

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
UNIVERSITY OF CENTRAL FLORIDA
NOVEMBER 8, 2023

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1. Call to Order and Opening Remarks

Mr. Silagy, Chair, convened the meeting of the Budget and Finance Committee at 3:45 p.m. on November 8, 2023. Members present for roll call were: Ken Jones, Jack Hitchcock, and Brian Lamb.

2. Minutes of Committee Meeting held on September 20, 2023

Mr. Jones moved that the Committee approve the meeting minutes from September 20, 2023. Mr. Lamb seconded the motion, and members of the Committee concurred.

3. Performance-Based Funding

Mr. Silagy stated at the last meeting on September 20, the Committee was presented with a proposal to change the benchmarks to Metric 2, which is the Median Wages of Undergraduates Employed 1 Year after Graduation. The recommendation is to change the benchmarks to align with the Strategic Plan goal. The 10-point benchmark would change from \$40,700 to \$43,200.

Current Benchmarks:

Points	10	9	8	7	6	5	4	3	2	1
	\$40,700	\$38,200	\$35,700	\$33,200	\$30,700	\$28,200	\$25,700	\$23,200	\$20,700	\$18,200

Increments of \$2,500

Proposed Benchmarks:

Points	10	9	8	7	6	5	4	3	2	1
	\$43,200	\$40,700	\$38,200	\$35,700	\$33,200	\$30,700	\$28,200	\$25,700	\$23,200	\$20,700

Increments of \$2,500

Mr. Lamb moved that the Committee approve the new benchmarks for Metric 2. Mr. Ken Jones seconded the motion, and members of the Committee concurred. Before moving to the next agenda item, Mr. Silagy circled back on an issue discussed during the last Committee meeting on September 20. During that meeting, Mr. Silagy mentioned that New College's Business Plan proposed replacing some of the statutory Performance Metrics with new metrics as they transform the College. Mr. Silagy spoke against that change, as he wanted to continue to monitor New College on the current metrics. In further discussions, New College has agreed to stick with the current metrics. Mr. Silagy expressed appreciation that New College agreed to continue to measure these very important metrics. Next summer, the Committee will see what New College's performance scores are and address any issues at that time regarding a Student Success Plan, if there ends up being a need for one.

4. State University System Optional Retirement Program

Mr. Silagy introduced the next item and asked Mr. Tim Jones, Senior Vice Chancellor, to present an overview.

Mr. Tim Jones stated that Florida Statute establishes the Optional Retirement Program for university employees. The Florida Department of Management Services is responsible for selecting the vendors for this retirement program. There are currently four vendors with almost 50,000 university employees participating. The contracts for the current vendors expire on June 30, 2025. The Department of Management Services reached out to the Board of Governors for recommendations as they begin the process for selecting new vendors. The Board Office reached out to the University Human Resource Executives who provided their recommendations. Those recommendations are included in the materials and include items such as having a limited number of investment providers, ensuring administrative fees are competitive, making sure customer service representatives are available for employees, and ensuring a standard code of conduct for the investment providers.

There were no questions, so Mr. Hitchcock moved that the Committee approve the proposed recommendations. Mr. Ken Jones seconded the motion, and members of the Committee concurred.

5. 2023-2024 Carryforward Spending Plans

Mr. Silagy introduced the next item and stated that the Committee must review and approve the 2023-2024 university carryforward spending plans by November 15.

He asked Mr. Tim Jones to present this issue. Mr. Jones reviewed a PowerPoint with the Committee and specifically thanked Ms. Chrissy Rojas for her due diligence in reviewing the plans.

Mr. Silagy thanked the universities in which proposed expenditures were questioned, and for working with staff to review the items and find other sources of funds for those types of expenditures, especially those related to athletics or housing.

Mr. Lamb moved that the Committee approve the 2023-2024 university carryforward spending plans. Mr. Ken Jones seconded the motion, and members of the Committee concurred.

6. Funding Formula

Mr. Silagy introduced the funding formula agenda item and asked Mr. Tim Jones to review the formula with the Committee.

Mr. Tim Jones provided an overview via a PowerPoint presentation. Mr. Jones stated that that this is an allocation formula that may be used by the Legislature to allocate operational enhancement funds. Board staff worked with legislative staff over the summer to ensure the formula captured their needs. It is entirely within the Legislature's purview to use the allocation formula.

Mr. Tim Jones thanked Board staff; Jason Jones, Troy Miller, Dale Bradley, and Sarah deNagy for their work on the formula.

Mr. Mori Hosseini suggested that engineering be removed from the four-year graduation rate associated with component one, Bachelor Degrees weighted by the four-year graduation rate. The Committee thanked Mr. Hosseini for his comments and indicated that there might be further tweaks as the Legislature uses the formula.

Mr. Lamb moved that the Committee approve the funding formula and forward to the Legislature by November 15, 2023. Mr. Ken Jones seconded the motion, and members of the Committee concurred.

7. Public Notice of Intent to Adopt Board of Governors Regulation 9.016 – Prohibited Expenditures

Mr. Silagy introduced the final item and asked Ms. Rachel Kamoutsas, General Counsel & Corporate Secretary, to present the regulation.

Ms. Kamoutsas presented the background for the regulation which is required per Senate Bill 266 and the contents of the regulation.

Mr. Ken Jones moved that the Committee approve the public notice of intent to adopt the regulation. Mr. Lamb seconded the motion, and members of the Committee concurred.

8. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 4:21 p.m.

Tim Jones, Senior Vice Chancellor
Finance and Administration

Eric Silagy, Chair