

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
JANUARY 24, 2023

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

Mr. Ken Jones, Vice Chair, convened the meeting of the Budget and Finance Committee at 3:34 p.m. on January 24, 2023. Members present for roll call were: Tim Cerio, Nimna Gabadage, Brian Lamb, Charles Lydecker, Steven Scott and Eric Silagy. Other Board members present were: Richard Corcoran, Manny Diaz, Patricia Frost, Edward Haddock, Alan Levine, Craig Mateer, Deanna Michael, and Jose Oliva.

1. Call to Order and Opening Remarks

The Budget and Finance Committee was called to order by Vice Chair Jones. He asked Rachel Kamoutsas, Corporate Secretary, to call the roll. A quorum was present.

2. Minutes of Committee Meeting held on November 9, 2022

Mr. Lydecker moved that the Committee approve minutes from the November 9, 2022, meeting. Mr. Lamb seconded the motion, and members of the Committee concurred.

3. Public Notice of Intent to Amend Board of Governors Regulation 7.002 Tuition and Fee Assessment, Collection, Accounting and Remittance

Mr. Ken Jones introduced the next action item. This regulation is being amended to address a finding by the Consumer Financial Protection Bureau that schools and private loan providers cannot have blanket policies of withholding a student's transcript to force students to make payments.

The current regulation followed this practice, so a sentence is being added that universities may not withhold transcripts if a student has a balance of \$500 or less. Staff worked with universities to develop this threshold.

It's important to note that the university is not waiving the student obligation and will continue to pursue payment.

After discussion, Mr. Lamb moved that the Committee approve the amended regulation for public notice. Mr. Lydecker seconded the motion, and members of the Committee concurred.

4. Public Notice of Intent to Amend Board of Governors Regulation 9.007 State University System Operating Budgets and Requests

Mr. Ken Jones introduced the next regulation for consideration. This regulation is being amended to address recommendations from the State Auditor regarding the review and monitoring of university carryforward spending plans.

There are two specific amendments being made; first, a requirement that the Board of Trustees use the carryforward spending plans to monitor carryforward expenditures and second, guidance that carryforward funds can be used for maintenance reserves as required in Regulation 14.002. In January 2022, the Board adopted a regulation that requires universities to set aside two percent for maintenance on new educational and general facilities. The use of carryforward funds is an appropriate source for these reserves.

Mr. Oliva wants to include requirements so that all deferred maintenance on existing buildings on that campus should use rollover dollars first before any of those rollover dollars can be used to fund a new building. He asked if staff could help the Board look at prioritizing those rollover dollars for use in deferred maintenance and ensuring that those deferred maintenance needs are satisfied for that physical space before any of those rollover dollars could be used as a reserve for the two percent.

Mr. Ken Jones stated that the Board had a series of discussions on this issue which lead to the creation of Regulation 14.002 last January.

Mr. Lamb tasked the Chancellor to work with staff to come back with recommendations on the use of carry forward funds for deferred maintenance. Mr. Silagy stated that this has been an ongoing discussion and the Legislature may need to adjust the statutory caps on the use of carryforward for maintenance.

After discussion, this item was removed from the agenda for discussion at a later meeting.

5. Performance-Based Funding Overview

Mr. Ken Jones introduced the next item on performance-based funding metric overview. Last November the Committee approved changes to some of the performance metrics and asked staff to come back in January to review all of the metrics. Staff will spend some time on each metric, history of the metric, data sources, and how universities have done on each of the metrics.

Mr. Tim Jones, Vice Chancellor, walked the Committee through each metric.

For Metric 2, Mr. Ken Jones stated that since the Strategic Plan goal is higher than our 10-point benchmark, we might want to consider changes later this fall.

Discussion was held on Metric 6 and 8, Bachelor and Graduate degrees awarded in areas of Strategic Emphasis. The programs identified in areas of Strategic Emphasis

will be under review this year by the Strategic Planning Committee, and those changes could impact these two metrics. Once those changes are made, the Budget Committee will need to look at possible realignment.

For metric 7, university access rate, Mr. Ken Jones suggested we may need to look at the benchmarks and make some adjustments. Mr. Lamb suggested staff look at options to measure access by national ranking or peers.

Mr. Lamb questioned whether metric 8b, was the right metric for New College and staff should keep that one in mind.

6. Higher Education Emergency Relief Funds Update

Mr. Ken Jones introduced the final item and noted that little remains to be spent of the student allocation funds and that 15 percent of institutional funds remains to be spent. He thanked FAMU, FIU, and UCF for their written comments on plans to spend the remaining funds.

7. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 4:19 p.m.

Tim Jones, Senior Vice Chancellor
Finance and Administration

Eric Silagy, Chair