

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
Florida Agricultural and Mechanical University
March 26, 2025

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<https://thefloridachannel.org/videos/5-8-24-florida-board-of-governors-meeting/>

1. Call to Order and Opening Remarks.

Mr. Levine, Chair, convened the Budget and Finance Committee meeting at 12:53 p.m. on March 26, 2025. Members present for roll call were Chair Levine, Ken Jones, John Brinkman, Timothy Cerio, Pat Frost, Brian Lamb, Charlie Lydecker, and Eric Silagy.

Mr. Levine stated that he met with the university CFOs this week to review some financial metrics that would eventually be incorporated into the Strategic Plan. These metrics are generally what rating agencies look at when evaluating the credit rating of a university, and they come from the university's audited financial statements. He was pleased with what they had shared with him. Some of the financial metrics included things like: Liquidity, Operating Margins, Reinvestment, Return on investment, Leverage, and financial strength. His intent is to share the information with the Committee for input well in advance of the June meeting. That way, the Committee can get your questions and try to answer as many of those as possible before presenting these metrics at the June meeting. He asked if anyone had any questions on that process.

2. Minutes of Committee Meeting

Mr. Levine introduced the first order of business, approving the minutes of the Committee Meeting held on January 30, 2025.

Mr. Ken Jones moved that the Committee approve the meeting minutes from January 30, 2025. Mr. Timothy Cerio seconded the motion, and members of the Committee concurred.

3. Student Success Plan Monitoring Report- Florida Gulf Coast University

Mr. Levine introduced the next item on the agenda. A presentation from Florida Gulf Coast University. Last year, they scored below 70 points on the performance-based funding score (they scored 63), so they had to submit a Student Success Plan last September. That plan included 11 measurable goals, which were approved by the Committee and the Board. FGCU's presentation will explain to the Committee how they have achieved these goals. This is important as the release of performance funds is contingent upon their success, we are currently holding \$3,842,315 in reserve pending their report today. He asked Dr. Eileen Deluca to present.

Dr. Eileen Deluca, Vice President of Strategic Initiatives and Chief of Staff, presented an update on Florida Gulf Coast University's (FGCU) Student Success Plan. Originally introduced in September, the plan was developed by the FGCU Student Success Council and supported by university

leadership. It focused on improving key accountability metrics—specifically metrics 4, 5, 9A, and 9B—through coordinated efforts across Academic Affairs, Student Success, and Enrollment Management. Dr. Deluca reported unofficial but encouraging improvements: the four-year graduation rate increased 3 points, the three-year AA transfer graduation rate rose 2 points, the six-year Pell graduation rate moved from 0 points to 1 point, and the academic progress rate improved 1 point. The university implemented several strategic initiatives, including the launch of Student Success Pathways for the fall 2024 cohort, updated advising practices, expanded course availability, and the introduction of 24/7 tutoring. A new Customer Relationship Management system enabled proactive, case-managed support for students. Articulation agreements with Florida College System institutions were reviewed and revised to improve transfer outcomes. Outreach efforts were expanded in rural areas to support FAFSA completion, and professional development was increased to equip staff and faculty in supporting student retention and graduation. Students were also given access to a Canvas course containing comprehensive support resources, and a similar resource was created for faculty. Predictive analytics and a real-time dashboard informed decision-making and resource allocation. Investments were made in the Learning Assistance Program and high-DFW courses, including the hiring of faculty coordinators and additional academic support staff. Dr. Deluca concluded that every unit at FGCU played a role in the plan's implementation, and the university remained committed to continued progress and improvement in student success metrics.

Mr. Levine asked if there were any further questions, seeing none, He asked for a motion to approve Florida Gulf Coast University's Student Success Plan monitoring report and authorize the release of \$3,842,315 in state investment performance funds. Mr. Cerio moved that the Committee approve Florida Gulf Coast University's Student Success Plan monitoring report and authorize the release of \$3,842,315 in state investment performance funds, and Mr. Eric Silagy seconded the motion; members of the Committee concurred.

4. Auxiliary Facilities that have Bond Covenants Requiring Approval of Estimated 2025-2026 Operating Budgets

Mr. Levine introduced the next item on the agenda. Consideration of 2025-2026 Operating Budgets for specific auxiliary facilities. The proposed auxiliary budgets are in the Committee packets. Mr. Levine introduced Mr. Tim Jones to explain the proposed budgets.

Mr. Tim Jones explained that specific outstanding bond issues for parking or housing require the Board to approve annual operating budgets 90 days prior to the beginning of the Fiscal year, which is July. Shown in the packets are six universities' Operating Budgets that meet the criteria. Budgets have been reviewed to ensure sufficient revenues meet the proposed level of operational reserve minimums and debt service payments for the next Fiscal year. He asked if anyone had any questions.

Mr. Levine asked if there were any questions for Mr. Jones. Seeing none, he asked for a motion to approve. Mr. Brian Lamb motioned, and Mr. Silagy seconded the motion. Members of the Committee concurred.

5. Public Notice of Intent to Amend Board of Governors Regulation 9.002- Recording and Marking of Property

Mr. Levine Introduced the next item on the agenda, an Amendment to Regulation 9.002. Mr. Levine asked Mr. Jones to explain the changes.

Mr. Jones explained that this regulation deals with the marking of property for inventory purposes. Currently anything above \$5000 should be identified and marked accordingly. The federal office of management and budget modified the threshold to \$10,000 so we need to be consistent with that change. Instead of making it a hard coded number, we are just going to refer to the office of management and budget guidance document that way we wouldn't have to come back in the future for any changes. That is the technical change, it will keep us from having to come back and changing it every time it gets changed by the federal government.

Mr. Levine asked if anyone had any questions for Mr Jones. Seeing none, he asked for a motion. Mr. Silagy motioned to approve the public notice to amend the regulation, and Mr. Lamb seconded the motion. Seeing no discussion the Committee concurred.

6. Public Notice of Intent to Amend Board of Governors Regulation 7.008- Waivers and Exemptions of Tuition and Fees

Mr. Levine Introduced the next item on the agenda, an Amendment to Regulation 7.008. Mr. Levine asked Mr. Jones to explain the changes.

Mr. Jones explained that this regulation includes all waivers and exemptions of tuition fees that are allowable in statute. Senate Bill 2C, passed during the February special session, limits the waiver of out-of-state fees to students who are citizens of the US or lawfully present in the US. We are aligning our regulation with the current statute.

Mr. Levine asked if anyone had any questions for Mr. Jones. Seeing none, he asked for a motion to approve the amendment to regulation 7.008. Mr. Lamb motioned to approve, and Mr. Jones seconded the motion. Members of the Committee concurred.

7. FSU Auxiliary Revenues for Women's Lacrosse Complex

Mr. Levine introduced the next item on the agenda. Mr. Levine introduced a request from Florida State University to use auxiliary revenues for the construction of a women's lacrosse complex. Before discussing the item, he provided an update on the university athletics conversation that began at the January meeting, which focused on the House v. NCAA settlement. He noted the continued challenges faced by athletic programs and the Board's interest in ensuring universities remain competitive, despite evolving external regulations. He shared that the settlement is pending court approval on April 7, and the Board is exploring temporary regulatory changes to allow limited use of auxiliary funds for athletics. These changes are being developed in collaboration with universities and the Division of Bond Finance and may be presented at a future meeting, given the urgency tied to recruitment timelines. Mr. Levine also addressed concerns about the state's transfer student admission policy, which some athletic directors said may hinder athlete transfers. While the current policy offers flexibility, questions remain about the need for students to retake standardized tests. The Board will revisit the issue at the next meeting to determine if further clarification or a regulatory change is needed. He then asked the Chancellor to share how his panel discussion with the Legislature went on the impact the settlement is having on the athletic programs.

Chancellor Ray Rodrigues replied by saying the panel did not issue any formal recommendations, expressing similar caution as others in awaiting the outcome of the House v. NCAA settlement, which was scheduled for finalization on April 7. An additional complication emerged during the work group hearings: the state of South Dakota challenged the settlement, arguing that it placed an undue financial burden on smaller states. That litigation, along with the finalization of the settlement, remained unresolved. Based on the hearings, there appeared to be little support within the House committee for using Education and General (E&G) appropriations to compensate student-athletes. However, the committee was receptive to the concept of providing universities with greater flexibility in the use of auxiliary revenues for athletics. He believed the work group intentionally left the matter open-ended to allow for future deliberation during the legislative session, which runs through early May, once more information becomes available.

Mr. Levine acknowledged that Chancellor Rodrigues had shared with the legislative committee the Board's intent to be constructive in addressing these challenges. He added that, based on his closing remarks, it was evident that the majority of the Board supported offering some level of flexibility to universities. He concluded by noting that the details of that flexibility were still being worked out.

Mr. Silagy commented that he would support trying to find a solution that may be effective in the interim, because it may be amended because of legal challenges, but he suggested we look at trying to find a solution now.

Mr. Levine agreed and stated that the Board could consider a form of temporary flexibility in accessing auxiliary funds, though the exact structure of that flexibility remained uncertain. He suggested it could potentially span a three-year period, with the option to revisit and reassess the arrangement at its conclusion. He noted that discussions would still be ongoing with the Division of Bond Finance, from whom input would be requested. He also mentioned the possibility of convening a special meeting to move forward once there was consensus on the proposed approach.

Mr. Lamb paused the meeting at this time as a special guest arrived. Mr. Lamb introduced Florida Speaker of the House Representative, Mr. Daniel Perez.

Mr. Lamb thanked the Speaker of the House Mr. Daniel Perez for his time and feedback.

Continuing the meeting, Mr. Levine closed out Mr. Silagy's point and agreed that they need to be sensitive and urgent with this matter and that he would be happy to call a special meeting.

Mr. Silagy comments that he personally trusts our leadership at the universities to do this for the requirements that are already laid out clearly in the amendment that we put forward two years ago, which allows auxiliary funds to be utilized until somebody disproves that trust. He doesn't think we should be too overbearing, and frankly, get caught up in trying to figure out how to put in layers of protection.

Mr. Levine stated that we don't know what it is going to look like in three to five years. On the one hand, we want to make sure the universities have as much flexibility as possible to go out there and compete, on the other hand, we know that it's not a bottomless pit of money. He asked Mr. Tim Jones to present his information on the Women's Lacrosse Complex.

Mr. Jones presented the Florida State Women's Lacrosse Complex issue, describing that Florida State has been working for a couple of years to begin a women's lacrosse program, including the

construction of a lacrosse complex. There are no games scheduled until February 7, 2026. FSU has a design and construction team ready to break ground in May so that the complex is ready for them to begin practice in the fall. FSU proposed a loan of \$12 million from auxiliaries to athletics to construct the complex. The loan will have a term of 15 years, paid back with interest. The loan will come from an auxiliary administrative account that has a balance of \$53 million. The division of bond finance has confirmed there's no outstanding debt on the auxiliary being utilized, and there are no student fee revenues being used. FSU meets all the criteria in the current regulation. He asked if anyone had any questions.

Mr. Levine commented, seeing none, he asked for a motion. Mr. Silagy motioned for approval, and Mr. Ken Jones seconded the motion, the members of the Committee concurred.

8. Concluding Remarks and Adjournment

Mr. Levine asked if there was any other business from Committee members.

Mr. Silagy directed a question to Mr. Tim Jones, asking if the Board Office was engaged in the Governor's DOGE efforts in obtaining financial data from universities. Mr. Jones indicated that the Office was included in meetings convened by the Governor's Office. Mr. Silagy expressed strong support for the Board of Governors' Office's initiative to conduct a thorough, objective review of higher education spending. As members of the Board of Governors and Florida taxpayers, he emphasized their fiduciary duty to ensure that public funds were used wisely. Mr. Silagy corrected a common misconception that the Board simply implements decisions made by the Legislature. He cited Article IX, Section 7 of the Florida Constitution, which grants the Board the authority to manage and oversee the university system, including responsibilities to ensure coordination and avoid unnecessary duplication. He acknowledged that while identifying issues is relatively simple, developing meaningful solutions requires more effort. To support this, he had recently requested that BOG staff analyze university financial performance data, particularly focusing on metrics such as cost per degree and staffing ratios. Although he had only reviewed the data briefly, he found it enlightening and believed it would help uncover both strengths and inefficiencies across the system. Mr. Silagy encouraged Board members and university leaders to review the data, ask critical questions, and engage in finding ways to improve efficiency and effectiveness. To formalize this effort, he proposed establishing a subcommittee of the Budget Committee or a task force—including BOG staff and representatives from the Governor's Office to work collaboratively on this initiative. He stressed the importance of fully engaging in this responsibility as constitutional officers committed to better outcomes for students and taxpayers.

Mr. Levine commented, saying he would take it under advisement with the Chair and the Chancellor. He thinks that's not a bad suggestion and addressed one thing Mr. Silagy said, the legislature makes decisions, and our job is to implement the law as we do have a constitutional responsibility. He mentioned the 2010 settlement agreement that was the basis for many of the statutory changes in place now.

Mr. Silagy commented back that he is familiar with the settlement. He would just like the members to get actively involved in the process of the DOGE task force, whether by taking the lead or at the very least sharing equally in that review.

Mr. Levine responded, saying he thought it was a good suggestion, he would take it under advisement to the Chancellor and the Chair.

Having no further business, the meeting was adjourned at 1:52 p.m.

Alan Levine, Chair

Minutes prepared by Tim Jones