns about quality. In this area, strategic goals focus on quality practices, encouraging universities to adopt these practices, and the rigorous assessment of online student success and persistence.

Issues have surrounded quality in distance learning since its inception in the 1800s with the delivery of paper-based instruction through the pony express. These first attempts at distance learning were isolating experiences. The paper-based delivery provided delayed interactions with long timespans between the delivery of coursework and feedback. Later, with radio and television, the delivery created passive rather than active learning, with the student listening to or watching the instructor—again with delayed or no feedback.

The advancement of the internet has been key to increasing the availability, popularity, and capabilities of online education. In the online environment, interactions between students and instructors are faster and more effective. Mobile devices facilitate this communication by increasing the ability to connect teachers and students at any time from any place. With improved technology, instructors are better able to incorporate the social dynamics of learning into online courses.

However, the “quality” of online education can be complex and difficult to define. In fact, different organizations define quality in a variety of ways, including the number of students that are successfully completing courses, comparison to face-to-face instruction, the number of support services, or students' assessments. Various organizations are also recognized as curating best practices, distributing those best practices, and developing guidelines for evaluating those practices based upon their organization's viewpoint of quality. Each organization differs slightly in its definition of “quality.”

Based on a thorough review of the various definitions of quality, a quality online education framework should focus on the instructor, individual courses, support services, and the program. The framework should be viewed as best practices focused on the three aspects of online education in promoting student success. These are briefly described below:

- Instructor – Best practices emphasize quality in the design, development, and delivery of the courses and the professional development of the instructor
- Program – Best practices foster high student success rates, low withdrawal rates, and high student and faculty satisfaction levels
- Institution – Best practices address the technology infrastructure, resources for course design and delivery, student support services, and ongoing assessment

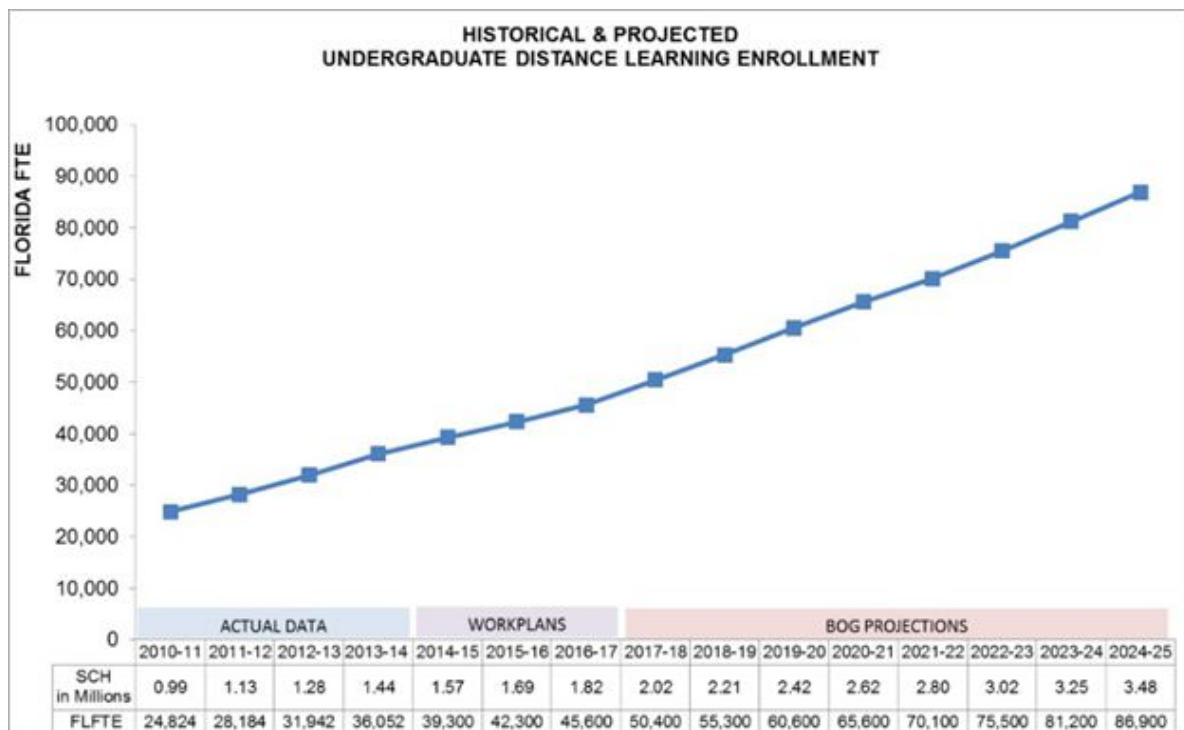
Together, the three levels lead to a learning environment in which faculty members, leadership, support staff, and academic departments are working together to create high-quality programs. The State's

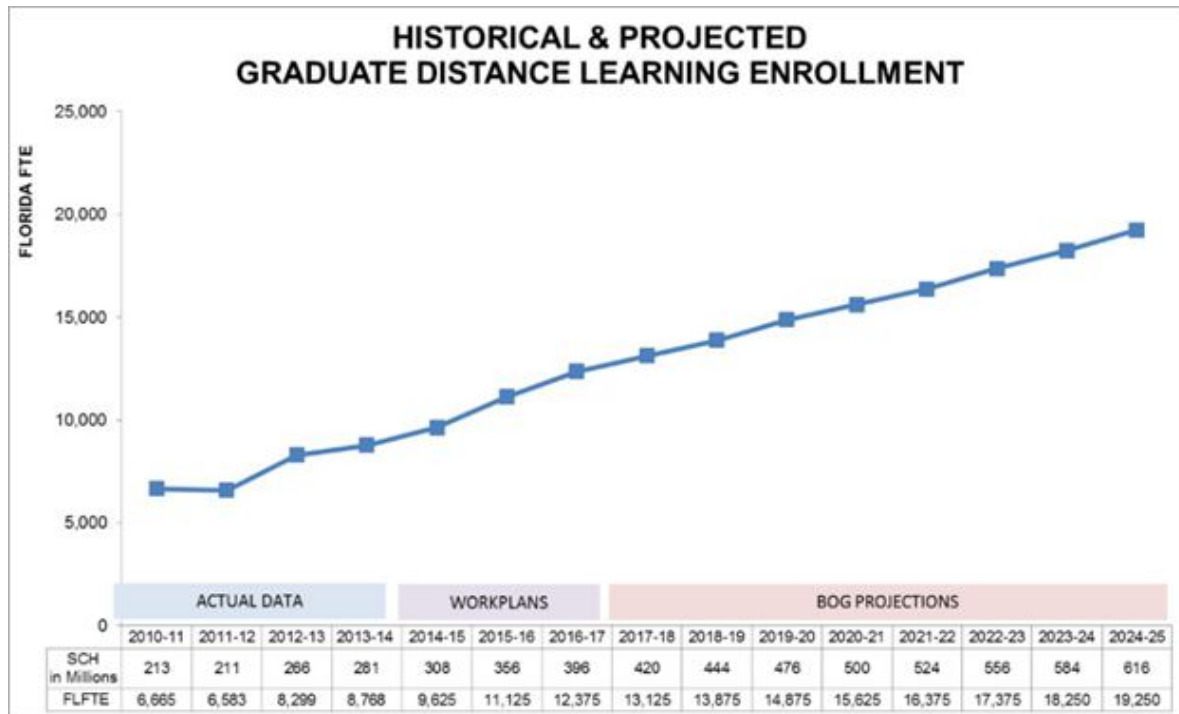
responsibility is to ensure each institution has the necessary tools to create, sustain, and evaluate high-quality online courses and programs.

ACCESS

Through this plan, the Board of Governors has assumed that the system will continue its rapid growth in online education and has established aggressive enrollment targets for 2025, along with strategies for reaching those targets. Separate enrollment targets for the number of student credit hours in distance learning, their corresponding full-time equivalent (FTE), and the percentage of total student credit hours delivered via distance learning have been established at the graduate and undergraduate levels.

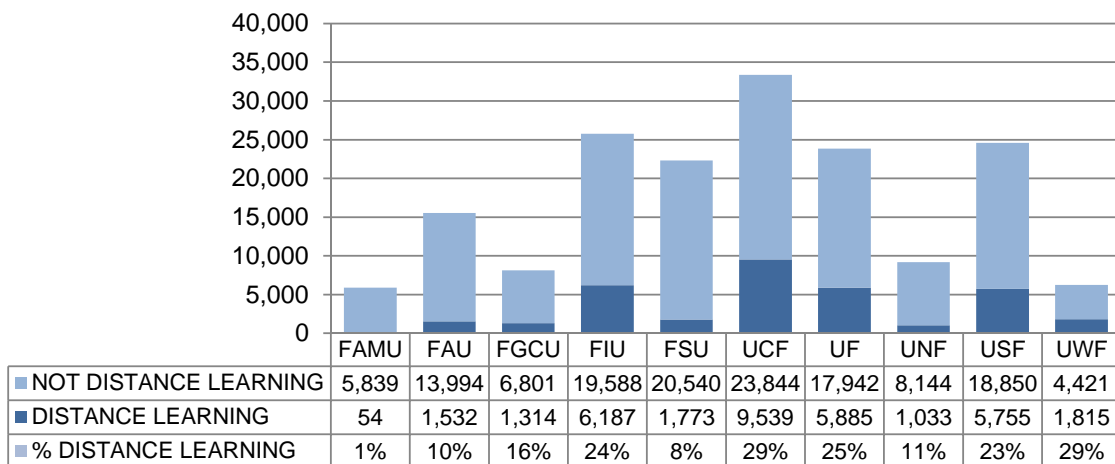
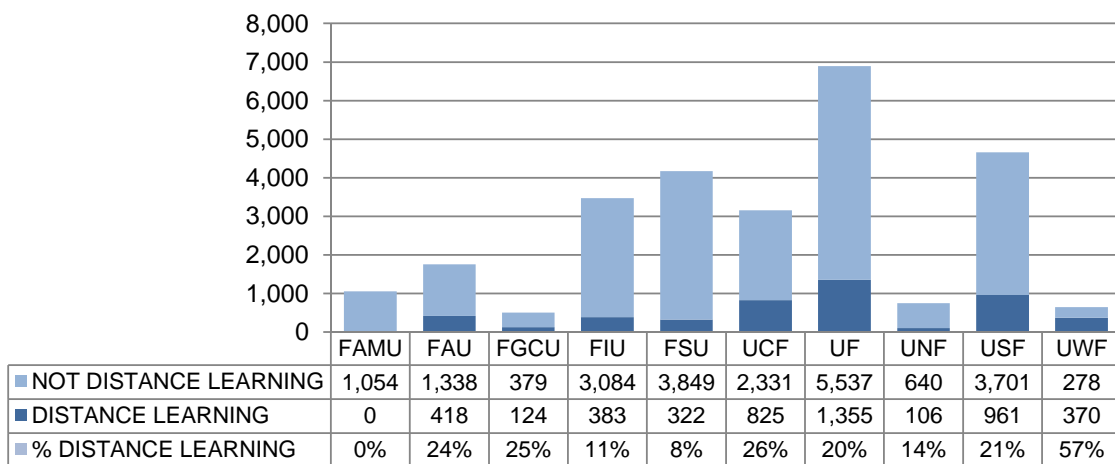
The student credit hour and FTE targets appear in the graphs below:





In order to meet these enrollment targets, enrollment in online courses will need to come from both on- or near-campus students who blend online and on-ground coursework as well as distant students who may enroll exclusively in online courses. It is critical that students have access to a breadth of fully online degree programs across diverse disciplines. It is also important that online degree programs be offered in areas of strategic emphasis, as described in the updated 2012-2025 SUS Strategic Plan.

The Board of Governors recognizes individual institutions' contributions toward meeting these enrollment targets will vary. Each university's level of engagement in online education is reflected below:

2013-14 UNDERGRADUATE FTE ENROLLMENT**2013-14 GRADUATE FTE ENROLLMENT****AFFORDABILITY**

Strategies are outlined for reducing costs to students and for achieving efficiencies that will reduce costs to institutions and the system, but not impair quality. These efficiencies include collaborative ventures among institutions, such as resource sharing and joint development of online programs.

Some institutions have made significant investments and are studying new ways to support students online, through reducing or eliminating fees, making more efficient use of valuable classroom space by blending face-to-face and online formats, using academic and success coaching to go to scale, or attempting alternative models such as competency-based education or adaptive learning. However, the underlying goal of achieving positive learning outcomes for students while reducing up-front program development and delivery costs has not been achieved. Technological interventions coupled with business process redesign at the system level will be needed to support meaningful impact on overall cost to institutions and price to students. Current empirical research in the area of affordability in online education is limited, but examples are in progress in higher education systems in Florida and around the country.

The Board of Governors has identified four key areas of focus to help reduce the costs of online education. These are briefly described below:

- **Shared Services** – Through sharing digital technologies, digital content, and measures of quality, individual institutions can leverage existing services while maintaining their own curricula and programs. Academic libraries in Florida have already benefitted from this model through sharing academic electronic resources across the system, having a common integrated library system, and sharing other common tools for search and storage of digital archives. The Georgia Board of Regents led the development effort for “eCore” and “eMajor,” which provide a central point of master course development and operations that individual universities can choose to use. While some sharing of infrastructure, programs, and services exists in Florida through efforts such as the Florida Virtual Campus (FLVC) and Complete Florida, there are more opportunities to provide consistent and affordable services to students taking online courses.
- **Educational Content** – As a system, Florida needs to develop, purchase, and reuse high quality and affordable content available for students across platforms. Some progress has been made in this area, such as the Florida Orange Grove, a federated repository that pulls educational learning content objects from federated repositories all over the world. The University of Florida has tested open educational textbooks. Other large institutions outside of Florida, such as Indiana University and the University of Minnesota, have saved significantly through joint agreements with textbook publishers. In addition to providing written content, Florida should take additional steps to take advantage of these digital environments to offer students full motion video, documentaries, and interactive simulations.
- **Instructional Innovations and Efficiencies** - In education, radically new ways of thinking about teaching and learning have emerged, but typically outside of the confines of academic institutions. For example, the Khan Academy has changed the tutoring model, Coursera and other Massive Open Online Course (MOOC) providers have changed how we think about open courses, adaptive learning has the potential to personalize instruction that creates guided learning outcomes for the student, and competency-based education is making great strides in areas around the country. It is imperative in Florida that we recognize the need to adopt these innovative instructional models in order to create instructional efficiencies.
- **Understanding the True Costs of Online Education** - As the number of students participating in online education in Florida continues to grow, a better understanding of the actual cost of online education is needed. Most institutions in the state have implemented a distance learning course fee to support the additional costs of developing and delivering quality online courses and

programs, leading to a realization that providing quality online education has a cost structure that differs from the face-to-face environment.

VISION FOR ONLINE EDUCATION

In 1990, the United States was ranked first in the world in attainment of four-year degrees among the 25 to 34-year-old segment of the population. Today, the U.S. ranks 12th. Florida, the third most productive state in baccalaureate degree production, ranks 38th among states in the percentage of population with at least a bachelor's degree. The Obama administration's College Completion Goal has charged the nation to attain a 60% college completion rate—the highest in the world—by 2020. Reaching this goal will require 10 million more Americans to obtain an associate or baccalaureate degree. The Lumina Foundation, the Bill and Melinda Gates Foundation, and others are pursuing similar attainment goals.

The state of Florida is doing its part. The State University System 2025 System Strategic Plan has established a system goal to produce 90,000 baccalaureate degrees per year by 2025, half of which will be in areas of strategic emphasis—goals that are nearly a third higher than current annual degree production. Although the SUS is nearly on pace to meet these goals, obstacles to future success include uneven regional distribution of student growth patterns, shortages of classroom and other instructional spaces at some institutions, and reductions in the availability of Public Education Capital Outlay (PECO) funds to expand instructional plant capacity.

Online education, taken to scale across the SUS, affords the system a means to address future capacity requirements while also stimulating innovative teaching and learning practices and greater convenience and flexibility for students. From a social perspective, attainment of an academic credential translates into increased lifetime earnings potential, lower unemployment rates, healthier lifestyles and reduced health care costs, increased tax revenues to support governmental programs, and increased civic participation.

To receive an education, students have traditionally been required to be in a specific place at a specific time. The affordances of online education bring educational opportunities to the student, at any time or at any location. The convenience and flexibility of anytime, anywhere education permits individuals with family or work obligations with many options for extending or completing their education. For campus-based students, online education allows them to arrange their schedules to more deeply engage co-curricular activities or accelerate the completion of their degree.

A blend of talented, well-prepared faculty members, modern learning technologies, and well-designed online courses and programs creates opportunities to improve pedagogies, engage faculty in the scholarship of teaching and learning, increase student academic success, and accelerate time-to-degree. At scale, online education provides colleges and universities the means to significantly expand access to education far beyond the capacity and geographic limits of their brick-and-mortar infrastructure. These all combine to reduce barriers of opportunity and capacity, lowering the overall cost of delivering a quality education to all who may wish to receive it.

This 2025 SUS Strategic Plan for Online Education outlines goals and strategies that, when successfully pursued, will result in improved instruction and increased educational opportunities, leading

to a greater number of Florida citizens holding valuable academic credentials and more efficient use of existing campuses while expanding access far beyond their borders. Increased online education will also help make our institutions more sustainable by limiting energy consumption, and the time and fuel students would expend driving to and from class.

This Plan provides a framework around which to unite the collective talents and resources of our institutions toward a common purpose: more Florida citizens with educational credentials that will improve their lives, lead to new discoveries, and advance Florida's economy.

2025 STRATEGIC GOALS FOR ONLINE EDUCATION

Included below are the formal elements of the strategic plan, presented as a series of goals, strategies, tactics, and performance indicators organized around the primary elements of Quality, Access, and Affordability. The Board of Governors will work with universities and other stakeholders to ensure they are implemented.

QUALITY

Goal 1. The State University System will create a culture of quality for online education.

Strategy 1.1		Recognize the development of high quality online education statewide.
Tactics	1.1.1	In conjunction with the Florida College System (FCS), create a statewide award system for exceptional online courses. System-level awards for online courses may be based on jointly developed or selected rubrics, such as the Quality Scorecard (QS), an expanded Quality Matters (QM) rubric, and/or similar rubrics. The first level will be a President's Award given at the university level. The second level, the Florida Quality Award, will be a state-level award given by a statewide evaluation committee on quality. The third level will be a Chancellor's Quality Award that represents the best of breed throughout the state.
	1.1.2	Create a coding system in the Florida Virtual Campus course catalog that allows the identification of QM- or QS-certified, President's Award, Florida's Quality Award, and Chancellor's Quality Award courses.
	1.1.3	Ensure implementation of Quality Scorecard, Quality Matters Course Rubric, and/or course certification processes for all universities offering online education.
	1.1.4	Annually compare the success of students enrolled in online courses with the success of students in primarily classroom courses.
Strategy 1.2		Expand support for professional development.
Tactics	1.2.1	Create a statewide professional development network for instructional designers in order to share best practices and provide guidance in designing and developing online education.
	1.2.2	Enhance professional development opportunities offered by FLVC for institutional leaders in online education.
	1.2.3	Provide an online toolkit and annual workshops for institutional staff who are responsible for professional development activities for faculty who teach online courses. The content will include, but not be limited to, designing courses that will comply with the American Disabilities Act.
	1.2.4	Integrate the Quality Matters Course Rubric, the Online Learning Consortium Quality Scorecard, and/or similar rubrics into the professional development processes for instructional designers, professional development staff, and faculty who teach online courses.
	1.2.5	Encourage faculty participation in professional development before teaching online. Consider certifying faculty to teach online.

Goal 2. The State University System will provide a foundation for quality online education.

Strategy 2.1 Conduct and share research about online education to improve quality.		
Tactics	2.1.1	Create a statewide online education research consortium with members from Florida institutions interested in sharing and presenting research, determining research needs in online education, and identifying collaborative research projects.
	2.1.2	Develop a process to share research-based best practices that are occurring across the different institutions.
Strategy 2.2 Provide the infrastructure needed to support the development and delivery of online education.		
Tactics	2.2.1	Using Quality Scorecard or a similar process, ensure that each institution has the technology needed to provide quality online education.
	2.2.2	Develop a structure to facilitate collaboration system-wide in evaluating, recommending, and purchasing software to ensure cost efficiencies and effectiveness.
	2.2.3	Using Quality Scorecard or a similar process, ensure universities review their infrastructure to confirm that students, including students with disabilities, can easily access their online instruction.
Strategy 2.3 Ensure support services that promote student success are available for online students.		
Tactics	2.3.1	Ensure that universities use Quality Scorecard or a similar process to confirm that online students, including online students with disabilities, have access to services equivalent to those used by campus-based students.

ACCESS

Goal 1. The State University System will increase access to and participation in online education.

Strategy 1.1 Increase enrollments in online education.		
	1.1.1	Establish and maintain an inventory of SUS fully online and primarily online programs, as well as online courses. Ensure consistency of the FLVC distance learning catalog with the Board of Governors Inventory of Online Programs.

Tactics	1.1.2	Offer a broad range of fully online degree programs in most Classification of Instructional Programs (CIP) codes reflected in the Board of Governors Approved Academic Program Inventory. Appoint a workgroup to review current offerings of fully online degree programs by CIP codes and make recommendations to the Council of Academic Vice Presidents to address gaps in providing a broad range of degree programs online.
	1.1.3	Increase 2 + 2 collaborations between SUS institutions and institutions in the Florida College System. Increase strategic collaborations between SUS institutions, as well as between SUS institutions and other universities, to meet the statewide goals for providing access to online instruction.
	1.1.4	Support the development and delivery of affordable, high quality, fully online baccalaureate degree programs by UF Online in accordance with section 1001.7065, Florida Statutes.
	1.1.5	Provide a statewide marketing campaign to build awareness for fully online degree programs and courses offered throughout the state by the SUS and the Florida College System.
	1.1.6	Retain fully online students by implementing best practice strategies such as academic coaches, success coaches, analytics, and early alert interventions.
	1.1.7	Provide multiple, accelerated terms to allow students to begin and finish their online programs in a more timely manner. Address technology, workflow, and financial aid processes to allow implementation of these models.
	1.1.8	Provide a robust set of student support services to support the delivery of multiple, accelerated models.

Goal 2. The State University System will create an environment favorable to the growth of online education.

Strategy 2.1 Secure the funding necessary to continue expansion of online education.		
Tactics	2.1.1	Determine means to optimize use of the distance learning course fee to enhance the design, development, and delivery of online education.
	2.1.2	Obtain funding for statewide marketing and recruiting to expand online enrollments.
	2.1.3	Seek incentive funding to encourage institutions to implement innovations in online education.
	2.1.4	Secure student support resources to ensure students have access to technology required for online education.
Strategy 2.2 Pursue changes to the regulatory environment to enable continued growth in online education.		
Tactics	2.2.1	Clarify that the requirement in the Board of Governors Regulation 6.016 for taking nine credit hours during the summer may be fulfilled by taking such courses online.
	2.2.2	Amend Board of Governors Regulation 7.006 to exclude enrollments in online degree programs from the limitation on the percentage of non-resident students in the system.

	2.2.3	Provide flexibility for universities to eliminate the non-resident fee for online students who live out of state.
	2.2.4	Review and modify as necessary regulations related to instructional materials fees that limit the ability to adopt new approaches to providing digital educational materials to students.

Goal 3. The State University System will harness the power of online education to help meet the economic development needs of the state.

Strategy 3.1		In collaboration with the Florida College System, meet the educational needs of employers in the state.
Tactics	3.1.1	Encourage universities to work with employers in their respective regions to identify unmet continuing education needs that could be addressed through online opportunities and collaborate with colleges to develop those opportunities in an efficient and effective manner.
	3.1.2	Ensure universities are using need and demand data when considering programs for online delivery.

AFFORDABILITY

Goal 1. The State University System will enhance shared services to support online program development and delivery costs.

Strategy 1.1		Enhance shared support services for online students.
Tactics	1.1.1	Expand the online marketplace to enhance current shared services using statewide buying power and building economy-of-scale drivers. Develop Florida SHINEs as a point of contact for students at all levels, including students with disabilities, to gain access to vital services, including financial aid, scholarships, and library resources.
	1.1.2	Explore additional items for potential sharing to expand the quality of the student online learning experience while reducing costs through efficiency, such as a Proctoring Network, Tutoring Network, and expansion of Florida Orange Grove shared resources.
Strategy 1.2		Develop a common toolset for online course design and delivery to minimize the cost of online education without reducing quality of the instructional experience.
Tactics	1.2.1	Either co-develop a rubric to measure course quality or invest in state-level licensing agreements for Quality Matters, Quality Scorecard, or a similar quality rubric to measure course quality for the system. Using the same quality rubric(s) will enable identification of best-in-class courses, programs, faculty, etc. for incentives and recognitions. Based on the quality metric selected, identifying the model to measure, including the selection of a statewide review team, will reduce costs of quality measures such as Quality Matters, the Quality Scorecard, or similar rubrics.

	1.2.2	Develop or co-develop shared master courses that would be available, but not required, for use in specific high-demand areas. The Florida Orange Grove could be refined for master course availability throughout the state. With additional standards around the best-case use of a master course, the Florida Orange Grove could be a shared resource for all Florida institutions to exchange content.
	1.2.3	Review and recommend data analytic tools and methods to predict student success in online education.
	1.2.4	Develop means to collect data from learning management systems, student information systems, and other appropriate sources to create predictive analytics tools and interventions to increase student persistence and completion.
	1.2.5	Encourage institutions to opt into the selected common Learning Management System.

Goal 2. The State University System will reduce the costs of educational materials for students.

Strategy 2.1		Develop a statewide model for the use of eTextbooks and other open educational resources to reduce costs for students in Florida.
Tactics	2.1.1	Determine and promote methods to increase the use of open-access textbooks and educational resources to reduce costs to students.
	2.1.2	Reduce the costs of eTextbooks for students through mechanisms that could include negotiating lower pricing with vendors and providing an enhanced repository for educational materials. Contracts negotiated with vendors should ensure that such materials are accessible to students with disabilities.

Goal 3. The State University System will adopt innovative instructional models to create instructional efficiencies.

Strategy 3.1		Implement innovative instructional models.
Tactics	3.1.1	Develop or co-develop shared programs that would be available, but not required, for use in areas of high demand while maintaining quality and increasing efficiencies through an innovative, shared model.
	3.1.2	Develop or co-develop competency-based and adaptive learning programs that would be available, but not required, for use in appropriate areas of high demand, primarily around adults and workforce needs, while maintaining quality and increasing efficiencies through an innovative, shared model.
	3.1.3	Implement a model to assess prior learning for the award of academic credit.
	3.1.4	Develop a series of experimental incubation pilot projects to support new and emerging online education innovations through institutional partnerships, lead institution, or other methods to support collaboration with the purpose of building affordable, innovative approaches and models that work.

Goal 4. The State University System will determine the costs of online education campus-by-campus.

Strategy 4.1		Update system-wide definitions of online education terms, including, but not limited to, fully online programs and primarily online programs.
Tactics	4.1.1	Review and recommend revisions to current system-wide terms and definitions related to online education to ensure consistency and relevancy of data collection.
Strategy 4.2		Develop a model that captures each institution's online education revenues and expenditures directly related to both the distance learning fee, specifically, and online education in general.
Tactics	4.2.1	Determine and define the elements that should be captured for the model. Obtain and analyze data from institutions.
	4.2.2	Develop models to achieve cost savings and cost avoidances in the development and delivery of online education.

PERFORMANCE INDICATORS

The performance indicators below will assist the Board of Governors in monitoring the System's progress toward achieving the Board's goals for online education. Each university's contribution toward these goals will depend on its mission, its strategic plan, and its vision for online education. The Board will periodically evaluate these performance indicators and their corresponding 2025 goals.

Quality

Performance Indicators	2025 Goals
Number of annual SUS Chancellor Awards for high-quality courses	8 Chancellor Awards presented annually at the state level
Percent of SUS courses bearing a "high-quality" rating in the FLVC online catalog	90% of SUS courses in the FLVC catalog rated high quality
Percentage of faculty participating in professional development	15% of faculty from SUS institutions offering online education participate in yearly professional development activities
Number of institutions sharing research in online education	75% of SUS institutions participate in the online education research consortium
Online student success (receiving a course grade of A, B, or C)	Online student success rate equals or exceeds the rate for comparable face-to-face courses
Online student withdrawal rate	Online student course withdrawal rate is no higher than for comparable face-to-face courses
Student satisfaction with online education	Student satisfaction levels for online courses equal or exceed satisfaction levels for comparable face-to-face courses

Access

Performance Indicators	2025 Goals
Number of undergraduate student credit hours in online education	3.48 million
Number of undergraduate FTE enrolled in online courses	86,900
Number of graduate student credit hours in online education	616,000
Number of graduate FTE enrolled in online courses	19,250
Percentage of SUS undergraduate students enrolling in one or more online course each year	75%

Percentage of SUS graduate students enrolling in one or more online course each year	50%
Percentage of academic degree programs in the Board of Governors Academic Program Inventory that have at least one major offered fully online.	60%

Affordability

Performance Indicators	2025 Goals
Availability of reduced cost electronic textbooks or accepted open educational resources (OERs)	Annual increase in the percentage of online courses using electronic textbooks or open educational resources
SUS and FCS institutions collaborate on course design and development	50% of SUS institutions are working collaboratively with institutions in the Florida College System to share online course development tasks and resources
SUS institutions collaborate on course design and development	50% of SUS institutions are working collaboratively with each other and/or with other universities to share online course development tasks and resources
Competency-based and adaptive learning approaches reduce time-to-degree and associated cost	50% of SUS institutions offer competency-based or adaptive learning courses that accelerate student time-to-degree

APPENDIX A - DEFINITIONS

For the purposes of this strategic plan, the following definitions are used.

Metric	Courses - definition	Metric	Programs - definition
Fully Distance Learning Course	100% of the direct instruction of the course is delivered using some form of technology when the student and instructor are separated by time, space, or both. All special course components (exams, internships, practica, clinicals, labs, etc.) that cannot be completed online can be completed off-campus.	Fully Online Program	100% of the direct instruction of the program is available using some form of technology when the student and instructor are separated by time, space, or both. All program requirements that cannot be completed online can be completed off-campus.
Primarily Distance Learning Course	80-99% of the direct instruction of the course is delivered using some form of technology when the student and instructor are separated by time, space, or both. There is a requirement for the student to attend campus or another explicit geographic location for a portion of the course.	Primarily Online Program	80-99% of the direct instruction of the program is available using some form of technology when the student and instructor are separated by time, space, or both. There is a requirement for the student to attend campus or another explicit geographic location for a portion of the program.
Hybrid Course	50-79% of the direct instruction of the course is delivered using some form of technology when the student and instructor are separated by time, space, or both. There is a requirement for the student to attend campus or another explicit geographic location for a portion of the course.	Hybrid Program	50-79% of the direct instruction of the program is available using some form of technology when the student and instructor are separated by time, space, or both. There is a requirement for the student to attend campus or another explicit geographic location for a portion of the program.
Primarily Classroom Course	Less than 50% of the direct instruction of the course is delivered using some form of technology when the student and instructor are separated by time, space, or both. This designation can include activities that do not occur in a classroom (i.e., labs, internships, practica, clinicals, labs, etc.).	Primarily Classroom Program	Less than 50% of the direct instruction of the program is available using some form of technology when the student and instructor are separated by time, space, or both. There is a requirement for the student to attend campus or another explicit geographic location for a portion of the program.

APPENDIX B - TASK FORCE MEMBERSHIP

Following is a list of the members of the Task Force for Strategic Planning for Online Education.

Name	Title
Dr. John Hitt, Chair	President, University of Central Florida
Dr. Judith Bense	President, University of West Florida
Marcella David, J.D.	Provost, Florida A & M University
Harrison DuBosar	Student, Florida State University
Dr. Shawn Felton	Assistant Professor, Florida Gulf Coast University President, FGCU Faculty Senate Trustee, FGCU Board of Trustees
Dr. Kent Fuchs	President, University of Florida
Dr. Judy Genshaft	President, University of South Florida
Dr. Jim Henningsen	President, College of Central Florida
Dr. Sally McRorie	Interim Provost, Florida State University
Dr. Pam Northrup	Associate Provost, Academic Innovation Exec. Dir, Florida Virtual Campus and Complete Florida University of West Florida
Dr. Gary Perry	Provost, Florida Atlantic University
Dr. Mark Rosenberg	President, Florida International University
Dr. Earle Traynham	Interim Provost, University of North Florida

The Task Force wishes to thank all institutional staff who provided assistance during the drafting of the Strategic Plan, giving special acknowledgement to Dr. Victoria Brown, Florida Atlantic University; Dr. Joyce Elam, Florida International University; Dr. Susan Clemmons, Florida International University; Dr. Joel Hartman, University of Central Florida; and Dr. Cynthia DeLuca, University of South Florida.

APPENDIX C - DISTANCE LEARNING ENROLLMENT TARGETS

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Undergraduate (percentage)	26%	28%	30%	32%	34%	36%	38%	40%
Graduate (percentage)	25%	27%	28%	29%	31%	32%	33%	34%
Undergraduate (in millions of Student Credit Hours)	2.02	2.21	2.42	2.62	2.80	3.02	3.25	3.48
Graduate (in thousands of Student Credit Hours)	420	444	476	500	524	556	584	616
Undergraduate FTE	50,400	55,300	60,600	65,600	70,100	75,500	81,200	86,900
Graduate FTE	13,125	13,875	14,875	15,625	16,375	17,375	18,250	19,250

The annual increase in enrollment is based on the 2010-14 trend [Undergraduate = 2%; Graduate = 1.3%].

APPENDIX D - STUDENT CHARACTERISTICS

2013-2014 DISTANCE LEARNING UNDERGRADUATE HEADCOUNT ENROLLMENT

	UNDERGRADUATES THAT TOOK AT LEAST ONE DL COURSE		UNDERGRADUATES THAT ONLY TOOK DL COURSES		ALL UNDERGRADUATES	
FAMILY INCOME	N	PCT	N	PCT	N	PCT
Below \$40,000	54,052	35%	5,616	27%	60,073	34%
\$40,000 TO \$59,999	14,391	9%	1,334	6%	15,798	9%
\$60,000 TO \$79,999	10,600	7%	741	4%	11,386	6%
\$80,000 TO \$99,999	13,192	8%	459	2%	13,696	8%
\$100,000 Above	25,445	16%	591	3%	26,158	15%
Not Reported	38,802	25%	11,874	58%	51,411	29%
TOTAL	156,482	100%	20,615	100%	178,522	100%
RACE/ETHNICITY	N	PCT	N	PCT	N	PCT
White	80,855	52%	10,773	52%	92,476	52%
Hispanic/Latino	40,547	26%	5,154	25%	45,980	26%
Black or African American	17,375	11%	2,891	14%	20,410	11%
Asian	7,270	5%	656	3%	8,005	4%
Two or more races	4,392	3%	422	2%	4,841	3%
Nonresident alien	3,069	2%	205	1%	3,308	2%
Race and ethnicity unknown	2,157	1%	382	2%	2,548	1%
Native Hawaiian/Other Pacific Islander	456	0%	67	0%	527	0%
American Indian or Alaska Native	361	0%	65	0%	427	0%
GENDER	N	PCT	N	PCT	N	PCT
Female	91,167	58%	13,512	66%	105,249	59%
Male	65,290	42%	7,097	34%	73,242	41%
MISSING	25	0%	6	0%	31	0%
AGE GROUP	N	PCT	N	PCT	N	PCT
Less than 25 years of age	128,680	82%	8,844	43%	138,628	78%
25 or older	27,802	18%	11,771	57%	39,894	22%

THE STATE UNIVERSITY SYSTEM OF FLORIDA

BOARD OF GOVERNORS

	UNDERGRADUATES THAT TOOK AT LEAST ONE DL COURSE		UNDERGRADUATES THAT ONLY TOOK DL COURSES		ALL UNDERGRADUATES	
RESIDENCY	N	PCT	N	PCT	N	PCT
Florida	148,543	95%	19,386	94%	169,296	95%
Non-Florida	7,939	5%	1,229	6%	9,226	5%

Source: Board of Governors staff analysis of the State University Database System (SUDS) from Courses Taken, Enrollment, and Financial Aid datamarts; extracted 2015-07-06. Undergraduate is defined as Student Class Level = Lower or Upper Division (unclassified students are not included).



AGENDA
Budget and Finance Committee

Ballroom
Graham University Center
Florida International University
Modesto A. Maidique Campus
11200 S.W. 8th Street
Miami, Florida 33199
November 4, 2015
1:30 p.m. - 2:15 p.m.

or
Upon Adjournment of Previous Meetings

Chair: Mr. Tom Kuntz; Vice Chair: Mr. Ned Lautenbach
Members: Colson, Graham, Hosseini, Huizenga, Levine, Tripp

- | | | |
|-----------|---|---|
| 1. | Call to Order and Opening Remarks | Governor Tom Kuntz |
| 2. | Committee Meeting Minutes
Minutes, September 3, 2015
Minutes, September 22, 2015 | Governor Kuntz |
| 3. | Performance Based Funding Model | Governor Kuntz |
| 4. | Market Tuition Proposals | Mr. Tim Jones,
<i>Vice Chancellor, Finance &
Administration,
Board of Governors</i> |
| 5. | Concluding Remarks and Adjournment | Governor Kuntz |

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
November 4, 2015**

SUBJECT: Minutes of Committee Meetings held September 3 and 22, 2015

PROPOSED COMMITTEE ACTION

Approve the minutes from the meetings held on September 3 and 22, 2015.

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 September 3, 2015 at the University of Florida and September 22, 2015 at the Orlando Airport.

Supporting Documentation Included: Minutes: September 3 and 22, 2015

Facilitators/Presenters: Governor Tom Kuntz

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
SEPTEMBER 3, 2015

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

Mr. Tom Kuntz, Chair, convened the meeting of the Budget and Finance Committee at 9:02 a.m. Members present for roll call were Ned Lautenbach, Tonnette Graham, Mori Hosseini, Wayne Huizenga, Jr., Alan Levine and Norman Tripp. Other Board members present included Matt Carter, Pat Frost, Wendy Link, Ed Morton, Katherine Robinson, and Paw Stewart.

1. Call to Order

Mr. Kuntz called the meeting to order.

Mr. Kuntz reported that at the June Committee meeting he had mentioned that the Committee would be discussing the preeminent tuition differential metrics for UF and FSU at the September meeting. Statute requires the Board to set benchmarks for three metrics identified and the universities must meet those benchmarks before being eligible to increase their tuition differential fee. After conversations with both UF and FSU, at this time neither school will be entertaining a potential tuition differential increase for the Fall of 2016. So the Committee is postponing discussion of this item to a later date. Mr. Kuntz thanked President Fuchs and President Thrasher for their ongoing commitment to our students.

2. Approval of June 17, 2015 Committee Meeting Minutes

Mr. Lautenbach moved that the Committee approve the minutes of the meeting held June 17, 2015 as presented. Mr. Tripp seconded the motion, and members of the Committee concurred.

3. 2015-2016 SUS Operating Budgets

Mr. Kuntz noted that Board Regulation 9.007 requires the Board to review and approve university operating budgets and requested Mr. Tim Jones to present the annual operating budgets.

After the presentation, Mr. Tripp moved that the Committee approve the 2015-2016 University Operating Budgets as presented. Mr. Huizenga seconded the motion, and members of the Committee concurred.

4. 2015-2016 Board General Office Operating Budget

Mr. Kuntz requested Mr. Jones to present this item.

After the presentation, Mr. Tripp moved that the Committee approve the Board general office budget as presented and authorize the Chancellor to make budgetary changes as necessary to operate the office. Mr. Lautenbach seconded the motion, and members of the Committee concurred.

5. 2016-2017 SUS Legislative Budget Request

Mr. Kuntz stated that the 2016 legislative session begins in January this year instead of March. So the Committee schedule has been advanced compared to previous years. The Legislative Budget Request (LBR) has to be submitted to the Legislature and Governor on September 15.

The Board adopted the LBR guidelines at the March meeting and the LBR presented today is in accordance with those guidelines. In addition, the Academic and Student Affairs Committee and the Innovation and Online Committee have reviewed several LBR items and have requested that we consider including those in our official LBR.

Recently the state released revenue projections that reflect an increase in available revenue for 2016-2017. Even though revenues appear to be strong, the universities must continue to look for efficiencies, best practices or shared initiatives.

MR. Kuntz reiterated that this Board should provide a sound, reasonable budget that focuses on performance funding and key system issues, and that is what staff will be presenting this morning. Mr. Kuntz asked Mr. Jones to walk us through the 2016-17 LBR?

Mr. Jones provided some background information on the revenue picture and the various issues coming to the Committee for consideration. Ms. Judy Russell was there to speak on the Florida Academic Repository issue. FSU's Chief Perry presented an Enhanced Campus Safety and Security Issue. President John Hitt spoke on behalf of the Consortium of Metropolitan Universities Issue.

The LBR focuses on system initiatives and totals \$4.66 billion. This is a 3.5% increase over the prior year base budget. Additional information items on the Major Gift matching program and university unique budget request issues were noted as well.

After comments and discussion, Mr. Hosseini moved that the Committee approve the 2016-2017 SUS LBR for \$4.66 billion or 3.5% over the prior year and authorize the Chancellor to make technical changes as necessary. Mr. Tripp seconded the motion and members of the Committee concurred.

6. 2016-2017 Board General Office LBR

Mr. Jones presented the General Office LBR and noted that no additional increase was being requested at this time.

Mr. Hosseini moved that the Committee approve the 2016-2017 Board General Office LBR as presented and authorize the Chancellor to make technical changes as necessary. Mr. Tripp seconded the motion and members of the Committee concurred.

7. Waiver of Student Tuition and Fees

Mr. Kuntz shared with the Committee in June a table on the number and amount of tuition and fees waivers that are provided to students across the system. Mr. Kuntz has asked Mr. Jones and Dr. Joe Glover, UF Provost, to provide some information on waivers to the Committee.

Mr. Jones provided some basic facts on statutory versus non-statutory waivers, the amount of waivers and the number of waivers provided to students.

Dr. Glover presented on the value of waivers to a university and how those waivers help attract quality students to the institutions.

6. Concluding Remarks and Adjournment

Mr. Kuntz reminded the Committee that there will be a workshop on September 22 to review potential changes to the Performance Based Funding model.

Having no further business, the meeting was adjourned at 10:03 a.m.

Tom Kuntz, Chair

Tim Jones, Vice Chancellor
Finance and Administration

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
ORLANDO AIRPORT HYATT REGENCY HOTEL
ORLANDO, FLORIDA
SEPTEMBER 22, 2015

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

Mr. Mori Hosseini, Chair, convened the meeting of the Budget and Finance Committee at 2:42 p.m. Members present for roll call were Ned Lautenbach, Dean Colson, Tonnette Graham, Wayne Huizenga, Jr., Alan Levine and Norman Tripp. Tom Kuntz joined the meeting at 3:28 p.m. Other Board members present included Dick Beard, Wendy Link, and Katherine Robinson.

1. Call to Order

Mr. Hosseini called the meeting to order and turned to Mr. Tim Jones to walk the Committee through potential changes to the Board's performance based funding model.

2. Performance Based Funding Model

Mr. Jones walked the Committee through a series of powerpoint slides that provided a national perspective on performance funding models, then he presented the four guiding principles and other key components of the model. Mr. Jones stated that discussion would be focused on 5 primary items; 1) definitional change to Metric 1, 2) Student Loan Default Rates, 3) 2+2 Articulation, 4) Tiebreaker Options, and 5) Doubling of points.

Mr. Jones stated that this past summer, just like last year, suggestions were solicited from the universities on three primary areas:

1. Enhancements to Metric 3 – cost per degree;
2. Suggestions for tie-breakers; and
3. Suggestions on whether to go from a 50 point to a 100 point model.

The universities also provided other comments and suggestions on changes to other metrics. Mr. Jones walked through some of the suggestions for changes to Metrics 3, 4, 6, 7 and 8.

In regards to Metric 3, Mr. Jones stated that staff had looked at enhancing the metric to focus on cost of a degree to a student, basing improvements on the affordability discussion the board has had the last several months. There were seven universities that also suggested moving to a student cost type metric. In addition, there were several recommendations for calculating that number. One of the main challenges in a net cost of a degree to a student is the financial aid data. The majority of financial aid is Pell Grants and Bright Futures. This totals approximately 70 percent of the total financial aid of \$1 B. This is aid that follows the student and universities have minimal impact on this type of aid, thus the ability to make a meaningful impact by the universities on reducing the cost to the student would be difficult.

a. Definitional change to Metric 1 – Percent of Bachelor’s Graduates Employed and/or Continuing their Education

Mr. Jones noted that the current definition of Metric one includes a component where degree recipients who are employed full-time must be making at least minimum wage. Discussion has been held about raising the wage criteria from minimum wage to a higher threshold. Although raising the wage threshold may exclude some counts, the expectation is that students earning a bachelor’s degree will enter the workforce making higher than minimum wage. Staff is still exploring this issue and is in the process of reviewing the data to provide possible options.

The Committee indicated support for staff to continuing exploring this issue and to come up with a recommendation for the November meeting.

b. Student Loan Defaults

Mr. Jones pointed out that there was significant discussion nationally and specifically during the last legislative session about student loan default rates. Mr. Jones provided data that shows public universities in Florida are below the national average on student loan default rates and it is students who have attended proprietary institutions that have the highest default rate.

The Committee had a lot of discussion and expressed concerns about student loan defaults of Florida’s students. The Committee agreed that student loan defaults should continue to be monitored and the best thing our universities can do is to graduate students in fields that will provide them with an opportunity for a good job. It was determined that this would not be an appropriate metric at this time, but the Committee would continue to monitor loan default rates via the annual accountability report.

c. 2 + 2 Articulation

Mr. Jones provided a series of graphs showing the number of AA applicants, percent admitted and graduation rates for AA transfers. Although first-time-in-college (FTIC) applicants are three times as high as AA transfer applicants, the university system admits 75 percent of AA transfers compared to 53 percent of FTIC applicants. In addition, graduation rates for AA transfers is comparable to FTIC students.

The Committee expressed continued support and accolades for the 2 + 2 system and reiterated that it is the best in the country. The data continues to support the system's commitment to the 2 + 2 program. The Committee did not believe a new metric need to be added to the performance funding model.

d. Tiebreaker Options

Mr. Jones presented some options for tiebreakers. These included the following:

- Total of excellence and improvement scores
- Give advantage to higher points earned through Excellence
- Score metric by metric giving a point to the school scoring higher
- Use Excellence scores as first mechanism; if a tie remains use Metric 4 as a quality differentiator
- First tiebreaker is most 5's, then most 4's, and so on
- Have ties go to the benefit of the institution
- Other suggestions

Last year, FIU and UCF tied for third and were eligible for additional funds based on their top three ranking in the number of points. Mr. Jones walked through tiebreaker scenarios based on the first three options. Using bullet one as a tiebreaker, FIU would have won. Using bullet two, UCF would have won. Using bullet three, there would have been another tie.

After discussion, the Committee did not express any concerns with the tiebreaker options reviewed.

e. Increasing the Point Scale from 50 to 100

Mr. Jones presented the 2014 and 2015 points based on 50 points and what that would have been based on 100 points. Although going to 100 points does not result in fewer ties, it does increase the range between the lowest and highest points. Where the range for the 2015 model based on 50 points is only 18, if the model was based on 100 points, the range would be 41.

Mr. Jones stated that two universities expressed concerns going to 100 points.

Mr. Jones also pointed out that if we move to 100 points, we will need to work with the universities on Metric 10 to develop the appropriate benchmarks for the Board of Trustee approved metric.

Mr. Jones also provided an example, using Metric 1, of what the benchmarks would be for this metric if converting to 100 points. The highest benchmark will generate 10 points, versus 5 currently. The highest benchmark would continue to be based on the Board's Strategic Plan goal. The lowest benchmark that a university would earn one point on, would actually be higher than the current benchmark. This results in higher threshold to earn points.

The Committee discussed the change and how it could potentially eliminate some ties in the future and provide a greater range between the lowest and highest scoring university. The Committee did not express any concerns in moving to 100 points.

3. Concluding Remarks and Adjournment

The Committee instructed staff to present options for discussion at the November meeting.

Having no further business, the meeting was adjourned at 3:57 p.m.

Tom Kuntz, Chair

Tim Jones, Vice Chancellor
Finance and Administration

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
November 4, 2015**

SUBJECT: Performance Based Funding Model

PROPOSED COMMITTEE ACTION

Approve proposed changes to the performance based funding model.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

On September 22, 2015, the Committee met to review and discuss potential changes to the Board's performance funding model. The discussion centered on five areas:

- A definitional change to Metric 1
- A potential metric on student loan default rates
- A potential metric on 2 + 2 articulation
- Tiebreaker options
- Moving from a 50 to a 100 point model

The Committee did not object to bullets one, four or five. The Committee discussed the potential for two new metrics but determined that these are best monitored and reviewed through the annual accountability report instead of a new metric.

The attached document encompasses all proposed changes.

Supporting Documentation Included: Performance Based Funding Model Changes

Facilitators/Presenters: Governor Tom Kuntz

Performance Based Funding Model Proposed Changes November 4, 2015

Recommended Changes:

- Metric 1 (Percent of Bachelor's Graduates Employed and/or Continuing their Education Further 1 Year after Graduation)

Current definition: Percentage of a graduating class of bachelor's degree recipients who are employed full-time making at least minimum wage or continuing their education somewhere in the U.S. Students who do not have valid SSNs and are not enrolled are excluded.

Status: Staff is continuing to gather information on the appropriate wage threshold and the impact of the data. It is anticipated that information will be available by the January Board meeting.

- Tiebreakers
 1. Total of excellence and improvement scores
 2. Give advantage to higher points earned through excellence
 3. Score metric by metric giving a point to the school scoring higher
 4. If tied after three tiebreakers, the tie will go to the benefit of the institutions
- Modify Point Scale
 - Double the points from 50 to 100.
 - To be eligible for the state investment and not have to do an improvement plan the minimum total points earned will be adjusted from 26 to 51.

Current Population Survey (CPS)

CPS 3-year average - Data Collected to 2013 to 2015

FLORIDA FULL-TIME WORKERS (2012 to 2014)

	TOTALS		Educational Attainment							
			No High School Diploma		High School or Equivalent		Some College, less than 4-yr Degree		Bachelor's Degree or Higher	
Age	Persons	Median Personal Income	Persons	Median Personal Income	Persons	Median Personal Income	Persons	Median Personal Income	Persons	Median Personal Income
00 to 17	15,733	\$8,011	14,019	\$8,000	615	\$1,600	-	-	1,100	\$55,003
18 to 24	528,024	\$20,000	37,308	\$15,000	200,550	\$17,420	194,663	\$20,000	95,503	\$32,001
25 to 29	756,052	\$31,000	50,144	\$19,100	216,317	\$25,000	201,999	\$29,006	287,592	\$42,000
30 to 34	802,446	\$39,652	61,209	\$20,000	214,051	\$28,200	219,997	\$35,000	307,190	\$53,000
35 to 44	1,667,460	\$41,131	96,982	\$20,002	472,758	\$30,002	503,109	\$40,000	594,610	\$60,000
45 to 54	1,911,546	\$42,000	128,795	\$25,000	541,789	\$30,017	561,478	\$40,825	679,484	\$60,000
55 to 64	1,430,124	\$46,368	73,951	\$22,000	409,233	\$39,000	400,800	\$43,000	546,140	\$62,000
65 to 80+	407,942	\$49,725	20,970	\$25,819	122,805	\$38,163	105,494	\$50,144	158,674	\$75,000
Totals	7,519,327	\$40,000	483,378	\$20,610	2,178,118	\$30,000	2,187,540	\$37,500	2,670,293	\$58,000

Source: Board of Governors staff analysis of U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2016.

Data available online at: <http://www.census.gov/cps/data/cpstablecreator.html#>.

Performance Funding Model 2015-16											
Potential Model Change: Point Scale 50 to 100											
		EXCELLENCE									
		(Achieving System Goals)									
Points	Current	5		4		3		2		1	
	Proposed	10	9	8	7	6	5	4	3	2	1
Key Metrics Common to All Universities											
1	Percent of Bachelor's Graduates Employed and/or Continuing their Education Further 1 Yr after Graduation	80%		75%		70%		65%		60%	
		80.00%	77.50%	75.00%	72.50%	70.00%	67.50%	65.00%	62.50%	60.00%	57.50%
2	Median Average Full-time Wages of Undergraduates Employed in Florida 1 Yr after Graduation	\$40,000		\$35,000		\$30,000		\$25,000		\$20,000	
		\$40,000	\$37,500	\$35,000	\$32,500	\$30,000	\$27,500	\$25,000	\$22,500	\$20,000	\$17,500
3	Average Cost per Undergraduate Degree to the Institution	\$20,600		\$23,175		\$25,750		\$28,325		\$30,900	
		\$20,600	\$21,888	\$23,175	\$24,463	\$25,750	\$27,038	\$28,325	\$29,613	\$30,900	\$32,188
4	Six Year Graduation Rate Full-time and Part-time FTIC	70%		67.5%		65%		62.5%		60%	
		70.00%	68.75%	67.50%	66.25%	65.00%	63.75%	62.50%	61.25%	60.00%	58.75%
5	Academic Progress Rate 2nd Year Retention with GPA Above 2.0	90%		87.5%		85%		82.5%		80%	
		90.00%	88.75%	87.50%	86.25%	85.00%	83.75%	82.50%	81.25%	80.00%	78.80%
6	Bachelor's Degree's Awarded in Areas of Strategic Emphasis (includes STEM)	50%		45%		40%		35%		30%	
		50.00%	47.50%	45.00%	42.50%	40.00%	37.50%	35.00%	32.50%	30.00%	27.50%
7	University Access Rate Percent of Undergraduates with a Pell-grant	30%		27.5%		25%		22.5%		20%	
		30.00%	28.75%	27.50%	26.25%	25.00%	23.75%	22.50%	21.25%	20.00%	18.75%
8.A.	Graduate Degrees Awarded in Areas of Strategic Emphasis (includes STEM)	60%		55%		50%		45%		40%	
		60.00%	57.50%	55.00%	52.50%	50.00%	47.50%	45.00%	42.50%	40.00%	37.50%
8.B.	Freshmen in Top 10% of Graduating High School Class (Alternative metric for NCF only)	50%		45%		40%		35%		30%	
		50.00%	47.50%	45.00%	42.50%	40.00%	37.50%	35.00%	32.50%	30.00%	27.50%
9.A.	Percent of Bachelor's Degrees without Excess Hours	80%		75%		70%		65%		60%	
		80.00%	77.50%	75.00%	72.50%	70.00%	67.50%	65.00%	62.50%	60.00%	57.50%
9.B.	Faculty Awards -- FSU	25		15		11		7		4	
		25	20	15	13	11	9	7	5	4	2
9.B.	Faculty Awards -- UF	31		23		18		12		5	
		31	27	23	21	18	15	12	8	5	3
9.C.	National Ranking for Institutional & Program Achievements (NCF Only)	5		4		3		2		1	
		10		8		6		4		2	
IMPROVEMENT											
% Improvement		5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%	1.0%	0.5%
Points		10	9	8	7	6	5	4	3	2	1

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
November 4, 2015**

SUBJECT: Market Tuition Proposals

PROPOSED COMMITTEE ACTION

The Committee will consider university market tuition proposals.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Subsection 7, Florida Constitution; Board Regulation 7.001

BACKGROUND INFORMATION

Pursuant to Regulation 7.001 – Tuition and Associated Fees, a university board of trustees may submit a proposal for market tuition rates for graduate-level courses offered online or through the university’s continuing education unit when the courses constitute an approved degree program or college credit certificate program.

Since February 2011, the Board has reviewed and approved 81 market tuition programs. The Board amended Regulation 7.001 last year to extend the pilot program for two additional years to collect further information. A final program report and recommendation will be made at the 2016 June Committee meeting.

Four universities have submitted a total of 10 market tuition programs for consideration.

1. Florida International University
 - a. Master of Science in Engineering Management
 - b. Master of Science in Computer Engineering
 - c. Master of Arts in Disaster Management
2. University of Central Florida
 - a. Executive Masters of Science in Health Services Administration
 - b. Master of Science Industrial Engineering – Healthcare Systems Engineering Track

3. University of Florida
 - a. Master of Science in Family, Youth and Community Sciences
 - b. Master of Science in Forest Resources and Conservation with a Concentration in Natural Resource Policy and Administration
 - c. Master of Arts in Mass Communication with a specialization in Public Relations Communication Management
 - d. Master of Science in Sport Management
4. University of South Florida
 - a. Doctorate in Business Administration

Supporting Documentation Included:

1. Market Tuition Proposals Approved Year-to-Date
2. Summary of University 2015 Market Tuition
3. University Market Tuition Proposals

Facilitators/Presenters: Mr. Tim Jones

**Florida Board of Governors
Market Tuition Proposals Approved
(Date Approved)**

A. Florida International University

1. Master of International Business (03/2011)
2. Master in Global Governance (03/2011)
3. Master of Accounting Program (03/2011)
4. Master of Business Administration (03/2011)
5. Master of Science in Construction Management (11/2011)
6. Masters in Mass Communication - Global Strategic Management (11/2011)
7. Master of Science in Engineering Management (11/2011)
8. Master of Science in Finance (11/2011)
9. Executive Masters in Taxation (11/2011)
10. Master of Science in Hospitality and Tourism Management (11/2012)
11. Master of Science in Human Resource Management (11/2013)
12. Master of Science in International Real Estate (11/2013)
13. Master of Science in Public Administration (11/2013)
14. Professional Master of Science Counseling Psychology (11/2013)
15. Professional Science Master in Environmental Policy & Management (11/2014)
16. Masters of Science in Curriculum and Instruction: Curriculum Development (11/2014)
17. Masters of Science in Special Education (11/2014)

B. Florida State University

1. Master of Social Work (03/2011)
2. Master in Library & Information Studies (03/2011)
3. Master in Mgmt with major in Risk Mgmt & Insurance (03/2011)
4. Master in Mgmt Information Systems (03/2011)
5. Master in Business Administration (03/2011)
6. Master in Criminal Justice (11/2011)
7. Master of Science in Instructional Systems (11/2011)
8. Graduate Certificate in Project Management (11/2011)
9. School of Communication Science and Disorders' Bridge Certificate Program (11/2011)

C. University of Central Florida

1. Professional Master of Science in Mgmt Degree Program (03/2011)
2. Master in Business Administration (03/2011)
3. Professional Master of Science in Real Estate Degree Program (03/2011)
4. Professional Master of Science in Health Care Informatics (11/2011)
5. Master of Science in Engineering Management (11/2012)
6. Graduate Health Information Administration Certificate (11/2014)
7. Masters of Social Work (11/2014)
8. Masters of Science in Management (Business Analytics Track) (11/2014)

**Florida Board of Governors
Market Tuition Proposals Approved
(Date Approved)**

D. University of Florida

1. Master in Outreach Engineering Program (03/2011)
2. Master in Business Administration (03/2011)
3. Master in Pharmaceutical Sciences (03/2011)
4. Pharmaceutical Sciences Clinical Doctorate (03/2011)
5. Doctor of Audiology (03/2011)
6. Master of Arts in Mass Communication (11/2011)
7. Master of Arts in Urban and Regional Planning (11/2011)
8. Master of Science in Soil and Water Science (11/2011)
9. Master of Arts in Art Education (11/2012)
10. Master of Arts in Mass Communication with Specialization in Social Media and Web Design/Online Communications (11/2012)
11. Master of Science of Architecture (11/2012)
12. Master of Science in Forest Resources and Conservation with Concentrations in Ecological Restoration and Geomatics (11/2012)
13. Master of Science in Pharmacy with a Concentration in Medication Therapy Management and Clinical Pharmacy (11/2012)
14. Doctorate of Business Administration (11/2013)
15. Master of Music in Music Education (11/2013)
16. Master of Fisheries & Aquatic Sciences (11/2013)
17. Master of Electrical Engineering (11/2013)
18. Master of Civil Engineering (11/2013)
19. Master of Science in Microbiology & Cell Science (11/2014)
20. Master of Arts in Medicine (11/2014)
21. Master of Science in Pharmacy Clinical Toxicology (11/2014)
22. Doctor of Pharmacy (11/2014)
23. Doctor of Medicine (11/2014)

E. University of South Florida

1. Professional Master of Science in Electrical Engineering (11/2011)
2. Master of Science in Entrepreneurship (11/2011)
3. Master of Science in Management Information Systems (11/2011)
4. Master of Science in Nurse Anesthesia (11/2011)
5. Master of Public Administration (11/2011)
6. Graduate Certificate in Business Foundations (11/2012)
7. Master of Arts in Global Sustainability (11/2012)
8. Masters in Business Administration with a Concentration in Sport and Entertainment Management (11/2012)
9. Master of Education in Curriculum and Instruction with a Concentration in Secondary Education (11/2012)
10. Graduate Certificate in Applied Behavior Analysis (11/2013)

F. University of West Florida

1. Master in Educational Leadership (11/2013)

**Florida Board of Governors
Market Tuition Proposals Approved
(Date Approved)**

2. Masters in Curriculum & Instruction (11/2013)
3. Doctorate in Curriculum & Instruction (11/2013)
4. Master in Accountancy (11/2013)
- G. University of North Florida
 1. Master of Education in Special Education (11/2013)
 2. Master of Science in Nutrition (11/2013)
 3. Doctor of Nursing Practice (11/2013)
- H. Florida Gulf Coast University
 1. Transitional Doctor of Physical Therapy (11/2013)
- I. Florida Atlantic University
 1. Executive Master of Health Administration (11/2013)
 2. Master of Science in Finance (11/2013)
 3. Master of Business Administration (11/2013)
 4. Executive Master of Accounting (11/2014)
 5. Master of Taxation (11/2014)
 6. Master of Science in International Business (11/2014)

2015 Market Rate Tuition Proposals Overview

Board Regulation 7.001(15) allows for a university board of trustees to submit a proposal for market tuition for graduate-level courses offered online or through the university's continuing education unit when such courses constitute an approved degree program or college credit certificate program. Currently, the Board of Governors has approved 81 market rate programs since 2011. This year, the Board has been asked to consider 10 programs from four universities (FIU, UCF, UF and USF). Board of Governors staff has reviewed the proposals and has the following observations:

Florida International University (3 proposals): Proposals to establish market rate for the Online Masters of Science in Engineering Management, the Online Masters of Science in Computer Engineering, and Master of Arts in Disaster Management. These proposals were approved by the board of trustees in June of 2015.

- The Online Master of Science in Engineering Management is a 30 credit-hour program offered online. The tuition for in-state and out-of-state students will remain at \$35,000 (\$1,166.67 per credit hour). This program is currently offered as E&G. This online program has been customized for the working adult by providing high quality instruction with a flexible schedule and shorter completion time.
- The Online Masters of Science in Computer Engineering is a 30 credit-hour program offered online. The tuition for in-state and out-of-state students will remain at \$25,000 (\$833.33 per credit hour). This program is currently offered as E&G. This online program has been customized for the working adult by providing high quality instruction with flexible schedule and shorter completion time.
- The Master of Arts in Disaster Management is a 30 credit-hour program offered face-to-face. The tuition for in-state and out-of-state students will remain at \$24,995 (\$833.16 per credit hour). This program is not currently offered as E&G. This program will target professionals from the fire, police, EMS and healthcare industry that have expressed an interest in this field. Graduates from this program will gain employment with local government emergency management agencies, health care providers, law enforcement, EMS organizations, Federal Emergency Management, etc.

University of Central Florida (2 proposals): Proposals to establish market rate for the Executive Master of Science in Health Services Administration, and Industrial Engineering M.S. (Healthcare Systems Engineering Track). These proposals were approved by the board of trustees on September 24, 2015.

- The Executive Master of Science in Health Services Administration is a 44 credit-hour program offered online. The tuition for in-state and out-of-state students will remain at \$36,653 (\$833 per credit hour). This program is not currently offered as E&G. This program is designed for self-motivated, experienced health services professionals with a minimum of three years of relevant professional experience, including managers, mid-career professionals, and clinicians. Students graduating from the executive HSA program will be equipped to be leaders in the health care industry which will benefit the community. Moreover, obtaining an executive HSA degree will allow students to grow professionally and to move vertically in their career ladder.
- The Industrial Engineering M.S. (Healthcare Systems Engineering Track) is a 30 credit-hour program offered online through continuing education. The tuition for in-state students and out-of-state students will be \$36,000 (\$1,200 per credit hour). This is a new track created within Industrial Engineering. This program is offered as an E&G program at \$288 per credit hour and currently has no student enrollment. Most of the candidate students who are likely to enroll in this program are expected to be working professionals already active in healthcare or related field. Graduates of this program could earn a projected \$20,000 increase in income as much as 10 years earlier than expected to achieve without earning a master's degree.

University of Florida (4 proposals): Proposals to establish market rate for the Master of Science in Family, Youth and Community Sciences, the Master of Science Forest Resources and Conservation Concentration Natural Resource Policy and Administration, the MAMC Public Relations and Communication Management, and the Master of Science in Sport Management. These proposals were approved by the board of trustees on October 1, 2015.

- The Master of Science in Family, Youth and Community Sciences is a 30 credit-hour program offered online. The tuition for in-state and out-of-state students will be remain at \$15,750 (\$525 per credit hour). This program is currently offered as E&G. This program is an interdisciplinary applied social sciences degree that prepares students for careers in areas such as family and youth

services, extension, community-based education, and community development and nonprofit leadership.

- The Master of Science Forest Resources and Conservation Concentration Natural Resource Policy and Administration is a 30 credit-hour program offered online. The tuition for in-state and out-of-state students will remain at \$16,950 (\$565 per credit hour). This program is currently offered as E&G. Graduates of this program will be well-equipped for careers focused in biology, statistics, ecology, geology, and other sciences.
- MAMC Public Relations and Communication Management is a 33 credit-hour program offered online. The tuition for in-state and out-of-state students will remain at \$18,150 (\$550 per credit hour). This program has not yet launched as E&G. It will be the first program approved by University of Florida's Graduate Council to be offered in both English and Spanish. The Spanish-language version will establish a leading role for the university in professionalizing public relations practice in Latin and South American.
- Master of Science in Sport Management is a 36 credit-hour program offered online. The tuition for in-state and out-of-state students will remain at \$19,800 (\$550 per credit hour). This program is currently offered as E&G. The program offers advanced education in sport management with a comprehensive curriculum applying business fundamentals to the field of sport, including management, marketing, finance, and legal aspects. The program also provides students credit for practical experience in the field through practicum, and/or internship credits and students will be required to create a portfolio and career entry/transition plan as part of the capstone project in their final semester.

University of South Florida (1 proposal): Proposal to establish market rate for the Doctorate of Business Administration. This proposal was approved by the board of trustees on September 16, 2015.

- The Doctorate of Business Administration is a 72 credit-hour program offered online. The tuition for in-state and out-of-state students will remain at \$90,000 (\$1,250 per credit hour). This program is currently offered as E&G. This program will be targeted to managers and professionals with extensive business experience and normally holding a Master's degree. The DBA program is based on engaged, interdisciplinary scholarship that provides graduates with the knowledge and skills to analyze and creatively address the complex issues that characterize global management by employing rigorous research methods. This program is designed to help executives in their business and career development

while also providing them with the credentials to also teach at the university level, if desired.

Board of Governors Committees and Meeting - Budget and Finance Committee

**State University System
Market Tuition Proposals**

University: Florida International University		Proposal 1	Proposal 2	Proposal 3
		Online Masters of Science in Engineering Management	Online Masters of Science in Computer Engineering	Master of Arts in Disaster Management
1	Degree Program			
2	CIP Code	14.3001	14.0901	43.0302
3	Has the program been approved pursuant to Regulation	Yes	Yes	Yes
4	Does the program lead to initial licensing or certification?	No	No	No
5	Is the program identified as a state critical workforce need?	No	No	No
6	Are the program's admission & graduation requirements the same as other programs?	Yes	Yes	Yes
7	Current Tuition Rate	\$35,000R/NR *	\$25,000R/NR *	\$24,995R/NR **
8	Proposed Market Tuition Rate	\$35,000 R/NR	\$25,000 R/NR	\$24,995R/NR
9	Different Market Tuition Rate for Resident vs. Non-Resident	No	No	No
10	5 Other Public/Private Rates for Similar Program:			
11	University name and rate:	University of Central Florida - \$11,578R/\$36,310NR	University of Southern California - \$51,150R/NR	Jacksonville State University-\$20,940R/NR
12	University name and rate:	University of South Florida-\$14,020R/\$27,392NR	Florida Institute of Technology - \$24,420R/NR	Tufts University-\$32,400R/NR
13	University name and rate:	University of Florida-\$29,920R/NR	DePaul University - \$40,040R/NR	Fordham University-\$26,800R/NR
	University name and rate:	University of Miami-\$62,280R/NR	Boston University - \$33,600R/NR	Georgetown University-\$54,000R/NR
14	University name and rate:	University of South Florida - \$15,520R/\$28,892NR	Polytechnic Institute of New York University - \$40,890R/NR	John Jay College-\$26,820R/NR
16	Length of Program (Student Credit Hours)	30 Credit Hours	30 Credit Hours	30 Credit Hours
17	Current (Spring 2015) E&G Student Enrollment (Headcount):			
18	Resident	58	22	0
19	Non-Resident	89	16	0
20	Total	147	38	0
21	Similar Program at other SUS Institutions (if yes, provide university and program name)	University of Central Florida - MS in Engineering Management	University of Central Florida MS in Computer Engineering with a Specialization in Computer Networks and Computer Security	University of South Florida Master's in Public Health with a concentration in Global Disaster Management and Humanitarian Relief.
22	University and program name:	University of South Florida- MS in Engineering Management	University of South Florida - Master of Science in Cyber Security	Florida Atlantic University- MBA with a concentration in Crisis and Emergency Management.
23	University and program name:	University of Florida - MS in Industrial and Systems Engineering with a Track in Engineering Management	N/A	N/A
24	University and program name:	Florida Agricultural and Mechanical University/Florida State University - MS in Industrial Engineering with a Specialization in Engineering Management	N/A	N/A
25	University and program name:	N/A	N/A	N/A

Note:

* Program was launched as self-supporting in Spring 2015

** Program was launched as self-supporting in Fall 2015

November, 2011

**State University System
Florida Board of Governors
Request to Establish Market Tuition Rates – Regulation 7.001(15)**

University: Florida International University

Proposed Market Tuition Program: Online Masters of Science in Engineering Management

Date	
University Board of Trustees approval date:	June 2015
Proposed Implementation Date (month/year):	Fall 2016
Graduate online or Graduate Continuing Ed. Course:	Graduate Online
CIP Code:	14.3001
Description of the Program and the Market Tuition Rate Process	
<p>Describe the program and explain the process used to determine market tuition.</p> <p>The Online Masters of Science in Engineering Management (MSEM) will prepare students to be ahead of their field in the areas of management, leadership, finance and law. This online program has been customized for the working adult by providing high quality instruction with flexible schedule and shorter completion time. The program consists of 30 credit hours of graduate study.</p> <p>The tuition rate for the program was determined based on a self-supporting budget that considered the cost of faculty, administration, program costs, facility rent and equipment, as well as program delivery cost. The tuition rate is \$35,000 for all students (residents and non-residents) for completion of the 30 credit hour program which covers the cost of the program.</p> <p>The program does not lead to students' eligibility for any license to practice. The Online MSEM is not identified as a program of strategic emphasis.</p> <p>This program initially launched as self-supporting in Spring 2015. There are currently 28 students enrolled in the program.</p> <p>This request is to seek approval to transfer the program with no change to tuition under the market rate regulation. The market rate financial model provides a greater flexibility and reduces the accounting/administrative burdens that are required under the continuing education regulation. Additionally, it allows for the ability to reinvest in the program to ensure it remains state-of-the art in the marketplace in the outer years. This is a brand new program, has a small number of faculty, moving to market rate would enable it to spend funds on hiring more faculty and provide additional student services to ensure the academic success of students participating in this program.</p>	

April 2015

**State University System
Florida Board of Governors
Request to Establish Market Tuition Rates – Regulation 7.001(15)**

Mission Alignment

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

This program will directly address 5 of the 9 BOG directional goals established for the state universities. These goals in the area of Teaching and Learning include:

1) Strengthen quality and reputation of academic programs and universities, 2) Increase degree productivity and program efficiency, 3) Increase the number of degrees awarded in STEM, community and business engagement, 4) Increase level of community and business engagement and 5) Increase community and business workforce.

Additionally, it will help advance the following FIU initiatives from the 2010-15 Strategic Plan: 1) Achieve enhanced student learning and academic excellence, 2) Improve access by increasing enrollment, 3) Produce degree programs that reflect the strategic direction of the University and prepare graduates for success in the 21st century and 4) Facilitate life-long learning and professional development opportunities.

The Online MSEM will provide graduate level educational opportunities to many engineers in our community and state.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The Online MSEM program will generate enough funds to meet its own instructional, administrative and space needs. It will not in any way increase the state's fiscal liability or obligation. This program will not supplant an existing E&G funded degree program in the same discipline.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

There are no proposed restrictions, limitations or conditions on the policy.

Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

The University will monitor success of the policy using: 1) Enrollment targets, 2) Retention rates, 3) Graduation rates, and 4) Student satisfaction. These last two are currently

**State University System
Florida Board of Governors
Request to Establish Market Tuition Rates – Regulation 7.001(15)**

accountability measures for all graduate programs. A survey will be used to measure student satisfaction.

Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

This program will be offered in lock-step cohort format, which will ensure that courses are available to meet student demand and facilitate program completion.

No similar E&G courses will be eliminated or scaled back if this program is implemented.

Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

This proposal will allow the University to offer a specialized program and provide a needed service to the community. It is expected that the program will generate a total revenue of \$1 million annually. The revenue will be spent to cover instructional costs, program administration, career services, professional development, and college initiatives. The funds will be budgeted in the auxiliary enterprise.

Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

The College of Engineering and Computing has a Career Services Office fully dedicated to engineering students that offers a range of services and activities to develop professional skills that go beyond the classroom and into the workplace. MSEM graduates will be referred to this office and will benefit from an assortment of professional development services, such as Professional Development Workshops, Career Fairs, Executive Protégé Initiative, Practice Interview Program, Professional Dining Etiquette Lunch/Dinner, Graduate School Fairs, Federal Government Statewide Conference, etc. The Career Services Office will help students with developing their resumes and interviewing skills to strategically pursue their career goals. In addition, the Career Services Office maintains contact with local, national, and international recruiters who regularly recruit on campus. Students graduating from this program will have access to Panther JOBLink to search for jobs and connect with employers.

**State University System
Florida Board of Governors
Request to Establish Market Tuition Rates – Regulation 7.001(15)**

University: Florida International University

Proposed Market Tuition Program: Online Masters of Science in Computer Engineering

Date	
University Board of Trustees approval date:	June 2015
Proposed Implementation Date (month/year):	Fall 2016
Graduate online or Graduate Continuing Ed. Course:	Graduate Online
CIP Code:	14.0901
Description of the Program and the Market Tuition Rate Process	
<p>Describe the program and explain the process used to determine market tuition.</p> <p>The Online Masters of Science in Computer Engineering (MSCE) will prepare students to specialize on network security to fulfill industry demand. This online program has been customized for the working adult by providing high quality instruction with a flexible schedule and shorter completion time. The program consists of 30 credit hours of online graduate study. This program focuses on cyber security, which studies the technologies and processes designed to protect computers, networks and data from unauthorized access, vulnerabilities and attacks.</p> <p>The tuition for the Online Masters of Science in Computer Engineering (MSCE) was established in consideration of associated costs of delivering this program based on a self-supporting budget that considered the cost of faculty, administration, program costs, facility rent and equipment.</p> <p>This program does not lead to students' eligibility for any license to practice.</p> <p>This program launched as self-supporting in Spring 2015. There are currently 30 students in the program. The tuition rate will remain the same at \$25,000 for all students (residents and non-residents) for completion of the program, which covers the cost of the program.</p> <p>The request is to seek approval to transfer the program with no change to tuition under the market rate regulation. The market rate financial model provides a greater flexibility and reduces the accounting/administrative burdens that are required under the continuing education regulation. Additionally, it allows for the ability to reinvest in the program to ensure it remains state-of-the art in the marketplace in the outer years. The department has a small number of faculty, moving to market rate would enable it to spend funds on hiring more faculty and provide additional student services to the ensure academic success of students participating in this program.</p>	

April 2015

**State University System
Florida Board of Governors
Request to Establish Market Tuition Rates – Regulation 7.001(15)**

Mission Alignment

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

This program will directly address 5 of the 9 BOG directional goals established for the state universities. These goals in the area of Teaching and Learning include:

1) Strengthen quality and reputation of academic programs and universities, 2) Increase degree productivity and program efficiency, 3) Increase the number of degrees awarded in STEM, community and business engagement, 4) Increase level of community and business engagement and 5) Increase community and business workforce.

Additionally, it will help advance the following FIU initiatives from the 2010-15 Strategic Plan: 1) Achieve enhanced student learning and academic excellence, 2) Improve access by increasing enrollment, 3) Produce degree programs that reflect the strategic direction of the university and prepare graduates for success in the 21st century and 4) Facilitate life-long learning and professional development opportunities.

The Online MSCE will provide graduate level educational opportunities to many engineers in our community and state.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The Online MSCE program will generate enough funds to meet its own instructional, administrative and space needs. It will not in any way increase the state's fiscal liability or obligation. This program will not supplant an existing E&G funded degree program in the same discipline.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

There are no proposed restrictions, limitations or conditions on the policy.

Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

The University will monitor success of the policy using: 1) Enrollment targets, 2) Retention rates, 3) Graduation rates, and 4) Student satisfaction. These last two are currently

**State University System
Florida Board of Governors
Request to Establish Market Tuition Rates – Regulation 7.001(15)**

accountability measures for all graduate programs. A survey will be used to measure student satisfaction.

Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

The program will be offered in a lock-step cohort format that will ensure that courses are available to meet student demand and facilitate program completion.

No similar E&G courses will be eliminated or scaled back if this program is implemented.

Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

This proposal will allow the University to offer a specialized program and provide a needed service to the community. It is expected that the program will generate a total revenue of \$750,000 per cohort. The revenue will be spent to cover direct and indirect instructional costs, program administration, career services, professional development, and college initiatives. The funds will be budgeted in the auxiliary enterprise.

Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

The College of Engineering and Computing has a Career Services Office fully dedicated to engineering students that offers a range of services and activities to develop professional skills to go beyond the classroom and into the workplace. MSCE graduates will be referred to this office and will benefit from an assortment of professional development services, such as Professional Development Workshops, Career Fairs, Executive Protégé Initiative, Practice Interview Program, Professional Dining Etiquette Lunch/Dinner, Graduate School Fairs, Federal Government Statewide Conference, etc. The Career Services Office will help students with developing their resumes and interviewing skills to strategically pursue their career goals. In addition, the Career Services Office maintains contact with local, national, and international recruiters who regularly recruit on campus. Students graduating from this program will have access to Panther JOBLink to search for jobs and connect with employers.

**State University System
Florida Board of Governors
Request to Establish Market Tuition Rates – Regulation 7.001(15)**

University: Florida International University

Proposed Market Tuition Program: Master of Arts in Disaster Management

Date	
University Board of Trustees approval date:	June 2015
Proposed Implementation Date (month/year):	Fall 2016
Graduate online or Graduate Continuing Ed. Course:	Graduate Continuing Ed
CIP Code:	43.0302
Description of the Program and the Market Tuition Rate Process	
Describe the program and explain the process used to determine market tuition.	
<p>The proposed Master of Arts (MA) in Disaster Management builds on the combined efforts of FIU's internationally-oriented disciplines, centers, and institutes, under the School of International and Public Affairs (SIPA) and features a distinguished faculty knowledgeable and experienced in disaster studies. The proposed program will yield a professional degree for students interested in careers in government, international organizations, private-sector corporations, and non-governmental organizations (NGOs). The program will enhance the students' knowledge and skills in policy analysis, methodologies, critical thinking, problem solving, negotiations, emergency preparedness, planning, disaster management, logistics and humanitarian assistance and coordination. This program features substantive collaborations with the College of Arts and Sciences, Herbert Wertheim College of Medicine and Robert Stempel College of Public Health and Social Work.</p> <p>Many working professionals from the ranks of fire, police, EMS and healthcare have expressed an interest in disaster management. In addition, South Florida being home to various military installations (Southern Command, Homestead Air Force Base and US Coast Guard – Key West), personnel from these three units have expressed a strong desire to obtain a graduate degree related to the work they do for the military. Both in South Florida and elsewhere, this field requires students to have a broad, interdisciplinary background and certain sets of skills including: command and control; the ability to write and communicate; the ability to fiscally manage pre- and post-disaster events; and a broad knowledge of different areas of preparedness, response, recovery and mitigation. We have designed this program with specific requirements in all these areas.</p> <p>This program successfully launched Fall 2015 as a graduate self-supporting program under the continuing education regulation. There are currently 42 students in the first semester of the cohort-based program. Reviews thus far have been highly positive and we expect future cohorts to be just as viable. FIU is the first SUS institution to offer a Masters in Disaster Management, and this program can serve as a national model for other institutions.</p>	

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This request is to seek approval to transfer the program with no change to tuition under the market rate regulation. The market rate financial model provides a greater flexibility and reduces the accounting/administrative burdens that are required under the continuing education regulation. Additionally, it allows for the ability to reinvest in the program to ensure it remains state-of-the-art in the marketplace in the outer years. This is a brand new program, with a small number of faculty. Moving to market rate would enable the program to spend funds on hiring more faculty and provide additional student services to ensure the academic success of students participating in this program.

The tuition rate of \$24,995 was established in consideration of the associated costs of delivering this program based on a self-supporting budget that considered the cost of faculty, administration, program costs, facility rent and equipment.

Mission Alignment

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

The proposed program is consistent with the current SUS Strategic Planning Goals as well as the distinctive mission of FIU as a university in the state system. In relation to Goal No. 1, Teaching and Learning, the proposed program strengthens the quality and reputation of academic program by creating a high-quality program for existing career professionals in the field, for those seeking employment opportunities in this rapidly expanding profession, or for those simply interested in this field as a first career choice. The program will also increase the number of degrees awarded by producing a projected 25 additional graduate degrees with the first cohort and up to 50 graduate degrees by year five. The program would also provide significant access to Florida residents who already possess an undergraduate degree and are looking to acquire a graduate degree in an emerging profession. More importantly, FIU would be the only university in the state of Florida offering a graduate program of this kind, making it an attractive academic choice for residents, out-of-state students and international students. In relation to Goal No. 2, Scholarship, Research and Innovation, the proposed program increases collaboration within the university community as well as local and regional partnerships with NGOs and other disaster response state and non-state agencies in the area. Based on an interdisciplinary curriculum, the program bridges relationships within the Colleges of Arts and Sciences, Medicine and Public Health. Other scholarly advantages include the participation of FIU's Kimberly Green Latin American and Caribbean Center to bring regional and international first responder leaders, experts and key stakeholders together. In addition, the program reinforces FIU's mission to achieve excellence in global studies and international understanding.

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Declaratory Statement
<p>Provide a declaratory statement that the policy will not increase the state’s fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:</p> <p>The Masters in Disaster Management program will not increase the state’s fiscal liability or obligation, and since this program is the only disaster management program offered in its CIP classification, it will not supplant existing E&G funded degree program in the same discipline.</p>
Restrictions / Limitations
<p>Identify any proposed restrictions, limitations, or conditions to be placed on the policy:</p> <p>There are no anticipated restrictions, limitations, or conditions to be placed on the policy.</p>
Accountability Measures
<p>Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.</p> <p>Success will be measured according to achieving enrollment targets, retention and graduation rates, and high student satisfaction. An end of program survey will be used to measure student satisfaction.</p>
Course Availability
<p>Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?</p> <p>The Masters in Disaster Management will be delivered in a format designed to provide professional instruction and training and skills for students who are working professionals seeking a degree in disaster management. The 30-credit program will consist of classroom instruction on the Modesto A. Maidique campus. In all, the program consists of 10 courses, three credits each, which will be delivered in five, eight-week mini semesters. Based on an interdisciplinary curriculum, the program offers four courses from within the College(s) of Arts and Sciences, Medicine and Public Health. As an applied-based program and to ensure that our students learn from those with hands-on experience and expertise, the program will hire, as needed, experienced professionals to provide students the skill sets to become successful disaster managers and leaders.</p> <p>No similar E&G courses will be eliminated or scaled back if this program is implemented.</p>

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Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

This proposal will allow the University to offer a specialized program and provide a needed service to the community. As a self-supporting program in its initial year, by design, the program will generate sufficient revenue to cover operational expenditures. In subsequent years the program will remain self-supporting from a financial model but under the market rate regulations, will allow for greater flexibility and reinvestment into the growth of the program.

Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

Employment opportunities for graduates of this program will be abundant. Graduates from the Master of Arts in Disaster Management usually gain employment with local government emergency management agencies, health care providers, law enforcement, Emergency Management Services (EMS) organizations, NGOs, Federal Emergency Management Agency, US SOUTHCOM, US Coast Guard, USAID, United Nations as well as with local, national and international businesses located in the region. Graduates will be referred to our Office of Career Services to assist them in the exploration of employment opportunities with these agencies.

Additionally, to assist those students who are just entering the disaster management industry and have little or no experience, the Program Director is developing partnerships to establish funded internships. The internship would provide newer practitioners an opportunity to gain field experience, which would then transition into full-time employment. Additionally, the internship program would bolster the Academy and FIU's academic footprint in this area.

**State University System
Market Tuition Proposals**

University: University of Central Florida		Proposal 1	Proposal 2	Proposal 3	Proposal 4	Proposal 5
1	Degree Program	Executive Master of Science in Health Services Administration	Industrial Engineering M.S.-Healthcare Systems Engineering Track			
2	CIP Code	51.0701	14.3501			
3	Has the program been approved pursuant to Regulation 8.011?	Yes	Yes			
4	Does the program lead to initial licensing or certification?	No	No			
5	Is the program identified as a state critical workforce need?	Yes	No			
6	Are the program's admission & graduation requirements the same as other programs?	No	Yes			
7	Current Tuition Rate (enter the per credit hour rate)	\$833	0*			
8	Proposed Market Tuition Rate (enter the per credit hour rate)	\$833	\$1,200			
9	Different Market Tuition Rate for Resident vs. Non-Resident Student? If yes, list the per credit hour rate.	No	No			
10	5 Other Public/Private Rates for Similar Program (per credit hour):					
11	University name and rate:	Univ of North Carolina, Chapel Hill \$1,337	Binghamton Univ \$411 (res), \$765 (non-res)			
12	University name and rate:	University of Minnesota \$1,357	Georgia Tech \$1392			
13	University name and rate:	Florida International Univ \$1,238	Lehigh Univ \$1340			
14	University name and rate:	University of Colorado \$1,063	San Jose St Univ \$626			
15	University name and rate:	University of Alabama Birmingham \$860				
16	Length of Program (Student Credit Hours)	44	30			
17	Current E&G Student Enrollment (Headcount):					
18	Resident	0	0			
19	Non-Resident	0	0			
20	Total	0*	0			
21	Similar Program at other SUS Institutions (if yes, provide university and program name)	Yes	No			
22	Florida International University, Healthcare MBA	Yes				
23	University and program name:	n/a				
24	University and program name:	n/a				
25	University and program name:	n/a				

*Note: This program is not offered as an E&G program. It is offered as a cost recovery program through continuing education. Current enrollment is 38.

**Note: This is a new track created within Industrial Engineering (IE). Existing E&G funded IE tracks will remain available to Florida residents at \$288/SCH.

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University: University of Central Florida

Proposed Market Tuition Program: Executive Master of Science in Health Services Administration

Date	
University Board of Trustees approval date:	September 24, 2015
Proposed Implementation Date (month/year):	August 2015
Graduate online or Graduate Continuing Ed. Course:	Graduate online
CIP Code:	51.0701
Description of the Program and the Market Tuition Rate Process	
<p><i>Description of the Program</i></p> <p>The master of science degree in executive health services administration (executive HSA) program is a 24-month cohort program that is offered completely online to health care professionals. The online delivery format offers flexibility and convenience to working professionals. This program is designed for self-motivated, experienced health services professionals with a minimum of three years of relevant professional experience, including managers, mid-career professionals, and clinicians. The program emphasizes innovation and entrepreneurship in the health care industry and will equip students with knowledge that can aid in lateral and upward movement in their career within the health care industry.</p> <p>The growth of the health care industry is not slowing down and with the passing of the Affordable Care Act in 2010 and the impending retirement of the baby boomer generation, the demand for administrative professionals in the health care industry will only become stronger. According to the Bureau of Labor Statistics, the job outlook for medical and health service managers “is expected to grow 23 percent from 2012 to 2022, much faster than the average for all occupations (Department of Labor Statistics, 2014).”</p> <p><i>What is the market tuition rate to be charged for each of the next three years?</i></p> <p>The market tuition rate includes all associated student fees, marketing, faculty development, and instructional costs.</p> <p>Class beginning 2015: \$36,653 Class beginning 2016: \$36,653 Class beginning 2017: \$36,653</p> <p><i>Explain the process used to determine market tuition.</i></p> <p>The executive HSA degree program is currently a cost recovery program. The current tuition rate is \$833.02 per credit hour. The market rate tuition should remain the same as the program conducted a market-rate analysis and determined that the current cost per credit hour falls down the middle of other peer institutions. The cost per credit hour at \$833.02 is also sufficient in meeting the operational costs of running the executive HSA degree program.</p>	

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The market rate tuition for the executive HSA degree program was determined using a systematic evaluation of 10 peer institutions of UCF. We evaluated similar institutions based on the type (public or private), length of program, total credit hours, and costs. The average total cost of these 10 programs is \$46,825. The program's biggest competitor, Florida International University, is an 18-month program and costs \$52,000 for in-state students and \$54,000 for out-of-state students. The executive HSA degree program is much less costly. Additionally, the healthcare MBA at FIU is a Saturday-only program, with supplemental virtual learning. There is a new program offered by Rollins College that will start in Fall 2015 with a lower overall cost, but it is not online, it requires participation on the weekends, and it currently has only two full-time faculty members. The executive HSA degree program has alleviated the need for on-campus meetings through the use of virtual learning. From the evaluation of peer institutions, the market rate will remain the same for the next three years. The total tuition charged for similar programs ranges from \$23,520 to \$85,000. The current tuition of the UCF executive HSA degree program falls within the middle of other peer institutions. The market rate tuition for this degree program will be re-evaluated based on future market trends if necessary.

What is the current tuition rate?

\$36,653 (Fall 2015)

Provide tuition rates from at least five other institutions (public)

University of North Carolina - Chapel Hill: \$64,199 out-of-state (\$1,337 per credit hour) and \$26,928 in-state (\$561 per credit hour); 48 total credit hours

University of Minnesota: \$57,000 (\$1,357 per credit hour); 42 total credit hours

Florida International University: \$54,000 for out-of-state and \$52,000 for in-state (\$1,238 per credit hour); 42 total credit hours

University of Colorado Denver: \$51,000

University of Alabama Birmingham: \$49,000

University of Central Florida Executive HSA degree program: \$36,653

University of Washington – Seattle: \$29,640 (\$780 per credit hour); 38 total credit hours

University of Missouri-Columbia: \$29,400 (\$780 per credit hour); 38 total credit hours

Western Kentucky University: \$23,520 (\$560 per credit hour); 42 total credit hours

Describe any similar programs offered by another state university system institution:

Florida International University offers the only other master's executive HSA program in the state university system. Their program is a MBA in healthcare management and is a Saturday-only program supplemented with virtual learning. The program is geared towards the working professional with at least four years of relevant experience. It is an 18-month, 42 credit hours program that costs \$52,000 for in-state students and \$54,000 for out-of-state students.

The executive HSA program at UCF is completely online and focuses on developing and advancing the knowledge of our students in the areas of innovation and entrepreneurship of health care. Whereas, the FIU program is an MBA with a healthcare management track, the executive HSA degree program is

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solely a health care administration program in which the entire curriculum centers on health care. Furthermore, the executive has degree program is in the process of seeking accreditation with the Commission on the Accreditation of Healthcare Management Education (CAHME).

Mission Alignment

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

The mission statement for UCF is as follows: The University of Central Florida is a public multi-campus, metropolitan research university that stands for opportunity. The university anchors the Central Florida city-state in meeting its economic, cultural, intellectual, environmental, and societal needs by providing high-quality, broad-based education and experienced-based learning; pioneering scholarship and impactful research; enriched student development and leadership growth; and highly relevant continuing education and public service initiatives that address pressing local, state, national, and international issues in support of the global community.

The executive HSA degree program supports the mission of the university because it provides high-quality, broad-based education in one of the fastest growing interdisciplinary fields while embracing leadership development and growth. The students in the program are required to develop research projects and address the community healthcare and social development needs. Additionally, the program prepares students to work on the managerial and clinical safety and quality issues within the health care industry, which has been identified as a fast growing sector in our local, national, and global communities. In addition, the program aligns with the goals of the Florida Board of Governors in the following ways:

There are four goals adopted by the Board of Governors and they include:

Goal 1: Access to and production of degrees: The executive HSA degree program is a young program and it graduated its first cohort of 11 students in Summer 2013. There was an 80 percent increase in enrollment for the second cohort of students admitted into the program. The online degree program offers convenience to working professionals, as well as the ability to recruit students from around the nation.

Goal 2: Meeting statewide professional and workforce needs: The executive HSA degree program has not been identified as a state critical workforce need. However, the health care industry is expected to grow quickly which will create a need for individuals with a HSA background and expertise.

Goal 3: Building world-class academic programs and research capacity: The executive HSA degree program is housed in the College of Health and Public Affairs, within the Health Management and Informatics Department. The curriculum of the executive HSA degree program aligns closely with the traditional HSA degree program, which is accredited by CAHME. Moreover, *U.S. News and World Report* ranked the traditional HSA degree program 46th out of 100 for top graduate programs nationwide. The executive HSA degree program is currently seeking accreditation.

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Goal 4: Meeting community needs and fulfilling unique institutional responsibilities: With the aging of the baby boomer population and the passing of the Affordable Care Act, there will be a need to increase the health care workforce administratively and clinically to support the growing health care needs of the population. The executive HSA degree program will help meet these needs by offering a program that adequately prepares individuals to work in the health care industry to meet the growing demand of health care services.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The executive HSA degree program will not increase the state's fiscal liabilities or obligations. Any unforeseen costs will be the responsibility of the College of Health and Public Affairs.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

No restrictions, limitations, or conditions are anticipated beyond those already stipulated by the Florida Board of Governors policy on market tuition.

Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

Success of market tuition for the executive HSA degree program will be measured using several metrics collected over a three-year review period including

- number of students enrolled
- compliance with CAHME standards for accreditation
- program revenues relative to program costs
- student satisfaction with the program
- employer satisfaction with the program
- number of degrees conferred

Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

The executive HSA degree program is planned one year in advance. Within that time frame, the program director for the executive HSA degree program works with the chair of the Department of Health Management and Informatics to ensure sufficient staffing for all programs. Faculty members selected for teaching in these programs, do so on an in-load basis and adjunct faculty members are utilized as well. When the Department of Health Management and Informatics conducts their human resource planning, teaching needs in the executive HSA degree program are an important consideration.

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Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

The executive HSA degree program will economically impact the university and the students in two ways:

- 1) The revenue generated from the program can be used to support the program and the Department of Health Management and Informatics. Moreover, the revenue allocated to the department will allow the department to invest in faculty development, instructional support, and equipment necessary for student learning and research and teaching.
- 2) Students graduating from the executive HSA program will be equipped to be leaders in the health care industry which will benefit the community. Moreover, obtaining an executive HSA degree will allow students to grow professionally and to move vertically in their career ladder.

Anticipated gross revenue:

Cohort 1: \$36,652 x 12 students = \$439,834

Cohort 2: \$36,652 x 19 students = \$696,388

How revenues will be spent:

The revenue generated from this program will be used to support all costs of delivering the program, including but not limited to instructional costs, program administration, student support services, career services, marketing and recruitment efforts, and classroom, facility, and technology upgrades necessary for student learning. It will also be used to support professional development for faculty and staff, and to support strategic college and university academic initiatives.

Will private vendors be used?

Several private vendors will continue to be used including textbook publishers and wholesalers, food caterers, various media outlets for promotion, software vendors, and outside speakers.

What budget entity will be used for the proposed program?

Continuing Education and the College of Health and Public Affairs budget offices will administer the budget and the executive HSA degree program will have a designated auxiliary account.

Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

Supplemental form is attached. No additional degrees will be produced by going to market tuition.

The executive HAS degree program is a program targeted at working professionals in the health care industry. Thus, all of our students are working professionals. However, the program is proud of the great relationships we have with our alumni and they have stated that they have received a promotion

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as a result of pursuing the executive HSA degree. Additionally, in the last graduating cohort, 66 percent of the graduates that responded to the exit survey stated that they received a promotion as a result of earning the executive HSA degree.

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University: University of Central Florida

Proposed Market Tuition Program: Industrial Engineering M.S.-Healthcare Systems Engineering Track

Date	
University Board of Trustees approval date:	September 24, 2015
Proposed Implementation Date (month/year):	Fall 2016
Graduate online or Graduate Continuing Ed. Course:	Graduate online
CIP Code:	14.3501
Description of the Program and the Market Tuition Rate Process	
<p>This program will be based on the existing M.S. degree in Industrial Engineering program that is currently offered on campus. This industrial engineering M.S.-healthcare systems engineering track (IEMS-healthcare systems engineering track) will require completion of 30 credit hours of required courses (4) and prescribed elective courses (6), with all content delivered fully online.</p> <p>The market tuition was determined as follows:</p> <ul style="list-style-type: none"> • market studies by Apollidon, Inc. and EAB (Education Advisory Board) • comparison of four direct competitors' tuition costs, as well as their curricula and online availability • discussions with our industrial partners to understand the market need <p>The IEMS-healthcare systems engineering track has been approved at all levels at UCF, including the UCF Boards of Trustees.</p>	
Mission Alignment	
<p>Currently there is a widespread need among working healthcare systems professionals to acquire knowledge about methods for system redesign. There is no competing, fully-online program with a focus on systems engineering that can meet the nationwide demand from a broad range of place-bound healthcare professionals. A market-based program will provide the necessary resources for a higher level of program support. The IEMS-healthcare systems engineering track will require additional specialized instructors and support personnel. Moreover, course development will need to be continuous due to constant and fast-changing technology in the healthcare systems field. Healthcare companies have a need for their employees to be taught the latest technology, innovative processes, and system designs to increase efficiency, reduce error, and improve access and overall quality of care. Market rate tuition will provide support for attending seminars, conferences, and continuing education programs for the professional development that faculty members will require to attain the knowledge-base necessary to sustain the program. The higher level of funding provided by a market rate program will also provide the resources to recruit exceptional students and increase enrollment in the program. Under an online format, there need be no distinction between a student near UCF and one located hundreds of miles away or more, so a single rate is appropriate. Industrial and systems engineering tailored to the healthcare industry is focused on the application of its engineering-based tools to integrate resources, refine operations, and aid clinical decisions with the goal of making healthcare</p>	

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systems and processes consistent, high- quality, and cost-effective over the entire course of patient care. The ultimate goal is to engineer solutions to improve healthcare delivery processes and operations. These goals are consistent with UCF’s mission to meet societal needs through high-quality education that addresses pressing national challenges, and with the university’s strategic plan. Furthermore, this new track directly supports the Florida Board of Governors performance metric for 2014-2015 (#8) to provide graduate degrees in areas of strategic emphasis, including the number of graduate degrees offered in STEM fields. The program also supports the Florida Board of Governors 2012-2025 Strategic Plan in that it will prepare and mobilize key human resources to address vital opportunities and challenges in Florida and across the U.S. to deliver much needed high-quality healthcare systems and operations at a reasonable cost. The results will lead to important advances in health, welfare, and the economy for citizens in Florida and beyond.

The program will also contribute to the Florida Board of Governors’ goals for increased collaboration and external support, as well as increased community and business engagement through the involvement of the national businesses that support their employees’ enrollment in this track and the interaction between UCF faculty members and new industrial partners. As an online program, the IEMS-healthcare systems engineering track directly supports the Florida Board of Governors’ goals to increase the ratio of course sections offered via distance learning.

The IEMS-healthcare systems engineering track is also consistent with the UCF mission: The University of Central Florida is a public multi-campus, metropolitan research university that stands for opportunity. The university anchors the Central Florida city-state in meeting its economic, cultural, intellectual, environmental, and societal needs by providing high-quality, broad-based education and experience-based learning; pioneering scholarship and impactful research; enriched student development and leadership growth; and highly relevant continuing education and public service initiatives that address pressing local, state, national, and international issues in support of the global community.

In the Report To The President: Better Health Care And Lower Costs: Accelerating Improvement Through Systems Engineering, May 2014, the President’s Council of Advisors on Science and Technology (PCAST) identified systems engineering as a method that “... has often produced dramatically positive results in the small number of health-care organizations that have incorporated it into their processes” “... systems-engineering knowhow must be propagated at all levels; PCAST recommends that the United States build a health-care workforce that is equipped with essential-systems engineering competencies that will enable system redesign.”

The program is consistent with UCF’s Goals:

Goal 2: Achieve international prominence in key programs of graduate study and research. In their market study, Apollidon, Inc. identified a strong interest for engineering programs from international students. Healthcare systems engineering embodies a global research agenda involving public and private institutions across the globe that publish results in numerous peer-reviewed journals and at multiple professional conferences across Asia, North America, and Europe.

Goal 4: Become more inclusive and diverse. The program will target a diverse population of working professionals from administrative, technical, clinical, and research communities.

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Goal 5: Be America’s leading partnership university. Healthcare systems engineering is an applied discipline, necessitating work being done in institutions, locations, and facilities that provide products and services to the bioscience and healthcare communities across the economy. Students in this program will need to engage and work in these areas, extending the reach of UCF as a global partner. The program offers potential differentiators that include partnerships and endorsements such as the following:

- partnerships are possible with corporations including Florida Hospital and VA Orlando Clinic, other VA hospitals, and other Florida-based healthcare providers
- partnerships with and endorsements from associations promoting education in the field including Health Systems Engineering Alliance, Society for Health Systems, Health Information & Management Systems Society, and other industrial engineering associations
- endorsements from international universities to accelerate international name recognition with students outside of the U.S.

Most of the candidate students who are likely to enroll in this program are expected to be working professionals already active in healthcare or related fields. The organizations in which they work will exhibit a regional presence well beyond Central Florida, or even Florida. Large concentrations of prospective students will come from major Central Florida employers including Florida Hospital, Veterans Affairs, and Siemens Healthcare that actually represent southeast regional, national, and international markets, respectively, and that extend beyond the traditional UCF student markets.

Declaratory Statement

The IEMS-healthcare systems engineering track will not increase the state’s fiscal liabilities or obligations. Any unforeseen costs will be the responsibility of the College of Engineering and Computer Science using non-E&G funds. Further, the program will not displace any existing E&G funded degree program in industrial engineering.

Restrictions / Limitations

No restrictions, limitations, or conditions are anticipated beyond those already stipulated by the Florida Board of Governors’ policy on market tuition.

Accountability Measures

Success of market tuition for the IEMS-healthcare systems engineering track will be measured using several metrics collected over a three-year review period, including

- number of Florida residents enrolled
- number of non-Florida residents enrolled
- program revenues relative to program costs
- student satisfaction with the program
- employer satisfaction with the program
- number of degrees conferred.

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Course Availability

The IEMS-healthcare systems engineering track is an online program. All courses in this lockstep program will be offered in an appropriate cyclical manner. The graduate program director and department chair work closely to ensure sufficient staffing for all programs within the department.

No similar E&G coursework will be eliminated or scaled back. The core M.S. coursework is currently online and adding a track in healthcare systems engineering will enhance overall graduate enrollment with new students who would not otherwise have enrolled at UCF.

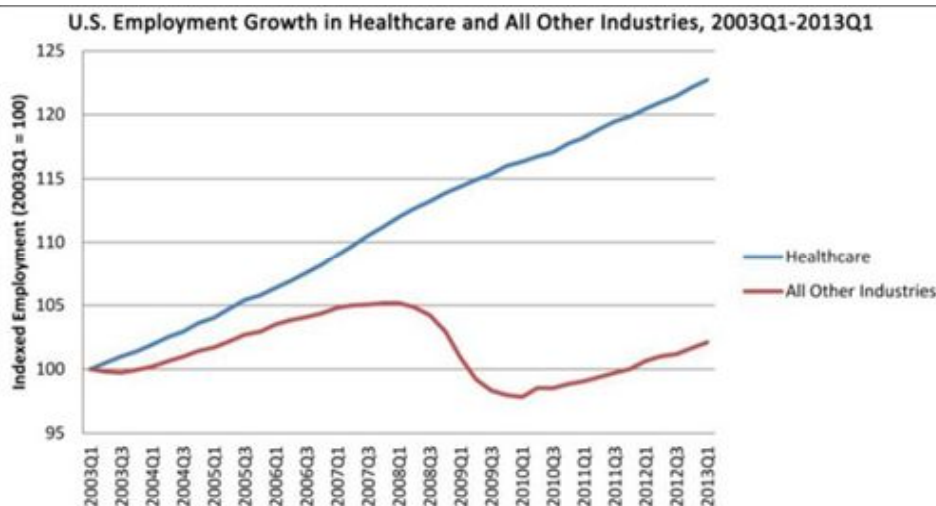
The courses in the IEMS-healthcare systems engineering track will be taught either by regular faculty members as part of their in-load teaching assignments or by adjunct faculty with especially strong qualifications to teach in this track. The revenue from students enrolled in the track will provide the funding for adjuncts teaching courses in the track and for reimbursing IEMS or the College of Health and Public Affairs for the time regular faculty members are devoted to the track.

Economic Impact

Tuition revenue from new enrollment will benefit the track by supporting high-quality instruction by exceptionally qualified faculty members and adjuncts, and IEMS by funding additional faculty positions, continuing professional development for faculty members teaching courses in the track, and graduate teaching assistantships that will be increasingly critical as the track grows. In addition, there is high-potential for developing a strong research and education partnership with the healthcare industry in Florida and elsewhere due to productive interactions between UCF faculty members and new industrial partners that address key issues facing the healthcare systems in the U.S.

The general growth in employment in the healthcare sector has been astonishing since 2003, as demonstrated in the following chart. This includes growth in all categories of employees from administrative to clinical.

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The continuing structural changes in the industry, such as implementation of the Affordable Care Act are also projected to add to employment in the healthcare sector. Educated industrial engineering professionals will continue to be valued in an industry that is experiencing this amount of growth and change, and where positive outcomes are so critical.

Salary Impact on Graduates

Salary data for process and quality careers is surveyed and published annually by the American Society for Quality. Their 2014 survey data includes salary data by job position that is specific to the healthcare sector. Positions that require an undergraduate degree or early career status (i.e., analyst, associate, or technician) currently pay median salaries of \$65,000, \$52,500, and \$66,000, respectively. Positions that require advanced degrees or extended tenure (i.e., process engineer, manager, supervisor, or quality engineer) are associated with notably higher median salaries of \$93,500, \$80,000, \$71,250, and \$76,470, respectively. For example, within organizations that include Six Sigma programs, Black Belts receive a median income of \$98,000, and Master Black Belts receive a median income of \$103,251. Although regional differences will drive variation in these numbers, it seems reasonable to estimate that students coming through this program will achieve salary benefits for themselves that could shift them from a base of \$50,000-\$75,000 up to \$70,000-\$95,000. This could provide program graduates an annual \$20,000 increase in income as much as ten years earlier than they might expect to achieve such income through career growth without earning the master's degree.

Need for the IEMS-Healthcare Systems Engineering Track

Healthcare systems consist of people, organizations, clinical systems, information technology systems, and materials whose combined action promote and restore the patient's health. The current healthcare systems are very complex; continually evolving and often fragmented. As discussed in the Report on *Building a Better Delivery System: A New Engineering/Health Care Partnership* by the National Academy of Engineering and Institute of Medicine (2005), applying systems engineering tools and methodologies is very much needed to improve efficiency, effectiveness, and equitable access to healthcare services in the United States.

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Systems engineering can have a positive impact on mitigating the rising cost of healthcare, and the growing recognition of this fact will continue to create demand for qualified employees. Total U.S. health care expenditures were estimated to be \$2.9 trillion in 2013, and are projected to soar to \$3.4 trillion in 2016.

Anticipated revenue collection.

Based on the potential enrollment model below with each student enrolled for 30 credit hours over two years, and an estimated market rate tuition of \$1,200 per credit hour, the program's anticipated revenue is shown in a table below.

How the revenue will be spent:

The revenue generated from this program will be used to support all costs of delivering the program, including but not limited to instructional costs, program administration, student support services, career services, marketing and recruitment efforts, and classroom, facility, and technology upgrades necessary for student learning. It will also be used to support professional development for faculty and staff, and to support strategic college and university academic initiatives.

Will private vendors be used?

No private vendors will be used for this program. The department and college will collaborate with UCF's Division of Continuing Education to provide marketing and recruitment services for the new online IEMS-healthcare systems engineering track.

What budget entity will be used for the proposed program?

The IEMS-healthcare systems engineering track's budget will be administered by the Department of Industrial Engineering and Management Systems.

Other Information

The growing national and worldwide interest in healthcare systems engineering is being driven by the economics of cost and benefit in this significant portion of every national economy, and by the science prospects for personalized medicine through translational bench-to-bedside research. The need to reengineer, even reinvent, the healthcare sector to control cost and provide equitable access requires systems thinking and design at a level not historically evident in healthcare. The direct translation of genomic and proteomic analysis into the continuum of care has profound implications for population health and disease management in our society. Our future graduates can play a significant early role in these transitions.

Career Services and IEMS will maintain information about appropriate positions for students in this program and communicate that information to students in the program. This and other interactions with industry will continually inform the program of its relevance and centrality to the evolving healthcare field in Florida and the U.S. The program will adjust and strengthen in the future to ensure its sustained role in educating leaders and innovators in healthcare. The IEMS-healthcare systems engineering track will be up-to-date, responsive to developments in healthcare, and unique when compared to other degree options for healthcare professionals with strong technical and quantitative skills. Interest in the program will not be limited to Florida and will include place-bound working professionals who need

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the flexibility of a fully online program to make an immediate difference in their workplaces and to develop themselves professionally so they can achieve their full potential. Given the unique program development, implementation and delivery, long-term sustainment, and continuous quality improvement requirements, and given a large, diverse, and widely scattered audience of healthcare professionals across the United States who will benefit from this program, as well as significant potential for international market outreach, offering such a critical program can be best accomplished under market rate tuition. Currently, there is no dedicated, fully online program with a focus on a systems engineering approach to healthcare delivery in Florida, and there are very few programs that can meet the nationwide demand from a broad range of place-bound healthcare professionals. This new program will also present many extensive opportunities for continuing future expansion of studies at the masters, doctoral, and post-doctoral levels in related disciplines.

Market rate tuition provides the financial resources necessary to offer a program large enough, and in a timely manner, to meet the anticipated market demand for this particular degree, including the resources necessary to develop and convert course materials, manage student recruitment, ensure continuing professional development of faculty members, and assure effective program delivery. The traditional mode of program delivery would not be sufficient to meet the anticipated program demand. Meeting this demand within our existing course framework could double or triple our enrollment loads. Therefore, the market rate option is the most appropriate pathway that is likely to result in a successful program launch in the next year. Constituents among the companies and individuals in our market space have become familiar with such market rate programs with many other academic institutions doing the same with great success.

State University System Market Tuition Proposals

University:	University of	Proposal 1	Proposal 2	Proposal 3	Proposal 4
1	Degree Program	Master of Science in Family, Youth and Community Sciences	Master of Science Forest Resources and Conservation Concentration Natural Resource Policy and Administration	MAMC Public Relations and Communication Management	Master of Science in Sport Management
2	CIP Code	19.0707	3.0501	9.0102	31.0504
3	Has the program been approved pursuant to Regulation 8.011?	Yes	Yes	Yes	Yes
4	Does the program lead to initial licensing or certification?	No	No	No	No
5	Is the program identified as a state critical workforce need?	No	No	No	No
6	Are the program's admission & graduation requirements the same as	Yes	Yes	Yes	Yes
7	Current Tuition Rate (enter the per credit hour rate)	\$525	\$565	\$550	\$550
8	Proposed Market Tuition Rate (enter the per credit hour rate)	\$550	\$622	\$550	\$550
9	Different Market Tuition Rate for Resident vs. Non-Resident Student?	No	No	No	No
10	5 Other Public/Private Rates for Similar Program (per credit hour):				
11	University name and rate:	North Carolina State University - \$870	Virginia Tech - \$1,452	Kent State Univ - \$627	Drexel Univ - \$868
12	University name and rate:	Penn State University - \$784	University of Idaho - \$1,235	New York Univ - \$1700	Texas A&M - \$377 in state \$774 out of state
13	University name and rate:	University of Nebraska - \$515	Oregon State Univ- \$521	Univ of Missouri - \$347	Univ of Illinois - \$622 (in state and out of state)
14	University name and rate:	University of Missouri - \$500	Utah State University - \$2,071	Southern New Hampshire University - \$627	Univ of South FL - \$431 (in state) \$877 (out of state)
15	University name and rate:	Arizona State University - \$500	University of Denver - \$685	University of Denver - \$571	Univ of Miami - \$1850
16	Length of Program (Student Credit Hours)	30	30	33	36
17	Current E&G Student Enrollment (Headcount):				
18	Resident	21	4	Yet to launch	37
19	Non-Resident	7	4	Yet to launch	22
20	Total	28	8	Yet to launch	59
21	Similar Program at other SUS	Yes	No	Yes	Yes
22	University and program name:	FSU- Family & Child Sciences		UWF- MA Communication Arts	USF- MBA Sport and Entertainment
23	University and program name:	UCF- Master of Social Work		FIU- MS Mass Communication Global Strategic Communications	UCF - MS Sport Business Management
24	University and program name:	USF- Master of Social Work		FAU- MA Communications	FAU - MBA Sport Management
25	University and program name:	FAMU- Master of Social Work		USF- MA Mass Communications	FSU - MS Sport Management

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University: University of Florida

Proposed Market Tuition Program: Master of Science in Family, Youth and Community Sciences (FYCS)

Date	
University Board of Trustees approval date:	TBD
Proposed Implementation Date (month/year):	8/2016
Graduate online or Graduate Continuing Ed. Course:	Graduate online
CIP Code:	19.0707
Description of the Program and the Market Tuition Rate Process	
<p>Describe the program and explain the process used to determine market tuition.</p> <p>According to the Bureau of Labor Statistics, employment in community and social science occupations is expected to grow by 17.2% in the next decade. The online Master of Science in Family, Youth and Community Sciences is designed to address this need by offering an interdisciplinary applied social science degree that prepares students for careers in such areas as family and youth services, extension and community-based education, and community development and nonprofit leadership. A number of similar degrees are offered online across the U.S., and to be competitive, we request market tuition rates for the program.</p> <p>Our on-campus M.S. in FYCS began in 2001, with the addition of the online program in 2012. Both on-campus and online courses are taught by faculty within the department and admission requirements are the same. Our online program has grown 89% over the last two years, and we anticipate a sustained rate of growth in the future as well, due to marketplace needs, demographic trends and increased local and national visibility of our academic program, including the anticipated implementation of a new Ph.D. degree program. In comparison to other land-grant institutions across the U.S., our existing tuition rates are about average, but do not generate the revenue to grow and expand the program to meet the rising occupational demand. The market tuition rate will be determined by programmatic needs and market forces and may result in increases in tuition, but consistent with BOG expectations, the increases will not be more than 15% per year.</p>	
Mission Alignment	
<p>Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:</p> <p>Offering the M.S. in FYCS at market tuition aligns with the university's mission to enable students to be leaders in the community, promoting the health and well-being of individuals,</p>	

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families, and communities. It also aligns with the Board’s strategic goals to provide high quality academic programs in high demand disciplines. As noted, demand for community and social science occupations will grow significantly over the next decade and market tuition rates will allow the M.S. FYCS to achieve a standard of excellence that will make it one of the top online programs in the country.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state’s fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The Master of Science in Family, Youth and Community Sciences market-rate policy will not result in an increase in the state’s fiscal liability or obligation. The program will not supplant an existing E& G funded degree program because most students are primarily out-of-state or international.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

Market tuition rate will be determined by market forces that may result in increases in tuition rate but, pursuant to BOG requirement, will not be increased by more than 15% per year.

Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

The success of the market rate policy will be evaluated using the following metrics:

Application rates: The number of applicants to the program both Fall and Spring semester will be tracked from before to after policy implementation. It is anticipated that market rate will not affect applications and that the number of applicants will either remain stable or increase.

Student evaluations: Student evaluations will track students’ perceptions of satisfaction and return on investment. Students will be surveyed annually and asked to respond to questions about their level of satisfaction with the program and courses offered, as well as the quality of instruction and advising. Students will also be asked if they believe they are receiving a quality education for the price (ROI). Placement rates will be tracked via a follow up survey of program alumni on an annual basis. Results will be examined yearly by the FYCS Graduate Program Committee who will determine if there are needed changes to the policy.

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Instructional excellence: The policy will enable the FYCS program to invest in highly qualified faculty, staff, and graduate assistants who will work together to ensure that the online education meets the University's standards of excellence in teaching and learning. For example, faculty, staff and graduate assistants may work with the University's Center for Instructional Technology and Training to ensure that existing courses remain up-to-date and that new courses are created using best practices in online education.

Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

The online M.S. in FYCS was implemented in 2012 and is fully functioning, offering all required and elective courses needed for completion of the degree. Currently, faculty who teach the course on-campus also teach the course online, and in most cases, in the same semester. This ensures that both our on-campus and online students a) can take the needed courses in a timely manner; and b) will be held to equivalent course standards. No E&G courses were or will be eliminated or scaled back as a result of the program.

Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

The proposed increase in tuition that is accompanying this request (approximately 5%) will have little financial impact on students on a semester basis. Most of the online students are professionals and take no more than 6 credits per semester. The increase would amount to an additional \$150 per semester.

The 5% increase in additional revenue will be shared with a private higher education enrollment and marketing firm that is used to promote the program nationally through web and social media, at a 64%/36% revenue share. The program will operate through Distance and Continuing Education per BOG Rule 8.002. Any additional revenue generated will be used to support instruction, program staff, and teaching assistance.

Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

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Prior to transitioning to Market Rate, a thorough research analysis is conducted to ensure favorable job prospects and promotions in the field. The Market Rate tuition ensures students are paying a competitive tuition with an expected ROI in the career marketplace.

Assistance with career development is accomplished by providing references for students; facilitate networking with potential employers through social media, and posting selected job opportunities to the program's website. When contacted by employers with specific personnel needs, the program serves as a liaison between the employer and an alum/student to meet mutual needs. In addition to the support provided directly by the program in making employment connections and supporting career advancement, students enrolled in this program will also have full access to the services of the UF's Career Resource Center.

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University: University of Florida

Proposed Market Tuition Program: Master of Science in Forest Resources and Conservation with Concentration in Natural Resource Policy and Administration

Date	
University Board of Trustees approval date:	TBD
Proposed Implementation Date (month/year):	8/2016
Graduate online or Graduate Continuing Ed. Course:	Graduate Online
CIP Code:	03.0501
Description of the Program and the Market Tuition Rate Process	
<p>Describe the program and explain the process used to determine market tuition.</p> <p>The online Master of Science in Natural Resource Policy and Administration is offered by the College of Agriculture and Life Sciences (CALS) in the School of Forest Resources and Conservation (SFRC). Graduates of natural resource degree programs are well-equipped for careers focused in biology, statistics, ecology, geology, and other sciences,</p> <p>Pricing will be determined by market forces that may result in increases or decreases in price, but pursuant to BOG requirement, will not be increased by more than 15% per year. Prices will be based on competition, reputation, brand identity and delivery format.</p>	
Mission Alignment	
<p>Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:</p> <p>The CALS mission is to provide “lifelong learning in the areas of food, agriculture, natural resources and life sciences as they relate to human resources, the environment, individual communities and a global society.” This program supports the SFRC mission to deliver integrated graduate programs with an aim at achieving social, economic and environmental sustainability by educating professionals, scientists, leaders, and citizens. Given that our two other concentrations within the MS FRC have been granted market rate status, we would like to consolidate the tuition rates and revenue collection by unifying the fiscal structure with market rate for the remaining concentration. This will help to expand the number of students educated by the SFRC, broaden the diversity of students served, generate income to support development and teaching of online and E&G courses, and respond to needs expressed by working professionals nationally and in Florida.</p>	

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Declaratory Statement

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The Master of Science in Forest Resources and Conservation Market Rate policy will not result in an increase in the state's fiscal liability or obligation. The program will not supplant an existing E& G funded degree program because most students are primarily out-of-state or international.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

Pricing will be determined by market forces that may result in increases or decreases in price but, pursuant to BOG requirement, will not be increased by more than 15% per year.

Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

The School of Forest Resources and Conservation will use a number of different measures to ensure program quality and accountability for our students and the University. These measures will provide feedback regarding the appropriateness of the proposed tuition rates for each program. Individual program accountability will be measured in the following ways:

- Admissions criteria: Applicants to the online MS in FRC with Natural Resource Policy and Administration are held to the same standards as other graduate students in the SFRC, including acceptable GRE scores, minimum GPA requirements, letters of reference, and a vouching faculty member to serve as major advisor for each student.
- Enrollment numbers: Program growth is a metric that will be used to determine the success of our tuition rate. The number of professionals in the fields of restoration and surveying and mapping is increasing, and market research has suggested that enrollment in these nearly-unique programs will rise for the foreseeable future.
- Student evaluations of programs and instructors: Students will be polled and surveyed at regular intervals during the course of their studies in each program, as well as after completion, to ensure that they are satisfied with their experiences within the program.

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- Student Learning Outcomes assessments: Program quality will be closely monitored via SLO assessments conducted at regular intervals. Data will be used to make modifications to program administration or courses as needed.

Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

Courses for the Natural Resource Policy and Administration concentration are established offerings taught primarily by full-time faculty in the School of Forest Resources and Conservation. We have courses taught by prominent professionals, as well, who are able to provide unique perspectives to students seeking real-world knowledge, and these individuals are paid by the revenues generated in the programs. As enrollment grows, we will continue to utilize professionals and adjuncts as needed for our offerings, funding their efforts through program revenues and without incurring resource costs to the University.

Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

While a rebound in the state and national economy is evident, it becomes more and more important for the university to find alternative sources of funding. The ability to charge market rate allows the university to be competitive in the market place and generate much needed additional revenue. It is anticipated that the impact to the student will be neutral as the tuition will be based on marketplace comparisons. The minimum projected revenue for the first year of this program at market rate is \$39,750. The revenue will be utilized to support the program and any residual revenue will be utilized to support departmental teaching activities (such as faculty, staff, technology upgrades, and other indirect costs). The program will operate under the auxiliary budget entity through Distance and Continuing Education per BOG Rule 8.002. Existing flex code (143 account) for self-funded program: 52POLICY

Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

Our master's level graduate students in the MS Forest Resources & Conservation are almost exclusively employed in their fields of study prior to admission. Thus, we do not currently

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provide dedicated career placement support at the departmental level, though the connections between our faculty, agency stakeholders, and industry facilitate job placement and advancement. The development of this program in particular was begun as a response to recommendations of the SFRC Advisory Board, which consists of state leaders in natural resources industry and agencies. The Advisory Board felt strongly that education for mid-level managers in natural resources is both necessary and lacking.

Connections made between professional instructors/adjuncts, guest lecturers, and networking between students has anecdotally proved beneficial to our students. We are actively pursuing alumni information relative to changes in job status, salary, or other career effects subsequent to the completion of this program and will continue to do so in order to identify career-related outcomes of the program.

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University: University of Florida

Proposed Market Tuition Program: Master of Arts in Mass Communication (MAMC) with a specialization in Public Relations Communication Management

Date	
University Board of Trustees approval date:	TBD
Proposed Implementation Date (month/year):	8/2016
Graduate online or Graduate Continuing Ed. Course:	Graduate Online
CIP Code:	09.0102
Description of the Program and the Market Tuition Rate Process	
<p>Describe the program and explain the process used to determine market tuition.</p> <p>The program offers advanced education in public relations communications management. It is the first program approved by the Graduate Council to be offered in both English and Spanish. The Spanish-language version will establish a leading role for the university in professionalizing public relations practice in Latin and South America. The program will have a parallel set of courses, same content, but different sections. Teachers may be bilingual. The Spanish-language program will presume some English proficiency for course materials.</p> <p>Market rate tuition is proposed at \$550 per credit hour, exclusive of any fees required by the university. The tuition will permit quality classes, provide for a marketing budget, and enable partnerships with leading public relations firms. This tuition is considerably lower than the leading peer competitor, Syracuse University. The online Syracuse equivalent charges a tuition of \$1,818 per credit (see http://communications.syr.edu/admissions/tuition-financial-aid/)</p>	
Mission Alignment	
<p>Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:</p> <p>The University of Florida is a public, land-grant, sea-grant and space-grant research university, one of the most comprehensive in the United States, encompassing virtually all academic and professional disciplines. The university's mission emphasizes its "commitment to serve the citizens of Florida and educate students so they are prepared to make significant contributions within an increasingly global community." The current program has a special emphasis on serving the global community by offering identical content in both Spanish and English. This unique combination furthers the university's role as a global leader with a</p>	

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special emphasis on Latin and South America.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The policy will not increase the state's fiscal liability or obligation and the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline. The program targets professionals unlikely to relocate to Gainesville, especially in markets in Latin and South America. Our current E&G programs do not have the professional focus of this degree. Rather they focus on traditional research and theoretical pedagogy.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

Pricing will be determined by market forces that may result in increases or decreases in price but, pursuant to BOG requirement, will not be increased by more than 15% per year.

Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

The success of the program will be monitored in several ways. First, we will track enrollment growth, especially in Latin America, South America, sections of the United States with large Spanish-language speaking populations, and Spain. Second, we will monitor the quality of our matriculating students and student outputs, including employment, job prestige, and starting salary. Third, we will monitor the leadership role the program assumes in higher education as the first-of-its-kind.

Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

No existing courses will be scaled back. All current faculty who teach in the new program will do so in an overload capacity. Adjunct faculty will come from professionals in the field of public relations from the U.S., Latin and South America, and Spain. During initial matriculations core and elective courses will be offered every other semester. With sufficient

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enrollments, courses will be offered summer, fall and spring.

Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

Once the program gains sufficient enrollments its impact on the university will be substantial. The University of Florida already has one of the world's most respected academic public relations programs. This new program will extend the influence of this program around the world. Market rate tuition will permit several desirable outcomes. First, it will allow us to partner with a global public relations firm in ensuring the quality of our offerings, the relevance of our learning outcomes, and a connection to prospective students. The college is currently exploring such a relationship with some of the world's most respected public relations agencies. Second, monies from the program will be used to support academic research in public relations, even for faculty who do not offer classes in the online degree program. Third, the program will add to a growing list of 21st century communication graduate specializations the college offers, which in combination, exceed offerings of any other institution of higher education. Finally, monies from the program will support graduate students, staff, and technology that is of vital importance to the operations of the college.

Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

Prior to transitioning to Market Rate, a thorough research analysis is conducted to ensure favorable job prospects and promotions in the field. The Market Rate tuition ensures students are paying a competitive tuition with an expected ROI in the career marketplace.

Assistance with career development is accomplished by providing references for students; facilitate networking with potential employers through social media, and posting selected job opportunities to the program's website. When contacted by employers with specific personnel needs, the program serves as a liaison between the employer and an alum/student to meet mutual needs. In addition to the support provided directly by the program in making employment connections and supporting career advancement, students enrolled in this program will also have full access to the services of the UF's Career Resource Center.

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University: University of Florida

Proposed Market Tuition Program: Master of Science in Sport Management

Date	
University Board of Trustees approval date:	TBD
Proposed Implementation Date (month/year):	08/2016
Graduate online or Graduate Continuing Ed. Course:	Graduate Online
CIP Code:	31.0504
Description of the Program and the Market Tuition Rate Process	
<p>Describe the program and explain the process used to determine market tuition.</p> <p>The program offers advanced education in sport management with a comprehensive curriculum applying business fundamentals to the field of sport, including management, marketing, finance and legal aspects. The required curriculum and elective course options are offered completely online. The program also provides students the option to earn credit for practical experience in the field by earning practicum and/or internship credit.</p> <p>Market rate tuition is proposed at \$550 per credit hour, exclusive of any fees required by the university. The tuition will permit quality classes, support recruitment and marketing efforts and enable research and community outreach efforts. The tuition is lower than many competitors with a similar program as provided in the Market Tuition Proposal Summary.</p>	
Mission Alignment	
<p>Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:</p> <p>The University of Florida is a comprehensive learning institution built on a land-grant foundation. A diverse community dedicated to excellence in teaching, research and scholarship and service with the mission to enable our students to lead and influence the next generation and beyond for economic, cultural and societal benefit. The College of Health and Human Performance (HHP) and the Department of Tourism, Recreation and Sport Management has a strong commitment to research and teaching. The research and teaching in HHP has an impact on almost every aspect of the human condition. The college supports three centers: the Center for Digital Health and Wellness, Center for Exercise Science, and the Eric Freidhiem Tourism Institute, as well as three departments: Applied Physiology and Kinesiology, Health Education and Behavior, and Tourism, Recreation and Sport Management.</p>	

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The objectives of the Sport Management program align directly with the mission for the university, the Board and our college by influencing and improving an array of societal problems and challenges. The department is committed to national and international excellence in the generation, dissemination, and communication of knowledge in tourism, recreation and sport management.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The policy will not increase the state's fiscal liability or obligation and the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline. The program targets professionals unlikely to relocate to Gainesville. They may be currently working for community, high school, collegiate, professional sports organizations, sport associations or with sport affiliated companies and seeking an opportunity to earn an advanced degree to further their knowledge and advance their career. This degree is offered online by a limited number of institutions across the country. UF has a distinct advantage as a nationally recognized brand in regards to sports management research and education, as well as excellence in athletics.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

Pricing will be determined by market forces that may result in increases or decreases in price but, pursuant to BOG requirement, will not be increased by more than 15% per year.

Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

The success of the program will be monitored in several ways. First, we will track enrollment growth. The program commenced in fall of 2014 with an enrollment of 5 students. Enrollment has grown by 900% for fall of 2015 with an enrollment of 50 students.

Second, the program actively monitors the semester retention rates of students. The retention rate over the first year of the program was 92.6%.

Third, the program will monitor the quality of matriculating students through student learning outcomes as well as additional outputs, including employment, job prestige, and starting salaries.

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Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

No existing courses will be scaled back. The faculty that teach in the program typically does so in an overload capacity, or are hired to teach and advise full-time for the program. Adjunct faculty are occasionally utilized and come from professionals in the field of sport management. During initial matriculations, core and elective courses will be offered every other semester. With sufficient enrollments, courses will be offered summer, fall and spring.

Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

With a growth rate of 900% the first year, the program anticipates a strong enrollment that will have a considerable economic impact on the university, college and department. Market rate tuition will permit several desirable outcomes. First, the tuition revenue is shared with a private higher education enrollment and marketing firm that is used to promote the program nationally through web and social media (at a 39% out of state/29% in-state revenue share). Second, revenue from the program will be used to support academic research in sport management and sport and athlete development. This research will be beneficial to the college, department, and programs that utilize this knowledge in their courses. Third, it will allow the department to form additional partnerships with external agencies and to expand its outreach efforts in communities in the state of Florida.

Gross revenue generated thus far from this program after four semesters:

Fall 2014: \$18,150
Spring 2015: \$56,100
Summer 2015: \$67,650
Fall 2015: \$189,750

The program will operate under the auxiliary budget entity through Distance and Continuing Education per BOG Rule 8.002.

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Other Information

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

Prior to transitioning to Market Rate, a thorough research analysis was conducted to ensure favorable job prospects and promotions in the field. The Market Rate tuition ensures students are paying a competitive tuition with an expected ROI in the career marketplace.

The transitioning to Market Rate will also allow the programs in the college and department to be extended and expanded. Concentrations for the current degree have been discussed with the UF College of Law (sport business law) and the Department of Applied Physiology and Kinesiology (athlete performance and development). A potential collaboration with the College of Journalism and Mass Communications will also be pursued, pending this transition, in the area of sport media and communications. Further programs in the College of Health and Human Performance will also be enabled to move forward for expansion in areas such as digital health and wellness as well as fitness and wellness management.

Assistance with career development is accomplished by providing references for students; facilitate networking with potential employers through social media, and sharing selected job opportunities with students via email, and the program's LinkedIn account (which all students are required to become a member of prior to graduation). All students in this program area required to complete a capstone project in their final semester prior to graduation. This assignment facilitates a career entry and transition plan, and equips graduates with a portfolio to use in their job search activities.

When contacted by employers with specific personnel needs, the program serves as a liaison between the employer and an alum/student to meet mutual needs. In addition to the support provided directly by the program in making employment connections and supporting career advancement, students enrolled in this program will also have full access to the services of the UF's Career Resource Center. Engaging with the Career Resource Center is a requirement of the capstone project referenced previously.

**State University System
Market Tuition Proposals**

University:		Proposal 1	Proposal 2	Proposal 3	Proposal 4	Proposal 5
1	Degree Program	Doctorate of Business Administration				
2	CIP Code	52.0201				
3	Has the program been approved pursuant to Regulation 8.011?	Yes				
4	Does the program lead to initial licensing or certification?	No				
5	Is the program identified as a state critical workforce need?	No				
6	Are the program's admission & graduation requirements the same as	Yes				
7	Current Tuition Rate (enter the per credit hour rate)	\$1,250.00				
8	Proposed Market Tuition Rate (enter the per credit hour rate)	\$1,250.00				
9	Different Market Tuition Rate for Resident vs. Non-Resident Student?	No				
10	5 Other Public/Private Rates for Similar Program (per credit hour):					
11	Georgia State University, Executive Doctorate of Business Administration	\$1,990.74				
12	University of Florida, Doctorate of Business	\$1,687.65				
13	Oklahoma State University, PhD in Business for Executives	\$2,000.00				
14	Kennesaw State, Doctorate of Business Administration	\$2,010.42				
15	Case Western Reserve, Doctorate in Management	\$2,777.78				
16	Length of Program (Student Credit Hours)	72				
17	Current E&G Student Enrollment (Headcount):					
18	Resident	23				
19	Non-Resident	2				
20	Total	25				
21	Similar Program at other SUS Institutions (if yes, provide university and	Yes				
22	University of Florida	Doctorate of Business Administration				
23	University and program name:					
24	University and program name:					
25	University and program name:					

November, 2011

**State University System
Florida Board of Governors
Request to Establish Market Tuition Rates – Regulation 7.001(15)**

University: South Florida

Proposed Market Tuition Program: Doctorate of Business Administration

Date	
University Board of Trustees approval date:	October 13, 2015
Proposed Implementation Date (month/year):	January 2016
Graduate online or Graduate Continuing Ed. Course:	Graduate online/hybrid
CIP Code:	52.0201
Description of the Program and the Market Tuition Rate Process	
<p>The Doctor of Business Administration (DBA) at the USF Muma College of Business is an innovative, AACSB accredited terminal degree targeted to managers and professionals with extensive business experience and who normally hold a Master's degree. The DBA program is based on engaged, interdisciplinary scholarship that provides graduates with the knowledge and skills to analyze and creatively address the complex issues that characterize global management by employing rigorous research methods. The CIP code used for the DBA is the same CIP code currently being used by the PhD degree awarded by the college. Although the DBA complements the PhD, the DBA program structure is considerably different and serves a demographically different population of students. The two degrees are separately advertised, application and admission to the programs is separate and the designations (DBA/PhD) on the awarded degrees and transcripts are clearly indicated.</p> <p>A primary goal of the program is to provide executives with practical training through cutting-edge research methods that can be incorporated into practice. Both the DBA program and the PhD aim to develop a high level of research skills that allow executives to further their career goals. The development of research skills in doctorate programs helps ensure that executives with a DBA are able to provide an important channel through which evidence-based research findings can be diffused to practice. However, the difference in the goals of the two programs is considerable. Whereas the DBA is focused on developing analytical skills that can be used to arrive at creative business solutions in an increasingly interdisciplinary and global community, the PhD is a theory-based program that seeks to identify gaps in the current research spectrum. The DBA is designed to help executives in their business and career development while also providing them with the credentials to also teach at the university level, if desired. The PhD is designed to develop skills that allow graduates to assume positions as researchers or faculty in academic institutions.</p> <p>The DBA is structured through the university's continuing education unit as a cohort-based program that admits 20-30 students annually. The three-year program requires students to take courses with their cohort in a hybrid (online/classroom) manner. Much of the course work is offered online; however, due to the critical importance of interaction within a doctorate program, students come to the Muma College of Business on a monthly basis to participate in peer-to-peer discussions, classes that delve into practical applications and other interactive activities. Currently, the DBA program is offered on a cost-recovery basis. This request moves the program to a market-rate to ensure compliance with auditing of any additional revenues that may exceed costs as a result of late enrollment growth beyond projections. No E&G funding is used to support this program, and tuition rates will not increase</p>	

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Mission Alignment

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

USF System mission related goals:

Goal 1: Well-educated and highly skilled global citizens through our continuing commitment to student success.

The program provides executives with the opportunity to advance their education and gain the most up-to-date, research-driven skills and practices. A heavy emphasis is on the development of analytical and research skills that can be applied to arrive at creative business solutions. Another key component of the program is to develop students' abilities to leverage the increasingly interdisciplinary and global nature of business.

Goal 2: High-impact research and innovation to change lives, improve health, and foster sustainable development and positive societal change.

A primary goal of the program is to develop executives more fully trained in research methods than Master's degree counterparts; thus, providing executives with the ability to conduct research that can be incorporated into practice. Additionally, executives' knowledge of research methods that directly impact business strategies will provide an important channel through which evidence-based research findings can be diffused to practice.

Goal 3: A highly effective, major economic engine, creating new partnerships to build a strong and sustainable future for Florida in the global economy.

One of the most attractive aspects of the program is the way it will build relationships among the USF research community, the executive's institution and top decision makers in the local and global business communities. Very quickly, this will allow USF to construct an informing network through which research findings and access to research sites can flow in both directions—USF to business and business to USF.

Goal 4: Sound financial management to establish a strong and sustainable economic base in support of USF's continued academic advancement.

Based on research, surveys, and the experience of other institutions that have launched similar AACSB accredited market-rate programs the demand for the DBA is steadily high and sustainable.

SUS strategic plan goals:

Teaching and Learning

The DBA program will help meet the *productivity goal* and the *strategic priority* of increasing the number of graduate degrees awarded, given that the program will serve an identified need that is not currently adequately met. Additionally, it helps meet the strategic priority of providing degrees in the Muma College of Business' areas of focus— data analytics and creative business solutions.

Scholarship, Research, & Innovation

Our program goal to provide executives better trained in data analytics and creative solutions will allow executives to help meet their firms' productivity and growth needs; thereby meeting the *strategic priority* of providing research and innovation that can increase commercial activity both for the business community and the university. An additional benefit of the program will be increasing collaboration and funding opportunities

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between the university and business once graduates are aware of the research resources available to them through the university; thus, helping meet the SUS *productivity goal*.

Community & Business Engagement

We help meet the *goal for excellence* in that we anticipate that collaborative research opportunities will develop as a result of the program. Through providing access to their organizations, and through their own research efforts, participants in the program will make a strong contribution to research efforts in the Muma College of Business and to other colleges related to their company (e.g.: the Colleges of Engineering, Medicine and Public Health). Such collaborative efforts between USF and businesses help strengthen the university's commitment to workforce development for the State of Florida.

Declaratory Statement

Provide a declaratory statement that the policy will not increase the state's fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The DBA degree being offered by the USF Muma College of Business will not increase the state's fiscal liabilities or obligations. The DBA does not and will not supplant an existing E&G funded degree program in business administration. There are no state appropriation-funded DBA programs.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

This move is not associated with any change in DBA program tuition.

Accountability Measures

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

Financial sustainability. For a market-rate program to be successful it must be fully self-sustaining and provide enough additional resources to allow for continuous improvement and development of brand. To ensure the financial success of the program the following metrics will be employed.

- Student enrollment – Average cohort enrollment will always exceed 15 students. Pricing for the DBA will reflect market rates and competition within the state and country.
- Budgetary control – Annual budgets will be submitted and driven by the revenues generated. Throughout the life of the cohort, costs and revenues will be carefully monitored and analyzed to ensure the financial accountability and success of the program.

Student quality. The quality of the students admitted to the program is of critical importance to the ongoing success and reputation of the program, the Muma College of Business and USF. To be admitted to the program applicants must meet the requirements of the university in addition to the following requirements specific to the DBA. The applicant must have:

- At least 12 years of work experience, at least five of which are as an executive or senior-level manager.

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- A Master's degree (or bachelor's degree with approved additional courses).
- A completed application, including a statement of purpose and transcripts for all prior undergraduate and graduate coursework.
- An interview with DBA advisory committee faculty members to evaluate qualification for admission.

To ensure that those admitted meet the rigorous standard for admission to a doctorate program, final admission decisions are made by the DBA program advisory committee, which is comprised of graduate faculty members. This same admission decision process is followed by the PhD program.

Student success. The focus of the program will be developing the ability of participants to rigorously apply research and other methods to real-world challenges. To ensure this is accomplished, the following outcomes and related metrics are used:

Outcome 1: Students will develop an understanding of scholarly literature across a range of business and management disciplines.

The metrics used to measure this outcome will be successful completion of two major projects involving systematic literature reviews and synthesis: 1) a qualification exam, completed at the end of the third semester, and 2) a dissertation proposal and defense. Both of these will be evaluated by a team of four terminally qualified researchers from multiple disciplines.

Outcome 2: Students will develop an understanding of business from a variety of contexts.

This outcome will be assessed through successful completion of at least five courses involving interdisciplinary topics, such as innovation, analytics, sustainability, and through the development of at least one case study (discussion or research) or practitioner-focused article submitted for publication.

Outcome 3: Students will develop advanced analytic, problem-solving and research skills.

This outcome will be assessed through completion of at least five courses involving qualitative or quantitative research methods, through the submission of at least two manuscripts to peer-reviewed conferences or journals, and through the completion of a dissertation that focuses on the application of research methods to a business problem that is evaluated by an interdisciplinary committee of terminally qualified researchers.

Course Availability

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

The course requirements and the course schedule have been determined. Students are required to take 72 hours of credit. The course schedule allows the students to complete their degree in three years. Each year is divided into two five-month semesters, broken into two quarters. For most of the first two years, a semester will consist of four three-credit courses (two courses per quarter). For the last five quarters, four-credit dissertation courses will run in parallel with two-credit issues courses. Students meet on campus one weekend

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each month during the semester for the entire three-year duration of the cohort, with considerable online work conducted between meeting sessions. Following are the program course components:

Core Requirements**33 Credits**

These courses are offered during the first four semesters of the program and have substantial distance-learning components between class meetings. They fall into three categories: quantitative and qualitative research skills (15 credit hours), multi-disciplinary research (12 credit hours), and research areas of interest to faculty and students (6 credit hours).

Publication Courses**9 Credits**

These courses are offered during the first three semesters of the program and have substantial distance-learning and collaboration components between class meetings, with members of the cohort required to peer review each other's work and make revisions. They represent an extension of previous courses, and require the students to create publishable documents, such as journal, conference and book chapter submissions.

Issues Courses**10 Credits**

These courses are offered starting in the fourth semester of the program, and are intended to run in parallel with proposal and dissertation activities. Although meeting according to the same schedule as regular courses, issues courses offer fewer credits than regular or publication courses, and therefore have commensurately reduced outside workloads to avoid interfering with the dissertation process. Members of the cohort select the topics from a list of proposals made by faculty members and other members of the cohort.

Dissertation Proposal Course**4 Credits**

The proposal course is offered during the student's fourth semester. It requires the student be matched to a four-person Dissertation Committee and submit a dissertation proposal for approval by the Committee.

Dissertation/Doctoral Project**16 Credits**

Students are required to complete a dissertation or doctoral project, as approved by his or her committee.

The courses for the program already exist. Faculty are separately contracted to work with the DBA program with strict adherence to university guidelines concerning assignment loads. As needed, interdisciplinary and other adjunct faculty meeting the Muma College of Business' AACSB and SACS accreditation requirements will be contracted to work with DBA students.

No E&G courses will be reduced or eliminated as a result of the DBA program offerings. No DBA program enrollment is funded by state appropriations. The program also meets the requirements of BOG Regulation 7.001 in that it does not lead to initial licensing or certification as discussed in BOG Regulation 7.001.

Economic Impact

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

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This program is in high demand and meets many of the strategic goals of the SUS, USF and the Muma College of Business. The primary economic impact of the program on the student relates to the development of executives with greater research acumen who can apply their skills to creative solutions in business and teaching. The Bureau of Labor statistics indicates the 586,100 doctoral degree faculty will be needed over the period 2010-2020. A study commissioned by the Association to Advance Collegiate Schools of Business (AACSB) indicated a shortage of 2,419 business professors by 2012 with a continuing increase in demand as programs grow and the profession grays. To meet the increasing demand, one recommendation of the AACSB study was to expand doctoral programs for executives. Thus, the DBA program not only provides skill sets that will allow executives to find creative business solutions in the private sector, it also provides them with a secondary employment opportunity, either while they are active in business careers or upon retirement.

The current cost-recovery program generates \$30,000 in revenue per student per year. There are 25 enrolled students in the current cohort, generating incremental revenue of \$2,250,000 over the three-year period of the cohort. The revenue and costs are budgeted to the DBA program in the USF Innovative Education division and managed by the DBA administration in the Muma College of Business. The revenue will be spent on teaching faculty, facilities, student fees, parking, laptop computers, textbooks, meals while on campus, publication, conference attendance (as required by the DBA) and program leadership and administration. Administrative staff is assigned to work with the students on program-related logistics, processes, policies and other program related issues to ensure successful degree completion. By design, class sizes are small, taught by the strongest research scholars from the college and other disciplines. Dissertation committee requirements are significant with a minimum of four terminally degreed and qualified faculty per student for the final three semesters of the program. The program marketing and admission process is rigorous, with an extensive application evaluation and interviews with a committee of faculty members.

During the first year of operation, the Muma College of Business received more than 100 interested inquiries and admitted 36 highly qualified business executives into its first cohort. As a result of this high demand and efforts at cost containment, the DBA program will be able to break even in its first year of operation. We anticipate an ongoing demand for the program given the research we have conducted and the fact that we already have admitted 25 for the 2016 cohort, which will start in January 2016. A competitive analysis of the market rates for existing AACSB accredited US-based DBA programs by start year is attached below:

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Start Year	Program	Total Cost	Credits	Cost per Credit
1993	Case Western Reserve University	\$150,000	54	\$2,777.78
2009	Georgia State University	\$107,500	54	\$1,990.74
2009	Kennesaw State University	\$96,500	48	\$2,010.42
2012	Oklahoma State University	\$120,000	60	\$2,000.00
2013	Rollins College	\$90,474	54	\$1,675.44
2014	Jacksonville University	\$84,000	60	\$1,400.00
2014	Temple University	\$124,200	54	\$2,300.00
2014	University of Dallas	\$84,000	60	\$1,400.00
2014	University of Florida	\$101,259	60	\$1,687.65
2015	University of South Florida	\$90,000	72	\$1,250.00

The USF DBA will move to and maintain our market rate in a competitive position toward the median of similar programs nationally funded to continue to attract and retain the most competitive student members of the cohorts. USF's intensive program is made up of slightly higher credit hours, reflecting our focus on intensive engagement with executives, particularly toward the end of their program when they work on research projects that will have a direct, practical impact on their real-world challenges.

Other Information

Provide any additional information if necessary, and complete the attached supplemental form.

The most important benefits of the USF DBA program include the following:

- Increased graduate enrollment and incremental revenue.
- Establishment of the SUS of Florida, USF, and the Muma College of Business as leaders in Professional doctoral education in the field of Business Administration.
- Provide **greater access to field research sites in the local community and strengthen relationships with local and state business leaders.**
- Address the business faculty shortage in both the state and the country.
- **Build a network of practitioner-researchers throughout the state that can serve as a bridge between academic research in business and business practice.**

Within the SUS, the only comparable program offered is the University of Florida DBA, also offered at market-rate. The UF DBA is described as:

"The [UF] Doctor of Business Administration (DBA) program is offered as a track under the Ph.D. degree. The DBA program aims to integrate the theory and practice of business with the context of current issues that the business world faces. The DBA is a professional doctorate that emphasizes the application of theory to actual business issues. The DBA program will help candidates develop proficiency in applied research by improving

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their methodological and analytical skills. Participants who successfully complete the program will be equipped for high-level positions in numerous sectors including higher education, return to profession, and consulting.”



AGENDA

Select Committee on Florida Polytechnic University

Graham University Center

Florida International University

Modesto A. Maidique Campus

Miami, Florida 33199

November 4, 2015

2:30 p.m. – 2:45 p.m.

or

Upon Adjournment of Previous Meeting

Chair: Mr. Tom Kuntz

Members: Wendy Link, Ed Morton

1. Call to Order and Opening Remarks Governor Tom Kuntz
2. Select Committee Meeting Minutes Governor Kuntz
Minutes, September 3, 2015
3. Florida Polytechnic University Implementation Update Dr. Randy K. Avent
*President,
Florida Polytechnic University*
4. Concluding Remarks and Adjournment Governor Kuntz

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Select Committee on Florida Polytechnic University
November 4, 2015**

SUBJECT: Approval of Minutes of September 3, 2015 Committee Meeting

PROPOSED COMMITTEE ACTION

Approve the September 3, 2015 summary minutes of the meeting of the Select Committee on Florida Polytechnic.

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 September 3, 2015 meeting at the University of Florida.

Supporting Documentation Included: Minutes: September 3, 2015

Facilitators/Presenters: Governor Tom Kuntz

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
SELECT COMMITTEE ON FLORIDA POLYTECHNIC
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
SEPTEMBER 3, 2015

*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 Tom Kuntz called the meeting to order at 8:33 a.m. on September 3, 2015, with the following members present: Wendy Link and Ed Morton. A quorum was established. Other Board members in attendance were Mori Hosseini, Matt Carter, Tonnette Graham, Wayne Huizenga, Ned Lautenbach, Alan Levine (entered at 8:43 a.m.), Katherine Robinson, Pam Stewart, and Norm Tripp.

2. Meeting Minutes

Governor Kuntz asked for a motion to approve minutes of the Committee's March 19, 2015 meeting. A motion was made by Governor Link, seconded by Governor Morton, and the motion was approved unanimously.

3. Florida Polytechnic University Implementation Update

Dr. Randy Avent, President of Florida Polytechnic University, provided a status update on the University's progress toward meeting its six statutory requirements of STEM academic programs, administrative capability, facilities and construction, enrollment, region accreditation, and discipline specific accreditation. President Avent noted that the University's accreditation request would be provided to the Southern Association of Colleges and Schools (SACS) this summer, and that a decision by SACS would be forthcoming in December of 2016.

With regard to enrollment growth, President Avent indicated that the University could expect to see an increase of 5,000 students over the next ten years. He said that, at that point, new facilities would need to be built. He noted that a new research center would be needed by 2019. Governor Hosseini said that it was clear that the University would need more resources over the next ten years and that a ten-year master plan was needed. Governor Kuntz requested that the University begin to accumulate cost data associated with future years.

With regard to on-campus housing, President Avent said that 40% of the student body living in on-campus housing would be appropriate. Governor Morton queried whether a policy was in place that required freshmen to live on-campus. President Avent said that there was not. Governor Morton indicated that serious consideration should be given to such a policy, because studies show that freshmen living on-campus perform better than their counterparts living off-campus.

With regard to administrative staffing, President Avent said that Florida Polytechnic would have a smaller percentage than at other institutions.

Governor Tripp asked whether there was any area of concern that the Board should be worried about. President Avent indicated that there was no issue that rose above any others, that any current issues were typical of implementing new institutions, and that none were insurmountable.

4. Closing Remarks and Adjournment

There being no further business to come before the Committee, Governor Kuntz adjourned the meeting at 9:00 a.m.

Tom Kuntz, 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
November 4, 2015**

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 Legislature created and Governor Scott signed legislation establishing Florida Polytechnic University. Section 1004.345, Florida Statutes, requires that by December 31, 2016, 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 brief remarks and respond to any questions from the Select Committee concerning the institution's latest progress update, including student enrollment, faculty recruitment, curriculum development, scholarship support, and budget and facilities.

Supporting Documentation Included: Progress Report

Facilitators/Presenters: Dr. Randy K. Avent



Monthly Update to the Select Committee on Florida Polytechnic University

Implementation Tracking Report (October 2015)

Implementation Status Summary			
Criteria	Issues	Completed	Good Progress
A. STEM Academic Programs	5	5	✓
B. Student Enrollment	4	2	2
C. Administrative Capability	2	2	✓
D. Accreditation	5	1	1 (3 not begun)
E. Discipline Specific Accreditation	1		(1 not begun)
F. Facilities & Construction	3	3	✓
TOTAL	20	13	7

Legend: ✓ Completed ● Good Progress ● Slow Progress ● Poor Progress

Criterion A – Initial Development of New STEM Programs		
Statutory Due Date: 12/31/2016		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: COMPLETED – 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: COMPLETED – 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: 12/31/2016		Progress Indicator
B1 – Total students enrolled	Fall 2015 (Census): Total Students – 924 <i>Retention Rate – 76%</i> <i>New Students – 462 (Undergraduate: 450; Graduate: 12)</i> <i>Gender – Male 85% Female 15%</i> <i>Race/Ethnicity – American Indian 0.8%; Asian 4.3%; Black or African American 5.6%; Hispanic 19.3%; Native Hawaiian 0.5%; Non-Resident Alien 0.5%; Two or More Races 0.9%; White 65.9%; Not Reported 2.2%</i> <i>Residency – In-State 897 (97%); Out-of-State 27 (3%)</i> <i>Total Credit Hours – 12,786 (Undergraduate: 12,510; Graduate: 276)</i> <i>Average Credit Load – 13.8 (Undergraduate: 14.1; Graduate: 7.5)</i> <i>Credit Load Status – Full Time 887 (96%); Part Time 37 (4%)</i>	●
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 2015 (Census): Computer Engineering – 150 (16%) Electrical Engineering – 91 (10%) Mechanical Engineering – 219 (24%) Advanced Technology – 38 (4%) Computer Science & Information Technology – 360 (39%) Science & Technology Management – 29 (3%) Engineering (MS) – 14 (2%) Innovation & Technology (MS) – 23 (2%)	●

Criterion C – Administrative Capability		
Statutory Due Date: 12/31/2016		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		
Statutory Due Date: 12/31/2016		Progress Indicator
D1 – Pre-Application Workshop	December 2013: COMPLETED - A Florida Polytechnic University team attended the pre-accreditation workshop in Atlanta.	✓
D2 - Submit application for regional accreditation.	July 2014: Florida Polytechnic University has engaged a technical advisor to assist with preparing the application for regional accreditation. December 2014: Initial application has been submitted to regional accreditation agency on December 2014 January 2015 – Fall 2014 evidence submitted to regional accreditation agency June 2015 – Received SACSCOC request for application updates with a turn-around by August 2015. Dr. Belle Wheelan, president of SACSCOC, addressed the BOT at their June 4, 2015 meeting.	●
D3 – Regional accreditor Candidacy site visit.	June 2015: Pending	TBD
D4 – Regional accreditor site visit.	June 2016: Status Reporting Date	TBD
D5 – Regional accreditor decision on accreditation.	December 2016: Status Reporting Date	TBD

TBD – To Be Determined (no data or information currently exists to make a determination about progress)

Criterion E – Seek Discipline Specific Accreditation		
Statutory Due Date: 12/31/2016		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.	TBD

TBD – To Be Determined (no data or information currently exists to make a determination about progress)

Criterion F – Facilities and Infrastructure		
Statutory Due Date: 12/31/2016		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 2015) (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	\$ 0.3
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.

In addition to the facilities developed by the University for the opening of the main campus, in November 2013 an agreement with Vestcor Communities, Inc. was approved by University Trustees for Vestcor's development of a 219 bedroom residential hall project on Florida Poly's campus. Under the Public Private Partnership (P3), Vestcor financed and developed the facility on land leased from the University and is fully responsible for the operation and maintenance of the building. The P3 agreement enabled the 2014 creation of the first residence hall because development funding sources that traditionally would have been accessible by Florida Poly were not accessible in 2013, because the University had no operating history. The residence hall was built and opened in August 2014. To help meet additional student demand for on-campus housing, Vestcor changed several bedrooms from single to double occupancy, and a total of 241 residents filled the 219 bedrooms for the first year.

Florida Poly completed a public solicitation process in April 2015 for the University leasing some local off-campus housing apartment units to supplement for one year the housing demand for the approaching Fall 2015 term.

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 begins in June of 2015 and the facility is scheduled to be open for the Fall of 2016 term.



Florida Polytechnic University Campus View



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA

Academic and Student Affairs Committee

Ballroom

Graham University Center

Florida International University

Modesto A. Maidique Campus

11200 S.W. 8th Street

Miami, Florida 33199

November 4, 2015

3:00 p.m. – 4:00 p.m.

or

Upon Adjournment of Previous Meetings

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

Members: Beard, Carter, Frost, Graham, Robinson, Stewart

1. Call to Order and Opening Remarks Governor Norman Tripp
2. Committee Meeting Minutes Governor Tripp
Minutes, September 2, 2015
3. Vice Chancellor and Chief Academic Officer's Report Dr. Jan Ignash
Vice Chancellor for
Academic and Student Affairs
Board of Governors
4. Academic Program Items
 - a. Doctor of Nursing Practice, Nurse Anesthetist Dr. Earl Traynham
Provost
University of North Florida
CIP 51.3208, University of North Florida

- b. Doctor of Social Work in Clinical Social Work
CIP 51.1503, Florida Atlantic University**

Dr. Gary Perry
*Provost and Vice President
Florida Atlantic University*

5. Board of Governors Regulations

Governor Tripp

- A. Public Notice of Intent to Amend Board of Governors
Regulation 6.002 Admission of Undergraduate First-Time-in-College,
Degree-Seeking Freshmen
- B. Public Notice of Intent to Amend Board of Governors
Regulation 6.004 Admission of Undergraduate, Degree-Seeking
Transfer Students
- C. Public Notice of Intent to Amend Board of Governors Regulation 6.008
Postsecondary College-level Preparatory Testing, Placement, and
Instruction for State Universities

**6. Florida Institute of Oceanography
2016-2021 Strategic Plan and Renewed Commitment**

Dr. Ralph Wilcox
*Provost and
Executive Vice President
University of South Florida*

7. Academic and Student Affairs Updates

a. SUS Council of Academic Vice Presidents (CAVP)

Dr. Ron Toll
Chair, CAVP

- i. CAVP Academic Coordination Project Work
Group Program Approval Processes

Dr. Diane Chase

b. SUS Council for Student Affairs (CSA)

Dr. Kevin Bailey
Chair, CSA

c. Florida Student Association

Governor Tonnnette Graham

- i. Update on Campus Food Pantry Initiatives

8. Concluding Remarks and Adjournment

Governor Tripp

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
November 4, 2015**

SUBJECT: Minutes of September 2, 2015 Committee Meeting

PROPOSED COMMITTEE ACTION

Approval of the minutes of the meeting held on September 2, 2015 at the University of Florida

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and approve the minutes of the meeting held on September 2, 2015 at the University of Florida.

Supporting Documentation Included: Meeting Minutes, September 2, 2015

Facilitators/Presenters: Governor Norman Tripp

SUMMARY MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
ACADEMIC AND STUDENT AFFAIRS COMMITTEE
University of Florida
1938 West University Avenue
Gainesville, Florida 32603
September 2, 2015

*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 Norman Tripp convened the meeting on September 2, 2015, at 3:52 p.m. with the following members present and answering roll call: Governor Link, Governor Beard, Governor Carter, Governor Frost, Governor Graham, Governor Robinson, and Governor Stewart. A quorum was established.

Chair Tripp commented on the success of the SUS Campus Security Summit held at UCF on July 28-29. He thanked UCF, UNF, and other Summit sponsors for their support. There were nearly 140 participants in attendance from throughout the SUS. The keynote speaker was Dr. Larry Barton, an international expert on crisis management and threat assessment. Dr. Barton led the group in an open discussion on preparing for and managing campus crises that would impact a university community. Dr. Barton also led the participants through a realistic “simulation activity” of a campus crisis and specific sessions on campus and community policing, medical school and research center security, and student support services. The participants were supportive of the Summit and expressed interest in continuing to have biennial System-wide campus security meetings. A list of articles that represents the national conversation occurring around campus health and safety was provided in the Board packet.

2. Meeting Minutes

Chair Tripp asked for a motion to approve the minutes from the June 18, 2015, meeting. Governor Carter moved to approve the minutes. Governor Beard seconded the motion, and the motion was approved.

3. Vice Chancellor and Chief Academic Officer’s Report

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

- Evaluation of over 1,700 academic programs by the ASA staff for the review of programs to be discussed 9/3/15.
- Draft of a shared/reciprocal IRB form to present to vice presidents for research for finalization this fall.

- Planning for the 3rd annual Federal R&D Workshop in Washington D.C. on October 8 and 9 in which representatives from the SUS will hear speakers from federal agencies on their priorities for funding research.
- SUS annual admissions tour involving admission representatives meeting with high school counselors to review admission regulations, requirements, and articulation policies.
- Annual reports for the four TEAm grants, totaling \$15M, submitted and evaluated.
- Meeting with FSU and FAMU Provosts and College of Engineering students who provided program feedback.
- New Academic and Student Affairs hires: Dr. Christy England-Siegerdt as Associate Vice Chancellor for Policy and Research and Dr. Lynn Hunt Long as Assistant Director of Academic and Student Affairs. Promotion: Jason Jones to Assistant Vice Chancellor for Institutional Research.

4. Type 1 Campus, Morsani College of Medicine, University of South Florida, Tampa Downtown

Chair Tripp introduced the request from the University of South Florida to establish a Type 1 Campus in downtown Tampa, Florida which would house the USF Health, Morsani College of Medicine. Chair Tripp recognized President Genshaft for presentation of the proposal. He noted that the new campus will house the USF Health, Morsani College of Medicine which will be relocated from the main campus and funding has already been provided from the Legislature and Governor Scott. The proposed campus will offer complete degree programs, provide a full range of student support services, and is expected to have significant research activity. The site will also be offering a professional medical doctorate program and may eventually offer other doctorate programs related to health sciences.

President Genshaft provided an update of USF Health and the academic rationale for the move. The following points regarding the rationale were presented:

- USF medical students are overwhelmingly supportive as it puts them near the primary teaching hospital, Tampa General Hospital and near USF Center for Advanced Medical Learning or Simulation;
- Proximity to clinical training will enhance academic synergies and help attract the best students, faculty, and researchers;
- Interdisciplinary training opportunities will be enhanced;
- More real-world clinical opportunities will be provided.

Chair Tripp stated that there were no questions as all were familiar with the proposal.

Governor Link moved to approve establishment of a Type 1 Campus for the University of South Florida Morsani College of Medicine at Meridian Avenue and Channelside Drive in Tampa, Florida. Governor Carter seconded the motion, and the motion was approved.

5. Legislative Budget Requests

Chair Tripp stated items 5a through 5e on the agenda are proposed legislative budget requests for the 2016 Legislative Session.

a. Mental health Counseling Services

Chair Tripp introduced the State University System Mental Health Counseling Services Legislative Budget Request for \$6,208,211 (\$4,111,644 recurring and \$2,096,487 nonrecurring). Chair Tripp introduced Dr. Kevin Bailey, chair of the SUS Council for Student Affairs, to present this legislative budget request. Dr. Kevin Bailey introduced Dr. Kirk Dougher, Director of the Counseling Center at FAU and a primary author of the LBR.

Dr. Bailey reported on safety initiatives that have occurred over the last several years and also discussed data regarding the prevalence of students in the SUS with mental health problems. According to Dr. Bailey, the LBR is designed to raise staffing levels of SUS counseling centers to the minimum staffing ratios recommended by the profession's accrediting body, the International Association of Counseling Services (IACS). IACS standards suggest the minimum staffing ratio that centers should strive for is 1 FTE for every 1,500 students. Currently, 8 centers in the SUS are operating above the high end of the range of 1 FTE for every 1,500 students.

Governor Huizenga commented that he supports the data but expressed concern that the SUS didn't become over-subscribed all in one year; this has occurred over time. He stated that this situation should have been addressed every year and added that the fact that we are not allocating funds to something this critical is appalling. Governor Huizenga commented that the problem has been identified and said that one of the motions should be that all universities are going to hire the staff that are needed regardless if they get the increased funding. Dr. Bailey responded that the timing appears to be right to move forward with the LBR. Governor Huizenga also suggested the option of reallocation of funding within the universities to address these needs.

Governor Robinson asked for clarification on the variability noted within the "other related expenses" column. Dr. Dougher responded that the differences in requests for positions to bring numbers up to standards may be due to resources (such as room availability) or funding to support salary and benefits. Chair Tripp requested that Dr. Dougher provide the detail for "other related expenses."

Chair Hosseini reported that it is the job of our universities to bring system issues such as campus safety and security to the Board to identify needs and he questioned whether this is a system initiative that the Board wants to support. Dr. Dougher commented that they are trying to be both proactive and sensitive to keeping student fees low and this LBR is potentially keeping student fees at a reduced level while still being able to provide services to meet student mental health problems.

Governor Carter commented that it is important to deal with these counseling issues and that he is willing to take a chance with the legislature to see whether or not this will be funded, because it will benefit the entire system.

Chair Tripp asked UCF President Hitt about the cost associated with a mental health issue that becomes a security issue, creating further problems, and suggested that the cost would be substantial. President Hitt replied that the bigger issue would be if someone loses his/her life, and stated that there is no calculation on that cost. He continued that if we are not going to charge fees to cover items historically paid for by fees, then we are condemned to this situation. Chair Tripp commented that this is an increasing societal problem that must be dealt with and stated that action by the Legislature will determine if it agrees with our system's needs and funding request.

Governor Levine commented that it is not accurate to say that universities have not reallocated resources for campus mental health, as some probably have. He stated that what the universities are recommending is what they need today. He continued that there is no guarantee that this investment will prevent a problem, but he recognized that the worst news we could get is that we have an incident with a student who, due to mental illness, has affected other students or himself or herself. Governor Levine then asked if the universities can estimate what the future counseling needs may be. Dr. Dougher commented that the proposed LBR will provide the tools needed today. He stated that as universities continue to grow in size, there will be increased counseling needs in the coming years. He added that while the campus growth patterns can be projected, the campus counseling needs in the future will be less predictable.

Governor Levine commented that the impact of addiction and dual diagnosis should not be underestimated. He stated that he does not want something bad to happen, but if it does happen, he does not want the Board of Governors to be in a position to be accused of not doing what they were asked to do to make sure that the universities have the professional tools needed to meet the mental health needs of SUS students.

Governor Link questioned the recurring funding amount and Dr. Dougher confirmed the amount to be appropriate.

Governor Carter moved to recommend the State University System Mental Health Counseling Services Legislative Budget Request to the Budget and Finance Committee for consideration. Governor Link seconded the motion, and the motion was approved.

b. Florida Collaborative Data Initiative

Chair Tripp introduced the request for the Florida Collaborative Data Initiative. The request for \$2,161,800 recurring funds which would be evenly divided among the six universities (\$360,300) to cover new staff positions and the annual equipment maintenance contract of \$60,000 at each location. Chair Tripp introduced Dr. Ron Toll, Provost and Vice President of Academic Affairs at FGCU and Dr. Elias Eldayrie, Vice President and CIO at UF, to present this legislative budget request.

Dr. Toll reported that the Florida Collaborative Data will provide additional resources to six of the most research intensive universities as well as allowing other institutions to join as affiliate members, and eventually as full members, as their research capacities and needs grow. Dr. Toll introduced Joel Hartman, CIO at UCF and current Chair of SERCA.

Joel Hartman described SERCA as an organization formed within the State University System of Chief Information Officers and individuals who support high performance research activities with the mission of advancing the SUS research agenda. Dr. Hartman reported that the Collaborative Data initiative will enable SUS researchers to collaborate, become more competitive in garnering national and federal funding, preserve and protect data, share data, and focus their energies on their research. Dr. Hartman introduced Dr. Eldayrie.

Dr. Eldayrie stated that last year, 5 of the 6 institutions put in place a proof of concept in order to ensure that the collaborative will work and be functional. The request includes 18 FTEs that would provide staff support. He concluded that with regard to sustainability and growth, the vision for the system will be supported by future grants which will be scaled and grown based on demand.

Governor Carter moved to recommend the Florida Collaborative Data Initiative Legislative Budget Request to the Budget and Finance Committee for consideration. Governor Link seconded the motion, and the motion was approved.

c. Support for the Florida Institute of Oceanography, Keys Marine Laboratory

Chair Tripp introduced the request for funding for the Florida Keys Marine Laboratory, operated by the Florida Institute of Technology in Long Key, Florida. The total funding requested is \$1,075,000 (\$475,000 recurring and \$600,000 nonrecurring).

Chair Tripp recognized FGCU Provost Dr. Ron Toll and USF Provost Dr. Ralph Wilcox to present this legislative budget request.

Dr. Toll commented that this state is appropriately proud of the Florida Institute of Oceanography and called on Dr. Wilcox to present the item.

Dr. Wilcox described the Keys Marine Lab (KML), located on Long Key, as a 7 acre facility that provides 7 buildings that includes wet labs, dry labs, classrooms, and sleeping accommodations for up to 30. Dr. Wilcox reported that work conducted by FIO members is critical to the monitoring, understanding, and protecting Florida's biodiversity in the Gulf of Mexico, the Atlantic Ocean, and the Caribbean, as well as to our economy. Dr. Wilcox reported the two components of this request including \$475,000 in recurring funds and the remainder in non-recurring funds.

According to Dr. Wilcox, the recurring \$475,000 funds are needed to shore up state investment to support the activities of the State University to train K-12 teachers who teach marine science and STEM. Another example of instruction provided is a summer course in which students from most SUS institutions come together and study marine science under one roof, with one of the stops being at the Keys Marine Lab. Dr. Wilcox reported that there

is a need to update and strengthen the research facilities and scientific technical equipment as well as to ensure the Keys Marine Lab fleet meets the new technical and safety standards of the US Coast Guard.

Dr. Wilcox reported the nonrecurring component is needed to purchase advanced satellite communications for ship-to-shore classroom initiatives for Keys Marine Lab to SUS institutions, research, and education, and to upgrade scientific instrumentation at the Keys Marine Lab.

Dr. Wilcox reported that the Keys Marine Lab, in addition to serving the 12 universities in the SUS, serves the needs of 16 other members of the Florida Institute of Oceanography.

Governor Beard moved to recommend the Florida Keys Marine Laboratory Legislative Budget Request to the Budget and Finance Committee for consideration. Governor Carter seconded the motion and the motion was approved.

d. FAMU-FSU College of Engineering

Chair Tripp introduced the request for \$6.6 million for the FAMU-FSU Joint College of Engineering and recognized Chancellor Criser who presented this legislative budget request. The request will allow the Joint College of Engineering to hire new faculty and provide start-up costs.

Governor Carter moved to recommend the FAMU-FSU College of Engineering Legislative Budget Request to the Budget and Finance Committee for consideration. Governor Link seconded the motion, and the motion was approved.

6. Academic and Student Affairs Updates

a. SUS Council of Academic Vice Presidents (CAVP)

Chair Tripp introduced FGCU Provost Dr. Ron Toll, representing the Council of Academic Vice Presidents (CAVP).

Provost Toll reported on the following CAVP activities:

- Reviewed potential LBRs to help ensure that the LBRs are system-wide.
- Met to review academic program review and proposals for new programs.
- Assisted with documentation to move forward with the Unizon project.

b. SUS Council for Student Affairs (CSA)

Chair Tripp introduced Dr. Kevin Bailey, UWF Vice President for Student Affairs, to provide a brief update on activities of the SUS Council for Student Affairs. Dr. Bailey shared two items:

- This year, the Council will not host an anti-hazing summit. However, at a NASPA student affairs conference on October 16 at FAU, there will be sessions dedicated to the topic.
- A report will be prepared related to campuses and food pantries.

c. Florida Student Association

Chair Tripp recognized student Board member, Governor Tonnette Graham, to provide a brief update on activities and issues of interest to the Florida Student Association and State University System students.

Governor Graham shared the following:

- A goal for FSA is to provide students with a system-wide opportunity to access a food pantry at their universities by the end of this academic year.
- FSA universities have been divided into districts for lobbying and policy workshops to serve as resources for each institutions that are close in proximity.
- FSA is in negotiation to host a polython, a policy making workshop to educate Florida students on issues that are going on at local, state, and national levels.
- FSA has been extended the opportunity to host a forum with the 2016 Presidential candidates in the state of Florida.

7. Concluding Remarks and Adjournment

Having no further business, Chair Tripp adjourned the meeting at 4:53 p.m.

Norman Tripp, Chair

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

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
November 4, 2015**

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
November 4, 2015**

SUBJECT: Doctor of Nursing Practice, Nurse Anesthetist (CIP 51.3804) at the University of North Florida

PROPOSED COMMITTEE ACTION

Consider for approval the Doctor of Nursing Practice, Nurse Anesthetist at the University of North Florida, CIP 51.3804.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.011

BACKGROUND INFORMATION

The University of North Florida (UNF) is proposing to change the Doctor of Nursing Practice, Nurse Anesthetist major to a stand-alone degree program. The program is offered at the Jacksonville campus. This program prepares graduates for entry into the specialty of anesthesiology nursing through eligibility to take the National Certification Examination and earn the designation of Certified Registered Nurse Anesthetist. The Council on Accreditation of Nurse Anesthesia Educational Programs designated that students accepted into an accredited program on January 1, 2022 and thereafter must graduate with doctoral degrees.

The proposed UNF Doctor of Nursing, Nurse Anesthetist would be the first BS to DNP program in nurse anesthesia to be offered by a public university in the state of Florida. The program will require completion of 111 graduate credit hours and 3100 clinical hours.

The UNF Board of Trustees approved the program on October 15, 2015. If approved by the Board of Governors, UNF will implement the program effective Spring 2016.

Supporting Documentation Included: 1. Staff Analysis
2. Program Proposal available online at www.flbog.edu

Facilitators/Presenters: UNF Representatives

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
NEW DOCTORAL DEGREE PROPOSAL STAFF ANALYSIS**

Program: Doctor of Nursing Practice, Nurse Anesthetist **CIP Code:** 51.3804
Institution: University of North Florida **Proposed Implementation Date:** Spring 2016
Staffed By: L. Long, A. Beaven **Initial Review Date:** 09/03/15 **Last Update:** 10/19/15

Projected program costs:

	Total	% & \$ Current Reallocated	% & \$ New Recurring	% & \$ New Non- Recurring	% & \$ C&G	Auxiliary Funds	Cost per FTE	SUS 13-14 Average Cost per FTE
Year 1	\$681,302	100% \$681,302	0% \$0	0% \$0	0% \$0	\$0	\$15,684	\$9,642 51 CIP**
Year 5	\$1,225,910	100% \$1,225,910	0% \$0	0% \$0	0% \$0	\$0	\$14,135	

** NOTE: SUS Average Cost per FTE is a less meaningful comparative measure for the 51 CIP because of the wide range of clinical and nonclinical programs included.

Projected FTE and Headcount are:

	Student Headcount	Student FTE
First Year	45	43.44
Second Year	70	72.5
Third Year	95	85.02
Fourth Year	100	86.73
Fifth Year	100	86.73

On March 29, 2007, the Florida Board of Governors approved Board Regulation 8.011, which sets forth criteria for implementation and authorization of new doctorates by the Board of Governors, as well as criteria for implementation and authorization of Bachelor's, Master's and Specialist degrees by Boards of Trustees. The following staff analysis is an assessment of how well the university meets Board Accountability and Readiness criteria for implementation of this degree program.

Proposal Page Numbers:

INTRODUCTION		ACCOUNTABILITY			READINESS			
Program Description	BOG Goals	Overall	Budget	Mission and Strength	Program Quality	Curriculum	Faculty	Resources
3	4	6	9	13	15	15	22	24

A. Program Description:

The University of North Florida (UNF) is requesting to change the current Nurse Anesthetist major offered under the existing Doctor of Nursing Practice (DNP-NAP) to a stand-alone DNP degree program under CIP Code 51.3804. This practice doctorate program prepares graduates for entry into the specialty of anesthesiology nursing by taking the National Certification Examination and earning the designation of Certified Registered Nurse Anesthetist. Initial accreditation for the current DNP-NAP major was received in summer 2014 by the Council on Accreditation for Nurse Anesthesia Educational Programs (COA) and the program will not have to reapply if it is approved to be a stand-alone degree.

UNF's proposed doctoral program will require the completion of 111 graduate credit hours and 3100 clinical hours. The current Master of Science in Nursing, Nurse Anesthesia requires 95 credits and 3240 clinical hours (http://www.unf.edu/brooks/nursing/anesthesia/course_matrix.aspx). In order to be admitted to UNF's program, an applicant must be a Registered Nurse, hold a BSN degree, have two years of critical care nursing experience, and have acceptable GRE or MAT scores as well as successfully complete an interview.

The didactic activities of the program will continue to be based at the UNF campus in Jacksonville. Tele-video conferencing (TVC) is currently utilized to broadcast classes live to clinical sites minimizing student travel to the UNF campus in order to attend classes. According to the proposal, use of TVC will continue and it was reported this has proven to be successful. Clinical portions of the program will continue to be accomplished at the eight community-based clinical facilities currently being used (proposal page 5). In addition, UNF has just entered into an agreement with Baptist Health, Jacksonville, making Baptist Health the ninth clinical site for the program.

B. System-Level Analysis and Evaluation in accordance with BOG Regulation 8.011:**Summary Observations:**

- All Nurse Anesthesia Programs will be required to be at the doctorate level by January 1, 2022 in order for graduates to sit for the national certification exam.
- The UNF Nurse Anesthesia Program already exists as a major/concentration under the existing Doctor of Nursing Practice, so there is no actual additional costs for implementing the proposed program.
- Elevating the existing nurse anesthesia major to be a stand-alone degree in CIP 51.3804 will allow more accurate data reporting and comparative analysis across states and regions regarding these degrees.
- Elevating the program to be a stand-alone degree will allow the university to establish a tuition and fee structure sufficient to cover the costs of the program without impacting less expensive nursing majors offered under the existing DNP.
- The Board of Governor's Health Initiatives Committee's initial findings in its 2015 Gap Analysis Report suggest that large out-migration for this sector of nursing creates a significant workforce gap for Florida. Separate reporting for this degree will help provide useful documentation of the gap.

- Labor market statistics at the national, state, and local level indicate an increasing demand for nurse anesthetists.

The proposal demonstrates alignment of the program with the State University System's 2025 *Strategic Plan* goals regarding excellence, productivity, and strategic priorities for teaching and learning, scholarship, research, and innovation, and for community and business engagement. These goal alignments are further explained on pages 4-5 in the proposal.

Community and Business Engagement

It is worth noting that UNF has established a strong relationship with community partners for its nursing and healthcare programs. Currently eight community clinical sites cooperate in the clinical instruction of students in the proposed program, and UNF has just entered into an agreement with Baptist Health, Jacksonville, making Baptist Health the ninth clinical site for the program. Last year, UNF NAP students provided over 37,700 hours of anesthesia care to medically underserved populations throughout Florida. Community members are now and will be increasingly involved in student selection, clinical education, and curricular changes based on community and professional needs.

The proposed degree program is designed to prepare advanced practice nurses specializing in anesthesia and will be included in the Programs of Strategic Emphasis, Critical Workforce: Health category. This will not, however, significantly impact UNF enrollment and degrees granted data in this category because the program already exists as a major track.

National Transition to the DNP for Nurse Anesthesia Programs

Students accepted into a nurse anesthesia program on January 1, 2022, and thereafter must graduate with a doctoral degree in order to be eligible to sit for the national exam and become licensed. The Council on Accreditation of Nurse Anesthesia Educational Programs approved the standards for accreditation of nurse anesthesia programs: the Practice Doctorate (PDS). As reported on COA's website, the PDS will be used by programs transitioning to award doctoral degrees for entry into practice and post-master's doctoral degrees for CRNAs (<http://home.coa.us.com/Pages/default.aspx>).

Need for Nurse Anesthetists

The workforce need for nurse anesthetists is strong at the national and state levels. According to the Bureau of Labor Statistics, employment of nurse anesthetists is expected to grow 31 percent nationally from 2012 to 2022, much faster than the average for all occupations (<http://www.bls.gov/ooh/healthcare/nurse-anesthetists-nurse-midwives-and-nurse-practitioners.htm>). The reported growth will occur primarily because of the effects of healthcare legislation, an increased emphasis on preventative care, and demand from the large, aging baby-boom population for healthcare services as people live longer and more active lives than previous generations.

RAND Health published results of a study (2010) that was conducted to assess anesthesia labor markets in the United States (http://www.rand.org/pubs/technical_reports/TR688.html). The

study's key finding was that there are shortages of both Anesthesiologists (ANs) and Certified Registered Nurse Anesthetists (CRNAs) nationwide, although this varies across regions and states. The study revealed a shortage of both ANs and CRNAs in Florida. The study also indicated that the average age of CRNAs to be 49 years with average experience of 17 years.

The labor market projection is similar for the state of Florida with the Florida Department of Economic Opportunity reporting that nurse anesthetist jobs will increase from 2,400 in 2014 to 3,186 in 2022, a 32.8 percent change (<http://floridajobs.org/labor-market-information/data-center/statistical-programs/employment-projections>).

According to the American Association of Colleges of Nursing, faculty shortages are limiting student capacity. Budget constraints, an aging faculty at nursing schools, as well as increasing job competition from clinical sites have been identified as contributing to the shortage (<http://www.aacn.nche.edu/media-relations/fact-sheets/nursing-faculty-shortage>). A search for nursing faculty positions on *Inside Higher Ed Careers* website returned 560 opportunities with 42 advertised positions in Florida (<https://careers.insidehighered.com/search>).

The Board of Governor's Health Initiatives Committee provided initial findings in its 2015 Gap Analysis Report that suggest that, despite high projected growth for CRNA jobs in Florida, many Nurse Anesthetist students who graduate and are licensed in the state do not stay to practice. A review of Florida's CRNA licensing for 2014 showed 165 new licenses were issued, but only 44 individuals were shown to have an active license and an in-state practice address a year later. These figures, and those for Nurse Practitioners in general, suggest large out-migration for this sector of nursing. The current annual supply of Nurse Anesthetist graduates from both public and private programs exceeds the Florida Department of Economic Opportunity's projection of 140 annual openings (each year from 2014-2022); the large number leaving the state, however, creates a significant workforce gap for Florida. For 2012-2013, the State University System graduated approximately 95 Nurse Anesthetists and the private universities graduated an additional 230 students. A small portion of these students may have already held a CRNA license and sought out the MSN-DNP completion programs to increase their degree attainment, without actually changing their specific nursing occupation.

In addition to this program meeting projected state workforce needs, elevating the existing major to a stand-alone degree under CIP Code 51.3804 will improve the Board of Governors ability to track program supply and demand as well as to track program graduate employment outcomes. The CIP code change will help identify how many SUS graduates stay to work in Florida and what their earnings are over time.

Student Demand

The UNF proposal included a chart reflecting the applications, enrollments, and graduates for the MSN NAP program over 7 years. Per the report: "In each of the seven years that UNF has had an MSN Nurse Anesthesia program the number of fully qualified applicants has far exceeded the number of available seats in the program."

Applications, Enrollments and Graduates for UNF NAP program over 5 years

Year	# of seats	# applicants	# accepted	# enrolled	# graduated
2008	20	48	20	20	19
2009	20	77	19	19	17
2010	25	120	25	25	24
2011	25	107	25	24	24
2012	30	135	30	29	26
2013	30	107	25	25	21
2014	30	112	28	28	25

UNF's proposal noted that there have been 156 graduates from the program within the current concentration at the Master's degree level and "all have passed their certification examination and are currently employed in their specialty field, earning over \$125,000." According to the Council on Accreditation of Nurse Anesthesia Educational Programs website, the certification pass rate for the last UNF graduating class for first-time takers was 85%, and the certification pass rate for the last graduating class for first- and second-time takers was 96%, with the site reporting an employment rate of 100% for the last graduation class (<http://home.coa.us.com/accredited-programs/Pages/CRNA-School-Search.aspx>). The Bureau of Labor Statistics reports national estimates for nurse anesthetists' mean annual wage is \$158,900 (<http://www.bls.gov/oes/current/oes291151.htm>).

C. Assessment of the University Review Process in accordance with BOG Regulation 8.011:

Due to the system of stair step accountability set in place by the Board of Governors in Regulation 8.011, it is now incumbent upon University Board of Trustees to verify that all doctoral programs coming before the Board of Governors have met the requirements of the regulation. The following is an assessment of the university review process to ensure that all criteria set forth have been considered by the university prior to submission to the Board of Governors office.

ACCOUNTABILITY

Check 'yes' or 'no' box, and make comments beneath criterion as appropriate.

- 1. Overall** – *The proposal is in the correct format, includes all necessary signatures, and contains complete and accurate tables for enrollment projections, faculty effort, and the proposed budget.*

YES NO

- ☒ ☐ **The proposal has been approved by the university board of trustees and includes all required signatures.**

This proposed program was approved by the UNF Board of Trustees at the October 2015 meeting.

- ☒ ☐ **The university has provided a proposal written in the standard SUS format which addresses new academic program approval criteria outlined in BOG Regulation 8.011.**

The new academic program proposal was written in the standard SUS format and in accordance with the criteria set forth in Board Regulation 8.011.

- ☒ ☐ **The pre-proposal was reviewed by the Council of Academic Vice Presidents (CAVP) workgroup and any concerns identified by the group have been listed and addressed in the proposal.**

The proposal documented that the CAVP met on 2/6/2015 and that no concerns were raised about implementing the proposed program.

- ☒ ☐ **The university has provided data that supports the need for an additional program in the State University System as well as letters of support or concern from the provosts of other state universities with substantially similar programs.**

The university has provided data that supports the need for nurse anesthetists. Letters of support were provided by the Dean and Professor of Anesthesiology for Barry University in Miami and by the Program Director of the Nurse Anesthesia program at Old Dominion University in Virginia Beach. Area clinical sites also provided support.

- ☒ ☐ **The university has provided complete and accurate projected enrollment, faculty effort, and budget tables that are in alignment with each other.**

From years 1 to 5, UNF anticipates increasing headcount enrollment from 45 students to 100 students. According to the enrollment data provided by UNF School of Nursing to the Board of Governors, 73-76 students have been enrolled full-time for the past 4 years in the UNF MSN program. The faculty currently consists of two tenured professors (1 FTE, and .5 FTE), one tenure-earning assistant professor (1 FTE), and five yearly instructors (varying FTE). The proposal does indicate plans to hire one assistant professor (yearly) with an initial date for participation in spring 2018. Enrollment, faculty effort, and budget tables for Years 1 and 5 are completed and align appropriately.

- ☒ ☐ **The university has included a statement in the proposal signed by the equity officer as to how this proposal will meet the goals of the university's equity accountability plan.**

University of North Florida's Equal Opportunity Officer signed the proposal on May 18, 2015.

- ☒ ☐ **The program does not substantially duplicate programs at FAMU or FIU or, if it does, evidence was provided that consultations have occurred with the affected university on the impact of the new program on existing programs.**

The proposal is a request to move an existing major to be a stand-alone degree and will not actually increase the number of nurse anesthetist programs in the state. It

would be the first BS to DNP program in nurse anesthesia to be offered by a public university in the state of Florida in the 51.3804 CIP code. The University of Miami currently offers a BS to DNP program in nurse anesthesia. Florida International University will offer a dual degree option of MSN-DNP for nurse anesthetist starting in January 2016.

2. Budget – *The proposal presents a complete and realistic budget for the program consistent with university and BOG policy, and shows that any redirection of funding will not have an unjustified negative impact on other needed programs.*

YES NO

☒ ☐ **The University Board of Trustees has approved the most recent budget for this proposal.**

The proposal was approved by the University Board of Trustees at the October 2015 meeting.

☒ ☐ **The university has reviewed the budget for the program to ensure that it is complete and reasonable, and the budget appears in alignment with expenditures by similar programs at other SUS institutions.**

The budget for the program appears to be complete. UNF provides a comparison of SUS NAP program tuition (gathered via information posted and available on websites) on page 10 of the proposal. The information included the university, credit hours, tuition, fees, tuition and fees IS, and tuition OOS.

☒ ☐ **The proposal indicates that the program will follow the cost-recovery or market-rate funding models. If so, details and timelines for getting approvals for these funding models are included in the proposal.**

The program is proposing a differentiated graduate-level tuition plan because the expenses for the Nurse Anesthetist program are higher than the other DNP programs at UNF. The proposed total cost of the program is \$56,734 for in-state and \$117,392 for out-of-state students. The tuition includes additional student-related expenses that were previously assessed as additional program fees as well as a 10% increase to cover future escalation in faculty or programmatic costs.

☒ ☐ **In the event that resources within the institution are redirected to support the new program, the university has identified this redirection and determined that it will not have a negative impact on undergraduate education, or the university has provided a reasonable explanation for any impact of this redirection.**

The proposal noted that the funds to implement this program are already used to support the existing major, so there will be no impact on other departments.

READINESS

Check 'yes' or 'no' box, and make comments beneath criterion as appropriate.

3. Program Quality – *The proposal provides evidence that the university planning activities have been sufficient and responses to any recommendations to program reviews or accreditation activities in the discipline pertinent to the proposed program have been addressed.*

YES NO

- ☒ ☐ **The university has followed a collaborative planning process for the proposed program in accordance with policies and procedures adopted by the University Board of Trustees.**

The faculty worked through the faculty governance process to create the revised curriculum and program of study. Participants included the graduate curriculum committee, university academic programs committee, and the graduate curriculum committee with NAP faculty. A chronological table outlining the collaborative planning process is included in the proposal.

- ☒ ☐ **An external consultant has reviewed the proposal and supports the department's capability of successfully implementing this new program.**

Dr. John M. O'Donnell, Professor and Chair of the Department of Nurse Anesthesia with University of Pittsburgh School of Nursing provided an external review of the proposal. Dr. O'Donnell's review supported the department's capability of successfully implementing this program.

- ☒ ☐ **The university has found the level of progress that the department has made in implementing the recommendations from program reviews or accreditation activities in the discipline pertinent to the proposed program to be satisfactory.**

According to the proposal, the Council on Accreditation for Nurse Anesthesia Educational Programs (COA) and the Council on Collegiate Nursing Education reported no compliance concerns with the UNF program following program review visits. Accreditation of the program was verified on COA's website and the next review date is 10/2019 (<http://home.coa.us.com/accredited-programs/Documents/LOAP%20-%20072815.pdf>). University of North Florida was confirmed to be a member institution of the Council on Collegiate Education for Nursing (http://www.sreb.org/page/1081/nursing_education.html).

- ☒ ☐ **The university has analyzed the feasibility of providing all or a portion of the proposed program through distance learning.**

UNF proposes to deliver the program via a combination of distance learning and in-class presentation. This is the course delivery method currently being utilized and it is reported to be successful.

4. Curriculum - *The proposal provides evidence that the university has evaluated the proposed curriculum and found that it describes an appropriate and sequenced course of study, and that the university has evaluated the appropriateness of specialized accreditation for the program.*

YES NO

- ☒ ☐ **The university has reviewed the curriculum and found that the course of study presented is appropriate to meet specific learning outcomes and industry driven competencies discussed in the proposal.**

The proposal describes that the curricular framework for this program is derived from the requirements for nurse anesthesia graduate education at the doctoral level as specified by the Council on Accreditation of Nurse Anesthesia Educational Programs. The program meets those requirements so that graduates will be qualified to take the National Certification Examination to become a Certified Registered Nurse Anesthetist. In addition, the DNP program was designed using AACN's Essentials of Doctoral Education for Advanced Nursing Practice (2006). As indicated in the proposal, the program also was developed to align with standards set forth by the American Association of Colleges of Nursing Essentials for Doctoral education in addition to the Standards delineated in the Nurse Anesthesia professional Practice Manual

<http://www.aana.com/resources2/professionalpractice/Pages/Professional-Practice-Manual.aspx>.

- ☒ ☐ **The university anticipates seeking accreditation for the proposed doctoral program, or provides a reasonable explanation as to why accreditation is not being sought.**

The Commission of Collegiate Nursing Education granted approval to UNF to award the DNP degree in 2010. In 2014, the Council on Accreditation of Nurse Anesthesia Educational Programs approved the conversion of the UNF MSN Nurse Anesthesia Program to the DNP level. No recommendations were offered by either accrediting agency and UNF was fully approved. In 2015, the Commission of Collegiate Nursing Education visited to reaccredit the DNP program including the DNP-NAP cohort. UNF reports that no formal reports have been received. Accreditation of the program was verified on COA's website and the next review date is 10/2019 (<http://home.coa.us.com/accredited-programs/Documents/LOAP%20-%20072815.pdf>). University of North Florida was confirmed to be a member institution of the Council on Collegiate Education for Nursing (http://www.sreb.org/page/1081/nursing_education.html).

5. Faculty – *The proposal provides evidence that the university is prepared to ensure a critical mass of faculty will be available to initiate the program based on estimated enrollments, and that faculty in the aggregate have the necessary experience and research activity to sustain a doctoral program.*

YES NO

- ☒ ☐ **The university has reviewed the evidence provided and found that there is a critical mass of faculty available to initiate the program based on estimated enrollments.**

The existing NAP major is accredited by both the Commission on Collegiate Nursing Education and the Council on Accreditation of Nurse Anesthesia Educational Programs. Both of these organizations have established standards to ensure that the appropriate number of faculty are in place to deliver the program.

- ☒ ☐ **The university has reviewed the evidence provided and found that the faculty in aggregate has the necessary experience and research activity to sustain the program.**

The existing NAP major is accredited by both the Commission on Collegiate Nursing Education and the Council on Accreditation of Nurse Anesthesia Educational Programs. Both of these organizations have established standards to ensure that faculty have the appropriate credentials and experience to sustain the program.

- ☒ ☐ **The university has reviewed the evidence provided and found the academic unit(s) associated with this new degree to be productive in teaching, research, and service.**

Faculty CVs demonstrate that the faculty who will contribute to the program in Year 1 have been active in teaching, research, and service to the profession and the institution.

- ☒ ☐ **If appropriate, the university has committed to hiring additional faculty in later years, based on estimated enrollments.**

Based on Table 4 of the proposal, the university anticipates hiring one additional annual assistant professor with the initial date for participation in the program in spring 2018.

6. Resources – *The proposal provides evidence that the university has ensured the available library volumes and serials; classroom, teaching laboratory, research laboratory, office space, equipment, clinical and internship sites, fellowships, scholarships, and graduate assistantships will be sufficient to initiate the program, and that if applicable, funding has been secured to make more resources available as students proceed through the program..*

YES NO

- ☒ ☐ **The university has provided a signed statement from the Library Director verifying that the library volumes and serials available are sufficient to initiate the program.**

The library director signed the proposal on May 18, 2015. The proposal includes a listing of the databases supporting programs in the Brooks College of Health and indicated that no additional library resources are required for the proposed program.

- ☒ ☐ **The university has ensured that the physical space necessary for the proposed program, including classrooms, laboratories and office space, is sufficient to initiate the program.**

According to the proposal, additional space is not expected to be needed as the program is currently in operation as a major under the existing DNP.

- ☒ ☐ **The university has ensured that necessary equipment is available to initiate the program.**

According to the proposal, additional equipment is not needed although UNF noted that it will need to plan for the usual replacement of equipment, given wear and tear of the equipment.

- ☒ ☐ **The university has ensured that fellowships, scholarships, and graduate assistantships are sufficient to initiate the program.**

As noted in the proposal, traineeships may be available through the Federal Health Resources Services administration and students are able to apply for a limited number of tuition waivers.

- ☒ ☐ **If applicable, the university has ensured that the department has arranged a suitable number of clinical and internship sites.**

UNF currently lists 8 available sites for clinical and internships and has just entered into an agreement with Baptist Health, Jacksonville, making Baptist Health the ninth clinical site for the program.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
November 4, 2015**

SUBJECT: Doctor of Social Work (CIP 51.1503) at the Florida Atlantic University

PROPOSED COMMITTEE ACTION

Consider for approval the Doctor of Social Work (DSW) at the Florida Atlantic University, CIP 51.1503.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.011

BACKGROUND INFORMATION

Florida Atlantic University (FAU) is proposing to offer a professional doctorate degree program in Social Work. The program will be offered at the Boca Raton campus (75%) and online (25%). The program will prepare graduates for leadership roles in advanced clinical social work, clinical supervision, and social work education. The proposed DSW would be the first professional degree in social work in the state of Florida.

A Master's in Social Work (MSW) from an accredited institution will be required for admission into the DSW program and the completion of a 50 semester credit hour curriculum and a practice-oriented research project will be required to earn the degree. A letter of support has been provided by Florida International University because it offers a somewhat similar Doctor of Philosophy program.

The FAU Board of Trustees approved the program on June 17, 2014. If approved by the Board of Governors, FAU will implement the program effective Fall 2016.

Supporting Documentation Included: 1. Staff Analysis
2. Program Proposal available online at
www.flbog.edu

Facilitators/Presenters: Dr. Gary Perry

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
NEW DOCTORAL DEGREE PROPOSAL STAFF ANALYSIS**

Program: Doctor of Social Work
Institution: Florida Atlantic University
Staffed By: D. Barbu, Ph.D.

CIP Code: 51.1503
Proposed Implementation Date: Fall 2016
Initial Review Date: 09/08/15 **Last Update:** 9/30/2015

Projected program costs:

	Total	% & \$ Current Reallocated	% & \$ New Recurring	% & \$ New Non- Recurring	% & \$ C&G	Auxiliary Funds	Cost per FTE	SUS Average Cost per FTE AY 2013-14
Year 1	\$277,582	60% \$167,114	39% \$107,468	1.1% \$3,000	\$0	\$0	\$26,015	\$9,642**
Year 5	\$566,376	78% \$443,376	22% \$123,000	\$0	\$0	\$0	\$17,699	

** NOTE: SUS Average Cost per FTE is a less meaningful comparative measure for the 51 CIP because of the wide range of clinical and nonclinical programs included.

Projected FTE and Headcount are:

	Student Headcount	Student FTE
First Year	15	10.67
Second Year	30	21
Third Year	45	32
Fourth Year	45	32
Fifth Year	45	32

On March 29, 2007, the Florida Board of Governors approved BOG Regulation 8.011, which sets forth criteria for implementation and authorization of new doctorates by the Board of Governors, as well as criteria for implementation and authorization of Bachelor's, Master's and Specialist degrees by Boards of Trustees. The following staff analysis is an assessment of how well the university meets BOG Accountability and Readiness criteria for implementation of this degree program.

Proposal Page Numbers:

INTRODUCTION		ACCOUNTABILITY		READINESS				
Program Description	SUS Goals	Overall	Budget	Mission and Strength	Program Quality	Curriculum	Faculty	Resources
2	6	14	26	30	38	41	54	63

A. Program Description:

The Florida Atlantic University is proposing to implement a Doctor of Social Work (DSW) degree that “will be an advanced clinical practice degree emphasizing evidence-based clinical social work services provided to individuals, families, and groups, especially in social service, health and mental health care settings” (p. 2). The program is expected to prepare graduates for leadership roles in advanced clinical social work, clinical supervision, and social work education (as clinical faculty for schools of social work teaching various levels of clinical practice).

A Master’s in Social Work (MSW) from an accredited institution will be required for admission into the DSW program and completion of a 50 semester credit hour curriculum and a practice-oriented research project will be required to earn the degree. The proposal explains that as an advanced clinical practice degree, the DSW differs from a research-oriented PhD in Social Work, which primarily prepares graduates for academic positions and advanced research. The DSW, however, “includes practice oriented research and evaluation” to prepare students for “innovative, complex, and sophisticated areas of practice” (p. 2).

The proposal notes that the practice focus of the DSW degree is similar to that of an advanced degree offered in other professional disciplines such as Audiology (Aud.D.), Pharmacy (PharmD), and Physical Therapy (DPT). If approved the DSW would be the first professional degree in social work in the state of Florida and would “prepare doctoral level social work clinicians to work in health, mental health, and social service areas in South Florida and the region” (p. 35).

B. System-Level Analysis and Evaluation in accordance with BOG Regulation 8.011:

Summary Observations:

- The proposed program will be relatively low cost to implement for the university.
- The proposal provides evidence that the university has the necessary resources to implement the proposed program.
- Labor market statistics at the national, state, and local level indicate an increasing demand for social workers at the master’s and bachelor’s degree level.
- Labor market statistics cannot be used to verify workforce demand for the program at the doctorate level because the pertinent occupational codes are associated with lower degree levels.
- 19 letters of support are provided from universities and non-academic institutions, but none of them quantify the number of openings that may be available.
- The proposal and supporting documentation make an argument for the DSW as

an emerging credential driven by student demand for additional specialization.

- There is evidence that DSW graduates can obtain an increase in salary.

At the request of the Chair for the Academic and Student Affairs Committee, Board of Governors the proposed program was reviewed during the Health Initiatives Committee (HIC) Workshop on January 21, 2015. The Committee and its industry advisory group discussed workforce demand for clinical social workers and the following questions were used to guide the discussion.

- For the professional practice doctorates, is there evidence that graduates of these programs will benefit from a hiring preference, promotion potential, or higher earnings?
- Are changes in the practice environment driving the transition to a higher credential? What are other drivers of credential change?
- Are the proposed programs likely to enroll students and be sustainable? If the market demand remains small, will the market become saturated quickly even in the presence of high student demand?

When considering these questions the Committee and advisory group members acknowledged that there was an existing and growing need for clinical social workers in the healthcare industry, especially for mental health counseling. It was also acknowledged that expanding the curriculum beyond what is now part of most MSW programs could improve patient outcomes by augmenting direct medical care with continued counseling and guidance.

The need for doctorally prepared faculty to teach in existing MSW programs was noted, and the question was raised as to whether the proposed DSW would address that need. University staff responded that there was a growing need for clinical faculty in social work programs and that the DSW would fill that need.

Some members expressed concern that movement to a higher credential for clinical social work practitioners was being driven in part by the profession seeking to increase the income of its members, and that documentation of workforce demand for the DSW should be addressed. Workshop participants were assured that the university's focus was on improved preparation for clinical social workers, not increasing the income of practicing professionals.

Need and Demand

The following section addresses need and demand for the proposed program.

Need for DSW Graduates

The proposal provides an analysis of state and national demand for the DSW graduates.

Currently Ph.D. programs in Social Work are offered in Florida at FIU, FSU, USF, and Barry University. The USF Ph.D. in Social Work program has temporarily suspended new enrollments. As noted in the proposal, each of these has a primary emphasis on research and preparation of faculty.

The proposal notes that a bill has been introduced in Congress that recognizes the projected shortage of social workers and, if passed, will provide research, education and training grants to institutions of higher education to support recruitment and education of social work students at the bachelor's, master's, and doctoral levels. The [bill](#) was initially introduced in Congress in 2011 and 2013, but it did not pass. The bill was reintroduced again in 2014, but there have not yet been any votes related to this bill.

The following section examines the supplemental documentation provided in support of the proposal in appendixes D and J.

The proposal packet includes a study commissioned by FAU and completed in August 2015 by Hanover Research (Appendix D). The Hanover report focused on examining the student and labor market need for the DSW degrees using Bureau of Labor Statistics (BLS) and Florida Department of Economic Opportunity (DEO) information. The following section examines the findings of the Hanover report.

- The Hanover report notes that, to date, a total of eight DSW programs have been developed in the U.S. and an additional one is under development (p. 10). Out of these 9 programs, four (4) are already offered online with some residency requirements and the ninth program will likely follow the same model. The proposed program from FAU would be the 10th DSW program in the nation.
- The report points to the fact that the professional organizations in the field, such as the National Association of Social Workers (NASW), the Social Work Policy Institute as well as the Council of Social Work Education (CSWE) seem to be driving the need for more DSW graduates in the workforce (p. 13).
- The report noted that according to Bureau of Labor Statistics a number of occupations related to social work were projected to expand at rates higher than the national average (Appendix D, Hanover Research, p. 15). Staff research revealed that none of these occupations, except for Postsecondary Teachers, required the completion of a doctoral level degree. The educational requirements ranged from at least a high school diploma to a master's level credential. Things looked similar in terms of educational requirements at the state level using information provided by the Florida Department of Economic Opportunity (DEO).

- The report notes that by July 1, 2019 at least half of the workforce of Florida's Department of Children and Families (DCF) should hold baccalaureate or master's level credentials in social work, according to Florida Statute 402 (1). The report estimates that by 2019 the department will have to hire more than 500 workers with these credentials and new faculty with a doctoral degree will be needed to prepare more BSW and MSW students. However, according to the State University System (SUS) interactive data system, the SUS institutions have been awarding more than 700 baccalaureate degrees annually over the last three years for a total of 2,182 baccalaureate degrees awarded between AY 2011-2014 and more than 650 master's degrees annually, for a total of 2,222 master degrees over the same period in social work (CIP 44.0701). Finally, over the same period (AY 2010-2013) a total of 26 doctoral (Doctor of Philosophy) degrees in social work were awarded by SUS Institutions (CIP 44.0701). While some of these graduates leave Florida after graduation and some accept positions in the public and private sectors (outside of DCF), the social worker's marketplace seems to be saturated with BSW and MSW graduates and it is unlikely that the state will be confronted with a shortage social work faculty in the near future in Florida. Finally, between 2012-2014, enrollments in Social Work programs at undergraduate and graduate level exceeded 4,000 students annually.
- The report includes a table (Figure 3.1: Estimated job openings for social workers with doctorates based on 2022 Florida Employment projections) which provides an estimate of 71 annual job openings for graduates with doctoral degrees in the state of Florida (p. 14). This table (figure 3.1) combines information from the Bureau of Labor Statistics (Table 1.11: educational attainment for workers 25 years and older by detailed occupation for year 2010-11) as well as DEO employment projections between 2014-2022, for specific SOC codes associated with CIP codes 44.0701 (Social Work) and 51.1503 (Clinical/Medical Social Work).

On one hand, about 13 additional CIP codes are linked with these SOC codes and the SUS has already been preparing doctoral graduates in five (5) of them. The SUS CIP codes feeding into the SOC codes included in Figure 3.1 are 44.0701 Social Work, 52.0101, 52.0201 Business, 43.0110 Juvenile Corrections, and 51.1505 Marriage Counseling. During AY 2013-14, a total of 77 research doctorates have been awarded in these CIP codes by SUS institutions and during the AY 2011-12 and 2012-13, more than 65 degrees were awarded annually.

On the other hand, according to the Health Initiatives Committee (HIC) report (May 2015) for CIP 44.0701, 51.1505, and 51.1508, 32%, 32%, and 60%, respectively, of the doctoral degree graduates in the SUS were found employed full-time in the state of Florida, one year following graduation. Similar information for doctoral graduates in CIPs 52.0101 and 52.0201 (Business) from

SUS institutions is not available at this time.

- The report notes that a search for job openings using “social work” terms yielded a total of 17 positions nationwide using the www.indeed.com website. The same search was repeated on 9/9/2015 and yielded a total of 28 “Social Worker,” 44 “Case Manager,” and eight (8) “Director of Case Management” positions, the vast majority of them requiring a baccalaureate or master degree level credential.

Two papers to further demonstrate the demand for DSW graduates in the labor market are included in Appendix J. Please find below a brief analysis of the findings from these documents:

- Hartocollis, Solomon, Doyle, and Ditty (2015) evaluated the University of Pennsylvania’s DSW program. The study found that the DSW degree “holds promise as a value-added option alongside the PhD” (p. 127). The graduates were found to help address the “critical need for doctoral level practice teachers in BSW and MSW programs [...] with current alumni being hired as full-time practice professors and part-time faculty in BSW, MSW, and other human service programs” (p. 127). Another finding of the article was that the dissertation requirement of the DSW program (at UPenn) was perceived as valuable, alumni noting that it “enhanced their ability to work with specific client populations” (p. 127). This finding was in line with previous research literature in regards to how the dissertation impacts clinical practice in a positive manner (p. 127). While Hartocollis et al (2015) note the value of having a dissertation requirement as part of a DSW program, they also note that a dissertation requirement may not be appropriate for every DSW program (p. 127). The FAU DSW program includes a capstone requirement (FAU DSW proposal, p. 49).
- The second study included in this section was presented at the Social Work Leadership Forum (no date was provided). The study notes that “academic institutions have indicated a growing need for faculty holding a terminal degree in the profession who trained as advanced practitioners and come into academe with strong practice background” (p. 7). However, data or other type of evidence to support this need were not provided.

Student Demand

The proposal includes the summary of a think tank report and three surveys of social work graduates, practitioners, community partners, and DSW graduates to assess their interest in the DSW program. The detailed results from these survey are included in Appendices F, G, and H.

The conclusions of the think tank report (2013) issued by the Social Work Policy

Institute and convened under the auspices of the National Association of the Social Workers are included in the proposal (FAU DSW proposal, p. 15). Although the conclusions of the report note that demand for doctoral education in social work is driven by students' interest, the report notes that "looking into the future, [Wayne Lindstrom, PhD, Consultant Sociotech] was pessimistic about the DSW as a way for clinicians to make more money, or to change the marketplace" (Social Work Policy Institute, 2013, p. 15). In other words, students seem to exhibit great interest in further specialization at the doctoral level; rewards in the labor market, however, in terms of higher salary or promotion are unlikely to be associated with the acquisition of the new credential and DSW graduates seem to have little interest in them.

The first survey provides details from a DSW information, input, and feedback session that included 62 community members (Appendix G). The participants were divided into five (5) focus groups and the survey found that attendees were "considering a DSW program for the purpose of degree parity with other professionals," but the "prospect of higher salaries did not appear in the open-ended focus groups" (FAU DSW, p. 17) (e.g. participants did not identify salary or promotion as main motivators for pursuing the DSW).

The second survey included 393 social work graduates and practitioners (Appendix H). Forty-four (44%) and 42% of the participants indicated that they were either strongly or moderately interested, respectively, "in taking a DSW program," with 34% and 39% of the respondents being very likely and moderately likely to apply for the DSW program in the next five years (FAU DSW, p. 17). The top three benefits of pursuing a clinically oriented DSW, as ranked by the survey participants, were the ability to "enhance clinical skills and practice," "open up career opportunities in academia (college/university positions)," and "provide a community of learners and leaders to advance the social work profession" (Appendix H, p. 7). Salary and promotion seemed to be less salient motivators for pursuing a DSW program (Appendix H, p. 7).

The third survey focused on DSW graduates from three universities – the University of Pennsylvania, Rutgers University, and the University of Tennessee – and included 17 participants (Appendix F). The main findings of the survey were that intellectual enhancement and improved knowledge were the top two motivators for pursuing a DSW degree. Salary increases and improved marketability were ranked as the weakest motivators for pursuing this program. However, out of the 17 participants, 53% noted that their salary increases followed the completion of the DSW program and 83% reported that the DSW increased their earnings potential.

The report and the surveys point to three main conclusions. First, student demand for the DSW program exists and some the main motivators for pursuing this degree tend to be intellectual enhancement as well as improved knowledge and skill. Second, respondents reported that salary and promotion were among the least significant

motivators for pursuing this program. Third, the completion of the DSW programs was found to lead to salary increases as well as increases in graduates' earning potential.

Along with the proposal, FAU provided the Board of Governors with 19 letters of support to illustrate the need for DSW graduates in both academic and non-academic settings (Appendix E). Three letters have been received from postsecondary institutions (UCF, St. Leo University, and Southeastern University) noting that these institutions would consider graduates from this program for future faculty positions (FAU DSW, pp. 18-19). Sixteen letters of support were provided by non-academic institutions noting that they would consider hiring DSW graduates; no number of potential openings, however, have been provided. One letter of support was received from FIU expressing no concerns about duplication of its Ph.D. in Social Work (Appendix C).

The proposal notes that the two main sources of applicants would be the social work agencies in the region and FAU MSW graduates (Appendix A, Table 1).

Analyst's Comments

The proposal, reports, and surveys provided as part of the proposal packet point to three main conclusions. First, student demand for the DSW program exists and some of the main motivators for pursuing this degree tend to be intellectual enhancement as well as improved knowledge and skill. Second, salary and promotion were found to be among the least significant motivators for pursuing this program. Third, the completion of the DSW programs was found to lead to salary increases as well as increases in potential earnings.

C. Assessment of the University Review Process in accordance with BOG Regulation 8.011:

Due to the system of stair step accountability set in place by the Board of Governors in Regulation 8.011, it is now incumbent upon University Board of Trustees to verify that all doctoral programs coming before the Board of Governors have met the requirements of the regulation. The following is an assessment of the university review process to ensure that all criteria set forth have been considered by the university prior to submission to the Board of Governors office.

ACCOUNTABILITY

Check 'yes' or 'no' box, and make comments beneath criterion as appropriate.

- 1. Overall** – *The proposal is in the correct format, includes all necessary signatures, and contains complete and accurate tables for enrollment projections, faculty effort, and the proposed budget.*

YES NO

- ☒ ☐ **The proposal has been approved by the university board of trustees and includes all required signatures.**
- ☒ ☐ **The university has provided a proposal written in the standard SUS format which addresses new academic program approval criteria outlined in BOG Regulation 8.011.**
- ☒ ☐ **The pre-proposal was reviewed by the Council of Academic Vice Presidents (CAVP) workgroup and any concerns identified by the group have been listed and addressed in the proposal.**

The proposal was discussed by the CAVP group at its November 8, 2013 meeting and no concerns were voiced in regards to the development and implementation of this program.

- ☒ ☐ **The university has provided data that supports the need for an additional program in the State University System as well as letters of support or concern from the provosts of other state universities with substantially similar programs.**

The university has provided data and letters of support, including from FIU and UCF. Although the submitted documents do not provide a clear and convincing need for an additional doctoral level program in Social Work at this time from a workforce perspective, there is support from social workers in the field for more advanced knowledge and skills to respond to today's mental health crisis.

- ☒ ☐ **The university has provided complete and accurate projected enrollment, faculty effort, and budget tables that are in alignment with each other.**
- ☒ ☐ **The university has included a statement in the proposal signed by the equity officer as to how this proposal will meet the goals of the university's equity accountability plan.**
- ☒ ☐ **The program does not substantially duplicate programs at FAMU or FIU or, if it does, evidence was provided that consultations have occurred with the affected university on the impact of the new program on existing programs.**

A PhD in Social Work is offered at FIU and FIU provided a letter of support for the proposed DSW program expressing no concerns about duplication.

2. Budget – *The proposal presents a complete and realistic budget for the program consistent with university and BOG policy, and shows that any redirection of funding will not have an*

unjustified negative impact on other needed programs.

YES NO

☒ ☐ The University Board of Trustees has approved the most recent budget for this proposal.

☒ ☐ The university has reviewed the budget for the program to ensure that it is complete and reasonable, and the budget appears in alignment with expenditures by similar programs at other SUS institutions.

☐ ☒ The proposal indicates that the program will follow the cost-recovery or market-rate funding models. If so, details and timelines for getting approvals for these funding models are included in the proposal.

The proposal will follow the traditional funding model – the program will be funded through E&G money.

☒ ☐ In the event that resources within the institution are redirected to support the new program, the university has identified this redirection and determined that it will not have a negative impact on undergraduate education, or the university has provided a reasonable explanation for any impact of this redirection.

READINESS

Check 'yes' or 'no' box, and make comments beneath criterion as appropriate.

3. Program Quality – *The proposal provides evidence that the university planning activities have been sufficient and responses to any recommendations to program reviews or accreditation activities in the discipline pertinent to the proposed program have been addressed.*

YES NO

☒ ☐ The university has followed a collaborative planning process for the proposed program in accordance with policies and procedures adopted by the University Board of Trustees.

☒ ☐ An external consultant has reviewed the proposal and supports the department's capability of successfully implementing this new program.

☒ ☐ The university has found the level of progress that the department has made in implementing the recommendations from program reviews or

accreditation activities in the discipline pertinent to the proposed program to be satisfactory.

- ☒ ☐ The university has analyzed the feasibility of providing all or a portion of the proposed program through distance learning.

The program will be offered at campus in Boca Raton (75%) and through distance learning (25%).

- ☐ ☐ If necessary, the university has made allowances for licensure and legislative approval to be obtained in a timely manner.

Not applicable.

4. Curriculum - *The proposal provides evidence that the university has evaluated the proposed curriculum and found that it describes an appropriate and sequenced course of study, and that the university has evaluated the appropriateness of specialized accreditation for the program.*

YES NO

- ☒ ☐ The university has reviewed the curriculum and found that the course of study presented is appropriate to meet specific learning outcomes and industry driven competencies discussed in the proposal.

- ☒ ☐ The university anticipates seeking accreditation for the proposed doctoral program, or provides a reasonable explanation as to why accreditation is not being sought.

Program accreditation is not available at the doctoral level in this discipline. The MSW program is accredited by the Council on Social Work Education.

5. Faculty – *The proposal provides evidence that the university is prepared to ensure a critical mass of faculty will be available to initiate the program based on estimated enrollments, and that faculty in the aggregate have the necessary experience and research activity to sustain a doctoral program.*

YES NO

- ☒ ☐ The university has reviewed the evidence provided and found that there is a critical mass of faculty available to initiate the program based on estimated enrollments.

- ☒ ☐ The university has reviewed the evidence provided and found that the faculty in aggregate has the necessary experience and research activity to

sustain the program.

- ☒ ☐ The university has reviewed the evidence provided and found the academic unit(s) associated with this new degree to be productive in teaching, research, and service.
- ☒ ☐ If appropriate, the university has committed to hiring additional faculty in later years, based on estimated enrollments.

6. Resources – The proposal provides evidence that the university has ensured the available library volumes and serials; classroom, teaching laboratory, research laboratory, office space, equipment, clinical and internship sites, fellowships, scholarships, and graduate assistantships will be sufficient to initiate the program, and that if applicable, funding has been secured to make more resources available as students proceed through the program..

YES NO

- ☒ ☐ The university has provided a signed statement from the Library Director verifying that the library volumes and serials available are sufficient to initiate the program.
- ☒ ☐ The university has ensured that the physical space necessary for the proposed program, including classrooms, laboratories and office space, is sufficient to initiate the program.
- ☒ ☐ The university has ensured that necessary equipment is available to initiate the program.
- ☒ ☐ The university has ensured that fellowships, scholarships, and graduate assistantships are sufficient to initiate the program.
- ☒ ☐ If applicable, the university has ensured that the department has arranged a suitable number of clinical and internship sites.

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

Academic and Student Affairs Committee

November 4, 2015

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.002
Admission of Undergraduate First-Time-in-College, Degree-Seeking
Freshmen

PROPOSED COMMITTEE ACTION

Consider approval of the public notice of intent to amend Board of Governors Regulation 6.002 Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

Regulation 6.002 provides guidance related to minimum standards expected for admission of undergraduate first-time-in-college (FTIC), degree-seeking freshmen. The proposed amendments to the regulation acknowledge the new redesigned SAT (rSAT) that will be administered beginning in March 2016. The amendment provides clarification as to the treatment of scores during the transition time. Additionally, the essay portion of the admission tests are proposed to be dropped beginning spring 2017 as both the rSAT essay and the ACT essay are now optional for students. Knowledge of writing skills are still included in the standard tests.

Originally recommended by the SUS Admission and Registrar's Committee, this regulation was reviewed by the university General Counsels, Council of Academic Vice Presidents, Council of Student Affairs, and other state university staff. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included: Amended Regulation 6.002

Facilitators / Presenters: Governor Norman Tripp

6.002 Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen

(1) **FTIC Undergraduate Admission - General.** This regulation outlines minimum eligibility requirements for first-time-in-college (FTIC) students seeking admission to an undergraduate degree program in the State University System (SUS). Individual institutions may choose to establish more stringent admission requirements within the parameters outlined in Board of Governors regulations.

- (a) For the purposes of this regulation, FTIC freshmen are defined as students who have earned a standard high school diploma from a Florida public or regionally accredited high school, or its equivalent, and who have earned fewer than twelve (12) semester hours of transferable college credit since receiving a standard high school diploma or its equivalent.
- (b) Eligibility for admission to the SUS does not guarantee admission to the specific institution or degree program to which admission is sought.
- (c) Each university board of trustees shall develop regulations governing the admission of ~~undergraduate~~ FTIC students that comport with the requirements outlined in Board regulations. Such regulations may allow for exceptions to be made on an individual basis, as outlined in subparagraph 2(b) of this regulation, when a student, in the judgment of an appropriate university committee, can reasonably be expected to perform satisfactory academic work in the institution to which admission is sought.
- (d) In all but the following specified cases, an FTIC student must have earned a standard high school diploma from a Florida public or regionally accredited high school, or its equivalent, to be considered for admission to a state university. Students completing a home education program according to section 1002.41, Florida Statutes, meet this minimum admission requirement; however, each university may require additional documentation to verify eligibility for these students. Students admitted under early admission in accordance with university policy are exempted from this requirement during the time they are still classified as early admission students. Early admission is a form of dual enrollment through which eligible secondary students are admitted to a postsecondary institution on a full-time basis in courses that are creditable toward both the high school diploma and the students' university degree program.
- (e) FTIC students applying for admission must submit SAT Reasoning Test or redesigned SAT (rSAT) scores from the College Board or ACT ~~Plus~~ with Writing scores from ACT, Inc. Universities may reserve the right to require a student to take an updated version of a test. Students applying for Spring 2017 or later are not required to submit an essay score.
- (f) Each university shall require FTIC applicants to submit or authorize transmission of a complete official academic transcript of all secondary work and from each postsecondary institution, as appropriate. Each transcript shall

list all courses for which the student was enrolled each term, the status in each course at the end of the term, all grades and credits awarded, and a statement explaining the grading policy of the institution.

- (g) Each transcript should also specify any college credits the student earned through accelerated mechanisms. University weighting of approved accelerated mechanisms in the recalculation of the student's grade point average for admission purposes must be conducted per Board Regulation 6.006(5) Acceleration Mechanisms.
- (h) Each FTIC student admitted to the SUS is expected to demonstrate competency of foreign language or American Sign Language equivalent to the second high school level or higher (Spanish 2, Haitian Creole 2, etc.). A limited number of students not meeting the high school foreign language requirement may be admitted; however, these students must fulfill the foreign language requirement prior to completion of the baccalaureate degree. These students may meet this foreign language admission requirement by demonstrating competency at the elementary 2 level in one foreign language or American Sign Language at an undergraduate institution; demonstrating equivalent foreign language competence on the basis of scores determined by the *Articulation Coordinating Committee (ACC) Credit-By-Exam Equivalencies*, as adopted by the BOG and accessible at www.fldoe.org/articulation/; or demonstrating equivalent foreign language or American Sign Language competence through other means approved by the university.
- (i) Any FTIC student with a disability shall be eligible for reasonable substitution or modification of any requirement for admission pursuant to BOG Regulation 6.018.

(2) **FTIC Undergraduate Admission.** Students shall be considered as meeting minimum SUS eligibility requirements in one of the following ways:

- (a) Standard Admission: FTIC students applying to the SUS may be considered for admission based on the following criteria:

1. An FTIC student may be admitted if meeting the following grade point average (GPA) or admissions test scores as indicated in Table One.

Table One

<u>Students Admitted Prior to Spring 2017</u>	<u>Students Admitted Spring 2017 and Later</u>
<u>An FTIC student may be admitted if he/she has a high school grade point average (GPA) of 3.00 or higher on a 4.00 scale as calculated by the university, and presents an official SAT Reasoning Test and/or ACT Plus Writing scores. Beginning</u>	<u>An FTIC student may be admitted if he/she has a high school GPA of 3.00 or higher on a 4.00 scale as calculated by the university and presents an official SAT and/or ACT.</u>
	<u>OR</u>

<p><u>fall 2014, the student must include the Plus Writing section of the ACT if utilizing the ACT to meet this standard,</u></p> <p style="text-align: center;"><u>OR</u></p>	
<p><u>An FTIC student may be admitted if he/she has a high school GPA of 2.5 - 2.99 on a 4.00 scale as calculated by the university. Course work from which a student has withdrawn with passing grades will not be included in the calculation. In addition to achieving the minimum GPA, a student must achieve the minimum scores for each section of the SAT (or its corresponding score on the redesigned SAT, based on official concordance tables which will be available from the College Board after the administration of the first redesigned SAT) or ACT Plus Writing section as outlined below:</u></p> <ul style="list-style-type: none"> • <u>SAT - Critical Reading \geq 460 or ACT - Reading \geq 19,</u> • <u>SAT - Mathematics \geq 460 or ACT - Mathematics \geq 19, and</u> • <u>SAT - Writing \geq 440 or ACT - Combined English/Writing \geq 18.</u> 	<p><u>An FTIC student may be admitted if he/she has a high school GPA of 2.5 - 2.99 on a 4.00 scale as calculated by the university. Course work from which a student has withdrawn with passing grades will not be included in the calculation. In addition to achieving the minimum GPA, a student must achieve the minimum scores for each section of the SAT (or its corresponding score on the redesigned SAT, based on an official Evidenced-Based Reading/Writing Section and Math Section concordance from the College Board after the administration of the first redesigned SAT) or ACT section as outlined below:</u></p> <ul style="list-style-type: none"> • <u>SAT - Critical Reading or concord score from rSAT Evidence-Based Reading & Writing score \geq 460 Or ACT Reading \geq 19</u> • <u>SAT - Mathematics \geq 460 or ACT - Mathematics \geq 19</u>

~~1. An FTIC student may be admitted if he/she has a high school grade point average (GPA) of 3.00 or higher on a 4.00 scale as calculated by the university, and presents official SAT Reasoning Test and/or ACT Plus Writing scores. Beginning fall 2014, the student must include the Plus Writing section of the ACT if utilizing the ACT to meet this standard,~~

~~**OR**~~

~~An FTIC student may be admitted if he/she has a high school GPA of 2.5–2.99 on a 4.00 scale as calculated by the university. Course work from which a student has withdrawn with passing grades will not be included in the~~

calculation. In addition to achieving the minimum GPA, a student must achieve the minimum scores for each SAT Reasoning Test or ACT Plus Writing section as outlined below:

- ~~SAT Critical Reading \geq 460 or ACT Reading \geq 19,~~
- ~~SAT Mathematics \geq 460 or ACT Mathematics \geq 19, and~~
- ~~SAT Writing \geq 440 or ACT Combined English/Writing \geq 18.~~

2. An FTIC applicant must have completed the secondary academic unit requirements as indicated in Table ~~One~~ Two.

Table ~~One~~ Two

Students Entering High School Prior to July 1, 2007	Students Entering High School July 1, 2007 or Later
4 credits – English/Language Arts (three of which must have included substantial writing requirements).	4 credits – English/Language Arts (three of which must have included substantial writing requirements).
3 credits – Mathematics (at or above the Algebra I level).	4 credits – Mathematics (at or above the Algebra I level).
3 credits – Natural Science (two of which must have included substantial laboratory requirements).	3 credits – Natural Science (two of which must have included substantial laboratory requirements).
3 credits – Social Science (to include anthropology, history, civics, political science, economics, sociology, psychology, and/or geography).	3 credits – Social Science (to include anthropology, history, civics, political science, economics, sociology, psychology, and/or geography).
2 credits – Foreign Language See subsection 1(h).	2 credits – Foreign Language See subsection 1(h).

<p>3 credits – Additional academic electives (in any combination of courses listed in the Department of Education Course Code Directory, accessible at www.fldoe.org/articulation/, as follows:</p> <ol style="list-style-type: none"> 1. Up to three credits in Level II courses in English/Language Arts, Mathematics, Natural Science, Social Science, Foreign Language, or Fine Arts; Level III courses in any discipline; or Dual Enrollment courses for which both high school and postsecondary credits are granted; OR 2. At least one credit from 1. above and up to two credits in courses grade nine or above in ROTC/Military Training, or at least one credit from 1. above and up to two credits of equivalent courses in any discipline as determined by the Articulation Coordinating Committee, and listed in the <i>Florida Counseling for Future Education Handbook</i>, accessible at www.fldoe.org/articulation/). 	<p>2 credits – Additional academic credits (in any combination of courses listed in the Department of Education Course Code Directory, accessible at www.fldoe.org/articulation/, as follows:</p> <ol style="list-style-type: none"> 1. Two credits from among Level II courses listed in the Department of Education Course Code Directory in English/Language Arts, Mathematics, Natural Science, Social Science, Foreign Language, Fine Arts; Level III courses listed in the Directory in any academic or career and technical education credited discipline; or Dual Enrollment courses for which both high school and postsecondary academic credits are granted; OR 2. One credit from 1. above and one credit from grade nine or above in ROTC/Military Training, or an equivalent course in any discipline as determined by the Articulation Coordinating Committee, and listed in the <i>Florida Counseling for Future Education Handbook</i>, accessible at www.fldoe.org/articulation/).
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3. Home Education or Other Non-Traditional High School Program participants:
A student applying for admission who has participated in a non-traditional high school program must present credentials determined to be equivalent to those described in this regulation by the individual SUS institution to which the student is applying. A student whose high school educational program is not measured in Carnegie Units must present a combined test score of at least 1010 on the SAT I, a combined test score of at least 1010 on the SAT Reasoning Test (or concordant redesigned SAT section). ~~Critical Reading and Mathematics portions~~, a minimum composite score of 21 on the ACT Plus Writing (or ACT for students entering Spring 2017), or an overall combined test score of 1450 on the SAT Reasoning Test (all three portions).

Applicants presenting a GED must present official GED results, official transcripts of any partial high school completion, and ACT Plus Writing and/or SAT results. Each university shall determine equivalencies to university minimum standards. Students admitted spring 2017 or later may submit ACT scores without an essay.

- (b) Alternative Admission (Profile Assessment): Applicants who are not eligible for standard admissions may be considered for alternative admission. In addition to reviewing a student's GPA and test scores, a university may consider other factors in the review of the student's application for admission. These factors may include, but are not limited to, the following: a combination of test scores and GPA that indicate potential for success, improvement in high school record, family educational background, socioeconomic status, graduation from a low-performing high school, graduation from an International Baccalaureate program, geographic location, military service, special talents and/or abilities, or other special circumstances. These additional factors shall not include preferences in the admissions process for applicants on the basis of race, national origin, or sex. The student may be admitted if, in the judgment of an appropriate institutional committee, there is sufficient evidence that the student can be expected to succeed at the institution.
1. The number of first-time-in-college students admitted through profile assessment at each university shall be determined by the university board of trustees.
 2. Each university shall implement specific measures and programs to enhance academic success and retention for students who are accepted into the institution using the alternative admissions option. The board of trustees shall review the success of students admitted under the profile assessment process to ensure that their rates of retention and graduation remain near or above the institution's average.
- (c) Talented Twenty: Within space and fiscal limitations, admission to a university in the SUS shall be granted to an FTIC applicant who is a graduate of a public Florida high school, who has completed the eighteen (18) required high school units as listed in this regulation, who ranks in the top 20% of his/her high school graduating class, and who has submitted SAT Reasoning Test or redesigned SAT scores from the College Board or ACT Plus Writing scores from ACT, Inc., prior to enrollment. A Talented Twenty student is not guaranteed admission to the university of first choice and should work closely with a high school counselor to identify options. The SUS will use class rank as determined by the Florida Department of Education. Students admitted Spring 2017 or later may submit a redesigned SAT or ACT without an essay.
- (3) Any increase, change, or revision in standards of admission must be included in the undergraduate catalog and posted on the university Web site.

Authority: Section 7(d), Art. IX, Fla. Const., History - Formerly 6C-2.42, and 6C-6.02, 11-18-70, 5-27-74, 12-17-74, 6-25-80, 3-21-82, 4-16-84, 4-14-86, 4-20-87, 10-19-88, 1-23-90, 1-7-91, 9-15-91, 8-4-92, 5-17-95, 11-27-95, 9-19-00, 11-28-00, Amended and Renumbered as 6.002 9-27-07, 01-28-10, 11-08-12, 11-21-2013. Amended: _____.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
November 4, 2015**

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.004
Admission of Undergraduate, Degree-Seeking Transfer Students

PROPOSED COMMITTEE ACTION

Consider approval of the public notice of intent to amend Board of Governors Regulation 6.004 Admission of Undergraduate, Degree-Seeking Transfer Students.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

Regulation 6.004 provides guidance related to minimum standards expected for admission of undergraduate, degree-seeking transfer students. The proposed amendments to the regulation delete duplicative information within the description of the Associate in Arts degree, and divides the “other transfer students” section into transfers with less than 30 transferable semester hours and transfers with 30 or more but less than 60 transferable semester hours. This division is an effort to address the needs of returning student veterans and other qualified non-traditional students. The regulation, however, keeps the emphasis of the Associate in Arts transfer students as the primary focus for the System and institutions.

Being originally recommended by the SUS Admission and Registrar’s Committee, this regulation was reviewed by the university General Counsels, Council of Academic Vice Presidents, Council of Student Affairs, and other state university staff. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included: Amended Regulation 6.004

Facilitators / Presenters: Governor Norman Tripp

6.004 Admission of Undergraduate, Degree-Seeking Transfer Students

(1) This regulation outlines minimum eligibility requirements for transfer students seeking admission to an undergraduate degree program in the State University System (SUS). Individual institutions may choose to establish more stringent admission requirements for students not admitted under paragraph three (3) of this regulation.

(2) All Undergraduate Transfer Students.

- (a) For the purposes of this regulation, undergraduate transfer students are defined as students who have earned twelve (12) or more semester hours of transferable college credit since receiving a standard high school diploma or its equivalent.
- (b) Eligibility for admission to the SUS does not guarantee admission to the specific institution or degree program to which admission is sought.
- (c) Each university board of trustees shall develop regulations governing the admission of undergraduate transfer students that comport with the requirements outlined in Board of Governors Board regulations. Such regulations may allow for exceptions to be made on an individual basis when a student, in the judgment of an appropriate university committee, can reasonably be expected to perform satisfactory academic work in the institution and program to which admission is sought.
- (d) Each university shall require undergraduate transfer applicants to submit or authorize transmission of a complete official academic transcript from each postsecondary institution attended, as well as a complete official academic transcript of all secondary work, when applicable. Each transcript shall list all courses for which the student was enrolled each term, the status in each course at the end of the term, all grades and credits awarded, and a statement explaining the grading policy of the institution. Each transcript should also specify any college credits the student earned through accelerated mechanisms.
- (e) Each undergraduate transfer student admitted to the SUS is expected to demonstrate competency of foreign language or American Sign Language equivalent to the second high school level or higher (Spanish 2, Haitian Creole 2, etc). Students transferring to a state university without meeting the foreign language admissions requirement in high school may meet the requirement by successfully completing a postsecondary foreign language or American Sign Language elementary 2 course demonstrating equivalent foreign language competency on the basis of scores determined by the *Articulation Coordinating Committee (ACC) Credit-By-Exam Equivalencies*, as adopted by the Board of Governors and accessible at www.fldoe.org/articulation/; or demonstrating equivalent foreign language or American Sign Language competency through other means approved by the university. A limited number of undergraduate transfer students not meeting this foreign language requirement may be admitted; however, these students must fulfill the foreign language requirement prior to completion of the baccalaureate degree.

- (f) Any undergraduate transfer student with a disability shall be eligible for reasonable substitution or modification of any requirement for admission pursuant to Board Regulation 6.018.
- (g) In addition to meeting university requirements, undergraduate transfer applicants must meet the following minimum requirements:
 - 1. Be in good standing and eligible to return to the last postsecondary institution attended as a degree-seeking student, and
 - 2. Have a grade point average of at least 2.00 on a 4.00 system on all college-level academic courses attempted.

(3) Associate in Arts (AA) Degree Graduates from Florida College System Institutions and SUS Universities.

- (a) An AA graduate from a Florida public postsecondary institution shall receive priority for admission to a state university over out-of-state transfer students. Recruitment materials, catalogs, orientation programs, and student handbooks provided to freshman enrollees and transfer students at state universities shall include an explanation of this provision.
- (b) Within curriculum, space, and fiscal limitations, admission to the upper division of one of the state universities shall be granted to an AA graduate of a Florida public postsecondary institution, provided the AA degree has been awarded based on the following:
 - 1. Completion of sixty (60) semester hours of college credit courses in an established program of study, exclusive of courses not accepted in the state university system, and including a general education core curriculum of thirty-six (36) semester hours of college credit in communication, mathematics, social sciences, humanities, and natural sciences with the remaining twenty-four (24) semester hours consisting of appropriate common program prerequisite courses and electives.
 - 2. Achievement of a cumulative grade point average of at least 2.0 in all courses attempted, and in all courses taken at the institution awarding the degree, provided that only the final grade received in courses repeated by the student shall be used in computing the average. The grade of "D" shall transfer and count toward the associate and baccalaureate degrees in the same way as "D" grades obtained by native students. The 60 hours that comprise a completed AA degree shall be accepted in total upon transfer to an upper division program. Subsequent admission to a limited access degree program, as defined in Board Regulation 8.013, may require a higher overall grade point average than 2.0.
 - 3. Completion of requirements for English and mathematics courses as adopted by the Board of Governors and the State Board of Education.
 - 4. ~~Achievement of the minimum standards for college level communication and computation skills as required by section 1007.25, Florida Statutes.~~
- (c) The AA degree is the primary basis for admission of transfer students from Florida College System institutions to upper division study in a state university. Every AA graduate from the Florida College System shall be granted admission

to an upper division program consistent with the Articulation Agreement between the Board of Governors and the State Board of Education.

(4) Other Transfer Students.

- (a) Transfers with less than 30 transferrable semester hours - In addition to meeting the general requirements described in subparagraph (12) above, undergraduate transfer students seeking admission to the lower division of a state university with less than 30 transferrable semester hours as determined by the university must satisfy the same admission requirements as first-time- in-college (FTIC) freshmen as specified in Board Regulation 6.002. However, a university may admit lower-level transfer students not meeting FTIC freshman requirements on a limited basis, pursuant to university policy, if the student, in the judgment of an appropriate university committee, can reasonably be expected to complete satisfactory academic work in the institution and program to which admission is sought.
- (b) Transfers with 30 or more but less than 60 transferrable semester hours – In addition to meeting the general requirements described in subparagraph (2) above, students must have successfully completed (C or higher) at least one English Composition course and one college level mathematics course that consists of three (3) semester credit hours. High school transcripts may be required to demonstrate completion of the foreign language admission requirement. Students not meeting these requirements must meet the requirements for transfer students with less than 30 transferrable semester hours.
- (c) Except for students in articulated Associate in Science and Associate in Applied Science to Bachelor in Science degree programs approved by the Board of Governors, transfer applicants for admission to the upper division of a university are expected to have completed at least 60 semester hours of transferable credit in college-level academic courses.

(5) A transfer student from a Florida postsecondary public institution who is admitted to a university pursuant to this regulation shall be entitled to pursue a degree in accordance with the degree requirements afforded native students as outlined in the university catalog that was in effect for the academic year in which the transfer student was initially enrolled as a freshman at his or her prior postsecondary institution, provided the student has maintained continuous enrollment as defined by the receiving university.

Authority: Section 7(d), Art. IX, Fla. Const., History-Formerly 6C-2.44, 6C-2.45, and 6C-6.04, 11-18-70, Amended 7-6-72, 12-17-74, 8-1-84, 8-11-85, 4-20-87, 1-6-88, 10-19-88, 1-23-90, 1-7-91, 9-15-91, 11-9-92, 11-27-95, Amended and Renumbered as 6.004 01-28-10, Amended 11-21-13.

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

Academic and Student Affairs Committee

November 4, 2015

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.008
Postsecondary College-Level Preparatory Testing, Placement, and
Instruction for State Universities

PROPOSED COMMITTEE ACTION

Consider approval of the public notice of intent to amend Board of Governors Regulation 6.008 Postsecondary College-Level Preparatory Testing, Placement, and Instruction for State Universities.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

Regulation 6.008 provides guidance related to minimum standards expected for college testing, placement, and instruction. The proposed amendments provide transitional policy related to college placement in order to address changes to the College Board's SAT test. It adds language to reflect that a corresponding redesigned SAT score will be based on official concordance tables available from the College Board after the first administration of the test.

This regulation was reviewed by the SUS Admission and Registrar's Committee, university General Counsels, Council of Academic Vice Presidents, Council of Student Affairs, and other state university staff. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included: Amended Regulation 6.008

Facilitators / Presenters: Governor Norman Tripp

6.008 Postsecondary College-Level Preparatory Testing, Placement, and Instruction for State Universities.

(1) For admissions, first-time-in-college degree seeking students who do not meet college level competency either through the completion of developmental education requirements at Florida Agricultural and Mechanical University or other Florida College System institutions or state universities, or college level coursework in the area of deficiency, shall be tested for reading, writing, and mathematics proficiency prior to the completion of initial registration, using the Florida Postsecondary Education Readiness Test (P.E.R.T.) or other tests listed in subsection (2) of this regulation. “Developmental education requirements” are the courses or other developmental education options required when a student does not meet the college ready cut score. Students earning scores less than those listed below shall participate in college preparatory communication and computation instruction in the area of the deficiency:

	Standard Score
(a) Reading	106
(b) Writing	103
(c) Mathematics	114 (Intermediate Algebra) 123 (College Algebra or Equivalent)

(2) (a) Students who achieve scores on either the College Board’s Accuplacer, or SAT or the American College Testing Program’s ACT® with the writing component that meet or exceed the scores shown below, and enroll in a State University System institution ~~university~~ within two (2) years from the test date of ~~achieving such a said~~ score are exempted from taking the Florida Postsecondary Education Readiness Test:

	Standard Score
Accuplacer, The College Board	
Reading Comprehension	83
Writing Skills	83
Elementary Algebra	72
SAT, The College Board <u>(or corresponding score on the redesigned SAT, based on official concordance tables which will be available from the College Board after the administration of the first redesigned SAT.)</u>	
Writing	440
Mathematics	440
Critical Reading	440
<u>ACT® Plus Writing</u> ACT with Writing, American College Testing Program <u>ACT, Inc</u>	
Reading	19
English/ Writing Combined	17
Mathematics	19

(b) For students seeking dual enrollment with a university, a score of 262 on Grade 10 Florida Comprehensive Assessment Test 2.0 (FCAT 2.0) Reading demonstrates readiness for college-level reading and writing and college-level coursework consistent with course placement policies established by the university. Students who achieve such a score and enroll in a university within two (2) years from the test date of achieving such a score are exempted from taking the reading and writing subtests of the Florida Postsecondary Education Readiness Test pursuant to subsection (1) above. FCAT 2.0 scores are only applicable for dual enrollment students. Dual enrollment students may qualify by meeting subsections (1), (2)(a) or (2)(b).

(3) Nothing provided in subsection (1) of this Regulation shall be construed to prevent the enrollment of a student in developmental education instruction.

(4) Students whose first language is not English may be placed in college preparatory instruction prior to the testing required herein, if such instruction is otherwise demonstrated as being necessary. Such students shall not be exempted from the testing required herein.

(5) Student P.E.R.T. records and test scores are confidential education records under Section 1002.221, Florida Statutes. Universities are required to comply with Section 1002.221, Florida Statutes, in maintaining confidentiality of these records.

(6) Universities affected by this regulation shall accept the highest test scores on any of the tests or combination of tests identified in subsections (1) and (2) of this regulation. Individual student scores shall be valid for two (2) years from the testing date unless there is further evidence of college success. Institutions shall accept P.E.R.T. scores on the public high school transcript as official record of scores.

(7) Students must be continuously enrolled in assigned developmental education courses until they satisfy the requirements for passing them.

(8) A university board of trustees may contract with a Florida College System board of trustees to provide developmental education instruction on the state university campus. Any state university in which the percentage of incoming students requiring developmental education equals or exceeds the average percentage of such students for the Florida College System may offer developmental education without contracting with a Florida College System institution. Any state university offering such instruction as of January 1, 1996, may continue to provide such services.

(10) During their first term, full-time students who are registered for at least twelve (12) credits, shall begin developmental education course or option instruction based on the placement test results. Part-time students shall enroll prior to completing twelve (12) credits.

(11) Students shall not enroll for more than three (3) attempts in each course to complete developmental education instruction. Students who withdraw from a course under major extenuating circumstances may be granted an exception. Such exceptions require approval under guidelines established by the the board of trustees of the institution offering the coursework. Boards of trustees may establish regulations concerning requirements of students prior to being approved to enroll in any third attempt of a developmental education option or course.

Authority: Section 7(d), Art. IX, Fla. Const.; New: 11-08-12. Amended 11-21-13. Amended: _____.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
November 4, 2015**

SUBJECT: Florida Institute of Oceanography Five-Year Review, 2015-2020 Strategic Plan, and Memorandum of Understanding

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 10.014

BACKGROUND INFORMATION

The Florida Institute of Oceanography is an Academic Infrastructure Organization (AISO) hosted by the University of South Florida. Board of Governors Regulation 10.014 describes an AISO as an organization that provides “underlying technology, equipment, facilities, services, and resources for academic programs and research in the State University System of Florida.” The regulation also requires that an AISO be reviewed every five years to include at a minimum:

- a. a determination of the organization’s progress against defined goals and objectives within the context of the AISO’s mission, the participating university missions, and the current BOG Strategic Plan;
- b. an assessment of the return on investment of State dollars, if applicable;
- c. the need for continuation of the AISO;
- d. proposed changes in mission or organizational structure;
- e. recommendations for budget reductions or expansion; and
- f. recommendations for status or location change, if applicable.

The Florida Institute of Oceanography has completed its first five-year review as part of the development of a 2015 – 2020 Strategic Plan. The University of South Florida, Board of Trustees reaffirmed its commitment to be the host institution by approving an updated Memorandum of Understanding on October 13, 2015. The Council of Academic Vice Presidents has also reviewed and approved the new strategic plan. Because there is no change in host institution, formal approval is not required by the Board of Governors for the Florida Institute of Oceanography to continue as an AISO.

Supporting Documentation Included:

1. Florida Institute of Oceanography
Five-Year Evaluation Summary
2. Renewal, Memorandum of
Understanding, and 2015–2020 Strategic
Plan

Facilitators / Presenters:

Dr. Ralph Wilcox



Florida Institute of Oceanography (FIO)

Five Year Evaluation Summary

2010-2015 Strategic Plan: Progress

In accordance with the Board of Governors Regulation 10.014 Academic Infrastructure and Support Organizations, a summary the Florida Institute of Oceanography's (FIO) five year programmatic evaluation is described below. Additional details of FIO's programmatic evaluation can be found in the attached documents and have been submitted to the USF, the Host University's Board of Trustees, the Council of Academic Vice Presidents, and the Board of Governors for review.

An outside consultant (Dr. Karen Holbrook) was hired to conduct and review FIO's operations with member institutions in preparation for the Strategic Plan and the Renewal of the AISO. The documents attached outlined FIO's accomplishments and challenges that shaped FIO's Strategic Plan and renewal of the AISO for the next five years (2015-2020) to align with the BOG.

- A. A determination of the organization's progress against defined goals and objectives within the context of the AISO's mission, the participating university missions, and the current BOG Strategic Plan;
- 1. Supporting existing marine education programs and member institution research projects with FIO maintained facilities, research vessels and other infrastructure.**
 - Achieved. FIO infrastructure has supported state and federally-funded research of university investigators and their students, programs for K-12 students and teachers and has been a factor in attracting extensive external dollars that boost Florida's economy. The research is significant to the hands-on training of a STEM workforce – a statewide goal.
 - Continue providing ship time and supporting the four (4) of the twelve (12) consortia established by funding from the Gulf of Mexico Research Initiative are located in Florida at NOVA Southeastern University, University of Miami (2), and University of South Florida. Many of our members are involved in these consortia along with experts from other universities and laboratories, both national and global.
 - Approximately 140 undergraduate courses has been taught between the *R/V Bellows*, *Weatherbird II* and at the *Keys Marine Lab*. The courses have assists in more degree awarded in related high demand, highly skilled and high wage targeted areas.
- 2. Developing a statewide coastal and ocean network that can organize the coastal and oceanographic intellectual assets of Florida to provide high quality educational opportunities for students interested in coastal and ocean science and related disciplines.**

- Achieved. FIO is a network of intellectual assets (its members), but aside from the “Study Abroad in Florida” course, most of the effort in providing educational opportunities is related to individual research programs rather than programs coordinated through FIO. Nonetheless, the resources available through FIO provide highly unique experience for students.
- Assisting the State in communicating technical and scientific concerns with FEMA, Coast Guard and relevant state or federal agencies in emergency situations, (e.g. the Deepwater Horizon oil spill)

3. Supporting and leading conferences, seminars and workshops for students, teachers, public officials and residents of Florida.

Achieved. FIO has supported and led numerous events of this nature, including for the media. Some examples are:

- FIO escorted a class of 12 students, 2 teachers from the Canterbury School of Florida, a NOAA scientist, and USF College of Marine Science professor on an expedition out through Tampa Bay and to the Gulf of Mexico to deploy a buoy. “Message in a Buoy” is part of the National Oceanic and Atmospheric Administration (NOAA) Adopt a Drifter Education Program.
- The USF-College of Marine Science Oceanography Camp for Girls was created in the 1990s in response to reports that revealed a tremendous drop in the number of women pursuing mathematics and science degrees. To date, over 900 girls who completing 8th grade have attended the Camp and offered a-once-in-a-lifetime opportunity to gain on-hands skills and experience working aboard the *R/V Bellows*. Between 20-25 percent of the girls have pursued degrees in higher education related to STEM-focused disciplines.
- FIO has successfully been working with *Teacher at Sea* programs aboard the *R/V Weatherbird II and Bellows* providing an unparalleled experience for teachers. The program allows teachers to gain a clearer understanding of Florida’s oceans, increasing their level of environmental literacy by fostering an interdisciplinary research experience and their ability to integrate science lessons, environmental issues, and problem solving into their curriculums; connecting teachers at-sea connected with over 1300 students utilizing a live application broadcasting from ship to shore.
- FIO co-sponsored the second Guy Harvey Fisheries Symposium. The Symposium included two days of presentations, panel discussions and featured the latest research and issues facing marine fisheries from the leaders in marine research, conservation, policy and user groups. A special session was also held for high school students from Wharton High School in Tampa.

4. Maintain state-of-the-art infrastructure for coastal ocean education and research with centrally maintained assets including research vessels, marine laboratories, and shared use facilities and equipment that will.

- FIO continues to serve as Florida's coordinating body for coastal and ocean research through reduced cost for ship time and marine facility use for FIO members that can provide a competitive advantage to FIO member institutions. The State supported ship time program provides a STEM-focused opportunity students to gain on-hands skills and experience working aboard a research vessel and at the Keys Marine Laboratory.
- The Keys Marine Laboratory accommodates students in the summer course and other research ventures by FIO members. Students and researchers are able to study the only tropical marine ecosystems in the continental United States, interconnected with the Florida Bay, Everglades National Park, Florida Current, and the Florida Keys National Marine Sanctuary. This unique platform offers a state-of-the-art 220,000 gallon Seawater System, wet and dry laboratories, classrooms, vessels, and housing on-site. Since 2012, KML has supported over 5,900 individuals from over 800 different federal and state agencies and academia institutions across the U.S. and internationally to achieve their academic and research objectives.

5. Develop and promote research initiatives for FIO member institutions within coastal waters of Florida as well as within the Gulf of Mexico and the Caribbean.

- The primary accomplishments in this domain have been and are related to the Deepwater Horizon oil spill in which FIO played a prominent role in obtaining funds, developing and distributing RFPs, organizing proposal reviews and coordinating funds. Designated as the Gulf Coast State Entity as the agent for the U.S. Department of Treasury in managing the research funding for the state of Florida establishing the Restore Act Centers of Excellence Program (RACEP).
- With the support of USF, FIO and four (4) Gulf Coast States (AL, LA, MS, TX) together established GOMURC (Gulf of Mexico University Research Consortium) to enhance coastal and marine science, oceanography and related ecosystem management programs through communications, education and research, and public outreach.
- Other research initiatives are organized by the members and their institutions either individually or on a collaborative basis. FIO's primary involvement in such activities is to provide information about member expertise.

B. An assessment of the return on investment of State dollars, if applicable;

- FIO's current E&G support has slowly increased over the last five years. Its current budget is \$3.2M.
- Charter revenue of close to \$1 million annually generate from the R/V Bellows and R/V Weatherbird II.
- The Keys Marine Laboratory (KML) is a full service marine laboratory where revenue is earned by the number of usage at the facility. Yearly revenue average at the KML is approximately \$230,000.

- British Petroleum (BP) announced its commitment to release \$500 million over a 10-year period to create a broad, independent research program to be conducted at research institutions primarily in the Gulf Coast States.
- FIO was the first in the Gulf to receive \$10 million dollars as part of a rapid response block grant released by BP. FIO awarded approximately \$9.7 million dollars to 26 research programs across the SUS.
- Florida is the leading state in the GOMRI research with approximately 228 researchers-- which are FIO members.
- Florida's researchers are recognized as world leaders having secured more than \$40 million in spill-related research funds between Gulf of Mexico Research Initiative (GOMRI) and Florida Wildlife Research Institute (FWRI).
- FIO as Florida's Designated Gulf Coast State Entity will administer the initial \$4 million (result of the TransOceans settlement) under the RESTORE Act for the Centers of Excellence Program and will continue to serve as the administering agent for an additional \$22 million over 10-15 years from the BP civil settlement.
- Currently research funding between \$10-15 million per year are being received from the RESTORE Act, Gulf Coast Restoration Trust Fund and GOMRI (ie. National Academy of Science, NOAA, Direct Component).
- An estimated 800 undergraduates and graduate students each year obtain hands-on training to join Florida's growing marine workforce.
- Over 475 journal publications have been produced by the faculty members of the SUS institutions, elevating Florida's status as a global hub of world-class oceanographic education and research.

C. The need for continuation of the AISO;

- "Every member is strongly supportive of FIO – positive about the strides it has made to support members and member institutions, and grateful that this AISO exists to serve investigators and students who, through their work, are committed to learning about and protecting and improving the marine and coastal environments in Florida." This statement is taken directly from Dr. Karen Holbrook's Programmatic Report.
- As a shared resource among 30 public and private marine research organizations, the research vessels managed by FIO provide Florida with essential capabilities to understand and protect its economically and environmentally critical coastal oceans. Florida's marine industries – which support more than 500,000 jobs and provide \$13 billion in wages – are dependent on the health and sustainability of our coastal oceans.

D. Proposed changes in mission or organizational structure;

- FIO has achieved the three goals adopted by the BOG in the 2005 Strategic Plan. As a shared resource, FIO provides opportunities for students to gain direct experience in marine research, thus enhancing their competitive positions for jobs in marine research and industry; by providing the infrastructure that supports the research of marine science investigators throughout the state; and

by developing collaborative academic and research programs that capitalize on the talent and resources of individual partner universities as well as the Keys Marine Laboratory.

- FIO is anticipating new leadership in 2016 upon the retirement of the current Director. A search committee has been appointed by the USF Provost following the guidelines for appointment, funding, supervising and evaluating the Director in the FIO AISO and MOU. A new director is expected to be on board early in 2016.
- Upon appointment of the new Director, the Associate Director position should be advertised to seek the most qualified individual to support critical areas that cannot be performed by the Director and the current staff at FIO.
- A new Webmaster and Education Outreach Coordinator is needed to assist in meeting the goals and objectives of FIO.

E. Recommendations for budget reductions or expansion; and

- Replacement of the R/V Bellows is critical to FIO's operations and to ensure the mission are met. A new vessel would support STEM-focused programs for 23 Florida universities and institutions and thousands of students increasingly - pursuing STEM careers.
- Supporting the Center for Prediction of Red Tides missions between state agencies and higher education aimed at understanding, predicting and minimizing the effects of the red tide formation in order to protect Florida's citizens in areas of public health, tourism and boating industries.
- Funding to upgrade the Keys Marine Laboratory (KML) is essential as the demand for the use of the KML increases.

F. Recommendations for status or location change, if applicable.

- Based on the track record and the many positive advances provided by USF over the last five years, we firmly believe and recommend that USF remains the host institution for FIO as it continues to advance the mission of the BOG.



FLORIDA INSTITUTE OF OCEANOGRAPHY

830 First Street South
St. Petersburg, Florida 33701
Telephone: (727) 553-1100
Fax: (727) 553-1109



September 23, 2015

Dear Chancellor Criser and President Genshaft;

As an Academic Infrastructure Support Organization (AISO) in the State of Florida, it is the role of the Florida Institute of Oceanography (FIO) to provide “underlying technology, equipment, facilities, services, and resources for academic programs and research in the State University System (SUS) of Florida.” In order for FIO to do so successfully, its host institution must foster and support the needs of the FIO and its member institutions. As part of the AISO renewal process, we would like to summarize some of FIO’s accomplishments and highlight the support provided by the Host Institution over the last several years.

The University of South Florida (USF) was originally appointed as the Host Institution for FIO. USF has demonstrated that not only can it host a valuable unit established by the BOG, but also represent the SUS to ensure FIO succeeds. USF’s first step was to assess FIO’s infrastructure and needs. After review, it was determined that the 50 year old R/V Suncoaster was becoming unreliable and needed to be retired and replaced. In 2008, USF purchased the R/V Weatherbird II as a replacement vessel with a \$1.3 million loan from the University’s Foundation for FIO until legislative funding became available.

A year after FIO’s designation as Florida’s AISO in marine science and education, an explosion on the Deepwater Horizon (DWH) Macondo oil well drilling platform started the largest marine oil spill in U.S. history, releasing millions of barrels of oil into the Gulf of Mexico. FIO’s R/V Weatherbird II was a first responder transporting Florida faculty and researchers to the scene. Not knowing when federal funding would become available for research, and recognizing the critical need the USF Research Foundation contributed \$500,000 in research dollars to FIO to disperse to its members to conduct the initial critical sampling of the DWH oil spill. The office of Research and Innovation and the Office of the Provost also provided the initial support to establish the Gulf of Mexico University Research Collaborative (GOMURC) initiative with the other four Gulf States (TX, LA, MS, AL) to address current and future Gulf issues. Today, GOMURC consists of more than 80 research institutions across the five Gulf States. This was the second step in what would put FIO and its members at the forefront of what collaboration can do.

As you recall, shortly after the response to the DWH, British Petroleum (BP) announced its commitment to release \$500 million over a 10-year period to create a broad, independent research program to be conducted at research institutions primarily in the Gulf Coast States. Because of FIO’s initial response into the Gulf, FIO received \$10 million dollars as part of a rapid response block grant released by the Gulf of Mexico Research Initiative (GoMRI). Unlike other Gulf coast states that received the initial rapid response block grants, the USF office of Research and Innovation (which managed the funds) reduced its indirect cost rate dramatically. This allowed FIO to award approximately \$9.7 million dollars (26 research programs) across the SUS. Once more, USF showed its support for FIO and its member institutions.

FIO continues its commitment to the Gulf as we work to support the SUS faculty; students and researchers as they assess the fish, wildlife and habitat affected by the spill in the Gulf of Mexico. In 2012, FIO was designated by Congress to be Florida’s Gulf State Entity to receive, administer and coordinate grants under the RESTORE Act. To safeguard the presumed conflict of interests defined by the U.S. Treasury, USF and FIO entered into several Memorandum of Understandings (MOUs) that would allow all SUS member

institutions to make application to receive funding for the Centers of Excellence. Included in the MOU was USF's agreement to reduce indirect cost, allowing FIO to release over \$3.2 million dollars (of the \$4 million received from the TransOcean settlement) in grants and approximately 10 projects and eight (8) Centers of Excellence.

Aside from the above accomplishments FIO and USF achieved together, the USF College of Marine Science has provided extensive support to FIO and our research vessels. The facilities at the College of Marine Science have provided outstanding service to accommodate machinery work for the vessels, especially with the aging R/V Bellows; often times, with very short notice. The support is to be commended as we may not be able to find this service elsewhere.

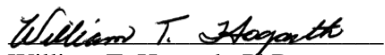
Progress that has been achieved thus far is the result of the host institution, under the leadership of President Genshaft and Provost Wilcox. Their commitment and advocacy to the success of FIO is to be applauded for addressing sensitive budgetary and infrastructure concerns that are always difficult, especially now, as FIO is seeking to replace the 46 year old, worn-out *R/V Bellows*.

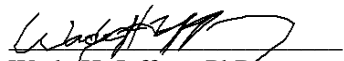
No doubt, USF has successfully fulfilled its role as the host institution, representing both the BOG and the SUS system by contributing to FIO's missions of enriching student experience, strengthening the SUS community and advancing the BOG's mission. Based on the track record and the many positive advances that FIO has made in the last five years, we firmly believe and recommend to you and the BOG that USF remains the host institution.

As you will see in the series of documents attached, the next five-year Strategic Plan for FIO describes the targeted actions FIO will take as we move forward to bring together people, disciplines, and perspectives to advance knowledge and innovation and continue to support the SUS in marine science, technology and education in the Florida while aligning with the BOG's mission.

Thank you for your continued support, if you have any questions please feel free to contact us.

Sincerely,


William T. Hogarth, PhD
Director
Florida Institute of Oceanography


Wade H. Jeffrey, PhD
Chair, FIO Executive Council
University of West Florida

Enclosures (3):

AISO Renewal
MOU between USF as the host institution and FIO;
Strategic Plan 2015-2020

cc: Governor Morteza Hosseini, Chair of the Board of Governor
Trustee Harold Mullis, Chair USF Board of Trustees
Dr. Ralph Wilcox, Provost Host Institution



**The Florida Institute of Oceanography (FIO)
The State University System's (SUS) Commitment to
Education and Research on Florida's Coastal Ocean Environments**

**Renewal of the AISO
July 1, 2015**

Vision Statement

FIO will support excellence in marine science, technology and education through infrastructure, programs, information, and people.

Mission Statement

FIO will ensure the adequacy of infrastructure support to facilitate collaborative research and education related to Florida's coastal and ocean environment and will serve as a coordinating body across academia, state and federal agencies, ocean science organizations and the private sector in addressing new opportunities and problems to be solved through research and education. FIO is an enabler, a facilitator and a coordinator.

Statement of Need and Demand.

Oceanography and the State of Florida

In accordance with the SUS Board of Governors Regulation 10.014, Academic Infrastructure Support Organizations (AISO) provide "underlying technology, equipment, facilities, services, and resources for academic programs and research in the State University System Florida." The FIO AISO will facilitate access to major marine research and educational capabilities and facilities throughout the State, including the operation of sea-going vessels for coastal ocean research that will advance research, education, economic development, and environmental sustainability of Florida's coastal ocean.

FIO enables the SUS to provide a virtual intellectual and physical hub for the mature and diverse marine science enterprise in Florida and fosters collaboration among academia, government, and the private sector to:

- Promote research and education;
- Maximize the efficient use of supporting infrastructure;

- Enhance public awareness of ocean science issues affecting all Floridians;
- Produce scientific solutions through member activities;
- Leverage public and private sector investments to increase capacity; and
- Inform public policy development and decision-making.

FIO is a member of many organizations in Florida¹ that focus on the coastal and ocean environments, strive to facilitate coordination and collaboration among the various coastal, marine and oceanographic components, among the SUS and other FIO member institutions. FIO holds a unique position among these varied organizations as a university-based consortium. It is a collaborative hub of marine scientists and their respective organizations, an umbrella organization with a broad-based mission to facilitate education and research focused on Florida's coastal and ocean environments. FIO promotes stewardship of the oceans and provides the training and resources to do so. It is a forum for the development of ocean sciences and a catalyst for ocean research, education and policy. It serves as a clearinghouse, a coordinating body and a network for investigators who require access to research vessels to accomplish their research. FIO also provides its members with an opportunity to promote the value of the oceans and estuaries to Florida's economy.

Scientists within the FIO member institutions have the expertise to provide statewide leadership in helping Florida's citizens and policymakers understand critical issues related to:

- The important and impact of clean oceans and beaches on the state's tourism industry;
- Risks to coastal marine ecosystems and communities from hurricanes and tropical storms;
- Impacts of red tides and harmful algal blooms on coastal ocean health;
- Economic importance of healthy recreational and commercial fisheries and their habitats such as coral reefs;
- The impact of oil exploration and drilling on ocean health;
- The impact of freshwater on estuarine and coastal, ocean health;
- The relationship of ocean dynamics on search and rescue operations; and
- The impact of ocean acidification, sea level rise and climate change on ecosystem structure and function and community integrity.

¹ Examples include: Florida Oceans and Coastal Council (FOCC), Florida Ocean Alliance (FOA), NOAA Cooperative Institutes (CI), Florida Sea Grant College Program, National Coral Reef Institute (NCRI), Florida Coastal Ocean Observing System Consortium (FLCOOS)

FIO facilitates these efforts through opportunities to network and to form cooperative and collaborative research partnerships and access to research infrastructure such as vessels major equipment and a dedicated marine laboratory in the Florida Keys.

The Interdependency of Florida and its Ocean Environment.

The United Nations predicts that the global, human population will increase from approximately 7.3 billion today to about 10.9 billion by the year 2100. Florida's population is expected to continue trend of increasing by 20-25% per decade. More and more of the population will live near the ocean with rapid coastal urbanization creating new burdens on the environment, potential new perils for mankind and increasing pressures on the State's coastal ocean environment and its resources. The significant changes in climate resulting in sea-level rise and changing rainfall and storm patterns link the health of the ocean and human society today and for future generations. More scientific research, more comprehensive coordination of academic, private sector and government entities and significant outreach to the public are essential if we are to adapt within and manage the changing environment. FIO can provide access to talent and efficiently manage resources to address Florida's coastal ocean issues.

The history, economy and world-renowned quality of life in Florida are dependent upon the ocean and its resources. The Florida Oceans and Coastal Council reports that more than \$25 billion of Florida's Gross State Product (GSP) is generated from its ocean, and nearly \$600 billion of the state's GSP, when all direct and value added expenditures are captured, is generated in the coastal counties. And, Florida's marine economy overall represents more than five percent of the nation's marine economy.

The marine science community in Florida has a long history of working collaboratively in scientific discovery, environmental protection and economic development. FIO has played a significant role in this arena. The sharing of resources, knowledge, laboratory space and equipment has positioned Florida as a national and international leader in ocean science discovery and the creation of new technologies that enhance the mapping, monitoring and understanding of our oceans. For example, the Florida Coastal Ocean Observing System, a consortium of state and private universities, nonprofit organizations and private companies, works collaboratively to build and maintain an advanced, monitoring system that produces critical data on key issues such as red tide, storm surge and habitat mapping. The Center for Prediction of Red Tides is another exemplary cooperative effort between state agencies and higher education for understanding, predicting and minimizing the effects of red tide formation and persistence. The data obtained from their research help to protect public health and the state's tourism and boating industries. In the field, Florida's marine science agencies have collaborated in making significant discoveries, such as, many partners in FIO have been working to understand impacts and promote recovery of ocean and coastal habitats after the Deepwater Horizon Oil Spill. FIO vessels and investigators were among the first responders to this region of the Gulf after the spill. The agility to mobilize resources

through FIO was crucial to their quick action. These activities, among others, have set new standard, for scientific cooperation.

Working collaboratively through FIO, scientists from a wide-range of backgrounds in Florida's universities, private marine research laboratories, and government entities are involved in some of the state's—and nation's—most significant scientific discoveries, but there is still much more to do.

FIO members are engaged in three regions of oceanographic concern:

1. The *watershed*, consisting of the upland drainage basins that feed into the rivers, the estuaries and the aquifers, which begins on land and continues offshore to the state water limits;
2. The *coastal ocean*, the continental shelf region between the shoreline and the deep ocean where society literally meets the sea, where most commercial and recreational fisheries take place and where phenomena such as harmful algal blooms (red tides) occur; and
3. The *deep-ocean* extending beyond the continental shelf break.

The Significance of the Coastal Ocean.

The properties of the coastal ocean are determined by the interactions between the coastal ocean and the deep-ocean and between the coastal ocean and the upland watershed via land drainage through rivers and estuaries. With a coastal ocean focus, plus a facilitating role amongst other agencies and programs, FIO is positioned to support systems-wide SUS scientific leadership in an area unique to the State of Florida but whose properties also hold vital lessons for the world's increasingly urbanized coastal areas.

FIO has within its scope the research and educational aspects of coastal oceanography that affect the State of Florida. These are intrinsically wide-ranging because Florida, as a peninsula surrounded by water, is fully impacted by the intimately coupled ocean-atmosphere system. With Florida's economy largely based on tourism and agriculture, and with ever-growing coastal populations and associated development, no aspect of Florida's economic health goes untouched by Florida's oceans. Special attention must be paid to the coastal ocean in its entirety. Its condition determines water properties at Florida's beaches and the health of the habitat for marine life and ocean food sources. Environmental stewardship for the State of Florida requires a cohesive, well-coordinated and mission-driven approach to the intertwined natural systems that determine the health of our oceans and our state. FIO plays a role in environmental stewardship.

Consistency with the Board of Governors' (BOG) Strategic Plan.

FIO's vision, mission, and goals during the first five years of the AISO were aligned with the BOG's Strategic Plan² of the State University System of Florida as applied to issues and opportunities concerning Florida's ocean environment. The Strategic Plan assumes participation of each university and asserts that "The Board will support universities' efforts and provide leadership when progress toward goals requires funding, state-level policies, or collaboration with other agencies." It is the responsibility of the BOG and, therefore, the SUS to "ensure well-planned coordination and operation... and avoidance of wasteful duplication of facilities or programs."

The following three SUS goals adopted by the BOG in the 2005 Strategic Plan were: (1) to provide access to and production of degrees; (2) to meet statewide professional and workforce needs; and (3) to build world-class academic programs and research capacity.

FIO facilitated these goals by providing opportunities for students to gain direct experience in marine research, thus enhancing their competitive positions for jobs in marine research and industry; by providing the infrastructure that supports the research of marine science investigators throughout the state; and by developing collaborative academic and research programs that capitalize on the talent and resources of individual partner universities as well as the Keys Marine Laboratory.

Access to at-sea research facilities and ease of coordination with peer researchers throughout the SUS enhances: the recruitment and retention of talented professors; attracts more high ability Bachelor's, Master's and PhD students and results in more degrees awarded in related high-demand, high-skilled and high-wage targeted areas; increases the interface with public and private employers of marine scientists leading to new job creation and economic growth; and fosters cooperation and collaborations that produce publications, awards, and recognition for the SUS as a national leader in coastal oceanographic education and research. These goals are interdependent. For example, Marine Resource Assessment at USF's College of Marine Science is attracting increased student interest (i.e. more degrees); responding to a critical need identified to Congress by NOAA's National Marine Fisheries Service (i.e. meeting workforce needs); and, ultimately, will enhance the reputation of the SUS. Partnership with, and by, FIO is critical to the success of this new USF program.

FIO significantly strengthens the SUS' competitive position in securing higher levels of R&D investment from the federal government, foundations and industry. Recently, FIO elevated the SUS' status as a hub of world-class oceanographic education and research through global attention to the work following the Deepwater Horizon Oil Spill. It is particularly noteworthy that FIO is the designated Gulf Coast Entity for the State of Florida

² Adopted by the BOG on June 9, 2005; refreshed on November 6, 2014.

to manage and disperse, through competitive awards, the state's allocation for research under the RESTORE Act.

FIO, through its member organizations and its own research resources, outreach activities and strategic plan is also in sync with the 2025 System Strategic Plan of the Board of Governors. Goals that resonate with the strategic goals of FIO (2015-2020) include: to increase the number of students in the STEM fields; to provide knowledge, innovation and commercialization to boost productivity and growth in Florida's businesses and industries; and to promote efficient resource utilization and impact of teaching and learning leading to graduation and entry into the workforce. FIO also embraces the BOG's points of emphasis: excellence, productivity and strategic priorities for a knowledge economy.

Of the thirteen guiding principles adopted by the BOG in developing their plan, the vast majority of them are directly relevant to the activities of FIO including:

- *Focus on students and enhancing their learning, development, and success:* The resources of FIO support opportunities for hands-on research at sea for graduate and undergraduate students, often making the difference that commits them to a career in the marine sciences.
- *Recognize and value the roles and contributions of faculty/staff:* The faculty and staff are FIO and their unique contributions, based on individual research directions, are essential to the success of FIO, their institutions and to Florida's research and education mission.
- *Coordinate with other education sectors and seek the optimal State University System structure to help address the state's higher education needs:* FIO works not only with higher education in Florida but also engages students in primary and secondary grades, promoting the development of a pipeline of students who will enter the marine science fields in Florida institutions, and businesses.
- *Advocate for the System's unique role in advancing the State educationally, economically, socially, and culturally:* FIO advocates across the state, the Gulf region and the nation to promote the importance of ocean sciences in advancing these factors within the state.
- *Identify and affirm the distinctive mission and contributions of each institution:* FIO is a consortium of the SUS institutions and other universities and organizations within the state. Their unique strengths and talents are recognized and blended within the FIO Council, an advisory body for FIO, to provide deep and broad expertise to serve Florida.
- *Work with institutions to align undergraduate and graduate programmatic offerings, as well as research efforts, based on each institution's unique strengths and missions:* This is managed through the physical resources of FIO. FIO has coordinated a summer

academic and research program that engages several of the Member institutions, working at their sites.

- *Support institutions in their efforts to achieve state, national, and/or international preeminence in key academic, research, and public service programs:* FIO provides the infrastructure and support, through vessels and research equipment as well as through funding (e.g., BP penalty funds) that promotes collaborative research.
- *Seek ways to organize and collaborate for increased efficiencies and a stronger System and state:* The design of the FIO AISO serves this goal.
- *Maintain a commitment to excellence and continuous improvement:* This is FIO's commitment to all of its activities.

The BOG Strategic Plan also identifies goals that FIO Council members have identified as their goals to increase certain activities. As described in the *Florida Institute of Oceanography: Member Survey and Recommendations*, July 2015, members indicated that FIO should increase collaborations with their communities and businesses, impact economic development in the field of ocean sciences and work with partner universities and organizations to attract external funding for infrastructure and educational programs.

The Importance of Infrastructure Support.

FIO ensures infrastructure support and serves as a coordinating body for oceanographic research and education across academia, the state and federal agencies, and the private sector. FIO manages vessels for sea-going operations, shared-use facilities, such as the Keys Marine Lab, and specialized equipment (e.g., autonomous underwater vehicles, observing platforms and sensors). Shared infrastructure may include certain assets owned by FIO members when it is practicable and feasible.

The importance of versatile, ship-based platforms is paramount to the infrastructure support function of FIO. On the east coast of Florida, the Harbor Branch Oceanographic Institute (HBOI) no longer maintains a sea going vessel and the University of Miami *R/V Walton Smith* belongs to the University National Oceanographic Laboratory System (UNOLS) ship operators system with research days-at-sea largely assigned to investigators by the National Science Foundation via a competitive grant-proposal process. Smaller vessels are operated by Florida Atlantic University SeaTech and Nova Southeastern University. East coast members of FIO believe they have less access to the FIO vessels due to the expense related to long transit times from the west coast, and although there have been recent accommodations to reduce transit-time cost for these members, it would be advantageous to have an additional vessel of sufficient size and ability as those on the west coast. Any such new vessel would be operated by FIO personnel but would likely be home-ported at an appropriate facility along Florida's east coast.

FIO maintains and operates the *R/V Weatherbird II* and the *R/V Bellows* for seagoing operations. The *R/V Bellows* has reached the end of its useful life and must be replaced. The design for a new vessel has been developed and a request for funding was submitted to the BOG and State Legislature this year (2015), but the funds, although included in the Legislative budget, were vetoed. A Legislative Budget Request (LBR) will be re-inserted into the budget for 2016. The *R/V Bellows* is the only vessel that can be used for extended, overnight research cruises in near shore waters, estuaries and rivers, thus a significant gap in available resources for funded research will exist when the ship is decommissioned. FSU has a new catamaran the *R/V Apalachee* and Mote Marine Lab has a number of smaller near shore operations vessels, but none of them substitute for the *R/V Bellows*. Without the FIO vessels there would not be any substantive coastal ocean research vessel for the West Florida continental shelf, a coastal ocean region that is as large as the entire State of Florida landmass.

Florida's marine science community is very grateful for the funding provided by the legislature to acquire the *R/V Weatherbird II* in 2008. This vessel is critically important to the marine science community's capability to conduct oceanographic research in the state's coastal ocean. The marine science community cannot overstate the importance of this research platform.

Anticipated Funding Sources.

As an AISO, FIO receives its support from funds allocated by the State Legislature, fees charged for use of vessels and facilities, charges to administer contracts and grants awarded to or passed through FIO, and overhead returned. Cooperative agreements or contracts with private enterprise for at-sea activities/observations can also generate additional support. It is significant and greatly appreciated that the state component of the budget has been increased over the initial period of the AISO (2009-2015) to offset additional costs. An AISO may propose special requests through the Council of Academic Vice Presidents (CAVP) to the BOG for consideration. USF will continue as the host organization for FIO under this proposed MOU.

RESTORE Act.

In August 2014, U.S. Treasury Department released the Interim Final Rulemaking for the RESTORE Act. The Florida Institute of Oceanography (FIO) was designated as the Gulf Coast State Entity responsible for administering and coordinating Florida's RESTORE Act Centers of Excellence Program (FLRACEP).

Treasury required FIO to formulate a plan to monitor and minimize conflict of interest within FIO. To do so, several Memoranda of Understanding (MOUs, Appendix E) were executed by the FIO Director and USF, as the Host Institution. These MOU's are to ensure that all RESTORE Act activities are to be handled by the FIO Director, FLRACEP

Program Director, FIO Budget Director and the FLRACEP Program Management Team. This plan guarantees that all real and perceived conflicts of interest are carefully monitored and minimized, which is necessary to ensure eligibility for all FIO members, who wish to apply for and receive funds through the FLRACEP competitive process approved by the U.S. Treasury Department.



**MEMORANDUM OF UNDERSTANDING (MOU)
Academic Infrastructure Support Organization Proposal (AISO)**

The Florida Institute of Oceanography (FIO)

1. Vision.

FIO will support excellence in marine science, technology and education through infrastructure, programs, information, and people.

The University of South Florida, in its capacity as the host university, and the participating universities hereby request that the Florida Board of Governors (BOG) renew this proposal to extend the FIO AISO for an additional five years.

2. FIO AISO.

(a) Mission and Goals of the FIO AISO.

The Florida Institute of Oceanography Academic Infrastructure Support Organization established in 2005 and governed by this MOU continues to identify the University of South Florida (USF) as the role of host university, with the support of participating universities, for the operation of FIO, the approval of the State of Florida State University System (SUS) Council of Academic Vice Presidents (CAVP), ratified by the presidents and chairs of the boards of trustees of the member institutions and approved by the BOG.

FIO will have within its scope all aspects (research and education) of oceanography that affect the State of Florida. FIO will direct its focus on the entire coastal ocean, from the coastline to the deep ocean, thereby positioning itself to facilitate and support systems-wide scientific leadership within the SUS for the environmental stewardship of the State of Florida. The FIO mission is as follows:

FIO will ensure the adequacy of infrastructure support to facilitate collaborative research and education in Florida's ocean environment and serve as a coordinating body across academia, the state and federal agencies, ocean science organizations and the private sector in addressing new opportunities and problems of concern in coastal and oceanographic research and education. FIO is an enabler, a facilitator and a coordinator.

(b) Identification of the host institution/fiscal agent and participating institutions/organizations.

USF serves as host institution with FIO housed on the campus of the College of Marine Science in St Petersburg, Florida, where the *R/V Bellows* and the *R/V Weatherbird II* are home-ported. Fiscal accounting functions are administered by USF and will be overseen by the USF Board of Trustees (BOT).

The FIO consists of the twelve (12) state universities and nine (9) other entities which include members grandfathered in (through Florida Institute of Oceanography membership). By consenting to and executing this MOU: Eckerd College; Florida Sea Grant College; University of Miami, Rosenstiel School of Marine and Atmospheric Science; Florida Department of Environmental Protection; Florida Fish & Wildlife Conservation Commission, Fish and Wildlife Research Institute; Florida Institute of Technology; Mote Marine Laboratory; Nova Southeastern University; and the Smithsonian Institution Marine Laboratory. There are also eight (8) Associate members and one (1) affiliate member. The members include faculty, staff, and scientists conducting research and teaching and who may wish to utilize ships, facilities, and other services provided by FIO.

(c) Governance and organizational structure of the AISO and criteria for appointments to the advisory board or executive committee, including terms, roles, authority, and number of members.

The FIO organization consists of the following (See Appendix A, *Organizational Chart*):

- 1) FIO Council, with an Executive Committee;
- 2) FIO Board of Visitors;
- 3) FIO Ship Advisory Committee; and
- 4) FIO Director and staff.

The **FIO Council** will consist of one (1) representative from each member organization and two (2) from the host institution appointed for a two (2) year term by its president or CEO or his/her designee and who is an active member of the Florida coastal ocean research and education community. Member representatives may be reappointed, but shall not serve more than three (3) consecutive terms unless requested in writing by the appointing official. The foregoing notwithstanding, the second member appointed by the host institution may serve unlimited terms. Additionally, the FIO Director together with a representative of the BOG will serve as non-voting, *ex-officio* members. The FIO Council shall elect a Chair biennially from the membership and will meet at least once, in person, each year and by telephone conference as needed. Agendas for the meetings will be set

by the Chair of the FIO Council in consultation with the FIO Director and approved by the Provost of the host institution.

The FIO Council may elect to membership other institutions in the Florida ocean science education and research community that meet the criteria for membership approved by the FIO Council. Criteria for membership will address commitment to the support of shared use facilities; agreement to support legislative budget requests of the FIO as required to maintain and operate these facilities in a safe, efficient and cost-effective manner; commitment to attend all scheduled meetings of the FIO Council and FIO Executive Committee, if appropriate; and completion of assignments in a timely manner as agreed to by the FIO Council or FIO Executive Committee. Similarly, the FIO Council may elect to remove non-SUS member organizations for lack of participation.

The primary function of the FIO Council is advisory to the FIO leadership (i.e., Provost of the host institution and the FIO Director) regarding:

- Development and maintenance of an effective SUS and state-wide collaboration that will position the FIO as a respected national leader in oceanographic research and education;
- Development and strengthening of networks that facilitate achievement of the FIO's mission and goals;
- Policies and procedures involving members;
- Opportunities for efficiency and effectiveness improvements in research and education activities;
- Appropriateness and relevance of grant applications; programmatic research and education contracts;
- Strategic and operational plans;
- Alignment of FIO budget with strategic priorities;
- Adequacy of budget requests and identification of potential sources of revenue;
- Content of the Annual Report;
- Improvements identified by the BOT of the host university or its designee during its review of the Annual Report; and
- Findings of the Programmatic Evaluation/Review; and correction of weaknesses identified during financial audits.

The FIO Executive Committee will consist of five (5) FIO Council members including the Council Chair and four elected members. At least one member of the FIO Executive Committee shall be from the host institution. The FIO Executive Committee will meet at least three times per year and provide administrative oversight of the FIO in cooperation with the FIO Council and the Provost of the host institution. The FIO Director will serve as a non-voting, *ex officio* member. Written reports of the items discussed and actions taken

at meetings will be sent to the FIO Council via email and posted on the FIO website for the benefit of the FIO Council and interested parties.

The FIO Ship Advisory Committee will consist of at least three (3) members (with at least one from the host institution) elected by the FIO Council and will assure that the research vessels can work efficiently in all of Florida's coastal ocean and surrounding waters (Straits of Florida, coastal Atlantic, Bahamas, Caribbean, northern Gulf of Mexico). The membership will reflect the geographical diversity of Florida. Recognizing that there are long transit times from the St. Petersburg-based port to Florida's east coast, efficient long-term planning assisted and overseen by the FIO Ship Advisory Committee will assure that FIO members will have access to these vessels from Jacksonville to Pensacola. The host university and all participating universities agree to provide appropriate support to effectively manage the costs of vessel operation, maintenance, repair and scheduling. Should those vessels not be available, FIO members will seek information on the availability of other research vessels around the state. The members of the FIO Ship Advisory Committee will be elected by the FIO Council and will work closely with the FIO Marine Operations Manager who receives the requests for initial scheduling of grant/contract awarded ship time.

For grant/contract awarded ship time, requests will be made to the FIO Marine Operations Manager for initial scheduling. Verification of funding will be provided no later than three (3) months prior to sailing. The FIO Marine Operations Manager will establish the schedule for the *R/V Weatherbird II* and the *R/V Bellows* to assure maximum efficiency. To determine an appropriate assessment, PIs should consult with the FIO Marine Operations Manager prior to completing proposal budgets. It is important to note that any principal investigator from any institution (private or public) in Florida or elsewhere can purchase time on the *R/V Weatherbird II* and *R/V Bellows* for legitimate scientific purposes. No one organization has exclusive use of these vessels.

State-supported ship time is awarded through an annual competitive process with the goal of optimizing implementation of the established FIO mission and research goals. Faculty or research staff scientists associated with any of the FIO membership institutions may apply. The Ships Advisory Committee will review proposals and make recommendations to the FIO Director for funding. Once the awards are made, the FIO Marine Operations Manager will establish a tentative schedule. The state-supported ship time will require a 10% cost-share (based on total value of award) by the member institutions receiving state-supported awards.

The FIO Board of Visitors will have five (5) to nine (9) members appointed by the host institution President, to include two (2) SUS Academic Vice Presidents and two (2) Research Vice Presidents, and others such as a mayor, a port director, an individual engaged in the tourism and restaurant industries, the High Tech Corridor and a utility company. These appointments will be made in consultation with the FIO Council and the Council of Academic Vice Presidents (CAVP) and serve a three (3) year term to provide

broad oversight to the FIO. Members may be reappointed, but shall serve no more than three (3) consecutive terms.

Reporting to the Provost of the host institution the role of the FIO Board of Visitors includes: to serve as a valued resource to FIO by providing advice on best practices for optimizing the resources of the FIO and member institutions; to identify strategic directions for potential cooperative programming; to interface with potential funding sources; and to represent FIO and the vital importance of oceanographic research to the broader community.

(d) A five-year budget projects the major sources of funding and expenditures.

A five-year continuing Business Operations Plan and Budget Forecast based upon current state appropriations, is presented in both Appendix B and C.

(e) Guidelines for appointing, funding, supervising, and evaluating the AISO leadership position.

The FIO Director shall be appointed by the Provost of the host institution in consultation with the FIO Executive Committee. The Director reports to the Provost of the host institution. The Director will submit a FIO annual report, work plans, and operating budget as appropriate to the Provost. These documents will be reviewed by the Council. Operational supervision may be delegated as appropriate. The work plans will set annual performance objectives, with metrics, in at least the following areas:

- Increase in funds for at-sea research,
- New funding sources captured,
- New research initiatives,
- Ship days fully utilized,
- Degrees awarded in targeted areas with support of the FIO,
- New high skilled, high wage jobs created with the assistance of FIO,
- Federal and Total R&D awards/expenditures with assistance from the FIO,
- Student theses, dissertations completed with FIO assistance,
- Student papers produced as a result of FIO research,
- Educational workshops provided by FIO collaborators,
- Publications by faculty as a result of FIO research,
- Citations of above publications,

- Adherence to regulations/policies for safe and secure vessel operations (e.g. training sessions offered, copies of inspection certificates, copies of memos to personnel files, counseling sessions, safety seminars), and
- Avoidance of delays associated with Vessel Maintenance.

The FIO Director shall complete an annual report no later than September 1 of each year covering the previous fiscal year (July 1-June 30). The report shall include a summary of activities and accomplishments, provide actual expenditure and position data, and include a work plan for the current fiscal year [BOG regulation 10.014 (3) (a)]. Prior to its submission to the Chancellor, no later than October 31 of each year, the report will be distributed to members of the FIO Council for review and comment and will be approved by the Provost and BOT of the host institution.

The FIO Director or Director-designated FIO staff will maintain active contact with FIO member institutions by visiting campuses, scheduling and conducting workshops, conducting needs assessments resulting in priority actions and providing advance knowledge of FIO activities to achieve the goals of the AISO. Under the FIO Director's guidance, the FIO staff has the primary responsibility for: operation and maintenance of the vessels, implementation of the ship schedule, and support for PIs to achieve the research goals; coordination of the education components to achieve the education goals; maintenance of the FIO website; and support for grants and other services provided to member institutions. In the event of a vacancy in the FIO Director position, a search committee will be appointed by the Provost and will follow the customary search process of the host institution.

(f) Expectations for administrative and logistical support for the AISO, including expectations regarding reimbursement to the host university for the direct costs of administrative services rendered by the university to the AISO.

The host institution shall provide administrative and logistical support for the FIO including, but not limited to, reasonable office space with directly related support services, utilities, insurance, personnel services, purchasing, financial, legal, government relations/advocacy and physical plant services. In the event of any unforeseen or additional costs incurred, the host university and all member institutions agree to provide appropriate support. The budgetary and administrative practices of FIO shall conform to those of the host institution. FIO personnel may be eligible for consideration for appointment to faculty positions at the host institution or participating universities in conformity with established procedures.

All of the above conditions shall conform to all appropriate statutes and the rules and regulations of the BOG.

(g) Procedures for recommending increases/decreases in the appropriation of State funds for the AISO.

An effective FIO effort entails cohesive collaboration reaching throughout Florida. Support from the State Legislature and the Governor will be essential to achieving practical, positive and sustainable solutions to the coastal oceanographic problems that challenge Florida. Enabling the effective and continued achievement of the FIO's goals and research mission will enhance the quality of life for Floridians, attract and sustain tourism, provide oceanographic and educational leadership for the State and Nation and stimulate further economic development. Input will be sought broadly from member institutions and organizations interested in the goals of FIO. FIO will prepare State appropriations requests via the established Legislative Budget Request (LBR) process and submitted by the host institution in consultation with, and on behalf of the FIO, through the CAVP to the BOG and shall correspond to the State University System's five year strategic plan.

(h) Specifications for the processing of Grants and Contracts, including the percentage of overhead funds to be returned to the AISO.

Contracts and grants proposed by FIO to external sponsors (with exception to RESTORE Act funds) shall be processed through the host institution's Division of Sponsored Research. Facilities and Administrative costs (also referred to as overhead or indirect costs) will be charged using appropriate F&A rates as agreed and approved by the Host Institution President, Provost, Division of Sponsored Research and FIO Director (Appendix D). The host institution's earned facilities and administrative costs will be managed in accord with Florida Statute 1004.22(5) with any balances earned by FIO to be distributed in accord with the host institution's Research Initiative Account (RIA) practice for the given year.

(i) Ongoing planning and operating expectations and criteria for the cyclic review of the AISO.

Planning and performance assessment shall take place every year on a five-year strategic planning cycle. All operations are to be included in the plan. Annual work plans will be developed to support each Strategic Plan component. Progress towards the goals will be assessed within the Annual Report and the annual evaluation of the FIO Director and in the Programmatic Evaluation/Review.

The minimum five-year Programmatic Evaluation/Review required for each AISO [BOG Regulation 10.0014(3)(b)2] will be conducted by the host institution, with the advice and input of the FIO Council and FIO Board of Visitors and will include, at least:

- A determination of the FIO progress against the defined goals and objectives within the context of the FIO mission, the participating universities' missions, and the current BOG Strategic Plan;
- An assessment of the return on investment of State dollars;
- The need for continuation of the AISO;
- Proposed changes in the FIO mission or organizational structure;
- Recommendations for budget reductions or expansion; and
- Recommendations for status or location change, if applicable.

The BOG, the CAVP, and/or the host institution may request a programmatic review outside the cyclic review schedule. A copy of all review reports shall be provided to the CAVP to inform any budget related recommendations.

The conditions of termination of the AISO are included by reference to the BOG AISO regulations cited at 10.014(4)(a)(b)(c)(d).

(j) RESTORE Act.

In August 2014, U.S. Treasury Department released the Interim Final Rulemaking for the RESTORE Act. The Florida Institute of Oceanography (FIO) was designated as the Gulf Coast State Entity responsible for administering and coordinating Florida's RESTORE Act Centers of Excellence Program (FLRACEP).

Treasury required FIO to formulate a plan to monitor and minimize conflict of interest within FIO. To do so, several Memoranda of Understanding (MOUs, Appendix E) were executed by the FIO Director and USF, as the Host Institution. These MOU's are to ensure that all RESTORE Act activities are to be handled by the FIO Director, FLRACEP Program Director, FIO Budget Director and the FLRACEP Program Management Team. This plan guarantees that all real and perceived conflicts of interest are carefully monitored and minimized, which is necessary to ensure eligibility for all FIO members, who wish to apply for and receive funds through the FLRACEP competitive process approved by the U.S. Treasury Department.



Florida Institute of Oceanography Strategic Plan 2015-2020

July 1, 2015

“Supporting Excellence in Marine Science, Technology and Education”

Through infrastructure, programs, information and people.

Introduction

The Florida Institute of Oceanography (FIO) strategic plan of 2010-2015 focused on education, research and outreach, emphasizing communication, networking and collaboration among members and member organizations and their expectations of the FIO. The goals were largely fulfilled. During this period FIO has expanded its role as an infrastructure support organization³, taken on new responsibilities and activities, expanded its membership to include associate and affiliate member organizations, assumed primary responsibility for allocation and management of RESTORE ACT funding to develop the Florida RESTORE ACT Centers of Excellence Program (FLRACEP) and assumed the operation of the Keys Marine Laboratory.

A comprehensive report (**Florida Institute of Oceanography: Member Survey and Recommendations, 2015**) on the current and prospective status of FIO was prepared based on input from every FIO member and others who hold oversight and leadership positions for FIO. The report was distributed to the Strategic Planning Steering Committee which met in July, August and September, 2015 to discuss the information in the document, review the ambitious nature of the FIO Academic Infrastructure Support Organization (AISO)⁴ and to design the goals, objectives and metrics for an updated strategic plan. All members agreed that the AISO needed to reflect a more realistic and feasible guide for FIO, scaling back the aspirations to a more realistic agenda that can be accomplished within a 5-10 year time frame with the appropriate resources and a reasonable level of participation by the members.

In developing the strategic plan, the following statements guided the committee members' thinking:

³ FIO was chartered by the SUS as a service organization.

⁴ Prepared for the first time in 2009.

- 1) FIO is basically a volunteer organization that has substantial member benefits. FIO is poised to expand its activities. To do so requires an increase in staff and member engagement.
- 2) FIO is a collaborative organization. Goals should complement, not compete with activities of the members and their affiliated organizations.
- 3) FIO should create a mechanism to incentivize members to become more deeply engaged in activities that match their expertise and their organizations' capabilities.
- 4) FIO should marry needs of the state with the expertise of its members.

Mission, Vision and Values

The 2010-2015 mission and vision were reviewed and presented more succinctly. A statement of values has been added.

Mission: FIO is chartered to provide infrastructure support to facilitate collaborative research and education related to Florida's coastal and ocean environment, and to serve as a coordinating body across academia, state and federal agencies, ocean science organizations and the private sector in addressing new opportunities and problems to be solved through research, education and outreach. FIO is an enabler, a facilitator and a coordinator.

Vision: To support excellence in marine science, technology and education through infrastructure, programs, information and people.

"Supporting excellence in marine science, technology and education" will serve as a tagline. Four subcategories are mirrored in the four strategic goals for FIO.

Values:

- **Cooperation, collaboration, coordination and participation** – of members to solve problems related to the coast and oceans, to facilitate the education and training of future marine scientists and to provide research results to others to make science-based decisions.
- **Communication** – among members to leverage the collective vast and deep expertise to benefit Florida.
- **Transparency and accountability** – in all interactions that support the members, member institutions and the SUS.

It is difficult to project goals for five years in this rapidly changing environment, and taking into consideration the role of FIO to enable the research and education of its members, many of the objectives projected in the plan will depend upon the efforts of the members and are not the primary responsibilities of FIO. As FIO has done each year, the Annual Report will include a work plan for the upcoming year with specific objectives to be accomplished. The metrics for these objectives will be developed with more specific targets at that time. Some of the objectives will extend over the entire five years, others may be completed in one or a few of the years. The Annual Report also includes progress and accomplishments for the previous year.

Strategic Goals, Objectives and Metrics

- 1. INFRASTRUCTURE:** FIO will provide physical and financial assets and coordinate the efficient use of the members' expertise and resources to facilitate and support the research of scientific investigators and students, engage external contractual opportunities, and provide community outreach. FIO responsibility in working with members.

The FIO vessels and equipment and the Keys Marine Laboratory are the primary physical assets available through FIO. Member institutions also have a wide array of facilities and equipment that can be shared to strengthen the mission of FIO. An updated inventory of field marine resources will be developed and FIO will take an active role in the management of other shared resources identified by and in the possession of its members.

Objectives:

- Develop methods to ensure equitable distribution of subsidized ship time to SUS members regardless of geographical location.
- Continue to work for the *R/V Bellows* replacement.
- Expand operation of the vessels to include nonmember contracts. For example, the ships could become "field labs" for national maritime manufacturers to test new devices/equipment.
- Ensure efficient utilization and management of ship and laboratory resources to the fullest extent possible.

- Plan and identify funding to update and upgrade facilities at Keys Marine Lab multi-purpose buildings and residence halls in order to increase use by students and other researchers.
- Recommend important equipment upgrades for the vessels by way of the Ship Scheduling and Coordination Committee.
- Develop an inventory of accessible FIO and member assets and identify gaps in resources that need to be filled.
- Develop an FIO curriculum that engages all SUS members.

FIO Metrics:

1. Amount of external funding to increase the total use rate at KML by 25 percent over five years including housing, classroom, dry lab and wet lab space.
2. Number of ship days at sea separated into subsidized and non-subsidized.
3. Number of ship days paid by nonmembers.

Member Metrics:

4. Number of classes taught with FIO resources.
 5. Number of grants awarded to FIO members that include the use of FIO resources.
 6. Number of publications, theses, dissertations and degrees from FIO members and their students that have used FIO resources.
- 2. PROGRAMS:** FIO will seek and provide resources and value-added opportunities for research and educational programs for students at all levels, sustain and build upon the existing programs, and promote new programs and partnerships that expand FIO's role in marine science throughout Florida and the nation. FIO support for member initiatives.

Objectives:

- FIO will coordinate highly specialized courses and training among member institutions in order to have an adequate number of students to assure that offering the program is financially viable, e.g., scientific diving.
- Develop certificate programs for continuing education in disciplines such as marine technology.

- Identify FIO facilities such as KML, aquaria and institutional marine resources as sites for hands-on work to coordinate with on-line courses.
- Initiate more programs for K-12 teachers by providing training and educational materials and seek grant money to support them to engage in these programs.
- FIO will work with members to obtain grants that provide funding for infrastructure and for marine science education.
- Organize an effort to gather and market internships for students in the marine sciences.
- Hold a jobs/informational fair for students to interact with members of the marine industry in Florida.
- Continue to provide leadership for the recovery of the Gulf of Mexico. (e.g., continue to support the Gulf of Mexico University Research Collaborative (GOMURC))

Member Responsibilities:

- Grow and expand the Florida Summer Abroad course and develop other field-oriented courses at KML and other member facilities.
- Organize FIO branded mini-courses to various constituencies to be taught during breaks in the academic year and the summer.

Member Metrics:

1. Number of certificate programs advanced.
 2. Number of students completing FIO facilitated courses and training, and the student credit hours (SCH) accumulated.
 3. Number of teachers participating in FIO courses.
 4. Amount of funding obtained to support teachers in continuing education courses.
 5. Amount of new external funding for research infrastructure and marine science education.
- 3. INFORMATION: FIO will provide a leadership role in communicating scientific information about coastal and marine environments produced by members and**

member institutions to benefit the citizens of Florida. FIO and member responsibilities.

Advocacy as a role for FIO is a cross cutting theme which promotes the importance of marine science to Florida as well as the value of FIO as an organization that can synthesize and integrate data into information products. FIO members can provide information, educational opportunities, data and expertise in the marine sciences to investigators, students, businesses, agencies, government, the media and the public, which will benefit from the knowledge in advancing Florida's economy and in making science-based decisions.

Objectives:

- Develop a communications and marketing strategy that promotes the value of FIO as a collective of its members and their broad and deep range of scientific expertise and cost effective research and education resources. It should include, for example, branding FIO via a tagline, new uses for the listserv, developing the newsletter as a mini-magazine, rethinking FIO's role at Ocean's Day in Tallahassee, and preparing economic impact reports, a "sponsored report" or article in *Florida Trend* and a series of fact sheets and multipurpose flyers. The strategy will vary according to the constituency targeted.
- FIO will communicate data on external research dollars FIO members have obtained and the number of jobs this funding supports.
- FIO leadership will communicate personally with legislative and SUS staff about the work and capabilities of FIO.
- FIO will seek an opportunity to report to a BOG committee in order to increase the BOG's familiarity with the work of FIO that the SUS supports.
- FIO will convene workshops that connect people with the expertise to approach unmet needs for research and education and to probe emergent problems in which they can collaborate to develop solutions.
- FIO will prepare comprehensive inventories of talent (member expertise), facilities and equipment and marine stations (see also **People**, "FIO Professionals").
- FIO will maintain a record of interactions it has with all member organizations.

- FIO will attend scientific conferences and present displays of its activities and distribute handouts of its assets and capabilities.

FIO and Member Metrics:

1. Number of visits made to the FIO web site.
 2. Number of conferences FIO attends and delivers presentations.
 3. Number of workshops organized and number of attendees in various categories (e.g., academic, business, government, public).
 4. Amount of external funding (research expenditures) received by FIO members and correlated increase in the number of jobs.
 5. Number of visits to member institutions and purpose for the interaction.
- 4. PEOPLE: FIO members are leaders in marine science programs, organizations and commercial enterprise. The synergy of the member's interests, engagement and expertise will be capitalized upon to support the mission.**

Members of FIO are the lifeblood of the organization. Their expertise spans every discipline within the marine sciences. Members and colleagues at their institutions underpin and enhance the activities for which FIO gains recognition across the state, nation—even the world.

FIO and Member Responsibilities:

- Develop the “FIO Professionals” as a collective of scientists who are working in the field of coastal and ocean science, including members and others within their departments, related disciplines and other organizations. Membership in this group requires only the submission of name, academic rank or title, institution, contact information and a one to two line statement of the research area of interest. FIO members will designate categories and FIO Professionals will check one or two appropriate categories for their entry. The document will be maintained on-line and made available to anyone in the state who would benefit from this information. An alert will be sent to, for example, businesses, governments, universities, agencies and a hard copy made available if requested.
- Develop partnerships with members of consortia of other states to increase student and faculty exchanges in the coastal and ocean sciences.

FIO Responsibilities

- Establish new, regular or *ad hoc* committees such as a field lab committee, business relations and development committee, as needed.
- Expand the existing Board of Visitors by adding SUS Academic Vice Presidents and Research Vice Presidents, and others such as a mayor, a port director, an individual engaged in the tourism and restaurant industries, the High Tech Corridor and a power company.

FIO Metrics:

1. Number of individuals enrolled as FIO Professionals.
2. Number of new partnerships and MOUs illustrating the expanding network of FIO influence.
3. New relationships with other state-wide consortia and Florida coastal and ocean organizations.
4. Expand the membership of the Board of Visitors with new Key Opinion Leaders (KOL) members.
5. Number of requests from state and community governments and organizations for information and advice regarding coastal and marine issues and problems.

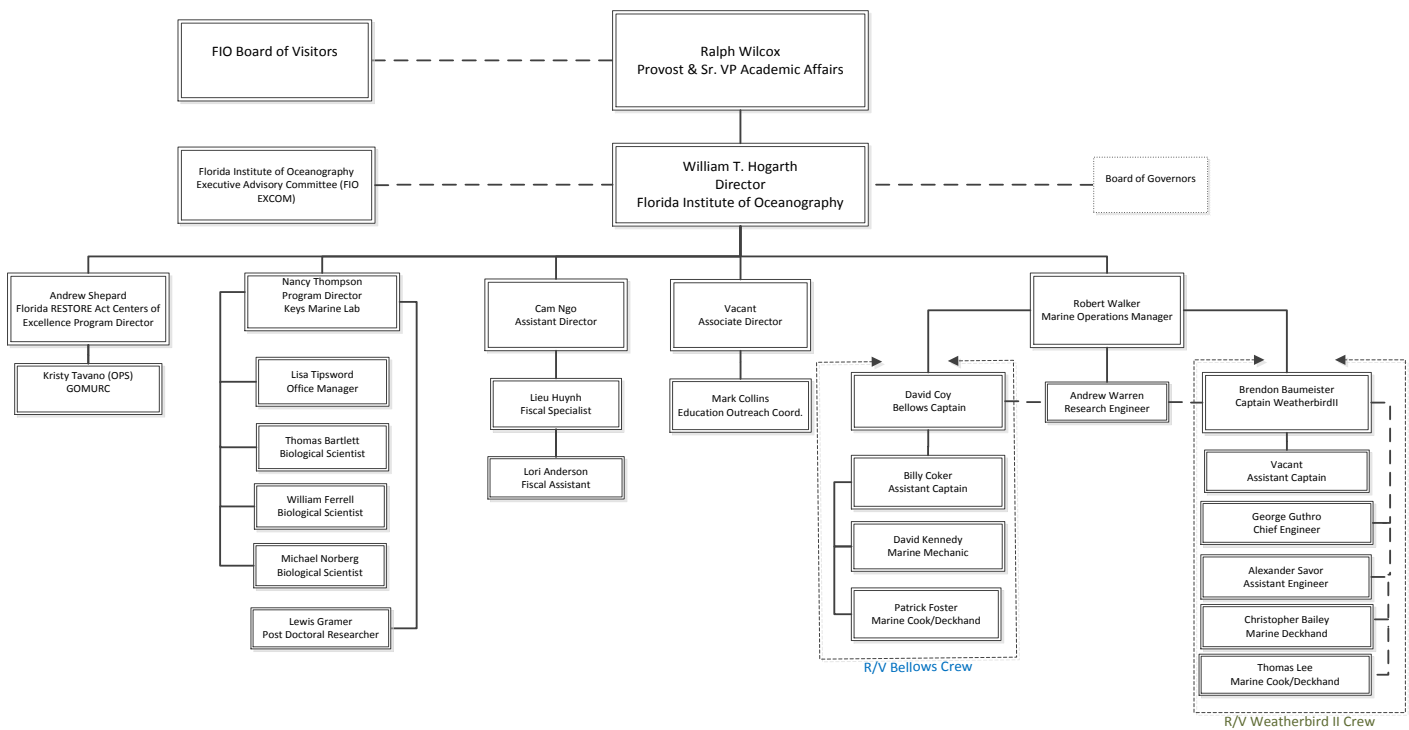
The **Florida Institute of Oceanography: Member Survey and Recommendations** report lists four possible models to capture the roles and responsibilities for FIO into the future. The Strategic Planning Group settled on a modification of the third suggested model as the most appropriate:

FIO is an organization that will provide infrastructure and broad support for marine research and education, at enhanced levels compared with the present, and promote its leadership in marine science to multiple constituencies within the state and nation.

Appendix A: FIO Organizational Chart

As of 9/23/2015

Florida Institute of Oceanography



Appendix B: FIO Business Operations Plan



FLORIDA INSTITUTE OF OCEANOGRAPHY Business Operations Plan

The Florida Institute of Oceanography (FIO) will provide affordable vessel platforms, and marine lab support to FIO member organizations, state government organizations, and non-governmental entities. This will be accomplished by operating and providing the *R/V Weatherbird II*, the *R/V Bellows* and the *Keys Marine Laboratory* (KML) on a fee basis as defined below. In addition, FIO will provide based on a competitive, peer-review process, no-cost basis to successful applicants from the FIO member institutions under the SUS Program.

Operational revenue will be generated by daily charges for the use of the *R/V Weatherbird II*, the *R/V Bellows* and the *KML*. Additional revenue support may be allocated from the Florida Legislature and will be utilized to fund the SUS program which is awarded to member institutions through a competitive process which requires a 10% match from the successful grantee.

Daily Operations:

Research Vessels/Marine Facility

Ship time will be provided and revenue generated as described below. Rates are subject to change based on fuel, food and maintenance costs, however, at least one year's notice will be given:

1. The SUS program for vessel and KML usage will be awarded to member institutions through a peer-review process.
 - a. Awards are based on competitive proposals released and submitted to FIO.
 - b. Total awarded days are based on funds allocated by the Florida Legislature and daily operational costs. (See Appendix C: Five-Year Budget.)
2. The SUS program will be provided to University researchers, and other governmental agencies that meet the FIO mission.
 - a. The daily rate is \$10,000 per day for the *R/V Weatherbird II*, \$5,200 per day for the *R/V Bellows* and the current rate at KML (See KML Rate Sheet)

- b. Costs is dependent on fuel costs, food costs and repairs and maintenance.
3. Ship time will be marketed and provided to commercial non-governmental entities at a daily rate of \$12,500 per day for *R/V Weatherbird II* and \$7,500 for the *R/V Bellows*.
 - a. Rates are based on a 24-hour operations day and are all-inclusive.
 - b. One ship day is the basic unit of charge. Daily charges are not prorated or adjusted for number of passengers or transit vs. station time.

Aside from the SUS program, KML offers other services that generates revenue. Revenue generated at KML include use of facility's short term-long-term housing, boat use, classroom/meeting room, wet/dry lab facilities, Seawater System and use and other equipment as needed for researchers to conduct courses or research. Rate schedule can be found on the Keysmarinelab.org website and in Appendix D: KML Rate Schedule. Rate Schedule is subject to change, for accuracy and up to date information, contact the business office.

Reserves:

Profit generated from vessel and marine lab operations will be utilized to provide a reserve.

1. FIO will maintain a reserve of \$250,000 to cover unforeseen emergency repairs at the KML. The reserves will be placed in an FIO 00HOLD account.
2. FIO will build a reserve in order to plan for future repairs and maintenance issues, shipyard costs, maintenance issues and purchases of "state of the art" scientific equipment for the research vessels.

Future Markets:

Major research programs in the Florida/Atlantic/Gulf of Mexico/Caribbean region are underway or under development at the state and federal level and will provide additional market opportunities. The following are some examples:

1. Florida Governor's Climate Action Team research recommendations in anticipation of climate change.
2. Florida Oceans and Coastal Council research recommendations emphasizing monitoring, mapping, and climate change research including ocean acidification.

3. Environmental impact of potential Gulf of Mexico and West Florida Shelf oil and gas exploration.
4. Red tide research (FWRI and cooperating universities).
5. Increased concern with sustainable fisheries in Florida.
6. There are additional opportunities to expand operations in the greater Caribbean Sea with an appropriate vessel.
7. Research funded through the RESTORE Act for the Centers of Excellence
8. Research Programs provided through the Gulf of Mexico Research Initiative (GoMRI)
9. Research opportunities in Cuban waters.

Appendix C: Five-Year Budget Forecast

Florida Institute of Oceanography
5-Yr Budget Forecast
2015-2020

	2015-2016				2016-2017				2017-2018				2018-2019				2019-2020			
	State Support (E&G)	R/V Bellows Auxiliary	R/V Weatherbird II Auxiliary	Keys Marine Lab Auxiliary	State Support (E&G)	R/V Bellows Auxiliary	R/V Weatherbird II Auxiliary	Keys Marine Lab Auxiliary	State Support (E&G)	R/V Bellows Auxiliary	R/V Weatherbird II Auxiliary	Keys Marine Lab Auxiliary	State Support (E&G)	R/V Bellows Auxiliary	R/V Weatherbird II Auxiliary	Keys Marine Lab Auxiliary	State Support (E&G)	R/V Bellows Auxiliary	R/V Weatherbird II Auxiliary	Keys Marine Lab Auxiliary
Authorized Operating Budget																				
State Support (E&G)	\$2,829,197	\$0	\$0	\$0	\$2,829,197	\$0	\$0	\$0	\$2,829,197	\$0	\$0	\$0	\$2,829,197	\$0	\$0	\$0	\$2,829,197	\$0	\$0	\$0
E&G Fringes	\$428,629	\$0	\$0	\$0	\$428,629	\$0	\$0	\$0	\$428,629	\$0	\$0	\$0	\$428,629	\$0	\$0	\$0	\$428,629	\$0	\$0	\$0
Authorized Operating Budget	\$0	\$386,250	\$800,000	\$230,000	\$0	\$416,000	\$850,000	\$236,900	\$0	\$416,000	\$900,000	\$244,007	\$0	\$450,500	\$997,500	\$251,327	\$0	\$450,500	\$997,500	\$258,867
Est. Total Authorized Budget	\$3,257,826	\$386,250	\$800,000	\$230,000	\$3,257,826	\$416,000	\$850,000	\$236,900	\$3,257,826	\$416,000	\$900,000	\$244,007	\$3,257,826	\$450,500	\$997,500	\$251,327	\$3,257,826	\$450,500	\$997,500	\$258,867
Authorized Expenditure Budget																				
Salaries-Faculty/AP/Staff/OPS	\$1,313,582	\$10,000	\$22,500	\$45,000	\$1,352,989	\$10,300	\$23,175	\$46,350	\$1,393,579	\$10,609	\$23,870	\$47,741	\$1,435,387	\$10,927	\$24,586	\$49,173	\$1,478,448	\$11,255	\$25,304	\$50,648
Fringes	\$428,629	\$2,500	\$850	\$2,000	\$441,488	\$2,575	\$875	\$2,060	\$454,733	\$2,652	\$902	\$2,122	\$468,374	\$2,732	\$929	\$2,185	\$482,426	\$2,814	\$957	\$2,251
Travel	\$22,000	\$1,000	\$1,000	\$18,000	\$22,660	\$1,030	\$1,030	\$18,540	\$23,340	\$1,061	\$1,061	\$19,096	\$24,040	\$1,093	\$1,093	\$19,669	\$24,761	\$1,126	\$1,126	\$20,259
Telephone & Telecommunications	\$16,000	\$30,000	\$40,000	\$7,500	\$16,480	\$30,900	\$41,200	\$7,725	\$16,974	\$31,827	\$42,436	\$7,957	\$17,484	\$32,782	\$43,709	\$8,195	\$18,008	\$33,765	\$45,020	\$8,441
Contractual Services	\$252,000	\$2,500	\$2,000	\$15,000	\$259,560	\$2,575	\$2,060	\$15,450	\$267,347	\$2,652	\$2,122	\$15,914	\$275,367	\$2,732	\$2,185	\$16,391	\$283,628	\$2,814	\$2,251	\$16,883
Computer Related Materials/Supplies	\$2,000	\$500	\$1,000	\$1,000	\$2,060	\$515	\$1,030	\$1,030	\$2,122	\$530	\$1,061	\$1,061	\$2,185	\$546	\$1,093	\$1,093	\$2,251	\$563	\$1,126	\$1,126
Material, Supplies & Equipment	\$21,000	\$35,000	\$150,000	\$40,000	\$21,630	\$36,050	\$154,500	\$41,200	\$22,279	\$37,132	\$159,135	\$42,436	\$22,947	\$38,245	\$163,909	\$43,709	\$23,636	\$39,393	\$168,826	\$45,020
Repairs, Maintenance, Renovation	\$453,000	\$42,000	\$150,000	\$30,000	\$478,890	\$43,260	\$154,500	\$30,900	\$491,197	\$44,558	\$159,135	\$31,827	\$505,933	\$45,895	\$163,909	\$32,782	\$521,111	\$47,271	\$168,826	\$33,765
Risk Management	\$0	\$10,000	\$40,000	\$0	\$0	\$10,300	\$41,200	\$0	\$0	\$10,609	\$42,436	\$0	\$0	\$10,927	\$43,709	\$0	\$0	\$11,255	\$45,020	\$0
Food	\$0	\$20,000	\$30,000	\$0	\$0	\$20,600	\$30,900	\$0	\$0	\$21,218	\$31,827	\$0	\$0	\$21,855	\$32,782	\$0	\$0	\$22,510	\$33,765	\$0
Fuel	\$0	\$60,000	\$70,000	\$10,000	\$0	\$61,800	\$72,100	\$10,300	\$0	\$63,654	\$74,263	\$10,609	\$0	\$65,564	\$76,491	\$10,927	\$0	\$67,531	\$78,786	\$11,255
Other Operating Expenses	\$230,000	\$20,000	\$3,650	\$56,000	\$236,900	\$20,600	\$3,760	\$50,000	\$244,007	\$21,218	\$3,872	\$51,500	\$251,327	\$21,855	\$3,988	\$53,045	\$258,867	\$22,510	\$4,108	\$54,636
Reserves (KML)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bellows Replacement Commitment	\$500,000	\$0	\$0	\$0	\$250,000	\$0	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Shipyard (Bellows/Weatherbird II)	\$0	\$150,000	\$250,000	\$0	\$0	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$275,000	\$0	\$0	\$0	\$0	\$0
Est. Total Authorized Expenditures Budget	\$3,248,211	\$383,500	\$761,000	\$224,500	\$3,080,657	\$310,505	\$526,330	\$223,555	\$3,165,577	\$247,720	\$542,120	\$230,262	\$3,003,044	\$305,152	\$833,363	\$237,169	\$3,093,136	\$262,806	\$575,135	\$244,285
Est. Ending Operating Balance	\$ 9,615	\$2,750	\$39,900	\$5,500	\$177,169	\$105,495	\$323,670	\$13,345	\$92,249	\$168,280	\$357,880	\$13,745	\$254,782	\$145,348	\$164,117	\$14,158	\$164,690	\$187,694	\$422,365	\$14,582

Notes:

FY 2015-2020

Allow for 3% increase in expenditures

FY 2016-17

Bellows rate \$5,250/day; WB rate \$10,500

Projected Days Bellows: 80WB 85

FY 2017-18

Bellows rate \$5,250/day; WB rate \$10,000

Projected Days Bellows: 80WB 90

FY 2018-19

Bellows or (NEW RV FIC) rate to \$5,300/day; WB increase to \$10,500/day

Projected Days Bellows (or NEW RV FIC): 85WB 95

FY 2019-20

Bellows or (NEW RV FIC) rate to \$5,300/day; WB rate \$10,500/day

Projected Days Bellows (or NEW RV FIC): 85WB 95

Appendix D: MOU between FIO/USF-DSR for Reduced Indirect Cost Agreement



FLORIDA INSTITUTE OF OCEANOGRAPHY

830 First Street South
St. Petersburg, Florida 33701
Telephone: (727) 553-1100
Fax: (727) 553-1109



February 25, 2015

Re: USF-DSR & FIO Reduced Indirect Costs Agreement

Dear President Genshaft, Provost Wilcox and Dr. Sandberg;

Thank you all for taking the time last Friday, February 20th to discuss the role of FIO as a statewide Academic Infrastructure Support Organization (AISO) and particularly the Indirect Cost Rate(s) concerns raised by some members.

It is my understanding from our conversation, as the Host Institution, the University of South Florida, its Division of Sponsored Research in Tampa (USF/DSR) and the Florida Institute of Oceanography (FIO) have agreed to a reduced Indirect Cost Rate of 10% for FIO submitted proposals and contracts. FIO will work with DSR on proposal and/or contract submissions to the appropriate funding agencies to ensure FIO proposals, contracts and practices meet the required application guidelines set by granting agencies.

USF's commitment to support FIO with a reduced Indirect Cost rate for FIO is greatly appreciated as it will allow FIO to enable the maximization of valuable resources to be directed to oceanographic research and education as envisioned by the Florida State Legislature and the Florida Board of Governors (BOG).

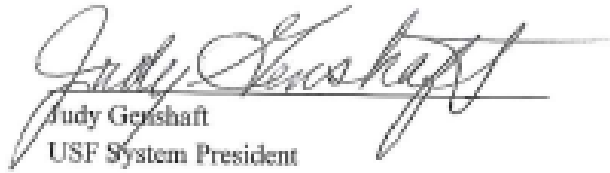
Thank you for your continued support.

Sincerely,

A handwritten signature in cursive script that reads "William T. Hogarth".

William T. Hogarth, Ph.D.
Director
Florida Institute of Oceanography

Concurrent:


Judy Genshaft
USF System President


Date


Dr. Ralph Wilcox
Provost & Executive Vice President
of Academic Affairs


Date

Appendix E: MOU between USF and FIO Regarding Roles and Responsibilities for Centers of Excellence Research Grant Program



Memorandum Of Understanding Between The University Of South Florida Board Of Trustees And The Florida Institute Of Oceanography Regarding Roles and Responsibilities for Centers of Excellence Research Grant Program

The University of South Florida Board of Trustees ("USF"), a Public Body Corporate of the State of Florida, and the Florida Institute of Oceanography ("FIO"), a State University System Academic Infrastructure Support Organization for the State of Florida currently hosted by USF and established by Florida Board of Governors Regulation 10.014, hereby enter into this Memorandum of Understanding ("MOU") to clarify their respective roles and responsibilities under the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 ("RESTORE Act").¹ As evidenced by the signatures below, the following paragraphs are understood and agreed to by USF and FIO.

1. The RESTORE Act establishes a Gulf Coast Restoration Trust Fund in the Treasury of the United States, which is funded by civil penalties arising from the 2010 *Deepwater Horizon* oil spill. RESTORE Act funds collected by the Department of the Treasury ("Treasury") will be paid out in several defined areas, including the establishment of Centers of Excellence Research Grant Programs ("CERGP") in the five Gulf Coast states affected by the oil spill. The RESTORE Act designates FIO as Florida's Gulf Coast State Entity to carry out the CERGP for the State of Florida.
2. FIO is hosted by USF pursuant to sec. 1004.33 (5) (b), Florida Statutes, which requires USF, as FIO's host institution, to provide administrative services to FIO, including but not limited to, support for accounting, legal, banking, audit, payroll and general grants

¹ Academic Infrastructure and Support Organizations (AISOs) provide underlying technology, equipment, facilities, services, and resources for academic programs and research in the State University System of Florida. Such organizations must be approved by the Board of Governors (BOG) and may use "Institute" or "Center" in their names. Although each AISO's operational budget shall remain in the base of its host institution, the BOG may consider additional budget requests accompanied by recommendations, positive or negative, from the State University System Council of Academic Vice Presidents (CAVP).
10.014 (1): Academic Infrastructure and Support Organizations
http://www.flbog.edu/documents_regulations/regulations/10_014_Academic_Infrastructure_and_Support_Org.pdf

administration. Pursuant to Florida Board of Governors Regulation 10.014, FIO's purpose is to provide scientific expertise in support of Florida's state-wide ocean science education and research programs. Neither the Florida Board of Governors nor the Florida Legislature intended for FIO to have an extensive administrative infrastructure, but instead to obtain needed services from its host institution. This structure has been in place for decades and was in place at the time the RESTORE Act was enacted and Treasury regulations regarding the RESTORE ACT were finalized.


3. This MOU shall serve as an internal delegation that will permit FIO to become the Authorizing Official to submit CERGP applications utilizing its unique Dun and Bradstreet D-U-N-S Number. The delegation will also permit FIO to accept awards under the CERGP. CERGP funds will be deposited in a unique USF account and segregated from other USF funds and only accessible by FIO, absent good faith allegations by USF of incompetence or misconduct on the part of FIO. All decisions regarding the disbursement of CERGP funds shall reside exclusively with FIO and shall be made pursuant to FIO's established processes for carrying out its functions as the Gulf Coast Entity for the State of Florida under the RESTORE Act.
4. USF and FIO shall cosign all required certifications and assurances, and agree to the terms and conditions, that are required of Treasury's RESTORE Act grant recipients as a condition of receiving a grant. These certifications, assurances, and terms and conditions shall be reviewed according to USF's standard processes, which includes review by USF's Office of the General Counsel and USF-ORI.
5. USF will not participate in the execution of external scientific review of prospective subawards. Rather, FIO's CERGP Management Team will make the final award of CERGP subawards following external scientific review. USF will not review, revise or restrict FIO's decisions regarding the award and disbursement of RESTORE Act funds provided that USF, in its reasonable discretion, determines that funds are not subject to abuse or mismanagement by FIO. Consistent with its long established practice, USF will not direct FIO's day-to-day operations and decision-making, including but not limited to, all programmatic decisions regarding CERGP, absent documented misconduct or incompetence on behalf of FIO.
6. FIO agrees to assume primary responsibility for compliance with the RESTORE Act and funds received. FIO also agrees to be the primary point of contact with Treasury regarding CERGP, but FIO may designate or refer matters to appropriate administrative divisions within USF in response to requests from Treasury or from Treasury's Office of Inspector General for RESTORE Act award information or documentation.

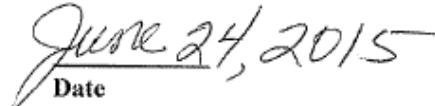
Notwithstanding the foregoing, FIO and USF shall be jointly and severally liable for compliance with CERGP requirements.

7. FIO and USF understand that Treasury will rely upon this MOU in evaluating FIO's application for an award under Section 1605 of the RESTORE Act.

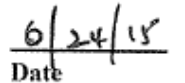
**BY THEIR DULY AUTHORIZED SIGNATURES BELOW, THE PARTIES
HEREBY ENTER INTO THIS MOU:**

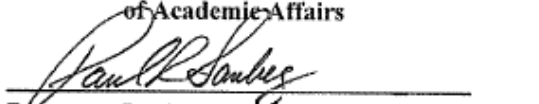
**For the UNIVERSITY OF SOUTH FLORIDA
BOARD OF TRUSTEES:**

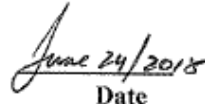

By: **Dr. Judy Genshaft**
Position: **President, USF System**


Date


By: **Dr. Ralph Wilcox**
Position: **Provost & Executive Vice President
of Academic Affairs**

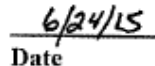

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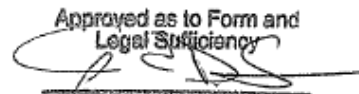

By: **Dr. Paul R. Sanberg**
Position: **Senior Vice President for Research,
Innovation & Economic Development**


Date

For the FLORIDA INSTITUTE OF OCEANOGRAPHY:


By: **Dr. William T. Hogarth**
Position: **Director, Florida Institute of Oceanography**


Date

Approved as to Form and
Legal Sufficiency

Attorney, USF

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
November 4, 2015**

SUBJECT: Council of Academic Vice Presidents Reports and Updates

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

As Chair of the Council of Academic Vice Presidents (CAVP), Dr. Ronald Toll will provide an update on current CAVP activities and issues.

In addition, Dr. Diane Chase will provide an overview of the CAVP Academic Coordination Project Work Group's processes to review new program pre-proposals, consistent with Board Regulation 8.004 Academic Program Coordination.

Supporting Documentation Included:	None
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Facilitators / Presenters:	Dr. Ronald Toll Dr. Diane Chase
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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
November 4, 2015**

SUBJECT: Student Affairs Reports and Updates

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Kevin Bailey, Chair of the State University System (SUS) Council for Student Affairs, will provide an update on current student affairs issues on SUS campuses.

In addition, Governor Tonnelle Graham, President of the Florida Student Association, will update the Committee on recent Association activities and plans for 2015-2016. At the request of the Committee Chair she will also present a short update on Campus Food Pantry initiatives throughout the State University System.

Supporting Documentation Included:

None

Facilitators / Presenters:

Dr. Kevin Bailey
Governor Tonnelle Graham



Information BRIEF

www.flbog.edu

Campus Food Pantries in the State University System

November 4, 2015

Introduction

Food insecurity is defined by the U.S. Department of Agriculture as lacking “access to enough food for an active, healthy, life style.” Incidents of food insecurity in U.S. colleges and universities are increasing as college costs, including tuition, housing, books, and transportation, have risen significantly and more students from low income families are attending postsecondary education. National studies by student affairs professionals are confirming that there are many university campuses with students who are considered food insecure and that the reality of students missing meals to save money is not uncommon.

With rising food insecurity among college and university students, there has been a corresponding increase in the establishment of food pantries on college campuses, with over 200 college and university food pantries nationwide. The College and University Food Bank Alliance (CUFBA) is a national association for higher education professionals whose purpose is to “focus on alleviating food insecurity, hunger, and poverty among college and university students in the US.” Many university student affairs professionals and student governments are working directly with CUFBA to collaboratively establish, operate, and maintain a campus food pantry. It is now being reported that over one-half of undergraduate and graduate students who received food from campus food pantries are having to choose between spending money on college expenses or food.

Nationally, university food pantry initiatives are now expanding to campus-wide advisory committees to address broader, longer-term issues of food access on university campuses, such as supplementing financial aid packages to account for food, accepting food stamps on campus, and implementing larger on-campus gardening programs to enable students to grow their own food.

State University System

In the State University System of Florida, ten universities operate food pantries for their campus communities and the remaining two universities are actively planning to establish a campus pantry. Several of the SUS university food pantries partner with local community food banks, and all of them receive pantry supplies from faculty, staff, and/or student donations. The campus food pantries are typically operated within student affairs divisions and are primarily

Campus Safety and Security: Critical Issues

staffed by student volunteers. In addition to providing food to enrolled students and campus staff, a number of the pantries also provide workshops on healthy and nutritious food preparation and budgeting.

Selected details and features of SUS food pantries are provided below:

Florida A & M University

The campus food pantry at FAMU is operated in the student health services clinic and receives food donations from faculty, staff, and students to stock and maintain the pantry. In an established Farm Share program, the food pantry also operates large food distribution events to students weekly during fall and spring semesters, which are supplied by purchasing and collecting fresh food from farmer's markets in the community and in neighboring counties. The pantry services are advertised on social media sites and during orientation sessions.

Florida Atlantic University

FAU student affairs administrators and student government leaders are currently planning for a campus food pantry, with the pantry opening scheduled for late fall 2015 or early spring 2016. Using campus and community resources, the goal of the pantry will be to provide a holistic program that will address immediate and long-term hardships for students.

Florida Gulf Coast University

The operation of the FGCU campus food pantry is coordinated by the Division of Administration and Financial Services, with student affairs professionals and student government leaders serving on the pantry advisory committee. Enrolled students may visit the pantry once per week and take up to 10 pounds of shelf-stable food. The pantry has established a partnership with the Harry Chapin food bank in Southwest Florida. Student volunteers staff the pantry and receive service learning credit hours for their participation.

Florida International University

The FIU food pantry is managed by Division of Student Affairs and student volunteers. The pantry is open to any FIU student and students may receive food once a week. The FIU Pantry receives food that has been collected from alumni and campus food drives.

Florida Polytechnic University

The FPU food pantry is maintained in the campus Safety Office, with 24 hour accessibility for students in need. Supplies of food, basic necessities, and campus cafeteria meals are provided to students through campus faculty, staff, and student donations.

Florida State University

The FSU food pantry was established in 2009 and is currently housed in the Dean of Student's Office, staffed by case managers. Food is provided to needy FSU students, although proof of financial difficulty is not required to receive food. The pantry receives food supplies through

Campus Safety and Security: Critical Issues

campus donations from student organizations. During the 2014-15 year, the pantry had 1,311 visits for food.

New College

New College student affairs and student government are currently planning for a campus food pantry, with the pantry opening scheduled for later this semester.

University of Central Florida

The UCF Knights Helping Knights food pantry was established in 2009 and is sustained through in-kind and cash donations from the campus and local community. Strong partnerships exist with Student Government (funding), the Student Union (facility), UCF Foundation (community and alumni support), and Second Harvest Food Bank (discounted food items). The pantry is primarily staffed by volunteers and is available to UCF students with valid ID, with a limit of five food items per day and unlimited toiletries and clothing. Donations have steadily increased since the Pantry was founded and totaled almost 24,000 pounds of food and over \$10,000 in the past year. Student volunteers have logged almost 3,000 service hours in that timeframe.

University of Florida

The UF Field and Fork food pantry opened in August and is part of a larger program run by IFAS. The pantry is operated by the Dean of Student's office in a refurbished chiller plant and is affiliated with a community food bank. Students, faculty, and staff with a current ID are served canned and dry goods and toiletries. The pantry is staffed by student employees, who also provide on and off campus referrals to helping resources. Plans are to provide educational programming regarding nutrition and budget management.

University of North Florida

The UNF Lend-A-Wing food pantry is operated by student government leaders, using student volunteers and employees. UNF students with a current ID are served up to five pounds of food and goods per visit. The pantry is supplied by donations from faculty, staff, students, and community partners. The pantry is now partnering with academic and administrative departments across campus to advertise its services and educational workshops on nutrition.

University of South Florida

The USF Feed-A-Bull food pantry is operated by the Office of Student Outreach and Support and is available to all enrolled students. The pantry is sponsored by Wellness Education and partners with Feeding America Tampa Bay. The program also provides education and resources to students related to purchasing and preparing balanced food on a budget.

University of West Florida

The UWF Argo Pantry is housed in the Dean of Student's office and provides food to currently enrolled students, who may access the pantry once per week. Campus and community partners include: the student government, the Social Work, Psychology, Anthropology, and Environmental Studies departments, and the Kugelman Honors Program.



AGENDA
Strategic Planning Committee
Ballroom
Graham University Center
Florida International University
Modesto A. Maidique Campus
11200 Southwest Eighth Street
Miami, Florida 33199
November 5, 2015
9:45 a.m. – 11:15 p.m.
or
Upon Adjournment of Previous Meetings

Chair: Mr. Dean Colson; Vice Chair: Ms. Patricia Frost
Members: Beard, Doyle, Lautenbach, Morton, Robinson

- | | |
|--|---|
| 1. Call to Order and Opening Remarks | Governor Dean Colson |
| 2. Committee Meeting Minutes
September 2, 2015 | Governor Colson |
| 3. University of Central Florida Downtown Campus | Governor Colson
University Representatives |
| 4. University Work Plans Summary:
Key Issues and Challenges | Dr. Jan Ignash
<i>Vice Chancellor</i>
<i>Academic and Student Affairs</i>
<i>Board of Governors</i> |
| 5. TEAm Grant Initiative Update | Dr. Ignash |
| 6. Concluding Remarks and Adjournment | Governor Colson |

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
November 5, 2015**

SUBJECT: Minutes of the Committee's September 2, 2015 Meeting

PROPOSED COMMITTEE ACTION

Approve the minutes of the Strategic Planning Committee's September 2, 2015 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 September 2, 2015 meeting at the University of Florida.

Supporting Documentation Included: Minutes: September 2, 2015

Facilitators/Presenters: Governor Dean Colson

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
STRATEGIC PLANNING COMMITTEE
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
September 2, 2015

*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

Governor Dick Beard convened the meeting of the Strategic Planning Committee at 2:14 p.m. on September 2, 2015 with the following members present: Patricia Frost (by telephone), Ned Lautenbach, Ed Morton, and Katherine Robinson. A quorum was established. Other Board members present were Governors Mori Hosseini, Matt Carter, Tonnnette Graham, Wayne Huizenga, Tom Kuntz, Alan Levine, Wendy Link, Pam Stewart, and Norm Tripp.

2. Approval of Committee Minutes, June 16-17, 2015

Governor Beard called for a motion to approve the minutes from the Committee's June 16-17, 2015 meeting. A motion was made by Governor Morton, seconded by Governor Link, and the motion carried unanimously.

3. University Work Plan Follow-up:
Florida Agricultural and Mechanical University 2015 Work Plan and
Florida Agricultural and Mechanical University Plan to Improve Graduation
Rates and Employability of Graduates

Governor Beard said that the next agenda item was with regard to Florida Agricultural and Mechanical University (FAMU) and that it involved two separate but related issues, both of which would be for approval. In the interest of efficiency, Governor Beard asked President Mangum to address both items during her presentation, after which the Committee would vote on the issues separately.

With respect to FAMU's 2015-16 Work Plan, Governor Beard said that, at the Committee's June 16-17, 2015 meeting, the 2015 Work Plans had been considered. At that time, concerns were expressed that the FAMU Work Plan was demonstrating

incremental rather than transformative change. The University was subsequently directed to return to the Committee in September with a revised Work Plan for the Committee to consider recommending to the full Board of Governors.

Governor Beard stated that the second issue having to do with this agenda item was with regard to a specific legislative appropriation. In 2015, the Legislature provided \$1,000,000 via Specific Appropriation 138 to FAMU to implement a plan to improve graduation rates and employability of graduates. The Specific Appropriation indicated that Board of Governors approval of the plan was required.

Governor Beard called on President Mangum to make a presentation with regard to changes that had been made to the 2015 Work Plan, approved on August 17, 2015 by the FAMU Board of Trustees, and to also discuss how the University planned to use the \$1,000,000 dollars associated with Specific Appropriation 138.

President Mangum said that the University's goal was for FAMU to reach the same level of performance on metric indicators similar to the median of other State University System institutions by 2021. She said that this would involve addressing student debt, increasing student advising, and increasing the availability of student internships. She noted that the number of Academic Opportunity Scholars, which the Board refers to as profile admit students, was being reduced and would be further reduced. She said, further, that the revised Work Plan reflected a reassessment of student success goals, enrollment growth goals, strategies for improving licensure pass rates, and new program implementation. President Mangum indicated that the University would see modest enrollment growth through 2017, that profile admits would decrease from 30% to 20% by 2017, and that the number of transfers from the Florida College System and the number of international students would increase.

Governor Hosseini noted that 61% of FAMU students were not graduating in six years, and that FAMU received almost twice the state funding per full-time equivalent student as other institutions. President Mangum was asked whether new resources would be needed to reach the revised Work Plan goals, and she indicated that \$15,000,000 of new dollars would be needed. Governor Hosseini noted that the University of West Florida and Florida Atlantic University had been able to raise their graduation rates, and that this had been accomplished when dollars were taken away from those institutions through the performance-based funding model. Gov. Link noted that the Board did not approve other universities' work plans contingent upon funding and that she was uncomfortable if that were the case for FAMU. Gov. Link asked whether FAMU intended to achieve the goals in their revised Work Plan without additional funding and Pres. Mangum responded affirmatively.

Governor Beard asked for a motion to approve the 2015-2016 portion of the 2015 FAMU Work Plan, excluding those sections of the Work Plan that required any additional

regulatory or procedural review or approval pursuant to law or Board regulations, and that the Committee accept the out-year portions of the Work Plan. A motion was made by Governor Frost, seconded by Governor Robinson, and the Committee approved the motion unanimously. Governor Beard then called for a motion to approve the plan provided by FAMU to improve graduation rates and employability of graduates and, in so doing, approve the allocation of \$1,000,000 from Specific Appropriation 138 to the University. A motion was made by Governor Frost, seconded by Governor Robinson, and the Committee approved the motion unanimously.

4. State University System Affordability

Governor Beard said that the Committee's last item had to do with State University System Affordability. He said that the Committee had spent a part of its last several meetings discussing the extent to which all students who are qualified and motivated to attend the State University System can afford to do so, taking into account tuition, state appropriations, and financial aid. He noted that the Committee had been exposed to a great deal of state-level and national data, and that the Board was approaching the point where it could begin to think about policy actions that might be taken. Governor Beard called on Chancellor Criser to make a presentation.

Chancellor Criser said that the Board had been carefully considering the cost of an education at State University System institutions. He said that considerations had been given to comparisons with other states and other Florida higher education sectors. He emphasized that, comparing the State University System's population to Florida's college-age population, it appeared that families with incomes between \$40,000 and \$99,000 were underrepresented in the State University System.

Chancellor Criser indicated several focal points in the affordability discussion. The first focal point was time-to-degree and intensity of effort. He noted that the issue of time-to-degree had cost implications, such as housing, that went beyond tuition. He pointed out that undergraduates in the State University System were taking fewer credit hours each term. He also noted that first-time-in-college students who enroll in thirty or more credit hours in their first two semesters are twice as likely to graduate in four years than students who take less than thirty hours. He also stated that policy options with regard to time-to-degree and intensity of effort could include the provision of Bright Futures dollars in the summer, and "Finish in Four" incentives. With regard to other cost-related issues, the Chancellor noted that cost per degree needed to continue to be a focal point and that a careful focus by university boards of trustees as to how and where financial aid dollars were being allocated would also be important.

5. Concluding Remarks and Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 3:52 p.m.

R.E. LeMon,
Associate Vice Chancellor,
Academic and Student Affairs

Dick Beard, Acting Chair

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
November 5, 2015**

SUBJECT: University of Central Florida Downtown Campus

PROPOSED COMMITTEE ACTION

Approve a University of Central Florida Type I Downtown Campus.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The University of Central Florida is requesting authorization to create a Type I Downtown Campus in conjunction with Valencia College. Informational presentations were made at the Board's February 19th, 2015 meeting, and again at the September 22nd 2015 Budget and Facilities Committee's workshop. The Strategic Planning Committee will hear a presentation made by the University of Central Florida with regard to the appropriateness of the Downtown Campus; the proposed academic programs to be offered at the Downtown Campus; the number of students estimated to take advantage of the Downtown Campus; any potential ramifications with respect to regional accreditation; the expectations for student services, academic support, recreational facilities, and health services at the proposed Downtown Campus; any potential impact on upper level undergraduate and graduate students who are attending the University of Central Florida's main campus; and the number of faculty and administrators expected to be associated with the Downtown Campus. If approved by the Strategic Planning Committee, funding considerations will be taken up by the Board's Facilities and Budget Committee prior to consideration by the full Board of Governors.

Supporting Documentation Included: University Proposal

Facilitators/Presenters: Governor Dean Colson;
University Representatives

**BOARD OF GOVERNORS, STATE UNIVERSITY SYSTEM OF FLORIDA
PROPOSAL TO ESTABLISH A NEW TYPE I, II, OR III CAMPUS, OR SPECIAL
PURPOSE CENTER**

University of Central Florida
University Submitting Proposal
 UCF – site ID 0017

Site ID
 500 W. Livingston Street
 Orlando, FL 32801

Physical Address of Educational Site
 (US Site: address, city, state, zip) (International site: street
 address, number, city, county/province, country)

UCF Downtown

Proposed Name of Educational Site
 Type I

Proposed Type of Educational Site
 (Type I, II, or III Campus, or Special Purpose Center)
 August 2018

Proposed Opening Date
 (First date and term student instruction will be offered at
 the site)

The submission of this proposal constitutes a commitment by the university that, if the proposal is approved, the necessary financial resources and the criteria for establishing or relocating an educational site have been met prior to the initiation of the first course offerings.

September 24, 2015

Date Approved by the University Board of Trustees

Signature of Chair, Board of Trustees

October 20, 2015

Date

President

Vice President for Academic Affairs

October 20, 2015
 Date

October 20, 2015
 Date

Under Projected Enrollment, provide headcount (HC) and full-time equivalent (FTE) student enrollment estimates by level from Table 1 in Appendix A for Years 1 and 5, or the Final Year of implementation if it exceeds five. Under Projected Costs, provide revenues and expenses from Table 2 and capital project costs from Table 3 for Years 1 and 5, or the Final Year if it exceeds five.

Projected Site Enrollment* (from Table 1)			
		HC	FTE
Undergraduate	Year 1	4512	3288
	Year 5	4885	3560
Graduate	Year 1	883	504
	Year 5	955	546

Projected Costs (from Tables 2 and 3)				
Operational			Capital Projects	Total Cost
	E&G Funding	Other (Contracts & Grants, Auxiliary)		
Year 1	\$35,774,541	\$9,528,661	\$20,000,000**	\$65,303,202
Year 2	\$36,445,897	\$9,719,263		\$46,165,160
Year 3	\$37,372,429	\$9,913,522		\$47,285,951
Year 4	\$38,254,685	\$10,111,942		\$48,366,627
Year 5	\$38,918,603	\$10,314,178		\$49,232,781

*These are UCF enrollment projections. See Table 1 for additional information on Valencia College enrollment projections.

**Downtown Academic Building = \$60 million, funded by 1/3 PECO, 1/3 philanthropy, and 1/3 university resources.

Note: This outline and the questions pertaining to each section must be reproduced within the body of the proposal to ensure that all sections have been satisfactorily addressed. Tables 1 through 4 are to be included as Appendix A and not reproduced within the body of the proposals because this often causes errors in the automatic calculations.

I. Introduction

A. Provide a short description of the project and rationale for the request to establish an educational site, including the main purpose for this site (research, instruction, administration, student services, etc.).

The University of Central Florida proposes to expand our downtown Orlando presence into a Type I campus that will focus on student instruction and services. The new campus will transform our current downtown offerings by strategically relocating programs from our main campus in east Orlando to downtown. The project also expands the university's long-standing partnership with Valencia College, which would relocate complementary programming and offer non-duplicated, lower-division coursework. UCF's downtown expansion will create a world-class, best-in-the-nation site for digital media, communication, public service, and health-related programs in an innovative, urban environment.

UCF's Center for Emerging Media (CEM) marks the site for the downtown Type I campus expansion. This existing Special Purpose Center is home to UCF's master's degree in Interactive Entertainment offered by our Florida Interactive Entertainment Academy (FIEA) – the No. 2-ranked video gaming graduate school in North America – and other digital media-related programming. Like existing programming at CEM, only programs that will better serve students' educational and workforce needs by being downtown will relocate to the site.

This expanded campus will allow UCF to significantly enhance the academic experience through innovative learning environments and engaged location-based education. Partnering with Valencia College will enable students to earn a bachelor's degree at a lower cost, while also providing greater opportunity for degree attainment in a historically underserved area. Finally, it will help UCF to meet the needs of the city-state by creating the additional space necessary for the university to grow in Areas of Strategic Emphasis.

The Type I campus would be located on approximately 15 acres that are designated for higher education in downtown Orlando. This proposal focuses on relocating academic programs in their entirety from UCF's main campus to the new site, known as UCF Downtown, in Fall 2018, with the addition of one new academic building and the renovation of CEM. Coupled with ancillary development, including housing, parking, and student services, these facilities would allow UCF to reach a critical mass, enrolling more than 7,500 UCF and Valencia students when the campus opens.

This proposal is the result of efforts by more than 150 faculty and staff members and students from both institutions and community leaders across the region. Ultimately, UCF envisions a 21st-century campus that **expands access, creates impact, and cultivates innovation**, transforming Central Florida and the state.

Innovative Learning and Engaged Location-based Education

Around the country, many great metropolitan downtowns have strong higher education partners. This opportunity in downtown Orlando – the nation’s 16th fastest-growing city according to the U.S. Census Bureau – will connect students with diverse businesses, government entities, and nonprofits.

History shows that UCF knows how to leverage location-based education to drive student success. It is why UCF established the Rosen College of Hospitality Management in the heart of Orlando’s tourism industry and why upwards of 90 percent of Rosen College undergraduates secure jobs before graduating.

UCF Downtown is another extraordinary opportunity to meet the growing demands of students seeking education in an urban setting and to develop an innovative learning and working environment. With more than 74,000 jobs downtown, the potential opportunities for students and graduates are tremendous.

Programs at UCF Downtown will foster new industry and community partnerships that provide students with authentic learning experiences, unique to the urban environment, including expanded opportunities for internships, research, and service learning. Already, more than 100 downtown and nearby organizations have expressed interest in working with UCF students and faculty when the campus opens (A sample listing of companies and organizations is provided in Appendix C).

Students who gain practical experience while in college are more likely to find employment in their fields upon graduation. For example, working in partnership with local industry, FIEA graduates earn an average salary of more than \$60,000, with an 85 percent job placement rate as designers, programmers, producers, and digital artists. This proposal relocates programs that will build on downtown Orlando’s creative technology economy and growing health care sector – projected to experience greater-than-average job growth through 2022, according to industry and U.S. Department of Labor projections (see Section II B).

Downtown-based Florida Hospital President and CEO Lars Houmann wrote, “We see a downtown campus providing students with vital proximity to the business, economic, research, and direct healthcare activities of Florida Hospital...[they] will have an experience in this environment that is certain to enrich their education and give them a running start in the working world.”

UCF Downtown would allow interdisciplinary teams of students and faculty members from fields as diverse as health services administration and social work to human communication and digital media to work with downtown healthcare and social service providers and the community to assess the need for, access to, and better utilization of services.

New Degree Pathways and Lower-cost Model

More than 60 percent of students currently enrolled in the UCF baccalaureate programs selected to relocate downtown are transfer students. Valencia College is UCF's largest feeder school for these and other majors through the nationally recognized Direct Connect to UCF 2+2 Program. The expanded partnership with Valencia would create new educational synergies and additional pathways to a degree for students with interests in targeted areas. Both institutions are committed to relocating programs that will thrive in the downtown ecosystem and prepare more students for high-tech and high-demand careers in an environment that integrates learning and working.

One example is the proposed relocation of Valencia's Health Information Technology associate degree that would be housed in the same new academic building as UCF's Health Informatics and Information Management bachelor's degree program. Co-locating these programs and associated faculty members will create tremendous opportunity to enhance curricula alignment and well-coordinated integration of progressively more advanced experience-based learning, leading to greater retention and graduation rates.

By partnering with Valencia College to offer lower-division courses and associate degrees at UCF Downtown through DirectConnect to UCF, students who enroll at the downtown campus will have the option to pay about \$6,000 less in tuition and fees than the average cost of a Florida SUS institution. As such, UCF Downtown is the ideal example of how a university can shape not only the lives and livelihoods of its students, but also its community, by creating new and more affordable pathways to high-quality education.

This lower-cost solution for students could be a model for other SUS institutions partnering with local state colleges to increase educational access and better meet workforce needs.

Strategic Programs and Space Needs

As the largest institution in Florida – and the fastest-growing – UCF's space resources have not kept up with student demand. The 2015-20 Board of Governors' Educational Plant Survey of UCF's space needs suggests the institution is underbuilt by 2.2 million square feet. Due to this shortage, UCF currently houses academic programs in approximately 150,000 square feet of leased space near the main campus.

By establishing the Type I campus, UCF will provide new facilities for relocated programs – nine of which are in Areas of Strategic Emphasis as defined by the Board of Governors and are exceeding the university's overall enrollment growth. UCF will simultaneously utilize the new space downtown and vacated space on its main campus to accommodate the 200 new faculty positions added to the university through the use of existing performance funding. These faculty members are helping to meet student demand in areas of growing enrollment, many in STEM disciplines.

UCF Downtown represents a “double win” for students: the programs that move will better serve students by being downtown while opening up space on the main campus for new faculty members and growth in strategic areas like STEM-related fields, which benefit from industry partnerships in high-demand fields in east Orlando.

B. Provide a short narrative assessment of how the establishment of the educational site supports the university mission and the goals incorporated into the university strategic plan and Board of Governors State University System Strategic Plan.

Establishing the downtown campus supports the university's mission and strategic plan, as well as the Board of Governors' State University System Strategic Plan.

In furthering UCF's mission as a public, metropolitan, multi-campus entity, this site will meet the economic, cultural, intellectual, and societal needs of the community. The campus will provide experience-based learning environments resulting in high-quality, relevant, and broad-based education – a majority in Areas of Strategic Emphasis.

This effort will directly support three of UCF's five goals.

- Goal 1 – To offer the best undergraduate education in Florida.
- Goal 4 – To become more inclusive and diverse.
- Goal 5 – To become America's leading partnership university.

UCF Downtown supports UCF's strategic plan by pioneering the next generation of educational initiatives. Embedded in the community, location-based education at UCF Downtown will benefit students and establish new partnerships with public, private, and nonprofit entities aimed at collectively addressing pressing local, state, national, and international issues.

Finally, UCF Downtown advances the goals of the Board of Governors' Strategic Plan for the State University System in the following ways.

- Promoting innovation and excellence in teaching and learning to increase degree productivity and efficiency, as well as lower costs for students by partnering with Valencia through our DirectConnect to UCF 2+2 program
- Relocating high-demand Programs of Strategic Emphasis downtown to allow for their growth, while better utilizing space on UCF's main campus for STEM
- Enhancing downtown community and business engagement for the benefit of students and academic programs

C. Provide a timetable of critical benchmarks that must be met for full implementation which can be used to monitor progress (planning, design, funding, construction, etc.). The timetable should also include ensuring appropriate accreditation of the proposed educational site and any proposed programs requiring specialized accreditation, if required.

UCF leadership began conceptualizing the downtown campus in May 2014. Together, with our consulting, community, educational, and business partners, the university has embarked on a comprehensive planning effort for UCF Downtown.

The following timeline documents work to date and expected benchmarks as UCF works toward a campus opening in Fall 2018.

Date	Action
<i>July 1, 2014</i>	Planning allocation received UCF received \$2 million allocation from the Legislature to support planning of the downtown campus
<i>November 2014–December 2015</i>	Downtown campus planning with consulting team
<i>January–March 2016</i>	Secure funding Request state allocation to support approximately one-third of the new academic building Complete philanthropic campaign to support approximately one-third of the new academic building
<i>March 2016–March 2017</i>	Design phase <u>Academic facilities:</u> New academic building, renovation of the Center for Emerging Media <u>Ancillary facilities:</u> Student housing, student services, parking, power plant
<i>Fall 2016</i>	Notification of relocation to discipline accreditors
<i>August 2016–July 2018</i>	Communications campaign to inform students of program relocation
<i>March 2017–May 2018</i>	Construction phase <u>Academic facilities:</u> New academic building, renovation of the Center for Emerging Media <u>Ancillary facilities:</u> Student housing, student services, parking, power plant
<i>June–July 2018</i>	Faculty and staff members transition to new campus facilities
<i>August 2018</i>	Campus opens and begins offering courses

Accreditation

UCF already offers degree programs at two SACSCOC-approved educational sites downtown. These include UCF's Executive Development Center and CEM, which is located at the site of the proposed downtown campus. This campus plan has been discussed with SACSCOC, and while the expansion of activities is not considered a substantive change to the scope of UCF's current accreditation, UCF will continue to keep SACSCOC informed.

Programs with discipline accreditation are planned to move to the downtown campus; assuming approval of this proposal, appropriate notification to discipline accreditors will follow as indicated in the table above.

Transitioning programs to UCF Downtown

As part of the university's planning efforts, more than 150 faculty, staff, students, and administrators already are actively engaged in conversations about developing the downtown campus. These conversations include transition plans to notify current, incoming, and prospective students in programs relocating to UCF Downtown, with large-scale communication efforts to begin in Fall 2016.

Dedicated transportation between campuses, similar to that offered for the Rosen College of Hospitality Management campus, will be readily available for students, faculty members, and staff members to travel between campuses.

Additional plans will allow upper-division students majoring in affected programs as of Fall 2016 the option to complete their degree through alternate means (i.e. main campus courses, online learning, etc.) if they are unable to relocate downtown.

II. Need and Demand Assessment

A. Provide a detailed assessment of unmet local student demand for access to academic programs in the vicinity of the proposed educational site. Complete Table 1 in Appendix A to enrollment projections for unduplicated student headcount and FTE by degree program and level.

From 2010 to 2014, the university's overall enrollment has grown by 10.3 percent. During that same period, the programs selected to relocate downtown have experienced growth exceeding nearly 22 percent. This growth illustrates strong student demand for these academic programs, particularly Health Services Administration.

In addition to meeting student demand in these program areas, UCF Downtown also will help address growing demand for higher education in Orlando. Degree attainment rates are up in the Central Florida region, according to the Lumina Foundation's 2015 "A Stronger Nation Through Higher Education" report. Yet, degree attainment in downtown Orlando is still lower than the averages of the surrounding area. While downtown Orlando matches the national figure, the degree attainment of that specific area lags behind the county and the city surrounding it. (Downtown Orlando includes zip codes 32801 and 32805, as identified by the Downtown Development Board.) A downtown campus will help increase degree attainment in this area.

As the demand for degree attainment grows, UCF is poised to meet these needs with its proposed downtown campus academic programs – in digital media, communication, public service, and health-related fields – and programs offered on the main campus.

Table 2A: Degree Attainment at Different Scales

2012 Degree attainment	Percentage
United States	28.8%
Florida	26.4%
Orange County, FL	30.1%
Orlando, FL	32.9%
Downtown Orlando, FL	28.8%

Sources: <http://quickfacts.census.gov/qfd/index.html> and Census Bureau report

B. Provide a detailed data-driven assessment that describes unmet local and regional workforce need for programs and services to be offered at the proposed educational site. In the appendices, provide letters of support from the local community and business interests.

Employment demand is strong and growing quickly in Orlando, recently ranked by *Forbes'* magazine as one of the nation's best cities for future job growth. Through 2017, the Orlando region is projected to have the second-fastest employment growth in Florida with a 3 percent annual growth rate and the second-highest population growth rate at 2 percent (Source: *Florida and Metro Forecast – March 2014*, Institute for Economic Competitiveness, College of Business Administration, University of Central Florida).

Relocating digital media, communication, public service, and health-related programs to UCF Downtown will help meet local and regional workforce needs in these growing fields.

For example, the U.S. Bureau of Labor Statistics projects that the number of jobs in the medical and health informatics industry will grow by 22 percent by 2022, twice as fast as overall employment (Source: *Missed Opportunities? The Labor Market in Health Informatics*, December 2014, Burning Glass Technologies). Yet, employers consistently are struggling to find high-quality talent to fill these jobs. By collaborating with Valencia, UCF Downtown's array of health information-related programs will service this high-demand industry.

Additionally, the need for digital media-related professions grew 148 percent between 2010 and 2013, with regional employer demand outpacing national demand (Source: *Demand for Certificates in Digital Media, Design, and Marketing (DMDM)*, August 2014, Education Advisory Board). The report also found that while employers in the nation's largest markets (New York, San Francisco, etc.) demonstrated digital media-related workforce need, those in smaller MSAs around the country demonstrated stronger positive growth in job postings – mirroring Orlando's rise as an emerging digital media and tech hub (Source: *Most Promising Tech Hubs of 2014*, Techie.com).

Orlando employers support UCF Downtown. More than 100 business, government, and nonprofit leaders submitted letters of support for the campus earlier this year (A sample listing of companies and organizations is provided in Appendix C). Among the reasons are "better preparing my future employees to hit the ground running," allowing

companies to easily “scout the UCF talent we need and to provide promising students with internships and other on-the-job training experiences to help them – and us;” and “improving lives and livelihoods of residents.”

Bank of America’s market chief in Orlando, Steven Alch, wrote: “Connectivity between employers and emerging talent from the local hometown university is essential. Downtown Orlando includes the headquarters of large and small businesses and non-profit organizations; primary media outlets; leading legal, financial, medical, retail, and political professionals; and many city, county, state, regional, and national public offices. All of these entities and their professionals – along with the students who aspire to be employed by them – benefit when they are more closely aligned for internship and other job experiences.”

Similarly, Central Florida Health Alliance President and CEO Donald G. Henderson wrote his organization “believes that UCF students studying in the urban center of our region will provide Central Florida Health Alliance with opportunities for additional partnerships and talent and will be of great benefit to our organization and to our community.”

Also, Cushman & Wakefield Orlando Office Brokerage Director Anne Spencer wrote, “I know that Cushman & Wakefield will provide these students with both professional and personal development opportunities that will advance their academic success and personal growth, in the present and in the future. The population of UCF students attending the downtown campus will create a bridge of common interest and purpose for residents and commerce alike.”

Furthermore, the U.S. Department of Labor’s Bureau of Labor Statistics projects strong growth in many professions associated with the degree programs proposed to relocate downtown. Examples of such demand are listed below in Table 2B.

Additionally, five of the fields that map to the degree programs relocating to UCF Downtown are included on the 2014-15 Regional Demand Occupations List for Lake, Orange, Osceola, Seminole, and Sumter counties, as indicated in an annual report released by the Florida Department of Economic Opportunity (Workforce Region 12). Those five fields also qualified for the “High Skill/High Wage” designation with mean wages in excess of \$21.03 hourly and entry wages in excess of \$13.42 hourly.

Table 2B: Area Concentration of Occupational Employment

Occupation title and code	Percent change, 2012-22 ¹	Average mean wage ²
Arts, Design, Entertainment, Sports, and Media Occupations (27-0000)	7.0%	\$42,530
Communications Teachers, Postsecondary (25-1122)	12.7%	\$67,690
Healthcare Social Workers (21-1022)	26.8%	\$48,430
Graphic Designers (27-1024)	6.7%	\$44,340
Medical and Health Services Managers (11-9111)	23.2%	\$113,490
Multimedia Artists and Animators (27-1014)	6.3%	\$53,110
Paralegals and Legal Assistants (23-2011)	16.7%	\$48,470
Social and Community Service Managers (11-9151)	20.8%	\$70,520

¹Source: *Employment Projections program, U.S. Department of Labor, U.S. Bureau of Labor Statistics*

²Source: *May 2013 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates: Orlando-Kissimmee-Sanford, FL program, U.S. Department of Labor, U.S. Bureau of Labor Statistics*

III. Academic Programs and Courses

- A. Provide a list of the degree programs, partial programs, or college credit certificates and courses to be offered at the proposed educational site by year five or the Final Year of implementation if different, using Table 1 in Appendix A. The proposed degree programs must be identified by six-digit CIP Code, by program title, and degree level.**

As UCF entered the academic planning phase of this project, only academic programs that would be enhanced by the downtown environment were considered for relocation. A committee of more than 50 faculty members and administrators reviewed the academic programs and recommended those that would provide a more engaged and authentic learning environment for students.

Following the committee's recommendations, university leadership considered several factors in determining the program mix for the campus, including: strengthening Programs of Strategic Emphasis, selecting programs with enrollment that would achieve a critical mass of students upon campus opening, and moving programs with the greatest potential for academic synergies between departments and nearby industry that could innovate because of their co-location. In addition, UCF worked with partners at Valencia to ensure those programs planned for relocation by each institution would complement each other and thereby provide new pathways for students seeking advanced degrees.

The following UCF academic departments and associated programs have been identified to relocate in their entirety to the Type I campus:

Department of Health Management and Informatics

- B.S. in Health Informatics and Information Management (51.0706)
- B.S. in Health Services Administration (51.0701)
- M.S. in Health Care Informatics (51.0706)*
- M.S. in Health Sciences (51.0000)

Department of Legal Studies

- B.A. in Legal Studies (22.0302)
- B.S. in Legal Studies (22.0302)

Florida Interactive Entertainment Academy

- M.S. in Interactive Entertainment (50.0102)**

Nicholson School of Communication

- B.A. in Human Communication (09.0101)
- M.A. in Communication (09.0101)
- Graduate Certificate in Corporate Communication (09.0101)

School of Social Work

- B.S.W. in Social Work (44.0701)
- M.S.W. in Social Work (44.0701)
- Graduate Certificate in Military Social Work (44.0701)

School of Visual Arts and Design

- B.F.A. in Art; Emerging Media; Character Animation Track (50.0702)**
- B.A. in Digital Media (50.0102)
- M.A. in Digital Media (50.0102)**

**Distance learning program – all faculty will be located at the downtown campus*

***Degree programs already offered at the designated Special Purpose Center at CEM in downtown Orlando*

These degree programs will be offered in full when the campus opens in Fall 2018. Additional programs could be considered in later years, following further analysis of potential student, university, and community benefits.

- B. Provide an explanation as to how the proposed degree programs and courses will be affiliated with similar programs offered on the central campus and/or other educational sites of the university. Will they be independent or an extension of existing programs? (Please see BOG regulation 8.011 (5))**

The degree programs offered at UCF Downtown will be relocated in their entirety from the main campus and will not be duplicated downtown. A limited number of courses in the program areas relocated downtown, however, would continue to be offered at the UCF main campus in Orlando - or online - as a service to other majors (e.g., speech communication).

- C. Provide an assessment, supported with data, that justifies any duplication of degree programs and services that might already be provided by an existing state university or Florida College System campus in the vicinity of the proposed educational site. Describe any discussions that have taken place with affected colleges and universities and provide letters of support or letters of concern in the appendices.**

Only one SUS institution (UCF) and one state college (Valencia College) provide public undergraduate education in the vicinity of the proposed site. The UF CityLab-Orlando graduate architecture program is co-located on the site in the Center for Emerging Media.

UCF and Valencia will work together to provide a shared lower-division strategy that eliminates course duplication. In addition, this partnership will allow both institutions to create a common student experience that will focus on student success and degree attainment, working to further streamline the academic experience and transfer/transition process between institutions.

While Valencia will offer lower-division courses at the downtown campus, UCF will provide specific program prerequisites not offered by Valencia. UCF students may also supplement their education with UCF online coursework and main campus face-to-face offerings. Valencia will create transfer plans, building on their existing system, to help students effectively navigate the direct pathways to the degree programs offered downtown.

Academic leadership teams from UCF and Valencia are working together to deliver this shared experience, which includes efforts to better align curriculum and pedagogy across lower-division courses. (See attached letters of support from Valencia and UCF in Appendix D.)

In addition to providing shared student experiences and common lower-division course offerings downtown, UCF and Valencia are working on further on-ramps and complementary degree pathways because of their co-location. As an example, Valencia will relocate its Health Information Technology and Digital Media degrees downtown. These A.S. programs were selected based upon UCF's academic plan for the site. Valencia also intends to provide high-demand workforce training to serve the campus and surrounding population.

IV. Administration and Student Support Services

A. Describe the administrative structure of the proposed educational site and how it will relate to the central administration of the university. Include any necessary funding in the financial plan outlined in Table 2 of Appendix A.

UCF Downtown administration will be directly integrated into UCF's existing Academic Affairs reporting structure. A senior administrator will manage the downtown campus, and academic programs will report through existing leadership.

Programs are being relocated in their entirety, and all faculty will report to the department chair or school director of the academic unit to which they belong. The academic unit heads will continue to report to the dean responsible for their academic colleges. Faculty member workloads and promotion processes will remain the same. Since full programs will relocate to the downtown campus, we do not anticipate the relocation resulting in any negative impact on faculty members pursuing promotion and tenure.

Student support staff will report to the division of Student Development and Enrollment Services (SDES) within Academic Affairs.

The offices of safety, security, physical plant, facilities, business services, and other operational functions will similarly report to the leadership of their respective entities in the central administration of the university.

B. Describe how the proposed site will provide student services, either onsite or online from the central university campus.

Student Services Center and Outreach

UCF Downtown students will have comprehensive student services available onsite, operated by the university's Student Development and Enrollment Services division (SDES). These services will support the academic colleges and other academic programs or functions, including the DirectConnect to UCF 2+2 program, library services, undergraduate research, experiential learning, and other offices. Furthermore, co-location with Valencia will allow for shared services and staff to enhance and strengthen these partnership initiatives, together promoting retention, progression, and graduation for students originating from both institutions.

A proposed Student Services Center on the downtown campus will be a one-stop service center comprised of key student services departments to provide exceptional "front-door" customer service and to promote a seamless transition between Valencia and UCF. Staff will be accessible at non-traditional hours of operation to accommodate students' needs. They also will be equipped with the technology required to access databases, student records, and systems that are vital to resolve students' questions. In addition to face-to-face opportunities, online SDES assistance (such as the virtual Student Academic Resource Center) also will be available to UCF Downtown students.

Lastly, the existing office of Student Outreach Services will have a strong presence downtown, as it attracts, motivates, and prepares underrepresented middle and high school students from the local area to pursue and complete a college education. A variety of opportunities and programs for students from grades 6 through 12 and their families will be offered to assist in navigating college admissions, financial assistance, and career preparedness processes.

Student Life

The downtown environment will provide a unique experience for students living within walking distance of many service learning, internship, research, and cultural opportunities. But UCF Downtown also will be a fully engaged university campus, with student organizations and clubs, a recreation center, health and counseling services, disability services, academic support services, and representation in the university's Student Government Association. Ultimately, students living downtown will have an appropriately similar campus life experience as those on UCF's main campus, but with the added benefit of proximity to downtown Orlando's organizations, industry partners, and cultural attractions, such as art museums, co-working and maker spaces, and the new Dr. Phillips Center for the Performing Arts.

Housing

A private developer will build about 450 beds for student housing adjacent to the campus site. While this housing will be funded privately, UCF will manage the property ensuring a consistent student experience for this and for the university-owned housing.

UCF intends to build a 300-bed residence hall on the site. This housing development will be funded through revenue bonds and incorporated into UCF's existing housing system. This development will provide student housing at a comparable price to housing offerings on UCF's main campus. In total, about 750 beds for student housing will be available at UCF Downtown in Fall 2018.

Parking and Transportation

UCF has reached an agreement to lease an adjacent 600-space dedicated parking garage from the City of Orlando. This leased garage will operate within UCF's existing parking system. A 600-space parking garage will be built within the privately developed student housing structure. These spaces will support the residents of the housing development and also provide guest parking to campus visitors and the community. In addition, UCF intends to construct a 600-space parking garage on the campus site dedicated for students, faculty, staff, and campus visitors. This garage would be funded through revenue bonds and built into UCF's existing parking system.

Additionally, UCF will provide shuttle service from the main campus to the downtown site. Service would be available about every 20 minutes during peak hours, providing a transportation alternative for students, faculty, and staff. Shuttles will include power

outlets and Wi-Fi to allow for increased productivity. This service will be managed by UCF's existing shuttle service provider.

Safety and Security

The UCF Police Department will have a presence at the Type I campus site. The downtown force will be supported by the university's existing command structure, dispatch, motor pool, and financial operations, and will closely work with downtown Orlando law enforcement. UCF, Valencia, and the City of Orlando have negotiated an MOU allowing coordination between departments downtown.

A police sub-station is proposed in an existing facility attached to the parking garage leased from the city. This space will house a police force of more than 10 officers providing service seven days a week and 24 hours a day. Staffing also will include clerical staff; technical staff for cameras, electronic locking systems, and communications gear; and employees to monitor security cameras.

Additionally, strategic placement of cameras and "blue light" emergency telephones will enhance security, and doors will have an electronic access control system. A public safety distributed antenna system will ensure complete campus coverage of public safety (police and fire) radio frequencies. Electronic signage will facilitate UCF Downtown communication, wayfinding, and emergency notification.

C. Provide a plan to provide library services and other instructional resources that will support the proposed programs. Include any necessary funding in the financial plan outlined in Table 2 of Appendix A.

Library Services and Resources for the UCF Downtown Campus

The UCF Downtown Library will offer facilities, services, and resources to support the needs of students, faculty, and the surrounding community. These services will include reference, research, tutoring, instruction, digital production labs, and technology lending.

Most library resources will be available in electronic formats; however, a core collection of essential print materials also will be provided. A courier between the downtown and main campuses will provide downtown students with ready access to materials held at the main campus. Interlibrary loan services will make available to downtown students items held in any academic library. Ubiquitous access to mobile devices and high-speed wireless networks will permit students and faculty to access electronic library resources in both interior and exterior spaces throughout the campus.

Telecommunications and IT Resources for UCF Downtown

UCF Downtown will be connected to the main UCF campus via redundant fiber optic circuits, delivering 10 gigabits/second data speeds, upgradeable to 100 gigabits/second in the future. These fiber optic circuits also will provide UCF Downtown with commodity Internet service and access to Florida LambdaRail and Internet2. All campus spaces will be equipped with gigabit speed wired network service.

UCF Downtown will emphasize mobile, wireless technology enabling students, faculty, and staff to have immediate access to instructional and information resources at any time, and in any location. Mobile devices of all types (smartphones, tablets, laptops) will be supported and will provide access to information, collaboration tools, and unified communication services. All instructional spaces will have high-density wireless coverage, enabling every student in a classroom, auditorium, or laboratory to have a fully functional wireless connection.

IT services for UCF Downtown will operate on a shared services model, with equipment and services supported from UCF's main campus Shared Services Center. A very limited set of redundant servers will be housed in the main Telecom distribution room, to provide on-site redundancy for critical services such as Active Directory and DHCP so that basic downtown network services can continue to function in the event of a loss of external network services. IT staff supporting UCF Downtown will be divided between the downtown and main campuses, with downtown staff providing direct support to students and faculty members, and main campus staff supporting the "back-end" shared services utilized by the downtown campus.

V. Budget and Facilities

- A. Provide a projected operational budget using Table 2 in Appendix A that includes revenues and expenses out to year five, or the final year of implementation if different. Provide a narrative that explains the cost assumptions reflected in Table 2. Include the operational costs on the proposal cover page.**

The UCF Downtown campus projected operational budget is set forth in Appendix A, Table 2. The operational budget beginning in Year 1 reflects full occupancy of the new academic building as shown in Appendix A, Table 3 and renovated CEM. Tuition and fee revenue assumes student enrollment of approximately 4,500 undergraduate UCF students and 880 graduate, professional, and certificate UCF students. Other projected revenue includes UCF's current recurring downtown campus state appropriation of \$2,000,000, existing general appropriations of \$2,000,000, existing physical plant space appropriations of \$846,395, and an anticipated physical plant new space appropriation of \$1,536,398.

The UCF Downtown campus expenditures are projected based on existing costs. Faculty and academic costs associated with the programs relocating downtown are included in compensation and employee benefits, equipment, contractual services, and other operating expenses using existing costs per student credit hour in those academic departments. Incremental costs for security and safety, telecommunications, instructional IT resources, and student support services are included based upon assumptions described in Section IV B and C. UCF will fund the incremental costs listed above internally; no additional state funds will be requested to support these expenses.

Financial aid for the downtown campus is estimated to be consistent with current average institutional awards. Plant operations and maintenance costs are estimated based on current state formulas for utilities, operations, and maintenance of the new building described in Appendix A, Table 3 and existing expenses related to the UCF Center for Emerging Media. Library costs for the downtown campus are based on the plan provided in Section IV C.

Local fees that support auxiliary services, including transportation, health services, and student activities, will be transferred to the applicable auxiliary to allow those areas to provide student services at UCF Downtown. These expenditures are reflected in Appendix A, Table 2 as a transfer to auxiliaries. This table reflects main campus support as shared services in administrative areas, such as human resources, purchasing, finance and accounting, compliance ethics and risk management, general counsel, and others. Operating expenses are projected to increase 2 percent to 3 percent per year to support the anticipated enrollment growth in the first five years of operation.

- B. Use Table 3 in Appendix A, to identify each facility or facilities required to establish the proposed educational site, and any additional facilities that will be required once the site has reached its expected size and enrollments. Include capital facility costs on the proposal cover page.**

See detailed information requested in Appendix A, Table 3.

Worth noting is UCF's funding structure for the new academic building, which is expected to cost \$60 million. As such, UCF proposes to construct this new building with one-third from university resources, one-third from the state, and one-third from local donations.

- C. Describe ownership of the new location and provide documentation of ownership or lease agreements, to include any special clauses, easements, or deed restrictions. If the property is a gift, provide the gift agreement. Please provide information on the type of ownership if the site is leased or owned (if leased please provide information on the duration of the lease and the entity that owns the lease). If the site is joint-use please provide the name of the other entity in the joint agreement as well as the total number of students this site will serve from year 1 through year 5.**

Contingent upon the approval of UCF Downtown by the Florida Board of Governors, the City of Orlando will provide approximately 15 acres of land, valued at \$20 million, within the city's Creative Village development to UCF at a zero-dollar land cost. This property is located south of the realigned Livingston Street, east of North Parramore and north of Florida Central Railroad tracks. The property transferred will be used for educational purposes or will revert to the city.

Moreover, the city will transfer title of the UCF Center for Emerging Media facility, located at 500 W. Livingston Street and valued at \$22.5 million, to the UCF Foundation. The city will execute this transaction at any time, subject to the customary land closing requirements.

The agreements and further details of ownership and facilities documentation are outlined in Appendix B.

- D. Are the facilities owned or leased by the University?**

☒ **Owned** (*See Appendix B for details.*) ☐ **Leased**

VI. Addendum for International Campuses and Special Purpose Centers

If the proposed site is international, include a copy of any MOU or other agreements related to the site as an appendix

(X) The University certifies that all requirements of BOG Regulation 8.009(3)(f) have been met.

Board of Governors
Type I Campus Proposal
University of Central Florida – UCF Downtown

Appendix A

Tables 1-3

APPENDIX A
TABLE 1
UCF DEGREE PROGRAMS PLANNED AND PROJECTED ENROLLMENTS
(Fall Headcount and FTE)

CIP Code	Baccalaureate Degree Program Title	Degree Level	Year 1 - 2018		Year 2 - 2019		Year 3 - 2020		Year 4 - 2021		Year 5 - 2022	
			Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
09.0101	Human Communication	B	850	858	867	875	885	893	901	911	920	929
22.0302	Legal Studies (B.A. and B.S.)	B	755	445	773	454	787	463	803	472	819	482
44.0701	Social Work	B	384	222	391	227	399	231	407	236	415	240
50.0102	Digital Media	B	884	455	902	464	920	474	938	483	957	493
50.0702	Art (B.F.A.) Specialization; Character Animation	B	45	23	46	24	47	24	48	25	49	25
51.0701	Health Services Administration	B	1445	1165	1474	1189	1504	1213	1533	1237	1564	1261
51.0706	Health Informatics and Information Management	B	149	120	152	123	154	125	158	128	161	130
xxxx	xxxxxxxxxxx	B										
TOTAL BACCALAUREATE			4512	3288	4605	3356	4696	3423	4788	3492	4885	3560

CIP Code	Master's Degree Program Title	Degree Level	Year 1 - 2018		Year 2 - 2019		Year 3 - 2020		Year 4 - 2021		Year 5 - 2022	
			Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
09.0101	Communication	M	60	22	61	22	62	23	63	23	64	23
44.0701	Social Work	M	303	254	308	259	314	265	320	270	327	275
50.0102	Digital Media (M.A.) and Interactive Entertainment (M.S.)	M	128	67	131	68	133	70	136	71	139	73
51.0000	Health Sciences	M	298	124	305	126	311	129	317	132	323	134
51.0706	Health Care Informatics	M	82	34	84	35	86	35	87	36	89	37
xxxx	xxxxxxxxxxx	M										
TOTAL MASTER'S			871	501	889	510	906	522	923	532	942	542

CIP Code	College Credit Certificate Program Title	Course Level	Year 1 - 2018		Year 2 - 2019		Year 3 - 2020		Year 4 - 2021		Year 5 - 2022	
			Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
09.0102	Corporate Communication	G	12	3	12	3	12	3	13	4	13	4
44.0707	Military Social Work	G	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxxx	UG	0	0	0	0	0	0	0	0	0	0
TOTAL CERTIFICATE			12	3	12	3	12	3	13	4	13	4

5395 3792 5506 3869 5614 3948 5724 4028 5840 4106

APPENDIX A

TABLE 2

SUMMARY FINANCIAL PROJECTIONS TO FULL IMPLEMENTATION

Fiscal Year Ending June 30		Year 1	Year 2	Year 3	Year 4	Year 5
General Operations Revenues		2018-19	2019-20	2020-21	2021-22	2022-23
Carry Forward from Prior Year		0	602,352	1,133,198	1,348,926	1,307,226
General Revenue/Lottery						
	State Allocations (GR/Lottery) - Existing	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
	State Allocations (GR/Lottery) - Physical Plant Existing Space	846,395	846,395	846,395	846,395	846,395
	State Allocations (GR/Lottery) - Physical Plant New Space	1,536,398	1,536,398	1,536,398	1,536,398	1,536,398
Tuition/Tuition Differential and Fees						
	Tuition (Matriculation)	19,904,323	20,302,348	20,708,006	21,122,765	21,545,734
	Tuition (Differential, 70% UG Support)	4,071,054	4,152,488	4,235,531	4,320,276	4,406,630
	Out of State Student Tuition Fees	3,996,168	4,076,104	4,157,565	4,240,784	4,325,607
Research Trust Funds (by title)						
	XYZ Trust Fund	0	0	0	0	0
Financial Aid and Academic Related Fees						
	Financial Aid	865,905	883,226	900,870	918,906	937,294
	Tuition (Differential, 30% Financial Aid)	1,744,738	1,779,638	1,815,228	1,851,547	1,888,556
	Out of State Financial Aid	245,357	250,264	255,266	260,375	265,584
	Student Technology Fee	911,479	929,711	948,284	967,270	986,625
	Student Distance Learning Fee	0	0	0	0	0
	Other Fees (Material/Supply, Facility/Equipment, etc.)	0	0	0	0	0
Other Revenues						
	Capital Improvement Fee	998,635	1,018,610	1,038,971	1,059,765	1,080,958
	Transportation Access Fee	1,344,316	1,371,206	1,398,615	1,426,607	1,455,136
	Health Fee	1,601,361	1,633,393	1,666,043	1,699,387	1,733,370
	Athletic Fee	2,115,451	2,157,766	2,200,898	2,244,946	2,289,840
	Activity & Service Fee	1,723,974	1,758,459	1,793,609	1,829,506	1,866,091
	State and Private Grants	0	0	0	0	0
	Donations and Other Miscellaneous Revenue	0	0	0	0	0
Total Revenues		45,905,554	47,298,358	48,634,877	49,673,853	50,471,444
General Operations Expenses						
	Compensation and Employee Benefits - Programs	21,591,647	22,436,296	23,314,477	24,228,293	25,178,339
	Compensation and Employee Benefits - Police	849,709	866,703	884,037	901,718	919,753
	Compensation and Employee Benefits - Student Services	493,500	503,370	513,437	523,706	534,180
	Financial Aid, Scholarships, Stipends	2,943,970	3,010,288	3,078,247	3,147,973	3,219,411
	Other Operating Expense	1,383,047	1,435,460	1,489,902	1,546,480	1,605,237
	Rent Expense	423,120	423,120	423,120	423,120	423,120
	Contractual Services	648,584	674,771	702,035	730,434	759,992
	Equipment	1,194,300	1,242,505	1,292,717	1,345,032	1,399,503
	Information Technology	759,250	779,732	804,421	833,989	869,563
	Library Services/e-Collections	401,087	445,249	525,087	542,195	559,885
	Shared Services	3,536,979	3,048,072	2,732,994	2,387,567	1,772,566
	Plant Costs and Operating Supplies	2,382,793	2,430,449	2,479,057	2,528,639	2,579,212
	Transfer to Auxiliaries *	8,695,216	8,869,145	9,046,420	9,227,481	9,412,020
Total Expenses**		45,303,202	46,165,160	47,285,951	48,366,627	49,232,781
Operating Net Revenues Over Expenses		602,352	1,133,198	1,348,926	1,307,226	1,238,663

* Transfer to Auxiliaries includes revenue from Capital Improvement Fee, Transportation Access Fee, Health Fee, Athletic Fee, Activity & Service Fee, and Student Technology Fee

**No new state funding is being requested for non-facility related operating expenses

Board of Governors
Type I Campus Proposal
University of Central Florida – UCF Downtown

Appendix B

City of Orlando Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING

UCF DOWNTOWN ORLANDO CAMPUS

This Memorandum of Understanding ("MOU") for a planned University of Central Florida campus located in downtown Orlando on a portion of the City-owned site referred to as Creative Village, is made this 20th day of OCTOBER, 2015, (Effective Date) by and between the City of Orlando ("City"), and the University of Central Florida Board of Trustees ("University or UCF").

WHEREAS, UCF is actively working with the City and Valencia College on plans for a shared campus in Downtown Orlando's Creative Village that would serve more than 7,000 students on its opening day and be a world-class, best-in-the-nation site for emerging animation, digital media, communications, film and public affairs; and

WHEREAS, the campus would connect students to the careers of the future by providing unique opportunities for collaboration and engagement with Downtown's nearby technology, government and healthcare sectors in a highly desirable urban setting; and

WHEREAS, the campus would expand our region's creative and high-tech economy while teaching students in an environment that integrates learning and working; and

WHEREAS, UCF is seeking approvals from the State University System's Board of Governors for the new campus and will seek state funding to help with construction of the new academic and student support spaces; and

WHEREAS, the City and UCF desire to outline the terms under which the new campus would be constructed with the goal of finalizing these terms in an agreement, or series of agreements, should the campus be approved by the Board of Governors and receive the needed state funding.

NOW, THEREFORE, the City and UCF hereby memorialize their understanding as follows:

I. DEFINITIONS

- a. "CEM Lease Agreement" shall mean that certain lease titled Expo Centre Lease Agreement entered into as of October 12, 2004 by and between the City and UCF and related parties, pursuant to which the UCF Center for Emerging Media is located on a portion of the Creative Village site.
- b. "City" shall mean the City of Orlando, Florida, a municipal corporation organized and existing under the laws of the State of Florida.
- c. "Creative Village" shall mean that parcel of land of approximately 68 acres owned by the City and anticipated to include a mixture of commercial, housing and other developments as set forth in the Creative Village Development Agreements described below.
- d. "UCF or University" shall mean the University of Central Florida, a Florida public state university part of the State University System in the State of Florida.

- e. "Developer" shall mean Creative Village Development, LLC, a Florida limited liability company, its successors or assigns.
- f. "Creative Village Development Agreements" shall mean that certain Master Development Agreement and that certain Purchase Option Agreement entered into as of February 25, 2011 by and between City and Developer.
- g. "Valencia College" shall mean that public state college in the Florida College System located in Orlando, Florida.

II. PURPOSE

The City and UCF are united in their mutual goal for a downtown Orlando campus. The purpose of this MOU is to outline the basic framework of the terms of an agreement to be entered into between the City and UCF for the development of the campus in downtown Orlando's Creative Village should the campus be approved by the Board of Governors and receive the needed state funding.

III. AREAS OF UNDERSTANDING AND RESPONSIBILITY

1. UCF Downtown Campus Site Plan.

The portion of the Creative Village site that shall be designated as the UCF Downtown Orlando Campus shall be as generally depicted on Exhibit "A" which sets forth the site boundaries extending from the to be realigned Livingston Street to the CSX right of way, including the existing UCF Center for Emerging Media and west to Parramore Ave ("UCF Downtown Orlando Campus"). The site is approximately 15 acres and its exact location and boundary shall be determined by the Survey described in Subsection 2 below. UCF shall develop this site as the UCF Downtown Orlando Campus and its use shall be for educational and support services.

2. Survey.

City shall deliver a parcel survey(s) of the UCF Downtown Orlando Campus setting forth parcel layout and information as an ALTA/ACSM Land Title Survey in compliance with Chapter 177, Florida Statutes and City of Orlando Land Development Code requirements based upon a current title commitment as provided by City ("Survey"). The Survey will be made in accordance with the minimum standard detail requirements for an urban survey as adopted by ALTA, ACSM in 2011 and will include items 1-4, 7(a) and (b1), 7c, 8, 9, 11(a), 13, 16, 17 and 21 of Table A thereof.

- A. Survey data submitted will review title documents and encumbrances listed in the Title Commitment, to determine their location and effect on the property. UCF will depend upon the City to furnish legible and complete copies of relevant documents for review.
- B. City will provide a Surveyor's Certification or a Surveyor's Report by the title insurer at the request of UCF.
- C. City will set or recover boundary corners as necessary.

The above will be plotted at a scale sufficient for civil design and real estate transactions, and will show: point(s) of access to dedicated right of way(s), including curb cuts, edge of pavement and curbing adjacent to the property, and median cuts; above ground fixed improvements on or immediately adjacent to the property, existing and proposed utilities. Deliverables will consist of signed and sealed survey drawings delivered to UCF.

By January 1, 2016, City shall coordinate and deliver a completed survey to UCF and UCF agrees that it shall contribute half the cost of the survey, not to exceed \$50,000.00.

3. Environmental Assessment.

By January 1, 2016, the City shall provide UCF with copies of all environmental assessment reports in the City's possession relating to Creative Village and the UCF Downtown Orlando Campus. The City will also provide UCF any additional environmental reports it receives as a result of further environmental testing on the sites subsequent to the Effective Date of this MOU. If the environmental assessments indicate that the UCF Downtown Orlando Campus contains contamination and/or hazardous materials, the City and UCF shall cooperate to identify and implement appropriate remediation strategies. UCF shall have no obligation to undertake any environmental remediation of hazardous materials on the UCF Downtown Orlando Campus site if such hazardous materials existed on the UCF Downtown Orlando Campus site prior to the August 1, 2016 and UCF has not caused, permitted, contributed to or exacerbated the presence of such hazardous materials

4. Title Search and Parcel Transfers.

The City shall pay for and/or perform a title search on the proposed UCF Downtown site and provide all title documents to UCF. The City agrees to transfer marketable title to the UCF Downtown Orlando Campus to UCF or a UCF designated entity.

A portion of the UCF Downtown Orlando Campus includes the existing site where UCF's Center for Emerging Media (CEM) is located, and upon transfer of the CEM site to UCF, the CEM Lease Agreement shall automatically terminate. A portion of the UCF Downtown Orlando Campus includes buildings supporting the Nap Ford Charter School. Upon the expiration of the Nap Ford Lease, the City, at its cost, shall remove the buildings located on the leased premises. A portion of the UCF Downtown Orlando Campus includes the Downtown Orlando Recreation Center, and the transfer of such property to UCF is subject to Section 11 below.

City shall be responsible for the delivering the UCF Downtown Orlando Campus with no continuing leases, licenses or occupants, except for the Downtown Orlando Recreation Center, and Creative Village Development Agreements. The City and UCF will mutually agree in writing to the transfer dates of the above-referenced parcels. The City shall transfer marketable, fee simple title of the above-referenced parcels by Special Warranty Deed. All such deeds shall contain a reverter clause that requires the UCF Downtown Orlando Campus be used exclusively for educational and appropriate support services purposes, that construction be started and completed by a date certain to be mutually agreed to by the parties, and that the UCF Downtown Orlando Campus serve a minimum number of students (such number to be mutually determined by the parties), or title to the UCF Downtown Orlando Campus shall revert back to the City. The transfers will occur pursuant to standard real estate closing documents setting forth the rights and responsibilities of the parties with respect to the closing of the transaction, and any closing costs

associated therewith. The sale price to UCF for the UCF Downtown Orlando Campus shall be zero dollars (\$0).

5 CSX Rail Spur.

In connection with the land transfer set forth in Section III.4 above, City shall use its best efforts to acquire the CSX rail spur Parcel 26-22-29-0000-00-165 depicted on Exhibit "C" ("CSX Parcel"). If the City is successful in acquiring title to the CSX Parcel, the City shall transfer title to the CSX Parcel to UCF pursuant to the process described in Section 4 above for transfer of the UCF Downtown Orlando Campus. City shall perform appropriate site investigation and diligence of the CSX Parcel, including a phase I environmental assessment and will provide UCF with a copy of the phase I environmental report. If the phase I report indicates that the CSX Parcel may contain contamination and/or hazardous waste, then the parties will mutually agree on the next steps to be taken, which may include a Phase II Environmental Assessment Report of the CSX Parcel, and a preliminary plan for monitoring, remediation, and/or mitigation. The City shall pay for the cost of any assessment tests and reports. The City and UCF shall cooperate to identify and implement appropriate remediation strategies.

6. Construction of UCF Downtown.

Subject to the transfer of title by the City to UCF as set forth in Section 4 above, UCF will construct the UCF Downtown Orlando Campus in general compliance with the proposed vision and most recent campus plan, as currently depicted on Exhibit "D" and any subsequent updates thereto. Subject to State of Florida appropriation, and subject to the timely completion of the site diligence and land transfer, UCF endeavors to begin construction on Building 1 and / or associated campus infrastructure by August 1, 2016.

7 Terry Avenue Extension.

The parties' vision for the extension of Terry Avenue from the realigned Livingston Street to the railroad right-of-way ("Terry Avenue Extension") is for a pedestrian-friendly, shared use environment that is integrated within the overall campus design. The Terry Avenue Extension shall be constructed by the parties in two (2) stages as follows:

1. Stage 1 – As part of the federally-funded Parramore Bus Rapid Transit project (Parramore BRT Project) currently under construction, the City, in association with LYNX, is in the process of extending and realigning Terry Avenue from the Realigned Livingston Street to existing Bentley Avenue (Stage I Extension) with a scheduled completion date of summer 2016. City shall maintain and repair the Stage 1 Extension.
2. Stage 2 - UCF shall design and construct the extension of Terry Avenue from Bentley Avenue to the CSX Right of Way at its cost and expense (Stage 2 Extension). UCF will complete the Stage 2 Extension by August 1, 2018. Design of the Stage 2 Extension shall meet City of Orlando Engineering Standards. City shall maintain and repair the Stage 2 Extension.

It is anticipated that the Stage 2 Extension would be constructed of high quality material meeting City of Orlando Engineering requirements. The parties will work collaboratively to design and employ traffic calming strategies to mitigate pedestrian and vehicular traffic conflicts. City and

UCF shall work together to deliver the Terry Avenue Extension along with any utilities relocation, surface treatments, streetscape, lighting, and traffic controls from Livingston Street to the CSX Right of Way integrating the LYNX streetscape standards with campus design standards set for the entire campus pedestrian corridor system. City shall work with UCF to identify and install sleeves or duct banks on Terry Avenue for potential future growth or development of the campus beyond the parcel identified on Exhibit "K" as UCF Downtown Orlando Campus. It is anticipated that the completed Terry Avenue Extension will include the following elements (i) a new alignment of Terry Avenue consistent with the design set forth by the Parramore BRT Project (ii) parking garage access onto Terry Avenue and Parramore Avenue and (iii) the shared use surface. The parties agree that Terry Avenue shall remain a city street and the parties will enter into an agreement for its operation. The parties agree to work collaboratively to ensure that streetscape design will be compatible with the campus design standards set for Terry Avenue north of the railroad right-of-way. In connection with its use of the UCF Downtown Orlando Campus, UCF may close the Terry Avenue Extension for temporary campus events under a blanket permit/use agreement subject to UCF complying with City street closure rules and process. It is the shared goal of the parties to create and maintain a safe pedestrian environment using technology and streetscape design to reinforce the desire for a pedestrian-friendly environment on Terry Avenue between Livingston Street and the CSX Right of Way. The parties understand and acknowledge that the Stage 1 Extension is a federally funded project subject to certain federal requirements and regulations with respect to its design, construction and operation, which take precedence over the provisions of this MOU and the anticipated Development Agreement.

8 Livingston Street Realignment.

As part of the Parramore BRT Project, the City is in the process of realigning Livingston Street from Hughey Avenue to Terry Avenue with a scheduled completion date of Summer 2016. The City, at its cost and expense, shall extend the realignment of Livingston Street from Terry Avenue to Parramore Avenue as depicted on Exhibit "H" ("Livingston Street Realignment"). Upon completion of the Livingston Street Realignment, City shall provide UCF with an "as-built" survey of the completed improvements. City shall provide and install appropriate sleeves and or duct banks as identified by the UCF crossing Livingston Street for possible future UCF program north of the corridor. The Livingston Street Realignment shall be constructed before August 2018.

9 UCF Shuttle Service.

UCF shall supply bus shuttle service to the UCF Downtown Orlando Campus from its main campus. The City shall work with UCF to identify mutually agreed upon bus shuttle services, including bus stops for student, faculty and staff drop off and pick up.

10 Parking at Centroplex I Garage.

While UCF is planning to provide a parking facility of approximately 600 spaces in conjunction with its first building phase, it will also need to provide additional parking spaces for students, faculty, and staff that use and work at the UCF Downtown Orlando Campus. To assist UCF with the transition to a downtown campus, City and UCF shall execute a mutually agreeable lease for the City's lease of the 603 space Centroplex I Parking Garage (Centroplex I Garage) to UCF for a term of five (5) years with UCF having an option to renew for three (3) additional one (1) year periods (Lease Term). During the Lease Term, UCF shall pay the City rent of \$1 per space per

year for 300 spaces, and \$52.50 per space per month for 303 spaces (which equals \$15,907.50 per month and is 50% of the current unlimited rate at the Centroplex I Garage). As an added benefit to UCF, the lease shall include the City's lease to UCF of the two (2) retail spaces located adjacent to the Centroplex I Garage, which UCF may renovate at its cost, with an address of 398 and 380 West Amelia Street (Retail Spaces) at a rental rate of \$5000 per month. Upon the prior approval of the City, UCF may sublease the retail spaces and any revenue derived from such sublease shall be retained by UCF. UCF shall be responsible for the daily operation, and routine maintenance and repair of the Centroplex I Garage and Retail Spaces; however, UCF shall not be obligated to pay for capital expenditures or improvements to the Centroplex I Garage and Retail Spaces. City shall deliver the Centroplex I Garage and Retail Spaces in working order and in compliance with applicable laws and City codes and ordinances. During the lease term, the City shall continue to maintain, repair, and replace as necessary the building systems, the roof, exterior walls, foundation, and all other structural components of the Centroplex I Garage and Retail Spaces.

The City shall provide a well-lit pedestrian pathway between Centroplex I Garage and UCF Downtown Orlando Campus. City shall allow for the installation of safety and security management system in the Centroplex I Garage and pedestrian corridor linking parking to the campus. Furthermore, City shall allow UCF to provide planters, site furnishings, and signage in this pedestrian corridor, provided that UCF shall be responsible for the maintenance and repair of such items. In addition to the garage parking UCF anticipates needing additional parking capacity; therefore, the City and UCF shall work together to finalize a long-term sustainable transportation and parking agreement for the UCF Downtown Orlando Campus.

11 Downtown Recreation Center (The Armory).

UCF understands the historic importance of the Armory to the surrounding community, including the current use by the City's Families, Parks and Recreation Department and the Parramore Kidz Zone program. The City shall continue to maintain the building until such time as UCF and the City mutually agree upon a solution for its future. Collectively, City and UCF will explore a vision for enhancements to the facility, including potential joint use through coordination with the City's Families, Parks and Recreation department. The City and UCF will also work together to identify parking options for the Downtown Recreation Center concurrent with the construction schedule of the first Academic Building. Both UCF and the City recognize that the Boys and Girls Club and Orange County Public Schools may be important stakeholders depending upon their plans for the nearby PS-8 public school site, which are still evolving.

12 Storm water Infrastructure.

- A. The parties have worked collaboratively to identify the existing storm water infrastructure serving the Creative Village site, as depicted on Exhibit "J", including locations and brief descriptions of upgrades to the existing infrastructure. City confirms that the 108" trunk line runs through the Creative Village site and the UCF Downtown Orlando Campus. City shall permit and allow for building construction to take place above the existing 108" line without relocation or substantial accommodations, provided that UCF will cooperate with the City on providing development plans and specifications for the buildings and structures proposed to be built above the pipe, including foundation design that takes into account the loading of the pipe. The City shall be responsible for future maintenance, repair, and replacement of this trunk line.

- B. As part of the modifications to the storm water infrastructure, City shall reconfigure the upstream end of the 108" trunk line by abandoning and removing two manholes and the storm sewer pipe connected in between them, as depicted on Exhibit "J". The removed manholes shall be replaced by a single manhole located few feet to the south as depicted in Exhibit "J". City shall also provide approximately one hundred twenty feet of new 108" RCP storm sewer as depicted in Exhibit "J".
- C. The storm water infrastructure that runs from Parramore Avenue to Terry Avenue shall be modified. The 48" RCP storm sewer pipe that runs from Parramore to Terry Avenue along the old Bentley right-of-way has a segment of pipe that is outside of the right of way. The easterly portion of this 48" pipe, is located outside of the right-of-way, as depicted on Exhibit "J". Consequently, the City will abandon and cap the 430 +/- linear feet of pipe that is outside of the right-of-way and install 350 linear feet of 48" RCP within the old Bentley right-of-way. The remaining west portion of the 48" RCP storm sewer along the old Bentley right-of-way shall be slip-lined by the City to reinforce it before construction in the campus starts. Further, City has agreed that the existing storm sewer that is not part of the trunk line and is located within private property can be abandoned or reconfigured as needed.

13 Bentley Street Infrastructure.

It is anticipated that upon completion of the Livingston Street Realignment and transfer of title to the UCF Downtown Orlando Campus to UCF, the City will abandon the existing Bentley Street right of way. City shall provide UCF a detailed topographic and utility survey of Bentley Street. Upon receipt of this survey, UCF shall assess the condition and location of the existing utility lines located within the old Bentley right-of-way to determine if some of the existing lines can be used for the new campus construction. City shall abandon and cap existing infrastructure within the old Bentley Street right-of-way from Parramore to Livingston for the use of UCF. City shall transfer ownership, at no cost to UCF, to the identified infrastructure items and it shall dedicated use of these items for UCF use. Notwithstanding anything herein to the contrary, the City reserves the right to reserve an easement to any utility lines within the Bentley street right of way that the City and UCF deem necessary for public use .

14 Sanitary Sewer.

The City shall make every effort to insure that sufficient sanitary sewer capacity is available to serve the UCF Downtown Orlando Campus

15 Central Park.

The parties desire that the Central Park (as referenced by the Creative Village Planned Development (PD) Ordinance) be an active space that is phased with the construction of a UCF building that faces or is adjacent to Central Park. City, UCF and Master Developer shall work on a mutually agreeable program and phased plan for Central Park and other public spaces.

16 UCF Downtown Orlando Campus Development Plan and Facilities Approval Process.

UCF understands that development of the UCF Downtown Orlando Campus is subject to the approval process established by the Creative Village Master Development Agreement and the Creative Village Planned Development (PD) Ordinance. The City will use its good faith efforts to support the UCF campus development efforts and expedite review and processing of UCF's applications for development permits to meet UCF critical timeline commitments.

17 Public Safety.

UCF, the City of Orlando, and Valencia College are jointly developing a Public Safety Agreement to ensure a comprehensive and seamless provision of fire, safety, and emergency services for the students, faculty, staff and visitors of UCF Downtown campus.

V. COLLABORATIVE PROGRAM DEVELOPMENT

1. Collaborative Efforts. The parties contemplate that their respective leaders will explore areas of potential collaboration and include the appropriate individuals from both UCF and City in these discussions and planning. This MOU is intended to encourage such interactions and foster the development of collaborative initiatives in accordance with each entity's goals along with their respective policies and procedures.
2. Communication. Communications regarding collaborative initiatives of the parties will follow identified, systematic processes and established channels of review and communication within each, including brand management. Each partner will offer a single portal of information flow at each location for press releases and other communications with media. Designated members for each party will approve Media and other public messages in advance.

VI. GENERAL

This MOU will serve as a broad and general enabling document and will provide the basis and authority for the development and implementation of more specific collaboration or transaction agreements. In the event the parties desire to collaborate or enter into any other transaction, such collaboration or other transaction shall be entered into pursuant to a separate written agreement signed by the parties. The contractual terms below are intended to apply to any collaborations/transactions, which the parties agree upon, unless the written agreement(s) for such collaborations/transactions specifically provide otherwise. This MOU imposes no obligation on either party to enter into any separate collaboration agreements as described below.

1. Independent Contractor. It is mutually understood and agreed that the relationship between the parties is that of independent contractors. Neither party is the agent, employee, or servant of the other. Except as specifically set forth herein, neither party shall have nor exercise any control or direction over the methods by which the other party performs work or obligations under this MOU. Further, nothing in this MOU is intended to create any partnership, joint venture, lease, or equity relationship, expressly or by implication, between the parties.

2. Compliance with applicable law. Each Party shall at all times maintain compliance with applicable federal and state legal and regulatory requirements and requirements governing use, disclosure and protection of confidential information.
3. Time of Essence. Time is of the essence of this MOU and in the performance of all conditions and covenants to be performed or satisfied by any party hereto. Whenever a date specified herein shall fall on a Saturday, Sunday or legal holiday, the date shall be extended to the next succeeding Business Day.
4. Captions, Applicable Law and Venue. The section and subsection captions included herein are for reference only and are not to be used in construing any of the terms hereof. This MOU shall be governed, enforced and construed in accordance with the laws of the State of Florida. The parties hereby agree that venue for any legal action authorized hereunder shall be in Orange County, Florida. If any provisions of this MOU or the application thereof shall be held to be invalid or unenforceable, the remainder of this MOU shall not be affected thereby and each provision of this MOU shall be valid and enforceable to the fullest extent permitted by law.
5. Exhibits, Schedules, and Attachments. All exhibits, schedules, attachments, and other listed items referenced in the MOU are hereby incorporated by reference thereto and made a part hereof.
6. Counterpart Execution. This MOU may be executed in as many counterparts as may be required and it shall not be necessary that the signature of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of such counterparts. All counterparts shall collectively constitute a single agreement.
7. Insurance. UCF, as a state agency, shall maintain at all times relevant to this MOU, at its expense and in commercially reasonable amounts (or as required by law), the following insurance coverage provided by the State of Florida: (i) property, general liability, and automobile liability insurance coverage for any facilities or services used in connection with this affiliation; and (ii) professional liability coverage on behalf of its faculty and students at all times sufficient to satisfy the limited waiver of sovereign immunity of the State of Florida provided in section 768.28 of the Florida Statutes, and (iii) worker's compensation insurance for the performance by its employees, officers and agents of their functions in connection with this affiliation.

City shall maintain at all times relevant to this MOU, at its expense and in commercially reasonable amounts, the following: (i) property, general liability, and automobile liability insurance coverage for any facilities or services used in connection with this affiliation; and (ii) professional liability coverage and worker's compensation insurance in commercially reasonable amounts for the performance by its employees, officers and agents of their functions in connection with this affiliation. Such coverage may be by commercial insurance, reinsurance, or self-insurance established on an actuarially sound basis. Every year that the contract is in effect, City shall upon request provide UCF with written documentation evidencing such coverage.

8. Nondiscrimination: The parties in compliance with all local, state, and federal law and regulations, shall not discriminate on the basis of race, religion, color, sex, age, national origin, handicap, sexual preference, disabled or Vietnam era veteran status or financial status.
9. Disclosure of Confidential Information. The parties may disclose to each other, either orally or in writing, certain information believed to be confidential and privileged ("Confidential Information"). Confidential Information shall include all privileged, protected, clinical, technical, proprietary, patient, or nonpublic information furnished for use in connection with collaborative discussions between the parties regardless of whether such information is in written, oral, electronic, or other form. Subject to applicable Florida law, Developer, UCF and City shall either return or destroy all written materials containing any Confidential Information when no longer using such material for collaborative discussions with each other, unless otherwise agreed by the parties.
10. Confidentiality. The parties shall use the Confidential Information solely for the purpose of collaborative discussions with each other. Subject to applicable Florida law, Developer, UCF and City shall not disclose the Confidential Information or any report containing the Confidential Information to any third party absent further written authorization from each other, or as required by law. To the extent practicable and subject to Florida law and this MOU, the parties agree that, when disclosing information or reporting data, each shall de-identify the Confidential Information.

The above confidentiality obligation shall not apply to the extent that a party can demonstrate that the Confidential Information: (i) is, at the time of disclosure, part of the public domain; (ii) is in possession of the other party at the time of disclosure as evidenced by contemporaneous documentation; (iii) enters the public domain after receipt by the other party through means other than an unauthorized disclosure; (iv) is or was disclosed to the other party at any time by a third party not in breach of any contractual or legal duty; or (v) is required to be disclosed by a court order, and/or by applicable Florida law, provided, however, that the disclosing party gives prompt notice to the non-disclosing party and uses its best efforts to minimize the disclosure.

All materials reflecting each party's Confidential Information furnished to the other party shall remain the property of the furnishing party. No option, assignment, license, or conveyance of rights in the Confidential Information is contemplated, intended, granted, or implied under this MOU.

11. Notices. All notices and other business communications between the parties related to this MOU shall be in writing, sent by certified mail, addressed as follows

If to City of Orlando:

Brooke R. Bonnett, AICP, Director
Economic Development Department
City of Orlando
400 South Orange Avenue, 6th Floor
Orlando, FL 32801

With a copy to:
City Attorney
City of Orlando
400 South Orange Avenue, 3rd floor
Orlando, FL 32801

If to University of Central Florida:

A. Dale Whittaker, Executive Vice President and Provost
University of Central Florida
4000 Central Florida Blvd.
Orlando Florida 32816

With a copy to:

W. Scott Cole, Vice President and General Counsel
University of Central Florida
4000 Central Florida Blvd
Orlando, FL 32816

Notices sent by certified mail shall be deemed delivered on the third day following the date of mailing. Either party may change its address by giving written notice in compliance with this section.

VII. GOOD FAITH.

This MOU is a good faith understanding of the intentions of the parties as of the Effective Date. It is intended to serve as a broad enabling document that will provide the basis for a future agreement, and any other agreements deemed necessary by the parties to carry out the intent of this MOU. The parties specifically acknowledge that this MOU is not a contract, provided, however, that the parties further acknowledge that the representations in this MOU shall be relied on by UCF in seeking approvals from the State University System's Board of Governors and state funding with respect to the Downtown Orlando UCF Campus. The parties acknowledge that issues will need to be resolved and negotiated in connection with this project. The parties further specifically acknowledge that no cause of action shall accrue to either party regardless of the outcome of these negotiations or in the event the project does not proceed. Subsequent to this MOU, it is the intention of the parties to enter into an agreement or series of agreements setting forth the terms, conditions and obligations of the parties with respect to the matters described herein.

IN WITNESS WHEREOF, duly authorized and validly existing representatives of each party has affixed their respective signature hereto as of the date first written above.

"University or UCF"

Signed, sealed and delivered in the presence of the following witnesses

UNIVERSITY OF CENTRAL FLORIDA, a state university organized and existing under the laws of the State of Florida

Print Name:

Christine Dellert

By:

A. Dale Whittaker

Name:

A. Dale Whittaker

Title:

Provost and Executive VP

Executed on:

10/20/15

Approved as to form and legality for the use and reliance of the University of Central Florida, only

By:

Jordan P. Clark

University Of Central Florida General Counsel

STATE OF FLORIDA)

COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this 20 day of October, 2015, by Dale Whittaker, as Provost and Executive VP of University of Central Florida, a state university organized and existing under the laws of the State of Florida, on behalf of the University.

He/She is personally known to me or has produced

as identification.

Debra Copertino

Print Name:

Debra Copertino

Notary Public, State of Florida

Commission No.:

FF203973

My Commission Expires:

3/29/2019



DEBRA ANNE COPERTINO
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF203973
Expires 3/29/2019

CITY

ATTEST:

By: Elizabeth Davidson
 Print Name: Elizabeth Davidson
 Title: Asst. City Clerk

CITY OF ORLANDO, a municipal corporation organized and existing under the laws of the State of Florida

By: Buddy Dyer
 Print Name: Buddy Dyer
 Title: Mayor
 Executed on: 10.20.15

Approved as to form and legality for the use and reliance of the City of Orlando, Florida, only

By: Wally Powell

Assistant City Attorney

STATE OF FLORIDA)
)
 COUNTY OF ORANGE)

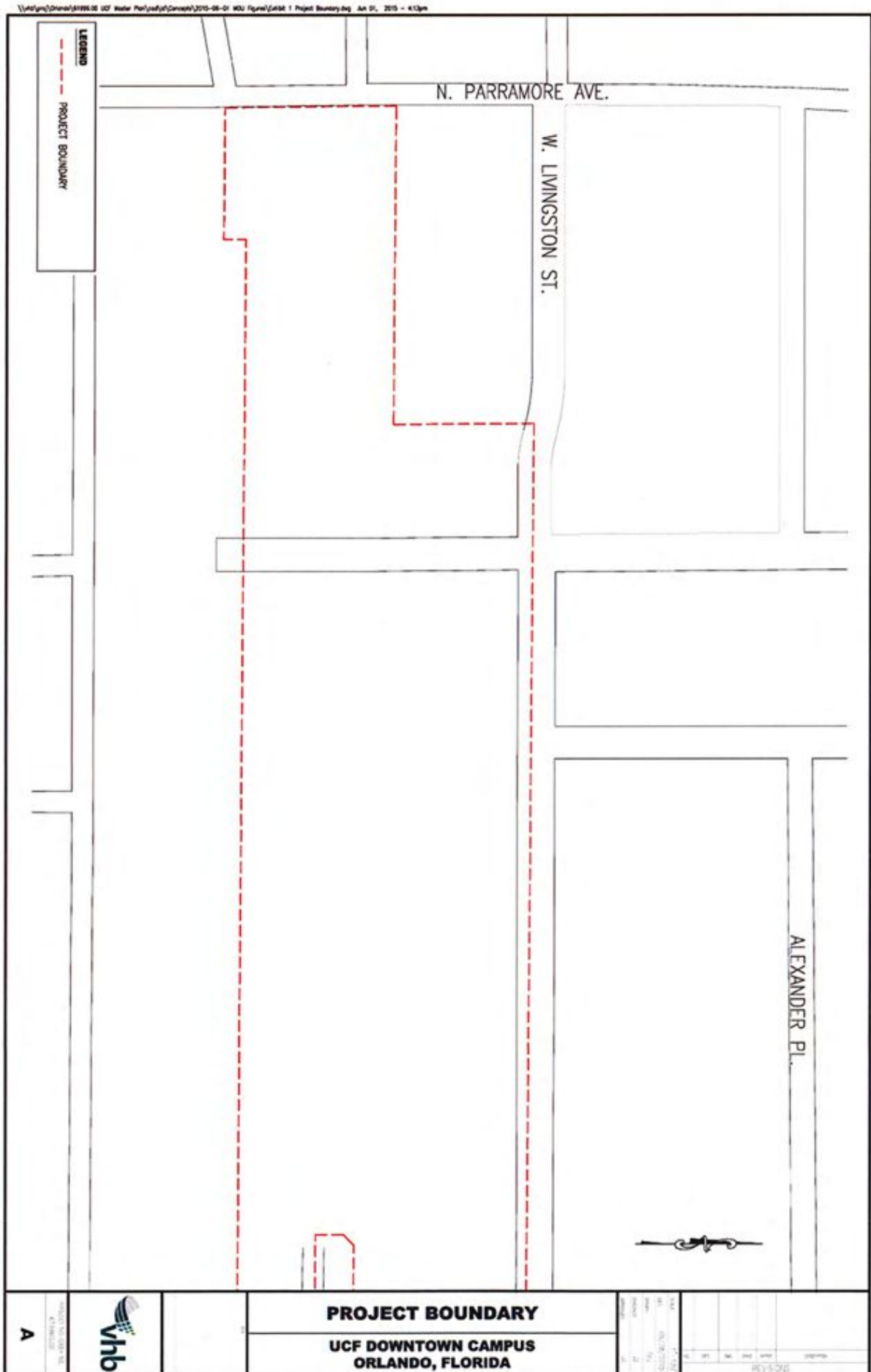
The foregoing instrument was acknowledged before me this 20 day of October, 2015, by Buddy Dyer, as Mayor of City of Orlando, on behalf of the City. He/She is personally known to me or has produced _____ as identification.

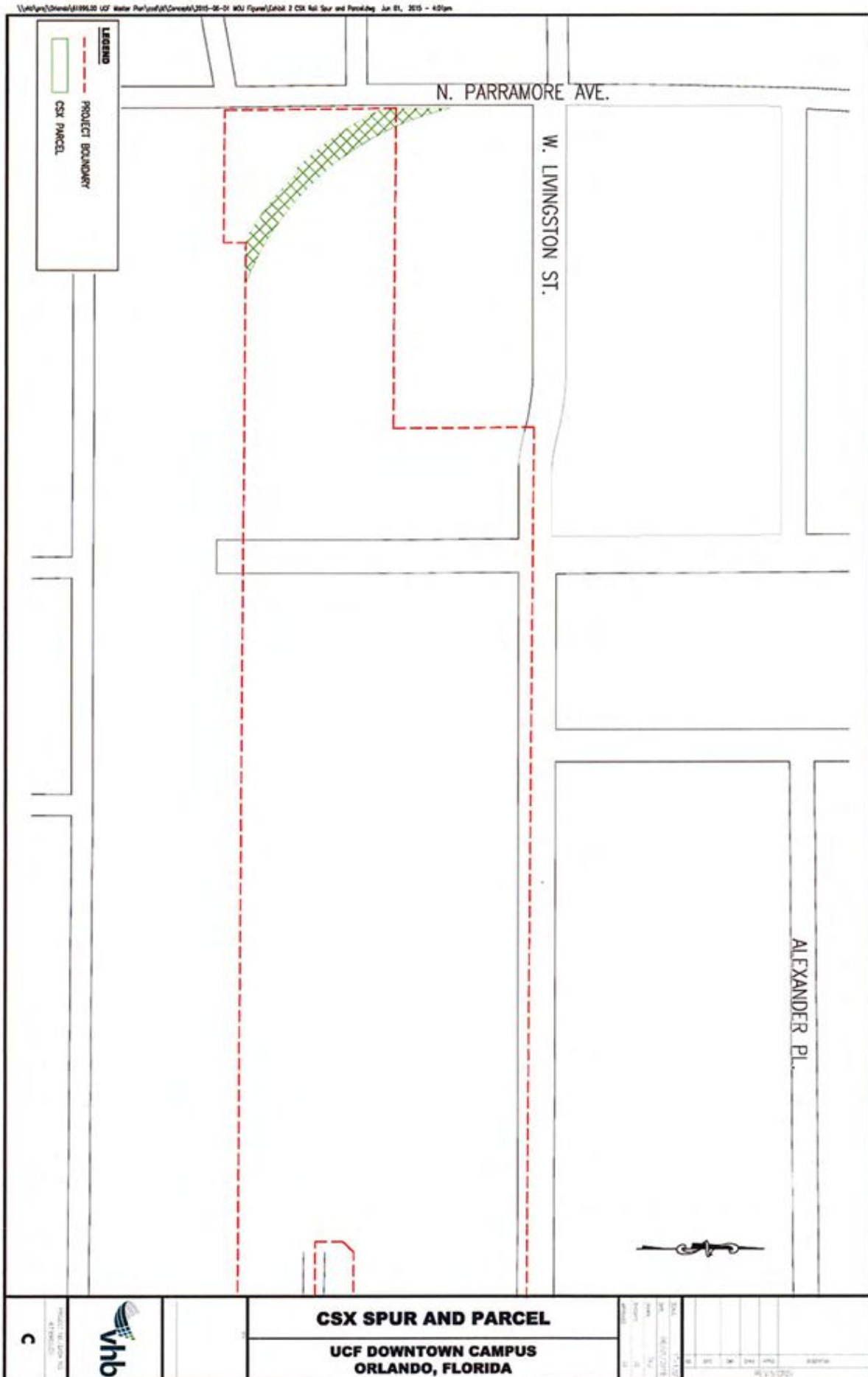
Sharon E. Wilson
 Print Name: _____
 Notary Public, State of Florida
 Commission No.: _____
 Commission Expires: _____

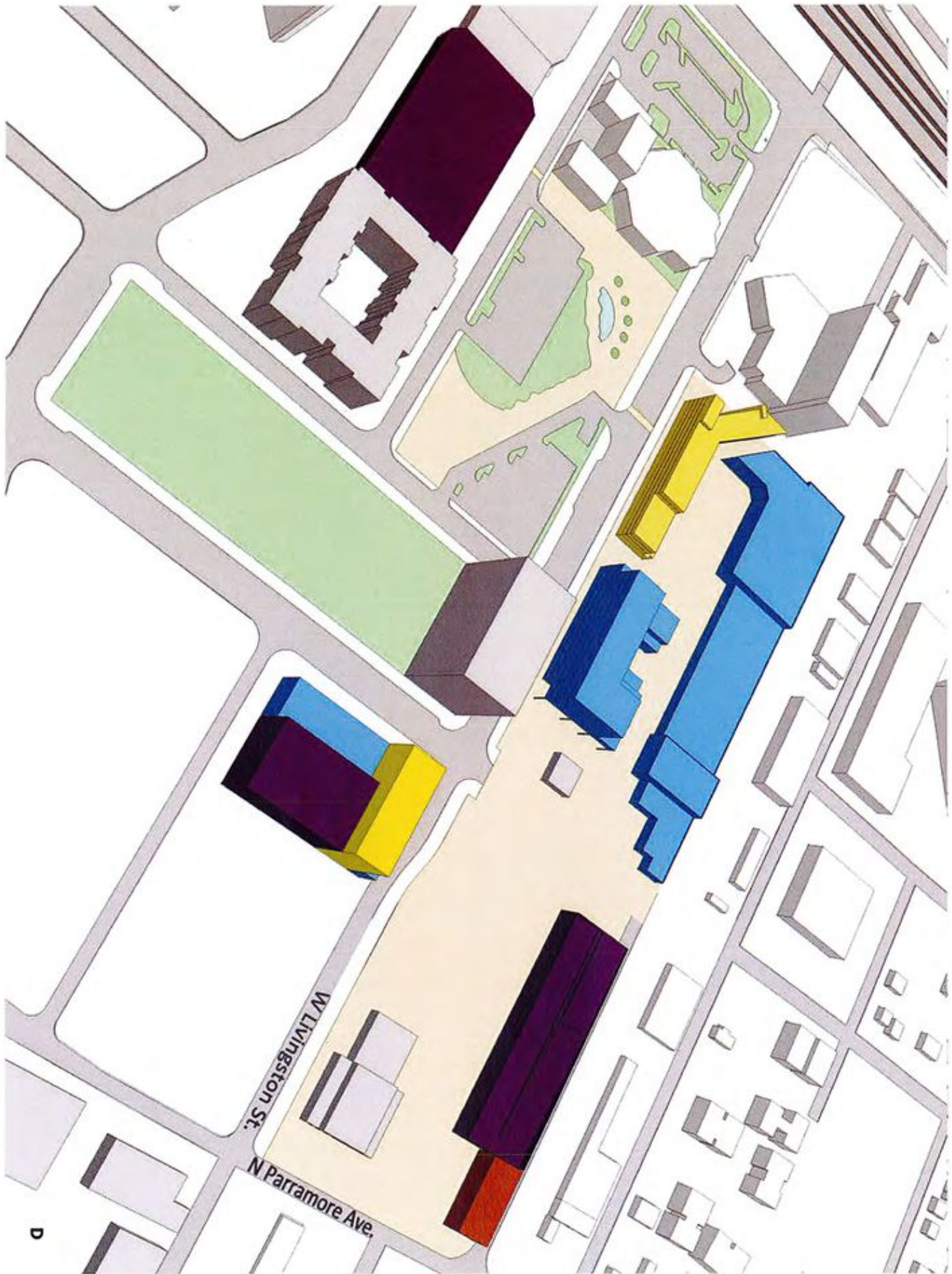


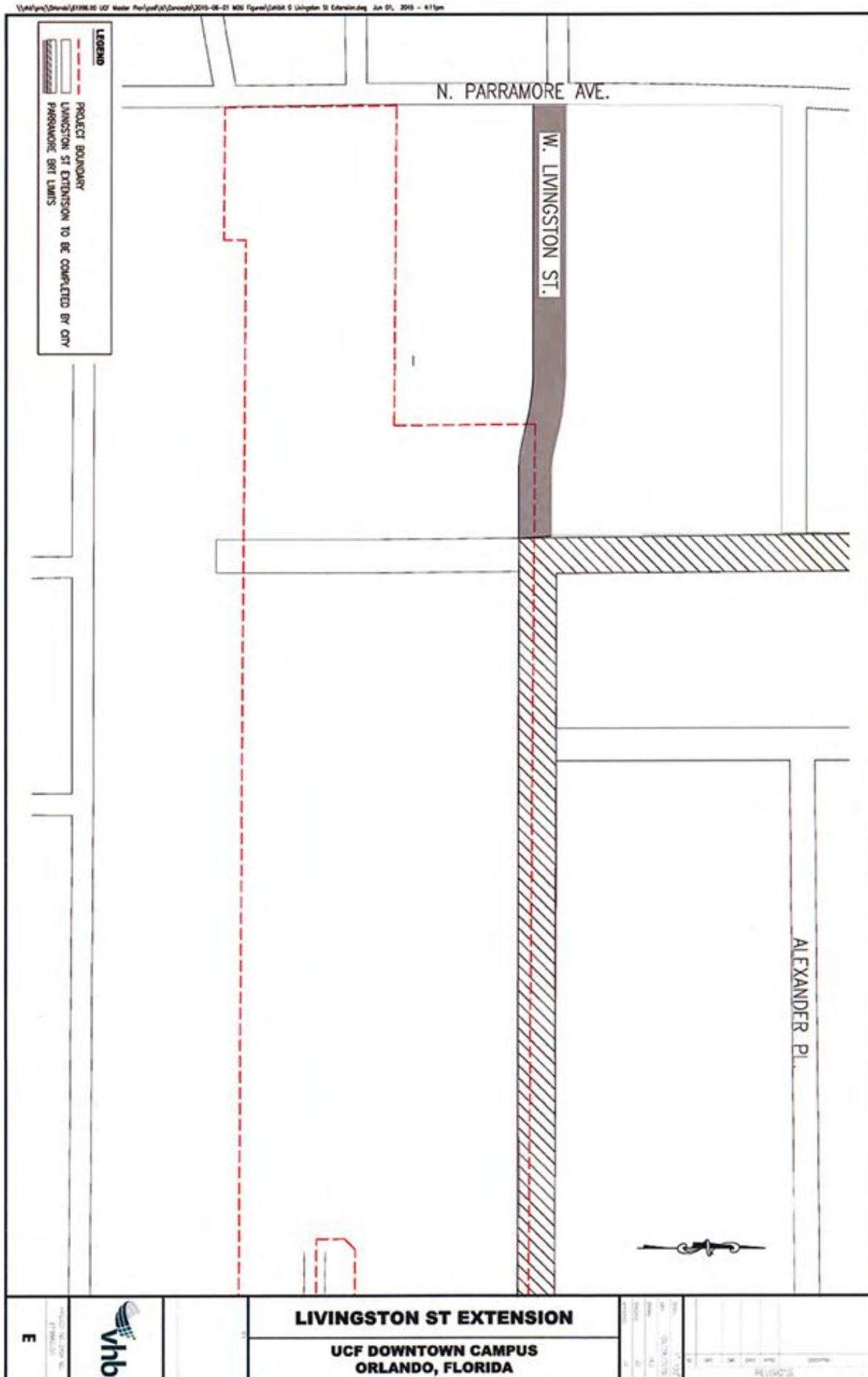
MOU Exhibit List

- A. UCF Site Boundary Parcels (MOU section 1, 2)
- B. Not Used
- C. CSX Parcel (5)
- D. Development Plan
- E. Not Used
- F. Not Used
- G. Not Used
- H. Livingston St Extension
- I. Not Used
- J. Existing and proposed storm water infrastructure (pipes, manholes, etc)
- K. Terry Ave Sleeve Utility Crossing Plan

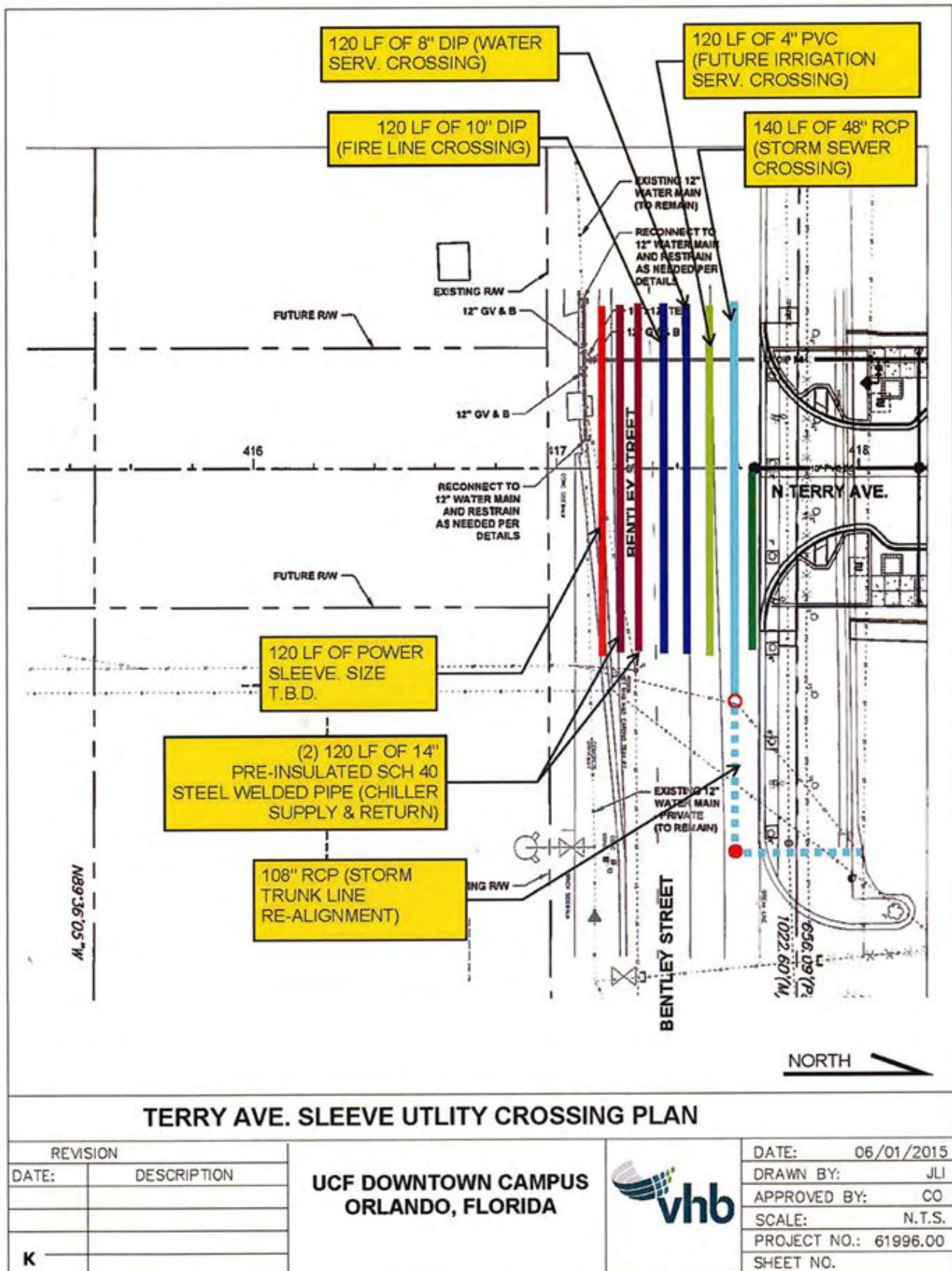












Board of Governors
Type I Campus Proposal
University of Central Florida – UCF Downtown

Appendix C

Sample Community Support and Letters

Letters of Business and Community Support UCF New Type I Campus

Organization	Name	Title
Aloft Hotels	D. Craig Leicester	General Manager
Axiom Healthcare Pharmacy	Bill Bucher	Executive Vice President and CFO
Bank of America	Steven T. Alch	Market President
BBA Aviation	S. Michael Scheeringa	President and CEO
BishopBeale	Michael F. Beale	CEO
Blèzoo	Dean Caravelis	Principal
Boys and Girls Clubs of Central FL	Gary W. Cain	President and CEO
Canin Associates	K. Eliza Harris	Principal
Carlton Fields Jorden Burt	Vernon Swartzel	Of Counsel
CBRE Commerical Real Estate Serv.	William S. Moss	Senior Managing Director
Central Florida Health Alliance	Donald G. Henderson	President and CEO
Central Florida Sports Commission	Brent Nelson	Sr. Vice President
The Church Street District	Jay Manji	Owner 7-Eleven Downtown
The Church Street District	Michael Rogier	Owner Hamburger Mary's
The Church Street District	Kirk Wingerson	Marketing Div Mgr, City of Orlando Venues
The Church Street District	George Maltezos	Business Owner
The Church Street District	R. Douglas Taylor	Church Street Entertainment
City of Orlando	Lisa Early	Director of Families, Parks and Rec.
Clean the World	Shawn Seipler	CEO and Executive Director
Coalition for the Homeless of Orlando	Brent A. Trotter	President and CEO
Code School	Gregg Pollack	CEO and Founder
Conrad Santiago and Associates	Conrad Santiago	Managing Principal
Cross, Fernandez & Riley, LLP	Melanie Fernandez	Co-Founder and Partner
Crossman & Company	John Crossman	President
C.T. HSU + Associates	C.T. HSU	President
Cushman & Wakefield	Anne Spencer	Director
Cushman & Wakefield	Wanda Riley	FL Operations Director
Cybis Communications	Jeff Douglass	CEO
Downtown Orlando	Thomas C. Chatmon, Jr.	Exec. Director of Downtown Dev. Board
Downtown Orlando Condo Alliance	Greg Reynolds	Chairman
Dr. Phillips Center for the Performing Arts	Katherine Ramsberger	President and CEO
Dr. Phillips Charities	Ken Robinson	President
Early Learning Coalition of Orange County	Karen Willis	Chief Executive Officer
First Presbyterian Church of Orlando	David D. Swanson	Senior Pastor
Florida Citrus Sports	Steve Hogan	CEO
The Florida High Tech Corridor	Randy Berridge	President
Florida Hospital	Lars Houmann	President and CEO
Fry Hammond Barr	Mason Moore	Vice President, Client Services
Fuelzee	Daniel McGaw	CEO
Gray Robinson	J. Charles Gray	Shareholder
Heart of Floirda United Way	Robert Brown	President and CEO
Hispanic Chamber of Commerce	Diana Bolivar	President
Hoke Design, Inc	Ginger Hoke	President
HuntonBrady Architects	Charles W. Cole	President
IDEAS	John Lux	Chief Operating Officer

Ivanhoe Village	Mindi Rackliff	Executive Director
Ivanhoe Village	Paul Turner	Board Member
The Ivy - Residences at Health Village	Cassie Olson	Residential Property Manager
Jennings, Toni	Toni Jennings	Former Lt. Governor (2003-2007)
Jones Lang LaSalle	Doug Irmscher	Market Director-Florida
Kaptiv Marketing	Laura Kern	President
Kavaliro	Bill Peppler	Managing Partner
The KnobHill Companies	Richard Walsh	CEO
Lynx	John Lewis, Jr.	CEO
Mad Cow Theater Company	Mitzi Maxwell	Executive Director
Martinez Manglardi, Attorneys at Law	Michael Manglardi	Managing Partner
Mazor Robotics	Christopher Prentice	CEO
Monster Media	John Payne	President
Moreno, Peelen, Pinto & Clark	Rob Clark	Co-Owner
Old Florida Bank	John Burden	President and CEO
Orange County Circuit Courts	Tiffany Moore Russell	Clerk of Courts
Orange County Mayor	Teresa Jacobs	Mayor
Orlando City Soccer	Phil Rawlins	President and Founder
Orlando Day Nursery	Mata Dennis	Executive Director
Orlando Eco. Development Commission	Rick L. Weddle	President and CEO
Orlando Health	Jamal Hakim	Interim President and CEO
Orlando Repertory Theatre	Gene Columbus	Executive Director
Orlando Sentinel	Nancy A. Meyer	Publisher and CEO
Orlando Shakespeare Theater	PJ Albert	Managing Director
Orlando Shakespeare Theater	Pat Strasberg	Executive Board Member
Orlando Solar Bears Hockey	Jason Siegel	Managing Partner, CEO, and President
Orlando Tech Association	Orrett G. Davis	Executive Director
Orlando Utilities Commission	Ken Ksionek	General Manager and CEO
Peter B. Cannell & Co., Inc.	Ronald C. Thow	Senior Vice President
Red Lobster	Horace G. Dawson	Executive Vice President
Revolutionary Road Hospitality Group	Stuart R. Newmark	President and COO
R L Burns Inc.	Jessica Burns	Vice President
Rosen Hotels and Resorts	Harris Rosen	President
Skanska	Robert Utsey	Senior Vice President
Southern Strategy Group of Orlando	Kelly Cohen	Managing Partner
Stockhammer, Sigi	Sigi Stockhammer	Citizen
SunTrust Bank	David Fuller	Chairman, President, and CEO
The Tech Law Firm	Donna M. Chesteen	Owner
Terracon	Leila Jammal Nodarse	Senior Principal
The Travel Group	Shelley A. Pynn	President
Tupperware Brands Corporation	Michael S. Poteshman	Executive Vice President and CFO
UCF Foundation Board of Directors	Phyllis A. Klock	Chair
United Arts of Central Florida	Flora Maria Garcia	President and CEO
Valencia College	Sanford C. Shugart	President
Vintage Group Concepts	Jeffrey Gitto	Operating Partner
YMCA of Central Florida	Dan Wilcox	President and CEO
Wayne Automatic Fire Sprinklers	Sarah Kelly	Vice President



Steven T. Alch
Market President

February 12, 2015

State University System of Florida
Board of Governors
325 West Gaines Street
Tallahassee, FL 32399

Dear Distinguished Member of the Board of Governors:

I am proud to support the development of a new Downtown UCF campus for Orlando as part of the Creative Village.

As Market President of Bank of America, I have seen time and again that higher education is the special ingredient that improves the lives of people from all socio-economic backgrounds. I know I speak for many of civic and business leaders in Central Florida when I say that the rise of UCF in recent decades has improved the quality of life for thousands of people and their families, which means higher-median incomes, healthier people, and less crime in our community.

We have watched our hometown university grow from a sleepy commuter school to become a national leader in areas such as photonics, engineering, modeling and simulation, and digital media. But even a successful school must keep growing in quality to meet the ever-increasing demands of the local workforce. That's why Downtown UCF is such an important effort at this time.

Connectivity between employers and emerging talent from the local hometown university is essential. Downtown Orlando includes the headquarters of large and small businesses and non-profit organizations; primary media outlets; leading legal, financial, medical, retail, legal, and political professionals; and many city, county, state, regional, and national public offices. All of these entities and their professionals – along with the students who aspire to be employed by them – benefit when they are more closely aligned for internship and other job experiences.

In this age of an increasingly competitive global economy, we as communities need to take every step we can to gain an edge as we pursue a brighter future. Downtown UCF is that opportunity for us in Central Florida.

Please support this important endeavor in your continuing efforts to improve lives through higher education in our great state.

Sincerely,

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

Steven T. Alch



February 5th, 2015

State University System of Florida
Board of Governors
325 West Gaines Street
Tallahassee, FL 32399

Dear Distinguished Member of the Board of Governors:

As a Principal at Canin Associates I am writing to express enthusiastic support for the proposed development of a Downtown UCF campus at the Creative Village site in Orlando.

The project the university proposes to establish will address the community, industry, commercial, and educational challenges facing Orlando's downtown development core as well as broaden opportunities for students to engage in the community and my industry. Particularly for my industry which is architecture, urban planning and design, Downtown is a rich location for the career development of UCF students, providing many opportunities for internships, practicums, service learning, independent study, and undergraduate research. The availability of resources that are difficult to access from east Orange County will provide a significant competitive advantage for students studying at the Downtown UCF campus. Our firm also finds it difficult to access UCF students for internships and other career development opportunities because of the campus location. Most of our industry professional development events are located in or near downtown making it challenging for student to fit them in with other academic obligations on campus.

University towns and cities across the nation are known for their intellectual and social vibrancy. The downtown campus will also provide UCF students access to a rich diversity of people, social conditions, and urban experiences that help to create an educated citizenry. Our downtown community will benefit from the presence of UCF students while they enhance their skills and their knowledge.

As an urban planner I am well versed in development trends. The 21st century has seen a renewed interest in urban living, and our knowledge economy is increasingly centered on our nation's cities. The decision by UCF to take advantage of this urban resource positions the university in the forefront of the social tide of our time.

I am pleased to fully support the proposal and continue a relationship with UCF that is beneficial to our firm, to the University, and to Central Florida.

Sincerely,

A handwritten signature in cursive script that reads "K. Eliza Harris".

K. Eliza Harris



Leesburg Regional Medical Center • The Villages Regional Hospital

February 4, 2015

State University System of Florida
Board of Governors
325 West Gaines Street
Tallahassee, FL 32399

Dear Governors:

Central Florida Health Alliance enthusiastically supports the campus proposed by UCF in downtown Orlando.

We believe that UCF students studying in the urban center of our region will provide Central Florida Health Alliance with opportunities for additional partnerships and talent and will be of great benefit to our organization and to our community.

Central Florida Health Alliance looks forward to a mutually rich and rewarding experience with undergraduate and graduate students at the Downtown UCF campus in Orlando. This new learning environment has our support.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. Henderson", is placed above the printed name.

Donald G. Henderson, FACHE
President and CEO

Leesburg Regional Medical Center
600 E. Dixie Avenue, Leesburg, FL 34748
(352) 323-5762
CFHAlliance.org

The Villages Regional Hospital
1451 El Camino Real, The Villages, FL 32159
(352) 751-8000
CFHAlliance.org



CITY OF ORLANDO

February 12, 2015

State University System of Florida
Board of Governors
325 West Gaines Street
Tallahassee, FL 32399

To Whom It May Concern:

As Director of Families, Parks and Recreation for the City of Orlando, I offer my endorsement for UCF Downtown because youth who reside in the Parramore community, where the campus will be located, will benefit from the project.

The City of Orlando has been spearheading the revitalization of Parramore since Mayor Dyer's *Parramore Task Force* issued its report and recommendations in 2004. These efforts have leveraged sustained strategic investment in economic development, neighborhood beautification, housing, and public safety, dramatically transforming Parramore over the past decade. As part of this work, the City's Families, Parks and Recreation Department has overseen efforts to improve the well being of Parramore's children through a program called Parramore Kidz Zone (PKZ).

PKZ is modeled after the nationally renowned Harlem Children's Zone and the U.S. Department of Education's Promise Neighborhoods Initiative. The goal is to "move the needle" on academic performance, juvenile crime, and teen pregnancy among Parramore youth by offering evidence-based programs, from cradle to college and career, to all youth, from birth to age 24, who reside in the neighborhood. Programs are offered by a coalition of partners that include City community centers, non-profit organizations, and the schools to which Parramore youth are zoned. These programs include tutoring and wrap-around academic support, preschool education, college access assistance, youth employment, parenting education, youth development programs, and health/wellness initiatives.

PKZ's outcomes have been extraordinary. Since the program began in 2006, verified reports of family violence have dropped in Parramore by 45%, teen births have declined by 49%, and juvenile arrests have plummeted 63%. Regarding academic achievement, educational performance among Parramore children has improved at the elementary, middle and high school level. PKZ also offers a robust College Access Program (CAP), including college tours, application and financial aid assistance, scholarships, care packages, and Individual Development Accounts (IDAs) wherein youth save money to cover their post-secondary education expenses. Last year, 126 Parramore youth participated in CAP and at least 63 participants are currently in college. Of these, the top college serving Parramore youth is Valencia, attended by 38% of all PKZ college students. The presence of Valencia College at the UCF Downtown campus would be extraordinarily beneficial to Parramore youth.

The UCF Downtown project is important and timely for a number of reasons. First, as indicated previously, there is a steady and growing pipeline of children in the neighborhood who are preparing and prepared to enter post-secondary education. The presence of both UCF and Valencia in their neighborhood will facilitate and accelerate this process. Second, PKZ offers a

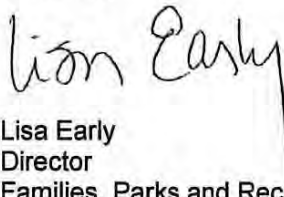
FAMILIES, PARKS AND RECREATION DEPARTMENT
595 NORTH PRIMROSE AVENUE. • ORLANDO, FLORIDA 32803
PHONE 246-4300 • FAX 246-4038 • <http://www.cityoforlando.net>

robust platform for UCF professors and students to engage in community-based teaching, learning and research in the surrounding neighborhood. In fact, several UCF professors are already implementing successful models wherein UCF students take courses at sites in Parramore while providing beneficial services to Parramore children. As an example, the UCF College of Education and Human Performance's RED 3310 Early Language & Literacy course is taught weekly at the Dr. J.B. Callahan Neighborhood Center in Parramore. In this class, UCF students engage in parent and child involvement sessions with Parramore families under the supervision and instruction of their professors. The goal is to match UCF Early Childhood Development and Education (ECDE) undergraduate students with three-to-six-year-olds living in an urban poverty community, to provide differentiated literacy assessment and learning activities while, at the same time, the children's parents attend seminars to learn how to best meet their children's literacy needs.

Another important contribution that UCF continues to make in Parramore – one that will only accelerate with the school's presence in the neighborhood – is that students from a variety of UCF colleges have become an indispensable source of volunteers and interns enhancing the capacity of many of the small non-profit organizations located in the neighborhood. Sites that rely on UCF student interns include the Nap Ford Community School, New Image Youth Center, and Page 15. At these sites, UCF students serve as teaching assistants and tutors and mentors for children. UCF has become an indispensable partner in our work.

We are thrilled that UCF plans to expand its footprint in Parramore because we believe it will benefit the youth who reside there, while at the same time enriching the UCF student experience and providing a rich environment for faculty to teach and conduct research. For these reasons, UCF Downtown has my endorsement.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Early". The signature is written in dark ink and is positioned above the printed name and title.

Lisa Early
Director
Families, Parks and Recreation



**CUSHMAN &
WAKEFIELD®**

**Cushman & Wakefield of
Florida, Inc.**

Licensed Real Estate Brokers
800 N. Magnolia Ave., Ste. 450
Orlando, FL 32803-3260
(407) 841-8000 Tel
(407) 425 6455 Fax
www.cushwake.com

January 29, 2015

State University System of Florida
Board of Governors
325 West Gaines Street
Tallahassee, FL 32399

Dear Governors:

Cushman & Wakefield of Florida, Inc. enthusiastically supports the campus proposed by the University of Central Florida (UCF) in downtown Orlando.

We believe that UCF students studying in the urban center of our region will add to the creativity and vitality of the downtown area, provide valuable engagement with local businesses and be of great benefit to our organization and to our community.

At the same time, I know that Cushman & Wakefield will provide these students with both professional and personal development opportunities that will advance their academic success and personal growth, in the present and in the future. The population of UCF students attending the downtown campus will create a bridge of common interest and purpose for residents and commerce alike.

Cushman & Wakefield looks forward to a mutually rich and rewarding experience with undergraduate and graduate students at the Downtown UCF campus in Orlando. This new learning environment has our unqualified support. We respectfully urge your favorable support for the project plan of a UCF Downtown Campus in the Creative Village.

Sincerely,

Anne Spencer
Director- Orlando, Florida
Office Brokerage Services
Cushman & Wakefield of Florida Inc.



Copy
Mike Griffin

February 12, 2015

State University System of Florida
Board of Governors
325 West Gaines Street
Tallahassee, FL 32399

Dear Governors:

Florida Hospital enthusiastically supports the campus proposed by UCF in downtown Orlando.

We believe that UCF students studying in the urban center of our region will accelerate the endeavor to diversify our economy by strengthening the life sciences sector. We have invested heavily in academic medicine and translational research in nearby Health Village and a UCF downtown campus will be of great benefit to our organization and to our community.

We see a downtown UCF campus providing students with vital proximity to the business, economic, research, and direct healthcare activities of Florida Hospital. In particular, students such as those in the colleges of engineering and computer science, health and public affairs, education and human performance will have an experience in this environment that is certain to enrich their education and give them a running start in the working world.

Florida Hospital looks forward to a mutually rich and rewarding experience with undergraduate and graduate students at the Downtown UCF campus in Orlando. This new learning environment has our enthusiastic support.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lars Hommann", is written over a horizontal line.

Lars Hommann, FACHE
President and CEO
Florida Hospital and Florida Division – Adventist Health System

LH:sb



October 20, 2015

State University System of Florida
Board of Governors
325 W. Gaines St.
Tallahassee, FL 32399

To Whom It May Concern:

As the Florida Board of Governors considers the UCF Downtown proposal please know how supportive and excited Florida Hospital is about having UCF expand its presence in the downtown corridor.

At Florida Hospital we see the potential for a substantial growth in the number of student internships and expanded academic relationships with the university given the close proximity to our Florida Hospital Health Village. With our health care campus only one Sun Rail stop away from the UCF Downtown Campus, we have begun examining how best to engage the talents of those students in the selected areas of Health Care Informatics, Health Services Administration and Health Sciences.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lars Houmann", is written over a horizontal line.

Lars Houmann, FACHE
President and CEO
Florida Hospital and Florida Division – Adventist Health System

LH:sb



Iron Galaxy Orlando
150 North Orange Ave Suite 304
Orlando, FL 32801

10/20/2015

To Whom It May Concern:

Iron Galaxy Orlando strongly supports the proposed UCF Downtown campus.

We are looking forward to the positive influence that UCF's expanded presence in downtown will have, for both the students who study in the urban core as well as the surrounding industries.

For Iron Galaxy's operations, the relocation of the Digital Media programs hold tremendous opportunities for expanded internships between our company and university students. The proximity between the downtown campus site and our organization will be beneficial as we look to engage these young talents within the confines of their academic schedules. Without question we believe that expanded internship opportunities will be both possible and welcomed, and we are already examining our future workforce needs and opportunities with the hopeful arrival of UCF Downtown.

We thank you for your consideration of the UCF Downtown proposal and look forward to strengthening the relationship between academics and industry, and connecting the dots from education into the workplace.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Carbone', with a long horizontal flourish extending to the right.

Tom Carbone
Studio GM, Iron Galaxy Orlando



February 5, 2015

State University System of Florida
Board of Governors
325 West Gaines Street
Tallahassee, FL 32399

Dear Friend of Florida Education:

As President and CEO of the Orlando Economic Development Commission (EDC), I strongly and enthusiastically support the proposed development of a Downtown UCF campus at the Creative Village site in Orlando.

I know I speak for many of civic and business leaders in Central Florida when I say that the rise of UCF in recent decades has improved the quality of life for thousands of people and their families, which means higher-median incomes, healthier people, and less crime in our community.

Downtown is a rich location for the career development of UCF students, providing many opportunities for internships, practicums, service learning, independent study, and undergraduate research. The availability of resources that are difficult to access from east Orange County will provide a significant competitive advantage for students studying at the Downtown UCF campus. The proposed Downtown UCF campus will provide enhanced programs in communications, digital media and other disciplines that will better prepare future employees and also provide UCF students access to a rich diversity of people, social conditions, and urban experiences that help to create an educated citizenry. Our downtown community will benefit from the presence of UCF students while they enhance their skills and their knowledge.

The 21st century has seen a renewed interest in urban living, and our knowledge economy is increasingly centered on our nation's cities. The decision by UCF to take advantage of this urban resource positions the university in the forefront of the social tide of our time.

Thank you for your efforts to make our university system the nation's best. As you consider how to help our hometown university in Orlando become an even greater force for progress in our Sunshine State, please support and promote Downtown UCF. I look forward to working with Downtown UCF students to our mutual advantage.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Weddle", with a stylized flourish at the end.

Rick L. Weddle
President & CEO

Orlando.
You don't know the half of it.

301 E. Pine Street, Suite 900
Orlando, FL 32801

P/ 407.422.7159
F/ 407.425.6428

info@orlandoedc.com
orlandoedc.com



1414 Kuhl Ave.
Orlando, FL 32806
tel 321.843.7000
OrlandoHealth.com

October 20, 2015

State University System of Florida
Board of Governors
325 West Gaines Street
Tallahassee, FL 32399

Dear Governors:

Orlando Health supports the campus proposed by the University of Central Florida (UCF) and Valencia College (Valencia) in downtown Orlando. Orlando Health is a \$2.3 billion not-for-profit health care organization and a community-based network of physician practices, hospitals, and outpatient care centers throughout Central Florida. The organization is home to the area's only Level One Trauma Centers for adults and pediatrics and is a statutory teaching hospital system. We serve as an economic engine as one of Central Florida's largest employers with 15,000 team members and nearly 2,000 affiliated physicians focused on achieving the very best outcomes for our patients. Orlando Health serves nearly 2 million Central Florida residents and more than 4,500 international patients annually.

Orlando Health is committed to the education of Central Florida's future workforce. In academic year 2013-14, there were 257 medical education residents at Orlando Health and over 314 medical education students that came through Orlando Health to train during medical school. In addition, Orlando Health trained 23 physician assistant students, 3,116 nursing students and over 2,143 allied health students. With the upcoming Florida Board of Governors consideration of the proposed UCF and Valencia downtown campuses, Orlando Health views such a move as positive for all organizations involved for the continuation of our established partnerships and the strengthening of opportunities for the students of UCF and Valencia. Our Orlando Health downtown campus will easily connect to the UCF and Valencia downtown campuses by SunRail and the adjacent I-4 corridor. We see the potential for growth in the number of possible internships and expanded academic relationships given the close proximity to our downtown campus. This will provide UCF students in the selected areas of Health Care Informatics, Health Services Administration and Health Sciences with excellent opportunities for growth as students and as healthcare professionals after graduation.

Sincerely,

A handwritten signature in dark ink, appearing to read "David Strong", written over a light grey background.

David Strong
President & CEO
Orlando Health

SKANSKA

Skanska USA Building Inc.

111 North Magnolia Avenue, Suite 1150
Orlando, Florida 32801
Phone 407.839.2925
Fax 407.872.0862
www.usa.skanska.com

February 4, 2015

State University System of Florida
Board of Governors
325 West Gaines Street
Tallahassee, FL 32399

Dear Governors:

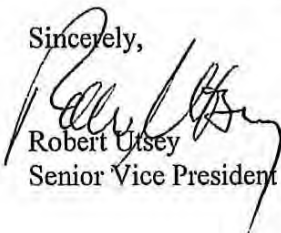
Skanska USA Building enthusiastically supports the campus proposed by UCF in downtown Orlando.

We believe that UCF students studying in the urban center of our region will provide Skanska with valuable career work force resources and will be of great benefit to our organization and to our community.

At the same time, I know that Skanska will provide these students with opportunities to access our global business platform and network of relationships that will advance their academic success and personal growth.

Skanska looks forward to a mutually rich and rewarding experience with undergraduate and graduate students at the Downtown UCF campus in Orlando. This new learning environment has our support.

Sincerely,



Robert Utsey
Senior Vice President

Board of Governors
Type I Campus Proposal
University of Central Florida – UCF Downtown

Appendix D

UCF and Valencia College Support Letters

VALENCIA COLLEGE

January 28, 2015

John Hitt, Ph.D.
President
University of Central Florida

Dear John:

I would like to provide a brief update on Valencia's planning for the partnership campus in downtown Orlando.

First, we are delighted to be partnered with you in this important work and especially take to heart the responsibility to bring services to residents already in and near the proposed site.

We are planning with your team to provide a full complement of lower division and general education coursework and to collaborate, seamlessly, on the services that wrap around them. These courses will be available to students seeking Valencia A.S. degrees, A.A. degrees as a part of DirectConnect to UCF, and UCF students. In addition, we acknowledge that UCF will also offer a streamlined set of general education courses to insure that UCF first time in college students will have the choice to meet their general education requirements with UCF taught courses on the downtown campus.

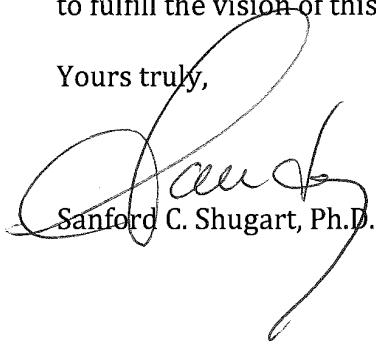
Signature programs in planning for relocation to the downtown site include computer graphics and interactive design and the Walt Disney World Center for Hospitality and Culinary arts, comprising a suite of majors related to hospitality management and, obviously, high level culinary training. Slightly more than 2,000 students are currently enrolled in these programs. Additionally, while not relocating them, we plan to expand programming in arts and entertainment to the site, including film technology, music recording technology, etc.

Our short- and long-term programmatic plans for the downtown site do not duplicate academic programs planned to be offered by UCF. We will continue our longstanding commitment to offer complementary programs that complete high-demand academic and workforce pathways in Central Florida and to extend residents a broader on ramp to high education.

All of these decisions have been vetted with Valencia's Board of Trustees, and the college already has approval for a downtown campus from the State Board of Education going back many years – the authority under which our Downtown Center operated on the corner of Orange Avenue and Church Street.

Please know that Valencia will continue to work vigorously in partnership with the university to fulfill the vision of this important investment in the future of Orlando.

Yours truly,

A handwritten signature in black ink, appearing to read "Sanford", with a large, looping flourish extending from the end of the signature.

Sanford C. Shugart, Ph.D.



Office of the Provost and Executive Vice President

October 19, 2015

Dr. Sanford Shugart
President
Valencia College
P.O. BOX 3028
Orlando, Florida 32802

Re: Letter of Assurance regarding UCF Downtown Academic Building

Dear President Shugart:

The University of Central Florida in partnership with Valencia College is striving to develop a 21st-century campus in downtown Orlando. This full-service campus would be located on an approximately 15-acre site donated by the City of Orlando and include a new academic building, the renovation of an existing facility, student services, academic support, housing, parking, and recreation and health services.

Our combined efforts will result in a world-class, best-in-the-nation site for academic and research innovation, collaborative partnerships, and community and industry engagement. UCF hereby assures Valencia College that any funding provided toward the project will be used to construct the new academic building in the heart of the downtown campus.

The downtown campus expands UCF's long-standing partnership with Valencia, which would relocate complementary programming and offer non-duplicated coursework. In addition to UCF course offerings, this new academic building will provide learning and faculty office space to support the full complement of courses required to receive a Valencia College associate's degree.

We recognize the opportunity for both UCF and Valencia to enhance access to degree attainment and quality of education through our DirectConnect to UCF program, and look forward to collaborative and collegial interactions between the administration, faculty, staff, and students of both institutions at the downtown campus.

As part of this assurance, UCF and Valencia will work together to provide a shared lower-division strategy that eliminates course duplication. In addition, both institutions will create a common student experience that focuses on student success, working to further streamline the academic experience and transfer/transition process between institutions.

Valencia will offer the lower-division courses at the downtown campus. UCF will provide specific downtown program prerequisites not offered by Valencia, and all downtown students will have access to and benefit from these courses.

October 19, 2015
Letter of Assurance
page two

Academic leadership teams from UCF and Valencia are working together through an advisory committee to deliver this shared experience, including efforts to enhance curricula alignment and pedagogy across lower-division education for the betterment and success of our students.

This committee, along with UCF and Valencia's leadership, is committed to the success of this shared strategy, and agrees to an assurance of quality and evidence of preparedness for upper-division courses offered at the downtown campus.

This joint assurance will include evaluations of lower-division learning outcomes by UCF and Valencia representatives every three years once the downtown campus opens to ensure all students' success toward graduation.

I look forward to reviewing the details with you in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Dale Whittaker". The signature is fluid and cursive, with the first name "A." and last name "Whittaker" clearly distinguishable.

A. Dale Whittaker
Provost and Executive Vice President
University of Central Florida

ADW:cd



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

**Staff Analysis:
University of Central Florida Proposal for a Downtown Campus**

October, 2015

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Project Scope and Purpose

The University of Central Florida (UCF) proposal indicates that the Downtown Campus would transform the University's current downtown offerings by strategically relocating academic programs from the main campus. The University maintains that the proposed relocation would create a world-class site for digital media, communication, public service, and health-related programs in an innovative urban environment. UCF's existing Center for Emerging Media would mark the site for the Downtown Campus expansion. The Center for Emerging Media is currently home to UCF's Master's in Interactive Entertainment offered by the Florida Interactive Entertainment Academy. The Academy is cited as the number two ranked video gaming graduate school in North America.

Enhancement of collaboration between UCF and Valencia College is envisioned at the Downtown Campus. The proposal projects that a partnership with Valencia College at the Downtown Campus will enable students to earn a bachelor's degree at approximately \$6,000 less in terms of tuition than the State University System (SUS) average tuition.

The proposal anticipates that moving programs to a Downtown Campus would free up needed space on UCF's main campus. This forecast, however, is predicated on meeting enrollment projections, and the subject of accurate enrollment estimates is addressed later in this staff analysis.

The proposal indicates that Downtown Orlando has more than 74,000 jobs and this provides potential opportunities for students and graduates. If this estimate of jobs is accurate, it is not clear whether these are all *unfilled* jobs and whether these are jobs that would be targeted toward graduates from the Downtown campus programs.

The UCF proposal indicates that the Downtown Campus would provide greater opportunity for degree attainment in a historically underserved area. UCF indicates that degree attainment in downtown Orlando is lower than the averages of the surrounding area and that, while downtown Orlando matches national degree production figures, degree attainment in the specific area associated with the Downtown Campus site lags behind the county and the city surrounding it.

Regarding the question of purpose, the Board of Governors should consider the primary question of whether the overall project is a response to an unmet demand for postsecondary education, economic development, or both. Regarding the question of scope, UCF's downtown Center for Emerging Media appears to be currently under-utilized. If this is the case, the Board of Governors should consider whether building more infrastructure downtown is desirable.

Project Operational Costs, Capital Costs, and Revenues

First year operational costs are estimated to be \$44,456,804. These dollars would be comprised of Education and General funding (\$34,928,143) and Contracts and Auxiliary funding (\$9,528,661). Year One revenues are projected to total \$45,059,159.

Approximately 62% of Year One revenue dollars would be associated with tuition, tuition differential, and out-of-state student tuition fees. This is why it is imperative that enrollment projections are met. The Downtown Campus is estimated to have \$602,532, or 2%, operating net revenues over net expenses in Year One. This trend is also true for Years Two through Five, with net revenues over net expenses of 3% for each of those years.

Capital costs totaling \$60M would be associated with the addition of one new academic building. One third of these dollars, \$20M, would require approval of PECO funding by the Board of Governors, the Florida Legislature, and the Governor. Additional unspecified costs would be associated with renovation of the Center for Emerging Media facility. UCF indicated to Board staff that it does not plan to ask for additional funds related to the Downtown Campus in the 5-year planning horizon. If the project proves to be successful, however, additional capital costs may surface beyond that time period.

A second third of the \$60M would be associated with funds provided by UCF. The proposal does not provide specific information as to the source of these funds. The final third of the necessary funding would be sought from private sources, such as donations.

Ancillary development would include housing, parking, and a new combined heat and power plant. A new UCF housing facility consisting of 300 beds is estimated to cost \$20M. A new parking facility and heat and power plant is estimated to cost \$15M. Construction of these facilities would require bonding authority. Other Downtown Campus infrastructure costs include shuttle service to the main campus, safety and security costs, telecommunications resources for the Downtown Campus, and library services costs.

Project Priority

The priority of the UCF Downtown Campus as compared to other System priorities should be a consideration for the Board of Governors. The State University System is in the process of building out a 12th university. It is understood from Florida Polytechnic University leadership that future capital and operational investments will be inevitable. Given the criticality of success for Florida Polytechnic as an SUS priority, and given finite resources, the Board of Governors should consider the extent to which the UCF Downtown Campus can be considered as a System priority. Other priorities of longstanding include Florida State University's Earth Ocean Atmospheric Sciences

Building, the University of Florida's remodeling of Norman Hall, Florida Atlantic University's renovation and addition to the Jupiter Research Building, Florida International University's satellite chiller plant expansion, and the University of West Florida's Laboratory Sciences Annex.

Need and Demand

The proposal states that the programs to be relocated to the Downtown Campus will build on downtown Orlando's creative technology economy, as well as its growing health care sector, where greater than average job growth is projected to transpire through 2022, according to industry and U.S. Department of Labor projections. UCF indicates that the programs proposed for relocation have experienced growth exceeding nearly 22%.

The proposal states that employment demand is strong and growing fast in Orlando, which was recently ranked by *Forbes'* magazine as one of the nation's best cities for future job growth. In particular, UCF cites the growth in demand for graduates in health informatics, and digital media. UCF indicates that five of the fields that map to the degree programs proposed for relocation to the Downtown Campus are included on the 2014-15 Regional Demand Occupations List for Lake, Orange, Osceola, Seminole, and Sumter counties.

Meeting Enrollments

The proposal is enthusiastic with regard to meeting estimated enrollments. The Board of Governors should be clear as to the Memorandum of Understanding between the City of Orlando and UCF containing a statement that all deeds for transfer of the property shall contain a reversion clause requiring, in part, that the Downtown Campus serve a minimum number of students, to be agreed upon by both parties. It is unclear if this minimum number of students has been set, or how it relates to the UCF Year One 5,395 students projected in the proposal.

Realizing enrollments entails a complex interplay between (1) the initial accuracy of enrollment projections, (2) considerations as to which programs would be most appropriate to relocate, (3) choice of programs to move downtown that are currently being offered at regional campuses, (4) the choice of programs to move downtown that are currently being offered wholly or in part online, and (5) realistic prospects for internships in general, as well as specifically for those programs that require an internship as part of program requirements. The Board of Governors should carefully consider the interplay among these considerations, and, therefore, each is articulated in the sections below.

Initial Enrollment Projections

The proposal indicates that the completion of the Downtown Campus would allow the UCF Campus to reach a Year One critical mass of more than 7,500 students, 5,395 of whom would be UCF students and 2,303 of whom would be Valencia College students enrolled at the lower level. Table One below provides the proposal's estimates of UCF headcount and FTE enrollments for Years One and Five. The Table breaks out these projections by undergraduate and graduate offerings. In this table, projections are in the aggregate as opposed to being broken out by individual programs.

Table One: Years One and Five Projected UCF Downtown Campus Enrollment			
		HEADCOUNT	FTE
Undergraduate	Year 1	4,512	3,288
	Year 5	4,885	3,560
Graduate	Year 1	883	505
	Year 5	955	546

Source: UCF Downtown Campus Proposal

Table Two below provides more specificity as to enrollment projections. Here, the projections are broken out by individual programs. Year One headcount and FTE projections are provided for each proposed academic offering, as well as the percentages of the whole that each represents.

Table Two: Degree Programs Proposed for Movement, Year One Headcount and FTE Estimates, And Percentages of the Whole				
Program	HDCT	FTE	% HDCT	% FTE
B Human Communication	850	858	16%	23%
B Legal Studies	755	445	14%	12%
B Social Work	384	222	7%	6%
B Digital Media	884	455	16%	12%
BFA Emerging Media; Character Animation	45	23	1%	1%
B Health Services Administration	1,445	1,165	27%	31%
B Health Informatics and Information Management	149	120	3%	3%
M Communication	60	22	1%	1%
M Social Work	303	254	6%	7%
M Digital Media and Interactive Entertainment	128	67	2%	2%
M Health Sciences	298	124	5%	3%
M Health Care Informatics	82	34	2%	1%

Graduate Certificate: Corporate Communication	12	3	0%	0%
Graduate Certificate: Military Social Work	0	0	0%	0%
Total	5,395	3,792	100%	100%
<i>Source: UCF Downtown Campus Proposal (Percentages may not add to 100% due to rounding.)</i>				

The Board of Governors should be concerned that enrollments at the UCF Downtown location may be optimistic, because they appear to be based on past enrollments at the six digit Classification of Instructional Program (CIP) Code level. Certain of these enrollments are associated with programs that represent a single major embedded in other majors under the same CIP code that do not appear to be moving downtown. As one example, The Bachelor of Arts in Human Communication is a track under CIP 09.0101, along with Advertising/Public Relations, and Communication and Conflict. Enrollment projections for the Bachelor of Arts in Human Communication at the Downtown Campus appear to be based on all three majors under the same CIP code, rather than just the one. Therefore, the enrollment projection for Human Communication risks being over-estimated.

Table Three below provides a comparison between 2014-15 non-distance learning enrollments on the UCF Main Campus and Year One Downtown Campus enrollment projections for these programs. The difference between Downtown Campus enrollment projections and actual UCF main campus enrollments for these same programs is 2,009.

Table Three: Comparison of 2014-15 Non-Distance Learning Enrollments On the UCF Main Campus And Year One Downtown Campus Enrollment Projections		
Program	2014-15 Non-Distance Learning Enrollments on UCF Main Campus	Year One Downtown Campus Enrollment Projections
B Human Communication	522	850
B Legal Studies	404	755
B Social Work	344	384
B Digital Media	719	884
B Emerging Media; Character Animation	493	45

B Health Services Administration	189	1,445
B Health Informatics and Information Management	20	149
M Communication	83	60
M Social Work	234	303
M Digital Media; Interactive Entertainment	119 (at Downtown CEM)	128
M Health Sciences	247	298
M Health Informatics and Information Management	0	82
Total	3,374	5,383
<i>Sources: Board staff analysis. State University Data System as of 10/27/2015; UCF Downtown Campus Proposal</i> <i>Note: Enrollments for the individual campuses and distance learning were calculated by identifying students who took 75% of their courses at one campus or through distance learning during the 2014-2015 academic year.</i>		

Appropriateness of Moving Certain Programs

With regard to the appropriateness of moving certain of the programs to the Downtown Campus, two of the academic programs – Health Services Administration and Health Informatics and Information Management – would account for 35% of the undergraduate headcount enrollment in Year One. The Board of Governors may wish to question the proposed movement of the Healthcare Administration and the Health Informatics and Information Management programs to the Downtown Campus, since those programs align well with business programs at UCF's main campus or, alternately, with programs associated with the Medical City at Lake Nona.

The Board of Governors may also have concerns with regard to the proposed movement of other academic offerings. For example, the Bachelor of Arts in Digital Media has two tracks: Game Design and Web Design. Game Design fits well with other offerings at the Center for Emerging Media Downtown; however, this may be less so in the case of Web Design, which may be a better fit with computer science and information technology programs on the main campus. Furthermore, if only one of the tracks would be moved to the Downtown Campus, the enrollment split between the two majors would affect the enrollment projections at the downtown site.

Current Provision of Programs at Other Geographic Locations

The map in Appendix I shows UCF's educational sites and geographic coverage within five (5) to (15) miles of downtown Orlando. Certain of the programs proposed for movement to the Downtown Campus are also offered at some of these regional joint-use campuses. It may not be realistic to expect that students in these programs on the joint-use campuses will migrate to a Downtown Campus. An additional question is whether projected enrollments for downtown have been adjusted to account for any place-bound regional enrollments. In addition, it is unclear whether there is excess capacity that could be utilized at any of the regional joint-use sites.

Table Four below provides information as to the current locations of certain of the programs proposed for movement to the Downtown Campus. A point of particular relevance is that the Bachelor's in Health Services Administration is projected to account for 32% of the Year One undergraduate enrollment at the Downtown Campus.

Table Four: Proposed Programs and Current Locations	
Human Communication	Offered at 5 regional campuses and also one of three majors
Legal Studies	Offered at 5 regional campuses
BFA Character Animation	Currently offered at the Center for Emerging Media, but one of 3 majors
B Health Services Administration	Also offered online
B.A. Digital Media	Not clear if both majors are moving Downtown
Master's in Social Work	Offered as evening part-time courses and also offered online
Professional Science Master's in Healthcare Informatics	Entirely online and also a market tuition rate program

Source: Board staff review of UCF website.

Enrollments Associated with Distance Learning

Several of the programs targeted for the Downtown Campus currently include at least one major online component. Therefore, the Board of Governors should question whether enrollments of these programs will fully materialize on the Downtown Campus. Table Four below provides information with regard to certain of the programs proposed for movement to the Downtown Campus that have at least a major online component or are even offered entirely online.

It is important to note that the Bachelor's program in Health Services Administration, proposed for movement to the Downtown Campus, is offered 100% online, and that this program is projected to constitute 32% of the Year One face-to-face undergraduate enrollment on the Downtown Campus. The Master's of Social Work is currently offered

as a part-time evening program for working professionals and also available online. This program is projected to account for 303, or 34%, of the Year One headcount enrollment at the graduate level.

Table Five: UCF Programs and Comments as to Online Presence			
UCF Programs			Comments
9.0101	B	Human Communication	One major (Communication and Conflict) is offered 100% online. One major (Human Communication) is offered primarily online, with 80-99% of the courses offered online, but the major has a campus presence requirement.
51.0701	B	Health Services Administration	One major (Health Services Administration) is offered 100% online.
44.0701	M	Social Work	One major (Social Work) is offered 100% online.
51.0000	M	Health Sciences	One major (Health Sciences - Executive Health Services Administration) is offered 100% online.
51.0706	M	Healthcare Informatics	One major (Health Care Informatics) is offered 100% online.
<i>*Source: Board staff analysis. SUS Distance Learning Programs Data Request - September 2015.</i>			

Table Six below identifies programs proposed for relocation to the UCF Downtown Campus and their 2014-15 distance learning enrollments. It may not be realistic to assume that these distance learning enrollments will move to the Downtown Campus.

Table Six: Programs Proposed for Relocation to Downtown Campus And Their 2014-15 Distance Learning Enrollments	
Programs Proposed for Relocation to Downtown Campus	2014-15 Distance Learning Enrollments
B Human Communications	100
B Legal Studies	130
B Social Work	27
B Digital Media	25
B Emerging Media; Character Animation	17
B Health Services Administration	1,068

B Health Informatics and Information Management	41
M Communication	21
M Social Work	1
M Digital Media; Interactive Entertainment	63
M Health Care Informatics	0
Total Distance Learning Enrollments	1,571
<i>Source: State University Data System as of 10/27/2015</i> <i>Enrollments for the individual campuses and distance learning were calculated by identifying students who took 75% of their courses at one campus or through distance learning during the 2014-2015 academic year.</i>	

Internship Availability and Requirements

The relation between enrollment expectations and provision of internships is highly relevant. However, the Board of Governors should question the extent to which proximity to businesses and organizations in downtown Orlando will provide an appreciable internship benefit to the large majority of these students.

The proposal argues that a Downtown Campus will connect students with diverse businesses, government entities, and nonprofits. The proposal contains letters of support that reference internships, and the proposal indicates that approximately 100 downtown and nearby organizations have expressed interest in working with UCF students and faculty. While internships are referenced in the letters of support, quantification of internships is not provided. Historically, and in most disciplines, the opportunity for internships is made available a few at a time. It is, therefore, relevant to question the opportunity for internships associated with the Downtown Campus on anything like a major scale.

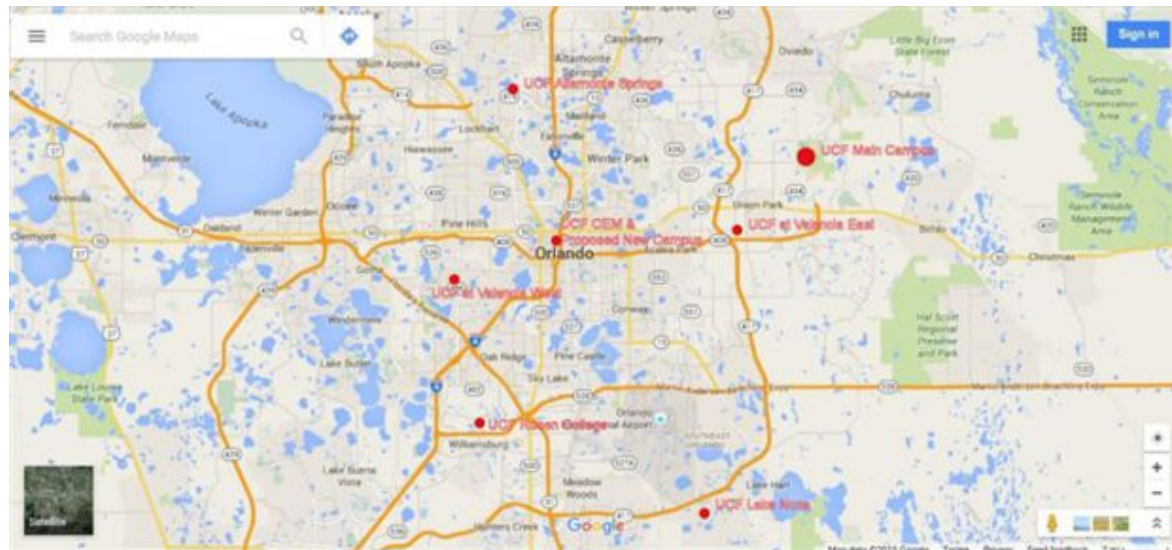
A field internship is a graduation requirement for four programs that would be located on the new campus, and students in these programs are routinely placed in internships throughout Florida. The Bachelor of Science in Health Administration and the Bachelor of Science in Health Informatics and Management program websites provide a list of possible internship sites scattered across Florida, which include sites in Miami, Tampa, St. Petersburg, Bradenton, Jacksonville, Winter Park, St. Augustine, Altamonte Springs, West Palm Beach, and Deland as well as in Orlando. As noted above, these programs are associated with a large portion of the expected Downtown Campus enrollment. Similarly, the Bachelor of Science in Social Work requires a field internship for graduation, and this program is projected to constitute 384 headcount students at the

Downtown Campus in Year One. The Master's of Social Work also requires a field clinical/internship. This program is projected to account for 303 headcount students in Year One.

Academic and Research Synergies

It has long been understood that interdisciplinary connections across academic disciplines create value-added synergies of teaching and research for both faculty and students. The UCF proposal argues that such synergies will be maintained even with the movement of certain programs to the Downtown Campus. History has demonstrated, however, that proximity is a key to collaboration; indeed, it has been the argument for the construction of several SUS facilities. Absence of proximity has been demonstrated to reduce interdisciplinary collaboration, and the Board of Governors should ask whether collaboration can be sustained over time.

Appendix I: UCF Geographic Coverage Near Downtown Orlando



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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
November 5, 2015**

SUBJECT: University Work Plans Summary: Key Issues and Challenges

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

In June 2015, the Strategic Planning Committee considered for approval the 2015 University Work Plans. In September 2015, the Committee received a Work Plan Summary from Board staff that noted in particular some of the achievements and progress being made by State University System institutions, such as becoming the number one system in the nation with regard to six-year graduation rates. However, some key issues and challenges may remain, in particular, the Board's goals for the production of graduate degrees. The Committee will consider challenges arising from data and trends noted in the summary of this year's University Work Plans and discuss implications for the Board's recently revised 2025 *Strategic Plan* goals.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Jan Ignash

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
November 5, 2015**

SUBJECT: TEAm Grant Initiative Update

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

In May of 2012, Governor Colson created the Commission on Florida Higher Education Access and Degree Attainment in order to focus on how Florida is addressing the statewide need for future degree attainment. The final report of the Commission was approved at the November 2013 meeting of the Board of Governors. In 2013, the Board of Governors was provided \$15 million in legislatively appropriated funds to make awards on a competitive basis to address the high demand program areas identified in the Commission's gap analysis. High demand programs in which around 1,000 or more annual openings that require at least a bachelor's degree are unfilled in Florida included computer information and technology and accounting and finance. In March of 2014, the Board of Governors approved four partnerships of universities and colleges to receive \$15 million in funding for the Targeted Educational Attainment Grant Program, also known as the TEAm Grant Initiative.

Board staff will provide a brief status report of the TEAm Grant Initiative's accomplishments as of July 2015, particularly with regard to increases in enrollments and degree completions over expected rates in the high demand program areas, employment and salary information, as well as grant expenditures to date.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Jan Ignash



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA
Board of Governors Meeting
Ballroom
Graham University Center
Florida International University
Modesto A. Maidique Campus
11200 S.W. 8th Street
Miami, Florida 33199
November 5, 2015
1:15 p.m. – 3:00 p.m.
or
Upon Adjournment of Previous Meetings

1. **Call to Order and Chair's Remarks** **Chair Mori Hosseini**
2. **Chancellor's Report** **Chancellor Marshall Criser III**
3. **Minutes of Board of Governors Meeting** **Chair Hosseini**
 - Minutes, September 3, 2015
4. **Public Comment** **Chair Hosseini**
5. **Florida Department of Economic Opportunity Report** **Mr. Jesse Panuccio**
Executive Director
Florida Department of Economic Opportunity
6. **Election of Board Officers, Chair and Vice Chair** **Chair Hosseini**

7. **Facilities Committee Report** **Governor H. Wayne Huizenga, Jr.**
 - Amendment to 2016-2017 State University System Fixed Capital Outlay Legislative Budget Request
 - UCF Conference Center Hotel Project
 - USF Grocery Store Project
 - USF Public Private Partnership Housing Project
8. **Innovation and Online Committee Report** **Governor Ned Lautenbach**
 - Strategic Plan for Online Education
9. **Budget and Finance Committee Report** **Governor Tom Kuntz**
 - Performance Based Funding Model
 - Market Tuition Proposals
10. **Select Committee on Florida Polytechnic University Report** **Governor Kuntz**
11. **Academic and Student Affairs Committee Report** **Governor Norman Tripp**
 - Academic Program Items:
 - Doctor of Nursing Practice, Nurse Anesthetist, CIP 51.3208, University of North Florida
 - Doctor of Social Work in Clinical Social Work, CIP 51.1503, Florida Atlantic University
 - Board of Governors Regulations
 - Public Notice of Intent to Amend Board of Governors Regulation 6.002 Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen
 - Public Notice of Intent to Amend Board of Governors Regulation 6.004 Admission of Undergraduate, Degree-Seeking Transfer Students
 - Public Notice of Intent to Amend Board of Governors Regulation 6.008 Postsecondary College-level Preparatory Testing, Placement, and Instruction for State Universities
12. **Strategic Planning Committee Report** **Governor Dean Colson**
 - University of Central Florida Downtown Campus
13. **Concluding Remarks and Adjournment** **Chair Hosseini**

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**

November 5, 2015

SUBJECT: Chair'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

The Chair, Mori Hosseini, will convene the meeting with opening remarks.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Mori Hosseini

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

November 5, 2015

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 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**

November 5, 2015

SUBJECT: Minutes of Board of Governors Meeting held September 3, 2015

PROPOSED BOARD ACTION

Approval of minutes of the Board of Governors meeting held on September 3, 2015 at the University of Florida.

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 meetings held on September 3, 2015 at the University of Florida.

Supporting Documentation Included: Minutes: September 3, 2015

Facilitators/Presenters: Chair Mori Hosseini

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BOARD OF GOVERNORS
PRESIDENT'S ROOM B
EMERSON ALUMNI CENTER
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
SEPTEMBER 3, 2015

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

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SEPTEMBER 3, 2015

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MINUTES: FLORIDA BOARD OF GOVERNORS

SEPTEMBER 3, 2015

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
PRESIDENT'S ROOM B
EMERSON ALUMNI CENTER
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
SEPTEMBER 3, 2015

1. Call to Order and Chair's Remarks

The Chair, Mori Hosseini, convened the meeting at 10:18 a.m., on September 3, 2015, with the following members present and answering roll call: Vice Chair Tom Kuntz; Matthew Carter; Tonnette Graham; H. Wayne Huizenga, Jr.; Alan Levine; Wendy Link; Ed Morton; Katherine Robinson; Pam Stewart; and Norman Tripp. Daniel Doyle, Jr. and Patricia Frost participated in the meeting by phone and Ned Lautenbach joined the meeting at 10:20 a.m.

Chair Hosseini thanked Chair Steve Scott and President Kent Fuchs for hosting the Board meeting and congratulated them for what they do on behalf of the State University System, and their spirit of collaboration with the Board on System issues. President Fuchs welcomed members and introduced members of the University of Florida Board of Trustees in attendance at the meeting.

President Fuchs presented information on the university's Career Resource Center (CRC), which serves as a hub to connect students with employers. The CRC hosts a bi-annual career showcase that typically connects 8500 students with over 350 companies. The CRC works with students as early as orientation to help them explore majors, develop interview skills, and advise on job shadowing and internship opportunities. The CRC established one of the first national employer outreach initiatives to expand internships and full-time job opportunities for students. In the future, CRC staff will be imbedded in each college at the university to connect more employers with students and enhance student career opportunities.

Dr. Scott echoed Chair Hosseini's sentiments regarding Dr. Fuchs' hard work and dedication to the State University System. Dr. Scott said they are here to help elevate the System because in order for the state to provide the education students need to be successful in their careers, all Florida universities need to be engaged. He offered for the university to share its successes with the other schools and thanked the Board for its support.

MINUTES: FLORIDA BOARD OF GOVERNORS

SEPTEMBER 3, 2015

Chair Hosseini introduced his daughter, Nina Hosseini. Nina will graduate from UF in three years and then attend graduate school. Chair Hosseini explained he and his wife strongly believe in the public postsecondary system, which is why they are such ardent supporters.

Chair Hosseini next stated the Board was going to receive reports from Chancellor Criser and Board staff on important initiatives he had asked them to undertake during his term of Chair of the Board.

2. Chancellor's Report

Chancellor Criser provided a brief overview of the initiatives and turned the presentation over to Board staff. Dr. Jan Ignash presented an annual overview of the State University System based on data from the university work plans approved by the Board in June. She reported graduation and retention rates are increasing and degrees awarded in programs of Strategic Emphasis are growing, even as enrollment and degree growth overall are slowing. While historically slow-moving, there has been tremendous progress in the six-year graduation rate for FTICs. Florida is now ranked first among the ten largest states in the six-year FTIC graduation rate and is projected to exceed the goal in the 2025 Strategic Plan. The academic progress rate has also improved and is on target to reach the 2025 Strategic Plan goal of 90%. Degree production, both at the baccalaureate and graduate levels, has slowed except in programs of strategic emphasis and those in STEM and health, which are growing. Florida, however, ranks fifth in the top 10 states for research and development expenditures and will need to improve in order to meet the 2025 Strategic Plan goal.

Dr. Jon Rogers provided an overview of System initiatives directed toward enhancing campus safety and security. The University of Central Florida has held two Campus Safety and Security Conferences since 2013 that were widely attended by university personnel responsible for campus safety and student affairs. Experts in the field of campus security shared best practices for enhancing the safety of a university campus and break-out sessions provided an opportunity for university representatives to share valuable information. In addition, a Title IX workshop was held at the Board office in 2014 for Title IX coordinators, student affairs professionals, and university attorneys to discuss Title IX issues and to revise the Board's student code of conduct regulation to update the process for disciplinary proceedings arising out of allegations of sexual misconduct. Last March, the Academic and Student Affairs Committee received testimony from university police chiefs and counseling center directors on staffing needs to address the increasing demand for services. Dr. Rogers concluded by reminding members that the Council of Student Affairs is the frontline resource for best practices related to at risk students, threat assessment, anti-hazing, and alcohol use and

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abuse on campus and assured members of continued system-wide engagement around these issues.

Karen Armstrong gave a report on the shared purchasing initiatives. Three universities are now using the spend tool procured by Florida State University and she expects all universities to be using the tool by next summer. The universities have purchased goods or services collectively through twelve contracts, which resulted in a \$4 million savings this past quarter, with a projected savings of \$14 million for the fiscal year. Upcoming procurements include a new contract for computer hardware that FSU will be working on with a national consortium to leverage the purchase not only system-wide but with approximately 3700 other higher education institutions nationwide. Chair Hosseini thanked President Thrasher for the university's assistance in working with Karen on these initiatives.

Dr. Ignash and Dr. Diane Chase, Vice Provost of the University of Central Florida, addressed the Program Alignment initiative conducted by the Council of Academic Vice Presidents Academic Coordination Project Work Group. The Work Group, which includes academic leaders from each university, meets four times a year and considers all new program approval requests and reviews all existing programs at every level on a three-year cycle to assess productivity.

The latest productivity review was conducted this year. The Work Group analyzed 1,796 programs by level and 6-digit CIP code to determine program alignment with institutional, Board of Governors, and state priorities and whether there is documented need and adequate resources for delivery of the program. Thresholds were set for the number of degrees produced within five years and 200 programs were identified as being below the thresholds in 2015. Data was presented comparing the 2015 review with the productivity review conducted in 2011. Of the 200 programs below the thresholds, 91 were retained, 7 were terminated, 60 were suspended, 21 were merged or consolidated, and 21 required additional follow-up with the universities. Any program that made the list for two review periods received extra scrutiny.

Dr. Chase commented on how well the review process works, both through increased collaboration among universities and the heightened program scrutiny exercised by the individual boards of trustees. She also emphasized that the process of terminating a program or changing program curricula takes time because they have to ensure there is no adverse impact to students enrolled in the programs.

Brittany Davis and Nicole Yucht, Interim Assistant Vice President for Marketing and Communications, University of Florida, addressed Chair Hosseini's challenge to develop a collective marketing strategy for showcasing the talent and strengths of the State University System to the business community. The unified marketing campaign developed in conjunction with university communications and marketing

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representatives is called “Think Florida – A Higher Degree for Business.” The goals of the campaign are to enhance statewide and national recognition of the state universities, build synergies with Florida businesses, and attract new businesses to Florida. The team is working with Enterprise Florida, the Department of Economic Opportunity, and the Florida Chamber on how to actively promote the State University System as a state asset. The campaign will be rolled out in a phased approach starting with a new website that will serve as a portal for businesses to locate information about the universities, their research, talent, and economic impact. The website goes live in October and a social media campaign will be launched in November. In addition, the Chancellor will be promoting the campaign in events around the state.

Chancellor Criser concluded his report by thanking staff for their commitment to elevating the System to the top of the pack, and for the continued effort and dedication it will take to maintain that position.

3. Approval of Meeting Minutes

A. Board of Governors Meeting held June 18, 2015

Mr. Levine moved the Board approve the Minutes of the meeting held on June 18, 2015, as presented. Mr. Kuntz seconded the motion, and the members concurred unanimously.

4. Public Comment

Chair Hosseini 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 were received.

5. Adult Literacy \$7 Million Global Competition

Chair Hosseini welcomed Liza McFadden, the President and CEO of the Barbara Bush Foundation for Family Literacy, who presented information on a global competition being sponsored by the Barbara Bush Foundation, the Dollar General Literacy Foundation, and XPrize to address adult literacy in the United States. Ms. McFadden explained adult literacy is declining in the United States and in an effort to address this growing concern, \$7 million in prize money will be awarded to the teams that can develop a software application which can teach adults to read, and to the city which can best implement the application among its residents. Teams have until December 10, 2015, to register and then one year to develop the software. Ms. McFadden brought this

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informational item to the Board to encourage universities, working with their business partners, to participate in the competition. Chair Hosseini thanked her for sharing this exciting opportunity.

6. Confirmation of Reappointment of the President for University of West Florida

Chair Hosseini stated the Board of Trustees of the University of West Florida unanimously extended President Bense's contract through December 31, 2016. The Chair of the UWF Board, Mr. Lewis Bear, could not appear today but had submitted a request for the Board to confirm President Bense's reappointment, together with a summary of President Bense's accomplishments and the key contract terms. Chair Hosseini thanked President Bense for her support of performance funding and for initiating changes at the university to improve on the performance funding metrics.

Mr. Levine moved that the Board confirm the reappointment of Dr. Bense as President of UWF. Mr. Tripp seconded the motion, and the members concurred unanimously. President Bense thanked the Chair and the Board for their support.

7. Health Initiatives Committee Report

Chair Hosseini called on Mr. Morton for the Health Initiatives Committee report. Mr. Morton stated the Committee received a presentation from Amy Beaven on the key findings of this year's environmental scan. The final report includes information from national and state trends in health care delivery as well as the results of a survey on the State University System's provision of care and changes in health care training.

Mr. Morton reported the Committee's data analyses in the areas of workforce gaps, health-related research, and health care delivery are documented in three reports:

Report #1: Workforce Gaps in Health Care

Among the 21 health care occupations that were studied as part of the workforce gap analysis, there is a definite shortage of physicians and nurses. Conversely, physical therapists, occupational therapists, pharmacists and veterinarians are currently right-sized because of the number of new licensees moving to Florida, although these occupations should be monitored to determine whether in-migration levels decline in the future. Dentists, marriage and family counselors, rehabilitation counselors, and art and music therapists are also right-sized because of new programs starting up or due to supply from other sources.

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Report #2: Health Care Research

For health-related research, he explained the Committee identified needs for additional faculty, facilities, and funding to adequately address over 25 areas of health research, including neuroscience, disease prevention/healthy lifestyles, health disparities among minorities, geriatrics, obesity, early and middle childhood health, mental and behavioral health, autism, genomic and personalized medicine. While the universities collaborate around research, some additional infrastructure investments would encourage greater collaboration and stimulate competition for additional funding.

Report #3: Health Care Delivery

In 2013-2014, the State University System provided almost 3 million patient visits and that number will continue to grow. The universities have developed innovative pipeline and training programs and health care services to meet the needs of the underserved. The following eight trends in health care delivery were identified as part of the environmental scan:

- (1) an increase in collaborative models of practice that require a patient-centered, team-based approach;
- (2) a change in training settings from traditional hospital-based to community-based settings;
- (3) greater employment of physicians in practices owned or managed by hospitals or other corporate organizations;
- (4) greater emphasis on value-based care and less on the fee-for-service outcome based reimbursement;
- (5) an expanded role for Advanced Registered Nurse Practitioners, physicians' assistants, and health care delivery personnel other than physicians;
- (6) an expanded role for technology in the delivery of health care;
- (7) the increasing acknowledgement of the importance of dental care as a key contributor to the overall health of the community; and
- (8) the emergence of personalized medicine and pharmacogenomics.

In addition, payment reform is an underlying theme for each of these health care delivery trends. These key take-aways from the environmental scan will be used to guide the development of the State University System's Strategic Plan for Health. Lastly, Mr. Morton noted that while we are currently right-sized on dental care, if Medicare covered dental care as it currently covers other aspects of health care, the demand for dental care will quintuple. Therefore, it is imperative to remain watchful for future developments in the third-party reimbursement framework.

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8. Innovation and Online Committee Report

Chair Hosseini called on Mr. Lautenbach for the Innovation and Online Committee report. Mr. Lautenbach stated the Committee received a status report from staff on its top five priorities and progress is being made on each priority. A workshop will be held at the November meeting to discuss the draft plan prepared by the Task Force for Strategic Planning for Online Education. Mr. Lautenbach anticipates a good discussion on the future of online education over the next ten years and invited members to participate.

The Committee also heard from UF Online. The 2014-2015 annual report was compared to the comprehensive business plan the Board approved two years ago. UF Online is basically on track with its objectives and its plan to increase the number of out-of-state students enrolling. The Committee also recommended to the Budget Committee that legislative budget requests be approved for an Integrated Library System and for electronic resources for libraries.

9. Strategic Planning Committee Report

Chair Hosseini called on Mr. Morton for the Strategic Planning Committee report.

A. Approval, University Work Plan Follow-up: FAMU Work Plan; FAMU Plan to Improve Graduation Rates and Employability of Graduates

Mr. Morton stated the Committee reviewed a revised 2015 Work Plan for Florida Agricultural and Mechanical University. Mr. Morton reminded members that, at the June meeting, concerns were expressed that the Work Plan demonstrated incremental rather than transformational change and the university was directed to return in September with a revised Work Plan. Mr. Morton commented the revised Work Plan was very transformational and thanked President Mangum and Mr. Montgomery, the FAMU Board Chair, for their efforts. Mr. Morton then moved for approval of the 2015-2016 portion of the 2015 FAMU Work Plan, excluding those sections of the Work Plan that require any additional regulatory or procedural review or approval pursuant to law or Board Regulations, and acceptance of the out-year portion of the Work Plan, which was seconded by Mr. Tripp.

Ms. Link asked whether the commitment to the Work Plan is contingent upon FAMU receiving a \$15 million appropriation. President Mangum responded the Work Plan does require additional resources and they are committed to achieving the objectives in the Work Plan. Ms. Link said she could not support the plan since the other universities were not provided with additional resources to achieve the objectives of their work plans. Mr. Hosseini agreed and asked Mr. Montgomery if the Work Plan is contingent

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upon receiving additional funding, noting that no other university had received additional funding to meet the performance funding metrics. Mr. Montgomery said the FAMU Board of Trustees approved the Work Plan with the understanding university administration had engaged individual members of the Board of Governors, and it was on this basis that the FAMU Board approved the plan, with the expectation of obtaining approval from this Board. Ms. Link expressed concern about voting to approve the Work Plan if it is contingent upon FAMU receiving an additional appropriation.

Mr. Levine said he had met with Provost David and was enthusiastic about the revised Work Plan, but was not aware that a \$15 million legislative budget request was tied to the plan. He applauded President Mangum on the Pennsylvania study she referenced yesterday, which focused on cost per degree and college readiness. Applying that to FAMU, he noted the average loan amount for a FAMU student was \$6200 as compared to \$3700 for the System, and that 86% of FAMU baccalaureate degree graduates leave with debt. He is concerned that students are entering FAMU who are not college ready and then leave with debt, noting that the loan default rate for those students is triple the System average. Mr. Levine implored FAMU to work with the Board so FAMU and its students can achieve the enormous potential that exists, and for the university to provide the resources students need rather than spending those funds on remediation which can be provided by the Florida College System.

Mr. Kuntz commented that he could not vote for the revised Work Plan if it was contingent upon receipt of additional funding, but he also can't accept going back to the goals set in the initial Work Plan presented in June. Ms. Frost likewise was not aware the revised Work Plan was contingent upon receipt of additional resources, but stated President Mangum had indicated to her additional resources were needed if FAMU was to achieve the goals in the revised Work Plan.

Chair Hosseini called on President Mangum for a response. President Mangum said they did not develop the revised Work Plan contingent on receipt of additional resources, but that they did recognize the opportunity to ask for additional funding through the legislative budget request process. She also expected the performance funding model to yield additional resources if they make progress on their scores. The president reiterated that FAMU was charged to remediate students and provide an opportunity for low income students. For clarification, Chair Hosseini asked whether the approval of the revised Work Plan was not subject to receipt of additional funding. President Mangum responded in the affirmative. Mr. Montgomery replied the FAMU Board was presented with a legislative budget request that laid out additional funds to achieve the goals, but indicated he will ask the university administration to provide internal funding so the goals will be met.

Chair Hosseini stated that the Board will hold the FAMU Board accountable and he appointed Mr. Levine to work with President Mangum and the FAMU Board to make

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sure FAMU stays on course with the goals in the revised Work Plan. Mr. Levine indicated he was enthusiastic about working with FAMU, but suggested they reconsider their mission as they go through the strategic planning process to determine if the same thing applies today given the changes that have occurred in higher education. Both President Mangum and Mr. Montgomery reiterated that the revised Work Plan is not subject to any additional funding. Ms. Link inquired whether procedurally there was an issue with Board approval if the vote by the FAMU Board was different. Mr. Montgomery clarified that the FAMU Board's approval of the Work Plan was not subject to the availability of additional funds.

The pending motion was then put to a vote and the members unanimously approved the revised Work Plan subject to the limitations stated in Mr. Morton's motion.

Mr. Morton next reported on the Committee's consideration of FAMU's plan to improve graduation rates and employability of graduates. Specific Appropriation 138 in the General Appropriations Act provided \$1,000,000 to FAMU to implement such a plan, subject to the approval of the Board of Governors. After questions by Committee members regarding the intended use of the funds, the Committee approved the plan for consideration by the full Board. Mr. Morton moved approval of the plan and the allocation of \$1,000,000 from Specific Appropriation 138 to the university. Mr. Tripp seconded the motion, and the members concurred unanimously.

Finally, Mr. Morton reported the Committee continued the discussion on State University System affordability and Chancellor Criser proposed some potential actions that could be taken to address affordability gaps. The policy options will be shared with the universities for feedback, with the expectation to present a proposal for action at the next meeting.

10. Academic and Student Affairs Committee Report

Chair Hosseini recognized Mr. Tripp to report on the Academic and Student Affairs Committee.

A. Approval, University of South Florida Morsani College of Medicine Type I Campus

Mr. Tripp moved that the Board approve establishment of a Type I Campus for the University of South Florida Morsani College of Medicine in Tampa, Florida. Dr. Carter seconded the motion, and the members concurred unanimously.

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- B. Approval, Amended Board of Governors Regulation 6.015 Student Conduct Code and Discipline

Mr. Tripp moved approval of amended Board of Governors Regulation 6.015, Student Conduct Code and Discipline. Mr. Kuntz seconded the motion, and the members concurred unanimously.

- C. Approval, Amended Board of Governors Regulation 7.005 Residency for Tuition Purposes; and Rule 72-1001 Residency for Tuition Purposes

Mr. Tripp moved approval of amended Board of Governors Regulation 7.005, Residency for Tuition Purposes, Rule 72-1.001 Residency for Tuition Purposes, and the revised Residency Declaration. Mr. Kuntz seconded the motion, and the members concurred unanimously.

11. Facilities Committee Report

Chair Hosseini called on Mr. Huizenga for the Facilities Committee report. Mr. Huizenga said the Committee considered several items that require Board approval.

- A. Approval, Public Private Partnership Guidelines

Mr. Huizenga moved that the Board adopt the Public Private Partnership Guidelines, as approved by the Facilities Committee. Dr. Robinson seconded the motion. Chair Hosseini recognized Mr. Ben Watkins, the Director of the Florida Division of Bond Finance, and thanked him for working with the Board on the guidelines. Chair Hosseini noted the importance of having guidelines for these projects, but clarified that should a project fall outside of the guidelines, the project should still be brought to the Board for consideration in light of the Board's collective experience in this area. Chair Hosseini called for a vote and the motion was approved unanimously.

- B. Approval, 2015-2016 CITF Project Allocations

Mr. Huizenga moved approval of the 2015-2016 University CITF Project Allocations in the amount of \$32,091,155. Dr. Carter seconded the motion and the members concurred unanimously.

- C. Approval, 2016-2017 SUS Fixed Capital Outlay Legislative Budget Request

Mr. Huizenga moved approval of the 2016-2017 SUS Fixed Capital Outlay Legislative Budget Request, explaining this is the initial budget and that a final budget will be adopted in November following a workshop on September 22 to review all projects and

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the results of the next PECO revenue estimating conference. Dr. Carter seconded the motion, and the members concurred unanimously.

12. Budget and Finance Committee Report

Chair Hosseini recognized Mr. Kuntz for the Budget and Finance Committee report. Mr. Kuntz reported the committee had several items requiring Board approval.

A. Approval, Amended Board of Governors Regulation 7.008 Waiver and Exemptions of Tuition and Fees

Mr. Kuntz moved approval of amended Regulation 7.008 Waiver and Exemptions of Tuition and Fees. Mr. Tripp seconded the motion, and the members concurred unanimously.

B. Approval, 2015-2016 State University System Operating Budget

Mr. Kuntz moved approval of the 2015-2016 University operating budget as presented. Mr. Tripp seconded the motion, and the members concurred unanimously.

C. Approval, 2015-2016 Board General Office Budget

Mr. Kuntz moved approval of the 2015-2016 operating budget for the Board office and to authorize the Chancellor to make budgetary changes as necessary to operate the office. Mr. Tripp seconded the motion, and the members concurred unanimously.

D. Approval, 2016-2017 State University System Legislative Budget Request

Mr. Kuntz moved approval of the 2016-2017 legislative budget request for the State University System, and to authorize the Chancellor to make technical changes as necessary. Mr. Tripp seconded the motion, and the members concurred unanimously.

E. Approval, 2016-2017 Board General Office Legislative Budget Request

Mr. Kuntz moved approval of the 2016-2017 legislative budget request for the Board office, and to authorize the Chancellor to make technical changes as necessary. Mr. Tripp seconded the motion, and the members concurred unanimously.

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13. Nomination and Governance Committee Report

Chair Hosseini moved that Nicole Washington be appointed to the Florida A&M University Board of Trustees subject to Senate confirmation and Ms. Washington attending an orientation session. Mr. Kuntz seconded the motion, and the members concurred unanimously.

14. Concluding Remarks and Adjournment

Chair Hosseini reported the Facilities Committee and the Budget and Finance Committee will hold workshops on September 22nd at the Hyatt Regency Orlando International Airport. The Trustee Summit will be held on November 4th and 5th at FIU in conjunction with the regular Board meeting. The theme for this year's Summit is *Excellence Through Innovation*.

Having no further business, the meeting was adjourned at 12:16 p.m. on September 3, 2015.

Mori Hosseini, Chair

Vikki Shirley,
Corporate Secretary

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

November 5, 2015

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 Mori Hosseini

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

November 5, 2015

SUBJECT: Florida Department of Economic Opportunity Report

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Mr. Jesse Panuccio, the Executive Director of the Florida Department of Economic Opportunity, will report on the State of Florida's economic growth, including indicators of job growth and a decline in unemployment, and the importance of workplace training and education.

Supporting Documentation Included: None

Facilitators/Presenters: Mr. Jesse Panuccio

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

November 5, 2015

SUBJECT: Election of Board Officers, Chair and Vice Chair

PROPOSED BOARD ACTION

Election of Chair and Vice Chair, for a two-year term beginning January 1, 2016, and ending December 31, 2017

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Article IV, Section B, Board of Governors Operating Procedures

BACKGROUND INFORMATION

In accordance with Article IV, Section B, of the Board of Governors Operating Procedures, the Chair and Vice Chair shall be elected by a majority vote of the Board at a meeting held during the month of November of each odd-numbered year. Each officer shall be elected to serve a two-year term of office beginning on the first day of January following the November election. The Chair and Vice Chair will be elected for a term beginning January 1, 2016, and ending December 31, 2017.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Mori Hosseini

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

November 5, 2015

SUBJECT: Amended 2016-2017 State University System Fixed Capital Outlay
Legislative Budget Request

PROPOSED BOARD ACTION

Review and approve the amended 2016-2017 SUS Fixed Capital Outlay Legislative Budget Request.

Authorize the Chancellor, State University System of Florida, to make technical revisions to the 2016-2017 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 university boards of trustees.

This is an amended budget request for 2016-2017. The original request was approved on September 3, 2015, at UF. A workshop was held on September 22, 2015, in Orlando, FL. At the workshop, the Committee reviewed additional high priority projects with detailed project presentations by university representatives.

Fixed Capital Outlay Appropriation Items

- A. \$35 M Request for Capital Improvement Trust Fund Allocation, approved on September 3, 2015. The Board approved a lump sum amount, the Committee is now being asked to consider approval of the pro-rata allocation of these funds, based on current CITF revenue projections, with a base assumption of no future fee increases. (Attachment A – CITF –To Be Provided)
- B. The 2016-2017 SUS Three-Year Fixed Capital Outlay Request provides funding to address A)Renovation/Repair/Remodeling needs of each university, as

determined by statutory formula; and B) high priority SUS projects, as approved by the Board on September 3, 2015. (Attachment B- PECO). Two components require further consideration:

- a. The formula allocation of the \$61,804,699 currently approved for PECO Renovation/Remodeling/Repair (Attachment BA- Maintenance)
- b. Other SUS Projects from Workshop. (Attachment BB-To Be Provided)
- C. Request for Legislative Authorization for State University System Fixed Capital Outlay projects requiring Debt Financing, provides legal authority for Board consideration of specific projects not otherwise authorized by s. 1010.62 F.S. (Attachment C - Bond Authority)
- D. Request for Legislative Authorization for State University System Fixed Capital Outlay projects requiring General Revenue funds to Operate and Maintain, provides legal authority for future operating budget requests for plant operations and maintenance (Attachment D - PO&M)
- E. Special Request to Transfer Property Related to USF Sarasota Manatee Campus (Attachment E)

Supporting Documentation Included:

Information located in the Finance Committee materials

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS

November 5, 2015

SUBJECT: A Resolution of the Board of Governors Approving the University of Central Florida to enter into a ground sublease with a vendor for the construction, financing, operation and maintenance of a hotel and convention center on UCF's main campus.

PROPOSED BOARD ACTION

Adoption of a resolution approving the University of Central Florida ("UCF" or "University") entering into a ground lease for the construction, financing, operation and maintenance of the Project with KUD International, LLC, or its affiliate ("Owner"). If approved, UCF will enter into a 52-year ground sublease (including the construction period) that the Owner has the option to extend for an additional 10 years.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, have reviewed this resolution and all supporting documentation for compliance with Florida law and the Board of Governors P3 Guidelines. *The proposed Project appears to be in compliance with applicable Florida law but does not comply with the P3 Guidelines in all respects.* Staff note that effective lease term of 62 years is 22 years in excess of the 40-year limit in the Board's P3 Guidelines. Additionally, the anticipated financing structure comprised of interest only payments during the construction period, potential 35-year repayment period once the initial loan is refinanced into permanent debt, and ascending debt service payments does not comport with the BOG's Debt Guidelines or P3 Guidelines. *However, the debt structure and lease length are less important from a debt management perspective because the development and operation of the Project is not a University facility, does not impact traditional University auxiliary enterprises or operations, and does not affect the cost to students. As such, the proposed transaction is more like commercializing an undeveloped parcel of land to generate revenue for student scholarships than a financing mechanism for University facilities.*

AUTHORITY FOR BOARD OF GOVERNORS ACTION

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

BACKGROUND INFORMATION

The University of Central Florida Board of Trustees has reviewed a proposal and adopted a resolution authorizing the President to execute a 52-year ground lease

(including the construction period and an Owner's option for a 10 year extension) for the construction and operation of a boutique hotel (the "Project") utilizing a public-private partnership arrangement. The Project will consist of a 135 guest room four star hotel and will include such amenities as a swimming pool and fitness center, a 2,500 sq. foot restaurant, a snack bar, a 500 sq. ft. faculty lounge, a 200 sq. ft. lobby bar, a 5,000 sq. ft. ballroom, and 2,000 sq. ft. of other meeting room space.

The University is interested in a full-service hotel similar to what exists at the University of South Florida (Embassy Suites) and the University of Florida (University Hilton) primarily to assist with faculty and student recruitment. *Although the P3 model makes sense from a business standpoint, it is difficult to discern how the Project supports the core mission of the University of educating and matriculating students in the most cost effective and timely manner.*

UCF cited several reasons for choosing the P3 model including the lack of interest and experience in owning and operating a hotel. Additionally, hotel operations do not infringe on traditional University or auxiliary operations such as housing or parking. As a result, there is no loss of control over traditional auxiliary enterprises or foregoing of revenues that would be generated by existing auxiliary operations. The resulting benefits to the University by using the P3 model include transferring construction, operational and demand risk to a private operator. *Additionally, the P3 is not being used to finance University facilities, the University is not obligated to financially support the Project or debt service associated with the Project, and anticipates receiving rent in return for leasing the parcel of land to the Owner.*

The Project cost of \$35,166,447 million will be financed by the Owner, who is proposing the use of equity in the amount of \$12,307,906 (35%) and a construction loan in an amount not greater than \$22,857,541 million (65%) of all of the cost of design, development and construction of the Project. The equity portion will be split between Owner (15%) and the Owner's investment partner (85%). The Owner will grant a leasehold mortgage to the lender to secure the loan. The specific financing model adopted will be dictated by market conditions and may vary in the future.

The Owner will pay UCF a base rent of \$140,000 annually beginning in 2018 (first year of operations), which will escalate by 2% annually. Once the Project operations are stabilized in 2023, the Owner is expected to pay UCF the difference between \$140,000 and \$200,000 as if \$200,000 were the starting base rent in 2018. Additionally, beginning in year 8 of operations, UCF will receive variable rent payments equal to 3% of gross operating revenues generated from the Project exceeding \$11 million annually. Over the life of the 52-year lease, *UCF projects it will receive combined base rent and variable rent totaling approximately \$24 million.* UCF plans to use all rental payments received from the Owner for scholarships. Base rent payments are required to be paid by the Owner prior to payment of debt service or equity. Assuming current urban area

CPI levels, the value of the 10 year sublease extension to UCF through additional base rent and variable rent payments is projected to be \$11.3 million. Actual CPI could positively or negatively impact projected base rent and variable rent payments.

UCF commissioned an appraisal of the land parcel indicating the value is approximately \$2.3 million. When considering the projected base rent and variable rent payments due to UCF under the ground lease, *it is estimated that UCF's internal rate of return ("IRR") for the Project is 9.0%* when considering a 52-year lease and nearly 9.2% based on the 10 year optional lease extension. *The Project pro-forma projects the Owner will receive \$35.5 million in revenues* if ownership is retained for the lease term. The *Owner's investor is projected to receive \$199.3 million* if ownership is retained for 50 years resulting in an *IRR to the Owner of 14.9%*. However, as stated previously, the Owner and any investors have the potential to make greater returns, or suffer losses depending upon the operating performance of the hotel.

Taken as a whole, approval of the Project is recommended by Board staff.

Supporting Documentation Included:

Information located in the Finance Committee materials

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS

November 5, 2015

SUBJECT: A Resolution of the Board of Governors Approving the University of South Florida to enter into a ground sublease with a vendor for the construction, financing, operation and maintenance of a new grocery store on the main campus.

PROPOSED BOARD ACTION

Adoption of a resolution approving of the University of South Florida ("USF" or "University") entering into a *ground lease for the construction, financing, operation and maintenance of the Project with Publix Super Markets, Inc.*, or its affiliate (the "Owner"). If approved, USF will enter into a 20-year ground sublease for the Owner's use of the land on which the grocery store will be constructed.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, have reviewed this resolution and all supporting documentation for compliance with Florida law and the Board of Governors P3 Guidelines. *The proposed Project appears to be in compliance with applicable Florida law and the BOG P3 Guidelines except the term of the ground lease is potentially longer than 40 years.* Staff noted the lease term of 21 years (including construction) is in conformity with the Board's Guidelines. However, the Owner has an option for six additional five year renewals that would extend the lease beyond the term permitted by the Guidelines by 11 years. However, the Project may not be financially feasible for the Owner except via an extended ground sublease that allows the Owner to recoup its cash investment. Additionally, *the limit on the term of leases contained in the P3 Guidelines is less important for this Project because it is not financing a university facility and does not involve any university auxiliary enterprises or operations.*

AUTHORITY FOR BOARD OF GOVERNORS ACTION

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

BACKGROUND INFORMATION

The University of South Florida Board of Trustees has reviewed a proposal and adopted a resolution authorizing the President to execute a ground lease for the construction and operation of a grocery store (the "Project") utilizing a public-private partnership arrangement. The Project will be approximately 29,000 gross square feet store, with 145

parking spaces. *The Project cost of \$12 million will be funded by the Owner using its cash and not project debt. The Owner will pay USF a base rent starting at \$130,000 annually, which will escalate by 10% every 5 years.*

The University of South Florida Board of Trustees, approved the Project and authorized the President to take all necessary actions and steps required to execute all documents in connection with the Project, including a ground lease at its meeting on October 13, 2015. The primary justification for the proposed Project and P3 structure is to *provide students, faculty and university employees access to a grocery store on campus and be compensated for the commercial use of land not needed by the university with little risk and no debt attributed to the University.*

The University has requested approval from the Board of Governors prior to execution of the Ground Sublease for the Project as authorized by the University Board of Trustees. *USF is not obligated to make any payments or provide any financial assistance for the Project.*

The Project will allow USF to provide students, faculty and university employees access to a grocery store on campus with no direct financial risk to the university. According to outside counsel hired by USF, the ground sublease provides strong protection for the university in the event of a default by the Owner. In addition, the Project will provide income to USF during the lease term, and employment opportunities for USF students. Lastly, the Project was legislatively approved in the 2015 special session.

Taken as a whole, approval of the Project is recommended by Board staff.

Supporting Documentation Included:

Information located in the Finance Committee materials

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS

November 5, 2015

SUBJECT: A Resolution of the Board of Governors Approving the University of South Florida entering into a Ground Sub-Lease and a Management Agreement with HSRE-Capstone Tampa, LLC for the demolition of existing student housing and adjacent buildings and the construction, financing, and maintenance of a new student village complex comprised of housing, parking and dining facilities, a fitness center and pool, and retail space (the "Project").

PROPOSED BOARD ACTION

Adoption of a resolution approving the *University of South Florida ("USF" or "University") entering into a 51-year Ground Sub-Lease with HSRE-Capstone Tampa, LLC (the "Owner") to construct, finance, and maintain the Project.* If approved, *the Owner will engage USF for the operation and custodial maintenance of the housing facility under a 51-year Management Agreement* that overlaps the term of the ground lease.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, has reviewed this resolution and all supporting documentation for compliance with Florida law and both the Board of Governor's Debt Management Guidelines, as well as the P3 Guidelines. USF is seeking permission from the Board of Governors to use the authority provided in s. 1013.171, which authorizes university boards of trustees to enter into lease agreements with private entities for the purpose of constructing a facility and enter into the necessary lease and lease arrangements for the proposed Project.

The proposed Project appears to be in compliance with applicable Florida law but as proposed, is not in compliance with the P3 Guidelines in several respects. However, the BOG should consider the following information in determining whether to approve the Project as proposed:

- *The term of the Ground Sub-Lease is 51 years, 11 years longer than the 40-year term recommended in the P3 Guidelines.* USF's justification for the longer term is the Owner's ability to set initial rates lower than under a 30 or 40-year agreement.
- The Project is financed with debt and equity. *The 35-year repayment term of the equity and deferral of cumulative preferred equity distributions to year 11 of the agreement effectively violates the principles contained within the BOG Debt*

Guidelines and the P3 Guidelines as to deferring payments. *Deferring payments* extends the duration and increases the interest cost of the obligations.

- *Taxable debt, the longer repayment period, and 7.0% interest rate on the cumulative preferred equity increases the total interest costs of the financing over traditional tax-exempt debt by an estimated \$55 million.*
- *The Project pro-forma shows the Owner receiving cash distributions of \$410 million while USF is projected to receive \$273 million, of which \$140 million (51%) is expected to be received in years 41 through 51 of the agreement.*
- *USF's purchase option is cost prohibitive* with estimates indicating that after 15 years, the University could purchase the Project from the Owner for \$431.5 million.
- *Rental rates are 5% higher than existing housing rates* even though the duration of the Ground Sub-Lease is longer than recommended by the P3 Guidelines.
- *The financing includes costs associated with ancillary facilities* (i.e. parking and dining facilities, a fitness center and pool, and retail space).

AUTHORITY FOR BOARD OF GOVERNORS ACTION

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

BACKGROUND INFORMATION

The University of South Florida Board of Trustees has reviewed a proposal and adopted a resolution authorizing the President to execute a Ground Sub-Lease and Management Agreement with HSRE-Capstone Tampa, LLC for the construction and operation of a student village complex comprised of a housing facility with 2,165 beds (1,039 replacement and 1,125 new), parking and dining facilities, a fitness center and pool, and retail space utilizing a public-private partnership arrangement. The Project will be approximately 578,000 gross square feet, be located on the University's main campus in Tampa and supports USF's belief that living on-campus is integral to student success.

The Project cost of approximately \$133.0 million will be financed by the Owner, using a taxable loan and equity contribution which will be repaid with net housing revenues. USF is not legally obligated to pay debt service or maintain the Project. *However, the rating agencies will consider the obligations associated with the proposed Project in evaluating USF's debt profile.* The 35-year repayment term of the equity exceeds the limits imposed by the P3 Guidelines and Debt Guidelines by 5 years and defers the principal repayment of the equity until year 11 of the agreement. The equity is analyzed as subordinate debt because repayment is required under the terms of the Ground Sub-Lease and if Project cash flow is insufficient to make the required 7.0% preferred return on equity payment, the obligation is carried forward and paid in future years (i.e. the preferred return is cumulative).

USF asserts it would take eight years to deliver the Project using traditional procurement and financing methods as the existing housing system lacks sufficient debt capacity to finance the Project as proposed. However, in reaching this conclusion, *the University did not consider a phased approach to replacing and financing student housing*. Brailsford & Dunlavey estimates traditional procurement and delivery would cost approximately \$15 million to \$25 million more than the P3 model. However, these estimates are not supported by any analysis and have not been validated. Although development costs are estimated to be more than the P3 model, *this P3 arrangement requires the University to share 60% of any excess cash flow after payment of operations, debt service and the preferred equity return with the Owner (about \$410 million) while USF receives 40% (about \$273 million) until the Owner achieves an internal rate of return ("IRR") of 11.50%*. Over the term of the agreement, the Project's pro-forma indicates the Owner will not achieve its 11.50% IRR hurdle.

Supporting Documentation Included:

Information located in the Finance Committee materials

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

November 5, 2015

SUBJECT: Strategic Plan for Online Education

PROPOSED BOARD ACTION

Approval

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

During its November 4, 2015, meeting, the Board's Innovation and Online Committee will discuss the draft 2025 Strategic Plan for Online Education proposed by the Task Force for Strategic Planning for Online Education. If approved by the Committee, the draft Strategic Plan will be presented for approval by the full Board.

At its November 2014 meeting, the Committee directed that a task force be created to strategically plan for online education in the SUS. President John Hitt, University of Central Florida, agreed to chair the Task Force, whose membership of thirteen included five university presidents and four provosts, as well as representation from faculty, students, Complete Florida/Florida Virtual Campus, and the Florida College System's Council of Presidents. Members are listed in Appendix B of the Plan.

Governor Lautenbach charged the Task Force with focusing on three primary elements: quality, access, and affordability. The Task Force created workgroups to focus on each of these respective areas, directing them to develop strategies for advancing online education in Florida. The Task Force and its workgroups held a total of 22 meetings to develop the plan.

Supporting Documentation Included: Draft Strategic Plan for Online Education included in materials for Innovation and Online Committee.

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

November 5, 2015

SUBJECT: Performance Based Funding Model

PROPOSED BOARD ACTION

Approve proposed changes to the performance based funding model.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

On September 22, 2015, the Committee met to review and discuss potential changes to the Board's performance funding model. The discussion centered on five areas:

- A definitional change to Metric 1
- A potential metric on student loan default rates
- A potential metric on 2 + 2 articulation
- Tiebreaker options
- Moving from a 50 to a 100 point model

The Committee did not object to bullets one, four or five. The Committee discussed the potential for two new metrics but determined that these are best monitored and reviewed through the annual accountability report instead of a new metric.

The attached document encompasses all proposed changes.

Supporting Documentation Included: Information located in the Budget & Finance Committee material

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

November 5, 2015

SUBJECT: Market Tuition Proposals

PROPOSED BOARD ACTION

The Committee will consider university market tuition proposals.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Subsection 7, Florida Constitution; Board Regulation 7.001

BACKGROUND INFORMATION

Pursuant to Regulation 7.001 – Tuition and Associated Fees, a university board of trustees may submit a proposal for market tuition rates for graduate-level courses offered online or through the university’s continuing education unit when the courses constitute an approved degree program or college credit certificate program.

Since February 2011, the Board has reviewed and approved 81 market tuition programs. The Board amended Regulation 7.001 last year to extend the pilot program for two additional years to collect further information. A final program report and recommendation will be made at the 2016 June Committee meeting.

Four universities have submitted a total of 10 market tuition programs for consideration.

1. Florida International University
 - a. Master of Science in Engineering Management
 - b. Master of Science in Computer Engineering
 - c. Master of Arts in Disaster Management
2. University of Central Florida
 - a. Executive Masters of Science in Health Services Administration
 - b. Master of Science Industrial Engineering – Healthcare Systems Engineering Track

3. University of Florida
 - a. Master of Science in Family, Youth and Community Sciences
 - b. Master of Science in Forest Resources and Conservation with a Concentration in Natural Resource Policy and Administration
 - c. Master of Arts in Mass Communication with a specialization in Public Relations Communication Management
 - d. Master of Science in Sport Management
4. University of South Florida
 - a. Doctorate in Business Administration

Supporting Documentation Included: Information located in the Budget & Finance Committee materials

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

November 5, 2015

SUBJECT: Doctor of Nursing Practice Nurse Anesthetist (CIP 51.3804) at the University of North Florida

PROPOSED BOARD ACTION

Consider for approval the Doctor of Nursing Practice Nurse Anesthetist at the University of North Florida, CIP 51.3804.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.011

BACKGROUND INFORMATION

The University of North Florida (UNF) is proposing to change the Doctor of Nursing Practice, Nurse Anesthetist major to a stand-alone degree program. The program is offered at the Jacksonville campus. This program prepares graduates for entry into the specialty of anesthesiology nursing through eligibility to take the National Certification Examination and earn the designation of Certified Registered Nurse Anesthetist. The Council on Accreditation of Nurse Anesthesia Educational Programs designated that students accepted into an accredited program on January 1, 2022 and thereafter must graduate with doctoral degrees.

The proposed UNF Doctor of Nursing, Nurse Anesthetist would be the first BS to DNP program in nurse anesthesia to be offered by a public university in the state of Florida. The program will require completion of 111 graduate credit hours and 3100 clinical hours.

The UNF Board of Trustees approved the program on October 15, 2015. If approved by the Board of Governors, UNF will implement the program effective Spring 2016.

Supporting Documentation Included:

Information located in the Academic and Student Affairs Committee materials

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

November 5, 2015

SUBJECT: Doctor of Social Work (CIP 51.1503) at the Florida Atlantic University

PROPOSED BOARD ACTION

Consider for approval the Doctor of Social Work (DSW) at the Florida Atlantic University, CIP 51.1503.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.011

BACKGROUND INFORMATION

Florida Atlantic University (FAU) is proposing to offer a professional doctoral degree program in Social Work. The program will be offered at the Boca Raton campus (75%) and online (25%). The program will prepare graduates for leadership roles in advanced clinical social work, clinical supervision, and social work education. The proposed DSW would be the first professional degree in social work in the state of Florida.

A Master's in Social Work (MSW) from an accredited institution will be required for admission into the DSW program and the completion of a 50-semester credit hour curriculum and a practice-oriented research project will be required to earn the degree. A letter of support has been provided by Florida International University because it offers a somewhat similar Doctor of Philosophy program.

The FAU Board of Trustees approved the program on June 17, 2014. If approved by the Board of Governors, FAU will implement the program effective Fall 2016.

Supporting Documentation Included:

Information located in the Academic and Student Affairs Committee materials

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

November 5, 2015

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.002
Admission of Undergraduate First-Time-in-College, Degree-Seeking
Freshmen

PROPOSED BOARD ACTION

Consider approval of the public notice of intent to amend Board of Governors Regulation 6.002 Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

Regulation 6.002 provides guidance related to minimum standards expected for admission of undergraduate first-time-in-college (FTIC), degree-seeking freshmen. The proposed amendments to the regulation acknowledge the new redesigned SAT (rSAT) that will be administered beginning in March 2016. The amendment provides clarification as to the treatment of scores during the transition time. In addition, it is also likely that the required essay portion will also be dropped from the redesigned SAT beginning spring 2017 because the essay is now optional for students taking the SAT and the ACT. Knowledge of writing skills is still included in the standard tests.

Originally recommended by the SUS Admission and Registrar's Committee, this regulation was reviewed by the university General Counsels, the Council of Academic Vice Presidents, the Council of Student Affairs, and other state university staff. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included:

Information located in the Academic and Student Affairs Committee materials

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

November 5, 2015

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.004
Admission of Undergraduate, Degree-Seeking Transfer Students

PROPOSED BOARD ACTION

Consider approval of the public notice of intent to amend Board of Governors Regulation 6.004 Admission of Undergraduate, Degree-Seeking Transfer Students.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

Regulation 6.004 provides guidance related to minimum standards expected for admission of undergraduate, degree-seeking transfer students. The proposed amendments to the regulation delete duplicative information within the description of the Associate in Arts degree, and divides the “other transfer students” section into transfers with less than 30 transferable semester hours and transfers with 30 or more but less than 60 transferable semester hours. This division is an effort to address the needs of returning student veterans and other qualified non-traditional students. The regulation, however, maintains a primary System-wide and institutional focus regarding transfer on the Associate in Arts transfer student.

Originally recommended by the SUS Admission and Registrar’s Committee, this regulation was reviewed by the university General Counsels, the Council of Academic Vice Presidents, the Council of Student Affairs, and other state university staff. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included:

Information located in the Academic and Student Affairs Committee materials

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

November 5, 2015

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.008
Postsecondary College-Level Preparatory Testing, Placement, and
Instruction for State Universities

PROPOSED BOARD ACTION

Consider approval of the public notice of intent to amend Board of Governors Regulation 6.008 Postsecondary College-Level Preparatory Testing, Placement, and Instruction for State Universities.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution and Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

Regulation 6.008 provides guidance related to minimum standards expected for college testing, placement, and instruction. The proposed amendments provide transitional policy related to college placement in order to address changes to the College Board's SAT test. It adds language to reflect the fact that a corresponding redesigned SAT score will be based on official concordance tables available from the College Board after the first administration of the test.

This regulation was reviewed by the SUS Admission and Registrar's Committee, university General Counsels, the Council of Academic Vice Presidents, the Council of Student Affairs, and other state university staff. Pursuant to the regulation procedure adopted by the Board at its meeting on March 23, 2006, the Board is required to provide public notice by publication on its Internet Web site at least 30 days before adoption of the proposed regulation.

Supporting Documentation Included:

Information located in the Academic and Student Affairs Committee materials

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

November 5, 2015

SUBJECT: Approval of University of Central Florida Downtown Campus

PROPOSED BOARD ACTION

Approve a University of Central Florida Type I Downtown Campus.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The University of Central Florida is requesting authorization to create a Type I Downtown Campus. Informational presentations were made at the Board's February 19th, 2015 meeting, and again at the September 22nd 2015 Budget and Facilities Committee's workshop. On November 4, 2015, the Strategic Planning Committee heard a presentation made by the University of Central Florida with regard to the appropriateness of the Downtown Campus; the proposed academic programs to be offered at the Downtown Campus; the number of students estimated to take advantage of the Downtown Campus; any potential ramifications with respect to regional accreditation; the expectations for student services, academic support, recreational facilities, and health services at the proposed Downtown Campus; any potential impact on upper level undergraduate and graduate students who are attending the University of Central Florida's main campus; and the number of faculty and administrators expected to be associated with the Downtown Campus. The Chair of the Strategic Planning Committee will report to the full Board of Governors on action taken by the Committee.

Supporting Documentation Included: Proposal and Board Staff Analysis included in Strategic Planning Committee materials



AGENDA

Board of Governors Foundation, Inc.

Ballroom

Graham University Center

Florida International University

Modesto A. Maidique Campus

11200 S.W. 8th Street

Miami, Florida 33199

November 5, 2015

3:00 p.m. – 3:30 p.m.

or

Upon Adjournment of the Board of Governors' Meeting

- | | | |
|-----------|--|----------------------------|
| 1. | Call to Order and Opening Remarks | Chair Mori Hosseini |
| 2. | Foundation Meeting Minutes
Minutes: March 18, 2015 | Chair Hosseini |
| 3. | Election of 2016 Foundation Officers | Chair Hosseini |
| 4. | 2016 Operating Budget | Chair Hosseini |
| 5. | Investment Performance Update | CapTrust Advisors |
| 6. | Concluding Remarks and Adjournment | Chair Hosseini |

**STATE UNIVERSITY SYSTEM OF FLORIDA
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**

November 5, 2015

SUBJECT: Meeting Minutes from March 18, 2015

PROPOSED FOUNDATION ACTION

Approval of Minutes of Meeting held on March 18, 2015.

AUTHORITY FOR BOARD OF GOVERNORS FOUNDATION, INC. ACTION

Florida Board of Governors Foundation, Inc. by-laws

BACKGROUND INFORMATION

Foundation members will review and approve the minutes of the meeting held on March 18, 2015 at Florida A&M University.

Supporting Documentation Included: Minutes: March 18, 2015

Facilitators/Presenters: Chair Mori Hosseini

MINUTES
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
FLORIDA A&M UNIVERSITY
TALLAHASSEE, FLORIDA
MARCH 19, 2015

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

1. Call to Order

Mr. Hosseini convened the meeting of the Foundation at 8:35 a.m. Members present were Tom Kuntz; Dick Beard; Dean Colson; Pat Frost; H. Wayne Huizenga, Jr.; Ned C. Lautenbach; Alan Levine; Wendy Link; Katherine Robinson; Pam Stewart; and Norman Tripp. Matthew Carter participated by phone.

2. Approval of Committee Meeting Minutes from November 5, 2014

Mr. Tripp moved the adoption of the November 5, 2014 meeting minutes as presented. Mr. Lautenbach seconded the motion, and members of the Foundation concurred.

3. Foundation Custodian

Mr. Hosseini stated that during the November meeting the foundation had chosen Fidelity as the custodian. During the account setup it was determined that Fidelity would be unable to assume this role. Mr. Hosseini introduced Shane Ward, from CapTrust Advisors, to make a presentation.

Mr. Ward stated that once it was determined that Fidelity could not serve as the Foundation's custodian they immediately reached out to five other potential custodians. After a search and review of each custodian's expected fees, Mr. Ward recommended the Foundation select Schwab as the new custodian.

Mr. Beard moved the selection of Schwab as the custodian. Dr. Robinson seconded the motion, and members of the Foundation concurred.

4. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 8:39 a.m.

Mori Hosseini, Chair

Tim Jones, Treasurer

**STATE UNIVERSITY SYSTEM OF FLORIDA
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**

November 5, 2015

SUBJECT: Election of 2016 Foundation Officers

PROPOSED FOUNDATION ACTION

Election of 2016 Officers: Chairperson; Vice Chairperson; Secretary; Treasurer

AUTHORITY FOR BOARD OF GOVERNORS FOUNDATION, INC. ACTION

Florida Board of Governors Foundation, Inc. by-laws

BACKGROUND INFORMATION

The foundation operates on a calendar year basis and elects officers each year to serve for a one year term. This election takes place at the last meeting of the calendar year for the officers that will serve for the next calendar year.

The foundation by-laws outline the following qualifications for membership:

The members of the Florida Board of Governors shall be members of the Foundation Board. In addition, other persons shall be eligible for active membership in this corporation who have been duly elected by a majority of all the members of the Corporation at any annual or special meeting of the members.

In the past the Chair, Vice Chair and the Corporate Secretary for the Florida Board of Governors have been elected to the Chairperson, Vice Chairperson and Secretary, respectively, of the foundation. Additionally, the Treasurer has been elected by a majority of the foundation's board members.

2015 Officers were:

Chairperson – Mori Hosseini
Secretary – Vikki Shirley

Vice Chairperson – Tom Kuntz
Treasurer – Tim Jones

Supporting Documentation Included: 1. Foundation Articles of Incorporation
2. Foundation By-laws

Facilitators/Presenters: Chair Mori Hosseini

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

**FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.
(formerly known as FLORIDA BOARD OF REGENTS FOUNDATION, INC.)
A FLORIDA CORPORATION NOT FOR PROFIT**

These Amended and Restated Articles of Incorporation, which did not require member approval pursuant to Article IX of the Corporation's original Articles of Incorporation and Florida law, were approved by a majority of the Board of Directors on April 30, 2003.

ARTICLE I

NAME AND ADDRESS

The name of this Corporation shall be: **FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.** The principal office of the Corporation is located at 325 West Gaines Street, Tallahassee, Florida 32399, and the mailing address is 325 West Gaines Street, Tallahassee, Florida 32399.

ARTICLE II

CORPORATE EXISTENCE

The Corporation shall have perpetual existence.

ARTICLE III

CORPORATE PURPOSES

The Corporation shall be a nonprofit, nonsectarian organization formed and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, which purposes shall be to encourage, solicit, receive and administer gifts

and bequests of property and funds for scientific, educational and charitable purposes, all for the advancement of the State University System of Florida and its objectives; and to that end to take and hold, for any of said purposes, funds and property of all kinds, subject only to any limitations or conditions imposed by law or in the instrument under which received; to buy, sell, lease, convey and dispose of any such property and to invest and reinvest any proceeds and other funds, and to deal with and expend the principal and income for any of said purposes; and, in general, to exercise any, and all powers which a corporation not for profit organized under the laws of Florida for the foregoing purposes can be authorized to exercise. The Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and to which deductible contributions may be made under Sections 170, 2055, or 2522 of the Internal Revenue Code, as applicable. No part of the assets or the net earnings of the Corporation shall inure to the benefit of any officer, director, member, or any other person. No substantial part of the activities of the Corporation shall be dedicated to attempting to influence legislation by propaganda or otherwise. The Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office.

During any period that the Corporation may be found to be a private foundation, as defined by Section 509(a) of the Internal Revenue Code, the Corporation shall: (1) distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942(a); (2) not engage or be involved in any act of self-dealing, as defined in Section 4941(d), so as to give rise to any liability for the tax imposed by Section 4941(a); (3) not retain any excess business holdings as defined in Section 4943(c), so as to give rise to any liability for the tax imposed by Section 4943(a); (4) not make any investments which

would jeopardize the carrying out of any of its exempt purposes, within the meaning of Section 4944, so as to give rise to any liability for the tax imposed by Section 4944(a); and (5) not make any taxable expenditures, as defined in Section 4945(d), so as to give rise to any liability imposed by Section 4945(a). Unless otherwise indicated, as used in this Article III and hereinafter, all section references are to the Internal Revenue Code of 1986, as amended, including any corresponding provisions of any subsequently enacted federal tax laws.

ARTICLE IV

CORPORATE POWERS

The Corporation shall have and exercise all powers accorded corporations not for profit under the laws of the State of Florida which are not in conflict with the Corporation's exempt purposes as provided in Article III above.

ARTICLE V

CAPITAL STOCK

The Corporation shall not have capital stock.

ARTICLE VI

MEMBERS

The Corporation shall have no voting members. The Board of Directors may authorize the establishment of nonvoting membership from time to time. The designation of one or more classes of membership, the qualifications and rights of the members of each class, and the manner of their admission to membership shall be regulated by the Bylaws of the Corporation.

ARTICLE VII

BOARD OF DIRECTORS

The powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, a Board of Directors, the number of which may be either increased or decreased from time to time as regulated by the Bylaws but shall consist of not fewer than nine. The manner and method of election of the Board of Directors shall be as stated in the Bylaws of the Corporation. Where not inconsistent with Chapter 617, Florida Statutes, and the express provisions of these Articles of Incorporation, the Board of Directors shall have all the rights, powers, and privileges prescribed by law of directors of corporations for profit.

The Board of Directors of the Corporation shall consist of the seventeen (17) members of the Florida Board of Governors, as set forth below, who shall hold office for such terms as provided in the Bylaws of the Corporation and until their successors have been elected and qualified or until their earlier resignation, removal from office, inability to act, or death:

<u>Director</u>	<u>Address</u>
Pamela “Pam” Bilbrey	325 West Gaines Street Tallahassee, FL 32399
Dr. Castell V. Bryant	325 West Gaines Street Tallahassee, FL 32399
John Dasburg	325 West Gaines Street Tallahassee, Florida 32399
Miguel De Grandy	325 West Gaines Street Tallahassee, Florida 32399
Rolland Heiser	325 West Gaines Street Tallahassee, Florida 32399
Gerri Moll	325 West Gaines Street Tallahassee, Florida 32399

Joan Wellhouse Newton	325 West Gaines Street Tallahassee, Florida 32399
Ava L. Parker	325 West Gaines Street Tallahassee, Florida 32399
Thomas F. Petway, III Chairman	325 West Gaines Street Tallahassee, Florida 32399
Carolyn K. Roberts Vice Chairman	325 West Gaines Street Tallahassee, Florida 32399
Chris Sullivan	325 West Gaines Street Tallahassee, Florida 32399
John W. Temple	325 West Gaines Street Tallahassee, Florida 32399
Steven Uhlfelder	325 West Gaines Street Tallahassee, Florida 32399
Zachariah P. Zachariah	325 West Gaines Street Tallahassee, Florida 32399
Jim Horne	325 West Gaines Street Tallahassee, Florida 32399
Dr. Richard W. Briggs	325 West Gaines Street Tallahassee, Florida 32399
Pablo E. Paez	325 West Gaines Street Tallahassee, Florida 32399

ARTICLE VIII

AMENDMENTS

These Articles of Incorporation may be amended by the affirmative vote of at least three-fifths of the members of the Board of Directors present at any regular or special meeting provided proper notice of the changes to be made has been given and a quorum is present, or without a meeting if a consent in writing, signed by the number of Directors whose votes would be necessary to authorize such amendment at a meeting, is filed in the minutes of the Corporation. Within ten days after obtaining such authorization by written consent, notice summarizing the action shall be given to those Directors who have not consented in writing.

ARTICLE IX

DISSOLUTION

Upon dissolution, all of the Corporation's assets remaining after payment of all costs and expenses of such dissolution shall be distributed to the Florida Board of Governors or its successor in interest, to be used exclusively for the purposes set forth in Article III above. None of the assets shall be distributed to any officer, director, or member of the Corporation, or any other person or organization not described in the preceding sentence.

ARTICLE X

REGISTERED OFFICE AND REGISTERED AGENT

The street address of the Registered Office of the Corporation is 325 West Gaines Street, Tallahassee, Florida 32399, and the name of the Registered Agent at such address is **THOMAS F. PETWAY, III.**

IN WITNESS WHEREOF, I have executed these Articles of Incorporation of **FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**, on this 30th day of April, 2003.

THOMAS F. PETWAY, III
Chairman

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this ____ day of _____, 2003, by **THOMAS F. PETWAY, III**, as Chairman of **FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**, a Florida corporation not-for-profit, () who is personally known to me, or () who has produced _____ [type of identification] as identification.

Signature of Notary Public
Notary Stamp/Seal:



Florida Board of Governors Foundation, Inc. By-Laws

Location of Offices

The principal office of the Board of Governors Foundation, Inc. shall be maintained in Tallahassee, Florida.

Annual Meeting

The annual meeting of the active members of this Corporation shall be held on the call of the Chairperson.

This meeting shall be presided over by the Chairperson of the Directors, and in case of the absence of the Chairperson by the Vice-chair of the Board of Directors.

The principal item of business at this meeting shall be the election of the officers of the Corporation and the adoption of the annual budget.

Following the election of officers and the adoption of the budget, other business as may come before the body may be transacted.

At the meeting, a majority of the active members shall constitute a quorum and a majority of those present may transact any business before the body.

Qualifications for Membership

The members of the Florida Board of Governors shall be members of the Foundation Board. In addition, other persons shall be eligible for active membership in this corporation who have been duly elected by a majority of all the members of the Corporation at any annual or special meeting of the members.

Board of Directors

The duties of the Board of Directors shall be as follows:

1. To discharge faithfully all the duties imposed upon it by the Charter of this Corporation and to see that all other provision of said charter are properly executed.
2. To meet upon the call of (1) the Chairperson of the Board, or (2) any three members of the Board.
3. To select a bank or banks or other depositories for the deposit of the funds and securities in the banks or other depositories designated, and to cause said bank or banks or other depositories to pay out said funds and deliver said securities only upon checks, vouchers, or other orders signed either by the Chairperson, the Treasurer, Vice-Chair or the Secretary of this Corporation.



4. If specifically approved by the Board, require the Treasurer and such other persons as receive, collect, or otherwise handle funds of this Corporation a good and sufficient bond for the faithful performance of their duties in connection therewith.
5. To cause an audit of the books of the Treasurer to be made as soon as practicable after the close of the fiscal year of the Corporation and to have it reported to the Chairperson of this Corporation at once and to the Board of Directors at their next meeting thereafter; provided that in case of vacancy in the office of the Treasurer, such audit shall be made and reported immediately.
6. To appoint and employ such individuals as may be necessary to carry on the activities of this Foundation.

Duties of Officers

Chairperson – The duties of the Chairperson shall be as follows:

1. To preside at all meetings of the Board of Directors.
2. To join with the Secretary in signing the name of this Corporation to all papers, documents and writings requiring the signature of this Corporation, except as herein otherwise provided.
3. To see that the orders of the Board of Directors are carried out promptly or to advise said Board if its orders are not carried out.
4. To hold office until a successor is appointed and enters upon the discharge of the duties of the office.

Vice-Chairperson – The duties of the Vice-Chair shall be as follows:

1. To perform the duties of the Chair during the absence or incapacity of that officer.
2. To hold office until a successor is appointed and enters upon the discharge of the duties of the office.

Secretary – The duties of the Secretary shall be as follows:

1. To attend meetings of the Corporation and all meeting of the Board of Directors.
2. To keep accurate minutes of the proceedings of all afore-said meetings and preserve same in a book of such nature as to serve as a permanent record.
3. To keep on record a copy of the Charter of this Corporation and a copy of the By-Laws.
4. To join with the Chair in signing the name of this Corporation to all papers, documents and writing requiring the signature of this Corporation, except as herein otherwise provided.
5. To keep the seal of this Corporation and affix same to such official documents, records and papers as may be required.
6. To carry on such of the general correspondence of this Corporation as may be assigned by the Chairman of the Board of Directors.
7. To keep an accurate list of all active, associate, sustaining and honorary members of this Corporation.
8. To hold office until a successor is appointed and enters upon the discharge of the duties of the office.
9. To present written reports as necessary.



Treasurer – The duties of the Treasurer shall be as follows:

1. To receive and have the care and custody of all the funds and securities of this Corporation and to deposit same in the name of this Corporation and to deposit same in the name of this Corporation in such bank, or banks, or other depositories as may be selected by the Board of Directors.
2. To sign all checks, vouchers, or other orders drawn upon the bank or banks or other depositories in which the funds and securities of this Corporation are deposited, except that other officers as specified elsewhere in these by-laws may sign such checks, vouchers or other orders in the stead of the Treasurer.
3. If specifically required by the Board, give such bond for the faithful performance of the duties of the office may require.
4. To account to the successor in office for all funds and securities which were listed on the books at the time of the last audit and all funds and securities which have come to the Treasurer since the last audit of the books of the office and deliver over to the successor such funds and securities which remain on hand upon the appointment and qualification of said successor.

Compensation of Officials

The directors and officers of this Corporation shall not receive any compensation from this Corporation for their services as director or officer; provided, however, that they may, upon order by the Board of Directors, be reimbursed from the funds of the Corporation for any traveling expenses or other expenditures incurred by them in the proper performance of their duties.

Filling Vacancies

Whenever a vacancy occurs in any office or on the Board of Directors of this Corporation, it shall be filled by appointment made by the Chairperson of the Board of Directors immediately upon notice of such vacancy.

The newly appointed member or officer shall act during the remainder of the unexpired term of the predecessor.

Seal

The seal of this Corporation shall be in the form of a circle and shall bear, among other things, the name of the Corporation and the date of its incorporation.

Amending By-Laws

These By-Laws may be amended only at a regular or special meeting for this purpose, written notice shall be given to each active member of this Corporation at least five days before the date set for the meeting, and such notice shall indicate the provision sought to be amended and the nature of the amendment proposed to be adopted.

**STATE UNIVERSITY SYSTEM OF FLORIDA
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**

November 5, 2015

SUBJECT: 2016 Operating Budget

PROPOSED FOUNDATION ACTION

Approve the 2016 operating budget for the Board Foundation.

AUTHORITY FOR BOARD OF GOVERNORS FOUNDATION, INC. ACTION

Florida Board of Governors Foundation, Inc. by-laws

BACKGROUND INFORMATION

The Foundation operates on a calendar year basis pursuant to an approved operating budget. The approval of an impending year's proposed budget takes place at the last meeting of the current calendar year. The proposed budget represents a continuation of educational initiatives and activities of the Foundation.

During the 2015 year the Foundation has been very active in supporting activities of the Chancellor and the Board and most notably providing funds to the universities in support of student scholarships.

The 2015 budget adopted by the Foundation is on track. For revenues, the state was able to provide \$772,500 to match the Johnson Foundation gift as outlined in statute. The 2015 budget and year-to-date expenditures is attached.

The 2016 budget proposed is consistent with previous year's budgets. Included in the Board's legislative budget request is \$.4 million in matching for the Johnson Foundation donation. This anticipated revenue is included in the budget. Expenditures are expected to be approximately the same as 2015.

Supporting Documentation Included:

1. 2015 Operating Budget and Year-to-Date Expenditures
2. Proposed 2016 Operating Budget

Facilitators/Presenters: Chair Mori Hosseini



Florida Board of Governors Foundation, Inc.
2015 Operating Budget
as of August 30, 2015

-----Budget Adopted for 2015-----					Actual Revenues / Expenditures August	Over (Under) Budget
	General Account	Theodore & Vivian Johnson Grant Account	Helios First Generation Account	Total All Accounts		
<u>REVENUES</u>						
Johnson Donation	\$0	\$550,000	\$0	\$550,000	\$668,125	\$118,125
Johnson Donation State Match	\$0	\$1,772,500	\$0	\$1,772,500	\$0	(\$1,772,500)
Contributions	\$275,000	\$0	\$0	\$275,000	\$49,429	(\$225,571)
Interest Earned	\$5,800	\$5,000	\$98,000	\$108,800	\$27,573	(\$81,227)
Total Revenues	<u>\$280,800</u>	<u>\$2,327,500</u>	<u>\$98,000</u>	<u>\$2,706,300</u>	\$745,127	(\$1,961,173)
<u>EXPENSES</u>						
Administration	\$5,000	\$0	\$0	\$5,000	\$4,940	(\$60)
Emoluments	\$265,000	\$0	\$0	\$265,000	\$246,470	(\$18,530)
Scholarships/ Awards	\$0	\$550,000	\$125,000	\$675,000	\$670,486	(\$4,514)
Meetings	\$13,000	\$0	\$0	\$13,000	\$7,914	(\$5,086)
Miscellaneous	\$5,000	\$0	\$0	\$5,000	\$689	(\$4,311)
Total Expenses	<u>\$288,000</u>	<u>\$550,000</u>	<u>\$125,000</u>	<u>\$963,000</u>	\$930,499	(\$32,501)
Net Increase/ (Decrease)	(\$7,200)	\$1,777,500	(\$27,000)	\$1,743,300	(\$185,373)	
Fund Balance, Beginning 1/1/2015 (actual)	\$706,136	\$30,875	\$5,081,218	\$5,818,229	\$5,818,229	
Fund Balance, Ending	<u>\$698,936</u>	<u>\$1,808,375</u>	<u>\$5,054,218</u>	<u>\$7,561,529</u>	\$5,632,857	



**Florida Board of Governors Foundation, Inc.
Proposed 2016 Operating Budget**

	General Account	Theodore & Vivian Johnson Account	Helios First Generation Account	Total All Accounts	Actual Revenues / Expenditures
<u>REVENUES</u>					
Johnson Donation	\$0	\$450,000	\$0	\$450,000	\$668,125
Johnson Donation State Match	\$0	\$1,200,000	\$0	\$1,200,000	\$0
Contributions	\$275,000	\$0	\$0	\$275,000	\$49,429
Interest Earned	\$4,300	\$2,600	\$200,000	\$206,900	\$27,573
Total Revenues	<u>\$279,300</u>	<u>\$1,652,600</u>	<u>\$200,000</u>	<u>\$2,131,900</u>	<u>\$745,127</u>
<u>EXPENSES</u>					
Administration	\$5,000	\$0	\$0	\$5,000	\$4,940
Emoluments	\$265,000	\$0	\$0	\$265,000	\$246,470
Scholarships/ Awards	\$0	\$1,600,000	\$125,000	\$1,725,000	\$670,486
Meetings	\$13,000	\$0	\$0	\$13,000	\$7,914
Miscellaneous	\$2,500	\$0	\$0	\$2,500	\$689
Total Expenses	<u>\$285,500</u>	<u>\$1,600,000</u>	<u>\$125,000</u>	<u>\$2,010,500</u>	<u>\$930,499</u>
Net Increase/ (Decrease)	(\$6,200)	\$52,600	\$75,000	\$121,400	(\$185,373)
Fund Balance, Beginning 1/1/2016 (estimated)	\$701,136	\$25,875	\$5,000,000	\$5,727,011	\$5,727,011
Fund Balance, Ending	<u>\$694,936</u>	<u>\$78,475</u>	<u>\$5,075,000</u>	<u>\$5,848,411</u>	<u>\$5,541,638</u>

**STATE UNIVERSITY SYSTEM OF FLORIDA
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**

November 5, 2015

SUBJECT: Investment Performance Update

PROPOSED FOUNDATION ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS FOUNDATION, INC. ACTION

Florida Board of Governors Foundation, Inc. by-laws

BACKGROUND INFORMATION

In June, 2014 the Foundation adopted an Investment Policy Statement (IPS) and subsequently engaged CapTrust as the investment manager. The Foundation invested the \$5 million donation for Helios Scholarships with Schwab in March, 2015.

The IPS requires the investment manager to meet with the Foundation at least once per year to review the portfolio structure, strategy and investment performance. CapTrust advisors will present an update to Foundation on its investment.

Supporting Documentation Included: Investment Policy Statement

Facilitators/Presenters: CapTrust Advisors



**Florida Board of Governors
Foundation, Inc.**
Investment Policy Statement

June 19, 2014

The Florida Board of Governors Foundation, Inc. is a nonprofit, nonsectarian organization formed and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Foundation's purpose is to encourage, solicit, receive and administer gifts and bequests of property for scientific, educational and charitable purposes, all for the advancement of the State University System of Florida.

I. SCOPE OF THIS INVESTMENT POLICY

This investment policy statement has been established by the Florida Board of Governors Foundation, Inc. to govern the investment management of the Helios Education Foundation endowment. The purpose of the endowment is to distribute scholarship funds to the state universities in the State University System to support first generation students. The intent of the Policy is to comply with the requirements of the Florida Uniform Prudent Management of Institutional Funds Act, section 617.2104, Florida Statutes, to ensure prudent management of the assets in order to serve the best interests of students who rely on the distributions from the endowment to assist them with defraying the cost of attaining a postsecondary degree.

II. BOARD MEMBERS' ROLE

- a. The members of the Board of Governors shall be members of the Foundation Board.
- b. The Board shall select a bank or other depositories for the deposit of the funds and securities in the bank or other depositories designated, and to cause said bank or other depositories to pay out said funds and deliver said securities only upon checks, vouchers, or other orders signed either by the Chairperson, Vice-Chair, Treasurer, or the Secretary of this Corporation.
- c. The Board shall project the Foundation's financial needs and communicate those needs to the Investment manager on a timely basis.
- d. The Board shall determine the Foundation's risk tolerance and investment horizon.
- e. The Board shall establish reasonable and consistent investment objectives, policies and guidelines that will direct the investment of the Foundation's assets.
- f. The Board shall prudently and diligently select qualified investment professionals and evaluate their progress towards stated goals.
- g. The Board shall develop and enact proper control procedures: For example, replacing Investment Manager(s) due to fundamental change in investment management process, or failure to comply with established guidelines.

- h. The Board shall review this Investment Policy Statement at least once per year. Changes to this Investment Policy Statement can be made by affirmation of a majority of the Board.

III. INVESTMENT OBJECTIVE

- a. The funds are to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of scholarships for first generation students attending a state university.
- b. For the purpose of making distributions, the Board shall refer to the Endowment Gift Agreement among the Helios Education Foundation and the Board of Governors Foundation, Inc..

IV. INVESTMENT PRINCIPLES

- a. Investments shall be made solely in the interest of the beneficiaries of the endowment.
- b. The endowment funds shall be invested with care, skill, prudence and diligence.
- c. Investment of the endowment funds shall be diversified as to minimize the risk of losses.

V. INVESTMENT POLICIES

- a. Asset Allocation Policy –
 - i. The Board recognizes that the strategic allocation of portfolio assets across broadly defined financial asset and sub-asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and asset value stability.
 - ii. The Board recognizes that actual returns and return volatility may vary from expectations and return objectives across short periods of time.
 - iii. The investment manager shall make reasonable efforts to preserve the endowment corpus, understanding that losses may occur in individual securities. However, the investment manager shall make reasonable efforts to control risk.
 - iv. Endowment fund assets will be managed as a balanced portfolio composed of two major components: an equity portion and a fixed income portion. The equity investments will be to maximize the long-term real growth of portfolio assets, while the fixed income investments will be to generate current income, provide for a stable

periodic return, and provide some protection against a prolonged decline in the market value of portfolio equity investments.

- v. Cash investments, under normal circumstances, will only be considered as temporary portfolio holdings, and will be used for fund liquidity needs or to facilitate a planned program of dollar-cost averaging into investments in either or both of the equity and fixed income asset classes.
- b. Asset Allocation –
 - i. Assets will, under normal circumstances, be allocated across broad asset and sub-asset classes in accordance with the following guidelines, with a fluctuation of up to 10 percent:

Class	Asset Allocation	Allowable Range
Equity	60%	50-70%
Fixed Income	40%	30-50%
Cash	0%	0-10%

VI. SELECTION OF INVESTMENT MANAGER(S)

The Board's selection of an investment manager(s) must be based on due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisers Act of 1940, or a bank or insurance company. The Board will require that each investment manager provide, in writing, an acknowledgment of fiduciary responsibility to the Board.

VII. EVALUATION OF PERFORMANCE

- a. The Board will monitor the investment performance against the portfolio stated investment objectives and as set forth below. Annually, the Board will formally assess the portfolio and the performance of the investments as follows:
 - i. The portfolio's composite investment performance (net of fees) will be judged against the following standards:
 - 1. Long-term real return objective.
 - 2. Total return to exceed the performance of a policy index based upon the strategic asset allocation of the endowment fund to various asset classes such as:
 - a. S&P 500
 - b. Russell 3000
 - c. Barclay's Capital U.S. Aggregate Bond Index
 - d. Citigroup 3-month T-bill Index
- b. The performance of professional investment managers hired on behalf of the portfolio will be judged against the following standards:

- i. A market-based index appropriately selected or tailored to the manager's agreed-upon investment objective and the normal investment characteristics of the manager's portfolio.
 - ii. The performance of other investment managers having similar investment objectives.
- c. Investment reports shall be provided by the investment manager on at least a quarterly basis or as more frequently requested by the Board. Each investment manager is expected to be available to meet with the Board at least once per year to review the portfolio structure, strategy, and investment performance.

VIII. SPENDING POLICY

- a. Scholarship disbursements from the endowment will be distributed annually during July. The value of the endowment includes: dividends, realized and unrealized gains. The annual distribution from the endowment fund will be set at 4% of the average market value of the previous 3 years' year-end evaluations. The portfolio value is net of investment management fees. This spending plan will be reviewed annually and recommendations for changes shall be considered by the Board. In no event shall the distribution touch the corpus without the consent of the Helios Education Foundation.
- b. No stocks generally considered speculative in nature shall be purchased. In addition, no short sales, hedging, and margin purchases shall be made.

IX. ADOPTION

The Board adopted this Investment Policy Statement on the 19th day of June, 2014.