

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
AUGUST 31, 2017

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

Mr. Ned Lautenbach, Chair, convened the meeting of the Budget and Finance Committee at 11:10 a.m. Members present for roll call were Wayne Huizenga, Sydney Kitson, Tom Kuntz, Alan Levine, Kishane Patel, and Norman Tripp. Other board members present included Dick Beard (via phone), Patricia Frost (via phone), Darlene Jordan, Wendy Link, Edward A. Morton, Pam Stewart, Gary Tyson, and Fernando Valverde.

1. **Call to Order**

Mr. Lautenbach called the meeting to order.

2. **Approval of June 22, 2017 Meeting Minutes**

Mr. Tripp moved that the Committee approve minutes from the June 22, 2017 meeting. Mr. Kitson seconded the motion, and members of the Committee concurred.

3. **2017-2018 Operating Budgets**

The first item on the agenda is the annual approval of university operating budgets. Regulation 9.007 requires the Committee to review and approve the university operating budgets. Mr. Lautenbach asked Mr. Tim Jones to present this issue.

Mr. Jones presented an overview of the System's operating budget.

Mr. Tripp moved that the Committee approve the 2017-2018 university operating budgets as presented. Mr. Kuntz seconded the motion, and members of the Committee concurred.

Mr. Lautenbach requested Mr. Jones to present the 2017-2018 Board Office operating budget.

Mr. Kitson moved that the Committee approve the 2017-2018 Board Office operating budget and authorized the Chancellor to make budgetary changes as necessary to operate the office. Mr. Kuntz seconded the motion, and members of the Committee concurred.

4. **2018-2019 Legislative Budget Request**

Mr. Lautenbach introduced the 2018-2019 legislative budget request for the system and the Board office. Due to the early start of the legislative session on January 9, the LBR must be submitted to the Legislature and Governor on September 15.

Included in the LBR materials is information on a number of issues that staff will be presenting. As Mr. Jones walks us through those issues, let's keep in mind that the state does not have unlimited resources and that we need to be thoughtful on the initiatives that we want to pursue on behalf of the system. I will have some comments on a few of these issues.

Mr. Jones provided an historical overview of university funding and a national comparison on Florida's tuition and fees ranking for 2016-2017. The overall request is for a 4.2 percent increase totaling \$207 million. This would bring the total system budget to \$5.1 billion. Mr. Jones then presented each budget issue. For performance funding, Mr. Kuntz requested data on total number of faculty before and after the implementation of performance funding.

For the SSERCA issue of \$7 million, Mr. Lautenbach noted that this initiative in the past to the tune of \$5.7 M in 2014-15, \$6.9 M in 2015-16, and \$2.1 M in 2016-17. For 2017-18 the issue was for \$7 M but was on page 2 of our supplemental list. Mr. Lautenbach noted that after four years of including this issue in the LBR it's not going to be funded and if this issue is critical to our research universities then it should be funded from existing resources.

For the laboratory renovations issue of \$6 million, Mr. Lautenbach stated that having great labs is important to our faculty, especially when recruiting new talent, but earlier the Committee just approved the operating budgets for each university and there are some fairly large fund balances for some of the schools. Instead of seeking additional state support, he stated that the universities should look at their existing resources to pay for these renovations.

Mr. Jones introduced the research infrastructure initiative of \$7.5 million. Mr. Lautenbach viewed this initiative the same as laboratory renovations and it should be funded from existing resources.

For the nursing faculty recruitment issue of \$15 million, Mr. Lautenbach noted that this issue did not receive any attention last year, so he suggested this be divided over two years.

Mr. Mike McKee, Chair of the Council of Administrative and Financial Services, spoke on behalf of the Council in support of the plant operations and maintenance issue of \$14.2 million.

With the changes proposed by Mr. Lautenbach the request would be for 3.6% or a \$178 million increase.

After discussion, Mr. Kuntz moved that the Committee approve the 2018-2019 state university system legislative budget request with the changes recommended by Mr. Lautenbach, and authorize the Chancellor to make technical changes as necessary. Mr. Tripp seconded the motion, and members of the Committee concurred.

Mr. Lautenbach stated that one item that has not been discussed is related to Florida Gulf Coast University. The university submitted a funding request for \$32 million titled Pathway to Student Success. Their primary claim is they are underfunded on a per student basis when compared to other universities and this underfunding has negatively impacted their academic programs and support for students.

In looking at funding per student there are two factors: how much the state appropriates and student enrollments. One factor the university cannot control is state appropriations. That is left up to our elected leaders. However, the one factor the university can control is student enrollments. Over a period of seven years the university enrollments increased 34 percent while the system increased 11 percent. So they opted to grow three times faster than the system. This is the primary reason the per student funding lags behind the system average. Regardless, Mr. Lautenbach believes the university has raised some issues that should be reviewed, similar to what was done for New College last year. Mr. Lautenbach asked any members who were interested to let him know. The group would work with the university over the next few months in anticipation of a presentation in November.

Mr. Lautenbach asked Mr. Jones to present the Board office budget request.

Mr. Jones reviewed the 2018-2019 Board request of \$877,000. Mr. Lautenbach spoke in favor of this initiative.

Mr. Tripp moved that the Committee approve the 2018-2019 Board Office legislative budget request as presented and authorize the Chancellor to make technical changes as necessary. Mr. Kuntz seconded the motion, and members of the Committee concurred.

5. **Concluding Remarks and Adjournment**

Mr. Lautenbach reminded the Committee there will be a workshop on October 3 at Florida Gulf Coast University to discuss potential changes to the performance funding model. Look for an announcement from staff on the start time of that meeting.

Having no further business, the meeting was adjourned at 11:44 a.m.

Tim Jones, Vice Chancellor
Finance and Administration

Ned Lautenbach, Chair