

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA BOARD OF GOVERNORS  
Via ZOOM – August 18, 2023  
8:00 a.m.

Video or audio archives of the meetings of the Board of Governors and its committees are accessible:

<https://thefloridachannel.org/videos/8-18-23-florida-board-of-governors-meeting-on-legislative-budget-requests-and-administrative-matters>

### **1. Opening Remarks**

Chair Lamb opened the meeting and indicated that there are no action items to take up but were here regarding Legislative Budget Requests (LBR) and Budgets. He opened the floor to Chancellor Rodrigues and Tim Jones.

### **2. Discussion of Legislative Budget Requests and Administrative Matters**

Chancellor Rodrigues shared that he asked staff to work on LBR proposals using last year as the starting point.

Tim shared that we have an early session that starts January 9, 2024, so the LBR is due 1 month earlier than normal. That also means that in the August 30 meeting the Board has budget related items to approve. The Revenue Estimating Conference was to meet at 9 a.m. that day (8/18/23). Tim shared some additional highlights of where we were in the State University System operating budget, and noted that as Chancellor Rodrigues said, the SUS was successful last year in terms of performance. That was used as the starting point. The first issue looked at is the PBF model. Last year we asked for additional money to arrive at \$50 million dollars. That was non-recurring so that would be sought again, but to be left flat to maintain the status quo.

The next issue was the PBF excellence recognition program. This was in the request from last year for \$100 million dollars. The request will be for the same amount and it would be allocated based on the university based on the maximum score, depending on the metric and allocated to non-preeminent institutions.

Next, was the PBF improvement recognition program. It was in the LBR last year but it was not funded, this program however, is very important to our members and we included that again but at a lesser amount, now \$10 million dollars is our proposal. The last piece in the performance area was the preeminence funding. The request would be another \$150 million dollars for this, as we expect another preeminent institution this year.

Governor Silagy asked if that can be adjusted back down if the system remained at 3 preeminent institutions.

Tim answered in the affirmative. It is still unknown since there is no data for this yet, but there is one school that is close and they are anticipating they will be preeminent, but staff won't know until the data is in.

Moving to two additional issues always included in the LBR: 1. IFIS extension workload initiative, that is \$5.6 billion dollars but that would get allocated to 67 offices in the state. 2. State Fire Marshal inspections for \$3.1 million, as there is a statutory requirement to seek these funds. Each year it is requested but the Board has never been appropriate funds for that.

Tim noted that many of these requests are not new and have been made before.

Governor Silagy commented that he thinks these requests will not put an undue burden on the state and are aligned with excellence with the product the university is providing to the students. We are trying to incentivize universities to stay focused on providing the best educational opportunities for students in the state. I think these initiatives continue to drive that behavior and outcomes.

Chair Lamb agreed with Governor Silagy. He noted that he was sure the Board will appreciate hearing this content, and last time we had this conversation, we had one less AAU institution. Fast forwarding a year, this is a good message for our Board, Legislature and Governor. Glad to hear we have consistency year over year in our budget requests. It's nice to not have a complete rebuild of our LBR model. He expects a robust discussion with the Board. As a final thought, as we have briefings and those kinds of things that we keep reminding folks that this approach is working.

Governor Silagy, shared he appreciated the support from Governor's Office and Legislature, he also noted it is hard for any institution to get to number one it is even harder to stay as number one. He hoped that there would be discipline in the process so the taxpayers understand the money is being used wisely.

Tim discussed the Board's PECO allocation. One thing that is being considered to include is a request for additional deferred capital renewal. It was noted that a few years ago, the Board asked universities what the current cost to remediate all current programs and it was \$1.7 billion. The Board ended up asking for \$800 million dollars. In the 2022 session, we received \$444 million, but we still have a need, so we are still considering requesting the difference, which amounts to \$356 million. This would be in addition to the PECO ask.

Governor Silagy supported making this request and wanted to keep universities in top shape. He noted that these deferred capital projects just kick the can down the road projects, which then costs more in the end. Governor Silagy suggested to adjust an increase for the request to base it on the inflationary environment.

Chair Lamb agreed those were good points. He noted that we had a fair request a few years ago. Chair Lamb suggested to make this adjusted request and also talked about the initial approval of the \$444 million. Chair Lamb suggested to talk about how we are doing on that to have that as part of our narrative and suggested to bring this to the Budget & Finance committee for discussion.

Governor Silagy suggested to have the discussion, and have the estimate stratified on 6, 7, 8% basis, and thought 10% was more realistic for today, but he acknowledged we could start lower.

Chancellor Rodrigues wanted to address a few things on board operations. First, the Board office has had had difficulty hiring IT, the Board has had positions that the legislature has given us

which has been handled on a contracted services basis but with inflation the cost of that service is going up, so we are going to include in our operations proposal an increase in funding on that.

Tim elaborated and shared we are looking to fill 25% of our IT positions as they are vacant; the office has been supplementing with contractual services. We will ask for about \$1 million dollars, since what we struggle with, along with other state agencies, is low salaries [being offered].

Chancellor Rodrigues also raised the concept of cyber security. Nationally, institutions are becoming more prevalent to security attacks. Our CIO has worked with the University CIOs and he believes the Board staff will come up with a proposal that is a systemwide security effort, which will leverage our expertise and our State CIO, as well. There is no specific proposal on that today, but brought it up get Governor Silagy and Chair Lamb's input to then go forward from there.

Governor Silagy agreed that cyber security should be a priority and appreciated this being raised. He emphasized the importance of having a robust cyber approach to this; and noted that we, as the university system, should be leveraging everything possible in terms of state resources but also for the system to not "sit on our hands". He fully supported being aggressive with making sure the right type of cyber initiative has been secured. Governor Silagy recognized this will be an ongoing issue and we should not be pennywise-pound foolish. Governor Silagy also put forward an idea that if we are training students on cyber security, we could provide students with the education, then they dedicate a number of years to working in the state IT system. This would be similar to our service academies— they get a top education and the pay back is service to our country, along with great experience.

Chair Lamb also recognized that there is a shortage of IT talent everywhere. He agreed it was necessary to find ways to compete and it made sense regarding "the ask" related to the budget. On cyber, it is prudent— not optional—to consider. Chair Lamb welcomed a proposal on a shared approach, for the SUS and maybe the college system. He would welcome seeing a proposal sooner rather than later.

Chancellor Rodrigues closed stating he had asked that staff to be judicious in our proposal for a number of reasons, including the idea that the success the Board secured this year was an anomaly and he did not think the same amount would be secured this year. When the estimating conference meets, based on Chancellor Rodrigues' time in the legislature, he shared that he understood that members are interested in the 3<sup>rd</sup> year projections; because no presiding officer wants to tie the hands of their successor. They will be looking at the 3<sup>rd</sup> year projection, and if there is anything that does not look positive they will be more cautious with what they will do. Chancellor Rodrigues encouraged focusing on the 3<sup>rd</sup> year of the report.

### **3. Concluding Remarks**

Chair Lamb adjourned the meeting.