

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA GULF COAST UNIVERSITY
FT MYERS, FLORIDA
OCTOBER 3, 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 10:17 a.m. Members present for roll call were Wayne Huizenga, Sydney Kitson, Tom Kuntz, Kishane Patel (via phone), and Norman Tripp. Other board members present included Dick Beard, Wendy Link, Edward A. Morton, Gary Tyson, and Fernando Valverde (via phone).

1. Call to Order

Mr. Lautenbach called the meeting to order.

2. Performance-based Funding Model

Mr. Lautenbach stated that this Committee has a lot to be proud of. The work of this group and the Board has been important and recognized by the Governor and Legislature through the adoption of this model and the allocation of \$520 million in performance funds.

The Board has continuously stated from the beginning that they are open to reviewing and making adjustments to the model to address issues that may come up. One of the things we must be cognizant about is too many drastic changes at once that would change the focus of the model or would impact the universities focus and game plan in improving on the metrics we have adopted.

There are six issues that need to be discussed. There will be no action today, but guidance will be provided to staff so they will have sufficient direction to prepare for the November meeting. We'll open it up at the end of our meeting to other issues that the Committee or the Universities would like to motion.

Mr. Lautenbach turned the presentation over to Mr. Tim Jones to review the issues.

Mr. Jones introduced the first item Metric 3 – Cost to the Student; textbook component. The textbook number is currently based on the College Board national calculation. At the direction of the Committee last year, a work group was formed. Led by Mr. Steve Cunningham, UWF, and Dr. Ralph Wilcox, USF, a workgroup consisting of all 12 universities participated.

Mr. Cunningham explained the methodology behind the work group’s calculations and responded to questions.

The Committee appreciated the work group’s recommendation and indicated that it was a reasonable approach.

Mr. Jones introduced the second item Metric 4 – Six-year Graduation Rates. He noted that Senate Bill 4 is proposing a 4-year rate instead of 6-year rate be utilized.

The Committee discussed the change. It was determined that encouraging students to graduate in four years was the better metric.

Mr. Jones introduced Metric 7 – University Access Rate. Senate bill 4 proposes adjustments that would recognize those schools with more than a 50% access rate.

The Committee discussed the proposed change. There are other metrics in which universities greatly exceed the strategic plan goal. Recognizing just one metric, wouldn’t be responsible given other metrics that universities excel on.

Mr. Jones introduced Metric 9 – Board of Governors’ choice – degrees awarded without excess hours for eight universities, faculty awards for UF and FSU and national recognition for NCF.

The Committee agreed that work still needs to be done on improving the percentage of degrees awarded without excess hours. Discussion centered on moving the other three schools to the excess hours metric or coming up with a different metric all together. FSU and UF spoke was in favor of consistency.

Mr. Jones introduced Metric 10 – Trustee Choice. Each metric was reviewed and discussed by the Committee. Universities provided input as needed. The following metrics were discussed in further detail.

FAMU – discussion centered on 4-year graduation rates for transfers with an AA degree and Number of Transfers with AA degrees.

FAU – discussion centered on Bachelor’s Degrees awarded to Minorities, which is the current metric.

FGCU – discussion centered on Bachelor’s Degrees awarded to Minorities, noted these were really quantitative not qualitative metrics.

FIU – discussion focused on the average GPA of incoming freshman.

FSU – discussion centered on the percent of bachelor’s graduates who took an entrepreneurship class.

NCF – discussion focused on the percent of graduates completing 3 plus types of high impact practices.

UCF – discussion focused on the percent of bachelor’s degrees awarded to African-American and Hispanic students.

UF – discussion centered on four-year graduation rates for minorities. However, Dr. Glover, UF, indicated that if the Committee moves to four-year graduation rates as a replacement for the six-year graduation rate metric, then UF would like to have the six-year graduation rate metric as the choice metric. They would like to focus on the 12 percent of students that do not graduate in six years.

UNF – discussion focused on staying with the current metric percent of undergraduate FTE in online courses.

USF – USF presented a new metric on graduation rates for minority students. However, USF indicated this metric has not been presented to the USF Board. The other option is to use six year graduation rates, which has been approved by the Trustees.

UWF – discussion centered on participation rates in two or more ‘high impact practices’ subsections for seniors. Discussed applying this to all students, not just seniors.

The last item for discussion was the presentation of two allocation methodologies. The first one was based strictly on the allocation of the state investment based on points earned. This method has challenges because some schools would receive a significant amount of the state investment compared to their entire base budget.

The second method set a threshold of 66 points to be eligible for the state investment. Universities earning at least 66 points would receive 10 percent of the proposed allocation (based on the current methodology of university base as a proportion of system base budget). The scale would increase by 10 percent until a university received

75 points and then would be eligible for 100 percent of the allocation. Any unallocated funds would be distributed to the universities with 80 or more points. The distribution would be based on points.

Mr. Lautenbach thanked the Committee for participating. He reminded the Committee that we need to be careful about any significant changes in any one year.

Mr. Lautenbach opened it up for any other topics the members or universities would like to discuss.

Mr. Marshall Ogletree, Faculty union, commented by phone that there was some concern with the model and unintended consequences.

Mr. Lautenbach asked staff to come back to the Committee in November with recommendations.

3. **Concluding Remarks and Adjournment**

Having no further business, the meeting was adjourned at 12:47 a.m.

Tim Jones, Vice Chancellor
Finance and Administration

Ned Lautenbach, Chair