MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET & FINANCE COMMITTEE
FLORIDA ATLANTIC UNIVERSITY
June 25, 2026

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https://thefloridachannel.org/videos/6-25-26-florida-board-of-governors-meeting/

1. Call to Order and Opening Remarks.

Mr. Tim Cerio, Chair, convened the Budget and Finance Committee meeting at 12:00 p.m. on June 25, 2026. Members present for the roll call were Chair Cerio, Ken Jones, Douglas Broxson, Kimberly Dunn, Aubrey Edge, Alan Levine, Craig Mateer, Michael Okaty, Ian Seibert, and Nick Sinatra.

2. Minutes of Committee Meeting

Mr. Cerio introduced the first item of business, to approve the minutes of the committee meeting held on January 29, 2026, and March 26, 2026.

Dr. Dunn moved that the committee approve the January 29, 2026, and March 26, 2026, meeting minutes. Mr. Broxson seconded the motion, and members of the committee concurred.

3. Notice of Intent to Amend Regulation 7.001, Tuition and Associated Fees

Mr. Cerio introduced the next item of business, to approve the Notice of Intent to Amend Regulation 7.001, Tuition and Associated Fees. He then asked Sarah deNagy to present the changes to the regulation.

Ms. deNagy began presenting the amendments to the Regulations that require approval. The amendment aligns with House Bill 5601E, passed by the legislature on May 29, 2026. The amendment allows the Board of Governors to withhold approval of out-of-state fee increases if the State University System is out of compliance with the systemwide limitation on enrollment of nonresident undergraduate students pursuant to Board Regulation 7.006. Each university must annually update its accountability plan with the actual percentage of nonresident undergraduate degree-seeking students enrolled during the prior year. If, in any given year, the Board determines a university enrolled a greater percentage of such students than projected, the Board will require corrective action. However, House Bill 5601E is still subject to the Governor's approval.

Mr. Cerio asked the committee how they felt about it approving the Intent to Amend before the bill was signed by the Governor. After hearing their feedback, he decided to remove it from the agenda and revisit it once they know whether the bill has approved by the Governor.

4. Notice of Intent to Amend Regulation 7.003, Fines, Fees, and Penalties

Mr. Cerio introduced the next item of business, approval of the Public Notice of Intent to Amend Board of Governors Regulation 7.003, Fines, Fees, and Penalties. He then asked Ms. deNagy to present the proposed amendment to the regulation.

Ms. deNagy explained the amendment to Regulation 7.003 is necessary to align with Ch. 2026-45, Laws of Florida (HB 1217), which limits the imposition of Green Fees, thereby ensuring compliance with current state law.

Mr. Cerio asked if there were any questions regarding the amendment.

Mr. Seibert commented that he is aware there is nothing they can do right now to change this law, but he wanted to bring to everyone's attention that the revenue from these fees funds certain student-led projects and the passing of this bill creates an issue for those universities to continue those projects. He asks if they could look at working with those universities that used the fees to come up with a subsequent fee that could work to help them fund the projects that do not violate the House Bill.

Mr. Cerio asked if there were any further comments; seeing none, he asked for a motion to approve the Notice of Intent to Amend Regulation 7.003, Fines, Fees, and Penalties.

Mr. Levine moved to approve the Public Notice of Intent to Amend Board of Governors Regulation 7.003, Fines, Fees, and Penalties. Mr. Edge seconded the motion, and members of the committee concurred.

5. Notice of Intent to Amend Board of Governors Regulation 7.008, Waivers and Exemptions of Tuition and Fees.

Mr. Cerio introduced the next item of business, to approve the Public Notice of Intent to amend the Board of Governors Regulation 7.008, Waivers and Exemptions of Tuition and Fees. He then asked Ms. deNagy to present the amendment to the regulation.

Ms. deNagy stated that the amendment is being proposed to align with recent legislative updates. First, subsection (i) is revised to clarify that a student's eligibility for the homeless tuition and fee exemption must be based on a prior determination of homelessness made by a Florida public school and adds that distance learning students residing out of state are not eligible for this exemption. Additionally, subsection (r) has been revised to clarify definitions. Finally, subsection (4)(a) is removed in its entirety to comply with statutory changes removing that provision.

Mr. Cerio asked if there were any questions; seeing none, he asked for a motion to approve the Notice of Intent to Amend Board of Governors Regulation 7.008, Waivers and Exemptions of Tuition and Fees.

Mr. Sinatra moved to approve the Public Notice of Intent to Amend Board of Governors Regulation 7.008, Waiver and Exemptions of Tuition and Fees. Mr. Levine seconded the motion, and members of the committee concurred.

6. Notice of Intent to Amend Board of Governors Regulation 9.013, Auxiliary Operations

Mr. Cerio introduced the next item of business, to approve the Public Notice of Intent to amend the Board of Governors Regulation 9.013, Auxiliary Operations. He then asked Ms. deNagy to explain the proposed amendment.

Ms. deNagy explained that Regulation 9.013 is being amended to align with House Bill 5003E, passed by the legislature on May 29, 2026. The amendment allows university boards of trustees to determine whether its auxiliary services, including intercollegiate athletics, will be self-supporting on an individual basis. The amendment allows a university board of trustees to approve the transfer of unreserved cash from one auxiliary enterprise to support another auxiliary enterprise as long as the transfer does not reduce revenues necessary to cover all expenditures of the auxiliary nor violate any bond covenants or impact debt service payments and required reserves. Annual reporting to the Board is required. However, House Bill 5601E is still subject to the Governor's approval.

In addition, the regulation is being amended to require Board of Trustees approval and Board of Governors confirmation for certain agreements between an entity and a University, a University Athletic Department, or a University Athletic Direct-Support Organization by and through which the entity provides up-front capital in exchange for a share of future University Athletic Program revenue or control over University Athletic Program operations.

Mr. Cerio stated that, because part of the amendment to the regulation is related to legislation that was still pending the Governor's approval, he would like to postpone voting on the Notice of Intent until the outcome is known. He then asked if anyone had any questions. Seeing no questions, he moved on to the next agenda item.

7. Approval of the Performance-Based Funding Allocation

Mr. Cerio introduced the next item of business, the consideration of the Performance-Based Funding Allocation. The 2026-27 General Appropriations Act includes $645 million for performance-based funding, the same amount as last year. The Appropriations Act was passed by the legislature on May 29th. As of this morning, it had not yet been signed by the Governor. Mr. Cerio explained that the motion taken up today will be pending the Governor's approval. He thanked the Legislature and the

Governor for their continued support for the performance funding model and noted that this is the thirteenth year of implementing the model, with continued improvements in key metrics. He congratulated the universities for their commitment in retaining and graduating students, expanding degrees in Programs of Strategic Emphasis, and assisting students in finding employment after graduation. He reminded the committee that in November of last year, the Board approved a new Performance-Based Funding model to be implemented starting in 2027. The staff has been working to ensure that the data is accurate, the benchmarks are applied properly, and there will be no unforeseen consequences. Over the next few months, the Board staff will work with university staff on the new model, and a Performance-Based Funding workshop will be held in the fall to review the model before final approval in November. He explained that they will approve the allocation today under the current Performance-Based Funding model. He then asked Ms. deNagy to present the Performance-Based Funding model and the institutional scores before they approve the allocation of the $645 million appropriation.

Ms. deNagy provided a brief background of the model, starting with the metrics, what changed this year, and how the universities are scored. It is a 100-point model with 10 metrics, each worth 10 points. Metric 9 is divided into two metrics, each worth 5 points, and Metric 10 is the Board of Trustees' Choice Metric, which is unique to each institution. When the model started 12 years ago, there were some different metrics, but as policies have changed, the metrics have been revised. Last November, the Board approved changes to the benchmarks for metrics 6 and 8a. Both metrics measure the degrees awarded in areas of strategic emphasis (bachelors and graduate degrees). In November of 2023 the Board approved a new list of Programs of Strategic Emphasis that reflects a more targeted workforce-driven methodology. The new list appeared for the first time today in the 2026 accountability plans that were just presented in the Strategic Planning Committee. The Board approved a goal of 45 percent for the number of bachelor's degrees awarded on the updated list for metric 6 and a goal of 50 percent for graduate degrees awarded for metric 8a. The Board approved normalizing scores for these two metrics for 1 year so no institution would be negatively impacted by the benchmark changes. To normalize, each metric was scored on the new data using the new PSE list and benchmarks. The staff used the old PSE list and benchmarks, and if the score was higher under the old benchmarks, the difference in points was added to the score.

She then explained the rules for allocations. The first is the "Institutional Investment." The legislature pulls out a portion of each university's base budget and sets it aside. The Board has set a threshold of 60 points. If a school earns below 60 points, those funds are at risk. No school scored below 60 points this year, they will all receive this portion of the funding back. The second is the "state investment." If a school's score declines for two consecutive years, those funds are at risk, and the school must develop a student success plan. Funds are withheld by the Board until a plan is presented and approved. No institution declined two years in a row this year. If a school scores below 70 points, it receives only 50 percent of its eligible state investment. The institution is required to complete a student success plan and can receive half of that amount in September and the balance of that in March if the student success plan goals are met. No institution scored below the 70-point threshold this year. Ms. deNagy presented each institution's scores. She pointed out that there are two institutions on the “watch list” this year. FAMU and New College’s scores dropped, so if they drop again next year, their state investment funds may be at risk. To conclude with the proposed institutional and state investment allocations, pointing out that all schools scored above the 70-point threshold, so there is no holdback of any funds. The General Appropriations Act has not been signed by the Governor at this time, so the approval of the performance funding allocation is pending approval.

Mr. Cerio thanked Ms. deNagy and asked if there were any questions.

Mr. Good asked whether there was a way to show data on how soon a student finds a job, what their starting salary is, and what their salary looks like over a few years.

Ms. deNagy responded that they do collect that data and could make it a topic of discussion at the workshop this fall.

Mr. Cerio asked if there were any other questions. Seeing none, he asked for a motion to approve the 2026-2027 Performance-Based Funding allocation as presented, pending the Governor’s approval of the 2026-2027 General Appropriations Act.

Mr. Levine moved to approve the motion. Mr. Edge seconded the motion, and members of the committee concurred.

8. Approval of the Out-of-State Fee increase, New College of Florida and Florida Polytechnic University.

Mr. Cerio introduced the next item of business, the consideration of the out-of-state Fee Increase for New College of Florida and Florida Polytechnic University. In June, the committee approved out-of-state fee increases for all institutions, provided they maintained the same percentage of in-state students as reported in the fall of 2024. The motion the committee will consider today is separate from the motion made last year. He then asked Ms. deNagy to explain the consideration being requested.

Ms. deNagy explains that Section 1009.24 of the Florida Statutes requires the sum of tuition and out-of-state fees assessed to non-resident students to be sufficient to offset the full instructional cost of serving such students. New College of Florida and Florida Polytechnic University need to increase their out-of-state fees to comply with the law. According to current statute, adjustments to out-of-state fees or tuition for graduate and professional programs may not exceed 15% in any year. Both institutions’ Boards of Trustees have approved a 15% increase in their out-of-state fees, effective this fall. Both Boards decided to make the increase apply only to new students and grandfather in all current students, keeping them at the lower rate.

Mr. Cerio thanked Ms. deNagy and asked whether there were any questions about the fee-increase proposals.

Dr. Dunn moved to approve the out-of-state fee increase for New College of Florida and Florida Polytechnic University. Mr. Broxson seconded the motion, and members of the committee concurred.

9. Approval of New College of Florida. Auxiliary Revenues for Athletics.

Mr. Cerio introduced the final item of business, a request from the New College of Florida to transfer auxiliary revenues to athletics. He then asked Ms. deNagy to provide an overview of the details.

Ms. deNagy began by explaining that Regulation 9.013 allows the university Board of Trustees to consider the use of unreserved cash from a non-athletic auxiliary for athletics and to approve it, subject to Board of Governors approval. New College of Florida is seeking approval to use $2.5 million from the housing auxiliary fund for an internal loan to athletics for their new baseball stadium. The housing auxiliary does have debt; the director of the Division of Bond Finance has reviewed the proposal and has no concerns. Board staff have reviewed the proposal to ensure that it is in line with the regulation. To conclude, she stated that the New College Board of Trustees has approved the request.

Mr. Cerio thanked Ms. deNagy and asked if there were any questions. Seeing none, he asked for a motion to approve New College of Florida's use of $2.5 million in auxiliary funds for an internal loan for the construction of the baseball stadium.

Mr. Sinatra moved to approve the motion. Mr. Seibert seconded the motion, and members of the committee concurred.

10. Concluding Remarks and Adjournment

Mr. Cerio asked the Committee if there was any further business; seeing none, he adjourned the meeting at 12:28 p.m.

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Tim Cerio, Chair

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Heather Chason, Prepared Minutes