



STATE  
UNIVERSITY  
SYSTEM  
*of* FLORIDA  
Board of Governors

# Agenda and Meeting Materials

## March 18-19, 2015

Grand Ballroom, Student Union  
Florida A&M University  
1628 S. Martin Luther King, Jr. Blvd.  
(for GPS: 1780 S. MLK, Jr. Blvd.)  
Tallahassee, FL 32307



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**ACTIVITIES  
BOARD OF GOVERNORS MEETINGS**

**Grand Ballroom, Student Union  
Florida A&M University  
1628 South Martin Luther King, Jr. Boulevard  
Tallahassee, Florida 32307  
March 18-19, 2015**

**By Telephone Conference Call  
Dial-in Number: 888-670-3525  
Participant Code: 4122150353# (listen only)**

**Wednesday, March 18, 2015**

**8:00 – 9:00 a.m. Breakfast will be provided**

**9:00 a.m. –  
12:00 p.m.,  
or upon  
Adjournment of  
Previous Meetings**      **Audit and Compliance Committee Workshop**  
Chair: Mr. Alan Levine; Vice Chair: Mr. Ed Morton  
Members: Carter, Huizenga, Kuntz, Lautenbach, Webster

**12:00 – 12:30 p.m.  
or upon  
Adjournment of  
Previous Meetings**      **Audit and Compliance Committee**  
Chair: Mr. Alan Levine; Vice Chair: Mr. Ed Morton  
Members: Carter, Huizenga, Kuntz, Lautenbach, Webster

**12:30 – 1:30 p.m. Lunch will be provided**

**1:30 – 3:00 p.m.,**      **Strategic Planning Committee**  
or upon                      Chair: Mr. Dean Colson; Vice Chair: Ms. Patricia Frost  
Adjournment of          Members: Beard, Doyle, Lautenbach, Morton, Robinson, Webster  
Previous Meetings

**3:00 – 3:15 p.m.**      **Break**

**3:15 - 4:45 p.m.,**      **Academic and Student Affairs Committee**  
or upon                      Chair: Mr. Norman Tripp; Vice Chair: Ms. Wendy Link  
Adjournment of          Members: Beard, Carter, Cavallaro, Frost, Robinson, Stewart,  
Previous Meetings      Webster

**4:45 – 5:00 p.m.,**      **Board of Governors Foundation, Inc. Meeting**  
or upon                      Chair: Mr. Mori Hosseini; Vice Chair: Mr. Tom Kuntz  
Adjournment of          All Board Members  
Previous Meetings

**5:00 – 6:30 p.m.**      **Welcome Reception**

**Thursday, March 19, 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 – 8:40 a.m.,**      **Select Committee on Florida Polytechnic University**  
or upon                      Chair: Mr. Tom Kuntz  
Adjournment of          Members: Link, Morton  
Previous Meetings

**8:40 - 9:00 a.m.,**      **Budget and Finance Committee**  
or upon                      Chair: Mr. Tom Kuntz; Vice Chair: Mr. Ned Lautenbach  
Adjournment of          Members: Cavallaro, Colson, Hosseini, Huizenga, Levine, Tripp  
Previous Meetings

**9:00 - 10:00 a.m.,**      **Facilities Committee**  
or upon                      Chair: Mr. H. Wayne Huizenga, Jr.; Vice Chair: Mr. Dick Beard  
Adjournment of        Members: Carter, Doyle, Hosseini, Levine, Link, Morton, Robinson  
Previous Meetings

**10:00 - 10:15 a.m.**      **Break**

**10:15 - 10:45 a.m.,**      **Innovation and Online Committee**  
or upon                      Chair: Mr. Ned Lautenbach; Vice Chair: Mr. Ed Morton  
Adjournment of        Members: Beard, Colson, Kuntz, Link, Robinson, Stewart, Tripp  
Previous Meetings

**10:45 - 11:15 a.m.**      **Nomination and Governance Committee**  
or upon                      Chair: Mr. Mori Hosseini; Vice Chair: Mr. Tom Kuntz  
Adjournment of        Members: Colson, Link, Tripp, Webster  
Previous Meetings

**11:15 a.m. -**              **Board of Governors - Regular Meeting**  
**12:15 p.m.**              Chair: Mr. Mori Hosseini; Vice Chair: Mr. Tom Kuntz  
or upon                      All Board members  
Adjournment of  
Previous Meetings

**12:15 - 1:15 p.m.**      **Lunch will be provided**

**1:15 - 2:15 p.m.**      **Members Tour FAMU Facilities**

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



CONSTITUTION  
OF THE  
STATE OF FLORIDA

AS REVISED IN 1968 AND SUBSEQUENTLY AMENDED

ARTICLE IX

EDUCATION

SECTION 7. State University System.--

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

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

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

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

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





STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**  
**Audit Committees Workshop**  
**Grand Ballroom, Student Union**  
**Florida A&M University**  
**Tallahassee, Florida**  
**March 18, 2015**  
**9:00 a.m. – 12:00 p.m.**

**Chair: Mr. Alan Levine; Vice Chair: Mr. Ed Morton**  
**Members: Carter, Huizenga, Kuntz, Lautenbach, Webster**

1. **Call to Order and Opening Remarks** **Governor Alan Levine**
  
2. **Workshop Goals** **Mr. Joseph Maleszewski**  
*Inspector General and  
Director of Compliance  
Board of Governors*
  
3. **Background** **Mr. Maleszewski**
  - A. Governance
  - B. Pulse of the Profession
  - C. Workshop Materials
  
4. **Discussion Topics** **Meeting Participants**
  - A. Compliance and Ethics
  - B. Office of Inspector General and Director of Compliance  
Roles, Powers and Duties
  - C. Complaints Against Chief Audit Executives and Staff
  - D. Audit Coverage

- E. Risk Assessment
- F. Risk Management
- G. Offices of the Chief Audit Executive
- H. Fraud
- I. Hotlines
- J. Whistle-blower's Act
- K. Quality Assurance (Time Permitting)
- L. Shared Services (Time Permitting)

**5. Concluding Remarks and Adjournment**

**Governor Levine**





STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**  
**Audit and Compliance Committee**  
**Grand Ballroom, Student Union**  
**Florida A&M University**  
**Tallahassee, Florida**  
**March 18, 2015**  
**12:00 p.m. - 12:30 p.m.**  
**or**  
**Upon Adjournment of Previous Meeting**

**Chair: Mr. Alan Levine; Vice Chair: Mr. Ed Morton**  
**Members: Carter, Huizenga, Kuntz, Lautenbach, Webster**

1. **Call to Order and Opening Remarks** **Governor Alan Levine**
  
2. **Approval of Committee Meeting Minutes** **Governor Levine**  
Minutes, January 22, 2015
  
3. **Performance Based Funding Data Integrity** **Mr. Joseph Maleszewski**  
A. **Audit Reports and Corrective Action Plans** *Inspector General and*  
(if applicable) *Director of Compliance*  
B. **Certifications** *Board of Governors*
  
4. **Audit Committee Workshop Update** **Mr. Maleszewski**
  
5. **Concluding Remarks and Adjournment** **Governor Levine**

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Audit and Compliance Committee  
March 18, 2015**

**SUBJECT:** Approval of Minutes of the January 22, 2015, Meeting

---

**PROPOSED COMMITTEE ACTION**

Approval of Minutes of the January 22, 2015, meeting.

**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 January 22, 2015.

---

**Supporting Documentation Included:** Minutes: January 22, 2015

**Facilitators/Presenters:** Governor Alan Levine

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
AUDIT AND COMPLIANCE COMMITTEE  
UNIVERSITY OF NORTH FLORIDA  
JACKSONVILLE, FLORIDA  
JANUARY 22, 2015

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

Chair Alan Levine convened the meeting of the Audit and Compliance Committee at 8:04 a.m., in the Ballroom, 3<sup>rd</sup> Floor, West Building, in the Student Union Complex at the University of North Florida, in Jacksonville, Florida. The following members were present: Matthew Carter, Wayne Huizenga, Tom Kuntz, Ed Morton, and Ned Lautenbach.

1. Call to Order

Mr. Levine called the meeting to order.

2. Approval of Minutes

Mr. Lautenbach moved that the Committee approve the Minutes of the meeting of the Board of Governors Audit and Compliance Committee (Audit Committee) held October 8, 2014, as presented. Mr. Kuntz seconded the motion. The Minutes were approved.

3. Update: State University System Compliance Consortium

Joseph Maleszewski, Board of Governors Inspector General and Director of Compliance, introduced Rhonda Bishop, the Chief Compliance and Ethics Officer for the University of Central Florida. Mr. Maleszewski invited Ms. Bishop to provide members with an overview to compliance and the composition and activities of the SUS Compliance Consortium.

Ms. Bishop's presentation focused on the benefits of an institutional compliance program, compliance requirements specific to higher education, the elements of an effective compliance program, an overview of the development of a compliance program, and a description of the SUS Compliance Consortium. She stated the consortium's long-term goal is to have 100% participation of state universities.

After Ms. Bishop's presentation, Mr. Morton motioned to direct the Inspector General to work with universities to develop a system-wide policy (in the form of a regulation) to guide the implementation of university compliance programs. Mr. Lautenbach seconded the motion. The motion was approved.

4. Concluding Remarks and Adjournment

The meeting of the Audit Committee was adjourned at 8:29 a.m.

---

Alan Levine, Chair

---

Lori Clark, Compliance & Audit Specialist

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Audit and Compliance Committee  
March 18, 2015**

**SUBJECT:** University Performance Based Funding Data Integrity Audit Reports and Corrective Action Plans (if applicable) and Certifications

---

**PROPOSED COMMITTEE ACTION**

Discussion of University Performance Based Funding Data Integrity Certifications and Approval of Corrective Action Plans

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

In his June 27, 2014, letter and accompanying documents to university presidents and boards of trustees' chairs, Board of Governors Chair Mori Hosseini stressed the importance of reliable, accurate, and complete data that is critical for appropriate performance based funding decision-making. He requested the following:

- Each University President shall execute the Data Integrity Certification affirmatively certifying each representation and/or providing an explanation as to why the representation cannot be made as written;
- University boards of trustees shall direct the university's Chief Audit Executive to perform, or cause to have performed by an independent audit firm, an audit of the university's processes which ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors; and
- Based upon the audit report, the university shall develop and submit a corrective action plan, for Board of Governors approval, designed to correct any audit findings no later than 30 days after the auditor's report is accepted by the university's board of trustees.

Joseph Maleszewski, Board of Governors Inspector General and Director of Compliance, will provide Committee members with an update of the Performance Based Funding Data Integrity Certification process results and related Chief Audit Executives' audits for their review and discussion.

Additionally, as stated in the *Board of Governors University Data Integrity Audit Requirements* document included with Chair Hosseini's June 27, 2014, letter, universities were instructed to "develop and submit, for Board of Governors approval, a corrective action plan designed to correct any audit findings." Mr. Maleszewski will provide Committee members with the corrective action plans for those universities with adverse audit findings for their review and approval.

---

**Supporting Documentation Included:** University Performance Based Funding Data Integrity Audit Reports and Corrective Action Plans (as applicable), and Certifications

**Facilitators/Presenters:** Mr. Joseph Maleszewski



## Performance Based Funding Data Integrity Audits, Action Plans and Certifications Summary

UNIV.	CONCLUSIONS	OBSERVED ISSUES	ACTION PLAN	CERTIFICATION
FAMU	<ul style="list-style-type: none"> <li>• Controls Adequate</li> <li>• Basis for Certification</li> </ul>	<ul style="list-style-type: none"> <li>• Policies and Procedures</li> <li>• Documentation of Awarded Degrees in iRattler</li> <li>• Access Controls</li> <li>• Timeliness of Submissions</li> </ul>	Completion Date: June 2015	Modified Representations: 8. Timely Sub. 9. Certification
FAU	<ul style="list-style-type: none"> <li>• Controls Adequate</li> <li>• Basis for Certification</li> </ul>	N/A	N/A	Unmodified Certification
FGCU	<ul style="list-style-type: none"> <li>• Controls Adequate</li> <li>• Basis for Certification</li> </ul>	<ul style="list-style-type: none"> <li>• Timely Submissions</li> <li>• Access Controls</li> </ul>	Completed: December 2014	Unmodified Certification
FIU	<ul style="list-style-type: none"> <li>• Controls Adequate</li> <li>• Basis for Certification</li> </ul>	<ul style="list-style-type: none"> <li>• Policies and Procedures</li> <li>• Timeliness of Submissions</li> <li>• Access Controls</li> <li>• Reporting - multiple admission dates</li> </ul>	Completion Date: August 2015	Unmodified Certification
FPU	N/A	N/A	N/A	N/A
FSU	<ul style="list-style-type: none"> <li>• Controls Adequate</li> <li>• Basis for Certification</li> </ul>	<ul style="list-style-type: none"> <li>• Timeliness of Submissions</li> <li>• Policies and Procedures</li> </ul>	Completion Date: July 2015	Modified Representation: 8. Timely Sub.
NCF	<ul style="list-style-type: none"> <li>• Controls Adequate</li> <li>• Basis for Certification</li> </ul>	<ul style="list-style-type: none"> <li>• Timeliness of Submissions</li> <li>• Access Controls</li> </ul>	Completed: February 2015	Unmodified Certification
UCF	<ul style="list-style-type: none"> <li>• Controls Adequate</li> <li>• Basis for Certification</li> </ul>	N/A	N/A	Unmodified Certification
UF	<ul style="list-style-type: none"> <li>• Controls Adequate</li> <li>• Basis for Certification</li> </ul>	<ul style="list-style-type: none"> <li>• Policies and Procedures</li> <li>• Access Controls</li> <li>• Legacy Systems Modernization Effort and Master Data Management</li> </ul>	Completion Date: May 2015	Unmodified Certification
UNF	--	Report expected 3/17/15	--	Unmodified Certification
USF	<ul style="list-style-type: none"> <li>• Controls Adequate</li> <li>• Basis for Certification</li> </ul>	<ul style="list-style-type: none"> <li>• Data Administrator Position Description</li> <li>• Password Standards</li> <li>• Server Security</li> <li>• Data Submission Errors</li> <li>• Enhance Graduate Students and Postdoctorates in Science and Engineering (GSS) Survey</li> </ul>	Completed: February 2015	Unmodified Certification
UWF	<ul style="list-style-type: none"> <li>• Controls Adequate</li> <li>• Basis for Certification</li> </ul>	<ul style="list-style-type: none"> <li>• Policies and Procedures</li> </ul>	Completion Date: March 2015	Unmodified Certification

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Audit and Compliance Committee  
March 18, 2015**

**SUBJECT:** Update, Audit Committees Workshop

---

**PROPOSED COMMITTEE ACTION**

Information only

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

Audit and Compliance Committee Chair Alan Levine requested that Board of Governors Inspector General and Director of Compliance Joseph Maleszewski arrange a workshop with members of the Board of Governors Audit and Compliance Committee; university boards of trustees audit committee chairs; and each university's chief audit executive. The purpose of the workshop is to discuss topics relevant to all parties and to provide an opportunity to identify areas for improvement.

Mr. Maleszewski will provide an update of the Audit Committees' Workshop held prior to today's Audit and Compliance Committee meeting.

---

**Supporting Documentation Included:** None

**Facilitators/Presenters:** Mr. Joseph Maleszewski







STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**  
**Strategic Planning Committee**  
**Grand Ballroom, Student Union**  
**Florida A & M University**  
**Tallahassee, Florida**  
**March 18, 2015**  
**1:30 p.m. - 3:00 p.m.**

**or**  
**Upon Adjournment of Previous Meetings**

**Chair: Mr. Dean Colson; Vice Chair: Ms. Patricia Frost**  
**Members: Beard, Doyle, Lautenbach, Morton, Robinson, Webster**

- 1. Call to Order and Opening Remarks** **Governor Dean Colson**
  
- 2. Approval of Committee Meeting Minutes** **Governor Colson**  
Minutes, January 22, 2015
  
- 3. Updates to 2013-2014 Accountability Report** **Dr. Jan Ignash**  
*Vice Chancellor for  
Academic and Student Affairs  
Board of Governors*
  
- 4. University Affordability** **Mr. Marshall Criser III**  
*Chancellor  
Board of Governors*
  
- 5. Concluding Remarks and Adjournment** **Governor Colson**

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Strategic Planning Committee  
March 18, 2015**

**SUBJECT:** Approval of Minutes of the Committee's January 22, 2015 Meeting

---

**PROPOSED COMMITTEE ACTION**

Approve the minutes of the Strategic Planning Committee's January 22, 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 January 22, 2015 meeting at the University of North Florida.

---

**Supporting Documentation Included:** Minutes: January 22, 2015

**Facilitators/Presenters:** Governor Dean Colson

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
STRATEGIC PLANNING COMMITTEE  
UNIVERSITY OF NORTH FLORIDA  
JACKSONVILLE, FLORIDA  
January 22, 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 Colson convened the meeting of the Strategic Planning Committee at 10:31 a.m. on January 22, 2015 with the following members present: Governors Dick Beard, Patricia Frost, Dan Doyle, Ned Lautenbach, Ed Morton, and Katherine Robinson. A quorum was established. Other Board members present were Governors Mori Hosseini, Matt Carter, Stefano Cavallaro, Wayne Huizenga, Tom Kuntz, Alan Levine, and Norm Tripp.

2. Approval of Committee Minutes, November 6, 2014

Chair Colson called for a motion to approve the minutes from the Committee's November 6, 2014 meeting. A motion was made by Governor Frost, seconded by Governor Doyle, and the motion carried unanimously.

3. 2013-2014 State University System Accountability Report

The Committee's first item was to consider for approval the 2013-2014 State University System Accountability Report. Along with the Strategic Plan and the yearly University Work Plans, the Annual Accountability Report constitutes one of the Board's "Three Great Books" used to guide and monitor the progress of the System. The 2013-14 Annual Accountability Report contains narrative and metrics on the progress made toward Board of Governors Strategic Plan goals. Among other information, the Report contains examples of key achievements, as well as information and metrics regarding enrollments, degrees awarded, retention and graduation, research and commercialization, and funding and expenditures. Chair Colson then called on Vice Chancellor Ignash to make a presentation on the 2013-14 Annual Accountability Report.

The System has made strong improvement in FTIC graduation rates in the last five years. Dr. Ignash pointed out that, as a System, 70% of the most recent cohort of full- and part-time FTICs graduated within six years, which represents an increase of 5% points compared to the 2004-10 cohort. Among the 10 largest public 4-year university systems, the SUS has the third highest six-year graduation rate. System-wide, 42% of the most recent cohort of full- and part-time FTICs graduated within four years, which represents an increase of 4% points compared to the 2006-10 cohort. FTIC graduation rates for nine universities have increased over the last five cohorts.

With regard to student progression, Dr. Ignash noted that, on average, the System's second year retention is 88%. She said that 42% of SUS students have graduated by their fourth year. She noted also that about 20% of SUS students are in majors such as engineering that require more than 120 credit hours. System-wide, 84% of full-time, first-time-in-college freshmen with a first-year GPA of 2.0 and higher are retained in the second year. Florida's SUS has the second highest retention rate among the 10 largest public 4-year university systems in the U.S.

Regarding other important indicators, Dr. Ignash reported that bachelor's degrees awarded without excess hours is another important metric to gauge the efficiency of degree completion. Sixty-nine percent of SUS graduates did not earn any excess hours. In addition, the number of bachelor's degrees awarded annually has increased 17% over the last five years. This past year, however, bachelor's degree production grew more slowly, at 1.7%, than the 10-year average annual growth rate of 3.8%. With regard to graduate degrees awarded, Dr. Ignash noted that, as a System, the number of graduate degrees awarded annually has increased 13% over the last five years but that the rate of growth has slowed down considerably.

With regard to degrees in Science, Technology, Engineering, and Mathematics (STEM), Dr. Ignash said that, at the baccalaureate level, STEM degrees have grown 37% in the last five years, outpacing the 14% growth in non-STEM disciplines. At the graduate level, STEM degrees grew 27% compared to the 9% of non-STEM degrees. Twenty percent of the System's bachelor's degrees granted in 2013-14 were awarded within a STEM discipline, and twenty-three percent (or, 1,100) of the System's graduate degrees granted in 2013-14 were awarded in STEM.

In Fall 2013, the SUS, with 337,750 students, had the second-largest enrollment among public four-year institutions, behind the California State University System. Undergraduate enrollment has increased by 22% over the last ten years, while graduate enrollment has increased 24% over the last ten years. The annual growth rate at the graduate level, however, has declined -0.7% from Fall 2012 to fall 2013 which is considerably lower than the ten-year average annual growth rate of 2.4%.

SUS enrollments trail Florida's population demographics by 1% for Hispanics and 6% for non-Hispanic Blacks at the undergraduate level. For SUS Non-Hispanic Whites and Non-Hispanic Asians, however, student enrollment rates were both higher than Florida's, by 1%. At the graduate level, the System rates trail Florida's demographics for Hispanic by 12% and non-Hispanic Black students by 9%. Finally, she pointed out that the System's graduate-level Non-Hispanic White and Asian rates are both higher than Florida's, by 2%.

With regard to undergraduate class size, Dr. Ignash said that, at the System level, 57% of undergraduate classes have fewer than 30 students, and that only 5% of classes have 100 or more students in the class. During the 2013-14 year, 41 new academic programs were approved, 23 were terminated, and 56 were suspended by University Boards of Trustees. The SUS Council of Academic Vice Presidents Coordination Project Work Group continued its examination of potential new degree programs in order to address the issue of unnecessary duplication, and that this dialogue identified a number of other programs that may not be implemented in the foreseeable future.

With regard to professional licensure and certification examinations, Dr. Ignash noted that the ultimate pass rates, regardless of the number of attempts, are typically near 100% in the SUS. She pointed out that, at the university level, four universities were at or above the national averages for all their exams.

Regarding research expenditures in 2012-13, the State University System research-only activities consisted of \$1.78 billion in expenditures, a 15% increase from just four years earlier. Further, in 2011-12, the most recent year of available national data, Florida ranked fifth for research and development expenditures for public universities. The SUS is also the leading receiver of patents issued within Florida, with 1,076 patents awarded over the past five years. Florida's 11 Centers of Excellence have produced a direct Return on Investment of \$6.67 per state dollar invested, and SUS research institutes and centers produce a \$5.94 return on every state dollar invested.

Following Dr. Ignash's presentation, Chair Colson invited Committee members to ask questions or make observations. Governor Morton asked how the Accountability Report was used by the universities to create an action plan. Dr. Ignash responded that Board staff often provided feedback to the institutions with respect to their University Work Plans in the summer of each year. Governor Robinson asked whether health programs were included in STEM, and Dr. Ignash indicated that they were. Governor Levine expressed a concern regarding the preparation of Associate of Arts transfers; however, Dr. Ignash indicated that these students tended to graduate at the same rate as FTIC students.

Following the presentation and discussion, Chair Colson asked for a motion to approve the 2013-2-014 Accountability Report. A motion was made by Governor Beard. The motion was seconded by Governor Doyle, and the motion passed unanimously.

#### 4. State University System Affordability

Chair Colson said that university affordability is currently part of the national conversation about higher education, and one that needed to be had in greater depth with regard to the State University System. He said that the Board needed to be thinking carefully how the State University System will ensure access to higher education for the future generations of Floridians while maintaining quality. Chair Colson noted that, at the last Board meeting, Chancellor Criser introduced the topic of affordability in terms of its three major components: tuition, state appropriations, and financial assistance. Accordingly the Board would undertake a year-long study that looks at the three major components of affordability and explores whether the State University System is affordable for all students who are qualified and motivated to attend. Chair Colson then called upon Chancellor Criser to make a presentation.

Chancellor Criser said that the purpose of the affordability study was to explore whether the State University System is affordable for all undergraduate students who are qualified and motivated to attend, taking into consideration the three main components of affordability: tuition, state appropriations, and financial aid. He said that the study would be guided by four questions: (1) What is the cost of attending an SUS institution? (2) How does that cost compare to other states and other sectors? (3) Is the cost of attending an SUS institution affordable for all income groups? And (4) If the cost of attending an SUS institution is not affordable for all income groups, what can the Board do to enhance affordability? Chancellor Criser said that he expected the study to be completed within the coming year, and that policy recommendations limited to strategies and activities actionable by the SUS would be developed based on the study. Chancellor Criser then provided a timeline for the year-long study, indicating that the next step would be a March 2015 workshop.

Chancellor Criser then presented information with regard to System average cost of attendance, comparing on-campus students with those who stayed at home. Additional information regarding cost that takes into account financial aid and expected family contribution would be forthcoming for the March Board meeting.

With regard to average 2014-15 in-state tuition and fees, Chancellor Criser pointed out that Florida's universities ranked 46<sup>th</sup> in the country. In terms of keeping our universities affordable, this is a highly commendable fact for which the State's policymakers should be proud, although it also presented challenges for helping Florida institutions to compete with wealthier universities from other states.

Chancellor Criser then discussed national “sticker” and “net” prices. He said that the sticker price represents the full price colleges list in their brochures and on their websites and is what is typically discussed in the media. He said that net price, on the other hand, is the price students actually pay and accounts for the fact that many students receive financial aid that does not need to be paid back. In addition, although the sticker price has grown considerably over the past twenty years, the value of grants and scholarships has also grown.

Chancellor Criser next turned the Committee’s attention to financial aid trends, providing data on SUS grants, scholarships and loans awarded to undergraduates over the last ten years. The two primary funding sources for growth in grant awards has been the growth in the Federal Pell award program and the statutory provision requiring that at least 30% of all Tuition Differential Fee dollars collected must be spent on undergraduate need-based aid. In 2013-14, Pell grant awards totaled \$445 million and need-based aid from the Tuition Differential Fee was about \$73 million. Grants overtook scholarships during the 2009-10 academic year, most likely because of the economic recession. Further, the number of undergraduates within the State University System with a Pell grant has doubled in the last ten years. The Chancellor noted that this dramatic growth in grants awarded should be commended, as it has served as a vital funding source that has preserved access to our universities for hundreds of thousands of Florida’s families.

In concluding his presentation, Chancellor Criser indicated next steps for the March Board meeting, including an analysis of the differences in affordability within each of the family income quintiles. In addition, consideration would be given as to how dependency status and estimated family contribution impact net tuition and fees. Finally, Chancellor Criser said that staff would prepare more information with regard to family income of the students who do not complete a FAFSA.

Chair Colson thanked Chancellor Criser for the presentation and added that he looked forward to receiving more information at the March Board meeting.

5. Concluding Remarks and Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 11:30 a.m.

---

R.E. LeMon,  
Associate Vice Chancellor,  
Academic and Student Affairs

---

Dean Colson, Chair



STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Strategic Planning Committee  
March 18, 2015

**SUBJECT:** Updates to 2013-14 Accountability Report

---

**PROPOSED COMMITTEE ACTION**

For approval

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

This item provides updated data for the metrics included in the Performance Based Funding Model. According to Board of Governors policy, the Performance Based Funding-related data provided in the January release of the Accountability Report is considered preliminary, and is not finalized until after the established 'data lock' on March 1<sup>st</sup>. The errata document included here provides a summary of the final data for the metrics included in the Performance Based Funding Model. These data updates have been incorporated into a revised 2013-14 System Accountability Report.

---

**Supporting Documentation Included:** 1. Narrative Summary  
2. Data Summary Errata  
3. Revised 2013-2014 Accountability Report

**Facilitators/Presenters:** Dr. Jan Ignash

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Strategic Planning Committee  
March 18, 2015

**SUBJECT:** State University System Affordability

---

**PROPOSED COMMITTEE ACTION**

For information

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

This year, the Board's Strategic Planning Committee is undertaking a year-long study that examines the major components of affordability and explores whether the State University System (SUS) is affordable for all students who are qualified and motivated to attend. At the last meeting of the Strategic Planning Committee in January 2015, Chancellor Criser made a presentation on several aspects of university affordability in the SUS and nationally, including SUS average cost of attendance, average 2014-15 tuition and fees, national "sticker" and "net" prices, financial aid trends, and SUS demographics as compared to Florida.

The Strategic Planning Committee will continue its discussion of affordability. Chancellor Criser will make a presentation that examines affordability for students from different family income brackets and that provides more detailed information on expected family contribution.

---

**Supporting Documentation Included:** None

**Facilitators/Presenters:** Chancellor Marshall Criser III





STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**

**Academic and Student Affairs Committee  
Grand Ballroom, Student Union  
Florida A&M University  
Tallahassee, Florida  
March 18, 2015  
3:15 p.m. - 4:45 p.m.**

**or**

**Upon Adjournment of Previous Meetings**

**Chair: Mr. Norman Tripp; Vice Chair: Ms. Wendy Link  
Members: Beard, Carter, Cavallaro, Frost, Robinson, Stewart, Webster**

- 1. Call to Order and Opening Remarks** **Governor Norman Tripp**
  
- 2. Approval of Committee Meeting Minutes** **Governor Tripp**  
Minutes, January 21, 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. Implementation of the Doctorate in Clinical Nutrition, CIP 51.3102, University of North Florida** **University Representative**
  
  - B. Implementation of the Doctor of Nursing Practice, CIP 51.3818, Florida Gulf Coast University** **University Representative**

- C. Implementation of the Doctor of Social Work, CIP 51.1503, Florida Atlantic University **University Representative**
- D. Termination of the Ph.D. and Ed.D. in Marriage and Family Counseling, CIP 51.1505, University of Florida **Governor Tripp**
- E. Termination of the Ph.D. and Ed.D. in Mental Health Counseling, CIP 51.1508, University of Florida **Governor Tripp**
5. **Board of Governors Regulation** **Governor Tripp**
- A. Public Notice of Intent to Establish Board of Governors Regulation 6.020 College Credit for Online Courses Completed Prior to Initial Enrollment
6. **Demonstration of Academic Program Pre-Proposal Recognition System (APPRiSe)** **Dr. Ignash**  
**Dr. Julie Alexander**  
*Associate Vice Chancellor for Academic and Student Affairs  
Florida College System*
7. **Update on Campus Security and Consideration of Next Steps** **Dr. Jon Rogers**  
*Director, Academic and Student Affairs  
Board of Governors*  
**Chief Linda Stump-Kurnick**  
*Assistant Vice President of Public and Environmental Safety  
University of Florida*  
**Dr. Kirk Dougher**  
*Director, Counseling & Psychological Services  
Florida Atlantic University*
8. **Update on the Florida Center for Cybersecurity** **Dr. Sri Sridharan**  
*Chief Operating Officer  
Florida Center for Cybersecurity  
University of South Florida*

**9. Academic and Student Affairs Updates**

A. Florida Student Association

**Governor Stefano Cavallaro**

B. SUS Council for Student Affairs (CSA)

**Dr. William Hudson**  
*Vice President for Student Affairs*  
*Florida A & M University*

C. SUS Council of Academic Vice Presidents (CAVP)

**Dr. Ronald Toll**  
*Provost and Vice President for*  
*Academic Affairs*  
*Florida Gulf Coast University*  
*and Chair, CAVP*

**10. Concluding Remarks and Adjournment**

**Governor Tripp**

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Academic and Student Affairs Committee  
March 18, 2015**

**SUBJECT:** Approval of Summary Minutes of January 21, 2015 Committee Meeting

---

**PROPOSED COMMITTEE ACTION**

Approval of the summary minutes of the meeting held on January 21, 2015 at the University of North Florida

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

Committee members will review and approve the summary minutes of the meeting held on January 21, 2015 at the University of North Florida.

---

**Supporting Documentation Included:** Minutes, January 21, 2015

**Facilitators/Presenters:** Governor Norman Tripp

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
ACADEMIC AND STUDENT AFFAIRS COMMITTEE  
UNIVERSITY OF NORTH FLORIDA  
JACKSONVILLE, FLORIDA  
JANUARY 21, 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

Chair Norman Tripp convened the meeting at 1:30 p.m. on January 21, 2015, with the following members present and answering roll call: Wendy Link; Richard Beard; Stefano Cavallaro; Patricia Frost; and Katherine Robinson. A quorum was established.

2. Meeting Minutes

Governor Link moved that the Committee approve the minutes of the November 5<sup>th</sup> meeting, as presented. Governor Cavallaro seconded the motion and the members concurred.

3. Vice Chancellor and Chief Academic Officer's Report

Dr. Ignash reported on the following activities that the ASA unit has been engaged in:

- responding to requests for data and information from legislative and the governor's office staff;
- legislative bill analyses;
- making a presentation to the House Higher Education and Workforce Subcommittee;
- talking with universities regarding budget requests and the proposed Data Analytics Research Initiative;
- developing goals to establish targets for percentage of undergraduates engaged in research;
- attending the January 15<sup>th</sup> UCF downtown campus presentation;
- providing input to the FSU/FAMU engineering study consultants.



Future staff activities will include:

- a workshop at UF to discuss developing a shared IRB to be more competitive and respond quickly to federal and state grant applications.
- a CAVP coordination project workgroup meeting to review new program proposals.
- collaborating with the Florida Department of Education and the Florida College System to plan and coordinate the February Sunshine State Scholars conference.

#### 4. SUS Title IX Workshop

Chair Tripp introduced Ms. Vikki Shirley, Board of Governors General Counsel, to provide an update on the November 18<sup>th</sup> Title IX SUS Workshop. Mrs. Shirley reported that the workshop was held for university key stakeholders to discuss issues related to Title IX and to develop a system-wide approach for Title IX issues when they arise. Topics of focus were disclosure of information, confidentiality requests, prevention and awareness, and the Board's conduct code regulations. Workshop outcomes included recommendations to:

- Amend section 794.024 F.S. which prohibits public employees from disclosing identifying information about alleged victims of sexual assault to any person not involved in an investigation or prosecution of an alleged offense. The statute has served as an impediment to the exchange or flow of information on Florida campuses among departments and staff that is integral to the investigation of potential violations.
- Develop a system-wide definition of consent for universities to use when defining, interpreting, communicating, and evaluating consent in campus disciplinary proceedings. A workgroup is currently developing a system-wide definition.
- Revise the definition of a responsible employee because the current definition per the U.S. Department of Education Civil Rights Office is open-ended and allows for a subjective interpretation. A consistent definition used within the SUS would help students more easily identify a responsible campus employee to whom to report Title IX issues. A workgroup is currently reviewing definitions adopted by universities outside of Florida.
- Revise Board of Governors Regulation 6.0105, Student Conduct and Discipline, that provides a framework and due process protections for student disciplinary proceedings and serves as a minimum threshold for universities' conduct code regulations. The regulation needs to be revised to align with the best practices

recommended by the Association for Student Conduct Administration, specifically as related to handling disciplinary proceedings arising from complaints of sexual misconduct, harassment, or sexual assault.

5. ExpertNet/TalentNet - Legislative Budget Request

Chair Tripp introduced the item and reminded the committee that all proposed legislative budget requests are to be reviewed in the appropriate policy committee and approved before going to the Budget and Finance Committee to be included in the SUS legislative budget request. This item is for the 2015 legislative session.

Chair Tripp provided historical information about the Clearinghouse for Applied Research which is managed and maintained at FSU. The prominent component is ExpertNet, an online portal for university research and expertise, and includes TalentNet (a statewide inventory of post-secondary programs across all sectors). The Clearinghouse has been operating without receiving additional funding. Additional funding in the amount of \$222,644 (\$175,200 recurring and \$47,444.00 non-recurring) is requested by FSU to maintain and enhance the Clearinghouse.

Dr. Ignash explained the proposed legislative budget request and reported that ExpertNet and TalentNet provide a major economic development strategy for the SUS and the recurring funds will be used to fund two staff positions to maintain and update the portals. Rebecca Augustyniak, project director for the Clearinghouse, reported that 25,000 unique individuals visit the site annually. Chair Tripp mentioned that usage would likely increase with improved marketing efforts.

Governor Robinson moved to recommend the 2015-2016 Legislative Budget Request for the ExpertNet/TalentNet - Clearinghouse for Applied Research to the Budget and Finance Committee. Governor Beard seconded the motion and the committee passed the motion.

6. Bright Futures Scholarship for Summer Term

Chair Tripp stated that discussion of the use of Bright Futures scholarships for summer terms as a legislative budget request began at the committee's last meeting. Committee action was postponed to allow staff to research the topic.

Dr. Ignash reported on ASA research regarding the impact of a proposed policy change, using university survey information and system-wide data. The research found that 50% of students in spring 2014 who received Bright Futures scholarships took 24% fewer credit hours during summer 2014 compared to the preceding spring semester.

Projecting from this finding, if proportions remain constant, the cost would be \$29.7 million. Dr. Ignash suggested that if Bright Futures becomes available to students in summer semesters, students might be encouraged to take more credit hours. A 10% increase in summer credit hours could potentially result in a cost of \$41.6 million, and a 20% summer enrollment increase could result in a cost of \$53.5 million. The status-quo estimate of \$29.7 million is within the \$32 million saved by increasing Bright Futures eligibility requirements. Dr. Ignash confirmed the \$32 million cost savings estimate applies only to the SUS and does not include the Florida College System.

Additional research found that Bright Futures summer funding could enable universities to serve students more effectively, to promote faster time-to-degree completion, and to use campus facilities more fully during summer semesters. A survey of the universities conducted by Board staff also revealed different preferred methods that universities would implement Bright Futures funding. Several universities noted the importance of promoting time-to-degree by first serving those students closest to graduation. Several other universities noted the greater impact on time-to-degree if incoming freshmen were to be encouraged to pursue summer enrollment and Bright Futures awards.

Governor Cavallaro moved to recommend to the full Board that the Chancellor work with the universities and other stakeholders to further define the benefits of summer Bright Futures. Governor Beard seconded the motion, and the members concurred.

#### 7. The Climate for Research Today and Faculty Roles and Responsibilities

Chair Tripp introduced the item and emphasized the university tripartite mission that includes teaching, research and services. He noted that the research component sets universities apart from other post-secondary institutions.

Dr. David Norton, University of Florida Vice President for Research, highlighted the role and purpose of university research and discussed recent changes and new challenges. He stated that innovation is now occurring globally and securing grant funding from national entities is extremely competitive. Other countries are funding research at a faster pace than the U.S., and Florida ranks 14<sup>th</sup> in the nation in total R&D funding.

Recommendations to meet the challenges are:

- to support statewide initiatives in research areas of health, data science, advanced manufacturing, and marine science, and
- to invest in recruiting and hiring faculty that bring with them highly funded projects and cluster hires in strategic areas.

Dr. Norton also stated that higher end computation ability that can share data across systems is a key to being competitive. He recommends investing in collaborative networks of data centers with computing capacities and storage that will provide information and a network to collaboratively compete for large grants.

Chair Tripp stated that he wants to continue discussions regarding university collaborative efforts to hire superstar faculty into the SUS and invited Dr. Norton to return next year to update the committee on this topic.

#### 8. SUS Developmental Research Schools 2013-2014 Annual Report

Chair Tripp stated that the developmental research schools are housed at FAMU, FAU, FSU, and UF. Each school is affiliated with its host university's college of education and provides a laboratory for educational research, curriculum innovation, and educator training and development.

Dr. Lynda Fender Hayes, director of the UF P.K. Yonge Developmental Research School provided a summary of the projects, research activities and outcomes in the four schools. The four DRS schools partner with university faculty in STEM related fields, allied health, physical therapy, pharmacy, public health, science education, and math education, as well as outside agencies. The schools' projects include:

- Developing strategies to improve literacy and testing reading interventions;
- Testing virtual immersion on problem solving and communication skills, and instructional models to engage science students in argument driven inquiry;
- Improving middle school science, math pipeline, and technology integration;
- Adopting and using blended approaches to instruction using technology, management systems and the internet;
- Testing the link between the state teacher observation model and student achievement, and creating a model to support teacher learning practices;
- Participating in efforts to link STEM to art initiatives;
- Building and testing electric vehicles; developing the first robotics team.

These projects provided for numerous service and outreach opportunities, including:

- Collaboration resulting in the planned launch of an E publication;
- Hosting the annual best practices drive-in conference;
- Giving presentations to the FDOE and for state and national conferences;
- Being featured in a national magazine;
- Availability of the Florida Astronaut Challenge in Florida's schools;

- Development of a new AP statistics course;
- FAU high school students in STEM who partnered with university faculty graduated from high school with 90+ college credits;
- FSU high school students graduated from high school with health science workforce certifications;
- Student interns learned classroom management skills using a teach-live simulator.

#### 9. Updates on TEAm Grant Program

The 2013 legislature provided \$15 million to the Board of Governors to address the targeted program areas identified in the Commission on Florida Higher Education Access and Degree Attainment gap analysis. In March 2014, the Board selected four partnerships to receive \$15 million in funding for TEAm grants.

Dr. Christopher Mullin, Assistant Vice Chancellor for Policy & Research, provided an update on the TEAm grant program. He reported that the four projects include:

- CSIT, an urban university coalition to respond to Florida's computer and information technology workforce needs;
- A collaborative approach to increasing the supply of quality accounting graduates in Florida;
- FITC Alliance, expanding North Florida's IT career pathways;
- CAPTURE, developing a computer accelerated pipeline to unlock regional excellence.

The TEAm grant dashboard provides an accountability and monitoring system that focuses on four program metrics: upper division enrollments, grant outcomes, performance, and bachelor's degrees completers. In 2013-2014, enrollments were 149 more than expected and completers were 5 more than expected. Dr. Mullin reported that grantees are currently collecting data of graduates as they have one year post graduation to identify workforce outcomes. These data will be reported July 2015.

Board staff monitors approved budgets and spending allocations and all grant funding must be spent by December 2015, with institutions subsequently responsible for providing requisite funding to sustain programs. Grant money spent through December 2014 is \$4.9 million, or 33% of TEAm grant funding.

10. Academic and Student Affairs Updates

Dr. Kevin Bailey, Chair of the SUS Council for Students Affairs (CSA), provided an update on anti-hazing initiatives. The Council is proposing changes to the annual anti-hazing summit, which is a day conference focused on anti-hazing programming, and will hold the summit every other year in the future. The Council is also doing a pilot launch with Alivetech which is an online anti-hazing tool.

Chair Tripp recognized student board member, Governor Stefano Cavallaro, to provide an update on activities and issues of interest to the Florida Student Association and SUS students. Governor Cavallaro reported that students are currently focused on making academic progress this semester, graduating and pursuing their professional and career goals. Students are mindful of the cost of college and possible debit incurred. The FSA is meeting at FIU to finalize their legislative agenda with items that include gaining bonding approval for the capital improvement trust fund to improve student life facilities, no tuition increases, summer bright futures scholarships, tax break on textbooks, and creating a need based aid program.

11. Closing Remarks and Adjournment

Chair Tripp thanked members for their participation and adjourned the meeting at 3:02 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  
March 18, 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  
March 18, 2015**

**SUBJECT:** Doctorate in Clinical Nutrition (CIP 51.3102) at the University of North Florida

---

**PROPOSED COMMITTEE ACTION**

Consider approval of the Doctorate in Clinical Nutrition at the University of North Florida, CIP Code 51.3102.

**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) requests to offer a Doctorate in Clinical Nutrition (DCN) with an emphasis in Advanced Practice. The proposed program is designed to enhance the research and practical skills of advanced practitioners in the field of nutrition and dietetics. The doctoral program will require 54 credit hours beyond the Master's degree. The curriculum includes 54 semester credit hours (21 core credit hours, 18 research credit hours, 9 credit hour clinical residency, and 6 credit hours of electives). Graduates are expected to be prepared for employment in both clinical and academic settings in the public and private sectors.

The proposed program would be the first of its kind in the State University System and does not substantially duplicate existing programs in the SUS or within the private sector in Florida.

The UNF Board of Trustees approved the program on January 7, 2014. If the proposal is approved by the Board of Governors, UNF will implement the program in Fall 2016.

---

**Supporting Documentation Included:** Staff Analysis  
(Full proposal online at [www.flbog.edu](http://www.flbog.edu))

**Facilitators/Presenters:** University Representatives



**BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
NEW DOCTORAL DEGREE PROPOSAL STAFF ANALYSIS**

**Program:** Doctorate in Clinical Nutrition      **CIP Code:** 51.3102  
**Institution:** University of North Florida      **Proposed Implementation Date:** Fall 2016  
**Staffed By:** A. Beaven, A. Morse, Ph.D.      **Initial Review Date:** 4/4/14      **Last Update:** 2/27/15

**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	\$310,825	84% \$260,825	0% \$0	0% \$0	16% \$50,000	\$0	\$77,167	\$10,816 51 CIP
Year 5	\$327,975	100% \$327,975	0% \$0	0% \$0	0% \$0	\$0	\$16,196	

**Projected FTE and Headcount are:**

	Student Headcount	Student FTE
First Year	9	3.38
Second Year	21	7.88
Third Year	33	13.22
Fourth Year	45	18.84
Fifth Year	48	20.25

*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
2	3	5	10	14	17	17	26	29

## A. Program Description:

According to the proposal, the Doctorate in Clinical Nutrition (DCN) is designed for students with a Master's degree in the field who currently practice as registered dietitians and hold a minimum of three year's related work experience. The program is designed to prepare graduates for leadership roles in public health organizations, health care provider organizations, government agencies, international health organizations, universities, or the private sector. In addition, the proposal notes that graduates from this program will be able to assume faculty positions in colleges and universities.

As described in the proposal, the Doctorate in Clinical Nutrition program is a 54 credit hour advanced practice doctoral program with core requirements in advanced nutrition practice, research, a supervised advanced practice residency, program electives, and a research or clinical outcomes study. Students will be able to select an emphasis in one of the following areas: evidence-based practice, chronic disease prevention, treatment of underserved populations, and outcomes research. In addition, the proposal notes that students will be able to work with program faculty to coordinate electives that lead to a secondary credential or certification that further supports career goals.

## 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.
- The proposal states on page 12 that UNF will seek a special tuition rate of \$750 per credit hour (in-state and out-of-state) for the program and that students will also pay a distance learning fee of \$35 per credit hour (current in-state for the MS is \$435.82).
- The proposal notes in several places that the program will be online and target working professionals who are unable to come to campus. However on page 12 the proposal also states that "The presence of doctoral level students will enable the department to enhance teaching at the lower divisions."
- National labor market statistics indicate an increasing demand for dietitians and nutritionists at the bachelor's degree level. The long-term projection by the Florida Department of Economic Opportunity for dietitians is for moderate growth statewide. The state-level demand currently appears to be met by the supply of graduates from bachelor's and master's level programs.
- 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.

- The proposal notes that UNF surveyed current registered dietitians, but it does not report if, or how many, respondents expressed interest in enrolling in UNF's proposed program.
- 17 letters of support are provided from universities and non-academic institutions, some stating that DCN graduates would receive hiring and promotion advantages, but none of the respondents quantify the number of openings that may be available.
- The proposal makes an argument for the DCN as an emerging credential.

At the request of the Chair for the Academic and Student affairs Committee, the proposed program was reviewed during the Health Initiatives Committee Workshop on January 21, 2015. The Committee and its industry advisory group discussed workforce demand for clinical nutritionists holding a practice doctorate. 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, potential for promotion, 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 quickly saturated even in the presence of high student demand?

When considering these questions the Health Initiatives Committee and advisory group members acknowledged that demand for faculty and clinical supervisors could increase if the entry-level credential for registered dietitians shifts from the bachelor's degree to the master's degree as expected. A question was raised about whether DCN graduates would be qualified for teaching positions and university staff confirmed they would be qualified, especially for clinical courses and residency supervision.

Some Health Initiatives Committee members expressed concern that movement to a higher credential for clinical nutrition was being driven in part by the profession seeking to increase the recognition and income of its members, and that documentation of workforce demand for the DCN should be addressed. One member emphasized the need to demonstrate the marginal utility to experienced registered dietitians in gaining the additional degree. Another member responded that there is evidence of improved patient outcomes associated with advanced training and clinical doctorates. An advisory group member representing the Florida Department of Health said the skills of the DCN graduates would be of benefit to the agency and she could envision hiring them to lead nutrition-related programs.

The group's consideration of the proposed DCN as the second program of its kind in the U.S. led some to ask whether the program would be on the "leading edge or bleeding edge" once implemented. The sustainability of the program, through adequate student enrollment and continued market demand for graduates, was brought into question. A university representative commented that the program required only one additional faculty member to begin and would be terminated if it had low enrollments. The university representative added that local market support for the clinical nutrition doctorate was one reason for proposing the program.

A brief background on changes in the field and an analysis of the market need and student demand by Board staff are provided in the next sections.

In 2012, the Academy of Nutrition and Dietetics (AND) recommended through its *Visioning Report* that the minimum educational credential required for entry-level practice in nutrition and dietetics should transition to the Master's of Science. AND's *Visioning Report* articulated that this recommendation was based on the need to keep pace with increasingly specialized knowledge in allied health disciplines and the upward credentialing of other allied health professions (i.e., nursing, physical therapy, and occupational therapy). According to the proposal, UNF's Doctorate in Clinical Nutrition (DCN) would respond to this expected shift by further educating experienced, registered dietitians who will assume leadership roles in health organizations and who will educate a potentially increasing number of master's level students. However, it is important to note that credentialing changes by the Commission on Dietetic Registration to elevate the degree requirement are not expected until 2024. Further, there is no indication that the State of Florida will be moving to formally establish the Master of Science as the minimum credential for licensure in the near future.

As described in the proposal, the Doctorate in Clinical Nutrition is also designed to train advanced practitioners to conduct outcomes-based research that can be applied within a variety of clinical, healthcare provider, and policy settings. Further, the proposal states that skills reinforced through the proposed program are intended to add to the knowledge base of current practitioners who can explore innovative interventions to solve persistent health problems at both the individual and population levels.

### **Analysis of Market Need**

The university hired an external consultant, Eduventures, Inc., to conduct a needs assessment for the online Doctorate in Clinical Nutrition. The Eduventures report cited that "currently only 5% of practicing Registered Dietitians have a doctoral degree and the demand will increase due to the 'shortfall of professionals qualified to fill future faculty positions and other leadership positions that require or prefer a doctorate, given the small number who possess a doctorate.'"

To provide narrative on current and anticipated future employment trends in academic and applied settings, the university cited a 2010-2020 supply-demand analysis of full-time dietitians and nutritionists across the United States. In the study, it was noted that 75% of the demand for the dietetics workforce will be met by the projected 2020 supply of certified practitioners. However, gaps within dietetics occupations were also reported. For example, the study suggests a shortfall of more than 10,000 inpatient/outpatient clinical nutritionists (42% growth during the time period) and a shortfall of 1,900 long-term care clinical nutritionists (36% growth). In the education and research sector of nutrition and dietetics, a shortfall of 400 eligible employees is anticipated by 2020.

According to the Bureau of Labor Statistics, the occupational outlook for dietitians and nutritionists is expected to grow 21% (from 67,400 to 81,600 jobs) between 2012 and 2022, which is a higher growth rate than the national average for all occupations. In Florida, the Department of Economic Opportunity (DEO) projects employment for dietitians and nutritionists to grow 12.2% (from 3,807 to 4,271 jobs) from 2013 to 2021, with an average of 170 job openings annually. Currently, the baccalaureate degree, a supervised residency, and licensure are the minimum credentials to practice as a dietitian/nutritionist in Florida and many other states. The potential supply of roughly 300 dietitians and nutritionists from relevant SUS bachelor's and master's programs (Nutrition Sciences, Dietetics, and Clinical Nutrition) in 2013 is greater than the DEO's estimate of 170 annual openings. A separate demand estimate for nutritionists holding a doctorate degree is not available.

Through a search of the Florida Research and Economic Information Database Application (FREIDA), 101 job openings were available for dietitians and nutritionists in Florida as of September 10, 2014. Although a vast majority did not require an advanced degree, it was noted on the FREIDA site that 'applicants with specialized training, an advanced degree, or certification beyond the State's minimum requirements should enjoy the best job opportunities.' A nationwide search for faculty positions in nutrition and dietetics through a national job listings database, [www.higheredjobs.com](http://www.higheredjobs.com), indicated a need for the doctorate to be competitive. Based on the search, 67 full- and part-time faculty listings were identified between 9/4/13 and 9/4/14. Although clinical nutrition was listed as a desired area of expertise in many listings, a Ph.D. in Nutritional Sciences was also cited as an appropriate credential to qualify for consideration.

According to the most recent data from the Integrated Postsecondary Education Data System (IPEDS), an average of 126 research doctoral degrees are awarded in nutritional science each year in the U.S. In the SUS, the University of Florida produced 7 doctoral graduates in nutritional science in 2013. On average, IPEDS data indicate that 6 doctorates in clinical nutrition are produced each year from the only Doctorate in Clinical Nutrition program in the U.S., at Rutgers, the State University of New Jersey.

Though the proposal states that the Doctorate in Clinical Nutrition offers a focus on advanced practice, it is unclear how this program differs from a research-focused Ph.D. program in Nutritional Sciences. For example, a substantial number of research credits in the proposed Doctorate in Clinical Nutrition curriculum (18/54 credits, or 1/3 of the program, plus an outcomes-based or research study) are required to graduate from the program. It is also unclear whether graduates with a Doctorate in Clinical Nutrition would be competitive for faculty or research positions with the Ph.D. in Nutrition as an already established credential, which, as UNF notes in its proposal, is the type of educational background they will be seeking to fill anticipated faculty openings to teach in the practice-based Doctorate in Clinical Nutrition program.

The University of North Florida solicited letters of support for the proposed DCN program from local, state, regional, and national leaders in the field of nutrition and dietetics, receiving 17 in support and one email expressing interest in the program. Although the letters do contain a statement about giving hiring and promotion preferences to graduates with a DCN, they do not quantify how many such positions might be open. Included in the proposal was a letter of support from the Academy of Nutrition and Dietetics, the discipline's national organization, which included the following statement: "The Academy wholeheartedly supports a practice doctorate providing research opportunities in practice sites where results can be applied immediately, rather than the traditional PhD, which often focuses on bench or laboratory research, which may take years to reach practice."

### **Analysis of Demand**

The University of North Florida conducted a survey of 75 Registered Dietitians in Florida. The proposal notes that fifty-seven of the 75 respondents (76%) reported that graduates will benefit from enhanced leadership skills, and 32 respondents (43%) reported that employers will benefit from quality care outcomes measurements. A substantial limitation of this survey on demand was that the number of respondents who would be interested in a Doctorate in Clinical Nutrition was not reported in the proposal. Another limitation of this survey was that employers of nutrition and dietetic practitioners were not included to indicate whether the DCN would be an appropriate credential for advanced-practice in clinical settings or teaching/research in educational or laboratory settings. As a supplement to the proposal, the university provides written statements to show anecdotal support from employers of clinical nutrition graduates. For example, Dr. William Rupp, CEO of Mayo Clinic Florida, writes, "We believe this degree will be important to ensure that future dietetics practitioners are equipped to meet the challenges of future advanced practice models."

In terms of enrollment projections of the proposed program, nine (9) students are expected to enroll in the first year, increasing to 48 by the fifth year of the program. According to Table 1-B of the proposal, the program intends to enroll its inaugural class

from the immediate service area or from elsewhere across the state. By Year 5, the majority of headcount enrollment (33 out of the 48) is expected to come from the immediate service area or across the state while fifteen (15) students are anticipated to enroll from out-of-state.

As mentioned above, entering students must already possess a Master's degree in an appropriate discipline and have at least three years of related work experience to be considered for admission. Tables A and B below show that Master's-level programs in the State University System and across the United States are providing sufficient graduates to produce a student pool for the proposed Doctorate in Clinical Nutrition.

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
FIU	12	12	11	8	9	10	26	24	32	40
FSU	12	16	13	17	20	27	25	19	33	17
UNF	0	0	0	0	0	0	0	0	14	12
<b>Total</b>	<b>24</b>	<b>28</b>	<b>24</b>	<b>25</b>	<b>29</b>	<b>37</b>	<b>51</b>	<b>43</b>	<b>79</b>	<b>69</b>

Source: State University System of Florida. (2014). Interactive University Database, degrees.

	2010-11	2011-12	2012-13
Dietetics/Nutritional Sciences (CIP 51.3101)	300	349	399
Clinical Nutrition/Nutritionist (CIP 51.3102)	128	145	134
<b>Total</b>	<b>428</b>	<b>494</b>	<b>533</b>

Source: National Center for Education Statistics. (2014). Integrated Postsecondary Education Data System, Degree Completions by CIP.

The proposal notes that a prevalence of dietary-related chronic diseases indicates a need for advanced practitioners who can design effective interventions and conduct outcomes research to provide leadership in the dietary prevention, intervention, and treatment of these diseases. The Doctorate in Clinical Nutrition program is designed to prepare graduates with expertise in the prevention and treatment of chronic disease and outcomes research.

A cross-section of national experts assisted with the development of the proposed program. Those involved were: 1) Dr. Deborah Canter, Professor of Dietetics at Kansas State University, who is a nationally recognized expert in nutrition and dietetics education; 2) Dr. Linda Lafferty, who has chaired a national advanced practice

education committee that developed the framework for advanced practice for the profession; and 3) Dr. Julie O’Sullivan Maillet, who served as the interim dean at the University of Medicine and Dentistry of New Jersey and was instrumental in developing the first Doctorate in Clinical Nutrition in the United States.

The consultants supported the proposed Doctorate in Clinical Nutrition program at UNF. For example, Dr. Canter stated “there is a distinct need for Registered Dietitians to earn doctoral degrees...with such a small number of terminally-prepared individuals, the dietetics profession is ‘short staffed’ both in college and university settings to fill future faculty vacancies as well as in clinical/community based-nutrition settings where individuals need appropriate academic credentials to be competitive for leadership positions and provide guidance for practice innovations.” However, the proposal did not provide clear evidence to indicate the extent to which such a need exists for DCN graduates and whether experienced Master’s-level practitioners might be interested in such a program.

**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 proposed program was approved by the University of North Florida Board of Trustees on January 7, 2014.

**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 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.**

Though no Doctorate in Clinical Nutrition programs are offered at another public or private institution in the State of Florida, the University of Florida offers a Doctor of Philosophy degree in Nutrition Science (CIP 30.1901). As of Fall 2013, 25 total students were enrolled and, in 2012-13, seven (7) degrees were granted in the UF doctoral program. No letters of support or concern were included from the University of Florida with the proposal, but the program pre-proposal was reviewed by the Council of Academic Vice Presidents, Academic Coordination Workgroup.

- The university has provided complete and accurate projected enrollment, faculty effort, and budget tables that are in alignment with each other.**

The university provides sufficient information on enrollment (Table 1-B), faculty effort (Table 4), and budget (Table 2 & 3) and they are in alignment with one another.

- 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 University of North Florida provided a statement as to how the program will achieve a diverse student body in the program. The statement was reviewed and signed by the UNF Equity Office on April 24<sup>th</sup>, 2013.

- 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 Doctorate in Clinical Nutrition program does not substantially duplicate a program at FIU or FAMU.

*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 UNF Board of Trustees approved the budget on January 7, 2014.

- 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 average 2013-14 SUS direct E&G expenditure per student credit hour for doctoral level CIP 51 is \$338.03 for a total of \$10,816 per full-time equivalent student. The University of North Florida is proposing that in the first year of operation the cost per full-time equivalent student will be \$77,167 and by the fifth year of operation will be \$16,196. After the initial expense to implement the program, the DCN appears to be in alignment with average cost per credit hour calculations for the 51 CIP in the State University System.

According to Table 2 of the proposal, \$259,825 of the \$310,825 budget for Year 1 will be tied to faculty salaries and benefits for two new full-time faculty hires and one faculty member from other units who will contribute part-time to the program. In addition, \$50,000 in non-recurring grant support will be available for student financial support for Year 1.

The proposal states on page 12 that UNF will seek a special tuition rate of \$750 per credit hour (in-state and out-of-state) for the program and that students will also pay a distance learning fee of \$35 per credit hour (current in-state for the MS is \$435.82). This will equate approximately to:

$$\begin{aligned} &6-9 \text{ credit hours per year} \times 20.25 \text{ FTE} = 121.5 - 182.25 \text{ credit hours} \times [\$750 + \$35] \\ &= \$95,377.50 \text{ to } \$143,066.25 \text{ tuition and fee revenue in year five and beyond.} \end{aligned}$$

By Year 5 of the program, tuition is anticipated to cover the costs of the program that were previously covered by Flagship Grant Award monies. However, the evidence to indicate demand for this program from practicing, Master's-level nutritionists is insufficient as noted in the Demand section above. If enrollment targets are not met, it is unclear whether the program will be financially viable.

- 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 university has indicated that the undergraduate and graduate programs in the Department of Nutrition and Dietetics have been designated as among the university’s Flagship Programs, which are recognized for excellence in scholarly accomplishments of the faculty, exceptional educational outcomes for students, and for the linkage between UNF’s educational mission to a range of civic needs in the region. The university awards significant E&G support to Flagship Programs to further enhance the capability of these programs to meet economic needs and to further position for regional and national recognition. As such, Flagship Program award money has been directed to fill two new faculty lines for the creation and implementation of the DCN program from Years 1 to 5. Thus, E&G dollars will be re-directed from the university’s base to support the program, but this reallocation does not appear to impact the E&G budget of academic programs in the College.

The proposal states on page 12 that “The presence of doctoral level students will enable the department to enhance teaching at the lower divisions.” However it is also noted in several places that the program will be online and target working professionals who are unable to come to campus. If they never or rarely come to campus it is not likely the online doctoral students can do much to enhance teaching of undergraduate and master’s students on campus.

**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.**

A cross-section of national experts contributed to the development of the proposed program. The experts involved in the development of the

proposal were Dr. Deborah Canter, Professor of Dietetics at Kansas State University, is an established expert in nutrition and dietetics education. She has received the Award for Excellence in the Practice of Dietetics Education from the American Dietetic Association. Dr. Linda Lafferty has been actively involved with the Academy of Nutrition and Dietetics' development of a dietetics career path and advanced practice guidelines. Dr. Julie O'Sullivan Maillet led in the development of the only doctorate in clinical nutrition in the U.S., which is presently located at Rutgers, the State University of New Jersey. Dr. Canter reviewed and endorsed the program curriculum.

All three consultants state that an online advanced practice clinical doctorate in nutrition will meet the need for more registered dietitians to earn doctoral degrees as the field of nutrition and dietetics is expected to increase the minimum credential to practice to a Master's with experience. The consultants state that the proposed DCN program would support this trend by providing additional candidates to fill faculty positions and to enhance the knowledge and expertise of leaders.

- 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 Department of Nutrition and Dietetics reviewed its academic programs in 2009.

- The university has analyzed the feasibility of providing all or a portion of the proposed program through distance learning.**

The Doctorate in Clinical Nutrition (DCN) program is proposed as a fully online program and will charge a distance education fee of \$35 per credit hour. The distance learning fee will total \$1,890 per student over the course of the program.

- 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.**

As presented in the proposal, the Doctorate in Clinical Nutrition (DCN) program is designed to prepare experienced, working professionals for leadership roles in public health and healthcare provider organizations in the public and private sector as well as for faculty positions in colleges and universities. The curriculum includes 54 semester credit hours (21 core credit hours, 18 research credit hours, 9 credit hour clinical residency, and 6 credit hours of electives). In addition to university support, Dr. Deborah Canter, who served as an external consultant to the DCN proposal and is a nationally-recognized expert in the field, reviewed and endorsed the proposed curriculum.

- The university anticipates seeking accreditation for the proposed doctoral program, or provides a reasonable explanation as to why accreditation is not being sought.**

The Accreditation Council for Education in Nutrition and Dietetics (ACEND) does not accredit advanced degree programs.

*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.**

In the proposal, it is noted that two full-time faculty will be hired to contribute to the program in Year 1. In addition, one faculty member from another unit at the institution will provide part-time support in the first year. By Year 5, two additional part-time faculty from other units will support the program. By year 5, a total of two faculty will provide full-time person year contributions and three faculty will provide part-time contributions to the DCN 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.**

Table 4 of the proposal notes that two anticipated hires will hold Ph.D. degrees in Nutrition, which is an appropriate credential to teach within the proposed program. In addition, the anticipated faculty will be hired under tenure-earning faculty contracts. It is also noted in Table 4 that existing faculty who will provide additional support for Years 1 through 5 of the program also hold terminal degrees in Nutritional Science.

- 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.**

Evidence of existing faculty productivity is provided in the proposal. From 2008-2012, full-time equivalent enrollment in upper-division coursework increased from approximately 70 to 110 FTE. Baccalaureate degree awards also increased during that timeframe from 35 to 65 annually. At the graduate level, annual full-time equivalent enrollment increased from 17 to 19 and degree awards increased from 13 to 16 from 2008 to 2012.

The faculty has also been productive in research. In 2008-2009, four out of 10 applications for extramural funding were funded. In addition, faculty produced 29 presentations or posters at national or international conferences, Twelve peer-reviewed journal articles and nine books, book chapters, or parts of books were published in '08-'09 as well. In 2009, several faculty served as national officers on the Academy of Nutrition and Dietetics. In 2011, seven out of ten extramural grant applications were funded. It is important to note that this information for all faculty in the Department of Nutrition and Dietetics and therefore includes the contributions of those who are not expected to teach within the proposed program.

- If appropriate, the university has committed to hiring additional faculty in later years, based on estimated enrollments.**

The institution has committed to hiring two full-time faculty members to contribute to the program in Year 1.

**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.**

In the proposal, the university notes that \$1,000 in recurring funds will be needed through Year 5 to provide additional library resources for the program. These funds will come through awards money made available through the Flagship Grant in Year 1 and in additional tuition revenue from increased enrollment in the program for Year 5. The UNF Library Director signed the proposal on April 24, 2013.

- 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, instructional space is sufficient for the proposed program.

- The university has ensured that necessary equipment is available to initiate the program.**

According to the proposal, all the necessary equipment is available for the proposed program.

- The university has ensured that fellowships, scholarships, and graduate assistantships are sufficient to initiate the program.**

As part of its Flagship status at UNF, the Department of Nutrition and Dietetics will receive \$50,000 in non-recurring grant funds to support doctoral students in Year 1 of the program. In addition, the College offers one partial tuition waiver and one graduate assistantship each year for which students can compete. The students enrolled in the Doctorate in Clinical Nutrition program will be eligible to compete for these awards, but there is no guarantee that the award will be given to a student in this program each year.

- If applicable, the university has ensured that the department has arranged a suitable number of clinical and internship sites.**

The University of North Florida has an existing Memorandum of

Understanding (MOU) with many local and regional hospitals, the Florida Department of Public Health, and other settings that will be helpful for faculty to help students obtain residencies. Because many students will be located at a distance from the UNF regional service area, the faculty will work with students to coordinate residency placements.



**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Academic and Student Affairs Committee  
March 18, 2015**

**SUBJECT:** Doctor of Nursing Practice (CIP 51.3818) at Florida Gulf Coast University

---

**PROPOSED COMMITTEE ACTION**

Consider approval of the Doctor of Nursing Practice at Florida Gulf Coast University, CIP Code 51.3818.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.011

**BACKGROUND INFORMATION**

Florida Gulf Coast University (FGCU) proposes to offer a Doctor of Nursing Practice (DNP) with two pathways – BSN to DNP and MSN to DNP. The proposed DNP is designed to prepare students with advanced nursing knowledge and leadership skills to improve health care outcomes and to provide expert evidence-based nursing care across diverse health care settings and systems. The MSN to DNP requires 39 hours of coursework and is intended for students who wish to build upon the candidate’s specialty area. The BSN to DNP requires 84 hours of coursework and specialization in one of two specialty areas – Family-Nurse Practitioner or Adult-Gerontology Primary Care Nurse Practitioner.

The proposal includes a comprehensive review by a consultant who expressed support for this program and attests that the curriculum aligns with established standards for DNP programs. Currently, the DNP is offered at seven institutions in the State University System of Florida and five institutions affiliated with the Independent Colleges and University of Florida. A letter of support for this program was submitted by FIU’s Provost.

The FGCU Board of Trustees approved the program proposal on April 15, 2014. If the proposal is approved by the Board of Governors, FGCU will implement the program in Fall 2015.

---

**Supporting Documentation Included:** Staff Analysis  
(Full proposal online at [www.flbog.edu](http://www.flbog.edu))

**Facilitators/Presenters:** University Representatives

**BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
NEW DOCTORAL DEGREE PROPOSAL STAFF ANALYSIS**

**Program:** Doctor of Nursing Practice (DNP)    **CIP Code:** 51.3818

**Institution:** Florida Gulf Coast University    **Proposed Implementation Date:** Fall 2015

**Staffed By:** A. Beaven    **Initial Review Date:** 9/15/14    **Last Update:** 2/24/15

**Projected program costs:**

	Total	% & \$ Current Reallocated	% & \$ New Recurring	% & \$ New Non- Recurring	% & \$ C&G	Auxiliary Funds	Cost per FTE	SUS Average Cost per FTE
Year 1	\$326,643	100% \$326,643	0%	0% \$0	0% \$0	\$0	\$37,288	\$10,816 51 CIP
Year 5	\$1,002,414	33% \$329,664	67% \$672,750	0% \$0	0% \$0	\$0	\$23,345	

**Projected FTE and Headcount are:**

	Student Headcount	Student FTE
<b>First Year</b>	16	8.76
<b>Second Year</b>	32	20.39
<b>Third Year</b>	50	29.24
<b>Fourth Year</b>	64	35.83
<b>Fifth Year</b>	78	42.94

*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
2	2	4	8	11	15	16	21	22

## **A. Program Description:**

According to the proposal, the Doctor of Nursing Practice (DNP) program will prepare graduates with the advanced nursing knowledge and leadership skills to improve health care outcomes and to provide expert evidence-based nursing care across diverse health care settings and systems. The proposal also notes that this program will increase the pool of potential nursing faculty members, nursing executives, and provide graduates with multiple employment options as advanced nurse practitioners.

The FCGU DNP program will have two entry points: post-master's and post-baccalaureate, and will include both full-time and part-time plans of study to meet the needs of working nurses. In preparation for the transition to the DNP, FCGU has suspended its Primary Health Care Nurse Practitioner major within the Master's of Science in Nursing (MSN) program effective fall 2014.

The proposal notes that the MSN to DNP is designed for students who already hold a master's degree in an advanced practice specialty from a program accredited by the Commission on Collegiate Nursing Education (CCNE) or Accreditation Commission for Education in Nursing (ACEN) – the two nationally recognized accrediting bodies for nursing education. The MSN to DNP curriculum requires 39 hours of coursework, inclusive of practice hours and a capstone project. The course content will focus on utilization of research in the practice setting, quality of care delivery, examination of health care outcomes, leadership in practice, and fundamentals of nurse education.

The proposal also notes that the Bachelor's of Science in Nursing (BSN) to DNP is for students who have a bachelor's degree in nursing from a program accredited by the CCNE or ACEN. The BSN to DNP curriculum requires 84 hours of coursework, including 72 hours of coursework that aligns with the coursework noted in the paragraph above as well as 12 hours of additional coursework in the Family-Nurse Practitioner Concentration or the Adult-Gerontology Primary Care Nurse Practitioner Concentration. The BSN to DNP graduates will be newly qualified to become licensed as nurse practitioners. The MSN to DNP pathway is a post-licensure program where students enter the program as licensed nurse practitioners and gain additional competencies in the areas described above.

## **B. System-Level Analysis and Evaluation in accordance with BOG Regulation 8.011:**

Summary of observations:

- This will be a fairly expensive program for the university to implement with a fifth year cost of approximately \$1 million, most of which is expected to be funded by enrollment growth.
- There is some indication that FCGU will face challenges meeting its projected

enrollments in the DNP based on the experience of other SUS DNP programs.

- FGCU is restructuring its graduate nursing programs in preparation to offer the DNP.
- The number of DNP offerings and graduates has grown rapidly since the American Association of Colleges of Nursing (AACN) released its position paper in 2004, but the master's degree remains an attractive choice to advanced practice registered nursing (APRN) students in the absence of a mandated change.
- The need for nurse practitioners at the national, state, and regional levels is strong; however the projected long-term, statewide demand can currently be met with the supply of nurse practitioners holding master's degrees and post-master's certificates.
- A workforce demand estimate for nurse practitioners holding a doctorate is currently not available.
- Although FGCU is proposing the move to the Doctor of Nursing Practice to keep pace with anticipated credentialing changes for advanced practice nurses, further discussion of the enrollment trends in DNP programs are needed to better determine when and where transitions to the DNP are warranted.

### **National Transition to the DNP**

The American Association of Colleges of Nursing (AACN), which is an association of member schools and not an accrediting body, has recommended that advanced practice nursing move from the MSN to the DNP as the minimum credential for practice by 2015. It should be noted that the accrediting body CCNE is closely affiliated with the AACN, which lists CCNE staff as a "division" of AACN staff on its website. FGCU cites this transition as a key factor to justify the implementation of the proposed program. However, in late 2014, the AACN acknowledged that implementation by universities across the nation has been slower than expected and released a report along with the RAND Corporation exploring the magnitude and reasons.

Two findings from the RAND/AACN report relate well to the primary concerns with the FGCU proposal. The authors note:

From the point of view of the nursing school leaders we spoke to, **demand for DNP educated APRNs on the part of employers is generally non-differentiated between the MSN and the DNP, albeit with a few exceptions.** Student demand for the DNP on the part of currently practicing APRNs appears robust, given the proliferation of MSN-to-DNP programs. **Student demand for the BSN-to-DNP is more variable – with some seeking the BSN-to-DNP and others seeking the MSN.** (RAND/AACN, 2014, p. x)

The position by the AACN has been presented in the FGCU proposal as a mandate to transition by 2015, but in reality, the field is still in flux. A truly mandated shift would likely come in one of three ways, none of which have been proposed for the 2015 time

frame. However, a future tipping point for the profession could come from:

1. a change in state licensing from the current master's requirement to a doctoral requirement;
2. an accreditation mandate from CCNE or ACEN requiring a doctoral level program for advanced practice nursing;
3. or a change in the education requirements from a master's to a doctorate for the credentialing of nurse practitioners in their specialty areas.

While the number of DNP offerings and graduates has grown rapidly since the AACN released its position paper in 2004, the master's degree remains an attractive choice to advanced practice registered nursing (APRN) students in the absence of a mandated change. Data from the RAND/AACN report shows that the BSN to DNP pathway is currently offered in less than half of nursing programs nationally, and seventy percent of schools that educate APRNs currently offer only the MSN. The report also notes that for programs that have retained the MSN option even after implementing a BSN to DNP program, "the MSN programs currently enroll roughly three times as many students, on average."

Considering the on-going transition of the field, the State University System still has time to fully evaluate the market and student demand when determining whether every program that currently offers a master's program in advanced practice nursing can support a DNP program, and whether every university offering the MSN needs to also offer a DNP.

The proposed program was reviewed during the Health Initiatives Committee Workshop on January 21, 2015, as part of a discussion on the emerging demand for clinical doctorates. The Committee and its industry advisory group discussed workforce demand for nurse practitioners trained at the doctoral level 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 quickly saturated even in the presence of high student demand?

When considering these questions the Committee and advisory group members readily acknowledged that the nurse practitioner (also referred to as advanced practice nursing) field is transitioning to the higher degree level. However, the DNP transition was compared with the transition to the Doctorate in Physical Therapy to forewarn of

the possibility of choking supply when the occupation shifts to a higher degree level. One member observed that if there is currently not a shortage of nurse practitioners, a move to requiring the Doctorate may create one.

Arising from a similar concern for nursing instructors, the Board of Governors passed a resolution in 2006 that requires universities implementing the DNP to maintain the nurse educator concentration at the master's level. One rationale for preserving this MSN option is to continue the SUS supply of nursing graduates qualified to teach in associate degree registered nursing (RN) programs around the state. According to follow-up correspondence with FGCU, the nursing program's MSN Nurse Educator major was suspended effective fall 2014 to provide faculty with the opportunity to further develop the curriculum to meet revised standards for nurse educator programs. FGCU plans to reactivate the major effective fall 2015.

Based on analysis in the next two sections:

- The projected long-term, statewide demand can currently be met with the supply of nurse practitioners holding master's degrees and post-master's certificates. A separate demand estimate for nurse practitioners holding a doctorate is currently not available.
- There is some indication that FGCU will face challenges meeting its projected enrollments in the DNP based on the experience of other SUS DNP programs.

### **Analysis of Workforce Need**

Occupational need for nurse practitioners is expected to be strong at the national, state, and regional levels. The minimum education requirement for licensing and practicing as a nurse practitioner is currently a master's degree. Nationally, the U.S. Bureau of Labor Statistics projects an employment growth of 37,100 new jobs (in addition to 110,200 current jobs) for nurse practitioners from 2012 to 2022, representing much higher growth (34%) compared to the national average employment growth of 10.8 percent during that time period across all occupations.

Projected growth in employment for nurse practitioners in Florida is similar to the expected national growth at 30%. At the state level, the Florida Department of Economic Opportunity (DEO) projects 2,856 total job openings due to growth and replacement for nurse practitioners between 2014 and 2022. The average number of annual openings is 357. Based on data provided by the Florida Research and Economic Information Database Application (2014), the three largest employers for occupations in this industry are (1) General Medical and Surgical Hospitals (22.8% total employment); Offices of Other Health Practitioners (10% of total employment); and Psychiatric and Substance Abuse Hospitals (1.6% of total employment).

Regionally, the demand for nurse practitioners in Lee, Charlotte, Collier, Glades, and

Hendry Counties (Florida Workforce Region 24) is expected to grow by 31.5 percent (from 410 to 539 total jobs, or a growth of 129 positions) from 2013 to 2021 – or roughly 16 positions per year. This is nearly double the average expected growth (17.5%) for all occupations in this region.

The proposal notes that a high percentage of FGCU’s MSN Nurse Practitioner graduates have remained in the area to meet the local workforce need, receive multiple employment offers, and that all have gained employment once certified. Five years of aggregated data from the Florida Education and Training Placement Information Program shows that roughly 85% of the SUS DNP graduates are found working full-time in Florida within a year of graduation and have an average annual salary of about \$97,000. By comparison, the average annual salary for SUS MSN graduates is about \$84,000 per year (includes graduates of APRN and non-APRN MSN tracks). For the FCGU MSN program, roughly 75% of graduates are found working full-time in Florida within a year of graduation and have an average annual salary of about \$99,000. The proposal also identifies the surrounding counties as underserved areas with unmet health needs, noting that graduates of the DNP program could fill this need. However, the proposal does not suggest specific strategies for matching or incentivizing graduates to work in these underserved areas.

Currently, the supply of newly licensed nurse practitioners comes from MSN programs with advanced practice tracks, post-master’s certificate programs, and DNP programs. Florida’s graduates are supplied from SUS, ICUF and CIE institutions in a range of face-to-face and on-line programs. Supply estimates for nurse practitioners are confounded by the reporting of graduates under multiple CIP codes, the grouping of generic and advance practice tracks together for reporting, and the grouping of pre-licensed and post-licensed individuals together.

The Florida Center for Nursing (FCN) conducts an annual survey of nursing programs to provide greater detail on the supply of advanced practice nurses. However, the FCN AY 2012-2013 survey had a 61% response rate for schools offering a bachelor’s degree or higher in nursing (23 respondents out of 38 total schools). For the responding schools in AY 2012-2013, the FCN reports that 580 students graduated from MS nurse practitioner tracks and 758 were newly enrolled; 129 students graduated from DNP programs and 262 were newly enrolled.

These numbers come from only responding schools (16 master’s programs and 8 doctoral programs) and therefore may under-represent the actual supply of nurse practitioners. On the other hand, the number of graduates from the DNP programs likely includes post-professionals who do not contribute as new supply for the occupation, and therefore over-estimate supply from this group. Additionally, certificate programs that train previous MSN graduates in the specialty nurse practitioners tracks are not captured in the FCN supply counts but could satisfy

demand for nurse practitioners. In total, it is likely the FCN survey under-estimates the potential supply and more than 600 new nurse practitioners entered the workforce in 2012-2013.

All of the SUS nursing programs responded to the FCN survey and had 8 nursing programs graduating 477 students from master's nurse practitioner tracks and 67 students from DNP programs in 2013. Even with strong occupational growth and demand, the supply of 477 advanced practice graduates from the SUS master's programs exceeds the 357 statewide average annual openings included in DEO's long-term projections. However, employer surveys from the Florida Center for Nursing and the Florida Hospital Association both note that advanced practice positions have higher vacancy rates than RN positions and take the longest time to fill. There is some indication that long-term projections at the state level and short-term need for advanced practice nurses are not aligned.

### **Analysis of Student Demand**

Florida Gulf Coast University surveyed 33 Master's-level graduate nursing students and found that 20 out of 33 (61%) indicated they were thinking about entering a DNP and most commonly cited reasons 'to gain additional expertise in assessing the evidence for implementing current guidelines in an ever changing health care environment' and 'to be a part of my own professional development plan' as reasons for interest in the DNP.

Evidence suggests that the DNP is rapidly becoming an established degree program to train advanced practice nurses across the United States. Expansion of DNP program offerings has grown from 20 program offerings nationwide in 2006 to 241 program offerings across the United States in 2013. Consonant to this rapid expansion of DNP program offerings has been growth in the number of DNP degree awards across the country. Between 2010 and 2012 there was an 80% increase (from 466 to 838) in annual DNP degree production across the US.

However, it is important to note that the State University System already offers the DNP at seven different institutions across the state. Based on data available through the State University System of Florida's Interactive University Database, evidence suggests that student demand has not performed according to universities' expectations.

The State University System standard new academic program proposal template requires that projected enrollments be provided through year five of program implementation. Table 1 below shows the projected enrollments as noted within the approved individual DNP proposals compared to actual enrollments for the corresponding year of implementation. The last column in the table also includes the most current enrollment for each approved program. FGCU expects a Year 5 headcount



of 78 for the proposed DNP program. This table demonstrates that actual student enrollment in new DNP programs does not always meet expected demand.

Univ./Year	Program Year Projected / Actual Headcount					Current
	1	2	3	4	5	2013
FAU/2008	12/26	27/24	35/39	40/40	40/52	63
FIU/2011	20/11	40/29	40/na	60/na	80/na	29
FSU/2009	16/20	32/53	48/69	59/67	70/64	64
UCF/2007	20/19	45/27	65/24	60/64	60/99	125
UF/2006	80/57	170/86	240/138	290/173	337/174	203
UNF/2007	20/14	40/27	67/25	66/20	76/23	26
USF/2006	30/23	53/33	70/35	72/38	75/32	43
FGCU/2015	16/na	32/na	50/na	64/na	78/na	0

Source: State University System of Florida. (2014). Staff compilation of projected headcount enrollment as provided in DNP program proposals. State University Data System, Headcount Enrollment. Academic Program Inventory, Historical Program Information.

Headcount enrollment has tended to range between 55-65 students for the MSN at FGCU. If this held constant through the transition, this range would present a shortfall of approximately 25 students per year relative to the Year 5 enrollment projection of 78. Based on analysis of projected versus actual enrollment in current DNP programs as well as the current trend at the Master's level at FGCU, evidence suggests that the proposed DNP at FGCU may face challenges meeting enrollment expectations. In response, the university cites strong MSN enrollment from 2001 to 2005 and fluctuating enrollment from 2005 to 2013 due to a shift in focus to the baccalaureate program, faculty vacancies, and the delayed application of prospective graduate students who are anticipating the new DNP program. They note that these issues have been addressed, and the university is prepared to accommodate the anticipated enrollments.

It is important to also note that each currently approved DNP program in the State University System offers flexible delivery methods (online, weekend face-to-face, interactive video) to accommodate working professionals. As such, the FGCU program cannot necessarily expect flexible delivery methods to attract additional enrollments from working professionals.

In summary, the need for nurse practitioners at the national, state, and regional levels is strong and training requirements for advanced practice nurses has continued to move toward the doctoral level. As such, FGCU proposes to offer BSN-DNP and MSN-DNP pathways to train advanced practice nurses. However, a comparison of actual to projected demand appears to indicate that student enrollment trends may not be

keeping pace with enrollment expectations. Although FGCU is proposing the move to the Doctor of Nursing Practice to keep pace with anticipated credentialing changes for advanced practice nurses, further discussion of the enrollments trends in DNP programs are needed to better determine when and where transitions to the DNP are warranted.

**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 Florida Gulf Coast University Board of Trustees approved this proposal on April 15, 2014.

**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 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 Doctor of Nursing Practice was considered by the SUS Council of Academic Vice Presidents' Academic Coordination Project Workgroup on December 6, 2012, and no concerns were expressed at that time. In support

of the full proposal, Florida Gulf Coast University obtained a letter of support from FIU's provost on September 30, 2014, to indicate that FIU does not anticipate that the DNP will create unwarranted duplication.

- 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, FGCU anticipates to increase headcount enrollment from 16 to 78 students. During that time, the program expects to accommodate this increase in enrollment by expanding from three faculty contributing 2.50 person years in Year 1 to eight faculty contributing 7 person years by Year 5. The budget for this program indicates a reliance of new tuition revenue to accommodate its expected growth. Enrollment, faculty effort, and budget tables for Years 1 and 5 are accurate and in alignment with one another.

- 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.**

Florida Gulf Coast University's Equal Opportunity Office signed the proposal on March 25, 2014.

- 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.**

FIU's provost submitted a letter of support dated September 30, 2014, as evidence that this program will not create unwarranted duplication or overlap of program offerings. No letters of concern were provided with the proposal.

*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 Florida Gulf Coast University Board of Trustees approved the budget for this proposal on April 15, 2014.

- 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.**

FGCU notes on page 21 that the DNP program budget relies heavily on tuition revenue. Based on enrollment data noted in the Demand Section above, FGCU's projected enrollment figures for Year 5 may be overestimated. In this case, the program may encounter financial difficulty in the near term as well as the liability of draining financial resources elsewhere at the institution. This concern is supported by comparisons of projected versus actual enrollment in existing DNP programs presented in Tables 1 and 2 in the Demand Section of this analysis. The solution to cut anticipated faculty hires may be infeasible because of the need for specialized faculty to teach in the program areas of focus and to maintain sufficient student/faculty ratios for accreditation. In addition, financial resources are a criterion by which programs are evaluated for accreditation as well.

- 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.**

Although the university noted in its proposal that funds will not be directed to support the new program, it is unclear whether a negative impact will result from the implementation of this program. The enrollment projections appear to be overestimated, and this may negatively impact the program's revenue stream since the proposal notes that the DNP will rely heavily on new tuition revenue moving forward. If enrollment projections are not met, it is likely that the program will require support to be redirected from elsewhere in the university budget.

**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.**

A chronological table outlining the collaborative planning process is outlined and described in the proposal, and the internal and external individuals involved in the process have been identified in the table.

- An external consultant has reviewed the proposal and supports the department's capability of successfully implementing this new program.**

The proposed program's external consultant, Dr. Patricia Howard, Ph.D., RN, NEA-BC, FAAN serves as professor of Master's (MSN) and Doctor of Nursing Practice (DNP) Studies and Executive Associate Dean of the University of Kentucky's College of Nursing. Dr. Howard provided a comprehensive consultant report of the proposed DNP at Florida Gulf Coast University.

Dr. Howard acknowledged that the proposed DNP at Florida Gulf Coast University is based on national standards for doctoral education for advanced nursing practice. Dr. Howard further noted that student learning outcomes and course content are in alignment and associated with national standards for the DNP established by the American Association of Colleges of Nursing (AACN).

- 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.**

Recommendations from program reviews or accreditation activities are not provided in the proposal.

- The university has analyzed the feasibility of providing all or a portion of the proposed program through distance learning.**

Florida Gulf Coast University proposes to offer a portion of this program through distance learning.

- 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.**

As presented in the proposal, the Doctor of Nursing Practice is designed to prepare practitioners with the advanced nursing knowledge and leadership skills to improve health care outcomes and to provide expert evidence-based nursing care across diverse health care settings and systems. The external consultant, Dr. Howard, has reviewed the curriculum and affirmed that the content and associated practical experiences align with industry standards outlined by the American Association of Colleges of Nursing, the governing body of the Commission on Collegiate Nursing Education (CCNE) that acts as the discipline-specific accrediting body under which the FGCU DNP program will seek accreditation.

- The university anticipates seeking accreditation for the proposed doctoral program, or provides a reasonable explanation as to why accreditation is not being sought.**

As noted in the proposal, the university will seek accreditation from the Commission on Collegiate Nursing Education (CCNE), which will enable graduates to sit for licensure as an advanced practice nurse in the State should the DNP become the minimum credential for new candidates for licensure.

**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.**

As noted in the proposal, two full-time, doctoral-level, tenure-track faculty at the rank of Assistant Professor, and one half-time, master's-level instructor will contribute to the program's teaching, mentoring, and research load. By year 5, the university proposes to retain the aforementioned faculty and, to accommodate increased enrollment, hire five new full-time, tenure track,

DNP-level faculty to contribute to the program. Because a suitable student-to-faculty ratio is required to coordinate supervised clinical practices for accreditation, the program will require a sufficient number of faculty to ensure each faculty member is appropriately credentialed and maintains a teaching/supervision load that complies with CCNE accreditation guidelines.

- 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.**

Table 4 of the proposal notes that the five anticipated new hires by Year 5 will hold DNP degrees, which is an appropriate credential to teach and supervise graduate students within the proposed program. It is also noted in Table 4 that two existing faculty who will contribute to the program from Years 1 through 5 hold Ph.D. degrees and one holds a Master of Science in Nursing. 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 institution.

- 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.**

In the proposal, FGCU provided a chronological table of course teaching load for each faculty member associated with the Master of Science in Nursing program to demonstrate that faculty have been active in teaching.

Staff analysis of headcount enrollment data indicate that FGCU's Master of Science in Nursing (CIP 51.3801) program has maintained an enrollment of approximately 55 students since 2010, also graduating 25-29 students per year during that time frame.

- 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 five additional full-time, tenure-track, doctoral-level faculty to contribute to the program and accommodate an expected increase enrollment headcount.

**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 March 31, 2014, and noted that although the current MSN program at FGCU receives adequate library support, the DNP program would require an additional \$11,143 for Year 1 and \$14,164 for year 5, reflecting an annual inflation increase of 10 percent, for critical library resources to support the program. As noted in Table 2 of the proposal, these additional funds have been incorporated into the budget for Years 1 and 5 of 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.**

According to the proposal, the physical space necessary for the proposal program is sufficient.

- The university has ensured that necessary equipment is available to initiate the program.**

According to the proposal, all the necessary equipment is available.

- The university has ensured that fellowships, scholarships, and graduate assistantships are sufficient to initiate the program.**

As noted in the proposal, the School of Nursing currently receives revenue each fiscal year for graduate student tuition waivers as well as funds for one graduate teaching assistantship (\$3,000/year). These assistantships and waivers are competitive.

- If applicable, the university has ensured that the department has arranged a suitable number of clinical and internship sites.**

Currently, the College of Health Professions and Social Work has Clinical Affiliation Agreements with over 250 agencies, which are anticipated to be sufficient to operate the program.



STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Academic and Student Affairs Committee  
March 18, 2015

**SUBJECT:** Doctorate in Social Work (CIP 51.1503) at the Florida Atlantic University

---

**PROPOSED COMMITTEE ACTION**

Consider approval of the Doctorate in Social Work at the Florida Atlantic University, CIP Code 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) proposes to offer a Doctorate in Social Work (DSW) with an emphasis in clinical practice. 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 program 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 program does not substantially duplicate existing programs in the SUS or within the private sector in Florida.

The FAU Board of Trustees approved the program on June 17, 2014. If the proposal is approved by the Board of Governors, FAU will implement the program in Fall 2015.

---

<b>Supporting Documentation Included:</b>	Staff Analysis (Full proposal online at <a href="http://www.flbog.edu">www.flbog.edu</a> )
<b>Facilitators/Presenters:</b>	University Representatives

**BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
NEW DOCTORAL DEGREE PROPOSAL STAFF ANALYSIS**

**Program:** Doctor of Social Work**CIP Code:** 51.1503**Institution:** Florida Atlantic University**Proposed Implementation Date:** Fall 2015**Staffed By:** R. Stevens, D. Barbu**Initial Review Date:** 09/08/14**Last Update:** 2/20/2015**Projected program costs:**

	Total	% & \$ Current Reallocated	% & \$ New Recurring	% & \$ New Non- Recurring	% & \$ C&G	Auxiliary Funds	Cost per FTE	SUS Average Cost per FTE
Year 1	\$277,582	45% \$126,114	53.4% \$148,468	1.1% \$3,000	0% \$0	\$0	\$26,015	\$10,816 CIP 51
Year 5	\$566,376	78% \$443,376	22% \$123,000	0% \$0	0% \$0	\$0	\$17,699	

**Projected FTE and Headcount are:**

	Student Headcount	Student FTE
<b>First Year</b>	15	10.67
<b>Second Year</b>	30	21
<b>Third Year</b>	45	32
<b>Fourth Year</b>	45	32
<b>Fifth Year</b>	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	3	7	19	24	32	40	48	57

## **A. Program Description:**

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.” 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 program 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.

In reviewing the proposal Board staff has determined that the proposed program is a better fit for the National Center for Educational Statistics CIP Code 51.1503, Clinical/Medical Social Work than it would be for CIP 44.0701 which is generally assigned to general Social Work programs. Approving the program with a 51 CIP qualifies the program to be included in the Programs of Strategic Emphasis category titled Critical Workforce – Healthcare that was adopted by the Board of Governors in November 2013 as part of the mid-course system strategic plan alignment effort.

## **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.
- State level demand for social workers appears to be more than met by state university graduates, but it is not currently possible to determine how many of these graduates are prepared to practice in clinical social work.

- The proposal cites a 2013 study to support demand for the DSW for clinical faculty; however the findings of that study are not accurately described, creating the impression that 95% of respondents would consider a DSW for faculty positions.
- 17 letters of support are provided from universities and potential employing institutions, but none of them quantify the number of openings that may be available.
- The proposal makes an argument for the DSW as an emerging credential.

At the request of the Chair for the Academic and Student affairs Committee 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, potential for promotion, 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 quickly saturated 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 to include a significant mental health component could improve patient outcomes by augmenting direct medical care with continued counseling and guidance.

The need for doctoral 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 begin to 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. University representatives at the workshop responded that the university's focus was on improved preparation for clinical social workers, not on increasing the income of practicing professionals.

The following analysis by Board of Governors staff addresses need and demand for the proposed program.

The proposal provides an analysis of state and national need for the DSW that is based in part on the program being the only one that will be offered in Florida, and one of only four currently offered in the United States. Currently Ph.D. programs in Social Work are offered in Florida at FIU, FSU, USF, and Barry University. As noted in the FAU proposal, each of these has a primary emphasis on research and preparation of faculty. There is, as would be expected, some overlap in the curriculum of the existing Ph.D. programs and the proposed DSW. The USF Ph.D. in Social Work program has temporarily suspended new enrollments.

The proposal quotes U.S. Bureau of Labor Statistics (BLS) data that projects the overall employment of social workers to grow by 25 percent from 2010 to 2020, faster than the average for all occupations. The BLS also projects that employment of healthcare social workers will grow by 34%, with 31% growth in the area of mental health and substance abuse. The proposal notes that a bill has been introduced in Congress that recognizes this 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 Florida Department of Economic Opportunity (DEO) requirements for Medical and Health Social Workers, and Mental Health and Substance Abuse Social Workers are set at the MSW, or higher, level of credential while the credential for Social Workers is at the baccalaureate level, the BSW. In the workforce regions (20, 21, 22) surrounding FAU, DEO projects 100 annual openings from 2014 to 2022 for clinical social work programs requiring a Master's and 21 annual openings for social work programs requiring a bachelor's degree. Statewide the annual openings projected are 488 for master's level and 108 for bachelor's level. In academic year 2012-2013 the State University System produced 724 MSW graduates and 715 BSW graduates, but it is not currently possible to determine how many of these graduates are prepared to practice in clinical social work because such programs are majors under a broader curriculum and data is not collected at that level.

Because the expected education level in the projections from the U.S. BLS and Florida DEO is less than a doctorate, staff has been unable to verify workforce demand specifically for DSW graduates at the local, state, or national level. However, there is evidence in the labor market projections that social work will continue be a high growth occupation in Florida and the nation.

Statements are made on pages 10 and 11 of the proposal that the program will be attractive to working professionals who currently supervise BSW/MSW internships, and recent graduates from the FAU MSW. This is also illustrated in Table 1 of

Appendix A which projects the sources of enrollments as coming largely from the existing professional social worker pool and the recruitment of new MSW graduates into the DSW program. Since the MSW is the credential required for practice, the proposed DSW program should not be expected to contribute significant numbers of new clinical social workers to fill the projected workforce need, and could delay the entry of recent MSW graduates into the profession if they are recruited directly into the DSW. Instead, the proposed program is more focused on providing advanced clinical skills to address perceived weaknesses in the present delivery system.

To evaluate potential student demand for the proposed program, the FAU School of Social Work conducted a survey of agency social workers who supervise BSW/MSW students in their field placements and found that 40% of the respondents (n=50) would be interested in obtaining a clinical DSW. In addition the proposal states that graduates and alumni of the FAU MSW program have demonstrated continuous interest in seeking further specialization in clinical social work through a doctoral level program.

The proposal also cites the findings of a study from 2013 to demonstrate a demand in academia for DSW prepared faculty by stating that “95% of programs looking for tenure or tenure-track positions would consider a candidate with a DSW” (proposal page 12, 24 and 30). This statement mischaracterizes the 2013 study set up by three FAU professors (Barsky, Green, Ayayo) and published in the *Journal of Social Work*. The published study found that the 92% of the respondents indicated that a PhD is an important factor for hiring for tenured and tenure-earning faculty positions. When comparing the PhD with a DSW, only 62% of the respondents said that they would consider a DSW to be the equivalent of a PhD; 27% considered a DSW as less favorable than a PhD; and 5% noted that they would not consider a candidate with a DSW for an academic position. In terms of hiring criteria for tenured and tenure-earning faculty, “refereed publications” was found to be the second most important factor behind the type of degree, after strong interpersonal skills, when considering hiring for tenured and tenure-track positions. For non-tenure-track positions, “34% of the programs indicated that a PhD was important and 61% considered a DSW equivalent to a PhD” (Barsky, et al., 2013, p. 73).

One limitation of the study noted in the publication is that the survey “did not distinguish between practice-oriented and research-oriented DSW programs” (p. 80) and “many DSW degrees conferred prior to 2000s were from research-oriented programs that were equivalent or similar with PhDs [...] and the survey respondents may not have been aware that the new generation of DSW graduates are coming from programs with a strong practice orientation” (p. 77). Therefore, PhD degree recipients receive the highest consideration for tenure and tenure-earning faculty positions and the practice orientation of the new DSW programs places graduates “at a disadvantage when applying for certain positions at some universities” since current DSW programs “do not include advanced research courses in their curricula” (Barsky, et al., 2013, p.

78).

The proposed DSW at FAU follows the same practice orientation cited in the study and its curriculum does not include advanced research courses and/or a dissertation component. In addition, many of the projected DSW students are expected to attend part-time while also managing career and family demands and hence, are less likely to conduct research and publish in refereed journals, quoted in the study as the second most important factor in hiring decisions in academic positions.

Along with the proposal, FAU provided the Board of Governors with 17 letters of support for the proposed program to illustrate the need for DSW graduates in both academic and non-academic settings. 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. Fourteen letters of support are provided by non-academic institutions noting that they would consider hiring DSW graduates; however, numbers of projected openings have not been provided and nine of the letters have similar form and content. One letter of support was received from FIU and expressed no concerns about duplication of its Ph.D. in Social Work.

Beginning on page 8, the proposal summarizes national studies which support the DSW as an emerging advanced practice credential in social work. One study suggests that demand is represented by the number of students willing to invest in acquiring the degree, and that advanced practice doctorates are vehicles for producing practice relevant knowledge and disseminating research to private practice. ([Council on Social Work Education, Social Work Policy Institute, National Association of Deans and Directors of Social Work](#)).

### **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 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. However, the submitted documents do not provide a clear and convincing need for an additional doctoral level program in Social Work at this time.

- The university has provided complete and accurate projected enrollment, faculty effort, and budget tables that are in alignment with each other.**

Table 2 includes recurring dollars and new non-recurring dollars allocated for the program in year one and five.

- 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.
- 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 75% on campus in Boca Raton and 25% through distance learning.

- 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  
March 18, 2015**

**SUBJECT:** Ph.D. and Ed.D. in Marriage and Family Counseling (CIP 51.1505) at the University of Florida

---

**PROPOSED COMMITTEE ACTION**

Consider termination of the Doctor of Philosophy (Ph.D.) and Doctor of Education (Ed.D.) in Marriage and Family Counseling at the University of Florida, CIP Code 51.1505.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.012

**BACKGROUND INFORMATION**

The University of Florida (UF) is requesting to terminate the Ph.D. and Ed.D. programs in Marriage and Family Counseling. As the result of the UF/BOG Program Review and the Doctoral Program Improvement Plans, as well as the relatively small enrollments in the programs, the faculty determined that multiple doctoral majors within the counselor education area should be streamlined into one major. The proposed terminations have no impact on enrollment, enrollment planning, or allocation of resources since existing students can complete this major and new admits beginning Fall 2013 have been channeled into an existing degree program Counseling and Counselor Education (CIP 13.1101) with a concentration in Marriage and Family Counseling.

The UF Board of Trustees approved the termination of the program on December 5, 2014. If approved by the Board of Governors, the program termination will be back-dated effective Fall 2013 with a phase-out date of Summer 2015.

---

**Supporting Documentation Included:** Termination Form

**Facilitators/Presenters:** Governor Norman Tripp

Approved by Faculty  
Senate on 9/18/14

## FORM D

**PROGRAM TERMINATION FORM**  
Board of Governors, State University System of Florida

UNIVERSITY: University of Florida

PROGRAM NAME: Marriage and Family Counseling

DEGREE LEVEL(S): Ph.D. and Ed.D CIP CODE: 51.1606  
(Ph.D., Ed.D., etc) (Classification of Instructional Programs)

ANTICIPATED TERMINATION DATE: September 1, 2013  
(Last date that students will be accepted into program)

ANTICIPATED PHASE-OUT DATE: May 15, 2015  
(Last date that data will be submitted for this program)

*This is the form to be used for university requests to terminate doctoral degree programs and is recommended for use when terminating other programs. The request should be approved by the University Board of Trustees (UBOT) prior to submission to the Board of Governors, State University System of Florida for approval. Please fill out this form completely for each program to be terminated in order for your request to be processed as quickly as possible. Attach additional pages as necessary to provide a complete response. In the case of baccalaureate or master's degree programs, the UBOT may approve termination in accordance with BOG Regulation 8.012 (3), with notification sent to the Board of Governors, Office of Academic and Student Affairs. The issues outlined below should be examined by the UBOT in approving termination.*

**1. Provide a narrative rationale for the request to terminate the program.**

The doctoral program (PhD and EdD) in Marriage and Family Counseling is no longer needed as a separate degree since it will be subsumed under an existing degree program (CIP 13.1101) to be renamed "Counseling and Counselor Education." As a result of the UF/BOG Program Review and the Doctoral Program Improvement Plans, as well as the relatively small enrollments in the program, the faculty determined that multiple doctoral majors within the counselor education area should be streamlined into one major. The plan is to keep the major with the broadest scope and terminate the other two doctoral majors in this area. The faculty will request an official concentration in Marriage and Family Counseling in the streamlined major so students can declare an area of specialty under the one remaining major. Also, the proposed action aligns with how the faculty conceptualize doctoral education in their discipline and is consistent with national accreditation standards established by the Council for Accreditation of Counseling and Related Educational Programs (CACREP).

**3. Indicate on which campus(es) the program is being offered and the extent to which the proposed termination has had or will have an impact on enrollment, enrollment planning, and/or the reallocation of resources.**

The program has been offered at the University of Florida in the School of Human Development and Organizational Studies in Education. The proposed termination will have no impact on enrollment, enrollment planning, or allocation of resources since existing students can complete this major and new admits beginning Fall 2013 will be channeled into an existing degree program (CIP 13.1101) to be renamed "Counseling and Counselor Education" with a concentration in Marriage and Family Counseling.

FORM D

PROGRAM TERMINATION FORM (PAGE 2)

4. Provide an explanation of the manner in which the University intends to accommodate any students or faculty who are currently active in the program scheduled to be terminated. State what steps have been taken to inform students and faculty of the intent to terminate the program?

Students who are currently active in the program have been notified by way of listserv and program advisors that the degree program will be terminated. Current students are encouraged to complete the current program by May 2015 or move into another degree program (CIP 13.1101) that will continue as "Counseling and Counselor Education" with concentrations in several areas, including Marriage and Family Counseling. Current students have the option of continuing in the major being terminated. All students currently in the pipeline are expected to complete the degree by May 2015, so no adverse effect is anticipated. Beginning with Fall 2013, new students with interest in marriage and family counseling are being admitted to the more general counselor education doctoral major.

5. Provide data (and cite source) on the gender and racial distribution of students and faculty. For faculty also list the rank and tenure status of all affected individuals.

According to the Office of the University Registrar, there is 1 total student enrolled in the Ph.D. program in Marriage and Family Counseling as of Fall 2012: 1 student is Hispanic (1 male, 0 female). There are no (zero) students in the EdD program.


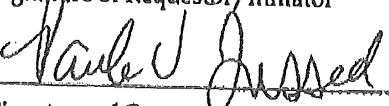
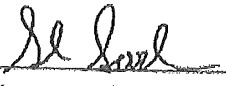
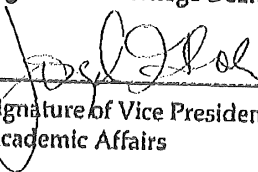
No faculty will be adversely affected since all teach in other degree programs across the department and will continue to teach in the existing degree program (CIP 13.1101) to be renamed "Counseling and Counselor Education" with concentrations in Marriage and Family Counseling, Mental Health Counseling, or School Counseling and Guidance. The faculty affected by this change are Harry Daniels – Professor; Ellen Amatea – Professor; Sondra Smith – Associate Professor; Silvia Echevarria-Doan – Associate Professor; and Jacqueline Swank – Assistant Professor. The racial composition of the faculty includes 4 Caucasians, and 1 Latina/o. The gender composition of the faculty is 1 males and 4 females.

6. Identify any potential negative impact of the proposed action on the current representation of females, minorities, faculty, and students.

There is no anticipated negative impact on the current representation of females, minorities, faculty, and students since both faculty and students involved in the program being terminated will be merged into an existing degree program.

FORM D

PROGRAM TERMINATION FORM (PAGE 3)

 _____ Signature of Requestor/Initiator	<u>5/5/14</u> _____ Date
 _____ Signature of Campus EO Officer	<u>5/8/14</u> _____ Date
 _____ Signature of College Dean	<u>5/5/14</u> _____ Date
 _____ Signature of Vice President for Academic Affairs	<u>5/9/14</u> _____ Date

REVISED 11/2009

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Academic and Student Affairs Committee  
March 18, 2015**

**SUBJECT:** Ph.D. and Ed.D. in Mental Health Counseling (CIP 51.1508) at the University of Florida

---

**PROPOSED COMMITTEE ACTION**

Consider termination of the Doctor of Philosophy (Ph.D.) and Doctor of Education (Ed.D.) in Mental Health Counseling at the University of Florida, CIP Code 51.1508.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.012

**BACKGROUND INFORMATION**

The University of Florida (UF) is requesting to terminate the Ph.D. and Ed.D. programs in Mental Health Counseling. As the result of the UF/BOG Program Review and the Doctoral Program Improvement Plans, as well as the relatively small enrollments in the programs, the faculty determined that multiple doctoral majors within the counselor education area should be streamlined into one major. The proposed terminations have no impact on enrollment, enrollment planning, or allocation of resources since existing students can complete this major and new admits beginning Fall 2013 have been channeled into an existing degree program Counseling and Counselor Education (CIP 13.1101) with a concentration in Mental Health Counseling.

The UF Board of Trustees approved the termination of the program on December 5, 2014. If approved by the Board of Governors, the program termination will be back-dated effective Fall 2013 with a phase-out date of Summer 2015.

---

**Supporting Documentation Included:** Termination Form

**Facilitators/Presenters:** Governor Norman Tripp



Approved by  
Faculty Senate on  
9/18/14

FORM D

**PROGRAM TERMINATION FORM**  
Board of Governors, State University System of Florida

UNIVERSITY: University of Florida

PROGRAM NAME: Mental Health Counseling

DEGREE LEVEL(S): Ph.D and Ed.D CIP CODE: 51.1508  
(Ph.D., Ed.D., etc) (Classification of Instructional Programs)

ANTICIPATED TERMINATION DATE: September 1, 2013  
(Last date that students will be accepted into program)

ANTICIPATED PHASE-OUT DATE: May 15, 2015  
(Last date that data will be submitted for this program)

*This is the form to be used for university requests to terminate doctoral degree programs and is recommended for use when terminating other programs. The request should be approved by the University Board of Trustees (UBOT) prior to submission to the Board of Governors, State University System of Florida for approval. Please fill out this form completely for each program to be terminated in order for your request to be processed as quickly as possible. Attach additional pages as necessary to provide a complete response. In the case of baccalaureate or master's degree programs, the UBOT may approve termination in accordance with BOG Regulation 8.012 (3), with notification sent to the Board of Governors, Office of Academic and Student Affairs. The issues outlined below should be examined by the UBOT in approving termination.*

**1. Provide a narrative rationale for the request to terminate the program.**

The doctoral program (PhD and EdD) in Mental Health Counseling is no longer needed as a separate degree since it will be subsumed under an existing degree program (CIP 13.1101) to be renamed "Counseling and Counselor Education." As a result of the UF/BOG Program Review and the Doctoral Program Improvement Plans, as well as the relatively small enrollments in the program, the faculty determined that multiple doctoral majors within the counselor education area should be streamlined into one major. The plan is to keep the major with the broadest scope and terminate the other two doctoral majors in this area. The faculty will request an official concentration in Mental Health Counseling in the streamlined major so students can declare an area of specialty under the one remaining major. Also, the proposed action aligns with how the faculty conceptualize doctoral education in their discipline and is consistent with national accreditation standards established by the Council for Accreditation of Counseling and Related Educational Programs (CACREP).

**3. Indicate on which campus(es) the program is being offered and the extent to which the proposed termination has had or will have an impact on enrollment, enrollment planning, and/or the reallocation of resources.**

The doctoral program in Mental Health Counseling has been offered at the University of Florida in the School of Human Development and Organizational Studies in Education. The proposed termination will have no impact on enrollment, enrollment planning, or allocation of resources since existing students can complete this major and new admits beginning Fall 2013 will be channeled into an existing degree program (CIP 13.1101) to be renamed "Counseling and Counselor Education" with a concentration in Mental Health Counseling.

FORM D

PROGRAM TERMINATION FORM (PAGE 2)

4. Provide an explanation of the manner in which the University intends to accommodate any students or faculty who are currently active in the program scheduled to be terminated. State what steps have been taken to inform students and faculty of the intent to terminate the program?

Students who are currently active in the program have been notified by way of listserv and program advisors that the degree program will be terminated. Current students are encouraged to complete the current program by May 2015 or move into another degree program (CIP 13.1101) that will continue as "Counseling and Counselor Education" with concentrations in several areas, including Mental Health Counseling. Current students have the option of continuing in the major being terminated. All students currently in the pipeline are expected to complete the degree by May 2015, so no adverse effect is anticipated. Beginning with Fall 2013, new students with interest in mental health counseling are being admitted to the more general counselor education doctoral major.

5. Provide data (and cite source) on the gender and racial distribution of students and faculty. For faculty also list the rank and tenure status of all affected individuals.

According to the Office of the University Registrar, there are 2 total students registered for the PhD program in Mental Health Counseling as of Fall 2012: 2 students are White (1 male, 1 female). There are no (zero) students in the EdD program.



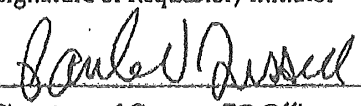
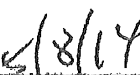

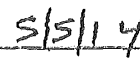
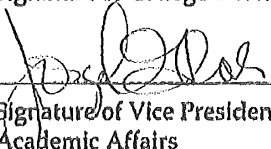

No faculty will be adversely affected since all teach in other degree programs across the department and will continue to teach in the existing degree program (CIP 13.1101) to be renamed "Counseling and Counselor Education" with concentrations in Marriage and Family Counseling, Mental Health Counseling, or School Counseling and Guidance. The faculty affected by this change are Harry Daniels - Professor; Ellen Amatea - Professor; Sondra Smith - Associate Professor; Silvia Echevarria-Doan - Associate Professor; Jacqueline Swank - Assistant Professor; and Kristina DePue - Assistant Professor. The racial composition of the faculty includes 5 Caucasians, and 1 Latina/o. The gender composition of the faculty is 1 male and 5 females.

6. Identify any potential negative impact of the proposed action on the current representation of females, minorities, faculty, and students.

There is no anticipated negative impact on the current representation of females, minorities, faculty, and students since both faculty and students involved in the program being terminated will be merged into an existing degree program.

FORM D

PROGRAM TERMINATION FORM (PAGE 3)

 _____ Signature of Requestor/Initiator	 _____ Date
 _____ Signature of Campus EO Officer	 _____ Date
 _____ Signature of College Dean	 _____ Date
 _____ Signature of Vice President for Academic Affairs	 _____ Date

REVISED 11/2009

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Academic and Student Affairs Committee  
March 18, 2015**

**SUBJECT:** Public Notice of Intent to Establish Board of Governors Regulation 6.020  
College Credit for Online Courses Completed Prior to Initial Enrollment

---

**PROPOSED COMMITTEE ACTION**

Consider approval of the public notice of intent to establish Board of Governors Regulation 6.020 College Credit for Online Courses Completed Prior to Initial Enrollment.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Regulation Development Procedure

**BACKGROUND INFORMATION**

Section 1004.0961, Florida Statutes, requires the Board of Governors to adopt a regulation that enables students to earn academic credit for online courses that are taken prior to initial enrollment at a postsecondary institution. Proposed Regulation 6.020 requires universities and university boards of trustees to establish the required policy, within the guidelines provided, while also recognizing the university's faculty and institutional due diligence in the matter.

The regulation has been 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 on its Internet Web site at least 30 days before adoption of the proposed regulation.

---

<b>Supporting Documentation Included:</b>	Proposed Regulation 6.020
<b>Facilitators/Presenters:</b>	Governor Norman Tripp

## 6.020 College Credit for Online Courses Completed Prior to Initial Enrollment

(1) If requested by an applicant prior to the student's initial term of enrollment in undergraduate education, universities shall evaluate the student's online coursework, and award credit for each course that meets the following conditions: university faculty have determined the online course content and learning outcomes to be comparable to a course offered at the institution; online courses meet the quality and accreditation standards intended for a transfer course; and the subject area faculty have determined that the online course is relevant to the student's intended program of study.

(2) By fall 2015, each university board of trustees shall adopt a policy that enables admitted students to earn appropriate credit for online coursework completed prior to the initial term of enrollment. The policy shall include:

- a) A description of student responsibilities for initiating a review of prior learning through online courses and documentation requirements for the purpose of determining equivalency of required outcomes within the student's intended program of study.
- b) For courses whose credits are not transferred pursuant to §1007.24(7) F.S, a description of the review procedures of prior learning through online coursework that is within the same parameters and quality assurance protocols, including but not limited to faculty credential evaluation, outcome equivalency and student demonstrated mastery of competency,
- c) A description of credit that may be granted to students for coursework that is recognized by the American Council on Education (ACE).
- d) A description of the student appeals process.

(3) The procedure for the alignment of online coursework completed prior to the initial term of enrollment is to determine whether the online course fulfills a general education or major course or degree program requirement and, if deemed equivalent, apply the credit as such.

(4) Credit awarded for online coursework completed prior to the initial term of enrollment shall be noted on the student's transcript. A receiving Florida public postsecondary institution may accept in transfer any college credit that was previously evaluated and awarded by a Florida public postsecondary institution in accordance with this regulation, and that is appropriate to the student's program of study.

(5) Each university shall display the policy on its website and within its catalog.

Authority: Section 7(d), Art. IX, Fla. Const., \_\_\_\_\_.

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Academic and Student Affairs Committee  
March 18, 2015**

**SUBJECT:** Academic Program Pre-Proposal Recognition System (APPRiSe)

---

**PROPOSED COMMITTEE ACTION**

For Information

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.012

**BACKGROUND INFORMATION**

The Academic and Student Affairs Committee work plan includes enhancing academic program coordination between the State University System and the Florida College System. To this end, the Committee directed staff to work with staff from the Division of Florida Colleges in developing a process by which colleges and universities could communicate their intentions to implement new degree programs well in advance of any action by individual boards of trustees. The online system which has been developed will allow colleges and universities to post their intention to explore the possibility of offering a new baccalaureate program and receive constructive feedback from colleagues throughout both systems.

---

**Supporting Documentation Included:** None

**Facilitators/Presenters:**

Dr. Jan Ignash;  
Dr. Julie Alexander, Assistant Vice Chancellor  
for Academic and Student Affairs, Florida  
College System

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Academic and Student Affairs Committee  
March 18, 2015

**SUBJECT:** Campus Safety and Security: UPDATE

---

**PROPOSED COMMITTEE ACTION**

For Information

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.012

**BACKGROUND INFORMATION**

Following two serious and highly-publicized incidents of campus security that occurred at state universities in 2013 and 2014, the Board's Academic & Student Affairs Committee engaged with campus administrative and student affairs leadership to assess whether state universities have sufficient resources to provide for and sustain student safety and campus security. In late 2014, Committee Chair Tripp met with representatives of the SUS Police Chiefs, Vice Presidents for Student Affairs, and University Emergency Coordinators to receive an update on current campus security issues and concerns. University leaders identified a number of campus security challenges and focused on two issues: (1) law enforcement staffing needs in an expanding State University System, and (2) the increasing need for well-trained, professional counseling services to address the mental and behavioral health of university students.

Board staff has prepared an Information BRIEF document that summarizes the two identified issues and will review this information with the committee. In addition, representatives of the SUS Police Chiefs and the SUS Counseling Center Directors will be available to comment on the issues and to respond to questions from the committee.

---

**Supporting Documentation Included:** Information BRIEF

**Facilitators/Presenters:** Dr. Jon Rogers, Director;  
University Representatives



# Information BRIEF

[www.flbog.edu](http://www.flbog.edu)

## Campus Safety and Security: Critical Issues

March 18, 2015

### Introduction

Campus security and student safety issues have increased in priority for the Florida Board of Governors in response to an increasing number of serious, violent incidents and harmful student behaviors on campuses in the past decade, both in the State University System and nationally.

Following the tragic Virginia Tech campus shootings in 2007, the Board of Governors responded to a Gubernatorial Task Force for University Campus Safety by establishing an Emergency Preparedness and Campus Safety Task Force, a Mental Health Issues Subcommittee, and a Law Enforcement Subcommittee. As a result of this work, recommendations were made on additional enforcement and new emergency management positions, equipment, technology, and training. The Mental Health Issues Subcommittee produced a comprehensive set of recommendations and promising practices regarding education and training, prevention, intervention, and treatment.

Following two serious and highly-publicized incidents at state universities that occurred in 2013 and 2014, the Board's Academic and Student Affairs Committee engaged with campus administrative and student affairs leadership to assess whether state universities have sufficient resources to provide for and sustain student safety and campus security. University leaders identified a number of campus security challenges and focused on two issues: (1) law enforcement staffing needs in an expanding State University System, and (2) the increasing need for well-trained, professional counseling services to address the mental and behavioral health of university students.

### University Law Enforcement

In response to an increasingly complex society that has seen crime spreading to every facet of daily living, colleges and universities nationally have been more directly charged with the responsibility of providing a safe learning, working, and living environment for students, faculty, staff, and visitors. The roles and responsibilities of university law enforcement agencies have continued to evolve in response to the increase in amount and severity of campus crime that may include drug and alcohol abuse, sexual assaults, thefts, vandalism, computer crime, and domestic violence. In regard to serious incidents of crime and violent behavior, it is clear that college and university campuses are microcosms of their surrounding communities.



## Campus Safety and Security: Critical Issues

University law enforcement is perhaps the most intensive community-oriented policing environment, primarily due to the large presence of young adults who are living on their own for the first time in a community that is governed by federal and state laws, as well as institutional policies and procedures. In response to the growing numbers of violent crimes on campuses and increased media attention, most large universities have professionalized their police departments to include formal law enforcement standards and training and the granting of full arrest powers. Further, many police departments have expanded their jurisdiction beyond the campus and into surrounding neighborhoods via mutual aid agreements with local police agencies. Typically, these agreements govern the relationships between the enforcement entities and lay out the geographic boundaries of their authority and the circumstances under which they can pursue and arrest students in the community.

To provide an update on the status of U.S. campus law enforcement agencies, the U.S. Bureau of Justice Statistics recently released findings from its 2012 survey, the Bureau's first national survey since 2005. Among the findings for four-year institutions enrolling 2,500 or more students:

- 92% of the campuses were using sworn police officers;
- 75% of the campuses were using armed officers;
- Most sworn officers had arrest (86%) and patrol (81%) jurisdictions that extended beyond campus boundaries;
- Most campus agencies serving 5,000 or more students had personnel designated to address general crime prevention (91%), rape prevention (86%), drug education (79%), alcohol education (78%), stalking (75%), victim assistance (72%), and intimate partner violence (69%);
- Nearly all campuses had a mass notification system that used email, text messages, and other methods to alert and instruct students, faculty, and staff in emergency situations.

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act of 1990 (Campus Security Act) and the SAVe Act of 2012 require all colleges and universities that participate in federal financial aid programs to maintain information about crime on and near their campus. Institutions must publish an annual security report and submit the report to the U.S. Department of Education that documents three years of specified campus crime statistics, including incidents of criminal homicide, sex offenses, robbery, aggravated assault, burglary, motor vehicle theft, arson, and new categories such as domestic violence and stalking.

The minimum number of police officers needed for a university is often viewed as the coverage that is sufficient for the security of the campus community, including students, staff, and the resources of the physical plant. Nationally, the sworn officer to student ratio is a method to measure the adequacy of police presence on a campus and can provide a consistent measure for comparative purposes, although it fails to account for campus clientele or physical facilities. The International Association of Chiefs of Police (IACP) has long utilized a national standard for community-oriented policing of two officers per 1,000 population but the IACP cautions against

## Campus Safety and Security: Critical Issues

using the police to population ratios as a basis for agency staffing decisions, as factors such as university mission, campus location, student clientele, additional off-site facilities, and administrative enforcement expectations may increase or decrease the need for police officers.

### State University System

Each state university police department functions with a fully sworn staff of professional law enforcement officers. The State University System (SUS), like many state systems, includes many large, complex campuses that operate like small cities and a few smaller campuses that require law enforcement support from local, municipal agencies. Currently, seven SUS police agencies are accredited by the Commission on Florida Law Enforcement Accreditation and 10 SUS agencies are accredited by the International Association of Campus Law Enforcement Administrators. The University of Florida is also accredited by the Commission on Accreditation for Law Enforcement Agencies.

While serving as security guards, policy enforcers, and public relations officers, university police officers as first responders bear the responsibility for the investigation of all campus-related criminal activities, including public disturbances, domestic arguments, suspicious and stolen vehicles, sexual assaults, substance abuse issues, fraud, harassment, hazing, computer crimes, and weapons offenses. The larger campus police departments also must provide security for large sporting venues, hospitals, high-rise buildings, research facilities, and regional campuses and instructional sites which may be miles away from the main campus. Students, staff, and visitors, however, expect and demand the same level of service and responsiveness from campus police departments as they do from municipal law enforcement agencies.

### Staffing

SUS law enforcement agency data provided by the SUS Police Chiefs show that state university police departments range from a high of 89 sworn officers at the University of Florida to a low of 10 sworn officers at USF St. Pete campus (excluding the newly established Florida Polytechnic University with 2 sworn officers). Utilizing a police officer to student enrollment ratio, SUS police departments range from a high ratio of 5.21 officers per 1,000 enrollments (New College/USF Sarasota-Manatee joint agency) to a low ratio of 1.06 officers per 1,000 enrollments (UCF). The officer-to-student enrollment ratios at nine of the 13 SUS institutions (including USF St. Pete) fall below the IACP standard of two officers per 1,000 population. In addition to New College/USF Manatee and Florida Polytechnic, FAMU has a ratio above the IACP standard.

The low officer-to-student enrollment ratios at a majority of SUS institutions may be attributed to the steady enrollment increases at most state universities in recent years, with little increase in staffing. While additional sworn officers have been employed, the size of the police force at most universities has not kept pace with enrollment increases and has caused a decrease in the officer-to-enrollment ratio at eight universities since 2008. An equally important variable is the growth in the overall size, scope, and complexity of most state universities, which has seen a 15 percent increase in gross square footage in the SUS since 2008 due to the construction of new facilities on existing and newly established off-site campuses and instructional sites.

## Campus Safety and Security: Critical Issues

The SUS Police Chiefs report that efforts to recruit and employ sworn officers for university agencies remain a challenge due to the small pool of qualified officers who have the skills and can pass the intensive background investigation required for these sworn positions. Recruitment is further hampered by university salaries which are typically lower than municipal, county, and state agencies, particularly in the metropolitan areas of Florida.

The critical importance of the need for adequate law enforcement staffing was realized during the major incidents of the past two years at state universities in which police were called to respond to active shooters on campus, requiring immediate action by all available officers. While the prompt, professional response averted the escalation of each incident and prevented wide-scale tragedy, the police chiefs report that the impact of these events was felt by each campus force for many weeks due to the requirements of the administrative and legal processing of the incidents that affected shift coverage and total staff workload.

### **The Mental & Behavioral Health of Students**

During the past decade, many U.S. colleges and universities have reported a dramatic increase in the number of students who are experiencing serious mental health problems and who are seeking treatment from campus counseling centers. While all students must experience the traditional college stresses of living on their own, assimilating into a campus population that is increasingly diverse, and dealing with pressures to succeed academically, there has been a noticeable shift in the needs of students seeking counseling services, with a move from more informational and developmental needs to more severe psychological problems.

In a 2014 national survey of counseling center directors, respondents reported that 52 percent of their clients had severe psychological problems, a sharp increase from 16 percent in 2000. The most common of these disorders are anxiety disorders, pressing crises, psychiatric medication issues, clinical depression, and learning disabilities. A majority of the directors (86%) reported a steady increase in the number of students arriving on campus that are already on psychiatric medication. The American College Health Association recently reported that over 50 percent of college students say that they have experienced “overwhelming anxiety” in the last year and 32 percent say they have felt so depressed that “it was difficult to function.” Further, the national American Freshman Survey for 2014 collected information from over 150,000 first-year students and found that students’ ratings of their emotional health were the lowest in over three decades.

A broad range of explanations for the shift of the incidence and severity of psychological problems on campuses is being proffered by mental health professionals, including the view that it is part of larger societal trends toward greater levels of anxiety and depression brought on by information and technology overload, increased financial pressures, and an ineffective mental health care system. University counselors are finding that the current generation of students lacks the coping and resiliency skills that previous generations demonstrated and more students are coming to campus with pre-existing emotional and behavioral health issues than ever before.

## Campus Safety and Security: Critical Issues

### State University System

SUS institutions maintain counseling centers with licensed and highly trained professional counselors that provide comprehensive services for students who are either experiencing or have been identified with symptoms of mental illness. Services include the evaluation of student concerns and behaviors and individualized treatment plans that promote mental and behavioral health and academic success. Center personnel are also involved in the education and training of students in leadership positions in mental health issues, particularly the recognition of student behaviors that may signal a need for professional intervention. Many universities now maintain campus-wide *Students of Concern Committees* and *Threat Assessment Teams* to identify and monitor students with serious mental or behavioral problems. Counseling centers also provide mental health outreach and prevention programs to departments and offices throughout the campus.

Eight SUS counseling centers are accredited by the International Association of Counseling Services (IACS), the accreditation association for over 200 university and college counseling centers worldwide. Regarding the level of counseling center staffing, IACS standards state that minimum staffing ratios should strive to be “in the range of one FTE professional staff member to every 1,000 to 1,500 students, depending on services offered and other campus mental health agencies.” Currently, ten of the 12 SUS counseling centers (not New College and Florida Polytechnic) are operating above the IACS standard for minimum staffing of one professional staff member per 1,000 students, and eight of the 12 centers are operating above the high end of the range recommended by IACS of one staff member per 1,500 students.

### Counseling Center Activity

In early 2015, the SUS Counseling Center Directors were surveyed to identify counseling center activity and trends in center professional staffing, student client visits, and reasons for visits. In the SUS, all counseling centers continue to strive to respond to the mental and behavioral health needs of their student clientele that is evidenced both by the increased demand for services and by the range of increasingly serious psychological problems that are being brought to the centers.

While the State University System has seen steady enrollment growth in recent years (13% increase since 2008), there have been significant increases in SUS counseling center activity during this period. System data for the 2013-14 academic year reveal the following:

- Number of student clients – 20,435 student clients, a 48% increase since the 2008-09 year, with eight universities over 1,000 clients.
- Number of student client sessions – 162,915 client sessions, a 67% increase since the 2008-09 year, with seven universities over 10,000 sessions.
- Top reasons for student visits – anxiety, depression, relationship issues, academic stress.

There has also been a significant increase in the severity of student problems as evidenced by an increase in emergency or crisis visits to the counseling centers. System data for 2013-14 reveal nearly 4,200 visits to SUS counseling centers classified as emergency or crisis visits. Top reasons cited for these emergency visits were severe depression, acute anxiety, and suicidal ideation. The

## Campus Safety and Security: Critical Issues

counseling centers have also recorded an alarming increase in Baker Act hospitalizations, with over 300 student hospitalizations in 2013-14.

### Summary

State university police officers are responsible for a full range of public safety services, including the enforcement of criminal statutes, municipal ordinances, and university policies, criminal and motor vehicle accident investigations, traffic and parking enforcement, emergency management, the security of the university's physical assets, and the collection of data for required statistical crime reports. The SUS Police Chiefs report that both the volume and scope of campus security activity has increased in recent years and their police agencies have had to provide more security coverage and services with fewer resources. While the police staffing needs at each university are unique to that campus and each institution must evaluate its own needs and develop its own emergency plans, the SUS Chiefs report that there is an ongoing challenge of adequate funding to maintain standard levels of operation and to purchase needed equipment, supplies, training programs, and technology. There is a growing need for recurring funding mechanisms that will forestall the deterioration of services that would include emergency response times, officer training, and the required level of compliance for CFLA accreditation.

The SUS counseling centers are busy operations and their professional services are critical to a university's well-being and, more importantly, to student retention and success. The counseling centers continue to respond to significant increases in student visits and more of these students are exhibiting serious psychological problems. As a result of the increased demand for services and the complexity of problems that students are bringing to the centers, professional staff must provide immediate, short term assistance to attempt to respond to the increased workload and, as a result, have less time for outreach and preventive mental health programs for the campus community. There are now SUS counseling centers that must maintain wait lists for students to obtain appointments with professional staff. In the new realities of a university campus community, it is increasingly critical that counseling center professionals be trained and well versed in the evaluation and treatment of serious mental and behavioral disorders, many of which are deep-seeded and chronic conditions for university students.

Universities have a proud history of openness, intellectual freedom, and public accessibility to their campus communities. Although this openness enhances the teaching and learning environment, it also presents student safety and campus security challenges that must be addressed by law enforcement agencies and counseling centers that are well-staffed, well-trained, and adequately funded. Each state university recognizes that its reputation for academic quality and student success is dependent on its ability to provide a safe and secure environment for those learning, working, and living on its campus.

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Academic and Student Affairs Committee  
March 18, 2015**

**SUBJECT:** Update on the Florida Center for Cybersecurity

---

**PROPOSED COMMITTEE ACTION**

For information

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

Dr. Sri Sridharan, Chief Operating Officer, Florida Center for Cybersecurity, University of South Florida, will provide an update regarding the Florida Center for Cybersecurity.

---

**Supporting Documentation Included:** Progress Report, July 2014 – March 2015

**Facilitators/Presenters:** Dr. Sri Sridharan



**Progress Report**  
**July 2014 - March 2015**

**SUS BOARD OF GOVERNORS**  
**MARCH 18, 2015**

Florida Center for  
**Cybersecurity**  
at the University of South Florida



**TABLE OF CONTENTS**

Legislative Language ..... 3

Executive Summary..... 3

Mission..... 4

Nine-Month Progress..... 5

Education Report..... 5

Degree Programs..... 6

Internships..... 8

Veterans Reintegration ..... 8

Outreach Report..... 9

Partnerships ..... 10

Events..... 10

Public and Community Relations ..... 12

Research Report..... 13

Board of Advisors Update ..... 14



## LEGISLATIVE LANGUAGE

The center's mission was articulated by the 2014 Legislature in HB 5101:

1004.444, Florida Statutes: Florida Center for Cybersecurity

- (1) The Florida Center for Cybersecurity is established within the University of South Florida.
- (2) The goals of the center are to:
  - (a) Position Florida as the national leader in cybersecurity and its related workforce through education, research and community engagement.
  - (b) Assist in the creation of jobs in the state's cybersecurity industry and enhance the existing cybersecurity workforce.
  - (c) Act as a cooperative facilitator of state business and higher education communities to share cybersecurity knowledge, resources and training.
  - (d) Seek out partnerships with major military installations to assist, when possible, in homeland security defense initiatives.
  - (e) Attract cybersecurity companies to the state with an emphasis on defense, finance, health care, transportation, and utility sectors.

*Source: HB 5101: 1004.444, Florida Statutes*

## EXECUTIVE SUMMARY

The Florida Center for Cybersecurity (FC<sup>2</sup>), hosted at the University of South Florida, works with all 12 State University System institutions to promote cybersecurity education and workforce development, research, and public and private outreach across the state.

In the nine months following FC<sup>2</sup>'s creation, the center has:

- Hosted six community events and conferences with more than 1,500 attendees from more than 20 states and five countries. Approximately 25 percent of the event attendees were students or faculty from across the state who, as a result of this outreach, were exposed to some of the brightest cybersecurity minds in the nation and were able to learn cybersecurity best practices from top-ranked professionals. Students were able to bring this knowledge back to the classroom and further their important work in this field. Faculty were able to gain insights into many areas of the cybersecurity profession and current trends.
- Generated more than \$530,000 in grants, sponsorships and matching research dollars. Many of these grants and research projects will be worked on by SUS students, who will take away from the projects best practices in cybersecurity.
- Awarded \$500,000 for 12 seed grants for cybersecurity research to faculty from 10 different SUS institutions. In addition to working on many of these projects, SUS students will also benefit from the cybersecurity

discoveries generated through this research.

- Worked with USF staff to help the university earn the designation as a National Center for Academic Excellence in Information Assurance/Cybersecurity by the National Security Agency (NSA) and Department of Homeland Security (DHS). Students who graduate from the university will now be able to include this designation on their resumes and enhance their job prospects. FC<sup>2</sup> staff is working with all other SUS institutions to encourage them to apply for this same designation, which also allows for federal funding opportunities in the form of “scholarships for service,” a program that covers full tuition for students in return for service to the federal government.
- Partnered with Raymond James Financial to create a new internship program for USF students. These student interns will be exposed to real-world assignments at Raymond James in IT security, cyber threat analysis, and technology risk management.
- Worked with a Sweden-based cybersecurity firm to encourage them to open an office in Florida, allowing for even more cybersecurity jobs to open in our state.
- Worked with industry partners to lay the foundation for the FC<sup>2</sup> Cyber Academy to train returning veterans and others for jobs in the cybersecurity field. Staff expects the first pilot course in Fall 2015. It is estimated that more than 3.5 million cybersecurity jobs will need to be filled in the next few years.
- Partnered with the Department of Homeland Security, the Federal Bureau of Investigation, the Secret Service, and the Florida Department of Law Enforcement to create a local task force for outreach in the central Florida area and an avenue to expose SUS students to open internships and full-time positions within these organizations.

## MISSION

The mission of the Florida Center for Cybersecurity is to:

- Position Florida as the national leader in cybersecurity and its related workforce through education, community engagement and innovative, interdisciplinary research.
  - Students in the State University System benefit from networking during outreach events, learning from cybersecurity education, and participating in cutting-edge cybersecurity research.
- Create thousands of new high-paying jobs in the state’s cybersecurity industry.
  - Students in the State University System will benefit from many additional cybersecurity positions in Florida.
- Serve as a facilitator for cybersecurity education - providing degrees, certificates, and training while contributing to Board of Governors priorities and encouraging students in non-IT majors to obtain industry-recognized cybersecurity specializations to enhance employability and wages upon earning their degrees.
  - Students in the State University System will benefit from exposure to cybersecurity fields and additional degree programs.

- Enhance Florida’s cybersecurity workforce, including reintegrating military veterans by utilizing their specialized skills and training.
  - Veteran students in the State University System will benefit from a new program designed specifically to train them for cybersecurity careers.
- Act as a cybersecurity clearinghouse for statewide business and higher education communities - sharing knowledge, resources, and training opportunities to help mitigate cybersecurity threats, and optimizing investment to eliminate unnecessary duplication.
  - Students in the State University System will benefit from well-aligned cybersecurity education throughout the state, focused on best practices and cutting-edge research.
- Attract new financial, healthcare, transportation, utility and defense companies to Florida.
  - Students in the State University System will benefit from added cybersecurity job opportunities in Florida.

## **NINE-MONTH PROGRESS**

Since being created by the Florida legislature in 2014, the Florida Center for Cybersecurity (FC<sup>2</sup>) has made great strides in addressing its mission by focusing on three primary operational pillars: **Education, Research, and Outreach**. As a statewide resource, the center works with staff and faculty from all 12 institutions of the State University System of Florida, as well as representatives from the industry, government and defense communities in the state.

## **EDUCATION REPORT**

In keeping with its mission articulated in Florida statute HB 5101: 1004.444, the Florida Center for Cybersecurity has made quantifiable strides in addressing the workforce gap that currently exists in the cybersecurity domain, and students in Florida will be able to reap the benefits. FC<sup>2</sup> staff have collaborated with all 12 Florida universities via the SUS Advisory Council on Cybersecurity. This collaboration has allowed the Center to map current offerings across the state, identify opportunities for programmatic improvement, and align resources accordingly to address underserved stakeholder segments and market needs while concurrently working to eliminate redundancy and duplication of effort across the SUS.

Students in the SUS benefit not only from the streamlined cybersecurity education, they will also benefit from impressive job security. To illustrate this demand consider:

- The federal government alone reports a staggering 15 to 1 ratio of open positions to qualified candidates.
- There are as many as 300,000 unfilled cybersecurity jobs in the U.S., according to Fortune Magazine.
- It is estimated that in the next few years there will be a need for 3.5 million cybersecurity professionals.

The Center’s efforts are laying the groundwork to establish enduring talent pipelines across the state that will help create local jobs and provide for economic development.

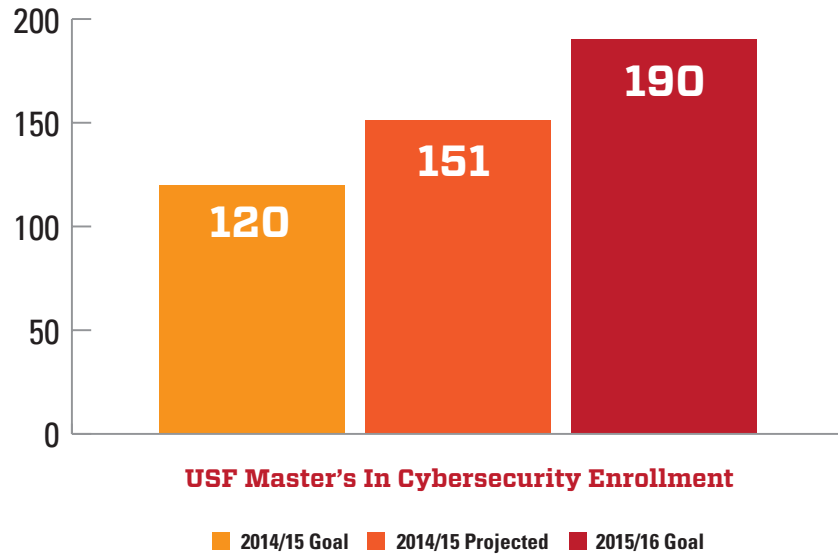
## DEGREE PROGRAMS

The Florida Center for Cybersecurity early identified the need for a graduate program tailored to the needs of professionals already working in the cybersecurity field as well as highly qualified potential career changers such as military members and veterans. To meet the demands of these students, address the cybersecurity workforce gap, and provide readily accessible pathways for graduate level education on a state-wide scale, the Florida Center for Cybersecurity partnered with the USF to develop a first-of-its-kind, fully online master's and certificate program with three concentrations aligned to the needs of industry and government.

This program:

- Is designated as a National Center for Academic Excellence in Information Assurance/Cybersecurity by the National Security Agency (NSA) and Department of Homeland Security (DHS). USF's program was only the second in the nation to be classified for the first time under a new, more rigorous set of NSA/DHS standards. Students who graduate from the university will now be able to include this designation on their resumes and enhance their job prospects. FC<sup>2</sup> staff is working with all other SUS institutions to encourage them to apply for this same designation, which also allows for federal funding opportunities in the form of "scholarships for service," a program that covers full tuition for students in return for service to the federal government.
- Enrolled an inaugural class of **38 Master's students and eight Graduate certificate students starting in the Fall of 2014, nearly 200% of target enrollment.**
- Added an additional **58 master's students and 12 graduate certificate students in the Spring of 2015, 205% of target enrollment.**
- Includes **seven active military members and 22 veterans.**
- Currently processing paperwork for **35 summer 2015 applicants.**

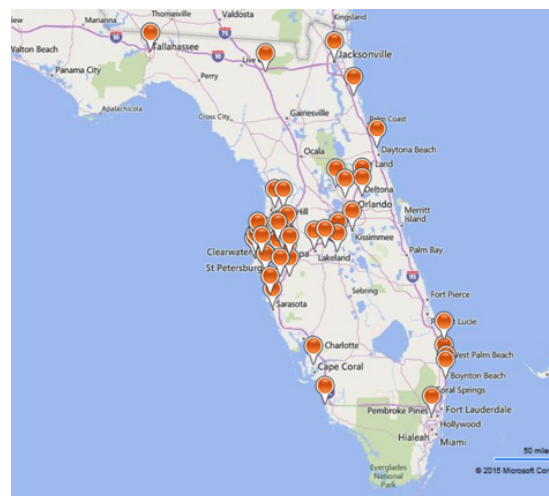




Working through the SUS Advisory Council on Cybersecurity, **the Center facilitated a pilot to share talented faculty among state institutions in order to reduce cost of program delivery and to improve outcomes.**

The Center has already teamed with Florida-based private company (ISC)<sup>2</sup>, the largest not-for-profit body of security professionals worldwide. This partnership allows the Center to offer review seminars and administer the certification exams for the following industry-standard certifications:

- CISSP®
- CSSLP®
- SSCP®
- CAP®
- HCISPP®

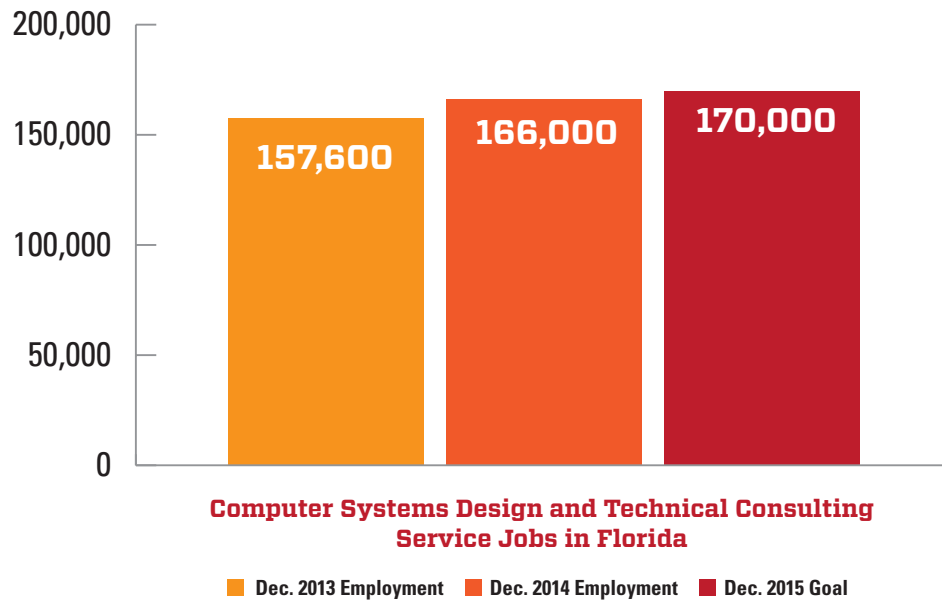


*Geographic distribution of students in USF's Master's in Cybersecurity Program*

FC<sup>2</sup> has hired two full-time cybersecurity faculty members and will be hiring nine more to offer leading cybersecurity experts as a resource for students across the state university system.

The Center is continuing to formalize additional relationships with organizations such as the Art of Exploitation (AoE), ISACA, EC-Council, and other leaders in cybersecurity training and certification.

The Florida trends for related jobs are positive:



## INTERNSHIPS

Center staff is working with Florida businesses to place students in cybersecurity internships. As part of this effort, FC<sup>2</sup> partnered with Raymond James Financial to create a new internship program for USF students. These student interns will be exposed to real-world assignments at Raymond James in IT security, cyber threat analysis, and technology risk management.

## VETERANS REINTEGRATION

FC<sup>2</sup> staff are working to meet the needs of student veterans. This mutual need is outlined by current workforce statistics:

- Each year more than 175,000 Americans leave military service
- The unemployment rate for veterans is substantially higher than the national average (9% vs. 6%).
- Florida is home to more than 1.5 million veterans and ranks third in the Nation for the number of Education Program beneficiaries.
- Cybersecurity is a focus area for many veteran reintegration efforts because cybersecurity professionals are in very high demand (near 0% unemployment), and starting salaries are much higher than the national average.
- When veterans also possess a security clearance, they bring even more value to potential employers.

The Center is working with industry partners to lay the foundation for the FC<sup>2</sup> Cyber Academy to train returning veterans and others for jobs in the cybersecurity field. Staff expects the first pilot course in Fall 2015. It is estimated that more than 3.5 million cybersecurity jobs will need to be filled in the next few years.

The program, "New Skills for a New Fight," will:

- Develop cyber professionals by providing the vital skills needed to operate in a highly complex security operations center or within certain specialty areas.
- Contain a customized curriculum package that leverages tools provided by partner organizations who are leaders in cybersecurity training and certification.
- Require students to complete scenario-based, hands-on tests that are mapped directly to the learning objectives within each class offering.
- Result in students obtaining the certifications necessary to comply with requirements for entry-level positions in the industry and role of their choice.
- Recruit an initial cohort in Fall 2015 with 15-25 students

By leveraging the Center's partnerships with Florida's state universities and military installations, the program will provide a replicable model for increasing the pipeline of cyber talent on a state-wide level and beyond. Veteran students across the state will benefit from academic cybersecurity programs designed specifically for their skillsets and backgrounds.

## **OUTREACH REPORT**

Community outreach is a central pillar of FC<sup>2</sup>'s cybersecurity initiative. A high value is placed on offering consumer and corporate education programs, facilitating and hosting cybersecurity events and speaking engagements, and providing the business and local community with a clearer understanding of cybersecurity threats and defenses.

This outreach is performed under three main umbrellas:

- Partnerships
- Events
- Public and Community Relations

## PARTNERSHIPS

- 1) **Tampa Bay Cyber Crimes Collaborative (Working Title):** The Florida Center for Cybersecurity has partnered with the Department of Homeland Security, the Federal Bureau of Investigation, the Secret Service, and the Florida Department of Law Enforcement to create a collaborative to streamline cybersecurity outreach efforts in the Tampa Bay community. The group has already hosted one major event (with 450 attendees) and plans to continue to collaborate on community trainings, events and presentations. This partnership is an avenue to expose SUS students to open internships and full-time positions within these organizations.
- 2) **Partnership with Florida Institute of Government:** Recognizing that county and local governments are often the target of cyber-attacks while also being some of the most under-resourced organizations when it comes to security, the Florida Center for Cybersecurity partnered with the Florida Institute of Government to conduct a survey of county and local IT enterprises. Via this research, the center intends to identify the current readiness level of these organizations in order to identify and/or advocate for federal funding to develop training programs and other resources such as exercise support to assist in securing sensitive citizen data.
- 3) **New Cybersecurity Jobs in Florida:** Worked with a TrueSec, a Sweden-based cybersecurity firm, to open an office in Florida, creating even more cybersecurity jobs in our state.
- 4) **Cybersecurity Preparedness Exercise for the State University System (SUS):** Partnered with the U.S. Department of Homeland Security to schedule a state-wide cybersecurity preparedness exercise for representatives from each SUS institution. The exercise, which will be held at USF on March 10, will help familiarize each university's cybersecurity stakeholders with the roles, responsibilities, policies, plans and procedures related to cyber incidents and encourage collaboration on best practices for cybersecurity across Florida's higher education community.

## EVENTS

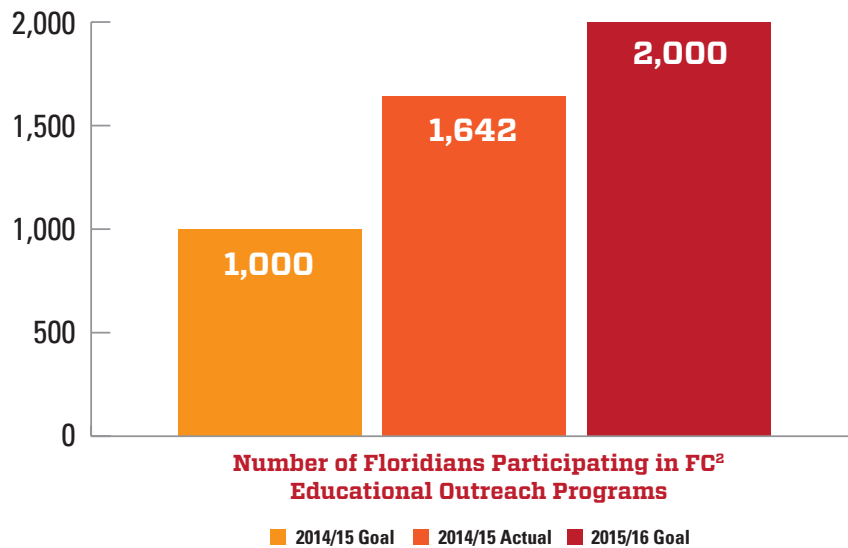
Since the Florida Center for Cybersecurity began its outreach, the Center has hosted six major events with a total of more than 1,600 attendees from 20 states and five countries. SUS students and faculty were invited to, and encouraged to attend, each of these events:

- 1) **A SunTrust Lecture Series event featuring keynote speaker Peter Singer, co-author of the acclaimed book "Cybersecurity and Cyberwar: What Everyone Needs to Know®":** 350 cybersecurity professionals, students, faculty, and business leaders attended this conference which also included a panel discussion with CEOs from four of Florida's leading companies and organizations.
- 2) **A one-day conference featuring four speakers, including Jane Lute, former Deputy Secretary of the Department of Homeland Security:** More than 200 cybersecurity professionals, students, and faculty, as well as members from the defense community attended this conference.
- 3) **A one-day FC<sup>2</sup> conference featuring keynote addresses by Vice Admiral Mike McConnell, former director of the National Security Agency, and Don Proctor, Senior Vice President of Cisco Systems, Inc.:** More than 400 cybersecurity professionals, students, and business leaders attended this one-day



conference with two keynote addresses, one panel discussion, and five breakout sessions about best practices in cybersecurity. FC<sup>2</sup> staff coordinated an opportunity for more than 20 USF cybersecurity students to meet with both Vice Admiral McConnell and Don Proctor to learn best practices and ask questions directly of two leading cybersecurity minds in the nation.

- 4) **Hosted the National Institute of Standards in Technology (NIST) for their Sixth Cybersecurity Framework Conference:** More than 400 cybersecurity professionals from across the nation and the world attended this two-day working session hosted by FC<sup>2</sup> at USF in Tampa.
- 5) **A ribbon-cutting event for the FC<sup>2</sup> offices:** More than 150 attendees, including many elected officials and their representatives, attended the ribbon-cutting event for FC<sup>2</sup>. Attendees saw a hacking demo, received information about protecting themselves online, and participated in tours of the Center.
- 6) **The National Summit on Cybersecurity Regional Open House:** The Florida Center for Cybersecurity co-hosted, along with the U.S Department of Homeland Security, the Federal Bureau of Investigation, the Secret Service, and the Florida Department of Law Enforcement, an exclusive open house at USF, in conjunction with President Obama’s Summit on Cybersecurity and Consumer Protection at Stanford University on February 13, 2015. More than 450 cybersecurity professionals, faculty, and students attended the event.





*Vice Admiral Mike McConnell delivering a keynote*



*Cybersecurity professionals at the Feb. 13 open house*



*Members of the Sarasota Military Academy Cyberpatriots meet with FBI representatives at a co-hosted event*



*A panel discussion at an FC<sup>2</sup> conference*

## **PUBLIC AND COMMUNITY RELATIONS**

FC<sup>2</sup> staff have presented at more than 30 community and business meetings, provided more than 20 press interviews about cybersecurity best practices, and distributed Center materials to thousands of Floridians. Each of these interactions provides an opportunity for Center staff to interact with the business and defense communities to learn about cybersecurity internship and employment opportunities for SUS students. FC<sup>2</sup> staff also created an awareness document with cybersecurity tips and best practices and distributed it to representatives from each SUS university. This document includes content aimed at educating existing students, incoming students, faculty, and staff.

In addition to this outreach, FC<sup>2</sup> staff have worked with the WhiteHatters Computer Security Student Club on USF's campus to assist with hacking demonstrations and the logistics for student cybersecurity competitions. Center staff have also introduced these students to many representatives from Florida's business and defense communities to further their professional networks.

## RESEARCH REPORT

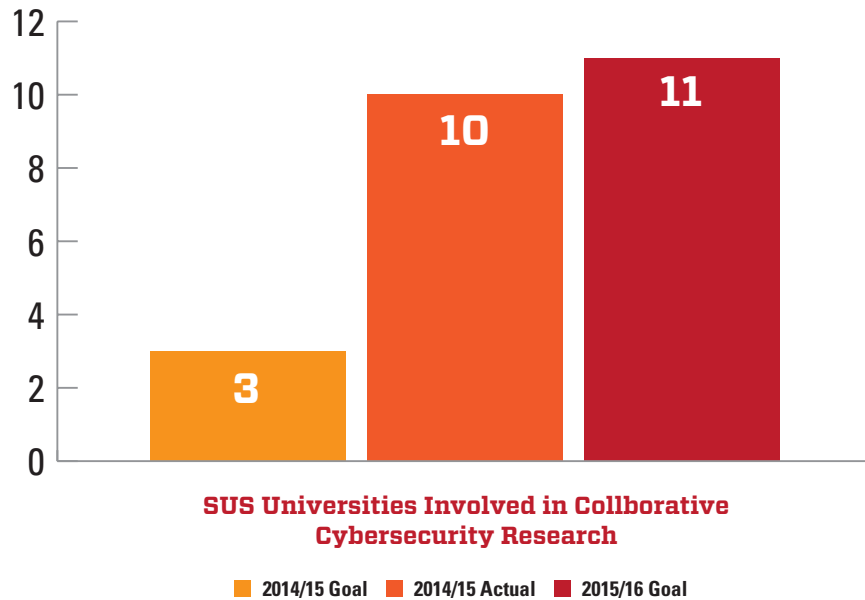
The Florida Center for Cybersecurity launched and funded a Cybersecurity Seed Grant Program in the Fall of 2014, allocating \$500,000 to fund research activities across the state and incentivize collaboration amongst SUS institutions. In total:

- Competitive proposals were received from 20 research teams representing 10 of the 12 SUS institutions.
- The Center awarded 12 seed grants for cybersecurity research to faculty from 10 different SUS universities. In addition to working on many of these projects, SUS students and faculty will also benefit from the cybersecurity discoveries generated through this research.

## FC<sup>2</sup> Collaborative Seed Grant Program Awards

PROPOSAL TITLE	INSTITUTIONS	PI/CO-PI'S
Cyber Resilience for Injection Attacks	USF/FIU	Dr. Jay Ligatti/Dr. Geoffrey Smith
Vulnerability and Survivability of Cyberspace: Basic Science to Applications	UCF/FIU	Dr. Mainak Chatterjee/Dr. Ming Zhao
Aging-Aware Hardware- Trojan Detection at Runtime	USF/UCF	Dr. Selcuk Kose/Dr. Ronald DeMara
New Technologies for Network Defense Analysis based on Malware Behavior	UF/UNF	Dr. Shigang Chen/Dr. Patrick Kreidl
Smart Grid Security Protection through Cross-Layer Approaches	UCF/USF	Dr. Yier Jin/Dr. Yao Liu/Dr. Cliff Zou
Identity Assurance using Biometrics for Cybersecurity	USF/UCF	Dr. Rangachar Kasturi/Dr. Mubarak Shah
Cyber Mission Assurance for Secure Mobile Healthcare System	UF/UCF	Dr. Michael Fang/Dr. Peter Yuan
Wearable Device Security	UWF/FL. POLY	Dr. Vimal Kumar/Dr. Anas Salah Eddin
Secure Web Access to RFID and NFC Data in Healthcare Inventory Control and Patient Tracking Applications	UNF/FAMU	Dr. Zornitza Prodanoff/Dr. Edward Jones
Securing Storage for Insider Threat Mitigation	UF/FIU	Dr. Kevin Butler/Dr. Raju Rangswami
Exploring Security Attacks in Cache Enabled Tactical Hybrid Networks	UNF/UWF	Dr. Swapnoneel Roy/Dr. Ezhil Kalaimannan
A Sociotechnical Approach to Lawful Interception and Computational Assessment of Information Behavior to Protect against Insider Threat	FSU/FAMU	Dr. Mary Ho Shuyan/Dr. Chi Hongmei

In its first nine months of existence, FC<sup>2</sup> has also generated more than \$530,000 in grants, sponsorships and matching research dollars. Many of these grants and research projects will include SUS students, who will develop best practices in cybersecurity through their participation in the projects.



## BOARD OF ADVISORS UPDATE

FC<sup>2</sup> is working with former Vice Admiral Mike McConnell to create a Board of Advisors for the Florida Center for Cybersecurity. Mr. McConnell has agreed to be the Chairman.

Mike McConnell is a Senior Executive Advisor and former Vice Chairman of Booz Allen Hamilton, which he joined after retiring from the Navy in 1996 as a Vice Admiral. Upon being asked by President George W. Bush in 2007 to become the second Director of National Intelligence (DNI), he left Booz Allen and served as the DNI for two years under Presidents Bush and Obama. As the DNI he managed the expansive national Intelligence Community – an organization of over 100,000 people, and an annual global enterprise budget of over \$50 Billion – and had extensive interactions with the White House, the President’s Cabinet, Congress, international leaders, and the U.S. business community. He served as a member of the National Security Council and managed the U.S. Intelligence Community’s global engagement in support of U.S. & allied national security objectives. Mr. McConnell also served from 1992 to 1996 as the Director of the National Security Agency (NSA) under Presidents George H.W. Bush and William J. Clinton.



Working with the Chairman of the Board of Advisors, FC<sup>2</sup> and the Chairman will invite leaders of national and global prominence to serve on the board.





4202 E. Fowler Avenue, ISA7020  
Tampa, FL 33620-4401

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Academic and Student Affairs Committee  
March 18, 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 Stefano Cavallaro, President of the Florida Student Association, will update the Committee on recent Association activities and plans for 2014-2015.

---

**Supporting Documentation Included:**

None

**Facilitators / Presenters:**

Dr. Kevin Bailey, Chair, SUS Council for  
Student Affairs  
Governor Stefano Cavallaro

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Academic and Student Affairs Committee  
March 18, 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 related to academic programs on SUS campuses.

---

**Supporting Documentation Included:**

None

**Facilitators / Presenters:**

Dr. Ronald Toll, Provost and Vice President for Academic Affairs, Florida Gulf Coast University and Chair, CAVP







**AGENDA**

**Board of Governors Foundation, Inc.  
Grand Ballroom, Student Union  
Florida A&M University  
Tallahassee, Florida  
March 18, 2015  
4:45 p.m. - 5:00 p.m.**

**or**

**Upon Adjournment of the Board of Governors Committee Meeting**

- |           |  |                            |
|-----------|--|----------------------------|
| <b>1.</b> | <b>Call to Order and Opening Remarks</b>                       | <b>Chair Mori Hosseini</b> |
| <b>2.</b> | <b>Foundation Meeting Minutes</b><br>Minutes: November 5, 2014 | <b>Chair Hosseini</b>      |
| <b>3.</b> | <b>Foundation Custodian</b>                                    | <b>CapTrust Advisors</b>   |
| <b>4.</b> | <b>Concluding Remarks and Adjournment</b>                      | <b>Chair Hosseini</b>      |

**STATE UNIVERSITY SYSTEM OF FLORIDA  
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.  
March 18, 2015**

**SUBJECT:** Approval of Minutes of Meeting held on November 5, 2014

---

**PROPOSED FOUNDATION ACTION**

Approval of Minutes of Meeting held on November 5, 2014.

**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 November 5, 2014 at Florida Atlantic University.

---

**Supporting Documentation Included:** Minutes: November 5, 2014

**Facilitators/Presenters:** Chair Mori Hosseini

MINUTES  
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.  
FLORIDA ATLANTIC UNIVERSITY  
BOCA RATON, FLORIDA  
NOVEMBER 5, 2014

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

1. Call to Order

Mr. Colson, at the request of the Chair, convened the meeting of the Foundation at 4:40 p.m. Members present were Dick Beard; Matthew Carter; Stefano Cavallaro; Pat Frost; H. Wayne Huizenga, Jr.; Ned C. Lautenbach; Wendy Link; Ed Morton; Katherine Robinson; Pam Stewart; Elizabeth Webster and Norman Tripp.

2. Approval of Committee Meeting Minutes from September 17, 2014

Mr. Lautenbach moved the adoption of the September 17, 2014 meeting minutes as presented. Mr. Morton seconded the motion, and members of the Foundation concurred.

3. Approve 2015 Officers

Mr. Colson moved the adoption of Mr. Hosseini as Chair, Mr. Kuntz as Vice-Chair, Ms. Vikki Shirley as Secretary, and Mr. Tim Jones as Treasurer. Mr. Tripp seconded the motion, and members of the Foundation concurred.

4. Approve 2015 Operating Budget

Mr. Beard moved the adoption of the 2015 operating budget as presented. Mr. Lautenbach seconded the motion, and members of the Foundation concurred.

5. Foundation Custodian and Investment Managers

Mr. John Frady, from CapTrust Advisors, made a presentation and recommendations for the selection of a custodian and investment managers.

Mr. Tripp moved the selection of Fidelity as the custodian of record. Mr. Morton seconded the motion, and members of the Foundation concurred.

Mr. Tripp moved the selection of Vanguard S&P 500 for large cap equity at a weighting of 30% of the portfolio. Mr. Carter seconded the motion, and members of the Foundation concurred.

Mr. Tripp moved the selection of Vanguard Total International Stock Index for the international equity index at a weighting of 15% of the portfolio. Mr. Carter seconded the motion, and members of the Foundation concurred.

Mr. Morton moved the selection of Great lakes for small-mid cap equity at a weighting of 15% of the portfolio. Mr. Carter seconded the motion, and members of the Foundation concurred.

Mr. Tripp moved the selection of Sawgrass International for fixed income intermediate at a weighting of 40% of the portfolio. Mr. Carter seconded the motion, and members of the Foundation concurred.

4. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 4:49 p.m.

---

Mori Hosseini, Chair

---

Tim Jones, Treasurer

**STATE UNIVERSITY SYSTEM OF FLORIDA  
FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.**

March 18, 2015

**SUBJECT:** Foundation Custodian

---

**PROPOSED FOUNDATION ACTION**

Consider the approval of a new custodian for the Foundation's investment of \$5 million to support scholarships for first generation students.

**AUTHORITY FOR BOARD OF GOVERNORS FOUNDATION, INC. ACTION**

Florida Board of Governors Foundation, Inc. by-laws

**BACKGROUND INFORMATION**

At the November, 2014 meeting, the Board of Directors approved Fidelity to be its custodian. In the course of setting up the account, it was determined that Fidelity could not serve in that capacity due to the large required asset level.

CapTrust Advisors has contacted five potential custodians and will recommend Schwab as the Foundation's custodian.

---

**Supporting Documentation Included:** Custodian Fee Comparison

**Facilitators/Presenters:** CapTrust Advisors



---

---

## Custodian Search

February 2015

**B. John Frady**

*Investment Consultant*

**Shane A. Ward, AIF**

*Investment Consultant*

# CUSTODIAN FEE COMPARISON



	<u>PNC</u>	<u>Comerica</u>	<u>Capital City</u>	<u>SunTrust</u>	<u>Schwab</u>
Flat Fee	\$0	\$2,500	\$0		\$0
Asset Based Fee	0.10%	0.05%	0.20%	Refused	0.00%
Transaction Fee	\$15.00	\$0.00	\$0.00	to	\$8.95
Minimum Fee	\$7,500	\$5,000	\$0	Quote	\$0
Expected Fee	\$7,500	\$5,000	\$10,000	No	\$2,500 (Est.)
Expected Fee Rate (based on \$5mm)	0.15%	0.10%	0.20%	Quote	0.05%

*\* Fee information is courtesy of the identified financial institutions.*

## **CURRENT SITUATION**

Previously, the board had selected Fidelity to be its custodian. In the course of account set up, it was determined that Fidelity could not function as the custodian with CapTrust as the consultant due to a large required asset level. CapTrust then reached out to five custodians for a competitive quote to provide custody services to the FLBOG Foundation.

## **RECOMMENDATION**

CapTrust recommends the FLBOG Foundation engage Schwab as custodian.

*\*The fee information above was obtained from sources believed to be reliable, but no representation or warranty is made as to the accuracy or completeness of sourced information.*







STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**

**Select Committee on Florida Polytechnic University  
Grand Ballroom, Student Union  
Florida A & M University  
Tallahassee, Florida  
March 19, 2015  
8:30 a.m. - 8:40 a.m.**

**or**

**Upon Adjournment of Previous Meeting**

**Chair: Mr. Tom Kuntz  
Members: Link, Morton**

- 1. Call to Order and Opening Remarks** **Governor Tom Kuntz**
  
- 2. Approval of Select Committee Meeting Minutes** **Governor Kuntz**  
Minutes, January 21, 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  
March 19, 2015**

**SUBJECT:** Approval of Minutes of January 21, 2015 Committee Meeting

---

**PROPOSED COMMITTEE ACTION**

Approve the January 21, 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 January 21, 2015 meeting at University of North Florida.

---

**Supporting Documentation Included:** Minutes: January 21, 2015

**Facilitators/Presenters:** Governor Kuntz

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
SELECT COMMITTEE ON FLORIDA POLYTECHNIC  
UNIVERSITY OF NORTH FLORIDA  
JACKSONVILLE, FLORIDA  
JANUARY 21, 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 5:09 p.m. on January 21, 2015, with the following members present and answering roll call: Wendy Link and Edward Morton. A quorum was established.

2. Meeting Minutes

Governor Kuntz moved that the Committee approve the minutes of the meeting held on November 5, 2014, as presented. The motion was seconded and the members concurred.

3. Dr. Randy Avent, President of Florida Polytechnic University status report

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, Accreditation, and Discipline Specific Accreditation. Dr. Avent noted that three requirements - STEM Academic Programs, Administrative Capability, Facilities and Construction - out of the six have been completed thus far.

With regard to student enrollment, the President explained that during the fall 2014 Florida Polytechnic had 540 students (518 undergraduates and 22 graduate students), and the current enrollment is at 554 students (523 undergraduate students and 31 graduate students). During the spring 2015 semester Florida Polytechnic University offered 54 courses with 129 sections, with 52 faculty (half of whom are full-time). Currently, the university is working on doubling the number of full-time faculty by adding thirty (30) additional ones, resulting in 52-55 full-time faculty.

Dr. Avent noted that there has been a 300% increase in inquiries for fall 2015 admission compared to fall 2014, with most of the inquiries coming from high school juniors across

the state. Additionally, he noted that more inquiries are coming from out of state than from in-state. This year there has been a 50% increase in turning those inquiries into deposits compared to last year.

Last year's efforts focused on increasing enrollment numbers, getting faculty in and developing a unique curriculum with a matrix between departments and concentrations. The current focus is on the research mission, Dr. Avent noting that the university has approximately five million dollars in research funding, most of which is in the area of health care informatics, with additional funding in embedded systems and energy. The University's approach to research is unique from the rest of the state in that instead of seeking federal grants it is focusing on industry funded research. To date Florida Polytechnic has 84 industry partners, 23 of whom are interested in funding research, with one partners interested in starting a lab.

In terms of accreditation, the university submitted the pre-application for candidacy for SACSSOC accreditation on December 19, 2014. The discipline specific accreditation (Accreditation Board for Engineering and Technology - ABET) application is in progress and it is contingent upon the regional one.

In response to a question from Chair Kuntz regarding funding coming from the Legislature, Dr. Avent confirmed that state funding is \$30 million dollars and as the student population increases the cost per student decreases. Further, in regards to tuition costs and student entering next year, the University plans on awarding the same average of scholarships as this year, however they will be a combination of need and merit based scholarships, so no more free tuition for all students.

#### 4. Closing Remarks and Adjournment

Governor Kuntz adjourned the meeting at 5:15 p.m.

---

Tom Kuntz, Chair

---

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

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Select Committee on Florida Polytechnic University  
March 19, 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 the 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 of 1,244, with a minimum 50 percent of that FTE in the STEM fields and 20 percent in programs related to those 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.

Florida Polytechnic University will provide brief remarks and respond to any questions from the Select Committee concerning its latest monthly 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, President,  
Florida Polytechnic University



# Monthly Update to the Select Committee on Florida Polytechnic University

## Implementation Tracking Report (March 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	✓
<b>TOTAL</b>	<b>20</b>	<b>13</b>	<b>7</b>

<b>Legend:</b>	✓ Completed	● Good Progress	● Slow Progress	● Poor Progress
----------------	-------------	-----------------	-----------------	-----------------

<b>Criterion A – Initial Development of New STEM Programs</b>		
<b>Statutory Due Date: 12/31/2016</b>		<b>Progress Indicator</b>
<b>A1</b> - New degree program proposals approved by the Florida Polytechnic university Board of Trustees	<b>January 2014: COMPLETED</b> - Program proposals were considered and approved by the Academic Affairs Committee of the Florida Polytechnic University Board of Trustees.	✓
<b>A2</b> - New degree program proposals reviewed by BOG staff for inclusion in the SUS Academic Degree Program Inventory.	<b>February 2014: COMPLETED</b> – BOG has accepted the new degree program proposals and entered them into the SUS Academic Degree Program Inventory.	✓
<b>A3</b> – Prerequisite courses approved by the Oversight Committee of the Articulation Coordinating Committee (ACC) and the ACC itself.	<b>July 2014: COMPLETED</b> – The Oversight Committee voted to approve the University’s prerequisite courses. The ACC approved the University’s prerequisite courses on June 28, 2014.	✓
<b>A4</b> – All college credit courses are entered into the Statewide Course Numbering System.	<p><b>July 2014:</b> 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><b>August 2014:</b> Courses continue to be input into the Common Course Numbering System.</p> <p><b>September 2014: COMPLETED</b> – Courses have been input into the Common Course Numbering System.</p>	✓
<b>A5</b> – Program faculty and general education faculty are in place.	<p><b>July 2014:</b> Sufficient program faculty are in place to develop curricula. We have hired 23 of 25 fulltime faculty<sup>1</sup>. Fifteen adjunct faculty have been selected and ten have been signed.</p> <p><b>August 2014:</b> Ten of the 15 selected adjunct faculty have been signed.</p> <p><b>September 2014: COMPLETED</b> – 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>	✓

<sup>1</sup>Florida Poly needs 25 instead of 30 fulltime faculty because of a higher than projected number of freshmen admitted.



<b>Criterion B – Enrollment of 1,244 FTE</b>	
<b>Statutory Due Date: 12/31/2016</b>	<b>Progress Indicator</b>
<b>B1 – Total students enrolled</b>	<p><b>Fall 2014 (Census Date – 10/15/14):</b>  Total Headcount – 540 (Exceeds goal by 8%)  Undergraduate Total 518: full-time-512 (96%); part-time-6 (1%)  FTIC total: full-time 389; part-time 0  Transfers: full-time 111; part-time 5  Other: full-time 12; part-time 1  Graduate Total 22: full-time 17; part-time 5  Gender: male 468 (87%); female 72 (13%)  Race: American Indian 9 (1.7%); Asian 19 (3.5%); Black/African American 40 (7.8%); Native Hawaiian/Other Pacific Islander 4 (0.7%); White 437 (80.9%); Unreported 31 (5.7%)  Ethnicity: Hispanic/Latino 102 (19%); Non-Hispanic/Latino 421 (78%); Not Specified 17 (3%)  In-State Students: 503; Out-of-State Students: 25; Not Specified: 26</p> <p><b>Spring 2015 (Drop/Add – 1/12/15):</b>  Total Headcount – 554  Total Undergraduate – 522, Total Graduate – 31, Total Non-Degree Seeking - 1  Continuing Students (Fall 2014): Undergraduate – 486; Graduate – 20;  New Students (Spring 2015): Undergraduate – 37 (FTIC – 27; Transfer – 9; Second Bachelors – 1); Graduate – 11  Gender: male 476 (86%); female 78 (14%)  Race: American Indian 9 (1.6%); Asian 21 (3.8%); Black/African American 38 (6.9%); Native Hawaiian/Other Pacific Islander 4 (0.7%); White 446 (80.5%); Not Specified 36 (6.5%)  Ethnicity: Hispanic/Latino 103 (19%); Non-Hispanic/Latino 434 (78%); Not Specified 17 (3%)  In State: 483 (87%); Out-of-State: 71 (13%)  Total Credit Hours – 7,492 (Undergraduate – 7,320; Graduate – 267; Non-Degree Seeking - 3)  Average Credit Load – 14.0 (Undergraduate – 14.4; Graduate – 8.6)</p> <p><b>Spring 2015 (Census Date – 2/26/15):</b>  Total Headcount – 553  Total Undergraduate – 521, Total Graduate – 31, Total Non-Degree Seeking - 1  Continuing Students (Fall 2014): Undergraduate – 486; Graduate – 20;  New Students (Spring 2015): Undergraduate – 36 (FTIC – 26; Transfer – 9; Second Bachelors – 1); Graduate – 11  Gender: male – 476 (86%); female – 77 (14%)  Race: American Indian 9 (1.6%); Asian 21 (3.8%); Black/African American 37 (6.7%); Native Hawaiian/Other Pacific Islander 4 (0.7%); White 447 (80.8%); Not Specified 35 (6.3%)  Ethnicity: Hispanic/Latino 102 (18%); Non-Hispanic/Latino 434 (78%); Not Specified 17 (3%)  In State: 507 (92%); Out-of-State: 46 (8%)  Total Credit Hours – (Undergraduate – 7,443; Graduate – 267; Non-Degree Seeking - 3)  Average Credit Load – 14.0 (Undergraduate – 14.3; Graduate – 8.6)</p>

<b>Criterion B – Enrollment of 1,244 FTE (continued)</b>		
<b>Statutory Due Date: 12/31/2016</b>		<b>Progress Indicator</b>
<b>B2</b> – Number of completed applications received	<b>February 2014:</b> 2,846 (exceeds the goal for applications ) <b>July 2014:</b> 2,983 (as of July 30 <sup>th</sup> , 2014; 119% of goal for number of applications) <b>Spring 2015:</b> 241 <b>Fall 2015</b> (as of March 3, 2015): 1,748	✓
<b>B3</b> – Number of students admitted	<b>February 2014:</b> 922 (90% of the goal to be admitted) <b>July 2014:</b> 1,029 (100% of the goal for the number of students expected to be admitted) <b>Spring 2015:</b> 58 (Goal Met) <b>Fall 2015</b> (as of March 3, 2015): 783	✓
<b>B4</b> –Actual enrollments in each degree program.	<b>Spring 2015 (Drop/Add - 1/12/15):</b> Total Headcount – 554 Computer Engineering, BS – 84 (15.16%) Electrical Engineering, BS – 58 (10.47%) Mechanical & Industrial Engineering, BS – 125 (22.56%) Engineering, MS – 16 (2.89%) Advanced Technology, BS – 34 (6.14%) Computer Science & Information Technology, BS – 195 (35.2%) Science & Technology Management, BS – 23 (4.15%) Innovation & Technology, MS – 18 (3.25%) Non-Degree Seeking – 1 (0.18%)  <b>Spring 2015 (Census Date - 2/26/15):</b> Total Headcount – 553 Computer Engineering, BS – 84 (15.19%) Electrical Engineering, BS – 57 (10.31%) Mechanical & Industrial Engineering, BS – 129 (23.33%) Engineering, MS – 14 (2.53%) Advanced Technology, BS – 33 (5.97%) Computer Science & Information Technology, BS – 195 (35.26%) Science & Technology Management, BS – 23 (4.16%) Innovation & Technology, MS – 17 (3.07%) Non-Degree Seeking – 1 (0.18%)	●

<b>Criterion C – Administrative Capability</b>		
<b>Statutory Due Date: 12/31/2016</b>		<b>Progress Indicator</b>
<b>C1</b> – Capability to administer financial aid, admissions, and student support.	<b>Fall 2014:</b> Florida Polytechnic University has established offices for financial aid, admissions and student services.	✓
<b>C2</b> – Capability to administer information technology, and finance & accounting with internal audit function.	<b>Fall 2014:</b> Florida Polytechnic University has a shared services agreement with UF and has hired an Executive Budget Director and a CIO.	✓

<b>Criterion D - Accreditation</b>		
<b>Statutory Due Date: 12/31/2016</b>		<b>Progress Indicator</b>
<b>D1</b> – Pre-Application Workshop	<b>December 2013: COMPLETED</b> - A Florida Polytechnic University team attended the pre-accreditation workshop in Atlanta.	✓
<b>D2</b> - Submit application for regional accreditation.	<b>July 2014:</b> Florida Polytechnic University has engaged a technical advisor to assist with preparing the application for regional accreditation. <b>December 2014:</b> Initial application has been submitted to regional accreditation agency on December 2014 <b>January 2015</b> – Fall 2014 evidence submitted to regional accreditation agency	●
<b>D3</b> – Regional accreditor Candidacy site visit.	<b>June 2015:</b> Status Reporting Date	TBD
<b>D4</b> – Regional accreditor site visit.	<b>June 2016:</b> Status Reporting Date	TBD
<b>D5</b> – Regional accreditor decision on accreditation.	<b>December 2016:</b> Status Reporting Date	TBD

TBD – To Be Determined (no data or information currently exists to make a determination about progress)

<b>Criterion E – Seek Discipline Specific Accreditation</b>		
<b>Statutory Due Date: 12/31/2016</b>		<b>Progress Indicator</b>
<b>E1</b> – Contact discipline specific accrediting bodies.	<b>Spring 2015:</b> Status Reporting Date	TBD

TBD – To Be Determined (no data or information currently exists to make a determination about progress)

<b>Criterion F – Facilities and Infrastructure</b>		
<b>Statutory Due Date: 12/31/2016</b>		<b>Progress Indicator</b>
<b>F1</b> – Complete the Innovation, Science and Technology Building for Fall 2014 start of classes.	<b>December 2014: COMPLETED</b>	✓
<b>F2</b> – Complete the Residence Hall for 241 students.	<b>September 2014: COMPLETED</b> - Construction is complete and all 241 beds are occupied as of the target move-in date of August 20, 2014.	✓
<b>F3</b> – Complete the Phase I of Wellness Center and other site facilities or infrastructure.	<b>Fall 2014: COMPLETED</b> - 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.

The University's Board of Trustees submitted its approved CIP to the BOG on November 26, 2013. The CIP includes an Academic Research Center, a Student Achievement Center and a residence hall. An agreement with Vestcor Communities, Inc. Vestcor was approved by University Trustees on November 26, 2013 for the construction of a 219 bedroom residential hall on Florida Poly's campus. Under the public private partnership, Vestcor leases land on the University campus and is fully responsible for the financing, construction, operation and maintenance of the building. The agreement allowed for financing and construction of the residence hall while traditional funding sources were not readily available.

The projects are considered "completed", and are in the formal close out process, with final payment balances below being made over the next several months.

**Table 6: Facilities Balances (March 2015)**

Component	Progress	Budget (Feb. 2014)	Budget (Revised March 2014)	Balance (Mar. 2015)
IST Building	Completed	\$78.3 M	\$60.0 M <sup>1</sup>	\$0.3 M
Site and Infrastructure	Completed	\$40.0 M	\$40.0 M	\$ 0.1 M
Engineering, Design, Land, and other soft costs	Completed	-	\$22.0 M <sup>2</sup>	\$ 0.0 M
Campus Control Center	Completed	\$ 3.5 M	\$ 3.9 M	\$ 0.0 M
Classroom, laboratory- furniture, fixtures & equipment	Completed	\$ 7.0 M <sup>3</sup>	-	NA
Contingency	NA	\$ 1.9 M	\$ 2.9 M <sup>4</sup>	\$ 2.9 M <sup>5</sup>
<b>Total Original Projects</b>		<b>\$134.4 M</b>	<b>\$128.8 M<sup>6,8</sup></b>	<b>\$3.3 M</b>
Admissions Center	Completed	-	\$ 1.3 M	-
Housing Utilities and Integration	Completed	-	\$ 1.2 M	\$ 0.0 M
Wellness Center – Phase 1	Completed	-	\$ 4.5 M	\$ 0.0 M
Perimeter Fencing	Completed	-	\$ 0.4 M	\$ 0.0 M
<b>Total All Projects</b>		<b>\$134.4 M</b>	<b>\$136.2 M<sup>7,8</sup></b>	<b>\$ 3.3 M</b>

<sup>1</sup>Budget (\$18.3 M) for engineering, design, land and other soft costs were moved to a separate line

<sup>2</sup>\$3.7 M in land related costs was erroneously left out of the last report and is included in the line for engineering, design, land and other soft costs bringing the total to \$22.0 M.

<sup>3</sup>Paid for through the State of Florida's Consolidated Equipment Financing Program

<sup>4</sup>\$1 M restored to contingency from classroom, laboratory- furniture, fixtures & equipment

<sup>5</sup>Balance reflects a change in funding source from contingency to donated fund

<sup>6</sup>\$6 M no longer budgeted from construction funds for classroom, laboratory- furniture, fixtures & equipment

<sup>7</sup>Includes budget for Admissions Center, housing utilities/integration, Wellness Center-Phase 1, perimeter fencing

<sup>8</sup>The University placed a cell phone signal amplification system in the CCC which enhances the cell phone reception within each of the buildings on the main campus. We also made modifications to the CCC to create space for the Campus Public Safety and Police Office.

The Residence Hall opened as planned to its first students on August 20, 2014. A total of 241 residents have filled the 219 bedrooms as some rooms were turned into shared rooms, and the developer and University continue to have requests for space if there are cancellations.

The process for updating the 2015-2025 Master Plan has been completed and was approved by the University's Board of Trustees on December 10, 2014.

Florida Polytechnic University is currently working through a public solicitation process for Fall 2015 off-campus housing to supplement our existing on-campus housing. The University is presenting a 530+ bed housing project to the Board of Governors at their upcoming meeting in March 2015. This facility is planned to be developed using a Public-Private Partnership, and is scheduled to be open in the Fall of 2016.



**Florida Polytechnic University Campus**



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**  
**Budget and Finance Committee**  
**Grand Ballroom, Student Union**  
**Florida A&M University**  
**Tallahassee, Florida**  
**March 19, 2015**  
**8:40 a.m. – 9:00 a.m.**

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

1. **Call to Order and Opening Remarks** **Governor Tom Kuntz**
  
2. **Approval of Committee Meeting Minutes** **Governor Kuntz**  
Minutes, January 22, 2015
  
3. **Auxiliary Facilities that have Bond Covenants** **Mr. Tim Jones**  
**Requiring Approval of Estimated 2015-2016** *Vice Chancellor, Finance*  
**Operating Budgets** *and Administration*  
*Board of Governors*
  
4. **2016-2017 Legislative Budget Request Guidelines** **Mr. Jones**
  
5. **Allocation of 2015-2016 Legislative Budget Request** **Governor Kuntz**  
**Performance Funds**
  
6. **Concluding Remarks and Adjournment** **Governor Kuntz**

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Budget and Finance Committee  
March 19, 2015**

**SUBJECT:** Minutes of Committee Meeting held January 22, 2015

---

**PROPOSED COMMITTEE ACTION**

Approve the minutes from the meeting held on January 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 meeting held on January 22, 2015 at the University of North Florida.

---

**Supporting Documentation Included:** Minutes: January 22, 2015

**Facilitators/Presenters:** Governor Tom Kuntz

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
BUDGET AND FINANCE COMMITTEE  
UNIVERSITY OF NORTH FLORIDA  
JACKSONVILLE, FLORIDA  
JANUARY 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. Tom Kuntz, Chair, convened the meeting of the Budget and Finance Committee at 9:15 a.m. Members present for roll call were Ned Lautenbach, Stefano Cavallaro, Wayne Huizenga, Jr., Norman Tripp, Alan Levine, and Mori Hosseini. Dean Colson joined the Committee at 9:18 a.m. Other Board members present included Dick Beard, Matthew Carter, Dan Doyle, Pat Frost, Wendy Link, Ed Morton, and Katherine Robinson.

**1. Call to Order**

Mr. Kuntz called the meeting to order.

**2. Approval of November 6, 2014 Committee Meeting Minutes**

Mr. Tripp moved that the Committee approve the minutes of the meeting held November 6, 2014 as presented. Mr. Hosseini seconded the motion, and members of the Committee concurred.

**3. Legislative Budget Request Issues**

Mr. Kuntz recognized Mr. Tripp to present an amended 2015-2016 legislative budget request issue that was recommended by the Academic & Student Affairs Committee.

Mr. Tripp explained the \$222,644 budget request for the FSU Clearinghouse for Applied Research and moved that the Committee approve the issue. Mr. Levine seconded the motion, and members of the Committee concurred.

**4. Performance Based Funding Improvement Plans**

Mr. Kuntz provided some background information on the performance funding improvement plans. He stated that FAU, NCF and UWF would be presenting a status



report on the implementation of their plan and after each presentation the Committee would consider the amount of base funds being held in reserve to be released. No more than 50 percent could be released at this time, with the balance of funds potentially released when the final improvement plan is presented in June.

Currently, the following amounts are being held in reserve for each school:

1. FAU - \$6,952,393 (50 percent is \$3,476,196)
2. NCF - \$1,080,377 (50 percent is \$540,188)
3. UWF - \$3,829,588 (50 percent is \$1,914,794)

President Kelly presented FAU's December improvement plan status report. After questions, Mr. Tripp moved to approve FAU's improvement plan status report and authorize the Chancellor to release 50% (\$3,476,196) of FAU's funds being held in reserve. Mr. Colson seconded the motion, and members of the Committee concurred.

President O'Shea presented NCF's December improvement plan status report. After questions, Mr. Colson moved to approve NCF's improvement plan status report and authorize the Chancellor to release 50% (\$540,188) of NCF's funds being held in reserve. Mr. Huizenga seconded the motion, and members of the Committee concurred.

Dr. Martha Saunders presented UWF's December improvement plan status report. After questions, Mr. Tripp moved to approve UWF's improvement plan status report and authorize the Chancellor to release 50% (\$1,914,794) of UWF's funds being held in reserve. Mr. Huizenga seconded the motion, and members of the Committee concurred.

## **5. Preeminent Performance Metrics**

Mr. Kuntz stated that this issue was initially discussed at the November Committee meeting. Since then the Chancellor and staff have continued to work the universities. Mr. Kuntz reported that UF and FSU have indicated that they will not be seeking any tuition differential increases for the upcoming academic term.

Therefore, Mr. Kuntz stated that the establishment of benchmarks to meet the statutory requirements will be deferred to the June Committee meeting.

## **6. Shared Initiatives Update**

Mr. Lautenbach provided an update work of the Board staff and FSU on shared initiatives. Mr. Lautenbach then introduced the Board's new Director of Shared Initiatives, Karen Armstrong.

Ms. Armstrong provided an overview of the work being done by the universities in negotiating contracts for the system that will lead to fiscal savings. Ms. Armstrong

reported that universities have not purchased a spend analytics tool that will provide information on university expenditures that will then be used to negotiate better contractual deals with vendors.

7. **Concluding Remarks and Adjournment**

Having no further business, the meeting was adjourned at 10:06 a.m.

---

Tom Kuntz, Chair

---

Tim Jones, Vice Chancellor  
Finance and Administration

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Budget and Finance Committee  
March 19, 2015**

**SUBJECT:** Auxiliary Facilities that have Bond Covenants Requiring Approval of  
Estimated 2015-2016 Operating Budgets

---

**PROPOSED COMMITTEE ACTION**

Approve estimated 2015-2016 operating budgets for auxiliary facilities that have bond covenants requiring Board approval.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

An auxiliary enterprise, as defined by the National Association of College and University Business Officers (NACUBO) in the College and University Business Administration Manual, is "an entity that exists to furnish a service to students, faculty, or staff, and that charges a rate directly related, but not necessarily equal, to the cost of the service". One of the distinguishing characteristics of auxiliary enterprises is that they are managed as self-supporting activities. Some examples of auxiliary enterprises are housing operations, university bookstores, food services, student health centers, parking services, and continuing education. Many auxiliary enterprises have debt service commitments for the construction of facilities that must be repaid from pledged revenues from operations.

Section 1010.60, Florida Statutes, authorizes the issuance of bonds or other forms of indebtedness pursuant to the State Bond Act to finance or refinance capital projects authorized by the Legislature. Specific covenants, as set forth in the authorizing resolutions of certain bond issues, require approval of estimated operating budgets for the upcoming fiscal year at least ninety (90) days preceding the beginning of the fiscal year. The state universities historically submit annual operating budgets for their auxiliary operations approximately forty-five (45) days after the beginning of the fiscal year; therefore it is necessary for each affected institution to develop and submit, in advance, an estimated operating budget for all facilities with outstanding bond issues containing the operating budget approval covenant language.

The following universities have outstanding bond issues that require Board of Governors approval: the University of Florida, Florida State University, Florida A&M University, the University of South Florida, Florida Atlantic University, the University of Central Florida, and Florida International University.

A review of each university's information for auxiliary facilities affected by the specific bond covenants indicates that there will be sufficient revenues to meet the estimated level of operational expenditures and debt service payments for fiscal year 2015-2016. In addition to the Income and Expenditure Statement, information was requested for four basic questions. The universities' responses are included in the materials.

---

**Supporting Documentation Included:** Auxiliary Facility 2015-2016 Operating Budgets

**Facilitators/Presenters:** Mr. Tim Jones

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: University of Florida			
BOND TITLE: Parking Revenue Bonds Series 1998, 2007A			
AUXILIARY FACILITY (IES): University Transportation and Parking Services			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	5,914,355	4,856,208
	Investments	0	0
	<b>Sub-Total:</b>	5,914,355	4,856,208
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	1,915,509	3,945,664
	Other	0	0
	<b>Sub-Total:</b>	1,915,509	3,945,664
	<b>TOTAL CARRIED FORWARD (A +B):</b>	7,829,864	8,801,872
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	11,801,929	11,539,110
	Interest Income	83,158	150,000
	Other Income	183,371	3,090
	<b>TOTAL CURRENT YEAR REVENUE:</b>	12,068,458	11,692,200
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	19,898,322	20,494,072
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	2,123,277	2,320,470
	Other Personal Services	315,663	245,160
	Operating Expense	1,817,690	2,014,481
	Repairs and Maintenance	238,235	822,500
	Debt Service	2,660,441	2,700,000
	Repair and Replacement Expense	0	0
	Operating Capital Outlay	21,299	19,500
	Other Expense & Transfers Out	1,900,000	1,600,000
	<b>TOTAL EXPENDITURES:</b>	9,076,605	9,722,111
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	1,500,000	1,000,000
	Other	2,550,000	0
	<b>Sub-Total:</b>	4,050,000	1,000,000
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	1,273,112	1,000,000
	Other	761,869	942,000
	<b>Sub-Total:</b>	2,034,981	1,942,000
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	3,930,528	3,003,664
	Interest Income Earned on Reserve Balance	15,136	0
	<b>Sub-Total:</b>	3,945,664	3,003,664
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	4,856,208	5,826,297
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	8,801,872	8,829,961
			8,852,192

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY FACILITIES  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**University of Florida, Parking Revenue Bond Series 1998, 2007A**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.  
NO.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.  
NO.

3. Please explain amounts transferred out of replacement reserves.

Transfers From Replacement Reserves, 2013-14 Actual Amount: \$1,273,112. Transfers were made to replace all lighting fixtures in the Shands Teaching Hospital garage with more energy efficient and higher quality light fixtures - \$800,000. The surface parking lot at the Cultural Plaza was repaved - \$470,000.

Budgeted amount for Transfers From Replacement Reserves, 2014-15 Estimated and 2015-16 Projected are based on the future amounts necessary for maintenance and repair of parking facilities on campus based on an Asset Management and Capital Improvement Plan prepared for UF by Walker Restoration Consultants.

4. Please provide details for amounts categorized as "other".

Other Income- expected vending revenue received from vending machines in parking garages.

Other Expense and Transfers Out- includes expense incurred for the operation of shuttle buses to and from parking facilities as well as anticipated miscellaneous repair or maintenance expenses.

Other Transfers to Replacement Reserves, 2013-14- transferred to reserves to provide a funding source for unanticipated maintenance and repair needs. There are 15 garages with over 10,000 spaces on campus. The average age of a garage is 21.2 years old.

Other Transfers From Replacement Reserves- includes expenditures for minor equipment and tools, maintenance supplies costs of labor for parking maintenance projects.

5. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: Florida State University			
BOND TITLE: Housing System Bond Series 1993, 2004A, 2005A, 2010A, 2011A, 2013A			
AUXILIARY FACILITY (IES): University Housing System			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	17,152,655	18,748,118
	Investments	0	0
	<b>Sub-Total:</b>	<b>17,152,655</b>	<b>18,748,118</b>
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	34,252,455	38,343,752
	Other	0	0
	<b>Sub-Total:</b>	<b>34,252,455</b>	<b>24,240,772</b>
	<b>TOTAL CARRIED FORWARD (A +B):</b>	<b>51,405,110</b>	<b>43,418,184</b>
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	41,605,827	41,863,545
	Interest Income	162,723	170,000
	Other Income	325,660	420,000
	<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>42,094,210</b>	<b>42,541,157</b>
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>93,499,320</b>	<b>85,959,341</b>
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	5,580,504	7,161,931
	Other Personal Services	2,475,179	2,738,340
	Operating Expense	5,388,900	6,217,828
	Repairs and Maintenance	1,420,669	1,550,000
	Debt Service	11,165,702	11,770,013
	Repair and Replacement Expense	3,196,884	5,281,200
	Operating Capital Outlay	0	50,000
	Other Expense & Transfers Out	2,398,889	3,514,026
	<b>TOTAL EXPENDITURES:</b>	<b>31,626,727</b>	<b>40,492,538</b>
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	8,872,020	3,872,020
	Other	0	0
	<b>Sub-Total:</b>	<b>8,872,020</b>	<b>2,167,076</b>
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	5,000,000	18,300,000
	Other	0	0
	<b>Sub-Total:</b>	<b>5,000,000</b>	<b>5,000,000</b>
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	38,124,475	23,915,772
	Interest Income Earned on Reserve Balance	219,277	325,000
	<b>Sub-Total:</b>	<b>38,343,752</b>	<b>21,582,848</b>
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>18,748,118</b>	<b>19,177,412</b>
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>57,091,870</b>	<b>40,641,803</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY FACILITIES  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**Florida State University – Housing System Bonds 1993, 2004A, 2005A, 2010A, 2011A, 2013A**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Expenditures increase 17% from '13-14 to '14-15 due to the following:

- Increase in operating expenses due to increase in assessment paid to FSU ITS Department and the addition of cable to the Residence Halls as an added amenity to residents
- Increase in repair and replacement expense due to large repair projects planned in '14-15
- Increase in anticipated salary expense due to increased estimates in overall salary costs from the FSU budget office
- Increase in other expense & transfers out due to increase in overhead assessment and increase in support to University Housing administration account

3. Please explain amounts transferred out of replacement reserves.

- 2013-14 – transfer of \$5M towards Phase I of Housing Replacement construction project
- 2014-15 – transfer of \$3M towards Phase I of Housing Replacement construction project, \$15M towards Phase II of Housing Replacement construction project, \$300K towards refunding costs
- 2015-16 – transfer of \$5M towards Phase II of Housing Replacement construction project

4. Please provide details for amounts categorized as “other”.

N/A

5. Add lines as needed for additional comments.



INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: Florida State University			
BOND TITLE: Parking Facility Revenue Bonds, 2003A, 2003B, 2005A, 2007A, 2011A, 2014A			
AUXILIARY FACILITY (IES): Parking and Transportation Services			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	2,402,442	2,027,278
	Investments	0	0
	<b>Sub-Total:</b>	<b>2,402,442</b>	<b>2,027,278</b>
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	2,676,084	2,616,186
	Other	0	0
	<b>Sub-Total:</b>	<b>2,676,084</b>	<b>2,616,186</b>
	<b>TOTAL CARRIED FORWARD (A +B):</b>	<b>5,078,526</b>	<b>4,643,464</b>
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	11,096,842	12,023,000
	Interest Income	54,369	120,000
	Other Income	391,111	0
	<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>11,542,322</b>	<b>12,261,000</b>
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>16,620,848</b>	<b>16,786,464</b>
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	1,368,571	1,330,500
	Other Personal Services	10,957	9,000
	Operating Expense	4,150,567	4,585,526
	Repairs and Maintenance	194,549	215,000
	Debt Service	5,618,677	4,814,244
	Repair and Replacement Expense	24,020	405,000
	Operating Capital Outlay	234,281	148,000
	Other Expense & Transfers Out	115,864	139,200
	<b>TOTAL EXPENDITURES:</b>	<b>11,717,486</b>	<b>11,646,470</b>
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	200,000	50,000
	Other	0	0
	<b>Sub-Total:</b>	<b>200,000</b>	<b>50,000</b>
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	253,639	0
	Other	6,259	6,202
	<b>Sub-Total:</b>	<b>259,898</b>	<b>6,202</b>
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	2,616,186	2,659,984
	Interest Income Earned on Reserve Balance	0	0
	<b>Sub-Total:</b>	<b>2,616,186</b>	<b>2,659,984</b>
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>2,027,278</b>	<b>2,473,808</b>
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>4,643,464</b>	<b>5,133,792</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY FACILITIES  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**Florida State University – Parking Facility Revenue Bonds 2003A&B, 2005A, 2007A, 2011A, 2014A**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

Yes. The Office of Business Services (OBS) and the University allocate overhead to the Transportation Department . The following amounts are included in the Income & Expenditure Statement:

	Actual	Estimated	Projected
	<u>FYE 2014</u>	<u>FYE 2015</u>	<u>FYE 2016</u>
University	\$122,123	\$145,411	\$169,103
OBS	\$316,378	\$279,874	\$325,000

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

No.

3. Please explain amounts transferred out of replacement reserves.

Any funds expended from the replacement reserve would be for extraordinary or unusual repairs or expenditures which increased the useful life or significantly increased the functionality of the garages. The replacement reserve is not used to pay for normal maintenance.

4. Please provide details for amounts categorized as “other”.

2. CURRENT YEAR INCOME: Interest income from garage bonds that was applied to the bond debt.

4. EXPENDITURES: University overhead charged to the Transportation Department operating fund.

6. TRANSFERS FROM REPLACEMENT RESERVES: University overhead charged to the Replacement Reserve.

5. Add lines as needed for additional comments.

No other comments.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: Florida A&M University			
BOND TITLE: Student Dormatory Revenue and Revenue Refunding, Series 2010A, 2010B			
AUXILIARY FACILITY (IES): Housing Operation			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	9,934,003	6,249,499	7,524,276
	Liquid		
	0	0	0
	Investments		
	9,934,003	6,249,499	7,524,276
	<b>Sub-Total:</b>		
	<b>B. Replacement Reserve Forward:</b>		
	395,712	751,945	233,976
	<b>Bond Covenants (Facilities Maintenance and Equipment)</b>		
	0	0	0
	<b>Other</b>		
	395,712	751,945	233,976
	<b>Sub-Total:</b>		
	10,329,715	7,001,444	7,758,252
	<b>TOTAL CARRIED FORWARD (A +B):</b>		
2.	<b>CURRENT YEAR REVENUE:</b>		
	9,934,003	14,238,625	14,630,187
	<b>* Revenue</b>		
	0	0	0
	<b>Interest Income</b>		
	0	0	0
	<b>Other Income</b>		
	9,934,003	14,238,625	14,630,187
	<b>TOTAL CURRENT YEAR REVENUE:</b>		
3.	20,263,718	21,240,069	22,388,439
	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>		
4.	<b>EXPENDITURES</b>		
	2,259,132	2,304,620	3,039,571
	<b>Salaries and Matching</b>		
	699,806	679,792	540,000
	<b>Other Personal Services</b>		
	4,304,124	3,512,200	2,439,214
	<b>Operating Expense</b>		
	0	0	1,673,067
	<b>Repairs and Maintenance</b>		
	5,467,685	5,914,999	5,960,066
	<b>Debt Service</b>		
	33,695	0	0
	<b>Repair and Replacement Expense</b>		
	74,209	104,051	25,000
	<b>Operating Capital Outlay</b>		
	389,928	0	438,906
	<b>Other Expense &amp; Transfers Out</b>		
	13,228,579	12,515,662	14,115,824
	<b>TOTAL EXPENDITURES:</b>		
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	389,928	448,186	438,906
	<b>Bond Covenants (Facilities Maintenance and Equipment)</b>		
	0	0	0
	<b>Other</b>		
	389,928	448,186	438,906
	<b>Sub-Total:</b>		
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	33,695	966,155	0
	<b>Bond Covenants (Facilities Maintenance and Equipment)</b>		
	0	0	0
	<b>Other</b>		
	33,695	966,155	0
	<b>Sub-Total:</b>		
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	751,945	233,976	672,882
	<b>Bond Covenants (Facilities Maintenance and Equipment)</b>		
	0	0	0
	<b>Interest Income Earned on Reserve Balance</b>		
	751,945	233,976	672,882
	<b>Sub-Total:</b>		
8.	6,249,499	7,524,276	7,599,733
	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>		
9.	7,001,444	7,758,252	8,272,615
	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>		

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY FACILITIES  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**Florida A&M University – Student Dormitory Revenue & Refunding Bonds Series 2010A, 2010B**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

N/A

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

N/A

3. Please explain amounts transferred out of replacement reserves.

In fiscal year 2014-15, these funds were used to replace chiller systems in several dorms.

4. Please provide details for amounts categorized as “other”.

“Other Expenses & Transfers Out” contains the 3% for replacement reserves.

5. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: Florida A&M University			
BOND TITLE: Parking Facility Revenue Bonds Series 1997			
AUXILIARY FACILITY (IES): Parking Operation			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	1,572,100	1,289,153
	Investments	0	0
	<b>Sub-Total:</b>	<b>1,572,100</b>	<b>1,289,153</b>
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	746,613	814,694
	Other	0	0
	<b>Sub-Total:</b>	<b>746,613</b>	<b>814,694</b>
	<b>TOTAL CARRIED FORWARD (A +B):</b>	<b>2,318,713</b>	<b>1,939,042</b>
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	2,215,709	1,977,000
	Interest Income	0	0
	Other Income	0	0
	<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>2,215,709</b>	<b>1,977,000</b>
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>4,534,422</b>	<b>4,080,847</b>
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	865,552	619,791
	Other Personal Services	0	7,850
	Operating Expense	1,149,162	1,090,787
	Repairs and Maintenance	0	0
	Debt Service	232,725	233,265
	Repair and Replacement Expense	0	0
	Operating Capital Outlay	18,121	0
	Other Expense & Transfers Out	165,015	190,112
	<b>TOTAL EXPENDITURES:</b>	<b>2,430,575</b>	<b>2,403,172</b>
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	68,081	59,310
	Other	0	0
	<b>Sub-Total:</b>	<b>68,081</b>	<b>59,310</b>
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	0	0
	Other	0	0
	<b>Sub-Total:</b>	<b>0</b>	<b>135,094</b>
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	814,694	874,004
	Interest Income Earned on Reserve Balance		
	<b>Sub-Total:</b>	<b>814,694</b>	<b>803,889</b>
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>1,289,153</b>	<b>1,065,038</b>
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>2,103,847</b>	<b>1,566,738</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY FACILITIES  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**Florida A&M University – Parking Facilities Revenue Bonds Series 2010A, 2010B**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.  
Yes, 6% of the pledged contains overhead assessments. It is listed in the expenditures as Other Expenses & Transfers Out.
  
2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.  
  
N/A
  
3. Please explain amounts transferred out of replacement reserves.  
  
In fiscal year 2015-16, these funds will be used to make repairs to the parking facilities.
  
4. Please provide details for amounts categorized as “other”.  
  
“Other Expenses & Transfers Out” contains the 3% for replacement reserves and the 6% overhead assessments.
  
5. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: University of South Florida			
BOND TITLE: Bookstore Revenue Bonds, Series 1994			
AUXILIARY FACILITY (IES): Bookstore			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1. REVENUE CARRIED FORWARD			
A. Operating Cash Carried Forward:			
Liquid	2,412,546	2,263,082	2,228,767
Investments	0	0	0
Sub-Total:	2,412,546	2,263,082	2,228,767
B. Replacement Reserve Forward:			
Bond Covenants (Facilities Maintenance and Equipment)	816,147	816,147	816,147
Other	0	0	0
Sub-Total:	816,147	816,147	816,147
TOTAL CARRIED FORWARD (A +B):	3,228,693	3,079,229	3,044,914
2. CURRENT YEAR REVENUE:			
* Revenue	1,654,860	1,553,093	1,671,109
Interest Income	0	0	0
Other Income	0	0	0
TOTAL CURRENT YEAR REVENUE:	1,654,860	1,553,093	1,671,109
3. SUMMARY OF AVAILABLE REVENUES (1 +2):	4,883,553	4,632,322	4,716,023
4. EXPENDITURES			
Salaries and Matching	0	0	0
Other Personal Services	0	0	0
Operating Expense	167,932	195,485	214,100
Repairs and Maintenance	33,032	231,756	39,000
Debt Service	709,761	720,800	0
Repair and Replacement Expense	0	0	0
Operating Capital Outlay	0	7,919	5,000
Other Expense & Transfers Out	893,599	431,448	1,011,561
TOTAL EXPENDITURES:	1,804,324	1,587,408	1,269,661
5. TRANSFERS TO REPLACEMENT RESERVES			
Bond Covenants (Facilities Maintenance and Equipment)	0	0	0
Other	0	0	816,147
Sub-Total:	0	0	816,147
6. TRANSFERS FROM REPLACEMENT RESERVES			
Bond Covenants (Facilities Maintenance and Equipment)	0	0	816,147
Other	0	0	0
Sub-Total:	0	0	816,147
7. ENDING REPLACEMENT RESERVES (1B +5 -6)			
Bond Covenants (Facilities Maintenance and Equipment)	816,147	816,147	816,147
Interest Income Earned on Reserve Balance	0	0	0
Sub-Total:	816,147	816,147	816,147
8. ENDING OPERATING CASH (1A +2 -4 -5)	2,263,082	2,228,767	1,814,068
9. SUMMARY OF ENDING REVENUES (7 +8)	3,079,229	3,044,914	2,630,215

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY FACILITIES  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**University of South Florida – Bookstore Revenue Bonds Series 1994**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No. None of the pledged revenues reported contain overhead assessments.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Pledged revenues declined by 9% from 13-14 to 14-15 due to a decline in textbook sales. The decline in sales is primarily in New textbooks as we are shifting to an increased focus on rental sales. The State has directed all SUS institutions to develop initiatives focusing on Textbook / College Affordability for all students. We are expecting an increase in revenues from 14-15 to 15-16 due to a focus on increased marketing efforts for the Bookstore.

Pledged expenditures decreased by 12% from 13-14 to 14-15 due to the elimination of transfers to the Reserve. These transfers were eliminated in 14-15 to offset additional expenses incurred related to the renovation of the Bookstore.

Expenditures decreased 20% from 14-15 to 15-16 due to the elimination of the debt service payment. The Bookstore bonds will be paid off by the end of this fiscal year, thus requiring no interest or principal payments in 15-16.

3. Please explain amounts transferred out of replacement reserves.

The amount held in the Bond Covenant Replacement Reserves of \$816,147 will be transferred to Other Replacement Reserves as the Bookstore bonds will be paid off during this fiscal year, thus, eliminating the Bond-required Reserves. However, management will continue to hold these funds in a general reserve ("Other") for future renovation costs, if needed and as appropriate.

4. Please provide details for amounts categorized as "other".

Revenue Other – None

Expenditures Other and Transfers Out – These expenses and transfers include the following-



Telephone and IT charges, Financial Aid Scholarships, Other Operating Expenses (which include Equipment Rental and AV charges for Café Grand Opening, a University Auxiliary Overhead Assessment, printing and reproduction, Length of Service Awards, Transfers for an Auxiliary Reserve, a University Reduction Allocation, and Estimated Tax Liability, and Team Store Commission, and an Auxiliary Overhead for the Management of the Contract.

5. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: University of South Florida			
BOND TITLE: Parking Revenue Bonds: Series 2002, 2004A, 2006			
AUXILIARY FACILITY (IES): Parking Garages 1, 2, 3, & 4			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	9,794,574	10,736,748	11,006,401
	Liquid		
	0	0	0
	Investments		
	9,794,574	10,736,748	11,006,401
	<b>Sub-Total:</b>		
	<b>B. Replacement Reserve Forward:</b>		
	8,643,167	8,896,206	9,252,740
	<b>Bond Covenants (Facilities Maintenance and Equipment)</b>		
	0	83,750	60,000
	<b>Other</b>		
	8,643,167	8,979,956	9,312,740
	<b>Sub-Total:</b>		
	18,437,741	19,716,704	20,319,141
	<b>TOTAL CARRIED FORWARD (A +B):</b>		
2.	<b>CURRENT YEAR REVENUE:</b>		
	13,678,761	13,484,424	13,400,000
	<b>* Revenue</b>		
	48,441	50,000	50,000
	<b>Interest Income</b>		
	0	0	0
	<b>Other Income</b>		
	13,727,202	13,534,424	13,450,000
	<b>TOTAL CURRENT YEAR REVENUE:</b>		
3.	32,164,943	33,251,128	33,769,141
	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>		
4.	<b>EXPENDITURES</b>		
	3,306,937	3,571,595	3,678,743
	<b>Salaries and Matching</b>		
	626,778	650,000	670,000
	<b>Other Personal Services</b>		
	3,367,852	3,373,300	3,550,000
	<b>Operating Expense</b>		
	0	0	0
	<b>Repairs and Maintenance</b>		
	3,557,285	3,559,380	3,559,829
	<b>Debt Service</b>		
	0	0	0
	<b>Repair and Replacement Expense</b>		
	326,184	550,000	550,000
	<b>Operating Capital Outlay</b>		
	1,127,858	1,081,312	980,000
	<b>Other Expense &amp; Transfers Out</b>		
	12,312,894	12,785,587	12,988,572
	<b>TOTAL EXPENDITURES:</b>		
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	172,134	179,184	182,000
	<b>Bond Covenants (Facilities Maintenance and Equipment)</b>		
	300,000	300,000	300,000
	<b>Other</b>		
	472,134	479,184	482,000
	<b>Sub-Total:</b>		
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	0	0	0
	<b>Bond Covenants (Facilities Maintenance and Equipment)</b>		
	219,095	206,400	200,000
	<b>Other</b>		
	219,095	206,400	200,000
	<b>Sub-Total:</b>		
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	8,896,206	9,252,740	9,594,740
	<b>Bond Covenants (Facilities Maintenance and Equipment)</b>		
	83,750	60,000	80,000
	<b>Interest Income Earned on Reserve Balance</b>		
	8,979,956	9,312,740	9,674,740
	<b>Sub-Total:</b>		
8.	10,736,748	11,006,401	10,985,829
	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>		
9.	19,716,704	20,319,141	20,660,569
	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>		

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY FACILITIES  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**University of South Florida – Parking Revenue Bonds Series 2002, 2004A, 2006**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No. None of the pledged revenues reported contain overhead assessments.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

No. Pledged revenues or expenditures do not change year-over-year by 10% or more.

3. Please explain amounts transferred out of replacement reserves.

Amounts transferred out of replacement reserves (“Other”) fund building and parking garage/lot improvements and repairs.

4. Please provide details for amounts categorized as “other”.

Revenue Carried Forward “Other” –interest income earned on reserve balance

Revenue “Other” – interest income earned from revenue

Expenditures “Other” – transfer to/from reserve account fund building and parking garage improvements and repairs.

5. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: Florida Atlantic University			
BOND TITLE: Florida Atlantic University Housing Revenue Bonds, Series 2003			
AUXILIARY FACILITY (IES): Student Apartments Complex			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	1,917,398	4,038,661
	Investments	0	0
	<b>Sub-Total:</b>	<b>1,917,398</b>	<b>4,038,661</b>
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	1,468,962	1,549,216
	Other	0	0
	<b>Sub-Total:</b>	<b>1,468,962</b>	<b>1,549,216</b>
	<b>TOTAL CARRIED FORWARD (A +B):</b>	<b>3,386,361</b>	<b>5,587,878</b>
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	4,312,166	3,953,666
	Interest Income	0	0
	Other Income	165,391	17,000
	<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>4,477,557</b>	<b>4,067,869</b>
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>7,863,918</b>	<b>9,558,544</b>
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	228,788	281,011
	Other Personal Services	78,904	102,000
	Operating Expense	923,792	921,333
	Repairs and Maintenance	0	0
	Debt Service	1,002,749	1,002,029
	Repair and Replacement Expense	0	0
	Operating Capital Outlay	0	0
	Other Expense & Transfers Out	41,807	21,893
	<b>TOTAL EXPENDITURES:</b>	<b>2,276,040</b>	<b>2,328,266</b>
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	80,254	75,753
	Other	0	0
	<b>Sub-Total:</b>	<b>80,254</b>	<b>75,753</b>
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	0	0
	Other	0	0
	<b>Sub-Total:</b>	<b>0</b>	<b>0</b>
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	1,549,216	1,624,969
	Interest Income Earned on Reserve Balance	0	0
	<b>Sub-Total:</b>	<b>1,549,216</b>	<b>1,624,969</b>
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>4,038,661</b>	<b>5,605,309</b>
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>5,587,878</b>	<b>7,230,279</b>
			<b>8,996,648</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: Florida Atlantic University			
BOND TITLE: Florida Atlantic University Housing Revenue Bonds, Series 2006A			
AUXILIARY FACILITY (IES): Glades Park Towers			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	2,934,792	3,217,957
	Investments	0	0
	<b>Sub-Total:</b>	<b>2,934,792</b>	<b>3,217,957</b>
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	612,627	693,590
	Other	0	0
	<b>Sub-Total:</b>	<b>612,627</b>	<b>693,590</b>
	<b>TOTAL CARRIED FORWARD (A +B):</b>	<b>3,547,420</b>	<b>4,507,193</b>
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	3,084,980	3,281,461
	Interest Income	0	0
	Other Income	223,206	131,230
	<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>3,308,186</b>	<b>4,349,753</b>
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>6,855,606</b>	<b>7,324,239</b>
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	275,803	275,559
	Other Personal Services	119,129	120,000
	Operating Expense	793,267	682,998
	Repairs and Maintenance	0	0
	Debt Service	1,719,269	1,716,273
	Repair and Replacement Expense	0	0
	Operating Capital Outlay	0	0
	Other Expense & Transfers Out	36,590	22,217
	<b>TOTAL EXPENDITURES:</b>	<b>2,944,058</b>	<b>3,136,266</b>
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	80,963	68,254
	Other	0	0
	<b>Sub-Total:</b>	<b>80,963</b>	<b>68,254</b>
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	0	0
	Other	0	0
	<b>Sub-Total:</b>	<b>0</b>	<b>0</b>
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	693,590	761,844
	Interest Income Earned on Reserve Balance	0	0
	<b>Sub-Total:</b>	<b>693,590</b>	<b>761,844</b>
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>3,217,957</b>	<b>3,745,348</b>
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>3,911,548</b>	<b>4,507,193</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: Florida Atlantic University			
BOND TITLE: Florida Atlantic University Housing Revenue Bonds, Series 2003			
AUXILIARY FACILITY (IES): Heritage Park Towers			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1. REVENUE CARRIED FORWARD			
A. Operating Cash Carried Forward:			
Liquid	2,636,072	2,970,607	3,637,987
Investments	0	0	0
Sub-Total:	2,636,072	2,970,607	3,637,987
B. Replacement Reserve Forward:			
Bond Covenants (Facilities Maintenance and Equipment)	870,101	943,891	1,012,410
Other	0	0	0
Sub-Total:	870,101	943,891	1,012,410
TOTAL CARRIED FORWARD (A +B):	3,506,173	3,914,498	4,650,397
2. CURRENT YEAR REVENUE:			
* Revenue	2,796,805	3,281,461	3,435,620
Interest Income	0	0	0
Other Income	256,109	144,500	238,210
TOTAL CURRENT YEAR REVENUE:	3,052,914	3,425,961	3,673,830
3. SUMMARY OF AVAILABLE REVENUES (1 +2):	6,559,087	7,340,459	8,324,227
4. EXPENDITURES			
Salaries and Matching	254,317	278,055	311,415
Other Personal Services	123,143	128,000	116,593
Operating Expense	763,258	790,138	733,645
Repairs and Maintenance	0	0	0
Debt Service	1,470,121	1,469,065	1,468,114
Repair and Replacement Expense	0	0	0
Operating Capital Outlay	0	0	0
Other Expense & Transfers Out	33,750	24,804	62,554
TOTAL EXPENDITURES:	2,644,589	2,690,062	2,692,322
5. TRANSFERS TO REPLACEMENT RESERVES			
Bond Covenants (Facilities Maintenance and Equipment)	73,790	68,519	73,477
Other	0	0	0
Sub-Total:	73,790	68,519	73,477
6. TRANSFERS FROM REPLACEMENT RESERVES			
Bond Covenants (Facilities Maintenance and Equipment)	0	0	0
Other	0	0	0
Sub-Total:	0	0	0
7. ENDING REPLACEMENT RESERVES (1B +5 -6)			
Bond Covenants (Facilities Maintenance and Equipment)	943,891	1,012,410	1,085,887
Interest Income Earned on Reserve Balance	0	0	0
Sub-Total:	943,891	1,012,410	1,085,887
8. ENDING OPERATING CASH (1A +2 -4 -5)	2,970,607	3,637,987	4,546,018
9. SUMMARY OF ENDING REVENUES (7 +8)	3,914,498	4,650,397	5,631,904

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: Florida Atlantic University			
BOND TITLE: Florida Atlantic University Dormitory Revenue Refunding Bonds, Series 2006B			
AUXILIARY FACILITY (IES): Indian River Towers Residence Hall Complex			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	3,344,505	4,178,060
	Investments	0	0
	<b>Sub-Total:</b>	<b>3,344,505</b>	<b>4,178,060</b>
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	1,238,953	1,336,476
	Other	0	0
	<b>Sub-Total:</b>	<b>1,238,953</b>	<b>1,336,476</b>
	<b>TOTAL CARRIED FORWARD (A +B):</b>	<b>4,583,458</b>	<b>5,514,536</b>
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	3,959,015	4,009,646
	Interest Income	0	0
	Other Income	70,799	80,000
	<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>4,029,814</b>	<b>4,308,690</b>
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>8,613,272</b>	<b>9,604,182</b>
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	257,941	323,791
	Other Personal Services	125,596	117,000
	Operating Expense	1,096,636	832,935
	Repairs and Maintenance	0	0
	Debt Service	1,580,201	1,574,538
	Repair and Replacement Expense	0	0
	Operating Capital Outlay	0	0
	Other Expense & Transfers Out	38,362	25,873
	<b>TOTAL EXPENDITURES:</b>	<b>3,098,736</b>	<b>2,874,137</b>
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	97,523	81,793
	Other	0	0
	<b>Sub-Total:</b>	<b>97,523</b>	<b>81,793</b>
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	0	0
	Other	0	0
	<b>Sub-Total:</b>	<b>0</b>	<b>0</b>
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	1,336,476	1,418,269
	Interest Income Earned on Reserve Balance	0	0
	<b>Sub-Total:</b>	<b>1,336,476</b>	<b>1,418,269</b>
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>4,178,060</b>	<b>5,311,777</b>
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>5,514,536</b>	<b>6,730,045</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY FACILITIES  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**Florida Atlantic University – Housing Revenue Bonds 2003, 2006A, 2006B**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Changes in pledged revenues of +/-10% are due to changes in buildings being designated for operation during the summer months in one year and not in the next. It is common to rotate the use of buildings from summer to summer in order to conduct routine maintenance projects.

Fluctuations in Salaries and Matching are primarily due to the restructuring of personnel resulting in having some positions go offline in one year only to come back on line the next year.

The increase in Other Personal Services for UVA in 14-15 is due to the addition of security staff and 24-hour desk coverage staff. Resources were reallocated within the budget to cover these costs.

Fluctuations in Operating Expenses for GPT and IRT are due to the scheduling of renovation projects; these do not necessarily occur annually, resulting in expenses being up one year and down the next.

Fluctuations in Other Expense & Transfers Out are due to a variety of reasons: for FY14-15, the decrease was due to the removal of the divisional support allocation for the year and a reduction of overhead related costs; for FY15-16, there is a planned increase in the overhead rate for auxiliaries and the divisional support allocation is included.

3. Please explain amounts transferred out of replacement reserves.

Not applicable.

4. Please provide details for amounts categorized as "other".

Other revenue includes revenue generated from student repair fees and conference/guest housing fees.

Other Expenses & Transfers Out are costs related to overhead charges and the divisional support allocation.

5. Add lines as needed for additional comments.



INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: University of Central Florida			
BOND TITLE: Student Health Services 2004A			
AUXILIARY FACILITY (IES): Health Service Facility			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	5,263,091	3,073,754
	Investments	0	0
	<b>Sub-Total:</b>	<b>5,263,091</b>	<b>3,073,754</b>
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	3,063,726	3,619,380
	Other	0	0
	<b>Sub-Total:</b>	<b>3,063,726</b>	<b>3,619,380</b>
	<b>TOTAL CARRIED FORWARD (A +B):</b>	<b>8,326,817</b>	<b>7,953,416</b>
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	18,590,680	20,667,538
	Interest Income	81,014	40,000
	Other Income	0	0
	<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>18,671,694</b>	<b>21,200,105</b>
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>26,998,511</b>	<b>27,400,673</b>
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	8,637,996	10,382,474
	Other Personal Services	1,836,751	1,852,242
	Operating Expense	3,514,622	4,800,037
	Repairs and Maintenance	47,742	0
	Debt Service	617,031	620,780
	Repair and Replacement Expense	0	0
	Operating Capital Outlay	42,350	26,500
	Other Expense & Transfers Out	5,638,377	1,765,224
	<b>TOTAL EXPENDITURES:</b>	<b>20,334,869</b>	<b>19,447,257</b>
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	526,162	620,026
	Other	0	0
	<b>Sub-Total:</b>	<b>526,162</b>	<b>620,026</b>
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	0	0
	Other	0	0
	<b>Sub-Total:</b>	<b>0</b>	<b>0</b>
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	3,589,888	4,239,407
	Interest Income Earned on Reserve Balance	0	0
	<b>Sub-Total:</b>	<b>3,589,888</b>	<b>4,239,407</b>
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>3,073,754</b>	<b>3,714,009</b>
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>6,663,642</b>	<b>7,953,416</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY HEALTH SERVICE FACILITY  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**University of Central Florida – Student Health Services Facilities Bond Series 2004A**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

N/A

3. Please explain amounts transferred out of replacement reserves.

N/A

4. Please provide details for amounts categorized as “other”.

Other Expense & Transfers Out primarily consist of auxiliary overhead and internal IT assessments. In FY14, \$3.6 million was transferred to the university facilities department for the construction of the health center expansion.

5. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: University of Central Florida			
BOND TITLE: Bookstore Expansion Series 1997			
AUXILIARY FACILITY (IES): UCF Bookstore			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	2,792,863	3,304,557
	Investments	0	0
	<b>Sub-Total:</b>	<b>2,792,863</b>	<b>3,304,557</b>
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	566,236	572,130
	Other	0	0
	<b>Sub-Total:</b>	<b>566,236</b>	<b>572,130</b>
	<b>TOTAL CARRIED FORWARD (A +B):</b>	<b>3,359,099</b>	<b>4,271,076</b>
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	1,625,647	1,590,000
	Interest Income	36,598	25,000
	Other Income	0	0
	<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>1,662,245</b>	<b>1,642,000</b>
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>5,021,344</b>	<b>5,491,687</b>
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	2,660	0
	Other Personal Services	0	0
	Operating Expense	541,166	504,254
	Repairs and Maintenance	4,307	20,000
	Debt Service	293,013	290,681
	Repair and Replacement Expense	0	0
	Operating Capital Outlay	0	10,000
	Other Expense & Transfers Out	309,404	395,676
	<b>TOTAL EXPENDITURES:</b>	<b>1,150,550</b>	<b>1,220,611</b>
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	0	0
	Other	0	0
	<b>Sub-Total:</b>	<b>0</b>	<b>0</b>
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	0	0
	Other	0	0
	<b>Sub-Total:</b>	<b>0</b>	<b>0</b>
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	566,236	572,130
	Interest Income Earned on Reserve Balance	0	0
	<b>Sub-Total:</b>	<b>566,236</b>	<b>572,130</b>
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>3,304,557</b>	<b>3,698,946</b>
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>3,870,793</b>	<b>4,271,076</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY BOOKSTORE FACILITY  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**University of Central Florida – Bookstore Expansion Series 1997**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

N/A

3. Please explain amounts transferred out of replacement reserves.

N/A

4. Please provide details for amounts categorized as “other”.

Other Expense & Transfers Out primarily consist of auxiliary overhead and administrative cost assessments.

5. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: University of Central Florida			
BOND TITLE: Parking Facilities Series 2004A, 2010A, 2010B, 2011A, 2012A			
AUXILIARY FACILITY (IES): Parking Facilities			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	9,357,991	10,778,211
	Investments	0	0
	<b>Sub-Total:</b>	<b>9,357,991</b>	<b>10,778,211</b>
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	5,125,370	5,694,321
	Other	0	0
	<b>Sub-Total:</b>	<b>5,125,370</b>	<b>5,694,321</b>
	<b>TOTAL CARRIED FORWARD (A +B):</b>	<b>14,483,361</b>	<b>17,554,044</b>
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	18,759,824	20,180,185
	Interest Income	203,596	240,755
	Other Income	113,578	130,756
	<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>19,076,998</b>	<b>20,534,784</b>
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>33,560,359</b>	<b>37,007,316</b>
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	1,524,872	1,504,312
	Other Personal Services	460,960	437,964
	Operating Expense	8,871,861	10,454,219
	Repairs and Maintenance	326,875	300,000
	Debt Service	4,917,209	5,113,208
	Repair and Replacement Expense	0	0
	Operating Capital Outlay	49,863	120,000
	Other Expense & Transfers Out	989,009	1,523,569
	<b>TOTAL EXPENDITURES:</b>	<b>17,140,648</b>	<b>19,753,168</b>
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	516,129	608,821
	Other	0	0
	<b>Sub-Total:</b>	<b>516,129</b>	<b>608,821</b>
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	0	0
	Other	0	0
	<b>Sub-Total:</b>	<b>0</b>	<b>0</b>
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	5,641,499	6,303,142
	Interest Income Earned on Reserve Balance	52,822	0
	<b>Sub-Total:</b>	<b>5,694,321</b>	<b>6,303,142</b>
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>10,778,211</b>	<b>11,250,902</b>
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>16,472,532</b>	<b>17,554,044</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY PARKING AUXILIARY FACILITY  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**University of Central Florida – Parking Facilities Series 2004A, 2010A, 2010B, 2011A, 2012A**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Expenditures increased by 13% from FY14 to FY15, primarily due to an increase in the amount of leased parking shuttles and the addition of new parking shuttle routes. This is reflected in the \$1.5 million increase in Operating Expense. In addition, \$450,000 was transferred to the university facilities department to fund parking garage building improvements in FY15, included in Other Expense & Transfers Out.

3. Please explain amounts transferred out of replacement reserves.

N/A

4. Please provide details for amounts categorized as “other”.

Other Expense & Transfers Out primarily consist of auxiliary overhead assessments and transfers to the university facilities department for building improvements.

5. Add lines as needed for additional comments.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: University of Central Florida			
BOND TITLE: Housing Revenue Certificates Series 2002, 2007A, 2012A			
AUXILIARY FACILITY (IES): Housing Facilities			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	8,690,283	11,870,170	12,073,828
	Liquid		
	0	0	0
	Investments		
	Sub-Total:	8,690,283	11,870,170
	<b>B. Replacement Reserve Forward:</b>		
	5,661,130	7,875,136	8,757,256
	Bond Covenants (Facilities Maintenance and Equipment)		
	0	0	0
	Other		
	Sub-Total:	5,661,130	7,875,136
	TOTAL CARRIED FORWARD (A +B):	14,351,413	19,745,306
2.	<b>CURRENT YEAR REVENUE:</b>		
	27,383,818	27,634,205	27,630,000
	* Revenue		
	252,886	385,000	385,000
	Interest Income		
	1,777,057	1,769,750	1,520,000
	Other Income		
	TOTAL CURRENT YEAR REVENUE:	29,413,762	29,788,955
3.	43,765,175	49,534,261	50,366,085
	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>		
4.	<b>EXPENDITURES</b>		
	5,449,336	6,143,915	6,270,000
	Salaries and Matching		
	1,537,009	1,605,701	1,785,000
	Other Personal Services		
	5,397,821	4,986,706	5,136,307
	Operating Expense		
	1,807,198	3,002,137	3,092,201
	Repairs and Maintenance		
	7,981,912	8,789,768	8,794,739
	Debt Service		
	0	0	0
	Repair and Replacement Expense		
	378,691	110,280	125,000
	Operating Capital Outlay		
	1,507,272	4,064,669	2,285,562
	Other Expense & Transfers Out		
	TOTAL EXPENDITURES:	24,059,238	28,703,176
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	2,174,637	882,120	0
	Bond Covenants (Facilities Maintenance and Equipment)		
	0	0	0
	Other		
	Sub-Total:	2,174,637	882,120
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	0	0	0
	Bond Covenants (Facilities Maintenance and Equipment)		
	0	0	0
	Other		
	Sub-Total:	0	0
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	7,835,767	8,757,256	8,757,256
	Bond Covenants (Facilities Maintenance and Equipment)		
	39,369	0	0
	Interest Income Earned on Reserve Balance		
	Sub-Total:	7,875,136	8,757,256
8.	11,870,170	12,073,828	14,120,019
	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>		
9.	19,745,306	20,831,085	22,877,276
	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>		

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**UNIVERSITY AUXILIARY HOUSING FACILITY  
OUTSTANDING REVENUE BONDS  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**University of Central Florida – Housing Revenue Certificates Series 2002, 2007A, 2012A**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

Expenditures increased 19% from FY14 to FY15, primarily due to \$2 million transferred to the university facilities department for construction of a new community learning space, included in Other Expense & Transfers Out. In addition, Repairs and Maintenance increased by \$1.2 million for several renovation projects in university housing.

3. Please explain amounts transferred out of replacement reserves.

N/A

4. Please provide details for amounts categorized as “other”.

Other Expenses & Transfers Out primarily consists of auxiliary overhead and internal IT assessments.

Other income primarily consists of all event related revenues, housing cancellation fees, late payment fees, earned commissions, and any administrative revenues.

5. Add lines as needed for additional comments.



INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: Florida International University			
BOND TITLE: Parking Facility Revenue Bonds, Series 2009A, 2009B, 2013			
AUXILIARY FACILITY (IES): Parking Revenue Trust Fund			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
1.	<b>REVENUE CARRIED FORWARD</b>		
	<b>A. Operating Cash Carried Forward:</b>		
	Liquid	8,175,555	8,312,601
	Investments	0	0
	<b>Sub-Total:</b>	<b>8,175,555</b>	<b>8,312,601</b>
	<b>B. Replacement Reserve Forward:</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	2,328,989	2,279,691
	Other	0	0
	<b>Sub-Total:</b>	<b>2,328,989</b>	<b>2,279,691</b>
	<b>TOTAL CARRIED FORWARD (A +B):</b>	<b>10,504,544</b>	<b>10,592,292</b>
2.	<b>CURRENT YEAR REVENUE:</b>		
	* Revenue	14,375,963	14,131,961
	Interest Income	82,997	4,830
	Other Income	0	0
	<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>14,458,960</b>	<b>14,136,791</b>
3.	<b>SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>24,963,504</b>	<b>24,729,083</b>
4.	<b>EXPENDITURES</b>		
	Salaries and Matching	2,599,342	2,827,821
	Other Personal Services	485,983	572,895
	Operating Expense	2,622,634	2,577,288
	Repairs and Maintenance	240,633	1,077,453
	Debt Service	7,647,159	6,927,527
	Repair and Replacement Expense	0	0
	Operating Capital Outlay	43,317	48,000
	Other Expense & Transfers Out	665,521	5,831,951
	<b>TOTAL EXPENDITURES:</b>	<b>14,304,589</b>	<b>19,862,935</b>
5.	<b>TRANSFERS TO REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	17,325	0
	Other	0	0
	<b>Sub-Total:</b>	<b>17,325</b>	<b>0</b>
6.	<b>TRANSFERS FROM REPLACEMENT RESERVES</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	66,623	0
	Other	0	0
	<b>Sub-Total:</b>	<b>66,623</b>	<b>0</b>
7.	<b>ENDING REPLACEMENT RESERVES (1B +5 -6)</b>		
	Bond Covenants (Facilities Maintenance and Equipment)	2,279,691	2,279,691
	Interest Income Earned on Reserve Balance		
	<b>Sub-Total:</b>	<b>2,279,691</b>	<b>2,279,691</b>
8.	<b>ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>8,312,601</b>	<b>2,586,457</b>
9.	<b>SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>10,592,292</b>	<b>4,866,148</b>
			<b>5,879,629</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**FLORIDA INTERNATIONAL UNIVERSITY AUXILIARY FACILITIES  
OUTSTANDING PARKING FACILITIES REVENUE BONDS, SERIES 2009A & B, 2013  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**Florida International University – Parking Facility Revenue Bonds Series 2009A, 2009B, 2013**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No. Parking does not have revenue overhead assessments.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

For the 2014-15 Estimated Total Expenditures are expected to increase approximately 39% primarily driven by budgeted net Transfers Out for construction expenses for the new parking garage.

For the 2015-16 Projected Total Expenditures are expected to decrease approximately 33% primarily due to non-recurring prior year budgeted Transfers Out for new parking garage construction expenses.

3. Please explain amounts transferred out of replacement reserves.

Transfers out of the replacement reserves were primarily for repairs and maintenance of various parking facilities.

4. Please provide details for amounts categorized as “other”.

Not applicable. No amounts reported as “other”.

5. Add lines as needed for additional comments.

None considered necessary at this time.

INCOME AND EXPENDITURE STATEMENT			
UNIVERSITY: Florida International University			
BOND TITLE: Housing Revenue Bonds 2004A, 2011A, 2012A			
AUXILIARY FACILITY (IES): Housing Revenue Trust Fund			
	2013-14 Actual	2014-15 Estimated	2015-16 Projected
<b>1. REVENUE CARRIED FORWARD</b>			
<b>A. Operating Cash Carried Forward:</b>			
Liquid	19,845,301	18,267,541	8,522,740
Investments	0	0	0
<b>Sub-Total:</b>	<b>19,845,301</b>	<b>18,267,541</b>	<b>8,522,740</b>
<b>B. Replacement Reserve Forward:</b>			
Bond Covenants (Facilities Maintenance and Equipment)	706,065	662,674	938,246
Other	0	0	0
<b>Sub-Total:</b>	<b>706,065</b>	<b>662,674</b>	<b>938,246</b>
<b>TOTAL CARRIED FORWARD (A + B):</b>	<b>20,551,366</b>	<b>18,930,215</b>	<b>9,460,986</b>
<b>2. CURRENT YEAR REVENUE:</b>			
* Revenue	30,837,097	27,557,235	27,504,493
Interest Income	11,352	13,031	11,079
Other Income	219,279	0	0
<b>TOTAL CURRENT YEAR REVENUE:</b>	<b>31,067,728</b>	<b>27,570,266</b>	<b>27,515,572</b>
<b>3. SUMMARY OF AVAILABLE REVENUES (1 +2):</b>	<b>51,619,094</b>	<b>46,500,481</b>	<b>36,976,558</b>
<b>4. EXPENDITURES</b>			
Salaries and Matching	3,712,697	4,187,184	4,091,604
Other Personal Services	1,202,212	2,328,838	1,268,602
Operating Expense	12,213,660	12,967,128	9,917,149
Repairs and Maintenance	396,736	253,750	314,712
Debt Service	9,706,829	9,721,642	9,957,588
Repair and Replacement Expense	0	0	0
Operating Capital Outlay	87,154	24,000	128,840
Other Expense & Transfers Out	5,027,462	7,556,953	786,021
<b>TOTAL EXPENDITURES:</b>	<b>32,346,750</b>	<b>37,039,495</b>	<b>26,464,516</b>
<b>5. TRANSFERS TO REPLACEMENT RESERVES</b>			
Bond Covenants (Facilities Maintenance and Equipment)	298,738	275,572	275,045
Other	0	0	0
<b>Sub-Total:</b>	<b>298,738</b>	<b>275,572</b>	<b>275,045</b>
<b>6. TRANSFERS FROM REPLACEMENT RESERVES</b>			
Bond Covenants (Facilities Maintenance and Equipment)	342,129	0	0
Other	0	0	0
<b>Sub-Total:</b>	<b>342,129</b>	<b>0</b>	<b>0</b>
<b>7. ENDING REPLACEMENT RESERVES (1B +5 -6)</b>			
Bond Covenants (Facilities Maintenance and Equipment)	662,674	938,246	1,213,291
Interest Income Earned on Reserve Balance			
<b>Sub-Total:</b>	<b>662,674</b>	<b>938,246</b>	<b>1,213,291</b>
<b>8. ENDING OPERATING CASH (1A +2 -4 -5)</b>	<b>18,267,541</b>	<b>8,522,740</b>	<b>9,298,751</b>
<b>9. SUMMARY OF ENDING REVENUES (7 +8)</b>	<b>18,930,215</b>	<b>9,460,986</b>	<b>10,512,042</b>

\* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

**FLORIDA INTERNATIONAL UNIVERSITY AUXILIARY FACILITIES  
OUTSTANDING HOUSING FACILITY REVENUE BONDS, SERIES 2004A, 2011A, 2012A  
SUPPLEMENTAL NARRATIVE INFORMATION  
FEBRUARY 2015 DATA REQUEST SUBMISSION**

**Florida International University – Housing Revenue Bonds Series 2004A, 2011A, 2012A**

1. Do any of the pledged revenues reported on the Income and Expenditure Statement contain overhead assessments? If yes, please explain.

No. Housing does not have revenue overhead assessments.

2. Do pledged revenues or expenditures change year-over-year by 10% or more? If yes, please explain.

For the 2014-15 Estimated Total Current Year Revenues are expected to decrease approximately 11% primarily driven by the closing of the Bay Vista Housing facility.

For the 2014-15 Estimated Total Expenditures are expected to increase approximately 15% primarily driven by budgeted net Transfers Out for construction renovation projects, mainly the remodeling of University Apartments.

For the 2015-16 Projected Total Expenditures are expected to decrease approximately 29% primarily due to non-recurring construction expenses expected to be incurred in the prior year for renovation projects, mainly the remodeling of University Apartments.

3. Please explain amounts transferred out of replacement reserves.

Transfers out of the replacement reserves were primarily for Fire System upgrades in Tower Hall.

4. Please provide details for amounts categorized as “other”.

Not applicable. No amounts reported as “other”

5. Add lines as needed for additional comments.

None considered necessary at this time.

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Budget and Finance Committee  
March 19, 2015

**SUBJECT:** 2016-2017 Legislative Budget Request (LBR) Guidelines

---

**PROPOSED COMMITTEE ACTION**

Approve the 2016-2017 LBR guidelines for the operating budget.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Subsection 1001.706(4)(b), Florida Statutes

**BACKGROUND INFORMATION**

The 2016 Legislative Session begins January 12, 2016, about two months earlier than normal. It is anticipated that LBR dues dates will be advanced from October 15 to September 15 in order to meet the 2016 Session schedule. In order to meet this anticipated accelerated schedule for developing the LBR, the Board needs to approve a set of policy guidelines for the development of the 2016-2017 operating and fixed capital outlay budget request. The Board will then review and approve a 2016-2017 operating and fixed capital outlay LBR at the September 2015 meeting. The final budget request will then be forwarded to the Governor and Legislature.

The recommended changes, excluding technical changes, from Board staff to the previous adopted LBR guidelines are as follows:

- I. **Operating LBR** - These are the primary changes:
  - a. Clarifies that system initiatives should be vetted through the appropriate university council before submission to the Board for consideration.
  - b. Includes dates for a Budget & Finance Committee workshop to consider changes to the performance funding model.
  
- II. **Fixed Capital Outlay LBR** - There are the primary changes:
  - a. Includes dates for a Facilities Committee workshop to review projects with the universities.

---

**Supporting Documentation Included:** 2016-2017 LBR Guidelines

**Facilitators/Presenters:** Mr. Tim Jones



## State University System of Florida Board of Governors 2016-17 Legislative Budget Request Development Policy Guidelines

Pursuant to Section 7, Article 9 of the Florida Constitution, the Board "...shall operate, regulate, control, and be fully responsible for the management of the whole university system." Included within this responsibility is the development of a Legislative Budget Request (LBR). In addition, Section 216.023(1), Florida Statutes, requires the submission of an LBR to the Legislature and Governor based on an independent judgment of needs.

The 2016-2017 LBR will provide flexibility for the Board of Governors (Board) and individual university boards of trustees to jointly manage the system to meet the critical needs of the state, achieve the statewide goals and objectives of the updated State University System (SUS) Strategic Plan and university work plans, and demonstrate accountability/justification. The following goals of the SUS Strategic Plan will be addressed in the request:

1. Excellence
2. Productivity
3. Strategic Priorities for a Knowledge Economy

These System goals, as well as institutional goals and initiatives, should be incorporated into the following priorities, which will be reflected in the LBR:

### **Operating and Specialized Program Funds:**

1. Continuing costs associated with existing programs – This policy addresses the funds needed to continue existing programs:
  - a) Plant operations and maintenance for new and existing buildings –
    - i. Funds will be requested for the annualized operations and maintenance costs for buildings completed and phased-in during 2015-2016;
    - ii. Funds will be requested for the operating costs for new buildings to be completed and occupied in 2016-2017.



2. Performance Funding – Funding will be requested based on the Board’s performance funding model.
3. Task Force Reports and Studies – Consideration will be given to initiatives recommended in any task force reports or studies and endorsed by the Board.
4. Shared System Resources – Consideration will be given to initiatives that allow for greater efficiencies through shared system resources. System initiatives developed by the universities should be vetted by the appropriate SUS council before being recommended to the Board.
5. If a university received non-recurring funds for an initiative and that initiative is a priority for continued funding, then the university should submit that issue for consideration by the Board. System non-recurring funds received for base budget operations will be considered for the LBR.

The following represents the timeline for submission of the SUS 2016-2017 LBR for operations:

- March 19: Board approves the LBR Policy Guidelines
- May – July: Chancellor works with universities to develop any system and university LBR issues
- July 24: System issues are submitted by the appropriate SUS council
- Sept. 3: Board approves the operating LBR
- Sept.: Operating LBR is submitted to the Governor and Legislature
- Sept. 17: Budget and Finance Committee Workshop to discuss potential changes to the performance funding model
- Nov. 5: Board evaluates amendments to the LBR
- December: Amended LBR is submitted to the Legislature and Governor after release of the Governor’s budget recommendations

#### **Fixed Capital Outlay Funds:**

The university’s approved Five Year Capital Improvement Plan (CIP) will be prioritized, in the first year, as indicated below. Please note that PECO funding to meet critical maintenance needs has been assigned a higher priority than adding new facilities, with the intent to improve the condition of existing space and campus infrastructure. Written justification, noting any exceptions to the priorities provided by the guidelines, and explaining why a priority exception is in the best interest of the university should be included in the cover letter submitted with the CIP package. This



will assist Board staff in comparative evaluation of university projects, and justification in terms of relative system ranking for placing in system priority order. Each university should submit one and only one prioritized, sequentially numbered list.

Funding will be requested for institutional survey recommended PECO projects in the following priority order<sup>1</sup>:

- A. Maintenance Projects
  - a. Funding for Remodeling/Renovation/Maintenance/Repair will be requested from PECO pursuant to formula as required by Section 1013.64(1)(a), Florida Statutes.
  - b. Critical Deferred Maintenance
- B. System and Continuation Projects
  - a. Projects funded by the legislature in the amount and in the year as last included on the Board adopted three year list.
  - b. Projects funded by the Legislature, but not on the Board adopted three year list.
  - c. Projects that require additional funding to complete.
- C. Renovation Projects
  - a. Utilities/infrastructure/capital renewal/roofs needs.
  - b. Renovation and remodeling projects to meet current space needs, structural/mechanical repairs, replacement of existing facilities which have a survey recommendation.
- D. Strategic Projects
  - a. Land or building acquisition in accordance with university board of trustees adopted master plans.
  - b. New facilities, as needed to meet instructional and support space needs.
- E. Legislative Authorizations

---

<sup>1</sup> Each university must incorporate utilization data as a factor in prioritization of university CIP funding requests to the Board. Programs with classroom and teaching lab space utilization below the current SUS standard will not be eligible for inclusion on the university CIP. General purpose classroom or teaching lab space (space not designated for a specific academic program or discipline) will not be eligible for inclusion if utilization was below the SUS standard for 2013-14. This standard applies both to the university as a whole and on a site-specific basis.





- a. Required legislative authorizations will be requested for externally funded projects as proposed by the universities, in accordance with Section 1010.62 and 1013.78, Florida Statutes.

The following represents the timeline for submission of the SUS 2016-2017 Fixed Capital Outlay LBR:

- March 19: Board approves the LBR Policy Guidelines
- April: Chancellor provides draft technical instructions and requests universities to submit their five-year CIPs
- July: Universities submit five-year CIPs. Board staff will review CIPs with university designee(s), technical corrections will be made as required
- Sept. 3: Board approves the fixed capital outlay LBR
- Sept.: Fixed capital outlay LBR is submitted to the Governor and Legislature
- Sept. 17: Facilities Committee Workshop. The Board will meet with university trustees and university staff to review projects, including at a minimum all those approved in the initial September LBR
- Nov. 5: Board evaluates amendments to the LBR
- December: Amended LBR is submitted to the Legislature and Governor after release of the Governor's budget recommendations

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Budget and Finance Committee  
March 19, 2015**

**SUBJECT:** Allocation of the 2015-2016 Legislative Budget Request Performance Funds

---

**PROPOSED COMMITTEE ACTION**

For Information

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors' Approved Performance Funding Model

**BACKGROUND INFORMATION**

As of March 1, all data components for the metrics included in the performance funding have been completed. With final data approved by the Board's Strategic Planning Committee, points have been tabulated, and an allocation of the Board's Legislative Budget Request (LBR), if approved by the Legislature and Governor, has been prepared.

The Board approved LBR for performance funding includes \$100 million in new funds and \$200 million in base funds and is allocated pursuant to the Board's model.

---

**Supporting Documentation Included:** Performance Funding Allocation

**Facilitators/Presenters:** Governor Tom Kuntz





STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**  
**Facilities Committee**  
**Grand Ballroom**  
**Student Union Complex**  
**Florida A & M University**  
**Tallahassee, Florida**  
**March 19, 2015**  
**9:00 a.m. – 10:00 a.m.**

**or**  
**Upon Adjournment of Previous Meetings**

**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. **Approval of Committee Meeting Minutes**                      **Governor Huizenga**  
Minutes, January 21, 2015
  
3. **Facilities Return on Investment**                                      **Mr. Chris Kinsley**  
*Assistant Vice Chancellor*  
*Finance and Facilities*  
*Board of Governors*
  
4. **Energy Conservation Report**    **Mr. Chris Kinsley**
  
5. **Completed Facility Projects Report**                                      **Mr. Kinsley**

- |     |  |                          |
|-----|--|--------------------------|
| 6.  | <b>Public Notice of Intent to Approve Amended Board Regulation 14.020 University Supervision of Construction Program</b> | <b>Mr. Kinsley</b>       |
| 7.  | <b>Public Private Partnership Guidelines</b>   | <b>Mr. Kinsley</b>       |
| 8.  | <b>Florida Polytechnic University Housing</b>  | <b>Mr. Kinsley</b>       |
| 9.  | <b>2016-2017 Legislative Budget Request Guidelines</b>   | <b>Mr. Kinsley</b>       |
| 10. | <b>Concluding Remarks and Adjournment</b>  | <b>Governor Huizenga</b> |

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
March 19, 2015**

**SUBJECT:** Minutes of the Meeting held January 21, 2015

---

**PROPOSED COMMITTEE ACTION**

Approval of the minutes of the Facilities Committee Meeting held on January 21, 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 January 21, 2015 at the University of North Florida.

---

**Supporting Documentation Included:** Minutes: January 21, 2015

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

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
FACILITIES COMMITTEE  
UNIVERSITY OF NORTH FLORIDA  
JACKSONVILLE, FLORIDA  
January 21, 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 conference call at 3:21 p.m., January 21, 2015. The following members were present: Vice Chair Dick Beard, Daniel Doyle, Mori Hosseini, Alan Levine, Wendy Link, Edward Morton and Kathy Robinson. Other members present included Stefano Cavallaro, Dean Colson, Patricia Frost, Tom Kuntz, Ned Lautenbach and Norm Tripp.

1. Call to Order

Governor Huizenga called the meeting of the Facilities Committee to order.

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

Governor Beard moved that the Committee approve the minutes of the Facilities Committee Conference Call held December 10, 2014. Governor Link seconded the motion, and members of the Committee concurred.

3. Amendment to Board Regulation 14.020 University Supervision of Construction Program

The last time Board Regulation 14.020 was amended was in 2008. Mr. Chris Kinsley outlined three changes that will affect the regulation hereafter which include: 1) statutory now delegates authority, whereas before presidents had the ultimate authority; 2) there would now be an option to have a Florida certified inspector involved in plans or projects as opposed to direct involvement by a Fire Marshal; and 3) although Universities have been maintaining proper documents, it is now required to be kept by law. Governor Beard moved that the Committee approve the amendment to Board Regulation 14.020. Governor Doyle seconded the motion, and the members of the Committee concurred.

4. Proposed Amendment of the 2015-2016 SUS Fixed Capital Outlay Legislative Budget Request (FCOLBR)

Governor Huizenga noted that in keeping with the Board of Governor's longstanding practice, they would recommend the Legislature finish funding projects which have already received partial funding. He also emphasized that each project, previously funded or not, be re-visited and re-examined so that each project meets the current strategic plan goals for education, improvement, and success. Mr. Kinsley was then given the opportunity to share what has been added to the Budget Request and follow with Critical Deferred Maintenance.

One major action item that stemmed from changes to the Budget Request was a motion was made by Governor Hosseini to approve the expenditure of \$5,000,000 previously appropriated for the University of South Florida College of Medicine Project. It was seconded by Governor Morton. There was discussion that now that the University of South Florida has chosen a location for this project, the Board members have asked for the University to present a new business plan to the Board at their next meeting on February 19, 2015. The Committee unanimously approved the motion.

Continuing, Governor Hosseini made a motion to approve the proposed amendment to the 2015-16 SUS FCOLBR request as discussed and amended during the Committee Meeting. (To defer the USF and UCF Downtown Projects) Governor Link seconded the motion, and the members of the Committee concurred.

5. University of Florida Educational Plant Survey Validation

The fourth action item for the Committee was to review and validate the completed University of Florida Educational Plant Survey. Although it has not been the Board's practice to validate the Educational Plant Survey, Governor Huizenga acknowledges the Board is charged statutorily with the responsibility and concurs with the importance in reviewing the information contained in the plant survey for each university. Governor Hosseini moved that the Committee approve the request. Governor Beard seconded the motion. The committee unanimously approved the item as presented.

6. Florida State University Educational Plant Survey Validation

The completed Florida State University Educational Plant Survey was also brought before the Board. Governor Hosseini again moved that the Committee approve the request. Dr. Robinson seconded the motion. The committee unanimously approved the item as presented.

7. Debt Approval for Florida State University Housing

Mr. Kinsley presented on the request to adopt a resolution requesting the Division of Bond Finance for the State Board of Administration of Florida to issue revenue bonds on behalf of Florida State University to finance construction of a student



residence complex on the main campus of the university. The Board previously approved phase one of the residence complex, and this approval would issue \$40,000,000 to cover phase two. Mr. Kinsley noted that this request is in compliance with the law and debt guidelines. Governor Hosseini moved that the Committee approve the resolution. Governor Doyle seconded the motion, and the members of the Committee concurred.

8. Concluding Remarks and Adjournment

There being no further business, the meeting adjourned at 5:06 p.m.

---

H. Wayne Huizenga, Jr., Chair

---

Kristen Connors,  
Facilities Planner, Finance & Facilities

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
March 19, 2015

**SUBJECT:** Facilities Return On Investment (ROI)

---

**PROPOSED COMMITTEE ACTION**

For Information

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

As previously discussed during the November Committee meeting, Board staff had been working to develop a uniform measure of Facilities' Return on Investment (ROI). At the February Board meeting, Chair Hosseini encouraged staff to accelerate the development of an ROI tool.

Working in coordination with the Florida College System, the Governor's Budget Office, and other stakeholders a common ROI checklist has been developed for higher education facilities.

---

**Supporting Documentation Included:** ROI Checklist

**Facilitators/Presenters:** Mr. Chris Kinsley

### Higher Educational Facilities Return on Investment

Institution: \_\_\_\_\_

Project: \_\_\_\_\_

Total Funding: \_\_\_\_\_

Previous Funding (State and Local): \_\_\_\_\_

STEMM (Yes or No): \_\_\_\_\_

Contact Person (Name, Position, Phone No.): \_\_\_\_\_

This is a tool developed by a collaborative group of stakeholders designed to facilitate the identification of return on investment metrics for higher education facilities. Check any box(es) that apply, provide a quantitative explanation, and identify the term or years in which ROI information is projected.

1.  Number of Additional Degrees and Certificates Produced and How Those Degrees are Meeting the Needs of our State (Job Openings, Average Wages of those Job Openings, etc)  
Explanation: \_\_\_\_\_
2.  Number of Additional Students Served and the Benefits/Efficiencies Created (increase graduation rate, alleviate waitlist, increase academic support, etc)  
Explanation: \_\_\_\_\_
3.  Amount of Additional Funding to be Obtained/ Attracted (Research, Grants, Economic Development); Patents Awarded  
Explanation: \_\_\_\_\_
4.  Project is in an Area of Strategic Emphasis as Determined by the Board of Governors' Gap Analysis or the Department of Economic Opportunity's State or Regional Demand Occupations Lists  
Explanation: \_\_\_\_\_
5.  Improves the Ranking of a Preeminent Program or Improves on a Performance Funding Model Metric  
Explanation: \_\_\_\_\_
6.  Increase Business Partnerships Which Will Lead to Guaranteed Internships and Jobs for Students  
Explanation: \_\_\_\_\_
7.  Project Improves the Use, either Operationally or Academically, of Existing Space

Explanation:

8.  Contribution of Local Funds Through Matching Grants, Property Donations, etc.

Explanation:

9.  Reduces Future Deferred Maintenance Cost and Extends the Life of the Facility by Bringing the Project up to Existing Standards (cost-benefit analysis of renovation or new facility vs. maintenance)

Explanation:

Other Pertinent Information not included above:

DRAFT

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
March 19, 2015

**SUBJECT:** Energy Conservation Report Update

---

**PROPOSED COMMITTEE ACTION**

For Information

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

Legislation passed in 2010 (House Bill 5201, Section 30), required that *“Each Florida college and state university shall strive to reduce its campus-wide energy consumption by 10 percent. While savings may be accrued by any means, the goal shall be to implement energy use policies or procedures or both and any equipment retrofits that are necessary to carry out this reduction. The reduction may be obtained by either reducing the cost of the energy consumed or by reducing total energy usage, or a combination of both...”*

This requirement was for one year only. However, the Facilities Committee’s Annual Work Plan calls for this information to be collected and presented to the Committee for comparison purposes.

The original report included fiscal years 2007-2008; 2008-2009; and 2009-2010. Universities provided an update to include 2010-2011, 2011-2012, and 2012-2013 data in previous years. This year’s report includes 2013-2014 data.

---

**Supporting Documentation Included:** None

**Facilitators/Presenters:** Mr. Chris Kinsley

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
March 19, 2015**

**SUBJECT:** Completed Facilities Projects Presentation

---

**PROPOSED COMMITTEE ACTION**

For Information

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

A summary of university projects over \$2 million dollars completed during 2014 will be presented.

---

**Supporting Documentation Included:** None

**Facilitators/Presenters:** Mr. Chris Kinsley

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
March 19, 2015**

**SUBJECT:** Public Notice of Intent to Approve Amended Board Regulation 14.020  
University Supervision of Construction Program

---

**PROPOSED COMMITTEE ACTION**

Approve amendment of Board Regulation 14.020 University Supervision of Construction Program, with an effective date of July 1, 2015

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Subsection 1013.02(b), Florida Statutes; Board Regulation Development Procedure

**BACKGROUND INFORMATION**

This regulation was last amended on March 27, 2008. Since that time, several significant changes have been made to Chapter 633, Fire Prevention and Control, and Chapter 1013, Educational Facilities, Florida Statutes. Current law with regards to the applicable codes and standards referenced in the regulation now provides broader options for the university to demonstrate compliance with statutory requirements for code and design plan review and inspection during construction.

The proposed revision to the regulation provides authority for the review of construction documents by certified fire safety inspectors, as an alternative to staff of the State Fire Marshal's Office. Additionally, the regulation language has been modified to parallel the statutory requirements found in section 1013.38, Florida Statutes, which directs boards, and not the university president, to ensure that facilities comply with building codes and life safety codes.

The proposed language was developed by Board staff based on discussions with university staff. It is anticipated that boards of trustees will delegate this authority upon adoption of the amended regulation.

The regulation was approved for public notice January 22, 2015. Public comments were received from the Department of Financial Services, Division of the Fire Marshall. Based on a meeting held on February 24<sup>th</sup> with officials from the Division of State Fire Marshall, the staff recommendation is to implement this change effective July 1, 2015, in order to provide

additional time for an orderly transition period. This will allow time for trustees wishing to delegate authority to do so; or for those university boards of trustees who do not delegate authority to develop an appropriate mechanism to demonstrate compliance.

If the amended regulation is adopted, the Board Office will ask each university to provide information as to 1) whether the board of trustees wishes to delegate or retain authority regarding University Supervision of Construction program; 2) whether any existing university regulations require amendment; and 3) whether the university board of trustees or designee intends to use certified firesafety inspectors to conduct all plan reviews, or continue to use the Division of State Fire Marshall. University boards of trustees or designees who plan to use certified firesafety inspectors will be required to provide 90 days advance written notice to both the Board Office and Division of State Fire Marshall in order to allow for proper planning and coordination of staffing.

---

**Supporting Documentation Included:** Amended Regulation 14.020  
State Fire Marshal Comments

**Facilitators/Presenters:** Mr. Chris Kinsley



#### 14.020 University Supervision of Construction Program

- (1) The university shall be responsible for the administration of all projects.
- (2) The University Facilities Office is responsible for liaison with the project architect/engineer for the duration of the project, and shall review all plans for program compliance and ensure that any deviations from the approved building program are corrected; or where significant modifications from the approved program are desired, the University Facilities Office shall be responsible for preparing and obtaining from the president approval of the change. During the design and construction of a project, the university is the enforcing agency for the requirements of codes and statutes.
- (3) The board of trustees ~~president~~ or designee shall ascertain that all projects comply with all applicable codes and standards, including the appropriate sections of the Florida Building Code and the Florida Fire Prevention Code. The board of trustees ~~president~~ or designee shall submit completed construction documents to ~~the State Fire Marshal's Office~~, a certified firesafety inspector as provided in section 633.216, Florida Statutes, for review and approval. Alternatively, for purposes of compliance with the Florida Fire Prevention Code, a board of trustees may submit the completed construction documents to the State Fire Marshal for review and approval. Periodic inspections of the project during each phase of construction to determine compliance with the Florida Building Code and the Florida Fire Prevention Code are required. Documentation of compliance with this section must be maintained as part of the construction record file.
- (4) For the use of the Certification and Selection Committee in evaluation of past performance, each architectural or engineering firm under contract shall be evaluated. When completed, a copy of the rating shall be distributed to the rated firm with instructions regarding the appeal process. Any rating may be appealed within 30 days of the rating date by the rated firm. In the event of appeal, the rating shall be reviewed in the manner set forth in Regulation 14.022(2) and (4), for appeals of disqualification of contractors.

Authority: Section 7(d), Art. IX, Fla. Const., Section 1013.38 (2), Florida Statutes, History-Formerly 6C-14.020, 12-30-79, Amended 8-11-85, 4-8-86, 1-24-89, 11-28-90, 6-5-96, 1-13-99, Amended and Renumbered as 14.020, 3-27-08, \_\_\_\_\_.

14.020 University Supervision of Construction Program:

The proposed regulation amendment appears to conflict with sections 633.218(3)(b) and (4), Florida Statutes, by allowing the board of trustees to circumvent the Division of State Fire Marshal's required review and approval of the plans for all construction of any new, or renovation or alteration of any existing, state-owned building.

The Division of State Fire Marshal has reviewed plans for the universities for many years pursuant to section 633.218(3)(b), Florida Statutes, which provides "the plans for all construction of any new, or renovation or alteration of any existing, state-owned building are subject to the review and approval of the division for compliance with the uniform firesafety standards." The Florida Board of Governors has proposed to amend section 14.020, to allow a certified firesafety inspector to review and approve construction plans. The transfer of the approval process from the Division of State Fire Marshal to a certified firesafety inspector is unnecessary because the division is statutorily required to review and approve the plans. This proposed transfer could cause financial harm and delay.

The Division of State Fire Marshal is also required to inspect state-owned and state-leased building to ascertain compliance with the Florida Fire Prevention Code. Section 633.218(4), Florida Statutes, provides "the division may inspect state-owned building and space and state-leased buildings and space as necessary **before occupancy** or **during construction**, renovation, or alteration to ascertain compliance with the uniform firesafety standards. Whenever the division determines by virtue of such inspection or by review of plans that construction, renovation or alteration of state-owned buildings and state-leased buildings or space is not in compliance with the uniform firesafety standards, the division shall issue an order to cease construction, renovation, or alteration, or to preclude occupancy, of a building until compliance is obtained, except for those activities required to achieve such compliance." [Emphasis added] Therefore, if a university makes the proposed regulatory changes to 14.020 to allow a certified fire inspector to review the construction plans, the university would still be subject to an inspection or plan review by the State Fire Marshal's office in order to confirm compliance with the Florida Fire Prevention Code. If the university relies on a certified firesafety inspector's approval only and constructs the building but then learn that the building is not compliant with the Florida Fire Prevention Code, the university may be required to cease construction or renovation until compliance is obtained, which could be costly.

The regulatory changes do nothing more than circumvent the Division of State Fire Marshal's required review and approval of plans. Pursuant to statute, the Division of State Fire Marshal is also required to inspect the buildings before occupancy or during construction for compliance with the Florida Fire Prevention Code.

Although the numbering for this statutory section changed in 2013, the text of the section remains unchanged from previous iterations.

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
March 19, 2015**

**SUBJECT:** Public Private Partnership Guidelines

---

**PROPOSED COMMITTEE ACTION**

Discussion of draft guidelines related to Public Private Partnerships.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Sections 1013.171 and 1010.62, Florida Statutes

**BACKGROUND INFORMATION**

Public-Private partnerships (P3s) have been used in Canada and Europe as a common financing mechanism for the past few decades and over the last several years have gained in popularity in the United States as an alternative method for the completion of major capital projects. In Florida, P3s have been used primarily for road projects, such as the I-595 express lanes in Miami and the I-4 expansion project in the Orlando area.

The State University System has been interested in using P3s as well; however, no specific policies governing these complex transactions exist, leading to an ambiguous environment. In each of the past three years, various legislative solutions were proposed to clarify P3 rules for state entities, including state universities. However, while P3 statutes have been adopted for some governmental units, no change in law occurred for the universities. Following the 2014 Session, the Board of Governors conducted a P3 workshop in August, inviting university staff, external P3 experts, the State Division of Bond Finance, the Executive Office of the Governor, and other key stakeholders to participate. Out of this workshop, the consensus position was that Board staff, assisted by the universities, would establish a set of draft guidelines within the existing legal framework for university P3s.

The attached draft guidelines are a result of input from a broad group of university stakeholders. Input from the Division of Bond Finance was also received, and has been incorporated into this draft. Thus, this draft is significantly different than the document reviewed by the Committee in January.

---

**Supporting Documentation Included:** None

**Facilitators/Presenters:** Mr. Chris Kinsley; Ms. Vikki Shirley

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
March 19, 2015**

**SUBJECT:** A Resolution of the Board of Governors Approving Florida Polytechnic University to enter into a ground lease and an operating agreement for the construction, leasing, financing, operation and maintenance of a student housing facility.

---

**PROPOSED COMMITTEE ACTION**

Adoption of a resolution approving of Florida Polytechnic University (“FPU” or “University”) entering into a ground lease and an operating agreement for the construction, leasing, financing, operation and maintenance of the Project with Vestcor Communities, Inc., or its affiliate (“Owner”). If approved, FPU will enter into a 40-year Operating Agreement and Ground Lease with the Owner on which a student housing facility 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, has reviewed this resolution and all supporting documentation for compliance with Florida law and, to the extent applicable, the Board of Governor’s Debt Management Guidelines. There is no statutory framework authorizing universities to use public-private partnerships to finance university facilities. FPU 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 that meets the needs and purposes of the university, to enter into the necessary lease and lease arrangements for the proposed Project.

The duration of the debt of 36 years and the debt service structure, including an interim financing period of 6 years with ascending debt and little or no amortization, are not consistent with the Board of Governors’ Debt Management Guidelines which recommend a maximum duration of 30 years and a level debt service structure. While not in compliance with the Debt Guidelines, nevertheless, based upon this review, it appears that the Project is in compliance with section 1013.171, Florida Statutes.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

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

## **BACKGROUND INFORMATION**

The Florida Polytechnic University Board of Trustees has reviewed a proposal and adopted a resolution authorizing the President to execute a ground lease and an operating agreement for the construction and operation of a student residence facility (the "Project") utilizing a public-private partnership arrangement. The Project will be a 131,695 gross square foot, five-story student housing facility with 543 beds, including amenities such as an outdoor pool and volleyball courts. The proposed Project is to be located on the Florida Polytechnic University campus near the existing residence hall.

The Project cost of \$22 million will be initially funded with an interim bank loan for \$13.2 million incurred by the Owner and secured by Project net revenues, with no other debt outstanding, with a lien on the Project. Additionally, the Owner intends to make an equity contribution of \$8,800,000 from its investors, to finance the remainder of the construction costs. Repayment of the equity contribution will be subordinate to the bank loan. After an interim financing period, expected to last six years, the Owner intends to obtain a 30-year bank loan to refinance both the interim loan and pay off the outstanding equity investment. Debt issued to fund the Project will mature thirty-six (36) years after the initial financing, and debt service is ascending during the first six years. The duration of the debt and the debt service repayment structure are both inconsistent with the Debt Management Guidelines, as previously expressed.

The Owner will receive all net revenues of the Project after repayment of the bank loans and equity return payments to its investors, with no limit on its profits. The estimated annual net cash flow profits to the Owner are expected to total \$59.4 million over the lease term, or \$18.8 million on a present value basis, with an expected IRR of 18%, based upon certain assumptions of occupancy, rental rates and operating expenses. Rental rates are projected to increase 2.25% per year during the term of the lease and the University has limited ability to control rental rate increases to students.

The University's President has requested approval from the Board of Governors prior to execution of the ground lease and operating agreement for the Project as authorized by the University Board of Trustees. FPU is not legally obligated to pay debt service or maintain the Project. In the event actual rental revenue is insufficient to operate the Project and pay debt service, FPU could exercise its option to purchase the Project at pre-determined price or may feel obligated to cover these expenses or provide additional support to the Project given the location of the Project on the main campus and the strategic importance of student housing to the University.

The Florida Polytechnic University 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 and operating agreement at its meeting on February 2, 2015.

- 
- Supporting Documentation Included:**
1. Requesting Resolution
  2. Project Summary
  3. Estimated Sources and  
Uses of Funds
  4. Historical and Projected Pledged  
Revenues and Debt Service  
Coverage
  5. Student Housing Demand Analysis

**Facilitators/Presenters:** Mr. Chris Kinsley

**A RESOLUTION APPROVING FLORIDA POLYTECHNIC UNIVERSITY TO ENTER INTO A GROUNDLEASE AND AN OPERATING AGREEMENT WITH VESTOR COMMUNITIES INC. OR AN AFFILIATE RELATED TO THE CONSTRUCTION, LEASING, FINANCING, OPERATION AND MAINTENANCE OF A STUDENT HOUSING PROJECT ON THE MAIN CAMPUS OF THE UNIVERSITY; PROVIDING AN EFFECTIVE DATE.**

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

**BE IT RESOLVED:**

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

(A) Pursuant to Article IX, Section 7 of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control and manage the State University System of Florida. 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 Florida Polytechnic University (the "University") has requested approval from the Board of Governors for the University to enter into a public-private partnership arrangement with Vestcor Communities, Inc. or an Affiliate ("Vestcor"), for the purpose of constructing, operating and maintaining a student housing facility comprised of approximately 543 beds and related improvements to be located on the main campus of the University ("the Project");

(C) The Project and related financing costs are expected to be financed through the issuance of debt in the form of bank loans to be obtained by Vestcor or an Affiliate in the approximate amount of \$13,200,000, and an initial equity contribution of \$8,800,000 by Vestcor or an Affiliate or Vestcor's external investors, which will also be repaid and may be later refinanced with a bank loan. The debt will be secured by and repaid from net revenues of the Project and the University will not have any legal



obligation for the repayment of the Debt.

(D) There is no existing University-owned student housing at 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 student 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, 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 19<sup>nd</sup> day of March, 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 ground lease agreement by Florida Polytechnic University with Vestcor Communities, Inc. or an Affiliate for the construction, operation and maintenance of student housing on the University's campus is a true and accurate copy as adopted by the Board of Governors on March 19, 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

00538599.1

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Project Summary  
Florida Polytechnic University  
Student Housing Project Phase II**

**Project Description:** The proposed project (the "Project"), includes the construction of a 543 bed, 131,695 gross square-foot, five-story student residence facility, and associated infrastructure and amenities, such as an outdoor pool and volleyball courts. The Project will be owned by VC FPU Housing II, Ltd, (the "Owner"), a partnership owned by Vestcor Communities, Inc. The Florida Polytechnic University ("FPU" or the "University") will enter into an Operating Agreement and a Ground Lease with the Owner to design, construct, finance, operate and maintain the Project on the FPU campus. Consent to enter into the Ground Lease as provided in F.S. 1013.171 is not required, as the University holds title to the property rather than the Board of Trustees for the Internal Improvement Trust Fund. The Owner will enter into a separate Management Agreement with Ambling Student Housing (the "Manager") to operate the Project.

The Project is included in the campus master plan.

**Project Site Location:** The Project will be located on FPU's campus in Lakeland, adjacent to the existing student housing facility.

**Projected Start and Completion Date:** It is anticipated that construction will commence in March 2015 with design creation, and is expected to be completed by August 15, 2016, with occupancy beginning Fall 2016. Should the Project fail to open by August 15, 2016, the Owner is responsible for providing temporary housing and transportation costs for residents until completion of the Project.

In the event the Project completion deadline extends beyond August 15, 2016, as a result of delays caused by FPU, FPU shall reimburse the Owner for temporary housing and transportation costs. FPU does not anticipate any Project delays and has not identified an account from which such a reimbursement could be made.

**Project Cost:**

The total cost of the Project is estimated at \$22 million, which includes construction costs of approximately \$17.8 million (including a contingency budget of \$400,000), with planning, equipment and other estimated soft costs of \$4.2 million (including capitalized interest of \$304,000). The total cost per bed is approximately \$40,500. The Owner has represented that the relatively low cost would have been higher if the Owner were not receiving all annual net cash flow profits of the Project during the first 39 years of operations under the terms of the operating lease (see "Financing Structure" below).

(See estimated Sources and Uses of funds.)

**Financing Structure:**

FPU has chosen to utilize a public-private partnership ("P3") to construct, finance, operate and maintain the Project. The primary benefit of a P3 is the transfer much of the risk for construction, operation, and demand to the Owner. There is no specific statutory framework authorizing universities to use public-private partnerships to finance university facilities, but the Board of Governors has begun developing P3 guidelines under which to evaluate P3 projects to finance university facilities. FPU is seeking permission from the Board of Governors to use the authority provided in s. 1013.171, Fla. Stat., which authorizes university boards of trustees to enter into lease agreements with private entities for the purpose of constructing a facility that meets the needs and purposes of the university, to enter into the necessary lease arrangements for the property. FPU has represented that it is utilizing a P3 because a university-owned financing structure was not a viable and cost-effective option for the Project due to the credit challenges resulting from a lack of demonstrated enrollment trends, demand for housing, and lack of accreditation (which is expected to be received in 2016).

The Project will be initially financed using an interim bank loan in the amount of \$13,200,000 and an equity investment of \$8,800,000 by the Owner. The interim loan is anticipated to be for a period of 6 years, the first year of which is during the construction period, or until FPU admission and occupancy rates have stabilized and accreditation has been achieved. At that time, the Owner intends to obtain a 30-year bank loan to refinance both the interim loan and the \$8,800,000 of equity funding provided by the Owner, at which point the Owner will not have any equity at risk. The financing will not be tax exempt.

The Owner will be the borrower and obligor for the loan payments. FPU has no legal liability for the Project or repayment of the debt. The Project has a 36-year financing structure, with ascending debt service

for the first five years of operation during the interim financing when there is little or no amortization. After 6 years, the Owner intends to obtain a long-term bank loan with a level debt payment structure; however, it is possible that this option will not be available to the Owner at that time. Interest rate risk, while solely the responsibility of the Owner, has not been hedged and could represent a significant risk to the long-term success of the Project.

FPU and the Owner will enter into a 40-year ground lease and operating agreement, which may be extended upon mutual agreement of FPU and the Owner. All net revenues of the Project after payment of expenses, required deposits to the Repair and Replacement Fund, and payments on the debt, will be retained by the Owner as profit. The total cash-flow profits to the Owner over the 40-year lease term are projected to be \$59.4 million or \$18.8 million on a present value basis, based upon assumptions of occupancy, rental rates, interest rates, and operating expenses.

This financing structure differs from a traditional University-owned and financed facility where the University retains all annual net cash flows after repayment of the associated debt. The annual net cash flows could be used by the University to maintain system facilities, offset future rate increases, or as a down-payment towards future system capital projects. The University has represented that it forwent the right to receive any future net cash flows of the Project, unlike Phase I where the University receives 10%, in an effort to keep the rental rates to students as low as possible.

Under the lease, FPU retains an option to purchase the Project based on a set lease termination value schedule. For the first year of operation, the \$22 million facility may be purchased for \$26 million, increasing slightly each year to a maximum price of \$28 million in year 5, and then declining thereafter throughout the term of the lease. At the end of the lease term, FPU will own the Project.

The Board of Governors' Debt Guidelines recommend, as a general guideline, maturities of no more than 30 years and debt service payments which, as nearly as practicable, are the same each year. Total financing costs under a 36-year repayment period with ascending debt service in the first five years are an estimated \$4,500,000 more over the life of the loan than under a 30-year, level debt service structure. The Owner has represented that financing over 36 years is necessary to keep rental rates low and obtain an adequate return on its investment.

**Security/Lien Structure:** The repayment of the construction loans will be an obligation of the Owner secured by net Project revenues and will be paid prior to any equity investment return or other cash flow profit to the Owner. There is no other debt outstanding with a lien on the Project. The debt associated with the Project will have no lien on any revenues or resources of FPU.

**Quantitative Demand for Project:**

There is currently one on-campus student housing facility with a capacity of 241 beds ("Phase I"). The Phase I facility opened in Fall 2014 and was also constructed, financed, and operated using a P3 arrangement with the Owner. The initial design capacity for Phase I was 219 beds; however, in an effort to respond to additional demand from students, the Owner increased capacity by 22 beds by converting some single occupancy rooms to double occupancy.

The University has represented that they have a need for additional on-campus housing beginning Fall 2015 resulting from the projected doubling of enrollment as the University enrolls its second class of students. Since additional on-campus housing could not be built in time to meet that demand, the University issued an ITN to identify existing rental units in the surrounding community that could be leased by the University for at least one year until the Project is completed. As of March 5, 2015, the University has narrowed its review to responses received from one apartment complex and a Quality Inn hotel.

Projected total on-campus housing capacity for Fall 2016, when the proposed Project would open, is 784 beds, which represents 48% of the projected total undergraduate student enrollment at that time, or 66% of the projected freshmen and sophomore students.

In 2014, FPU commissioned B&D to conduct a student housing demand analysis. B&D used university enrollment projections, student surveys and its proprietary methodology to project demand. According to the study, B&D projects student demand for on-campus housing in Fall 2016, when the Project is scheduled to open, will be 915 beds, which exceeds projected capacity of 784. FPU has an enrollment goal of 1,224 FTE by Fall 2016 built into its enabling legislation. The projections indicate FPU is on track to exceed that goal with projected enrollment of 1,715 in 2016-17, and FPU believes availability of student housing is integral to attracting and retaining students. The majority of the students surveyed said that

convenience, the ability to be engaged in university life, and a lack of suitable options off-campus was the main reason for the decision to live on campus.

(See attached Student Housing Demand Analysis prepared by B&D)

The study by B&D found that the rental market in the surrounding area is “immature” and does not offer many options within a 10-minute drive of campus given the comparatively rural nature of the area. While there are private off-campus housing alternatives currently meeting demand and FPU provides some shuttle services from certain off-campus facilities, there are indicators that as enrollment increases, the student demand for housing will exceed what is provided by the rental market. For example, a student survey was conducted in October 2014 of students in the Phase I residence hall to determine the interest level in on-campus housing for the next year. 241 residents, or 74% responded to the survey. 145 of the residents said they would like to stay in their current room next year. Other students indicated a desire to stay in the on-campus housing but desired to switch roommates or room, etc. Also, in addition to receiving approximately 20 applications a week, FPU has received over 200 completed housing applications from incoming freshman who would like to live in the residence hall.

To provide a level of commitment to the developers of Phase I, FPU adopted an on-campus residency requirement in 2014. The policy, with some exceptions, requires all full-time undergraduate students entering the University with less than 30 college credits to reside in an on-campus housing facility for the first two semesters of enrollment, subject to space availability. FPU has stated they did not have to enforce the residency requirement in Fall 2014 since demand exceeded the number of on-campus rooms available.

In the event that all available beds are not rented by students, the lease permits full-time faculty and visiting faculty to rent the unfilled beds. In addition, FPU may provide additional project support by filling unrented beds with groups participating in activities sponsored by FPU. However, the Owner represents the Project breaks even if 68% occupancy is maintained.

**Project Rental Rates:**

Based on the survey of data, B&D estimates that the rental rates for the Project will average \$5,791 per bed per academic year for the first year of operation, or \$643 per month (for 9 months), compared to an average annual cost for off-campus housing of \$7,476 per bed, or

\$623 per month (for 12 months). Initial rental rates have been set by the Owner and the University and will be reviewed annually as part of its Project budget by the Advisory Management Committee comprised of one representative from FPU, a representative of the Owner and a third representative from the Management Company. The Advisory Management Committee will only render non-binding advice to the Owner, but the Owner and FPU must agree on the annual budget, and disagreement will be resolved through a dispute resolution process involving mediation or binding arbitration. Annual rental rate increases that exceed 2.5% require approval of the University Board of Trustees, pursuant to the terms of the ground lease, but there is no hard limit on rental rate increases to students. The Owner built in projected annual rate increases of 2.25% to generate the cash flow profits it needs, , resulting in a total rental rate increase to students of 12% after 5 years when the higher debt associated with the long-term bank loan are projected to start. If rates continue to grow by 2.25% per year over the lease term, rental rates will double in 32 years and will increase by 213% by the time the bank loans are paid off after 35 years of operations. Deferring the debt over 36 years with little to no amortization at the beginning of the term will drive rental rates higher for future students to generate sufficient amounts to cover debt service and profit for the Owner.

**Study of Private Sector  
Alternatives:**

FPU is located in a sparsely-developed area, adjacent to 2,479 acres of undeveloped land owned by the private developer that donated the 171-acre campus. The existing private apartments nearby range from 6 to 19 miles from the FPU campus. The University has spoken with representatives of the adjacent landowner and also to developers who are planning to build apartment complexes within a few miles of campus. Based on those conversations, it is the University's understanding that there is a desire to build apartment units but the timing of such projects is uncertain. It is the University's belief that such future developments will not be completed soon enough to address the University's need for housing by Fall 2016.

**Pledged Revenues and  
Debt Service Coverage:**

Projected net revenues of the Project for the first 5 years of operation and for the duration of the interim financing are expected to grow from \$1,721,316 in 2016-17 with debt service coverage of 4.48x to \$1,889,392 in 2020-21 with debt service coverage of 2.18x. After the



interim financing and equity investment are refinanced into a long-term permanent bank loan, projected to occur in 2021-22, the Owner expects annual loan payments to increase from approximately \$867,000 to \$1.5 million. Based on the increased debt costs and projected net revenues of \$1,933,976 in 2021-22, debt service coverage would be reduced to 1.28x at that time. The projected net revenues are based upon annual rental rate increases of 2.25%, estimated occupancy of 95% during the Fall and Spring semesters, and 10% during the Summer semesters, and 2% annual increases in operating expenses.

The debt will be repaid 36 years after funding the Project, which exceeds the limits imposed by the Debt Guidelines by 6 years. If the debt were issued on a 30-year basis using level debt service and the same interest rate (6%) assumed for the long-term bank loan portion of the proposed financing, projected debt service coverage during the first five years of operations would fall below the 1.20x coverage required by the Debt Guidelines, ranging from 1.08x in Fiscal Year 2016-17 to 1.18x in Fiscal Year 2020-21. Coverage noted for 30-year debt already takes into account annual rental rate increases of 2.25%.

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

**Taxable Debt:**

This Project will be financed by the Owner, a for-profit entity, with a combination of equity contribution and taxable bank debt. Only governmental entities such as universities and their direct support organizations or not-for-profit 501(c)(3) organizations may use tax exempt financing. To use tax exempt financing, the university would have to enter into a ground lease with a 501(c)(3) organization and finance the Project with all debt financing, which is not the financing model chosen by the Owner.

**University Support of Project:**

The debt will not be a legal obligation of FPU or any of its Direct Support Organizations, and FPU has not pledged its credit toward the Project. In addition to providing the land for the ground lease free of charge to the Owner, FPU is responsible for providing an addition to its existing chilled water system for the Project at an approximate cost of \$500,000, half of which will be reimbursed by the Owner. FPU will expand its parking system to accommodate the student housing facility at a total cost that has yet to be determined.

The Owner is contributing \$1,240,000 toward the parking expansion, which covers the cost of parking spaces for 57% of the beds in the Project.

FPU will provide information on its website to students regarding the housing available through the Project. FPU has also agreed to take the Project and its occupancy into account in planning any future student housing projects and to treat the Project at all times as a part of FPU's student housing program on an equal basis. In addition, FPU will provide security to the Project and data and phone services at a set cost. Chilled water and potable water will be provided by FPU and billed monthly to the Owner.

FPU is not legally obligated to pay debt service or maintain the Project. However, given the location of the Project on the FPU campus and the strategic importance of student housing, FPU may feel obligated to take over the Project or provide some other form of project support.

#### **Return on Investment:**

Based on projections provided by FPU, the Owner expects to receive annual cash flow profits from the Project totaling \$59.4 million over the 39-years of operations during the lease term, which equates to an IRR of 18% based on its \$8.8 million initial equity investment during the interim financing period. The cash flow profits to the Owner and IRR are based on assumptions of occupancy (95% during Fall and Spring semesters and 10% during summer), rental rate increase of 2.25% per year, and 2% increases in operating expenses per year and a refinance in year 6 that returns the equity principal to the Owner's equity. Actual profits to the Owner will be more or less than projected based upon actual operating results, but there is no limit on the amount of profit the Owner may receive from the Project.

In addition to the annual operating cash flow profits from the Project, the Owner will receive a management fee equal to 4% of rental revenues received, retaining 1%, which is estimated to be \$1.7 million over the term of the lease, and paying 3% to the Manager. It also anticipates receiving an upfront \$600,000 developer fee from the Project. The estimated total cash flow to the Owner from both Project net revenues and the 1% management fee average \$1.1 million during the first five years of operations during the interim financing and then range from \$450,000 to \$4.3 million throughout the remainder of the lease term. The IRR to the Owner increases to

approximately 20% when including the 1% management fee and upfront developer fees.

**Analysis and Conclusion:**

Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by Florida Polytechnic University with respect to the request for Board of Governors approval for the Project. The demand for the Project appears to be adequate given the results of the studies performed by B&D, enrollment expectations, and the immature nature of the off-campus housing market. 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 debt service, FPU may feel obligated to pay these expenses due to the Project's location on the main campus and the strategic importance of student housing to the FPU. In addition, although projections provided by FPU indicate that sufficient revenues will be generated to pay debt service on the debt, the projections are predicated on 36-year debt with ascending payments for the first six years, which is inconsistent with the Debt Guidelines. The University has limited ability to control rental rate increases, projections provide a return on investment of 18% to the Owner, and there is no hard limit on the amount the Owner can earn from Project.

STATE OF FLORIDA, BOARD OF GOVERNORS  
 FLORIDA POLYTECHNIC  
 STUDENT HOUSING PHASE II

Estimated Sources and Uses of Funds

Sources of Funds

Basis for Amounts

First Mortgage Financing	\$ 13,200,000
Investor Equity	\$8,800,000.00
Total Sources of Funds	<u>\$ 22,000,000</u>

Uses of Funds

Project Cost	\$ 21,067,800	Design Professional Fees (370,000), Development Fee (600,000), Construction Costs (16,102,800) & Owner's Representative Fee (38,000), Equipment (1,535,000), Permitting and other fees (162,000), Parking and Chilled water (1,490,000), Pool/Athletic Fields (250,000), Other Direct Costs (370,000), DAS (150,000)
Capitalized Financing Costs	\$521,000.00	Interest (301,000), orginations fees (\$132,000), documentary stamps (\$73,000), and legal fees (\$12,000).
Contingency	\$411,200.00	
Total Uses of Funds	<u>\$ 22,000,000</u>	

**Board of Governors Committees and Meetings - Facilities Committee**

State of Florida, Board of Governors  
Florida Polytechnic University

Projected Debt Service Coverage

Projected Debt Service Coverage for 39-year, Ascending Debt Service

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
<b>Operating Revenue<sup>1</sup></b>										
Academic Rental Revenue	\$2,882,547	\$2,947,404	\$3,013,721	\$3,081,530	\$3,150,864	\$3,221,758	\$3,294,248	\$3,368,369	\$3,444,157	\$3,521,650
Summer Rental Revenue	\$101,142	\$103,418	\$105,745	\$108,124	\$110,557	\$113,044	\$115,588	\$118,188	\$120,848	\$123,567
Reservation Fees	\$52,400	\$52,400	\$52,400	\$52,400	\$52,400	\$52,400	\$52,400	\$52,400	\$52,400	\$52,400
Application Fees	\$15,475	\$15,475	\$15,475	\$15,475	\$15,475	\$15,475	\$15,475	\$15,475	\$15,475	\$15,475
<b>Total Revenues</b>	<b>\$3,051,564</b>	<b>\$3,118,697</b>	<b>\$3,187,340</b>	<b>\$3,257,528</b>	<b>\$3,329,296</b>	<b>\$3,402,678</b>	<b>\$3,477,711</b>	<b>\$3,554,432</b>	<b>\$3,632,880</b>	<b>\$3,713,092</b>
<b>Operating Expenses</b>										
Payroll	\$228,800	\$233,376	\$238,044	\$242,804	\$246,943	\$251,882	\$256,920	\$262,058	\$267,299	\$272,645
Contracted Services	\$24,500	\$24,990	\$25,490	\$26,000	\$26,536	\$27,066	\$27,608	\$28,160	\$28,723	\$29,297
Turnover Expenses	\$70,000	\$71,400	\$72,828	\$74,285	\$75,816	\$77,332	\$78,879	\$80,456	\$82,066	\$83,707
Repairs & Maintenance	\$45,000	\$45,900	\$46,818	\$47,754	\$48,739	\$49,714	\$50,708	\$51,722	\$52,756	\$53,812
Resident Life	\$60,000	\$61,200	\$62,424	\$63,672	\$64,985	\$66,285	\$67,610	\$68,963	\$70,342	\$71,749
General & Administrative	\$63,000	\$64,260	\$65,545	\$66,856	\$68,234	\$69,599	\$70,991	\$72,411	\$73,859	\$75,336
Utilities	\$351,000	\$358,020	\$365,180	\$372,484	\$380,162	\$387,766	\$395,521	\$403,431	\$411,500	\$419,730
Management Fees (4%)	\$119,348	\$121,735	\$124,170	\$126,653	\$129,264	\$131,849	\$134,486	\$137,176	\$139,919	\$142,718
Taxes & Insurance	\$260,000	\$265,200	\$270,504	\$275,914	\$281,602	\$287,234	\$292,978	\$298,838	\$304,815	\$310,911
Replacement & Repair Fund	\$108,600	\$110,772	\$112,987	\$115,247	\$117,623	\$119,975	\$122,375	\$124,822	\$127,319	\$129,865
<b>Total Operating Expenses</b>	<b>\$1,330,248</b>	<b>\$1,356,853</b>	<b>\$1,383,990</b>	<b>\$1,411,670</b>	<b>\$1,439,903</b>	<b>\$1,468,701</b>	<b>\$1,498,075</b>	<b>\$1,528,037</b>	<b>\$1,558,598</b>	<b>\$1,589,769</b>
Net Operating Income	\$1,721,316	\$1,761,844	\$1,803,350	\$1,845,859	\$1,889,392	\$1,933,976	\$1,979,635	\$2,026,395	\$2,074,282	\$2,123,323
<b>Debt Service</b>										
Debt Service <sup>2</sup>	\$384,027	\$669,208	\$867,332	\$867,332	\$867,332	\$1,510,382	\$1,510,382	\$1,510,382	\$1,510,382	\$1,510,382
Debt Coverage Ratio	4.48	2.63	2.08	2.13	2.18	1.28	1.31	1.34	1.37	1.41
Equity Cost (Preferred Return)	\$704,000	\$704,000	\$704,000	\$704,000	\$704,000	\$423,594	\$440,000	\$440,000	\$440,000	\$440,000
<b>Remaining Cash Flow</b>	<b>\$633,289</b>	<b>\$388,636</b>	<b>\$232,018</b>	<b>\$274,527</b>	<b>\$318,060</b>	<b>\$0</b>	<b>\$29,253</b>	<b>\$76,013</b>	<b>\$123,900</b>	<b>\$172,941</b>
FPU Share of Remaining Cash Flow	0	0	0	0	0	0	0	0	0	0
Vestcor Share of Remaining Cash Flow	\$633,289	\$388,636	\$232,018	\$274,527	\$318,060	\$0	\$29,253	\$76,013	\$123,900	\$172,941
<b>Total Net Cashflow to Vestcor<sup>3</sup></b>										
Equity Cost (Preferred Return)	\$704,000	\$704,000	\$704,000	\$704,000	\$704,000	\$423,594	\$440,000	\$440,000	\$440,000	\$440,000
Vestcor Share of Remaining Cash Flow	\$633,289	\$388,636	\$232,018	\$274,527	\$318,060	\$0	\$29,253	\$76,013	\$123,900	\$172,941
	\$1,337,289	\$1,092,636	\$936,018	\$978,527	\$1,022,060	\$423,594	\$469,253	\$516,013	\$563,900	\$612,941

<sup>1</sup>Projections assume 2.25% annual increases in rental rates and 95% occupancy rate for Fall and Spring and 10% for Summer.

<sup>2</sup>Estimated debt service calculation based on an assumed interest rate of 5% and a 39-year repayment term.

<sup>3</sup>Based on projected annual net cashflow to Vestcor, initial equity investment of \$8.8 million and refinancing of equity after 5 years of operation. Vestcor will also receive a management fee equal to 4% of annual rental revenues of which they plan to pay 3% to a third party management company and retain 1% (estimated to be \$1.7 million over the 39-year lease term. Vestcor also expects to be paid a \$600,000 up-front developer fee from construction.

---

STUDENT HOUSING DEMAND ANALYSIS REPORT PREPARED FOR

---

# FLORIDA POLYTECHNIC UNIVERSITY

OCTOBER 2014



# PREFACE

In September 2014, Florida Polytechnic University (“Florida Polytechnic” or the “University”) engaged Brailsford & Dunlavey (“B&D”) to conduct a Student Housing Demand Analysis (the “Study”). The purpose of the Study was to assess student demand for on-campus housing, by classification and preferred unit-type, in order to inform the University’s strategic delivery of additional housing in response to anticipated enrollment growth.

The following report summarizes B&D’s findings with respect to the various market conditions characterizing student demand at Florida Polytechnic. The findings contained herein represent the professional opinions of B&D’s personnel based on assumptions and conditions detailed in this report. B&D conducted research using both primary and secondary information sources that are deemed reliable, but whose accuracy cannot be guaranteed. B&D does not represent or warrant that the estimates and projections contained herein will be realized, as the actual performance will be influenced by market and other external factors.

B&D would like to thank the following individuals for their insight and direction throughout the process:

Dr. Steve Warner, Director of Student Affairs

Mr. Kevin Calkins, Director of Institutional Research & Effectiveness

Mr. John Gray, Director of Special Projects

The B&D team that produced the Study was comprised of the following individuals:

Brad Noyes, Senior Vice President

Joe Winters, Project Manager

Joe Collums, Assistant Project Manager

*THIS PAGE IS INTENTIONALLY LEFT BLANK*



## **TABLE OF CONTENTS**

1. Preface
2. Table of Contents
3. Scope of Work
4. Executive Summary
5. Demand Analysis
6. Other Considerations

*THIS PAGE IS INTENTIONALLY LEFT BLANK*

## SCOPE OF WORK

The methodologies employed as a part of this Study included the following:

- ◆ *An in-depth tour of existing campus housing* and a comprehensive review of inventory data and occupancy statistics.
- ◆ *Focus groups and intercept interviews* with Florida Polytechnic students, living both on campus and off campus, created a qualitative understanding of student satisfaction levels with current housing facilities and preferences for future housing facilities.
- ◆ A *demographic analysis* was completed to understand key components of the University's student population in order to better understand the potential market for on-campus student housing.
- ◆ *An Internet-based survey* was administered to quantify student demand for a range of unit types and estimated price points. The survey tested student interest in particular amenities, spaces and services in order to help quantify the potential demand for on-campus living and to better inform the program and subsequent design for any potential new housing development. A total of 243 students completed the survey, representing 44% of total enrollment. The high level of student participation provided a sample sufficiently representative to permit in-depth analysis of sub-population preferences.
- ◆ A *student housing demand analysis* was performed using B&D's proprietary demand-based programming (DBP) methodology, combined with supplemental survey analysis and B&D's national database of student survey responses, to project the quantity of beds demanded by Florida Polytechnic students, by enrollment classification and unit type.

# EXECUTIVE SUMMARY

## INTRODUCTION

Florida Polytechnic University, which officially opened its doors to students in the fall of 2014, engaged Brailsford & Dunlavey to conduct a Student Housing Demand Analysis (“Study”) to assess the demand for additional housing on its newly opened campus. Located along the Interstate 4 corridor in Lakeland, Florida, the University is the newest member of the Florida State University System. Its mission is to prepare 21<sup>st</sup> century learners in advanced fields of science, technology, engineering, and mathematics (STEM).

B&D sought to inform the University’s strategic decisions related to on-campus housing by not only quantifying student demand, but also by evaluating the unique motivations and sensitivities of students experiencing University’s highly dynamic environment. The quantitative data gathered from a statistically significant survey of University students confirmed the qualitative feedback B&D gathered in focus group conversations and intercept interviews with students. Namely, Florida Polytechnic’s students are bound by a characteristically pioneer spirit which highly disposes them to living on campus, and will require the University to respond with the timely delivery of new housing to accommodate both incoming and returning students.

Specifically, B&D recommends the delivery of two new residence halls, totaling 525 beds, to accommodate projected demand among freshmen and sophomores in 2016-2017. The first residence hall should offer approximately 275 beds in independent-style configurations (e.g., full suites or apartments), similar to the unit typology currently provided on campus. Additionally, 250 semi-suite, or pod-style, beds should be delivered in a new residence hall characterized by more shared bedrooms and lower rental rates.

## IMPORTANCE OF HOUSING

### *Recruitment*

Florida Polytechnic has established on-campus housing as a priority, through both the delivery of a 241-bed residence hall as well as implementation of a live-on requirement for first-year, non-local students. On-campus housing is critically important to the experience incoming Florida Polytechnic students are seeking, and will play a critical role in the University’s ability to recruit future students, especially from outside the immediate local area. Of the 113 students who responded to the student survey that currently live on campus, 69% live outside of the local area, defined as Polk County in addition to adjoining counties (Hillsborough, Pasco, Sumter, Lake, Orange, Osceola, Okeechobee, Highlands, Hardee, and Manatee). Additionally, 88% of students

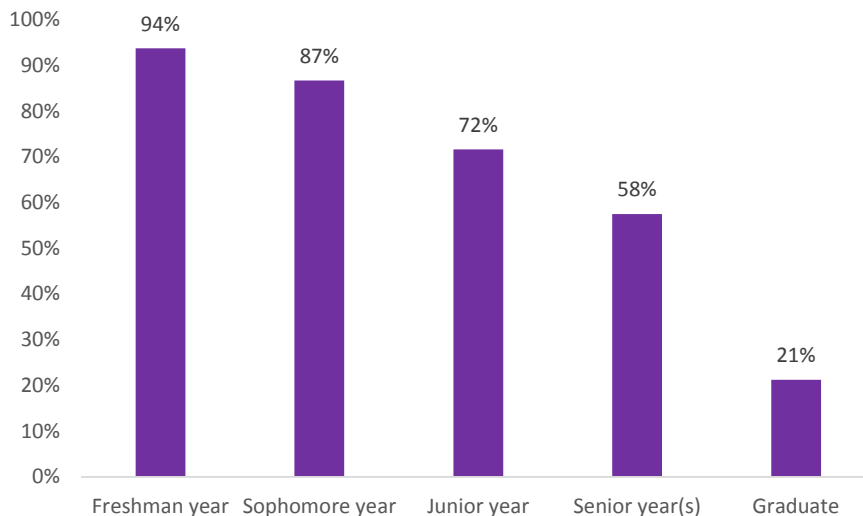
living on campus responded that the availability of on-campus housing was “Very Important” (60%) or “Important” (28%) in their decision to attend Florida Polytechnic.

*Existing Residents*

Not only is the availability of housing important to the recruitment of new students, but it will also play a vital role in the retention of students, according to feedback gathered from students. On-campus students are highly satisfied with their living situations and in many cases are expecting the continued availability of a similar experience as they advance through the institution, despite some expressed concerns over the affordability of rental rates.

As shown in Figure 1 below, 87% of current on-campus residents indicated their desire to live on campus during their sophomore year, should similar accommodations be available, and 58% indicated their preference to live on campus through their senior year. In a separate survey question, over half (51%) of on-campus residents indicated that the availability of on-campus housing was “Very Important” in their decision to remain at the University beyond the current year. With deep connections as inaugural campus citizens, and with limited options in the private rental market, students living on campus will comprise a significant portion of future housing demand.

**FIGURE 1: YEARS CURRENT ON-CAMPUS STUDENTS WOULD CHOOSE TO LIVE ON CAMPUS**



*On-Campus Experience*

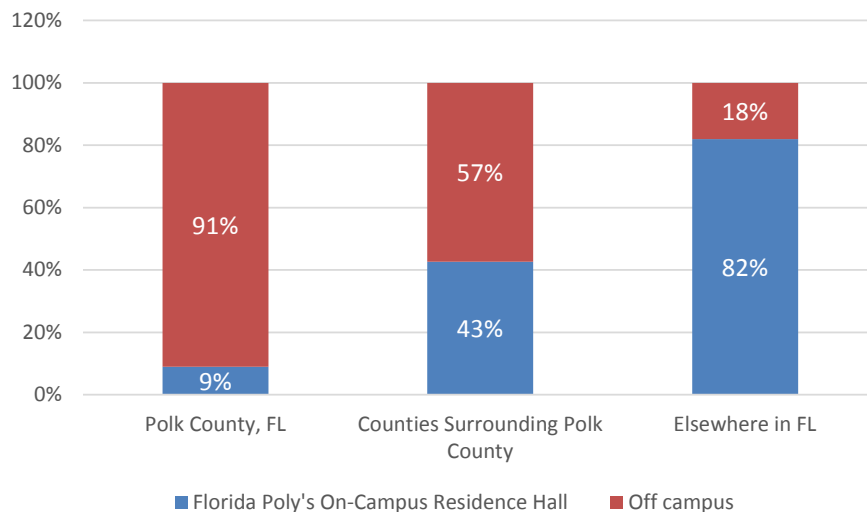
Although most students report high rates of satisfaction in their brief experience at the University, students living on campus are reporting added value in key areas, compared with students living off campus. Specifically, 99% of students living on campus report that their housing has allowed them to connect with other residents, compared with just 58% of those living off campus. Additionally, the University’s on-campus students are 47% more likely than off-campus students to feel like they have access to the academic resources available on campus.

**DEMAND**

*Target Market*

The target market for on-campus housing includes in-state students from beyond the immediate local area, as Polk County residents are unlikely to choose to live on campus, regardless of age. However, students hailing from the counties surrounding Polk County are a key target market sub-group, as they must decide between the convenience of living on campus, making mid-range commutes while living with their parents, or entering the private rental market. As shown in Figure 2 below, survey respondents from counties immediately surrounding Polk County were fairly evenly distributed between those who chose to live off campus and those who elected to live on campus this academic year, while those from outside the local area were highly likely to live on campus.

**FIGURE 2: STUDENTS LIVING ON- VS. OFF-CAMPUS, BY PERMANENT RESIDENCE**



### *2016-2017 Demand*

Demand for on-campus housing in 2016-2017 will be driven by incoming freshmen and sophomores who lived on campus the prior year (2015-2016). B&D projects a total demand among 2016-2017 freshmen and sophomores of 792 beds, 551 beds above the 241 beds currently offered on campus. Reflecting the price sensitivity of Florida Polytechnic students, there is demand for approximately 250 communal-style (traditional, semi-suite) beds in addition to 301 beds of additional independent-style units (full suites, apartment). While most students (69%) preferring independent-style living want a private bedroom, 50% of students preferring the communal-style arrangement would prefer to have a roommate, along with the lower associated rental rate.

### *Affordability*

While on-campus students indicated high rates of satisfaction with their housing experience, concerns over the affordability of rental rates persist among a portion of the student population. Over half (53%) of surveyed students living off campus said the lack of affordable options on campus was "Very Important" in their decision to live off campus. In focus group discussions with students, there was a strong sentiment that, given the live-on requirement, the University should provide a range of unit types that offered more affordable options. This sensitivity was further reinforced by housing preferences selected by students in the survey. By 2018-2019, demand for communal-style (traditional, semi-suites) beds will total 358 beds, or 37% of net student demand.

---

## RECOMMENDATIONS

The delivery of additional student housing in response to robust demand from a highly pre-disposed student population is critical to the University's recruitment and retention goals. Furthermore, the inability to accommodate all freshmen and non-freshmen that want to live on campus in the coming year could result in a diminished campus culture and lost opportunity to market the University as a traditional, residential college experience. As a result, B&D recommends the following responses, categorized by academic year:

### 2015-2016

- ◆ Reserve the existing on-campus residence hall to accommodate projected freshman demand for 405 beds.
  - Use leasing policy (i.e., single occupancy vs. double occupancy) to increase capacity. One important positive externality of this approach is it will allow the University to offer more affordable on-campus living options, albeit in a different occupancy category, to incoming freshmen.
  
- ◆ Enter into a short-term lease agreement(s) (e.g., two to three years) with a third-party housing provider to offer approximately 175-200 beds of University-affiliated housing to rising sophomore students.
  - Rates should not exceed \$400-\$450/bed in order to remain competitive with the existing off-campus market.
  - The short-term, University-affiliated housing, must have the look and feel of Florida Polytechnic's existing on-campus housing and be located in close proximity to campus. Furthermore, the unit offerings and community amenities should be responsive to the demands and preferences of University students, as detailed in this report.
  - Utilize *The Preserve at Lakeland Hills*, located just over seven miles from campus, as a competitive benchmark in terms of unit type offerings, amenities, and rental rates, due to its popularity among Florida Polytechnic students.
  
- ◆ Given the feedback from survey respondents, the University must ensure that Florida Polytechnic's campus life infrastructure (e.g., recreation spaces, leisure / social spaces, dining spaces, student spaces, etc.) is appropriately positioned to support the required growth in the number of on-campus residents, as well as off-campus residents who currently lack sufficient quality-of-life offerings within their residences and in the



surrounding area. The consequence of not providing appropriate resources will be a decrease in customer satisfaction from both on- and off-campus students, which will have its own negative externalities with regard to the University pursuing its targeted campus experience and culture.

### 2016-2017

- ◆ Reserve the existing, independent-style residence hall for incoming freshmen, as sufficient demand exists among this classification for this particular living arrangement (312 beds), as described in Figure 3 below.

**FIGURE 3: 2016-2017 FRESHMAN/SOPHOMORE DEMAND SUMMARY**

Class	Communal-Style Beds			Independent-Style Beds		
	Demand	Currently Available Inventory	Net Demand	Demand	Currently Available Inventory	Net Demand
Freshman	200	0	200	312	241	71
Sophomore	50	0	50	230	0	230

- ◆ Deliver another independent-style residence hall with 275 beds to accommodate sophomore demand (230 beds), plus overflow freshman demand (71 beds) for independent configurations.
  - With a total freshman/sophomore demand for 542 independent-style beds, assignment policies can be utilized to ensure the appropriate occupancy balance between the two independent-style halls. With that said, to the extent possible, one building should be reserved for freshmen and the other for sophomores, with only limited exceptions to this guideline.
- ◆ Deliver 250 semi-suite, or pod-style, beds in a new residence hall that offers more communal space, a greater percentage of shared bedrooms and lower rental rates.
  - Respond to students' price sensitivity by evenly providing single-occupancy and double-occupancy bedrooms, according to demand preferences.
- ◆ Annually reassess Florida Polytechnic's housing needs through the enrollment ramp-up period utilizing the latest data and projections related to enrollment, growth in student-support infrastructure (e.g., dining, recreation space, etc.), the emerging campus culture, and the competitiveness of the evolving off-campus housing market.

# DEMAND ANALYSIS

## OBJECTIVES AND METHODOLOGY

Brailsford & Dunlavey developed a student housing demand model to quantify student demand for on-campus housing at Florida Polytechnic University. Due to the University's unique and highly dynamic context, B&D employed a multi-faceted approach utilizing statistically significant survey data, student focus group feedback, market research, and B&D's national higher-education database to project realistic housing demand by classification.

Freshman housing demand was derived from electronic survey responses as well as current and projected enrollment figures provided by the University. Excellent survey participation rates (50.0% of 390 full-time freshman students) from a demographically representative sample of University freshmen enabled B&D to utilize its proprietary demand-based programming model to project demand based on unit type and occupancy preferences submitted by students in the survey.

Following their review of descriptions of potential on-campus housing options that included sample floor plans along with associated rental rates, respondents were asked to indicate which unit type and occupancy option they would have selected to live in had it been available at the beginning of the current academic year (Fall 2014). In addition, a response option was provided to allow students to indicate whether they would have preferred off-campus housing over the proposed unit types and rates.

B&D's methodology for projecting sophomore demand was adjusted to account for the heightened interest in on-campus housing among next year's sophomore class relative to 2014-2015 sophomores, based on a demographic analysis and feedback from the survey and focus groups. Less than 20% of sophomore survey respondents were from outside the local area, resulting in lower utilization of on-campus housing than what is projected for future sophomore classes. By contrast, 45% of freshman respondents were non-local, with 87% of all freshmen living on campus indicating their preference to live on campus the following year, as sophomores. Therefore, to accurately project sophomore housing demand, B&D relied upon the housing preferences of current freshmen for the following year, according to information gathered in the survey.

Likewise, the sample size and current composition of upper-division students (juniors, seniors, and graduate students) at the University limits one's ability to accurately project future housing demand based on the survey results from current upper-division students. To project future behaviors of eventual Florida Polytechnic upper-division students, B&D relied upon an analysis of survey responses from its extensive database of institutions with a similar demographic and market profile, resulting in a 50% year-to-year campus housing retention rate among these classifications.

For all projections, demand was adjusted according to an Occupancy Coverage Ratio (OCR), which is a proprietary B&D tool utilized to adjust demand projections, by unit type, according to the client's risk tolerance for housing and the competitiveness of the off-campus market. A higher OCR value assignment indicates a more competitive off-campus market and a lower risk tolerance from the client. For example, a 1.30 OCR is a moderate assignment for apartment-style beds, and requires 13 beds of gross demand to justify the delivery of 10 beds of supply. As shown in Figure 4 below, the OCR values, as they relate to Florida Polytechnic, were increased annually by unit type to reflect the anticipated maturation of the off-campus market. The OCR assignment for freshman beds, however, was held at the 2014-2015 rate, resulting in a constant potential capture rate due to the University's first-year live-on requirement.

**FIGURE 4: OCCUPANCY COVERAGE RATIOS, BY UNIT TYPE AND YEAR**

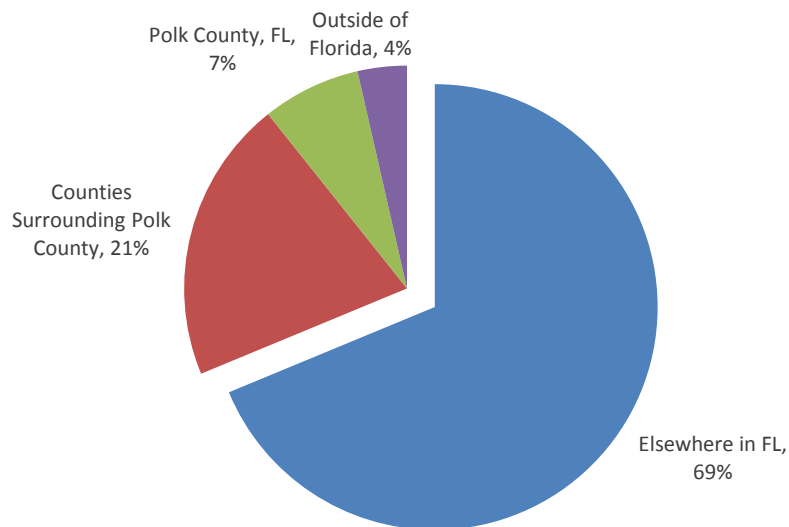
Unit Type	2014-15	2015-16	2016-17	2017-18	2018-19
Traditional <i>Single</i>	1.00	1.00	1.00	1.10	1.15
Traditional <i>Double</i>	1.00	1.00	1.00	1.10	1.15
Semi-Suite <i>Single</i>	1.00	1.00	1.00	1.10	1.15
Semi-Suite <i>Double</i>	1.00	1.00	1.00	1.10	1.15
Full-Suite <i>Single</i>	1.20	1.20	1.25	1.30	1.40
Full-Suite <i>Double</i>	1.20	1.20	1.25	1.30	1.40
Efficiency <i>Single</i>	1.20	1.20	1.25	1.30	1.40
Efficiency <i>Double</i>	1.20	1.20	1.25	1.30	1.40
2-BR Apartment <i>Single</i>	1.20	1.20	1.25	1.30	1.40
2-BR Apartment <i>Double</i>	1.20	1.20	1.25	1.30	1.40
3-BR Apartment <i>Single</i>	1.20	1.20	1.25	1.30	1.40
4-BR Apartment <i>Single</i>	1.20	1.20	1.25	1.30	1.40
4-BR Apartment <i>Double</i>	1.20	1.20	1.25	1.30	1.40

## DEMAND PROJECTIONS

### *Target Market*

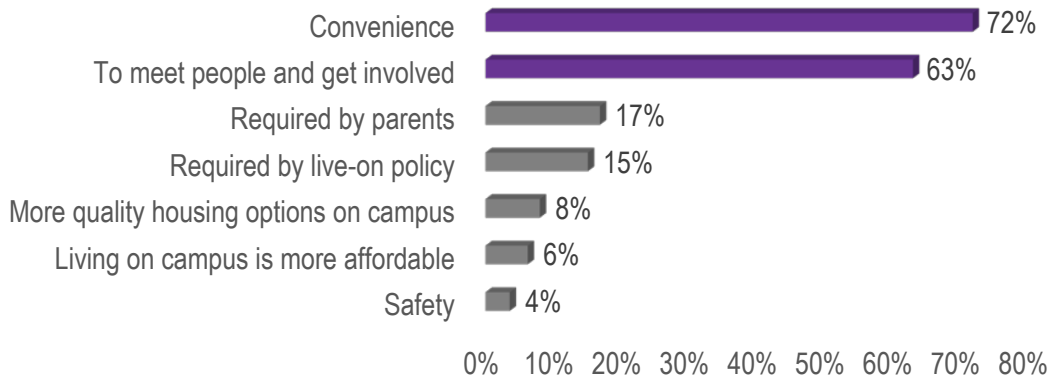
In-state students from beyond Polk County seeking a rich campus life experience characterize the target market for on-campus housing at Florida Polytechnic. As shown in Figure 5 below, 69% of on-campus survey respondents have a permanent residence within Florida, but outside of the local area. In contrast, 86% of off-campus survey respondents are from Polk County or surrounding counties, indicating that students coming to the University from outside the area are highly likely to desire on-campus housing over rental options available in the private market.

**FIGURE 5: PERMANENT RESIDENCE OF ON-CAMPUS SURVEY RESPONDENTS**



Students within this target market indicated in focus groups that although they had opportunities to attend other institutions, they elected to attend Florida Polytechnic for the unique experience to shape the legacy of a new university. As such, these students are looking for an engaging campus experience to complement their educational pursuits. For these students, as shown in Figure 6 below, the live-on requirement had little to do with their decision to live on campus, compared with convenience (72%) and the opportunity to meet new friends and get involved on campus (63%).

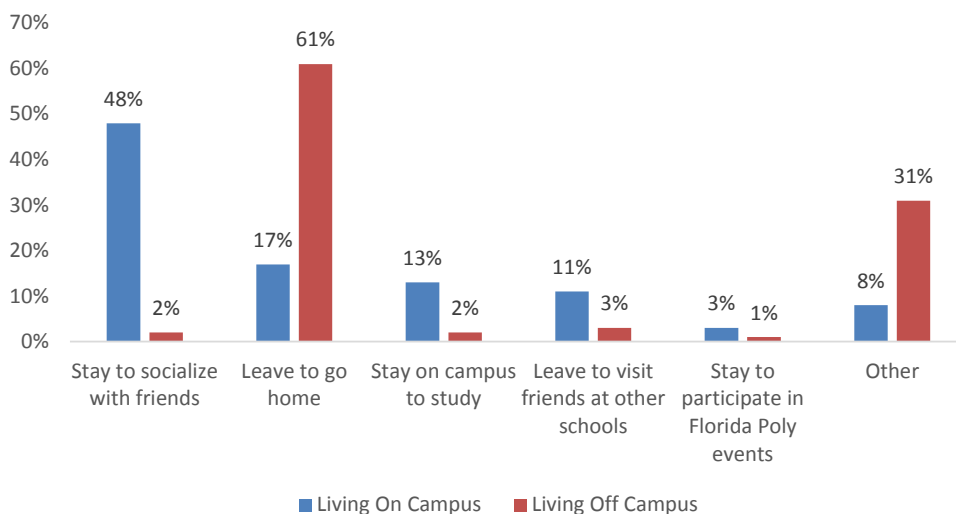
**FIGURE 6: REASONS STUDENTS CHOSE TO LIVE ON CAMPUS**



*\*Survey allowed for more than one response*

Importantly, this population is also pre-disposed to staying on campus rather than leaving to go home on weekends, despite limited quality-of-life offerings on campus or entertainment off campus. As shown in Figure 7 below, students living on campus are over three times as likely to stay on campus for either social or academic reasons than they are to leave campus to go home, while just 5% of off-campus students come to campus for any reason on a typical weekend.

**FIGURE 7: TYPICAL WEEKEND PLANS, ON-CAMPUS VS. OFF-CAMPUS STUDENTS**



*Demand by Classification*

Driven by the large number of freshmen, relative to other classifications, a total of 367 students could have potentially lived on campus during the 2014-2015 school year, had additional housing been available. As shown in Figure 8 below, despite capturing 43% of students, there was additional demand for 126 beds for the current academic year. For the students forced to live in the off-campus market due to on-campus capacity limitations, survey results indicate that they felt significantly less engaged, on average, than students living on campus. According to survey data, students living on campus were over 70% more likely to feel socially engaged, and 47% more likely to be satisfied with access to academic resources, than were students living off campus.

**FIGURE 8: CAPTURE RATE ANALYSIS, 2014-2015**

Class	Enrollment	Current Capture Rate	Current Occupancy	Potential Capture Rate	Projected Demand
Freshman	394	57%	226	74%	290
Sophomore	127	3%	7	59%	74
Junior	7	71%	5	29%	2
Senior	0	0%	0	15%	0
Graduate / Professional	26	12%	3	7%	2
<b>Sub-total</b>	<b>554</b>	<b>43%</b>	<b>241</b>	<b>68%</b>	<b>367</b>
Housing Capacity					241
Unmet Demand					(126)

*Totals include application of B&D's proprietary Occupancy-Coverage Ratio (OCR)*

*Demand by Unit Type*

Although Florida Polytechnic students, reflecting the popular preferences of students nationwide, prefer the privacy, space, and added amenities of apartments, their price sensitivity results in substantial demand for communal-style units. Compared with projects characterized by independent-style units, communal-style residence halls typically have fewer square feet per bed and thus can achieve financial feasibility at lower rental rates.

B&D tested the living preferences of Florida Polytechnic students according to 13 separate unit configurations. Each configuration tested can be more broadly categorized into a communal-style arrangement (traditional and semi-suites) with less in-unit personal space and typically more common areas, and an independent-style arrangement (full suites and apartments) with a focus on individual space and a broader menu of unit amenities (e.g., kitchen, living room, in-unit

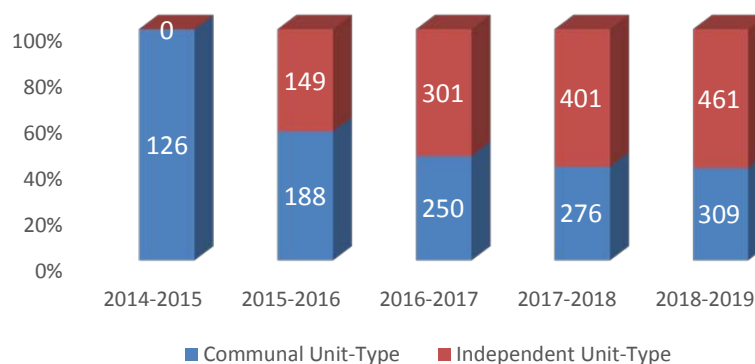
laundry, etc.). Figure 9, below, describes annual demand according to communal-style and independent-style typologies.

**FIGURE 9: TOTAL ANNUAL DEMAND BY UNIT TYPE (ALL CLASSIFICATIONS)**

Year	Communal Unit Type		Independent Unit Type		Total Demand	Net Demand
	Traditional	Semi-Suite	Full-Suite	Apartment		
2014-2015	61	65	35	206	367	126
2015-2016	88	115	68	369	641	400
2016-2017	115	167	101	533	915	674
2017-2018	125	196	126	650	1,098	857
2018-2019	141	217	136	706	1,201	960
Current Inventory	0		241		241	

In delivering 241 full-suite beds in 2014-2015, the University addressed student demand for independent-style units. However, substantial demand remains for communal-style beds with lower associated rental rates. Figure 10, below, shows the distribution of net demand by unit type for freshmen and sophomores, which represent the target market group for on-campus housing over the next several years. Although the unique market position of the University relative to the off-campus market does not require immediate response to demand for communal beds, over time it should balance unit typologies to both respond to student sentiment for a range of rental rates as well as to minimize exposure as the off-campus market matures.

**FIGURE 10: NET ANNUAL DEMAND BY UNIT TYPE AMONG FRESHMEN/SOPHOMORES**

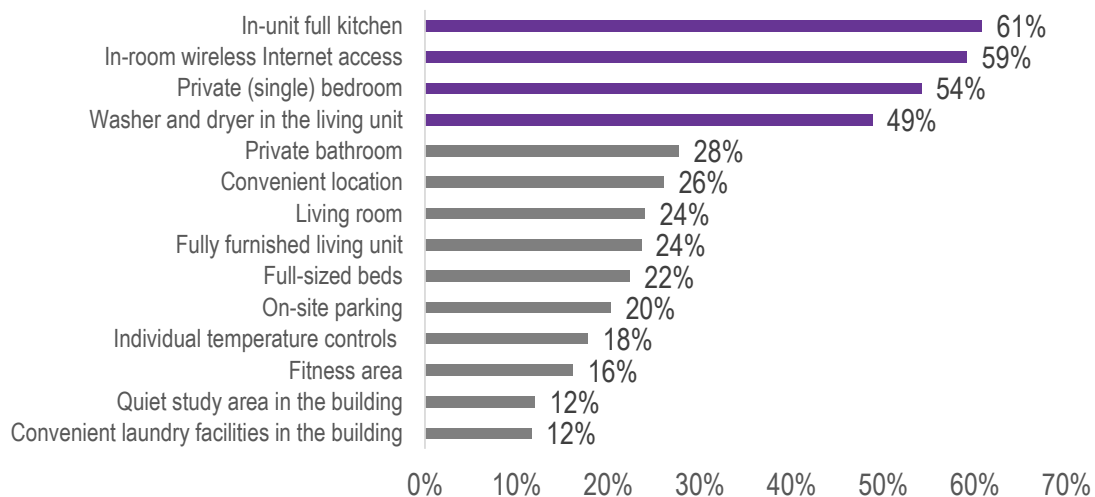


*\*Assumes no change to the current on-campus capacity (241 beds)*

### *Amenity Preferences*

When asked about preferred unit amenities, with no associated rental rate implications, respondents to the student survey prioritized in-unit kitchens, in-room wireless access, private bedrooms and laundry access. As shown in Figure 11 below, 59% indicated that wireless Internet access was one of their top preferences, second only to the desire for an in-unit full kitchen. To promote its brand as the state's only public polytechnic institution, the University should emphasize technological innovation in design consistent with its academic focus, where appropriate, as it delivers new housing.

**FIGURE 11: IN-UNIT AMENITY PREFERENCES**



### *Community Preferences*

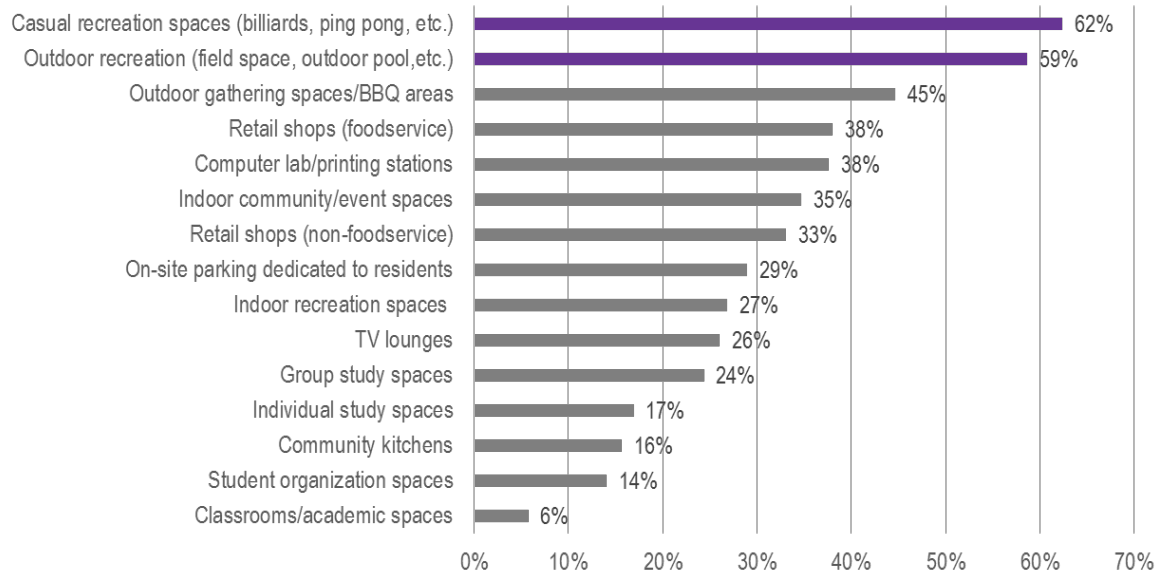
Florida Polytechnic students also expressed an eagerness, in both focus groups and the student survey, for quality-of-life spaces that allow them to engage with other students and the campus community at-large. While the University works toward delivering quality-of-life spaces like lounge areas, recreation fields, and additional study areas, residence halls and their surrounding environs will play a heightened role in student life, both for on-campus and off-campus students.

In focus group sessions, students living off campus expressed disappointments over the limited spaces to engage campus outside of the Innovation, Science and Technology (IST) Building, as well as frustrations over being prevented from accessing the existing residence hall. Students' desire for engaging common spaces was confirmed by their responses in the survey regarding the spaces that should be included with new housing on campus, as shown in Figure 12 below.



New housing, therefore, should be viewed not only as residence halls, but as an integral quality-of-life component for all students in the University's initial, growth phase.

**FIGURE 12: SPACE PREFERENCES OF STUDENTS FOR NEW HOUSING**



# OTHER CONSIDERATIONS

## FLORIDA POLYTECHNIC-AFFILIATED HOUSING

Given that Florida Polytechnic will not be building new on-campus housing for the 2015-2016 academic year, the University should consider engaging one or more third-party providers on a short-term basis to temporarily augment their on-campus offerings and accommodate projected demand. In order to remain competitive with the off-campus market, the University should target potential partners that are located in close proximity to campus, provide an independent living configuration, offer academic lease terms (i.e., 9-month leases) and ensure that rental rates do not exceed \$400-\$450/bed (excluding utilities).

The recommended affiliated rate follows an analysis of the student survey as well as independent research of the off-campus market. Florida Polytechnic students are particularly drawn to *The Preserve at Lakeland Hills* property, located approximately seven miles from campus. Over half (n=24, 51%) of respondents renting an apartment off campus are living at this property, which offers 1-, 2-, and 3-bedroom units, a swimming pool, a tennis court, a fitness center and access to shopping and entertainment. This property offers students short-term lease structures at an average rate of \$455/bed (not including utilities), according to B&D's analysis of survey respondents who currently have a short-term lease at the property. According to available Internet sources, rates range from a low of \$313/bed (3-bedroom) to a high of \$823 (1-bedroom). The University should competitively evaluate potential third-party providers' arrangements against *Lakeland Hills*, due to its current popularity among students.

Additionally, affiliated housing should overtly connect students to the University through branding and amenities (e.g. shuttle service). A projected 197 freshmen currently living on campus would return for the following year, based on survey responses. B&D estimates that interest from current on-campus freshmen as well as the general student population would be sufficient to support the provision of 175-200 beds, assuming competitive rates and amenities at a property in reasonable proximity to the University.

## **FINAL CONSIDERATIONS**

For the University to maintain an accurate understanding of housing demand, it must continuously monitor change drivers and annually reassess demand until enrollment stabilizes. On-campus demand will continue to be driven by enrollment growth, but will also be highly influenced by the off-campus market's response to growth. That response is already underway, with a 550-unit development slated to begin construction in 2015 that is planned to target Florida Polytechnic students as a part of its primary potential tenant base. However, guided by a clear vision for the role of its on-campus housing and armed with a strategic and vigilant outlook, Florida Polytechnic University can both immediately deliver the appropriate housing experience for its students, as well as proactively prepare for dynamic change.



**BRAILSFORD & DUNLAVEY**

Brailsford & Dunlavey, Inc.  
1170 Peachtree Street NE, Suite 1630, Atlanta, GA 30309  
phone 404.890.7000 fax 404.890.7039

To: Mr. John T. Gray, Florida Polytechnic University, Director of Special Projects  
From: Brad Noyes and Joe Winters, Brailsford & Dunlavey  
Date: March 10, 2015  
Re: Invitation to Negotiate (ITN) – Vestcor Communities' Proposed Financial Terms

---

Dear Mr. Gray:

The purpose of the following memorandum is to provide Florida Polytechnic University ("Florida Poly" or the "University") further context regarding the financial terms associated with Vestcor Communities' ("Vestcor" or "Developer") proposal to partner for the development of a new student housing complex ("Project" or "Development") on the University's Lakeland, Florida campus.

Over the past three months, Brailsford & Dunlavey ("B&D") has served as a consultant to the University throughout the procurement process associated with ITN 14-004: Development of Residential Housing. During that time, B&D's consulting services have included market analysis, program development, and procurement strategy support.

### **Background & Approach**

Florida Poly's current status as an unaccredited institution with a rapidly changing student population has resulted in an elevated risk profile for prospective development partners submitting responses as a part of the ITN process. Accordingly, Vestcor's proposal in response to the ITN included the assumption of a financial event ("Event") involving the re-capitalization of the Development's funding at the point of institutional stabilization, which would result in a return of (at least) a portion of the Equity Partner's initial equity investment at that time.

With this understanding, to accurately provide additional context regarding the Developer's submission, Vestcor's proposed financial return can be examined using three key markers. The three financial markers include: *Developer Fee*, *Required Preferred Return on Equity*, and *Total Internal Rate of Return to Developer / Equity Partner*. This approach allows portions of Vestcor's submission to be compared to a sample of recent, public-private partnership ("P3") student housing engagements across the country in order to provide further context. The results of this comparison are provided below.

### **Developer Fee**

The upfront developer fee percentage proposed as a part of Vestcor's submission is 2.70%. The developer fee percentage associated with the sample of recent P3 student housing engagements ranged between 2.15% and 4.00%.

### **Required Preferred Return on Equity to Equity Partner**

The preferred return on equity to the Equity Partner (“EP”) proposed as a part of Vestcor’s submission is 8.0%. The percentage of preferred return on equity associated with the sample of recent P3 student housing engagements ranged between 6.5% and 8.0%.

### **Re-capitalization Event**

In addition to being a new, growing institution, the University’s desire to minimize the required termination value of the partnership agreement influenced the need for a re-structuring event as a part of Vestcor’s proposal. As a result, the proposed partnership submitted by the Developer creates a unique type of P3 engagement and makes understanding the appropriateness of the resulting financial terms difficult when the Event is considered. This is particularly true given the fact that there are several key assumptions associated with the Event, including Florida Poly’s future enrollment stability, credit rating, and the Project’s future appraised value, that are difficult to quantify in the University’s nascent status. As a result, determining the impact of the Event on the Developer and EP’s financial return is challenging at best. Furthermore, it is difficult to compare the Developer / EP’s proposed profitability since the sample of recent P3 student housing projects do not share the University’s unique status (i.e., new, unaccredited institution) and corresponding risk profile.

### **Total Internal Rate of Return to Developer / Equity Partner**

The overall internal rate of return (“IRR”) to the Developer / EP projected as a part of Vestcor’s submission is approximately 18%, and includes the following components:

- the EP’s preferred return and share of net revenue proceeds,
- the Developer’s share of net revenue proceeds and developer fee (upfront and deferred), and,
- the projected financial impact associated with the Event.

In summation, Florida Poly’s changing risk profile stemming from being a new institution makes evaluating the Developer’s unique partnership proposal difficult. As a result, certain financial terms associated with Vestcor’s proposal can be deconstructed and compared in order to provide the desired context.

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
March 19, 2015

**SUBJECT:** 2016-2017 Legislative Budget Request (LBR) Guidelines

---

**PROPOSED COMMITTEE ACTION**

Approve the 2016-2017 LBR guidelines for the fixed capital outlay budget.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Subsection 1001.706(4)(b), Florida Statutes

**BACKGROUND INFORMATION**

The 2016 Legislative Session begins January 12, 2016, approximately two months earlier than normal. It is anticipated that LBR dues dates will be advanced from October 15 to September 15 to correspond with the 2016 Session schedule. In order to meet this anticipated accelerated schedule for developing the LBR, the Board needs to approve a set of policy guidelines for the development of the 2016-2017 operating and fixed capital outlay budget request. The Board will then review and approve a 2016-2017 operating and fixed capital outlay LBR at the September 2015 meeting. The final budget request will then be forwarded to the Governor and Legislature.

The recommended changes, excluding technical changes, from Board staff to the previous adopted LBR guidelines are as follows:

- I. **Operating LBR** - These are the primary changes:
  - a. Clarifies that system initiatives should be vetted through the appropriate university council before submission to the Board for consideration.
  - b. Includes dates for a Budget & Finance Committee workshop to consider changes to the performance funding model.
  
- II. **Fixed Capital Outlay LBR** - There are the primary changes:
  - a. Includes dates for a Facilities Committee workshop to review projects with the universities.

---

**Supporting Documentation Included:** 2016-2017 LBR Guidelines

**Facilitators/Presenters:** Mr. Chris Kinsley



## State University System of Florida Board of Governors 2016-17 Legislative Budget Request Development Policy Guidelines

Pursuant to Section 7, Article 9 of the Florida Constitution, the Board "...shall operate, regulate, control, and be fully responsible for the management of the whole university system." Included within this responsibility is the development of a Legislative Budget Request (LBR). In addition, Section 216.023(1), Florida Statutes, requires the submission of an LBR to the Legislature and Governor based on an independent judgment of needs.

The 2016-2017 LBR will provide flexibility for the Board of Governors (Board) and individual university boards of trustees to jointly manage the system to meet the critical needs of the state, achieve the statewide goals and objectives of the updated State University System (SUS) Strategic Plan and university work plans, and demonstrate accountability/justification. The following goals of the SUS Strategic Plan will be addressed in the request:

1. Excellence
2. Productivity
3. Strategic Priorities for a Knowledge Economy

These System goals, as well as institutional goals and initiatives, should be incorporated into the following priorities, which will be reflected in the LBR:

### **Operating and Specialized Program Funds:**

1. Continuing costs associated with existing programs – This policy addresses the funds needed to continue existing programs:
  - a) Plant operations and maintenance for new and existing buildings –
    - i. Funds will be requested for the annualized operations and maintenance costs for buildings completed and phased-in during 2015-2016;
    - ii. Funds will be requested for the operating costs for new buildings to be completed and occupied in 2016-2017.



2. Performance Funding – Funding will be requested based on the Board’s performance funding model.
3. Task Force Reports and Studies – Consideration will be given to initiatives recommended in any task force reports or studies and endorsed by the Board.
4. Shared System Resources – Consideration will be given to initiatives that allow for greater efficiencies through shared system resources. System initiatives developed by the universities should be vetted by the appropriate SUS council before being recommended to the Board.
5. If a university received non-recurring funds for an initiative and that initiative is a priority for continued funding, then the university should submit that issue for consideration by the Board. System non-recurring funds received for base budget operations will be considered for the LBR.

The following represents the timeline for submission of the SUS 2016-2017 LBR for operations:

- March 19: Board approves the LBR Policy Guidelines
- May – July: Chancellor works with universities to develop any system and university LBR issues
- July 24: System issues are submitted by the appropriate SUS council
- Sept. 3: Board approves the operating LBR
- Sept.: Operating LBR is submitted to the Governor and Legislature
- Sept. 17: Budget and Finance Committee Workshop to discuss potential changes to the performance funding model
- Nov. 5: Board evaluates amendments to the LBR
- December: Amended LBR is submitted to the Legislature and Governor after release of the Governor’s budget recommendations

#### **Fixed Capital Outlay Funds:**

The university’s approved Five Year Capital Improvement Plan (CIP) will be prioritized, in the first year, as indicated below. Please note that PECO funding to meet critical maintenance needs has been assigned a higher priority than adding new facilities, with the intent to improve the condition of existing space and campus infrastructure. Written justification, noting any exceptions to the priorities provided by the guidelines, and explaining why a priority exception is in the best interest of the university should be included in the cover letter submitted with the CIP package. This





will assist Board staff in comparative evaluation of university projects, and justification in terms of relative system ranking for placing in system priority order. Each university should submit one and only one prioritized, sequentially numbered list.

Funding will be requested for institutional survey recommended PECO projects in the following priority order<sup>1</sup>:

- A. Maintenance Projects
  - a. Funding for Remodeling/Renovation/Maintenance/Repair will be requested from PECO pursuant to formula as required by Section 1013.64(1)(a), Florida Statutes.
  - b. Critical Deferred Maintenance
  
- B. System and Continuation Projects
  - a. Projects funded by the legislature in the amount and in the year as last included on the Board adopted three year list.
  - b. Projects funded by the Legislature, but not on the Board adopted three year list.
  - c. Projects that require additional funding to complete.
  
- C. Renovation Projects
  - a. Utilities/infrastructure/capital renewal/roofs needs.
  - b. Renovation and remodeling projects to meet current space needs, structural/mechanical repairs, replacement of existing facilities which have a survey recommendation.
  
- D. Strategic Projects
  - a. Land or building acquisition in accordance with university board of trustees adopted master plans.
  - b. New facilities, as needed to meet instructional and support space needs.
  
- E. Legislative Authorizations

---

<sup>1</sup> Each university must incorporate utilization data as a factor in prioritization of university CIP funding requests to the Board. Programs with classroom and teaching lab space utilization below the current SUS standard will not be eligible for inclusion on the university CIP. General purpose classroom or teaching lab space (space not designated for a specific academic program or discipline) will not be eligible for inclusion if utilization was below the SUS standard for 2013-14. This standard applies both to the university as a whole and on a site-specific basis.



- a. Required legislative authorizations will be requested for externally funded projects as proposed by the universities, in accordance with Section 1010.62 and 1013.78, Florida Statutes.

The following represents the timeline for submission of the SUS 2016-2017 Fixed Capital Outlay LBR:

- March 19: Board approves the LBR Policy Guidelines
- April: Chancellor provides draft technical instructions and requests universities to submit their five-year CIPs
- July: Universities submit five-year CIPs. Board staff will review CIPs with university designee(s), technical corrections will be made as required
- Sept. 3: Board approves the fixed capital outlay LBR
- Sept.: Fixed capital outlay LBR is submitted to the Governor and Legislature
- Sept. 17: Facilities Committee Workshop. The Board will meet with university trustees and university staff to review projects, including at a minimum all those approved in the initial September LBR
- Nov. 5: Board evaluates amendments to the LBR
- December: Amended LBR is submitted to the Legislature and Governor after release of the Governor's budget recommendations





STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**  
**Innovation and Online Committee**  
**Grand Ballroom, Student Union**  
**Florida A&M University**  
**Tallahassee, Florida**  
**March 19, 2015**  
**10:15 a.m. - 10:45 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. **Approval of Committee Meeting Minutes** **Governor Lautenbach**  
Minutes, January 22, 2015
  
3. **Unizin Consortium** **Dr. Joe Glover**  
*Provost*  
*University of Florida*
  
4. **Status of Committee Priorities** **Dr. Nancy McKee**  
*Associate Vice Chancellor*  
*Innovation and Online Education*  
*Board of Governors*
  
5. **Concluding Remarks and Adjournment** **Governor Lautenbach**

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Innovation and Online Committee  
March 19, 2015**

**SUBJECT:** Approval of Minutes of Meeting held January 22, 2015

---

**PROPOSED COMMITTEE ACTION**

Approval of minutes of meeting held on January 22, 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 January 22, 2015.

---

**Supporting Documentation Included:** Minutes: January 22, 2015

**Facilitators/Presenters:** Governor Ned Lautenbach

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
INNOVATION AND ONLINE COMMITTEE  
UNIVERSITY OF NORTH FLORIDA  
JACKSONVILLE, FLORIDA  
JANUARY 22, 2015

1. Call to Order

Chair Ned Lautenbach convened the meeting at 8:29 a.m. on January 22, 2015, with the following members present and answering roll call: Vice Chair Edward Morton; Richard Beard; Dean Colson; Tom Kuntz; Wendy Link; Katherine Robinson; and Norman Tripp. A quorum was established.

2. Opening Remarks

Chair Lautenbach provided an update for two of the committee's initiatives: strategic planning and a common learning management system. He stated that a task force was created for strategic planning for online education and is being chaired by President Hitt from the University of Central Florida. This task force has met twice and plans to complete its work by the end of the year. He reminded the committee that the task force has a webpage on the Board of Governors website to track progress. He explained that the task force is focusing on access, quality, and cost, and will set strategic metrics that will be critical for long-term success.

Chair Lautenbach stated that staff is continuing to research possibilities and the parameters of the Board's procurement regulations, as possible approaches are explored and opportunities are considered for a common LMS. He indicated that he hopes to have a work plan in February to address this effort.

3. Approval of the Committee Minutes

Governor Morton moved that the Committee approve the minutes of the meeting held on November 6, 2014, as presented. Governor Link seconded the motion, and the members concurred.

4. Costs of Online Learning: Complete Florida Degree Initiative

Chair Lautenbach recognized Dr. Pam Northrup, head of the Complete Florida program at the University of West Florida, to give two presentations. He explained that the Complete Florida Degree Program was statutorily required to submit a report on cost components of distance education to the Board of Governors Chancellor and the

Chancellor of the Florida College System. Statutes then required both Chancellors to submit their report on differential tuition and fees to the Legislature.

Dr. Northrup explained that Complete Florida is a program that is legislatively funded to support adult learners with some college credit, but no degree, to help them complete a degree. This program is provided through a partnership of eleven institutions, four of which are in the State University System.

Dr. Northrup explained that distance learning courses are defined in Florida as courses in which at least 80 percent of the direct instruction of the course is delivered using some form of technology, where the student and instructor are separated by time or space. The distance learning fee may not exceed the additional costs of the services provided which are attributable to the development and delivery of the distance learning course.

She said that Complete Florida institutions identified applicable cost components as Direct Instruction, Other Direct Salaries, Other Direct Expenses, Technology and Infrastructure, Support Services and Other. She explained the cost levers in each of these components and said that the report also reflects national approaches to differentiating tuition and fees for fully online programs.

Dr. Northrup said the Complete Florida report includes recommendations to the Chancellors of both delivery systems. The first recommendation was to develop a Complete Florida rate for programs that may include reduction of specific fees for fully online students, but continue to assess the distance learning fee.

The second recommendation was to look at a fixed cost assessment for competency-based programs, and the third recommendation was to develop a Complete Florida shared program rate.

Dr. Northrup said costs were variable and some institutions used the full distance learning fee to support their distance learning unit, while others used the fee to also support other services, such as libraries and help desk services. The Legislature wants to identify the true cost of online distance learning, but she said the different strategies used by each institution made it difficult to uncover a one-size-fits-all solution. To respond to the Legislature's question, she said that more work needs to be done. She explained that when institutions were given the authority to charge a distance learning fee in 2009, there was a report that identified several ways the fee could be used.

Governor Morton said the image and message sent to people should establish the strength and importance of the degree and the brand, so that price does not become the determinant for students when selecting an institution to attend.

#### 5. Costs of Online Learning: Chancellors Criser and Hanna's Joint Recommendations

Chancellor Criser framed the letter he and Chancellor Hanna sent to the Legislature by referencing the recommendations in the Complete Florida report. Regarding the development of a Complete Florida rate for totally online students, he observed that there may be fees for services which students who live 100 miles from campus may not be able to avail themselves, but students who live two blocks from campus could. He said there is great diversity in terms of institutions that have implemented distance learning fees and those that have maintained their other fees, and the transition to a different approach will be complicated. He said that if an institution is not charging a distance learning fee and seeks to add the fee, then, without a reduction in other fees, it might be viewed as an additional fee or a fee increase. He suggested that the Board work closely with universities and colleges in understanding and implementing this recommendation, because there is not a one-size-fits-all model.

Chancellor Criser said the fixed-price competency-based program discussion is essentially the same as the block tuition discussion. He said that when students transition from a traditional fee structure to a block fee structure, some people pay more and some pay less. This may be an opportunity to explore this concept for students who want to avail themselves of it in an area where it currently is not being offered.

With regard to the shared program rate for Complete Florida, Chancellor Criser suggested thinking through how to access nationally renowned talent through a platform across the system and possibly colleges, leveraging it as a center of excellence, rather than having that talent available at only one institution and replicating the content around the state. He explained that this is an opportunity because Complete Florida institutions have been collaborating on how to package courses to help towards degree completion.

He noted that there is another model in Florida, the UF Online program, which has a dictated tuition and fee structure and receives additional state support.

Chancellor Criser said he expects continued conversation on this matter; none of it is simple.

Chair Lautenbach requested that the committee be kept apprised on these recommendations as they move forward.

#### 6. Competency Based Education

Dr. Pam Northrup presented on competency based education and what it means for Florida.



She said that adults in the workforce feel that they already have great skills in businesses and want the ability to test out, be flexible, start when they are ready, and have support towards completion as they focus on career goals. Generally, students who are participating in these programs can progress through objectives and demonstrate what they know at their own pace.

She said that institutions deciding to offer competency-based education will need to address technology and infrastructure issues; develop policies for calculating tuition, faculty load, and prior learning assessment; engage faculty in the conversation from the very beginning; and provide training and support for faculty.

7. Concluding Remarks and Adjournment

Chair Lautenbach adjourned the meeting at 9:15 a.m.

---

Ned Lautenbach, Chair

---

Nancy C. McKee, Ph.D.  
Associate Vice Chancellor

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Innovation and Online Committee  
March 19, 2015

**SUBJECT:** The Unizin Consortium

---

**PROPOSED COMMITTEE ACTION**

For Discussion

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

The University of Florida is one of the founding members of the Unizin Consortium. According to its web site:

The Unizin Consortium is universities coming together in a strategic way to exert greater control and influence over the digital learning landscape. It enables each institution, its faculty, and students to draw on an evolving set of tools to support digital learning for residential, flipped classroom, online courses/degrees, badged experiences for Alumni, or even MOOCs if desired. Unizin supports the differing missions and strategies of universities...

Unizin Services are cloud-based infrastructure based on open technology standards. It will evolve to support content systems that empower faculty with full control over their owned content – store it or share it – and an analytics service to enable research to improve learning. As a university-owned service for universities, all of this will evolve within the longstanding values of the Academy.

Provost Joe Glover, University of Florida, will explain the value of institutional membership in Unizin and present the opportunity for system membership.

---

**Supporting Documentation Included:** None

**Facilitators/Presenters:** Dr. Joe Glover, University of Florida

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Innovation and Online Committee  
March 19, 2015**

**SUBJECT:** Status of Committee Priorities

---

**PROPOSED COMMITTEE ACTION**

For Information

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

Staff will update the Committee on the five priorities it established at its meeting on June 19, 2014:

Common Learning Management System  
Strategic Planning for Online Education  
Metrics for Online Education  
Program and Course Offerings  
Faculty Training

---

**Supporting Documentation Included:** None

**Facilitators/Presenters:** Dr. Nancy McKee



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**  
**Nomination and Governance Committee**  
**Grand Ballroom, Student Union**  
**Florida A&M University**  
**Tallahassee, Florida**  
**March 19, 2015**  
**10:45 a.m. - 11:15 a.m.**

**or**  
**Upon Adjournment of Previous Meetings**

**Chair: Mr. Mori Hosseini; Vice Chair: Mr. Tom Kuntz**  
**Members: Colson, Link, Tripp, Webster**

- 1. Call to Order and Opening Remarks** **Governor Mori Hosseini**
  
- 2. Minutes of Committee Meeting** **Governor Hosseini**  
Minutes, January 22, 2015
  
- 3. Recommendations of Candidates to fill Trustee Vacancies and Reports on Applicant Interviews**
  - a. Florida A&M University (1 vacancy)** **Governor Hosseini**  
**Governor Norman Tripp**  
**Governor Elizabeth Webster**
  
  - b. Florida Atlantic University (2 vacancies)** **Governor Hosseini**  
**Governor Dean Colson**  
**Governor Tripp**

- c. Florida Gulf Coast University (2 vacancies)
  - Governor Colson
  - Governor Wendy Link
  - Governor Webster
- d. Florida International University (2 vacancies)
  - Governor Hosseini
  - Governor Tom Kuntz
  - Governor Tripp
- e. Florida Polytechnic University (2 vacancies)
  - Governor Kuntz
  - Governor Link
  - Governor Tripp
- f. Florida State University (2 vacancies)
  - Governor Hosseini
  - Governor Kuntz
  - Governor Colson
- g. New College of Florida (2 vacancies)
  - Governor Colson
  - Governor Link
  - Governor Tripp
- h. University Central Florida (2 vacancies)
  - Governor Hosseini
  - Governor Kuntz
  - Governor Link
- i. University of Florida (1 vacancy)
  - Governor Hosseini
  - Governor Kuntz
  - Governor Colson
- j. University of North Florida (2 vacancies)
  - Governor Hosseini
  - Governor Colson
  - Governor Tripp
- k. University of South Florida (2 vacancies)
  - Governor Kuntz
  - Governor Link
  - Governor Webster
- l. University of West Florida (2 vacancies)
  - Governor Kuntz
  - Governor Link
  - Governor Webster

**4. Concluding Remarks and Adjournment** **Governor Hosseini**

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Nomination and Governance Committee  
March 19, 2015**

**SUBJECT:** Approval of Minutes of Meeting held January 21, 2015

---

**PROPOSED COMMITTEE ACTION**

Approval of Minutes of the Meeting held on January 21, 2015, at the University of North 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 January 21, 2015, at the University of North Florida.

---

**Supporting Documentation Included:** Minutes: January 21, 2015

**Facilitators/Presenters:** Governor Mori Hosseini

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
NOMINATION AND GOVERNANCE COMMITTEE  
UNIVERSITY OF NORTH FLORIDA  
STUDENT UNION COMPLEX  
JACKSONVILLE, FLORIDA  
JANUARY 21, 2015

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

Chair Mori Hosseini convened the meeting of the Nomination and Governance Committee of the Board of Governors on January 21, 2015, at 5:06 p.m., with the following members present and answering roll call: Dean Colson, Tom Kuntz, Wendy Link, and Norman Tripp.

1. Approval of Minutes of Meeting held June 19, 2014

Mr. Kuntz moved that the committee approve the Minutes of the meeting held at the University of Central Florida on June 19, 2014, as presented. Mr. Tripp seconded the motion, and the members concurred.

2. Amendment, Trustee Selection and Reappointment Process

Chair Hosseini reported that in 2007, the Board adopted a process for the selection and reappointment of university trustees. Since that time, the process has proved to be somewhat inflexible and inefficient and a set of amendments is being proposed to streamline the process. Chair Hosseini called on Vikki Shirley, the General Counsel, to explain the proposed amendments to the process. Ms. Shirley said several of the timelines have proven unworkable such as the requirement to provide six months' notice of regular vacancies to the universities, but then allowing the universities only 30 days to submit a list of nominees and their applications. In addition, the process currently provides 30 days for Board staff to conduct background checks, which is insufficient.

Overall, the proposed revisions are designed to streamline the process and provide greater discretion to the Committee and the Committee Chair to control deadlines. She stated the only substantive change to the process relates to when an individual is appointed to fill the remainder of an unexpired term. In this case, if the remaining unexpired term is less than two years, the amendment would allow for that individual to be reappointed for two full terms. Mr. Colson moved to amend the process. Mr. Kuntz seconded the motion, and the members concurred unanimously.

MINUTES: NOMINATION AND  
GOVERNANCE COMMITTEE

JANUARY 21, 2015

3. Adjournment

Having no further business, the meeting was adjourned at 5:09 p.m., January 21, 2015.

---

Mori Hosseini, Chair

---

Vikki Shirley  
Corporate Secretary



**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Nomination and Governance Committee  
March 19, 2015**

**SUBJECT:** Appointment of University Trustees

---

**PROPOSED COMMITTEE ACTION**

Appointment of University Trustees

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Trustee Selection and Reappointment Process

**BACKGROUND INFORMATION**

In accordance with the University Board of Trustee Selection and Reappointment Process, the following universities have trustee vacancies for terms that ended on January 6, 2015:

1. Florida Agricultural and Mechanical University,
2. Florida Atlantic University
3. Florida Gulf Coast University,
4. Florida International University,
5. Florida State University,
6. New College of Florida,
7. University of Central Florida
8. University of Florida,
9. University of North Florida,
10. University of South Florida, and
11. University of West Florida.

Florida Polytechnic University has trustee vacancies for terms that ended on July 15, 2014.

These vacancies were posted for the public on the Board's website. The deadline for applications was February 13, 2015, at 5:00 p.m., EDT. Some university board chairs or presidents of the respective institutions submitted letters recommending applicants for the vacancies. We also received a significant number of applications for the vacancies.

Chair Hosseini assigned Committee members to sub-committees to review the applications from the specific institutions. Each sub-committee member independently reviewed the applications, advised the Corporate Secretary of the applicants advanced to a short list, and conducted interviews. The sub-committee members will recommend candidates for review and consideration by the full Committee.

---

**Supporting Documentation Included:** Applications for candidates will be provided

**Facilitators/Presenters:** Governor Hosseini





STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

## AGENDA

Board of Governors Meeting  
Grand Ballroom, Student Union  
Florida A&M University  
Tallahassee, Florida 32307  
March 19, 2015  
11:15 a.m.

or

Upon Adjournment of Previous Meetings

1. **Call to Order and Chair's Remarks** **Chair Mori Hosseini**
  
2. **Overview of Governor Scott's Legislative Priorities for Higher Education** **Ms. Ashley Spicola**  
*Policy Coordinator*  
*Executive Office of the Governor*
  
3. **Minutes of Board of Governors Meeting** **Chair Hosseini**
  - Minutes, January 22, 2015
  
4. **Chancellor's Report** **Chancellor Marshall Criser III**
  
5. **Public Comment** **Chair Hosseini**

6. **Amendments to the Articles of Incorporation and Bylaws of the University Medical Service Association, Inc.** **Ms. Vikki Shirley**  
*General Counsel*  
*Board of Governors*
7. **Audit and Compliance Committee Report** **Governor Alan Levine**
  - University Performance Based Funding Data Integrity Certifications and Corrective Action Plans
8. **Strategic Planning Committee Report** **Governor Dean Colson**
  - Updates to the State University System 2013-2014 Annual Accountability Report
9. **Academic and Student Affairs Committee Report** **Governor Norman Tripp**
  - Academic Program Items
    - Implementation of the Doctorate in Clinical Nutrition, CIP 51.3102, UNF
    - Implementation of the Doctor of Nursing Practice, CIP 51.3818, FGCU
    - Implementation of the Doctor of Social Work, CIP 51.1503, FAU
    - Termination of the Ph.D. and Ed.D. in Marriage and Family Counseling, CIP 51.1505, UF
    - Termination of the Ph.D. and Ed.D. in Mental Health Counseling, CIP 51.1508, UF
  - Board of Governors Regulations
    - Public Notice of Intent to Establish Board of Governors Regulation 6.020 College Credit for Online Courses Completed Prior to Initial Enrollment
10. **Select Committee on Florida Polytechnic University Report** **Governor Kuntz**
11. **Budget and Finance Committee Report** **Governor Kuntz**
  - Auxiliary Facilities that have Bond Covenants Requiring Approval of Estimated 2015-2016 Operating Budgets
  - 2016-2017 Legislative Budget Request Guidelines

- 12. Facilities Committee Report** **Governor H. Wayne Huizenga, Jr.**
- Public Notice of Intent to Approve Amended Board of Governors Regulation 14.020 University Supervision of Construction Program
  - Florida Polytechnic University Housing Project
  - 2016-2017 Legislative Budget Request Guidelines
- 13. Innovation and Online Committee Report** **Governor Ned Lautenbach**
- 14. Nomination and Governance Committee Report** **Chair Hosseini**
- Appointment of Candidates to fill Trustee Vacancies
    - Florida A&M University (1 vacancy)
    - Florida Atlantic University (2 vacancies)
    - Florida Gulf Coast University (2 vacancies)
    - Florida International University (2 vacancies)
    - Florida Polytechnic University (2 vacancies)
    - Florida State University (2 vacancies)
    - New College of Florida (2 vacancies)
    - University of Central Florida (2 vacancies)
    - University of Florida (1 vacancy)
    - University of North Florida (2 vacancies)
    - University of South Florida (2 vacancies)
    - University of West Florida (2 vacancies)
- 15. 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

March 19, 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  
March 19, 2015

**SUBJECT:** Overview of Governor Scott's Legislative Priorities for Higher Education

---

**PROPOSED BOARD ACTION**

For information

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

Ashley Spicola, the Policy Coordinator in the Education Unit of Governor Scott's Office of Policy and Budget will make a presentation on Governor Scott's legislative priorities for higher education for the 2015 legislative session.

---

**Supporting Documentation Included:** College Affordability Legislative Priorities

**Facilitators/Presenters:** Ashley Spicola, Policy Coordinator  
Executive Office of the Governor



# Making College More Affordable

---

## Governor Scott's Proposed Legislation For the 2015 Session

### 1. Textbook Sales Tax Exemption

*A 2012 survey found that 54 percent of students spent more than \$300 on textbooks during the Spring 2012 term, and 19 percent spent over \$500. The same study showed that 63 percent of students reported not having purchased the required textbook because of the high cost. A textbook sales tax exemption would provide students a real upfront cost savings at the beginning of each semester. For example, assuming a student spends \$500 on textbooks per semester and a sales tax rate of 6 percent, it is estimated that a student will save at a minimum \$60 per year.*

- Exempts required textbooks, for courses offered by public or certain nonpublic postsecondary institutions, from sales tax. To obtain the exemption, students must show their student identification and applicable course syllabus.

### 2. College Affordability

- ★ *The base tuition rate at state universities and state colleges has risen 54 and 58 percent respectively over the past ten years.*
- ★ *Over half of Florida's graduates have student loans, with the average debt being \$23,000.*

- Allows workforce education programs, state colleges, and state universities to charge any amount below the standard tuition rates.
- Requires the governing boards for state universities and state colleges to research options to reduce the cost of higher education, including:
  - Textbooks and instructional materials, for all students;
  - The impact of tuition and fee increases at state colleges and universities (including graduate, professional, medical, and law schools);
  - The total cost of fees, including orientation fees, to students and families at state colleges and universities; and
  - Other methods relating to textbook and college affordability.

### 3. Hold the Line on Graduate and Professional Tuition

Since FY 2011-12:

- ★ *The average resident graduate tuition rate has increased over 12 percent;*
- ★ *The average resident law school tuition rate has increased 19 percent; and*
- ★ *The average resident medical school tuition has increased over 12 percent.*

## Making College More Affordable

- Prohibits state universities from increasing resident tuition for graduate and professional programs above the amount set on July 1, 2015.
- Removes language allowing the Board of Governors to delegate graduate and professional tuition authority to a designee.

### 4. College Transparency

★ *Students should be made aware of any potential increases in tuition or fees while they are attending college, as this directly impacts their finances.*

- Requires state colleges and universities to publicly notice any potential tuition or fee increases 30 days prior to the board of trustees meeting taking place.

### 5. Textbook Affordability

★ *College textbook prices have increased by 82 percent from 2002 to 2012, while the overall consumer prices increased by just 28 percent over the same time period.*

★ *Academically, 31 percent of students in a 2012 survey reported not registering for a course because of the high cost of college textbooks. Another 35 percent took fewer courses and 24 have either dropped or withdrew from a course because of high textbook costs.*

- Applies the current textbook affordability law, s. 1004.085, F.S., to required and *recommended* textbooks and *instructional materials* (such as course packets, etc.).
- Requires state colleges and universities to specify the cost of recommended and required textbooks and other instructional materials in the institution's course registration system 14 days prior to student registration for 90 percent of classes offered at the institution.
- Requires public colleges and universities to use textbooks for a minimum of three years in undergraduate courses, unless an exception is granted by the institution's president or designee or available at a lower cost.
- Requires state colleges and universities to consult with school districts to identify practices that impact the cost of dual enrollment textbooks and instructional materials to school districts.
- Requires state colleges and universities to regularly conduct a cost-benefit analysis in comparing options for textbooks and instructional materials to ensure students get the highest quality product at the lowest available price.

## Making College More Affordable

---

- Requires state colleges and universities to annually report to the State Board of Education (SBE) and the Board of Governors (BOG) the following:
  - Cost of undergraduate textbooks and instructional materials, by course and section;
  - Textbook and instructional material selection process for high-enrollment courses;
  - Any institution specific initiatives that reduce the cost of textbooks and instructional materials,
  - The number of courses and course sections that were not able to meet the 14 day textbook and instructional material posting deadline, and
  - Any additional criteria determined by the chancellors.

The state college and state university Chancellors will compile these reports and submit a comprehensive report to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

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

March 19, 2015

**SUBJECT:** Minutes of Board of Governors Meeting held January 22, 2015

---

**PROPOSED BOARD ACTION**

Approval of minutes of the Board of Governors meeting held on January 22, 2015 at University of North Florida, Jacksonville.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

Board members will review and approve the minutes of the Board of Governors meeting held on January 22, 2015 at University of North Florida, Jacksonville.

---

**Supporting Documentation Included:** Minutes: January 22, 2015

**Facilitators/Presenters:** Chair Mori Hosseini

INDEX OF MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
BALLROOM, 3<sup>rd</sup> FLOOR, WEST BUILDING  
STUDENT UNION COMPLEX  
UNIVERSITY OF NORTH FLORIDA  
JACKSONVILLE, FLORIDA  
JANUARY 22, 2015

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

<u>ITEM</u>	<u>PAGE</u>
1. Call to Order and Governor Rick Scott’s Remarks .....	3
2. Chair’s State of the University System Address.....	4
3. Recognition of President Bernie Machen.....	4
4. Approval, Meeting Minutes .....	5
A. Board of Governors Meeting held November 6, 2014	
5. Chancellor’s Report .....	5
6. Public Comment .....	5
7. Higher Education Coordinating Council (HECC) Report .....	5
8. Health Initiatives Committee Report .....	6
9. Innovation and Online Committee Report.....	6
10. Academic and Student Affairs Committee Report .....	7
A. Bright Futures Scholarship for the Summer Term	
B. Board of Governors Regulations	
i. Public Notice of Intent to Approve Amended Board of Governors Regulation 3.006 Accreditation	
ii. Public Notice of Intent to Approve Amended Board of Governors Regulation 8.015 Academic Program Review	
11. Facilities Committee Report .....	8
A. Approval, Public Notice of Intent to Amend Board of Governors Regulation 14.020 University Supervision of Construction Program	
B. Approval, 2015-2016 State University System Fixed Capital Outlay Legislative Budget Request	
C. Approval, University of Florida Educational Plant Survey Validation	
D. Approval, Florida State University Educational Plant Survey Validation	
E. Approval, Florida State University Housing Bond Issuance	
F. Approval, Florida International University Housing Project	

MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

12. Select Committee on Florida Polytechnic University Report .....10

13. Budget and Finance Committee Report.....10

    A. Approval, 2015-2016 Legislative Budget Request Issue: Clearinghouse for Applied Research

    B. Approval, Performance Based Funding Improvement Plans

14. Audit and Compliance Committee Report .....10

15. Strategic Planning Committee Report .....11

    A. Approval, State University System 2013-2014 Annual Accountability Report

    B. State University System Affordability

16. Nomination and Governance Committee Report .....12

    A. Approval, Amendments to University Board of Trustees Selection and Reappointment Process

17. Concluding Remarks and Adjournment .....12

MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
BALLROOM, 3<sup>rd</sup> FLOOR, WEST BUILDING  
STUDENT UNION COMPLEX  
UNIVERSITY OF NORTH FLORIDA  
JACKSONVILLE, FLORIDA  
JANUARY 22, 2015

1. Call to Order and Governor Rick Scott's Remarks

Chair Mori Hosseini convened the meeting at 1:05 p.m., on January 22, 2015, with the following members present and answering roll call: Vice Chair Tom Kuntz; Dick Beard; Matthew Carter; Stefano Cavallaro; Dean Colson; Dan Doyle; Patricia Frost; H. Wayne Huizenga, Jr.; Ned C. Lautenbach; Alan Levine; Wendy Link; Ed Morton; Dr. Katherine Robinson; and Norman Tripp.

Chair Hosseini welcomed Governor Rick Scott to the meeting and thanked him for his tremendous support and the work he has done to keep higher education affordable. Governor Scott in turn thanked the Board members for their efforts and noted that as a result of those efforts and that of the business community, jobs have been added to Florida's economy and the State's budget is growing again. Governor Scott said he is focused on ensuring that when students complete their education, they will be able to live the dream which, for most people, is the dream of a job.

When he first took office, the State had a \$4 billion dollar deficit, but now that the budget has improved, Governor Scott emphasized the importance of spending the money wisely. This year, the State will have the highest per pupil funding for K-12, and he wants to eliminate the state sales tax on textbooks and make funding available for Bright Futures scholarships in the summer. Governor Scott commented on the success of performance funding, pointing to the increase in graduation rates, and said he is looking at a similar model for the Florida College System.

Governor Scott thanked the Board members and the members of the university boards of trustees for working to make an impact on higher education. He expressed optimism and excitement about where the State is headed, stating there is no reason, with the State's resources and workforce, why Florida shouldn't be first in the world in job creation. Governor Scott concluded his remarks by thanking everyone for their help and support over the last four years.

MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

After Governor Scott's departure, Chair Hosseini thanked Chair Greene and President Delaney for hosting the meeting and congratulated President Delaney on his new role as chair of the JaxChamber and as outgoing chair of the JAXUSA Partnership. President Delaney said that every school has a niche and the University of North Florida is akin to a small, private liberal arts college, with four professional schools that focus on meeting the cultural and workforce needs of the region. UNF has also been named a Best Value College by Princeton Review and a Best Graduate School by U. S. News and World Report. He noted UNF made targeted improvements in its online educational offerings and is now ranked 55 out of 1200 distance education programs by U.S. News and World Report. Finally, he stated the UNF Board of Trustees is focusing on quality, in terms of what they measure, and the quality of the educational experience provided to their students.

2. State of the System Address

Chair Hosseini delivered the State of the System address. A copy of the address as prepared is attached to the minutes.

3. Recognition of President Machen

Chair Hosseini recognized outgoing President Bernard Machen for his dedicated service to the University of Florida and the accomplishments of his presidency. President Machen's efforts have put the University of Florida on the path to national preeminence and on the cusp of becoming a top ten public institution. He oversaw the incredibly successful \$1.7 billion capital campaign and establishment of the Beijing Center for International Studies. Under President Machen's leadership, research funding climbed to new heights, including receipt of the largest grant ever received by the university for the Institute on Aging.

In 2006, President Machen created the Florida Opportunity Scholarship Program, which supports academically-talented students who may not otherwise attend the university because of financial barriers. In recognition of President Machen's commitment to making higher education accessible for more students, Chair Hosseini presented President Machen with over \$20,000 in donations for the Florida Opportunity Scholarship Program from Board members. President Machen said recognition of the Florida Opportunity Scholarship Program by the Board members is the greatest honor he and his wife have ever received. He emphasized the importance of providing need-based financial aid to the many talented individuals in this state who could not otherwise afford a postsecondary education.



MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

President Machen stated he has watched the Board of Governors grow in importance and in stature as it has accepted responsibility to lead our state in higher education, which he noted was a tribute to the people who serve on the Board and the people who have appointed them. In closing, President Machen said the future of higher education is dependent upon the continued success and evolution of the Board of Governors and he appreciates all that the Board has accomplished so far.

4. Approval of Meeting Minutes

A. Board of Governors Meeting held November 6, 2014

Mr. Lautenbach moved the Board approve the Minutes of the meeting held on November 6, 2014, as presented. Mr. Tripp seconded the motion, and the members concurred unanimously.

5. Chancellor's Report

Chancellor Criser said he is honored to have been in this position for a little over a year and will provide members with a report shortly that will describe the activities the office has been working on over the past year.

6. 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.

7. Higher Education Coordinating Council (HECC) Report

Chair Hosseini recognized Mr. Kuntz for a report on the work of the Higher Education Coordinating Council (HECC). Mr. Kuntz explained the HECC was created by the Legislature to bring all the education delivery systems together in order to break down the silos and eliminate long-standing tension. During the past four years, the model has proved successful with greater information being shared among the sectors. More recently, the Legislature expanded the membership of the HECC so that it now consists of representatives from the public and private higher education sectors, Enterprise Florida and CareerSource Florida, and three members from the business community. He noted that the broader representation is already making a difference.

MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

Mr. Kuntz reported that the HECC recently issued recommendations to the State Board of Education, this Board, the Legislature and the Governor. The recommendations focus on four key issues: performance and accountability, incentivizing higher education institutions to increase the number and proportion of transfer students receiving credit, expanding collaboration between the business community and the education system, and aligning funding to meet industry talent needs. He encouraged members to review the report, noting the HECC is becoming the “go to” organization for the views of all sectors of higher education.

#### 8. Health Initiatives Committee Report

Chair Hosseini recognized Mr. Morton for the Health Initiatives Committee report. Mr. Morton reported the Health Initiatives Committee held a workshop on a number of relevant topics, including holistic admissions criteria for medical school candidates. Committee members heard a presentation on assessing candidates in light of changes in health care delivery systems and methodology from a representative from the Max Planck Institute in Germany. Mr. Morton explained the future of medicine lies not in the decisions or actions of individual physicians, but rather through team-oriented clinical decision-making and care, not just for medical students but for all students in the health sciences.

Members also heard a presentation from Ms. Beaven regarding workforce gaps for specific health occupations and were advised of additional, contextual factors that may impact supply and demand for health professionals. He reported that the information and observations at the workshop will be further refined for the next iteration of the report to assist the Committee with arriving at the most accurate supply and demand numbers.

Finally, members received feedback on the market demand for three practice-oriented, health-related doctorates that will be considered by the Academic and Student Affairs Committee in March. Extensive discussion was had about doctoral programs being driven more by supply than demand and the challenges associated with that, although Mr. Morton stated that as to clinical nutrition and nurse practitioners, there seems to be a growing demand. He noted that with respect to the profession of nursing, the committee would hold a separate meeting to address the nursing challenges facing the state.

#### 9. Innovation and Online Committee Report

Chair Hosseini recognized Mr. Lautenbach for the Innovation and Online Committee report. Mr. Lautenbach reported Pam Northrup, the Executive Director of Complete

MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

Florida, presented the report on distance learning costs that was submitted to Chancellor Criser and Chancellor Hanna of the Florida College System. Chancellor Criser shared the three recommendations he and Chancellor Hanna made to the Legislature for the Complete Florida Program. The recommendations include allowing flexibility in the assessment of fees for activities and services not directly benefiting students, researching the potential for charging fixed or block tuition for competency-based programs, and planning for the development and delivery of shared distance learning programs for Complete Florida. Dr. Northrup also made a presentation on competency-based education to the committee.

#### 10. Academic and Student Affairs Committee Report

Chair Hosseini recognized Mr. Tripp to report on the Academic and Student Affairs Committee. Mr. Tripp stated the committee considered a legislative budget request and discussed reports related to Bright Futures funding for summer term, today's research climate and the role of faculty in research, and the State University System Developmental Research Schools. The committee also heard an update on the Targeted Educational Attainment Grant program.

The committee recommended a legislative budget request to the Budget and Finance Committee to provide additional funding for the Clearinghouse for Applied Research at Florida State University. The Clearinghouse provides online resources for the State University System, which includes ExpertNet and TalentNet. The request is for \$222,644, of which \$175,200 is recurring and \$47,444 is non-recurring.

##### A. Bright Futures Scholarship for the Summer Term

The committee also approved a policy recommendation to the full Board regarding Summer Bright Futures funding for 2015-2016. Specifically, that the Legislature provide funding for Summer Bright Futures awards in the 2015-2016 General Appropriations Act. Mr. Tripp moved that the Chancellor work with the colleges, universities, and other stakeholders to further define the benefits of Summer Bright Futures for Florida's students and our higher education systems. Mr. Cavallaro seconded the motion and the members concurred unanimously.

##### B. Board of Governors Regulations

- i. Public Notice of Intent to Approve Amended Board of Governors Regulation 3.006 Accreditation

MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

Mr. Tripp moved that the Board approve the Notice of Intent to Approve Amended Board of Governors Regulation 3.006 Accreditation. Mr. Levine seconded the motion, and the members concurred unanimously.

- ii. Public Notice of Intent to Approve Amended Board of Governors Regulation 8.015 Academic Program Review

Mr. Tripp moved that the Board approve the Notice of Intent to Approve Amended Board of Governors Regulation 8.015 Academic Program Review. Mr. Levine 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 Notice of Intent to Amend Board of Governors Regulation 14.020 University Supervision of Construction Program

Mr. Huizenga moved that the Board approve public notice of intent to amend Board of Governors Regulation 14.020 University Supervision of Construction Program. Dr. Carter seconded the motion, and the members concurred unanimously.

- B. Approval, 2015-2016 State University System Fixed Capital Outlay Legislative Budget Request

Mr. Huizenga addressed comments made during the committee meeting as to whether a process was needed for new project approval. He emphasized the Board has an established process that works well, but two of the projects presented during the committee meeting did not fit into the traditional process, those being the UCF and USF projects. He explained that USF has a business plan for both the Heart Health Institute and the Morsani College of Medicine and both facilities had already received a portion of the funds necessary for the projects. He stated what was not appropriately disseminated was how the business plan had changed by moving those facilities downtown. He requested President Genshaft to provide that information to the Board prior to the February meeting.

With respect to the UCF Downtown Presence Project, he thought many of the points raised during the committee meeting were valid and it became clear that more information is needed before a decision can be made. However, because the committee had approved \$10,000,000 in planning funds for the UCF Downtown Project, he explained he was in a quandary on how to proceed in light of the concerns expressed by

MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

other members during the committee meeting and the need for additional information. Governor Beard was recognized by Chair Hosseini and proposed that the Board approve the amendments to the 2015-2016 SUS Fixed Capital Outlay Legislative Budget Request as presented to the committee, except that the Board defer consideration of the UCF Downtown Project to the February 19th meeting so UCF can make a presentation on the project and the Board can determine what should be included in the legislative budget request. Chair Hosseini clarified that Governor Beard was suggesting they remove the \$10,000,000 approved by the committee and reconsider the issue at the February meeting and asked if there was second to that motion. Mr. Morton seconded the motion, and requested for the minutes of the committee meeting to reflect the questions members raised so they could be addressed by the university. Mr. Levine called for a vote and the members concurred unanimously in the motion.

Mr. Huizenga then moved that the Board authorize USF to spend the \$5 million appropriated by the 2014 Legislature for the USF College of Medicine Project and for USF to present a business plan to the Board at its February 19, 2015 meeting. Mr. Beard seconded the motion, and the members concurred unanimously.

#### C. Approval, University of Florida Educational Plant Survey Validation

Mr. Huizenga moved that the Board approve the validation of the University of Florida Educational Plant Survey. Mr. Doyle seconded the motion, and the members concurred unanimously.

#### D. Approval, Florida State University Educational Plant Survey Validation

Mr. Huizenga moved that the Board approve the validation of the Florida State University Educational Plant Survey. Mr. Tripp seconded the motion, and the members concurred unanimously.

#### E. Approval, Florida State University Housing Bond Issuance

Mr. Huizenga moved that the Board adopt a Resolution requesting the Division of Bond Finance of the State Board of Administration of Florida to issue revenue bonds on behalf of Florida State University to finance construction of a student residence complex on the main campus of the university. Mr. Tripp seconded the motion, and the members concurred unanimously.

#### F. Approval, Florida International University Housing Project

Mr. Huizenga reported that the committee discussed project approval for the Florida International University Housing Project, but agreed to defer that item to the next meeting.

MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

12. Select Committee on Florida Polytechnic University Report

Chair Hosseini called on Mr. Kuntz for the Select Committee on Florida Polytechnic University report. Mr. Kuntz stated the committee received a progress report from President Avent who indicated the university was on track to be fully compliant with all of the requirements established by the Legislature.

13. Budget and Finance Committee Report

Chair Hosseini recognized Mr. Kuntz for the Budget and Finance Committee report. Mr. Kuntz reported that the committee has two items.

A. Approval, 2015-2016 Legislative Budget Request Issue: Clearinghouse for Applied Research

Mr. Kuntz moved that the Board approve an amendment to the Legislative Budget Request to include \$222,644 for the Clearinghouse for Applied Research brought forward from the Academic and Student Affairs Committee. Mr. Huizenga seconded the motion, and the members concurred unanimously.

B. Performance Based Funding Improvement Plans

Mr. Kuntz moved that the Board approve the release of Performance Improvement Plan funds which had previously been withheld in the amount of \$3,476,196 for FAU, \$540,188 for NCF, and \$1,914,784 for UWF. Mr. Tripp seconded the motion, and the members concurred unanimously.

14. Audit and Compliance Committee Report

Chair Hosseini recognized Mr. Levine for the Audit and Compliance Committee report. Mr. Levine reported the committee met on October 8, 2014, and discussed two information items. The first was an update on the FAMU Corrective Action Plan and the second was a status report from the Board's Inspector General about the Performance-based Funding Data Integrity Certification Process.

Florida A&M University has made significant progress on the corrective plan, completing 29 of 30 corrective actions. Mr. Maleszewski recommended additional follow-up in three areas related to the Athletics Department deficit reduction plan, the President's establishment of a stable leadership team, and the results of current reviews of facilities and construction issues. The committee approved Mr. Malezewski's

MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

recommendation and a report on the follow-up to those areas will be presented at a future committee meeting.

Mr. Maleszewski also briefed the committee on the progress of the Performance-based Funding Data Integrity Certification Process. Each university chief audit executive has an audit underway regarding the university's data collection and verification. The results of those audits will allow university presidents and boards of trustees chairs to certify the accuracy of the data before it is submitted to the State University System office.

Mr. Maleszewski reported on a recent meeting with the State University System Compliance Consortium. The Consortium is comprised of compliance officers and representatives from each university. Six of the 12 universities were represented at the meeting and Mr. Levine said he would like to see greater participation in the future.

During today's committee meeting, Mr. Levine said the chair of the State University System Compliance Consortium briefed the committee on the Consortium's activities and compliance issues. Mr. Levine explained that only four universities have separate ethics and compliance officers. Additionally, the Board does not have a regulation that requires boards of trustees to implement formal compliance programs. He stated the committee voted to have Mr. Maleszewski work with the universities to develop a regulation based on best practices that will require the universities to have a formal compliance program that includes processes for reporting, investigations, board oversight, and for validating that an effective compliance program is in place.

#### 15. Strategic Planning Committee Report

Chair Hosseini called on Mr. Colson for the Strategic Planning Committee report. Mr. Colson reported the committee dealt with two issues.

##### A. Approval, State University System 2013-2014 Annual Accountability Report

Dr. Ignash presented the 2013-2014 Annual Accountability Report, which includes information on our twelve universities and the System. Mr. Colson moved that the Board approve the State University System 2013-2014 Annual Accountability Report. Mr. Tripp seconded the motion, and the members concurred unanimously.

##### B. State University System Affordability

The committee also had a discussion on affordability in our System. The committee is taking that subject on and Chancellor Criser gave a very informative report on issues

MINUTES: FLORIDA BOARD OF GOVERNORS

JANUARY 22, 2015

involved in this discussion and the work that needs to be done over next year, beginning with a workshop at our March meeting.

16. Nomination and Governance Committee Report

- A. Approval, Amendments to University Board of Trustees Selection and Reappointment Process

Chair Hosseini moved that the Board approve amendments to the Trustee Selection and Reappointment Process. Mr. Beard seconded the motion, and the members concurred unanimously.

17. Concluding Remarks and Adjournment

Chair Hosseini reported that the next full meeting of the Board is scheduled for February 19, 2015, at Tallahassee Community College.

Having no further business, the meeting was adjourned at 2:34 p.m. on January 22, 2015.

---

Mori Hosseini, Chair

---

Vikki Shirley,  
Corporate Secretary



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

March 19, 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 Criser III

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
March 19, 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  
March 19, 2015**

**SUBJECT:** Amendments to the Articles of Incorporation and Bylaws of the University Medical Service Association, Inc.

---

**PROPOSED BOARD ACTION**

Consideration of amendments to the Articles of Incorporation and Bylaws of the University Medical Service Association, Inc., the University of South Florida Health faculty practice plan.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board Regulation 9.017

**BACKGROUND INFORMATION**

The University Medical Service Association, Inc. (UMSA) was incorporated by the University of South Florida in 1973 to serve as the faculty practice plan for the USF Health clinical faculty practice activities. Specifically, UMSA was chartered to perform the billing, collection and administration of income generated from USF health clinical faculty practice activities.

Faculty practice plans are subject to Board Regulation 9.017, which requires that any subsequent changes to the plan, which includes the Articles of Incorporation and the Bylaws of any corporation created to administer the Plan, be approved by the university board of trustees and the Board of Governors.

Recently, the University of South Florida Board of Trustees certified UMSA as a direct support organization (DSO) of the university and approved amendments to the Articles of Incorporation and Bylaws of USMA to reflect its new status as a direct support organization and to reflect current USF Health organizational positions and practices. In addition to technical changes, the amendments to the Articles of Incorporation include:

1. Designating the University of South Florida Board of Trustees as the Corporation's sole non-voting member.

2. Revising the composition of the Corporation's Board of Directors to reflect the:
  - a. current division of roles of the Vice President for Health Sciences and the Dean of the College of Medicine (positions that were formerly combined into one),
  - b. ability of the Chair of the USF Board of Trustees to appoint a director consistent with the DSO statute, section 1004.28, Florida Statutes,
  - c. elimination of the Vice Dean for Clinical Affairs and Chief Executive Officer since that titled position no longer exists in the USF Health structure, and
  - d. the addition of an individual appointed to the Corporation's Audit Committee.
  
3. Revising the composition of the Executive Management Committee to be consistent with the afore-mentioned organizational changes regarding the current roles of the Vice President for Health Sciences and Dean of the College of Medicine, the ability of the Chair of the USF Board of Trustees to appoint a director, and the elimination of the position of the Vice Dean for Clinical Affairs and Chief Executive Officer.
  
4. Designating the Vice President for Health Sciences as the Chairperson of the Board and the individual who appoints a member of the Executive Management Committee to serve as the Vice Chairperson, a position formerly occupied by the now-eliminated position of the Vice Dean for Clinical Affairs and Chief Executive Officer.

The Bylaws were similarly amended to reflect the following:

1. The status of the Corporation as a DSO and the concomitant powers, duties and obligations of a DSO.
  
2. Designation of the University of South Florida Board of Trustees as the Corporation's sole non-voting member.
  
3. Revision of the composition of the Board of Directors, the Executive Management Committee, and the Corporation's officers as set forth in the Amended Articles of Incorporation.
  
4. Adoption of a substantial conflict of interest policy for Directors and officers.
  
5. Creation of the position of Chief Executive Officer for the Corporation who is appointed by the Vice President for Health Sciences, and designating duties and responsibilities.

6. Clarification that the indemnification rights inuring to the Directors, officers, employees and agents of the Corporation in the Bylaws is not exclusive of any other right such persons may have or hereafter acquire under the Florida Not For Profit Corporation Act or any other statute or agreement.

---

**Supporting Documentation Included:** Amended and Restated Articles of Incorporation and Bylaws of University Medical Services Association, Inc.

**Facilitators/Presenters:** Ms. Vikki Shirley

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
UNIVERSITY MEDICAL SERVICE ASSOCIATION, INC.  
(A Corporation Not For Profit)**

University Medical Service Association, Inc. was originally incorporated on August 9, 1973, pursuant to the Florida Not For Profit Corporation Act, and filed amended and restated articles of incorporation on October 5, 2009.

In accordance with Sections 617.1002 and 617.1007 of the Florida Not For Profit Corporation Act and pursuant to a resolution duly adopted by its Board of Directors on \_\_\_\_\_, University Medical Service Association, Inc. hereby adopts these amended and restated articles of incorporation (Articles I, II, III, IV, V, VI, VII, VIII, and IX are amended hereby). The corporation's Board of Directors by an affirmative vote of two-thirds (2/3) of the members thereof approved the amendments in the manner set forth in the articles of incorporation and Florida law. There is no discrepancy between the articles of incorporation as amended and the provisions of the restated articles of incorporation other than the inclusion of the amended articles described above and the omission of matters of historical interest. There are no members entitled to vote on the adoption of these amended and restated articles of incorporation.

**ARTICLE I**  
Name and Address

The name of this corporation is University Medical Service Association, Inc. (hereinafter the "Corporation"). The principal office and mailing address of the Corporation shall be University of South Florida Health Sciences Center, 12901 Bruce B. Downs Blvd., MDC Box 62, Tampa, Hillsborough County, Florida 33612.

**ARTICLE II**  
Purposes and Powers

SECTION 1. Purposes and Powers.

The Corporation is organized as (i) a corporation not for profit under Chapter 617, Florida Statutes, (ii) a faculty practice plan corporate entity under Section 1001.706(2)(d), Florida Statutes, Florida Board of Governors Regulations 1.001(8)(a) and 9.017, and University

of South Florida Regulation 9.017, and (iii) a university direct-support organization under Section 1004.28, Florida Statutes, Florida Board of Governors Regulations 1.001(8)(b) and 9.011, and University of South Florida Regulation 13.002, and corresponding provisions of any subsequent laws or regulations. The Corporation is organized and shall be operated exclusively for charitable, scientific and educational purposes and not for pecuniary profit, and exclusively for the support and benefit of the University of South Florida (the "University" or "USF"). The Corporation shall possess all of powers and authority as are now or may hereafter be granted to corporations not for profit, faculty practice plan corporate entities, and university direct-support organizations under the laws of the State of Florida. Pursuant to the Corporation's operations and activities exclusively for the support and benefit of the University, the specific purposes for which the Corporation is organized shall include the collection, administration and distribution of funds exclusively for the support of the objectives of the University's Health Sciences Center ("USF Health") and the component colleges, schools and units thereof, in accordance with the USF Health Faculty Practice Plan adopted in accordance with Florida Board of Governors Regulation 9.017 and University of South Florida Regulation 9.017, or corresponding provisions of any subsequent laws or regulations.

SECTION 2. Limitations on Purposes and Powers.

- A. All the assets and earnings of the Corporation shall be used exclusively for the exempt purposes hereinabove set forth, including the payment of expenses incidental thereto. No part of the net earnings of the Corporation shall inure to the benefit of any member, director, or officer of the Corporation, or any other private individual, and no member, director, or officer of the Corporation or any private

individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

- B. No substantial part of the activities of the Corporation shall be the carrying on of a program of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.
- C. The Corporation shall not have the power to convey, lease, pledge, or otherwise encumber assets owned by the State of Florida or the University. The Corporation shall have sole responsibility for the acts, debts, liabilities, and obligations of the Corporation.
- D. The Corporation does not have the power to issue stock or pay dividends, and the private property of the members, directors, and officers shall not be liable for the debts of the Corporation.
- E. The Corporation shall not have the power to conduct any activities not permitted by applicable laws including without limitation the Internal Revenue Code and pertinent Treasury Regulations (or corresponding provisions of any subsequent revenue laws) (hereinafter the "Code").
- F. Persons employed by the Corporation shall not be considered employees of the State of Florida by virtue of such employment.



- G. The University’s President shall retain the ability, powers, and duties to: monitor and control the use of University resources and the University name by the Corporation; assure that the Corporation’s activities are consistent with and supportive of the mission of the University and USF Health; monitor compliance of the Corporation with federal and state laws and applicable rules and policies; approve salary supplements and other compensation or benefits paid to University faculty and staff from the Corporation’s assets, consistent with applicable policies; approve salaries, benefits, and other compensation paid to employees of the Corporation, consistent with applicable policies; and otherwise supervise the Corporation as provided by Florida Board of Governors Regulations 9.011 and 9.017, University of South Florida Regulations 9.017 and 13.002, the USF Health Faculty Practice Plan, and the provisions of any subsequent laws, regulations, and University policies and internal management memoranda.

### **ARTICLE III**

#### **Membership**

The Corporation’s sole member shall be the University of South Florida Board of Trustees, a public body corporate of the State of Florida, acting for and on behalf of the University of South Florida, herein referred to as “Member.” The member of the Corporation shall have no voting rights as member of the Corporation.

### **ARTICLE IV**

#### **Management**

#### **SECTION 1. Board of Directors.**

The property, affairs, business, funds and operations of the Corporation shall be managed, supervised and controlled by a Board of Directors (hereinafter the “Board”), subject to applicable law and regulations, the limitations contained in the Corporation’s Articles of

Incorporation and Bylaws, and the powers and duties reserved to the University's President and the University's Board of Trustees. The members of the Board shall serve in such capacity without compensation. The Board shall carry out the purposes of the Corporation in compliance with these Articles of Incorporation and the Bylaws of the Corporation. The Board shall include the incumbent holders of the following named offices and persons from the following named classes:

- A. The University's Vice President for Health Sciences (the "USF Health Vice President").
- B. The Chair of the University's Board of Trustees may appoint a representative to the Board in accordance with Section 1004.28(3), Florida Statutes.
- C. One (1) Director shall be a person who is selected and appointed to the Board by the University's President as the President's representative (provided, the University's President may elect to appoint the USF Health Vice President to serve as the President's representative for this purpose).
- D. The Dean of the USF Morsani College of Medicine (the "COM Dean").
- E. The Director of the USF School of Physical Therapy and Rehabilitation Sciences (the "SPTRS Director").
- F. The chairpersons of the USF Morsani College of Medicine ("COM") clinical departments which are designated by the COM Dean.
- G. The Elected Directors who are elected to the Board in the manner set forth in the Bylaws.
- H. Not more than six (6) Directors may be community members or other persons who are selected and recommended by the USF Health Vice President and appointed to the Board by the University's President.

- I. Any individual who is selected and appointed to the Executive Management Committee by the USF Health Vice President in accordance with Article IV, Section 2. D. below, and who is not otherwise designated a Director pursuant to the preceding subsections of this Article IV, Section 1.
- J. Any individual who is appointed to the Corporation's Audit Committee who is not otherwise designated a Director pursuant to the preceding subsections of this Article IV, Section 1.

Except as may be otherwise provided in these Articles and the Bylaws, Directors shall serve a term of one (1) year and may be reappointed. Directors shall be removed in accordance with the procedure provided in the Bylaws; provided, the Director who is appointed to the Board by the Chair of the University's Board of Trustees may be removed only by action of the Chair of the University's Board of Trustees. In the event an Elected Director under Section 1.G. above is elected to serve as Sectary-Treasurer, and his/her term as Director expires sooner than the expiration of his/her term as Secretary-Treasurer, such individual shall remain on the Board as an additional Elected Director for the duration of his/her term as Secretary-Treasurer.

SECTION 2. Executive Management Committee.

The Corporation shall have an Executive Management Committee of the Board consisting of the following Directors:

- A. The USF Health Vice President.
- B. The COM Dean.
- C. The individual who is elected to serve as the Secretary-Treasurer.

- D. Up to seven (7) additional persons who are selected and appointed to the Executive Management Committee by the USF Health Vice President, at least one of whom shall be an Elected Director as described in Article IV, Section 1.G. and at least one of whom shall be a chairperson of a COM clinical department as described in Article IV, Section 1.F. The USF Health Vice President may remove and replace any appointed members of the Executive Management Committee under this section from time to time in his/her discretion.
- E. The Director who is selected and appointed to the Board by the University's President as provided in Article IV, Section 1.C. above.
- F. The Director who is selected and appointed to the Board by the Chair of the University's Board of Trustees as provided in Article IV, Section 1.B. above, if such individual is appointed to be a member of the Executive Management Committee by the Chair of the University's Board of Trustees.

The Executive Management Committee shall have and may exercise all of the authority and powers of the Board except that the Executive Management Committee shall not have the authority to:

- (i) approve or recommend to members actions or proposals required by Chapter 617, Florida Statutes, to be approved by members;
- (ii) fill vacancies on the Board of Directors or any committee thereof;
- (iii) adopt, amend, or repeal these Articles of Incorporation or the Corporation's Bylaws; and
- (iv) exercise any other powers specifically provided in the Bylaws as being reserved for the Board.

The Executive Management Committee shall meet, take action, and report its actions to the Board in the manner provided in the Bylaws.

SECTION 3. Additional Committees.

The Board, by resolution adopted by the Board, may designate other committees of the Board with such membership and authority as are provided in such resolution, except that a delegation of power to such committee shall not include any of the powers that may not be exercised by the Executive Management Committee pursuant to Article IV., Section 2. above.

**ARTICLE V**  
Officers

SECTION 1. Officers.

The officers of the Board shall consist of a Chairperson, a Vice-Chairperson, a Secretary-Treasurer, and such other officers as may be provided in the Bylaws.

The individual who serves as the USF Health Vice President shall be the Chairperson. The USF Health Vice President shall appoint an individual who is a member of the Executive Management Committee to serve as Vice-Chairperson. The Secretary/Treasurer shall be elected by the Board in the manner provided in the Bylaws.

SECTION 2. Qualification, Duties, Term.

The qualifications, time and manner of election or appointment, duties, term of office, and manner of removal of officers shall be set forth in the Bylaws.

**ARTICLE VI**  
Amendments to Bylaws  
and Articles of Incorporation

The Bylaws of the Corporation may be adopted, altered, amended, or repealed by an affirmative vote of two-thirds (2/3) of the members of the Board present and voting at any duly held regular or special meeting of the Board, or by all Directors signing a written statement manifesting their intention that the Bylaws be adopted, altered, amended, or repealed; provided, with respect to such meetings, notice thereof, which shall include the text of the proposed change to the Bylaws, shall be furnished to each member of the Board at least seven (7) days prior to the meeting at which such change to the Bylaws is to be voted upon; provided further, the adoption, alteration, amendment, or repeal of the Bylaws shall not be effective without the written concurrence of the University's President, the University's Board of Trustees, and such other approvals as may be required by law or regulation.

The Articles of Incorporation of the Corporation may be amended by an affirmative vote of two-thirds (2/3) of the members of the Board present and voting at any duly held regular or special meeting of the Board, or by all Directors signing a written statement manifesting their intention that an amendment to the Articles of Incorporation be adopted; provided, with respect to such meetings, notice thereof, which shall include the text of the proposed amendment to the Articles of Incorporation, shall be furnished to each member of the Board at least seven (7) days prior to the meeting at which such amendment to the Articles of Incorporation is to be voted upon; provided further, the amendment of the Articles of Incorporation shall not be effective without the written concurrence of the University's President, the University's Board of Trustees, and such other approvals as may be required by law or regulation. Since all members of the Corporation are Directors, it shall not be necessary to submit the proposed amendment of the Articles of Incorporation to the members for ratification.

**ARTICLE VII**  
Term of Existence

This Corporation shall have perpetual existence unless it is dissolved pursuant to the laws of the State of Florida.

**ARTICLE VIII**  
Registered Office and Registered Agent

The Corporation hereby designates the Corporation's Registered Office to be located at University of South Florida, Office of the General Counsel, 4202 East Fowler Avenue, CGS 309, Tampa, Florida 33620-6250, and hereby designates and appoints the University's General Counsel as Registered Agent of the Corporation, to accept service of process within this State, to serve in such capacity until a successor is selected and duly designated.

**ARTICLE IX**  
Dissolution

Upon dissolution of this Corporation, all of its assets remaining after the payment of all costs and expenses of such dissolution shall be disbursed to the University of South Florida Foundation, Incorporated, provided that it is exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501 (c) (3) of the Code, and is an organization contributions to which are deductible under Section 170(c)(2) of the Code, for use only by the University of South Florida, or in the event that such organization is not in existence or the University of South Florida Foundation, Incorporated, is not so qualified under Sections 501 and 170 of the Code, the remaining assets of the Corporation shall be distributed to such scientific, educational and charitable organizations ruled exempt by the Internal Revenue Service under Section 501 (c) (3) and Section 170 (c) (2) of the Code, as may be selected by the last Board of Directors, subject to the approval of the University's President and such other

approvals as may be required by law, rule or regulation, and none of the assets will be distributed to any members, officers, or directors of the corporation.

IN WITNESS WHEREOF, the undersigned has executed these Amended and Restated Articles of Incorporation this \_\_\_\_ day of \_\_\_\_\_, 2014.

**UNIVERSITY MEDICAL SERVICE  
ASSOCIATION, INC.**

\_\_\_\_\_  
By: Charles J. Lockwood, M.D., MHCM  
Its: Chairperson

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

Before me, a Notary Public duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Charles J. Lockwood, M.D., MHCM, to me well known to be the person described in and who executed the foregoing Amended and Restated Articles of Incorporation, and he acknowledged before me that he executed and subscribed to these Amended and Restated Articles of Incorporation.

Notary Public, State of Florida  
at Large  
My Commission Expires: \_\_\_\_\_

(NOTARIAL SEAL)

Having been named as registered agent to accept service of process for the above stated corporation at the place designated in the Amended and Restated Articles of Incorporation, I am familiar with and accept the appointment as registered agent and agree to act in this capacity.

\_\_\_\_\_  
Name: Steven D. Prevaux  
Title: General Counsel  
University of South Florida

\_\_\_\_\_  
Date



# **BYLAWS**

## **UNIVERSITY MEDICAL SERVICE ASSOCIATION, INC.**

(a Florida Corporation Not For Profit, the USF Health Faculty Practice Plan Corporate Entity, and a University Direct-Support Organization of the University of South Florida)

*(Amended and Restated as of \_\_\_\_\_)*



**TABLE OF CONTENTS**

<b>ARTICLE I</b>	<b>NAME AND LOCATION</b> .....	1
<b>ARTICLE II</b>	<b>PURPOSES AND POWERS OF THE CORPORATION</b> .....	2
Section 1	Purposes and Powers.....	2
Section 2	Limitations on Purposes and Powers. ....	3
Section 3	Special Duties as a University Faculty Practice Plan Corporate Entity and University Direct-Support Corporation .....	4
<b>ARTICLE III</b>	<b>MEMBERSHIP</b> .....	6
<b>ARTICLE IV</b>	<b>BOARD OF DIRECTORS</b> .....	7
Section 1	Powers and Duties: .....	7
Section 2	Qualification and Composition of the Board of Directors. ....	7
Section 3	Elected Directors.....	9
Section 4	Removal and Resignation of Directors. ....	10
Section 5	Conflict of Interest. ....	11
<b>ARTICLE V</b>	<b>OFFICERS</b> .....	12
Section 1.	Officers of the board of directors. ....	12
Section 2.	Officers of the Corporation. ....	14
Section 3.	Resignation and Removal. ....	15
<b>ARTICLE VI</b>	<b>MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES</b> .....	16
Section 1.	Regular meetings. ....	16
Section 2.	Special meetings. ....	16
Section 3.	Participation in meetings by telephone.....	16
Section 4.	Notice, agendas and minutes. ....	16
Section 5.	Quorum and voting.....	17
Section 6.	Parliamentary rules.....	18

<b>ARTICLE VII</b>	<b>COMMITTEES OF THE BOARD OF DIRECTORS</b> .....	19
Section 1.	Appointment to and Removal from, Composition, and Term of Committees. ....	19
Section 2.	Executive management committee.....	19
Section 3.	Finance committee.....	21
Section 4.	Standing and special committees.....	21
<b>ARTICLE VIII</b>	<b>ADOPTION AND AMENDMENTS</b> .....	23
<b>ARTICLE IX</b>	<b>INDEMNIFICATION</b> .....	24
<b>ARTICLE X</b>	<b>DEDICATION OF ASSETS AND DISSOLUTION</b> .....	25
<b>ARTICLE XI</b>	<b>USF HEALTH FACULTY PRACTICE PLAN</b> .....	26
<b>ARTICLE XII</b>	<b>ACCESS TO CORPORATE RECORDS</b> .....	27



**ARTICLE I**

**NAME AND LOCATION**

The name of the corporation is University Medical Service Association, Inc. (hereinafter "Corporation"). The principal office and mailing address of the Corporation shall be University of South Florida Health Sciences Center, 12901 Bruce B. Downs Blvd., MDC Box 62, Tampa, Hillsborough County, Florida 33612.

## ARTICLE II

### PURPOSES AND POWERS OF THE CORPORATION

#### SECTION 1. Purposes and Powers.

The Corporation is organized as (i) a corporation notforprofit under Chapter 617, Florida Statutes , (ii) a university faculty practice plan corporate entity under Section 1001.706(2)(d), Florida Statutes, Florida Board of Governors Regulations 1.001(8)(a) and 9.017, and University of South Florida Regulation 9.017, and (iii) a university direct-support organization under Section 1004.28, Florida Statutes, Florida Board of Governors Regulations 1.001(8)(b) and 9.011, and University of South Florida Regulation 13.002, and corresponding provisions of any subsequent laws or regulations. The Corporation is organized and shall be operated exclusively for charitable, scientific and educational purposes and not for pecuniary profit, and exclusively for the support and benefit of the University of South Florida (the “University” or “USF”). The Corporation shall possess all of the powers and authority as are now or may hereafter be granted to corporations notforprofit, university faculty practice plan corporate entities, and university direct-support organizations under the laws of the State of Florida. Pursuant to the Corporation’s operations and activities for the support and benefit of the University, the specific purposes for which the Corporation is organized shall include the collection, administration and distribution of funds exclusively for the support of the objectives of the University's Health Sciences Center (“USF Health”) and the component colleges, schools and units thereof, and the University in accordance with the USF Health Faculty Practice Plan adopted in accordance with Florida Board of Governors Regulation 9.017 and University of South Florida Regulation 9.017, or corresponding provisions of any subsequent laws or regulations.

**SECTION 2. Limitations on Purposes and Powers.**

- A. All the assets and earnings of the Corporation shall be used exclusively for the exempt purposes hereinabove set forth, including the payment of expenses incidental thereto. No part of the net earnings of the Corporation shall inure to the benefit of any member, director, or officer of the Corporation, or any other private individual, and no member, director, or officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.
- B. No substantial part of the activities of the Corporation shall be the carrying on of a program of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.
- C. The Corporation shall not have the power to convey, lease, pledge, or otherwise encumber assets owned by the State of Florida or the University. The Corporation shall have sole responsibility for the acts, debts, liabilities, and obligations of the Corporation.
- D. The Corporation does not have the power to issue stock or pay dividends, and the private property of the members, directors, and officers shall not be liable for the debts of the Corporation.
- E. The Corporation shall not have the power to conduct any activities not permitted by applicable laws including without limitation the Internal Revenue Code and pertinent Treasury Regulations (or corresponding provisions of any subsequent revenue laws) (hereinafter the "Code").
- F. Persons employed by the Corporation shall not be considered employees of the State of Florida by virtue of such employment.

- G. The University's President shall retain the ability, powers, and duties to: monitor and control the use of University resources and the University name by the Corporation; assure that the Corporation's activities are consistent with and supportive of the mission of the University and USF Health; monitor compliance of the Corporation with federal and state laws and applicable rules, regulations and policies; approve salary supplements and other compensation or benefits paid to University faculty and staff from the Corporation's assets, consistent with applicable policies; approve salaries, benefits, and other compensation paid to employees of the Corporation, consistent with applicable policies; and otherwise supervise the Corporation as provided by Florida Board of Governors Regulations 9.011 and 9.017, University of South Florida Regulations 9.017 and 13.002, the USF Health Faculty Practice Plan, and provisions of any subsequent laws, regulations, and University policies and internal management memoranda.

**SECTION 3. Special Duties as a University Faculty Practice Plan Corporate Entity and University Direct-Support Corporation**

The Corporation shall comply with all requirements and perform all duties which are necessary to maintain approval and certification of the Corporation as a university faculty practice plan corporate entity and a university direct-support organization under Sections 1001.706(2)(d) and 1004.28, Florida Statutes, Florida Board of Governors Regulations 9.011 and 9.017, and University of South Florida Regulations 9.017 and 13.002, and corresponding provisions of any subsequent laws or regulations. Without limiting the foregoing:

- A. The Corporation shall comply with all conditions established by the Florida Board of Governors and the University's Board of Trustees in order to be approved and certified and to use property, facilities, or personal services at the University.
- B. The Corporation shall comply with all such additional conditions, controls and requirements as the Florida Board of Governors and the University's Board of Trustees deems appropriate to provide for budget and audit review and oversight.



- C. The Corporation's Chief Executive Officer shall report to the University's Vice President for Health Science as the University's President's designee in compliance with Florida Board of Governors Regulation 9.011(2).
- D. The Corporation shall prepare an operating budget at least annually which, upon approval by the Corporation's Board of Directors, shall be submitted for approval by the University's Board of Trustees or designee. Significant changes in planned expenditures in the approved budget must be reported by the Corporation to the University's Board of Trustees or designee as soon as practicable but no later than the deadline established by the University's Board of Trustees. The Corporation may provide any salary supplements and other compensation or benefits for University faculty and staff employees only as set forth in the Corporation's budget and subject to approval by the University's President.
- E. The Corporation shall provide for an annual audit conducted pursuant to the University's regulations or policies. The annual audit report shall be submitted by the Corporation to the University's Board of Trustees or designee, the Florida Board of Governors, and the Florida Auditor General for review. The University's Board of Trustees or designee, the Florida Board of Governors, the Florida Auditor General, and the Florida Office of Program and Policy Analysis and Governmental Accountability may require and receive any records relative to the operation of the Corporation from the Corporation or its independent auditors.
- F. The Corporation shall submit its federal Internal Revenue Service application for Recognition of Exemption form (Form 1023) and its federal Internal Revenue Service Return of Organization Exempt for Income Tax form (Form 990) to the University's Board of Trustees or designee at the times required by the applicable regulation or policy of the University's Board of Trustees.
- G. In the event of the Corporation's decertification by the University's Board of Trustees, the Corporation shall provide an accounting of its assets and liabilities to the University's Board of Trustees or designee, and take such reasonable action as is necessary to secure the return of all University property and facilities as requested by the University.

**ARTICLE III**

**MEMBERSHIP**

The Corporation's sole member shall be the University of South Florida Board of Trustees, a public body corporate of the State of Florida, acting for and on behalf of the University of South Florida, herein referred to as "Member." The member of the Corporation shall have no voting rights as member of the Corporation.

**ARTICLE IV**  
**BOARD OF DIRECTORS**

**SECTION 1. Powers and Duties:**

- A. The Board of Directors shall be the governing body of the Corporation exercising supervisory control over the operation, maintenance, and governance of the Corporation in accordance with applicable laws and regulations.
- B. The Board of Directors shall have the powers, duties and responsibilities vested in the board of directors of a Florida corporation not for profit a university faculty practice plan corporate entity, and university direct-support organization under applicable Florida laws and regulations.

**SECTION 2. Qualification and Composition of the Board of Directors.**

The property, affairs, business, funds and operations of the Corporation shall be managed, supervised and controlled by a Board of Directors (the “Board”), subject to applicable law and regulations, the limitations contained in the Corporation’s Articles of Incorporation and Bylaws, and the powers and duties reserved to the University’s President and the University’s Board of Trustees. The members of the Board shall serve in such capacity without compensation. The Board shall carry out the purposes of the Corporation in compliance with the Articles of Incorporation and these Bylaws. The Board shall include the incumbent holders of the following named offices and persons from the following named classes:

- A. The University’s Vice President for Health Sciences (the “USF Health Vice President”).
- B. The Chair of the University’s Board of Trustees may appoint a representative to the Board in accordance with Section 1004.28, Florida Statutes.
- C. One (1) Director shall be a person who is selected and appointed to the Board by the University’s President as the President's representative (provided, the

President may elect to appoint the USF Health Vice President to serve as the President's representative for this purpose).

- D. The Dean of the USF Morsani College of Medicine (the “COM Dean”).
- E. The Director of the USF School of Physical Therapy and Rehabilitation Sciences (the “SPTRS Director”).
- F. The chairpersons of the USF Morsani College of Medicine (“COM”) clinical departments which are designated by the COM Dean.
- G. The Elected Directors who are elected and appointed to the Board of Directors in the manner described in Article V, Section 3 of these Bylaws.
- H. Not more than six (6) Directors may be community members or other persons who are selected and recommended by the USF Health Vice President and appointed to the Board by the University’s President.
- I. Any individual who is selected and appointed to the Executive Management Committee by the USF Health Vice President in accordance with Article VII, Section 2. A. 6. below, and who is not otherwise designated a Director pursuant to the preceding subsections of this Article V, Section 2.
- J. Any individual who is appointed to the Corporation’s Audit Committee who is not otherwise designated a Director pursuant to the preceding subsections of this Article V, Section 2.

In the event an Elected Director under Section 1.G. above is elected to serve as Secretary-Treasurer, and his/her term as Director expires sooner than the expiration of his/her term as Secretary-Treasurer, such individual shall remain on the Board as an additional Elected Director for the duration of his/her term as Secretary-Treasurer.

**SECTION 3. Elected Directors.**

The College's clinical departments which are designated by the COM Dean and the USF School of Physical Therapy and Rehabilitation Sciences shall each have one (1) Elected Director on the Board to be elected by the voting membership of each such clinical department or School in the manner described in this Section 3. As used herein, the "voting membership" of the clinical department or School shall mean and consist of the individuals who meet all of the following criteria: (1) the individual is member of the core faculty of the College or School in which the individual is appointed and assigned, as defined by such College or School; (2) the individual receives University contracted salary; and (3) the individual provides services to patients as an integral part of their assigned duties as a University employee.

Not later than September 1 of each year, the Chairperson shall select and appoint a nominating committee consisting of five (5) individuals from the voting membership. The Chairperson shall designate the chair of the nominating committee. Not later than September 10 of each year, the nominating committee shall publish a notice to the voting membership in the pertinent clinical department and School requesting applications and nominations of eligible and interested members for consideration by the nominating committee. Such notice shall require that such applications and nominations be submitted to the nominating committee by a specified date and time not later than ten (10) days following the date of the notice. The nominating committee shall consider all applications and nominations (the "pool"), and not later than October 1, the nominating committee shall determine and present to the Chairperson a slate of candidates for the Elected Director positions to be elected for a term effective at the ensuing annual meeting of the Board. If the pool is sufficient in number and diversity, the nominating committee shall determine and present a slate consisting of at least two (2) and not more than four (4) candidates from each clinical department or School which is electing an Elected Director as provided by this Section 3. Within ten (10) days following the nominating committee's presentation to the Chairperson of the slate of candidates, the election of Elected Directors shall be conducted by means of written ballot to be distributed to each voting member in each clinical

department or School which is electing an Elected Director, and to be returned to the Chairperson by a specified date and time not later than ten (10) days following the date of distribution of the ballots. The ballot shall include only the candidates from the voting member's clinical department or School, as applicable. The Chairperson shall tabulate the ballots and announce the election results at the annual meeting of the members. The Elected Directors shall be those candidates who receive the greatest number of votes from the voting members in their respective clinical department or School, as applicable. In the event of a tie vote, the Chairperson of the clinical department or the Director of the School shall designate one of the candidates who receive the greatest number of votes to be the Elected Director from their clinical department or School.

In the event there is a need to add one or more Elected Director(s) to the Board due to an increase in the number of College clinical department chairpersons who are Directors, such Elected Director(s) shall be appointed from the voting membership in the pertinent new clinical department by the Chairperson to serve until the next annual meeting of the Board held in the year following such appointment.

The clinical departments and School shall be divided into two (2) classes of approximate equivalent size, and the election of the Elected Directors for each class shall be conducted in alternate years. The Elected Directors shall each serve a term of two (2) years, and may be re-elected.

**SECTION 4. Removal and Resignation of Directors.**

Directors may be removed by the University's President in his/her sole discretion; provided, the Director who is appointed to the Board by the Chair of the University's Board of Trustees may be removed only by action of the Chair of the University's Board of Trustees. Any Director may resign at any time by giving written notice to the Chairperson or to the Board. Any such resignation shall take effect at the time specified therein or, if no time is specified therein, upon its acceptance by the Chairperson or Board.

**SECTION 5. Conflict of Interest.**

The Board shall adopt and keep in full force and effect a substantial conflict of interest policy for its Directors and principal officers in accordance with the rules and regulations of the Internal Revenue Service applicable to tax exempt organizations.

## ARTICLE V

### OFFICERS

#### SECTION 1. Officers of the Board of Directors.

The officers of the Board shall consist of a Chairperson, a Vice-Chairperson, a Secretary-Treasurer, and such other officers as the Board may provide by resolution. All of said officers, with the exception of the Chairperson and Vice-Chairperson, shall be elected by the Board from the membership of the Board. The same person may not hold more than one office. The Board shall have authority to fill any vacancy in any office except the Chairperson and the Vice-Chairperson. All officers shall hold office until their successors are appointed and have qualified.

##### Section 1.1 Chairperson.

The individual who serves as the USF Health Vice President shall be the Chairperson of the Board. The Chairperson shall have the right to vote in the decisions and actions of the Board and the Executive Management Committee. The Chairperson shall:

- A. Exercise overall supervision of Board affairs and preside at meetings of the Board and the Executive Management Committee. In the absence of the Chairperson, the Vice-Chairperson shall preside at meetings of the Board or the Executive Management Committee;
- B. Provide leadership to the Board and its committees in formulating, developing and evaluating the Corporation's policies and goals;
- C. Appoint special committees from time to time for the sole purpose of advising the Chairperson on such matters as may be deemed necessary and appropriate at the time;
- D. Develop, coordinate, and supervise all operating policies and procedures of and for the Board;
- E. Sign written instruments of the Corporation except as the Board shall provide otherwise;
- F. Control the budget and funds of the Corporation;



- G. Prepare annual operating and capital budgets; develop performance reports comparing actual operations with approved budgets; and submit reports on the financial condition of the Corporation to the Board at its regular meetings; and
- H. Submit all information and reports to the University President as required by Florida Board of Governors Regulations 9.011 and 9.017, University of South Florida Regulations 9.017 and 13.002, and the USF Health Faculty Practice Plan.
- I. Perform all the duties incident to his/her office and such other duties as may be designated by the University's President or the Board.

Section 1.2 Vice-Chairperson.

The USF Health Vice President shall appoint an individual who is a member of the Executive Management Committee to serve as Vice-Chairperson of the Board.

The Vice-Chairperson shall:

- A. In the absence of the Chairperson, preside at meetings of the Board and the Executive Management Committee. The Vice Chairperson shall vote in the decisions and actions of the Board and the Executive Management Committee.
- B. Perform such duties as may be designated by the Chairperson, the Board or the Executive Management Committee.

Section 1.3 Secretary/Treasurer.

The Secretary/Treasurer of the Board shall be elected by the Board at an annual meeting and shall serve for a three (3) year term. Subject to the approval of the Board, the Secretary/Treasurer, unless some other person is specifically authorized by vote of the Board, shall:

- A. Keep accurate records of attendance, votes, and minutes of all proceedings of the Board and Executive Management Committee, Finance Committee, and the membership of the Corporation;
- B. Have charge of and affix the corporate seal to instruments as appropriate;

- C. Consider the type of financial information to be provided to the Board when evaluating the financial affairs of the Corporation; and
- D. Preside at meeting of the Finance Committee.
- E. Perform all the duties incident to his/her office and any other such duties as may be designated by the Chairperson, the Board or the Executive Management Committee.

**SECTION 2. Officers of the Corporation.**

Section 2.1 Appointment and Election of Officers.

The officers of the Corporation shall consist of (i) a Chief Executive Officer (the “CEO”) and (ii) such other positions as from time to time are elected or appointed by the Board. The CEO shall be appointed by and serve at the pleasure of the USF Health Vice President. All other officers shall hold office until the next annual meeting of the Board of Directors or until their successors are elected.

Section 2.2 Chief Executive Officer (“CEO”).

The CEO is the direct representative of the Board in the management of the Corporation. The CEO’s duties shall include, but not be limited to, the following:

- A. Direct and oversee performance of the Corporation.
- B. Create and supervise the Corporation’s administrative management structure and staff.
- C. Develop, coordinate, implement and supervise the Corporation’s operating policies and procedures.
- D. Perform all the duties incident to his/her office and such other duties as may be designated by the USF Health Vice President or the Board.

**SECTION 3. Resignation and Removal.**

Any officer of the Corporation may resign at any time by giving written notice to the Chairperson or the Secretary-Treasurer. Any such resignation shall take effect at the time specified in the notice, or, if no time is specified therein, upon its acceptance by the Chairperson or the Board. The Chairperson or the Board may, with or without cause, remove from office any officer or agent of the Corporation except the Chairperson. The Board shall have authority to make appointments to fill vacancies in officer positions, subject to the provisions of these Bylaws.

## ARTICLE VI

### MEETINGS OF THE

#### BOARD OF DIRECTORS AND ITS COMMITTEES

##### **SECTION 1. Regular Meetings.**

The Board and the Executive Management Committee shall hold regular meetings as called by the Chairperson. One regular meeting of the Board, to be held in October of each year, shall be designated the annual meeting of the Board for the purpose of electing officers of the Corporation, appointing new committee members as applicable, and the transaction of other business. The Chairperson and the chairpersons of other committees shall fix the time and place of regular meetings of such Board or committee, respectively.

##### **SECTION 2. Special Meetings.**

The Chairperson and the chairpersons of other committees shall have authority to call special meetings of such Board or committee respectively whenever he/she deems necessary or desirable. In addition, the Chairperson of the Board and the chairpersons of other committees shall call a special meeting whenever requested in writing to do so by a majority of the members of the Board or other committee.

##### **SECTION 3. Participation in Meetings by Telephone.**

Members of the Board and other committees may participate in meetings of the Board and other committees by means of a conference telephone or similar communications equipment by which all persons participating can hear each other at the same time, and participation by such means shall constitute presence in person at such meeting.

##### **SECTION 4. Notice, Agendas and Minutes.**

- A. Unless waived as provided by law, written notice of the place, date, time, and purpose of regular Board and committee meetings shall be given to each member thereof by personal delivery, mail, facsimile, telegram or email at least one (1) day prior to said meetings, and similar notice of any special meetings shall be given to all Board or committee members as soon as practicable prior to said

meetings. Either a regular or special meeting may be held without notice if all Board or committee members waive, in writing, the right to receive notice. Notice of a meeting need not be given to any member who signs a waiver of notice either before or after the meeting. Attendance of any Board or committee member at any meeting shall be deemed a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a member states at the beginning of the meeting or promptly upon arrival at the meeting, any objection to the transaction of affairs because the meeting is not lawfully called or convened.

- B. The Chairperson of the Board and the chairpersons of other committees may elect to provide notices of Board and committee meetings to individuals other than members of such Board or committee, respectively.
- C. A written agenda of the matters to be considered at a Board or committee meeting shall be delivered to members thereof prior to such meeting, provided, however, that Board and committee proceedings shall not be limited to matters set forth in such agenda.
- D. Written minutes of the proceedings of the Board and committees shall be maintained and all actions taken at Board and committee meetings shall be properly recorded in the minutes. Minutes shall, where reasonably possible, be delivered to the members of the Board or committee in advance of its next scheduled meeting.

**SECTION 5. Quorum and Voting.**

- A. The presence of a majority of the members of the Board shall be necessary and sufficient to constitute a quorum for the transaction of business at all meetings of the Board.

- B. The presence of a majority of the members of any Board committee shall be necessary and sufficient to constitute a quorum for the transaction of business at all meetings of committees of such Board committee.
- C. In the absence of a quorum, a majority of members present at the meeting of the Board or committee may adjourn the meeting until a quorum is present for the transaction of business.
- D. The vote of a majority of the members of the Board or any Board committee present at a meeting of the Board or committee shall constitute the action of the Board or Committee except as otherwise provided by these Bylaws.

**SECTION 6. Parliamentary Rules.**

The most recent edition of “Roberts Rules of Order” shall be followed in conducting the meetings of the Board and committees unless otherwise provided by resolution of the Board.

## ARTICLE VII

### COMMITTEES OF THE BOARD OF DIRECTORS

#### SECTION 1. Appointment to and Removal from, Composition, and Term of Committees.

- A. The chairpersons and members of all standing and special committees of the Board shall be appointed as provided by these Bylaws. A committee chairperson or member may be removed from a committee, except for the Executive Management Committee, only by the Board. A member of the Executive Management Committee who is appointed by the University's President or the USF Health Vice President may be removed by the University's President or the USF Health Vice President, as applicable, in his/her sole discretion.
- B. All committees of the Board shall consist of not less than three (3) members, at least one (1) of whom shall be a Director. Individuals other than Directors shall be eligible to serve on committees. However, the chairperson of each committee shall be a Director.
- C. The chairpersons and members of standing committees shall continue in these capacities until their successors have been appointed. Special committees shall be discharged by the Chairperson upon completion of the task for which they are established.

#### SECTION 2. Executive Management Committee.

##### A. Composition.

The Corporation shall have an Executive Management Committee of the Board consisting of the following Directors:

1. The USF Health Vice President.
2. The COM Dean.
3. The individual who is elected to serve as Secretary-Treasurer.

4. The Director who is selected and appointed to the Board by the University's President as designated in Article IV, Section 2.C. above.
5. The Director who is selected and appointed to the Board by the Chair of the University's Board of Trustees as provided in Article IV, Section 2.B. above, if such individual is appointed to be a member of the Executive Management Committee by the Chair of the University's Board of Trustees.
6. Up to seven (7) additional persons who are selected and appointed to the Executive Management Committee by the USF Health Vice President, at least one of whom shall be an Elected Director as described in Article IV, Section 2.G. above, and at least one of whom shall be a chairperson of a College clinical department as described in Article IV, Section 2. F. above. The USF Health Vice President/ may remove and replace any appointed members of the Executive Management Committee under this section from time to time in his/her discretion.

**B. Powers and Duties.**

The Executive Management Committee shall have and may exercise all powers of the Board, except the power to:

- (i) approve or recommend to members actions or proposals required by Chapter 617, Florida Statutes, to be approved by members;
- (ii) fill vacancies on the Board or any committee thereof;
- (iv) adopt, amend, or repeal these Articles of Incorporation or the Bylaws of the Corporation;
- (v) sell, lease, exchange, or otherwise dispose of all or substantially all of the property and assets of the Corporation;



- (vi) adopt a plan of voluntary dissolution of the Corporation;
- (vii) amend or repeal any resolution approved by the Board \; or
- (viii) exercise any other powers specifically provided in the Bylaws as being reserved for the Board.

**C. Report.**

The Executive Management Committee shall cause the minutes of its actions to be distributed to the remaining members of the Board within fifteen (15) days of taking such action and to be filed with the minutes of the proceedings of the Board.

**SECTION 3. Finance Committee.**

**A. Composition.**

At the annual meeting of the Board, the Board shall designate by resolution a Finance Committee which shall consist of not less than three (3) members, at least one of whom shall be the Secretary-Treasurer of the Board who shall serve as chairperson of the Finance Committee. The Finance Committee membership shall include the Chief Financial Officer of USF and the Chief Financial Officer of USF Health.

**B. Powers and Duties.**

The Finance Committee shall regularly review financial performance, and provide advice and recommendations to the Board and Executive Management Committee on financial matters.

**SECTION 4. Standing and Special Committees.**

**A. Composition.**

The Board may by resolution appoint one or more other standing or special committees, which shall perform specific functions and tasks as provided

in the resolution, except that a delegation of power to such committees shall not include any of the powers that may not be exercised by the Executive Management Committee pursuant to Section 2.B. of this Article VII. In addition, if such a committee includes a member who is not a Director, the committee shall not be delegated any powers of the Board of Directors. The Chairperson shall have the authority to appoint a special committee from time to time for the sole purpose of advising the Chairperson on such matters as may be deemed necessary and appropriate at the time.

**B. Meetings, Quorum and Minutes.**

Meetings of standing and special committees may be called by the chairperson of the committee, by the Board, or by the Chairperson, and notice of any committee meeting shall be given in the manner provided in these Bylaws for notices of special meetings of the Board. Each committee shall keep regular minutes of its proceedings. The Chairperson, and his/her designees, shall have the right to attend any meeting of any special and standing committee.

## ARTICLE VIII

### ADOPTION AND AMENDMENTS

The Board shall adopt these Bylaws and may from time to time modify, alter, amend or repeal the Bylaws by an affirmative vote of two-thirds (2/3) of the members of the Board present and voting at any duly held regular or special meeting of the Board, or by all Directors signing a written statement manifesting their intention that the Bylaws be adopted, amended or repealed; provided, with respect to such meetings, notice thereof, which shall include the text of the proposed change to the Bylaws, shall be furnished in writing to each member of the Board at least seven (7) days prior to the meeting at which the change to the Bylaws is to be voted upon; provided further, the adoption, amendment or repeal of the Bylaws shall not be effective without the written concurrence of the University President, the University's Board of Trustees, and such other approvals as may be required by law or regulation.

**ARTICLE IX**  
**INDEMNIFICATION**

The Corporation shall indemnify each director, officer, employee and agent of the Corporation, and may indemnify any other person, to the full extent permitted by the Florida Not For Profit Corporation Act and other applicable laws. The rights conferred by this Article shall not be exclusive of any other right that any director, officer, employee, agent or other person may have or hereafter acquire under the Florida Not For Profit Corporation Act, any other statute or agreement, pursuant to a vote of disinterested directors, or otherwise. No repeal or modification of this Article shall limit the rights of any director, officer, employee or agent to indemnification with respect to any action or omission occurring prior to such repeal or modification.

**ARTICLE X**

**DEDICATION OF ASSETS AND DISSOLUTION**

The Corporation dedicates all assets which it may acquire to the charitable purposes as set forth in Article III hereof. In the event that the Corporation shall dissolve or otherwise terminate its corporate existence, subject to the provision of Chapter 617, Florida Statutes, the Corporation shall distribute all its existing assets as provided in the Articles of Incorporation.

**ARTICLE XI**

**USF HEALTH FACULTY PRACTICE PLAN**

The Corporation shall conduct its affairs and operations in strict compliance with the Florida Board of Governors Regulation 9.017, University of South Florida Regulation 9.017, and the applicable Agreement between the Corporation and the University, and any successor agreement and related policies adopted and approved as part of the USF Health Faculty Practice Plan.

**ARTICLE XII**

**ACCESS TO CORPORATE RECORDS**

Public access to all records of the Corporation shall be governed by Section 1004.28, Florida Statutes and the Corporation's policy on disclosure of records.

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

March 19, 2015

**SUBJECT:** Discussion of University Performance Based Funding Data Integrity  
Certifications and Approval of Corrective Action Plans

---

**PROPOSED BOARD ACTION**

Discussion of University Performance Based Funding Data Integrity Certifications and  
Approval of Corrective Action Plans

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

In his June 27, 2014, letter and accompanying documents to university presidents and boards of trustees' chairs, Board of Governors Chair Mori Hosseini stressed the importance of reliable, accurate, and complete data that is critical for appropriate performance based funding decision-making. He requested the following:

- Each University President shall execute the Data Integrity Certification affirmatively certifying each representation and/or providing an explanation as to why the representation cannot be made as written;
- University boards of trustees shall direct the university's Chief Audit Executive to perform, or cause to have performed by an independent audit firm, an audit of the university's processes which ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors; and
- Based upon the audit report, the university shall develop and submit a corrective action plan, for Board of Governors approval, designed to correct any audit findings no later than 30 days after the auditor's report is accepted by the university's board of trustees.

Joseph Maleszewski, Board of Governors Inspector General and Director of Compliance, provided Audit and Compliance Committee members with an update of the Performance Based Funding Data Integrity Certification process results and related Chief Audit Executives' audits for their review and discussion.



Additionally, as stated in the *Board of Governors University Data Integrity Audit Requirements* document included with Chair Hosseini's June 27, 2014, letter, universities were instructed to "develop and submit, for Board of Governors approval, a corrective action plan designed to correct any audit findings." Mr. Maleszewski provided Committee members with the corrective action plans for those universities with adverse audit findings for their review and approval. Those plans will be presented to the full Board of Governors for approval.

---

**Supporting Documentation Included:** Information located in the Audit and Compliance Committee materials

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

March 19, 2015

**SUBJECT:** Updates to 2013-14 Accountability Report

---

**PROPOSED COMMITTEE ACTION**

For approval

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

This item provides updated data for the metrics included in the Performance Based Funding Model. According to Board of Governors policy, the Performance Based Funding-related data provided in the January release of the Accountability Report is considered preliminary, and is not finalized until after the established 'data lock' on March 1<sup>st</sup>. The errata document included here provides a summary of the final data for the metrics included in the Performance Based Funding Model. These data updates have been incorporated into a revised 2013-14 System Accountability Report.

---

**Supporting Documentation Included:** Materials included in Strategic Planning Committee packet

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

March 19, 2015

**SUBJECT:** Doctorate in Clinical Nutrition (CIP 51.3102) at the University of North Florida

---

**PROPOSED COMMITTEE ACTION**

Consider approval of the Doctorate in Clinical Nutrition at the University of North Florida, CIP Code 51.3102.

**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) requests to offer a Doctorate in Clinical Nutrition (DCN) with an emphasis in Advanced Practice. The proposed program is designed to enhance the research and practical skills of advanced practitioners in the field of nutrition and dietetics. The doctoral program will require 54 credit hours beyond the Master's degree. The curriculum includes 54 semester credit hours (21 core credit hours, 18 research credit hours, 9 credit hour clinical residency, and 6 credit hours of electives). Graduates are expected to be prepared for employment in both clinical and academic settings in the public and private sectors.

The proposed program would be the first of its kind in the State University System and does not substantially duplicate existing programs in the SUS or within the private sector in Florida.

The UNF Board of Trustees approved the program on January 7, 2014. If the proposal is approved by the Board of Governors, UNF will implement the program in Fall 2016.

---

**Supporting Documentation Included:** Information located in the Academic and Student Affairs Committee materials

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

March 19, 2015

**SUBJECT:** Doctor of Nursing Practice (CIP 51.3818) at Florida Gulf Coast University

---

**PROPOSED COMMITTEE ACTION**

Consider approval of the Doctor of Nursing Practice at Florida Gulf Coast University, CIP Code 51.3818.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.011

**BACKGROUND INFORMATION**

Florida Gulf Coast University (FGCU) proposes to offer a Doctor of Nursing Practice (DNP) with two pathways – BSN to DNP and MSN to DNP. The proposed DNP is designed to prepare students with advanced nursing knowledge and leadership skills to improve health care outcomes and to provide expert evidence-based nursing care across diverse health care settings and systems. The MSN to DNP requires 39 hours of coursework and is intended for students who wish to build upon the candidate’s specialty area. The BSN to DNP requires 84 hours of coursework and specialization in one of two specialty areas – Family-Nurse Practitioner or Adult-Gerontology Primary Care Nurse Practitioner.

The proposal includes a comprehensive review by a consultant who expressed support for this program and attests that the curriculum aligns with established standards for DNP programs. Currently, the DNP is offered at seven institutions in the State University System of Florida and five institutions affiliated with the Independent Colleges and University of Florida. A letter of support for this program was submitted by FIU’s Provost.

The FGCU Board of Trustees approved the program proposal on April 15, 2014. If the proposal is approved by the Board of Governors, FGCU will implement the program in Fall 2015.

---

**Supporting Documentation Included:** Information located in the Academic and Student Affairs Committee materials

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

March 19, 2015

**SUBJECT:** Doctorate in Social Work (CIP 51.1503) at the Florida Atlantic University

---

**PROPOSED COMMITTEE ACTION**

Consider approval of the Doctorate in Social Work at the Florida Atlantic University, CIP Code 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) proposes to offer a Doctorate in Social Work (DSW) with an emphasis in clinical practice. 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 program 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 program does not substantially duplicate existing programs in the SUS or within the private sector in Florida.

The FAU Board of Trustees approved the program on June 17, 2014. If the proposal is approved by the Board of Governors, FAU will implement the program in Fall 2015.

---

**Supporting Documentation Included:** Information located in the Academic and Student Affairs Committee materials

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

March 19, 2015

**SUBJECT:** Ph.D. and Ed.D. in Marriage and Family Counseling (CIP 51.1505) at the University of Florida

---

**PROPOSED COMMITTEE ACTION**

Consider termination of the Doctor of Philosophy (Ph.D.) and Doctor of Education (Ed.D.) in Marriage and Family Counseling at the University of Florida, CIP Code 51.1505.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.012

**BACKGROUND INFORMATION**

The University of Florida (UF) is requesting to terminate the Ph.D. and Ed.D. programs in Marriage and Family Counseling. As the result of the UF/BOG Program Review and the Doctoral Program Improvement Plans, as well as the relatively small enrollments in the programs, the faculty determined that multiple doctoral majors within the counselor education area should be streamlined into one major. The proposed terminations have no impact on enrollment, enrollment planning, or allocation of resources since existing students can complete this major and new admits beginning Fall 2013 have been channeled into an existing degree program Counseling and Counselor Education (CIP 13.1101) with a concentration in Marriage and Family Counseling.

The UF Board of Trustees approved the termination of the program on December 5, 2014. If approved by the Board of Governors, the program termination will be back-dated effective Fall 2013 with a phase-out date of Summer 2015.

---

**Supporting Documentation Included:** Information located in the Academic and Student Affairs Committee materials

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

March 19, 2015

**SUBJECT:** Ph.D. and Ed.D. in Mental Health Counseling (CIP 51.1508) at the University of Florida

---

**PROPOSED COMMITTEE ACTION**

Consider termination of the Doctor of Philosophy (Ph.D.) and Doctor of Education (Ed.D.) in Mental Health Counseling at the University of Florida, CIP Code 51.1508.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 8.012

**BACKGROUND INFORMATION**

The University of Florida (UF) is requesting to terminate the Ph.D. and Ed.D. programs in Mental Health Counseling. As the result of the UF/BOG Program Review and the Doctoral Program Improvement Plans, as well as the relatively small enrollments in the programs, the faculty determined that multiple doctoral majors within the counselor education area should be streamlined into one major. The proposed terminations have no impact on enrollment, enrollment planning, or allocation of resources since existing students can complete this major and new admits beginning Fall 2013 have been channeled into an existing degree program Counseling and Counselor Education (CIP 13.1101) with a concentration in Mental Health Counseling.

The UF Board of Trustees approved the termination of the program on December 5, 2014. If approved by the Board of Governors, the program termination will be back-dated effective Fall 2013 with a phase-out date of Summer 2015.

---

**Supporting Documentation Included:** Information located in the Academic and Student Affairs Committee materials

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

March 19, 2015

**SUBJECT:** Public Notice of Intent to Establish Board of Governors Regulation 6.020  
College Credit for Online Courses Completed Prior to Initial Enrollment

---

**PROPOSED BOARD ACTION**

Consider approval of the public notice of intent to establish Board of Governors Regulation 6.020 College Credit for Online Courses Completed Prior to Initial Enrollment.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Regulation Development Procedure

**BACKGROUND INFORMATION**

Section 1004.0961, Florida Statutes, requires the Board of Governors to adopt a regulation that enables students to earn academic credit for online courses that are taken prior to initial enrollment at a postsecondary institution. Proposed Regulation 6.020 requires universities and university boards of trustees to establish the required policy, within the guidelines provided, while also recognizing the university's faculty and institutional due diligence in the matter.

The regulation has been 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 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**

March 19, 2015

**SUBJECT:** Auxiliary Facilities that have Bond Covenants Requiring Approval of  
Estimated 2015-2016 Operating Budgets

---

**PROPOSED BOARD ACTION**

Approve estimated 2015-2016 operating budgets for auxiliary facilities that have bond covenants requiring Board approval.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

An auxiliary enterprise, as defined by the National Association of College and University Business Officers (NACUBO) in the College and University Business Administration Manual, is "an entity that exists to furnish a service to students, faculty, or staff, and that charges a rate directly related, but not necessarily equal, to the cost of the service". One of the distinguishing characteristics of auxiliary enterprises is that they are managed as self-supporting activities. Some examples of auxiliary enterprises are housing operations, university bookstores, food services, student health centers, parking services, and continuing education. Many auxiliary enterprises have debt service commitments for the construction of facilities that must be repaid from pledged revenues from operations.

Section 1010.60, Florida Statutes, authorizes the issuance of bonds or other forms of indebtedness pursuant to the State Bond Act to finance or refinance capital projects authorized by the Legislature. Specific covenants, as set forth in the authorizing resolutions of certain bond issues, require approval of estimated operating budgets for the upcoming fiscal year at least ninety (90) days preceding the beginning of the fiscal year. The state universities historically submit annual operating budgets for their auxiliary operations approximately forty-five (45) days after the beginning of the fiscal year; therefore it is necessary for each affected institution to develop and submit, in advance, an estimated operating budget for all facilities with outstanding bond issues containing the operating budget approval covenant language.

The following universities have outstanding bond issues that require Board of Governors approval: the University of Florida, Florida State University, Florida A&M University, the University of South Florida, Florida Atlantic University, the University of Central Florida, and Florida International University.

A review of each university's information for auxiliary facilities affected by the specific bond covenants indicates that there will be sufficient revenues to meet the estimated level of operational expenditures and debt service payments for fiscal year 2015-2016. In addition to the Income and Expenditure Statement, information was requested for four basic questions. The universities' responses are included in the materials.

---

**Supporting Documentation Included:** Information located in the Budget and Finance Committee Materials

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS

March 19, 2015

**SUBJECT:** 2016-2017 Legislative Budget Request (LBR) Guidelines

---

**PROPOSED BOARD ACTION**

Approve the 2016-2017 LBR guidelines for the operating budget.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Subsection 1001.706(4)(b), Florida Statutes

**BACKGROUND INFORMATION**

The 2016 Legislative Session begins January 12, 2016, about two months earlier than normal. It is anticipated that LBR dues dates will be advanced from October 15 to September 15 in order to meet the 2016 Session schedule. In order to meet this anticipated accelerated schedule for developing the LBR, the Board needs to approve a set of policy guidelines for the development of the 2016-2017 operating and fixed capital outlay budget request. The Board will then review and approve a 2016-2017 operating and fixed capital outlay LBR at the September 2015 meeting. The final budget request will then be forwarded to the Governor and Legislature.

The recommended changes, excluding technical changes, from Board staff to the previous adopted LBR guidelines are as follows:

- I. **Operating LBR** - These are the primary changes:
  - a. Clarifies that system initiatives should be vetted through the appropriate university council before submission to the Board for consideration.
  - b. Includes dates for a Budget & Finance Committee workshop to consider changes to the performance funding model.
  
- II. **Fixed Capital Outlay LBR** - There are the primary changes:
  - a. Includes dates for a Facilities Committee workshop to review projects with the universities.

---

**Supporting Documentation Included:** Information located in the Budget and Finance Committee materials

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

March 19, 2015

**SUBJECT:** Amendment of Board Regulation 14.020 University Supervision of Construction Program

---

**PROPOSED BOARD ACTION**

Approve amendment of Board Regulation 14.020 University Supervision of Construction Program, with an effective date of July 1, 2015

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Subsection 1013.02(b), Florida Statutes; Board Regulation Development Procedure

**BACKGROUND INFORMATION**

This regulation was last amended on March 27, 2008. Since that time, several significant changes have been made to Chapter 633, Fire Prevention and Control, and Chapter 1013, Educational Facilities, Florida Statutes. Current law with regards to the applicable codes and standards referenced in the regulation now provides broader options for the university to demonstrate compliance with statutory requirements for code and design plan review and inspection during construction.

The proposed revision to the regulation provides authority for the review of construction documents by certified fire safety inspectors, as an alternative to staff of the State Fire Marshal's Office. Additionally, the regulation language has been modified to parallel the statutory requirements found in section 1013.38, Florida Statutes, which directs boards, and not the university president, to ensure that facilities comply with building codes and life safety codes.

The proposed language was developed by Board staff based on discussions with university staff. It is anticipated that boards of trustees will delegate this authority upon adoption of the amended regulation.

The regulation was approved for public notice January 22, 2015. Public comments were received from the Department of Financial Services, Division of the Fire Marshall. Based on a meeting held on February 24<sup>th</sup> with officials from the Division of State Fire Marshall, the staff recommendation is to implement this change effective July 1, 2015, in order to provide additional time for an orderly transition period. This will allow time for trustees wishing to

delegate authority to do so; or for those university boards of trustees who do not delegate authority to develop an appropriate mechanism to demonstrate compliance.

If the amended regulation is adopted, the Board Office will ask each university to provide information as to 1) whether the board of trustees wishes to delegate or retain authority regarding University Supervision of Construction program; 2) whether any existing university regulations require amendment; and 3) whether the university board of trustees or designee intends to use certified firesafety inspectors to conduct all plan reviews, or continue to use the Division of State Fire Marshall. University boards of trustees or designees who plan to use certified firesafety inspectors will be required to provide 90 days advance written notice to both the Board Office and Division of State Fire Marshall in order to allow for proper planning and coordination of staffing.

---

**Supporting Documentation Included:** Information is located in the Facilities Committee Materials

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

March 19, 2015

**SUBJECT:** A Resolution of the Board of Governors Approving Florida Polytechnic University to enter into a ground lease and an operating agreement for the construction, leasing, financing, operation and maintenance of a student housing facility.

---

**PROPOSED BOARD ACTION**

Adoption of a resolution approving of Florida Polytechnic University (“FPU” or “University”) entering into a ground lease and an operating agreement for the construction, leasing, financing, operation and maintenance of the Project with Vestcor Communities, Inc., or its affiliate (“Owner”). If approved, FPU will enter into a 40-year Operating Agreement and Ground Lease with the Owner on which a student housing facility 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, has reviewed this resolution and all supporting documentation for compliance with Florida law and, to the extent applicable, the Board of Governor’s Debt Management Guidelines. There is no statutory framework authorizing universities to use public-private partnerships to finance university facilities. FPU 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 that meets the needs and purposes of the university, to enter into the necessary lease and lease arrangements for the proposed Project.

The duration of the debt of 36 years and the debt service structure, including an interim financing period of 6 years with ascending debt and little or no amortization, are not consistent with the Board of Governors’ Debt Management Guidelines which recommend a maximum duration of 30 years and a level debt service structure. While not in compliance with the Debt Guidelines, nevertheless, based upon this review, it appears that the Project is in compliance with section 1013.171, Florida Statutes.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

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

## **BACKGROUND INFORMATION**

The Florida Polytechnic University Board of Trustees has reviewed a proposal and adopted a resolution authorizing the President to execute a ground lease and an operating agreement for the construction and operation of a student residence facility (the "Project") utilizing a public-private partnership arrangement. The Project will be a 131,695 gross square foot, five-story student housing facility with 543 beds, including amenities such as an outdoor pool and volleyball courts. The proposed Project is to be located on the Florida Polytechnic University campus near the existing residence hall.

The Project cost of \$22 million will be initially funded with an interim bank loan for \$13.2 million incurred by the Owner and secured by Project net revenues, with no other debt outstanding, with a lien on the Project. Additionally, the Owner intends to make an equity contribution of \$8,800,000 from its investors, to finance the remainder of the construction costs. Repayment of the equity contribution will be subordinate to the bank loan. After an interim financing period, expected to last six years, the Owner intends to obtain a 30-year bank loan to refinance both the interim loan and pay off the outstanding equity investment. Debt issued to fund the Project will mature thirty-six (36) years after the initial financing, and debt service is ascending during the first six years. The duration of the debt and the debt service repayment structure are both inconsistent with the Debt Management Guidelines, as previously expressed.

The Owner will receive all net revenues of the Project after repayment of the bank loans and equity return payments to its investors, with no limit on its profits. The estimated annual net cash flow profits to the Owner are expected to total \$59.4 million over the lease term, or \$18.8 million on a present value basis, with an expected IRR of 18%, based upon certain assumptions of occupancy, rental rates and operating expenses. Rental rates are projected to increase 2.25% per year during the term of the lease and the University has limited ability to control rental rate increases to students.

The University's President has requested approval from the Board of Governors prior to execution of the ground lease and operating agreement for the Project as authorized by the University Board of Trustees. FPU is not legally obligated to pay debt service or maintain the Project. In the event actual rental revenue is insufficient to operate the Project and pay debt service, FPU could exercise its option to purchase the Project at pre-determined price or may feel obligated to cover these expenses or provide additional support to the Project given the location of the Project on the main campus and the strategic importance of student housing to the University.

The Florida Polytechnic University 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 and operating agreement at its meeting on February 2, 2015.

---

**Supporting Documentation Included:** Information is located in the Facilities  
Committee Materials





STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS

March 19, 2015

**SUBJECT:** 2016-2017 Legislative Budget Request (LBR) Guidelines

---

**PROPOSED BOARD ACTION**

Approve the 2016-2017 LBR guidelines for the fixed capital outlay budget.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Subsection 1001.706(4)(b), Florida Statutes

**BACKGROUND INFORMATION**

The 2016 Legislative Session begins January 12, 2016, approximately two months earlier than normal. It is anticipated that LBR dues dates will be advanced from October 15 to September 15 to correspond with the 2016 Session schedule. In order to meet this anticipated accelerated schedule for developing the LBR, the Board needs to approve a set of policy guidelines for the development of the 2016-2017 operating and fixed capital outlay budget request. The Board will then review and approve a 2016-2017 operating and fixed capital outlay LBR at the September 2015 meeting. The final budget request will then be forwarded to the Governor and Legislature.

The recommended changes, excluding technical changes, from Board staff to the previous adopted LBR guidelines are as follows:

- I. **Operating LBR** - These are the primary changes:
  - a. Clarifies that system initiatives should be vetted through the appropriate university council before submission to the Board for consideration.
  - b. Includes dates for a Budget & Finance Committee workshop to consider changes to the performance funding model.
  
- II. **Fixed Capital Outlay LBR** - There are the primary changes:
  - a. Includes dates for a Facilities Committee workshop to review projects with the universities.

---

**Supporting Documentation Included:** Information located in the Facilities Committee materials

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
March 19, 2015

**SUBJECT:** Appointment of University Trustees

---

**PROPOSED BOARD ACTION**

Appointment of University Trustees

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Board of Governors Trustee Selection and Reappointment Process

**BACKGROUND INFORMATION**

In accordance with the University Board of Trustee Selection and Reappointment Process, the following universities have trustee vacancies for terms that ended on January 6, 2015:

1. Florida Agricultural and Mechanical University,
2. Florida Atlantic University
3. Florida Gulf Coast University,
4. Florida International University,
5. Florida State University,
6. New College of Florida,
7. University of Central Florida
8. University of Florida,
9. University of North Florida,
10. University of South Florida, and
11. University of West Florida.

Florida Polytechnic University has trustee vacancies for terms that ended on July 15, 2014.

These vacancies were posted for the public on the Board's website. The deadline for applications was February 13, 2015, at 5:00 p.m., EDT. Some university board chairs or presidents of the respective institutions submitted letters recommending applicants for the vacancies. We also received a significant number of applications for the vacancies.

Chair Hosseini assigned Committee members to sub-committees to review the applications from the specific institutions. Each sub-committee member independently reviewed the applications, advised the Corporate Secretary of the applicants advanced to a short list, and conducted interviews. The sub-committee members will recommend candidates for review and consideration by the full Committee.

---

**Supporting Documentation Included:** Materials included in the Nomination and Governance Committee materials