

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
SEPTEMBER 1, 2021

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Mr. Brian Lamb, Chair, convened the meeting of the Budget and Finance Committee at 10:15 a.m. (ET) on September 1, 2021. Members present for roll call were: Tim Cerio, Nastassia Janvier, Syd Kitson, and Eric Silagy. Other Board members present were: Aubrey Edge, Patricia Frost, Edward Haddock, Patricia Jordan, Alan Levine, Charlie Lydecker, Bill Self, and Kent Stermon.

1. Call to Order and Opening Remarks

The Budget and Finance Committee was called to order by Chair Lamb. He asked Vikki Shirley, Corporate Secretary, to call the roll. A quorum was present.

2. Minutes of Committee Meeting

Mr. Silagy moved that the Committee approve minutes from the June 22, 2021, meeting. Mr. Kitson seconded the motion, and members of the Committee concurred.

3. Public Notice of Intent to Create Board of Governors Regulation 9.015 University Bonus Plans

Mr. Lamb presented the new regulation implementing Senate Bill 52 that passed during the 2021 legislative session.

Mr. Silagy moved that the Committee approve the new regulation. Mr. Kitson seconded the motion, and members of the Committee concurred.

4. 2021-2022 SUS Operating Budgets

Mr. Tim Jones provided an overview of the university system operating budgets.

Mr. Silagy moved that the Committee approve the university operating budgets as presented. Mr. Kitson seconded the motion, and members of the Committee concurred.

5. 2021-2022 Board Office Operating Budget

Mr. Jones provided an overview of the Board Office operating budget.

Mr. Kitson moved that the Committee approve the Board Office operating budget as presented. Mr. Silagy seconded the motion, and members of the Committee concurred.

6. 2022-2023 State University System Legislative Budget Request (LBR)

Mr. Lamb reported to the Committee that the state revenue outlook is looking positive, which is a good sign. He stated the Strategic Affairs Committee reviewed, approved, and forwarded to this Committee the LBRs for Universities of Distinction and Preeminence, and the Academic and Student Affairs Committee approved an LBR issue for the FAMU-FSU College of Engineering.

Mr. Jones provided an overview of each LBR issue. He stated that the \$265 million state investment for performance-based funding, which was previously recurring funds, was switched to non-recurring funds for the 2021-22 fiscal year. This is important because the 2022 Legislature will start with a budget that does not include the \$265 million and will have to add those funds back to the university system budget. Mr. Jones reviewed the following issues:

	Beginning Base State Budget	\$3,031,061,334
✓	Performance-Based Funding	280,000,000
✓	Preeminence/National Ranking	150,000,000
✓	Universities of Distinction	87,129,121
✓	FAMU-FSU Joint College of Engineering	6,620,000
✓	UF-IFAS Extension Workload	3,615,000
✓	UF-Fin Tech	10,000,000
✓	State Fire Marshal Inspections	2,663,766
✓	Johnson Scholarship Matching	10,000
	Total State Funds Budget Request	3,571,099,221
	Total Student Tuition Support	1,957,486,926
✓	Increased Tuition Spending Authority	15,839,887
	Total 2022-2023 E&G Budget Request	\$5,544,426,034

Mr. Kitson stated that a lot of work has been done on bringing this recommendation forward and appreciates the work of the universities, staff, and Board members. Mr. Silagy seconded that.

Mr. Kitson moved that the Committee to approve the university system 2022-2023 legislative budget request for \$5.54 billion as presented and authorized the Chancellor to make technical changes as necessary. Mr. Silagy seconded the motion, and members of the Committee concurred.

7. 2022-2023 Board General Office Legislative Budget Request

Mr. Jones stated that a continuation budget of \$9.5 million was being requested for the Board Office.

Mr. Silagy moved that the Committee approve the Board Office 2022-2023 legislative budget request as presented and authorize the Chancellor to make technical changes as necessary. Mr. Kitson seconded the motion, and members of the Committee concurred.

8. Performance-Based Funding Workshop

Mr. Lamb stated that the Committee would cancel the October workshop and have the workshop today. There are several metrics to consider with final decisions made at the November meeting. The following metrics were reviewed and discussed:

Metric 1 – Percent of Bachelor's Graduates Employed (earning \$25,000+) or Enrolled 1 Year after Graduation. The Board's Strategic Plan modified this metric to raise the wage threshold to \$30,000+ and set a goal of 80%. The decision was made at the September 2020 workshop to defer implementation of changes to this metric until this year. The Committee indicated that aligning the performance metric with the Strategic Plan should proceed.

Metric 4 – Four-year Graduation Rate (Full-time FTIC). The Board's Strategic Plan modified this metric to raise the goal from 50% to 65% of students graduating in four years. The decision was made at the September 2020 workshop to defer implementation of changes to this metric until this year. The Committee indicated that aligning the performance metric with the Strategic Plan should proceed.

Metric 10 – Board of Trustee Choice Metric. Mr. Jones reported that nine universities were satisfied with their current metric. Three schools indicated they would like to make changes.

1. FGCU – Bachelor's Degrees Awarded to African American and Hispanic Students. The proposal is to expand the definition to include both Black/African American and another race. This would add an additional 30+ students to the number of students receiving their degree. In addition, FGCU proposed to reduce their goal due to align with changes approved in their 2021 Accountability Plan. The Committee expressed no concerns with this change.
2. FSU – Percent of Bachelor's Graduates who took an Entrepreneurship Class. FSU proposes to convert the 'Percent' to 'Number' of Bachelor's Graduates who took an Entrepreneurship Class. The switch is a straight numerical translation. Mr. Lamb asked FSU to consider only including students who 1) pass the class

and 2) exclude students that end up with excess hours due to taking this class. President McCullough indicated that he would look at this.

3. UF – Six-year Graduation Rates. UF is currently in the top 5-10 in the country on their six-year graduation rate at 89%. Their goal is to get to 90%, with this is a challenge given how well they do currently. UF proposes to switch to Endowment Size and align the benchmarks to the 2021 Accountability Plan goals. Mr. Lamb did express concerns on reaching the goals given the volatility of the market; however, the Committee expressed no concerns with making this change.

Mr. Jones thanked the Committee for their comments and would bring forward final recommendations to the Committee in November.

9. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 11:02 a.m.

Tim Jones, Vice Chancellor
Finance and Administration

Brian Lamb, Chair