

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
UNIVERSITY OF NORTH FLORIDA
JACKSONVILLE, FLORIDA
NOVEMBER 5, 2020

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Mr. Brian Lamb, Chair, convened the conference call of the Budget and Finance Committee at 12:08 p.m. (ET) on November 5, 2020. Members present for roll call were: Eric Silagy, Tim Cerio, Ally Schneider, and Syd Kitson. Other Board members present were: Aubrey Edge, Patricia Frost, Darlene Jordan, Alan Levine, Charlie Lydecker, Kent Stermon, Bill Self, and Norman Tripp.

1. Call to Order and Opening Remarks

The Budget and Finance Committee was called to order by Chair Lamb. He asked Vikki Shirley, Corporate Secretary, to call the roll. A quorum was present.

2. Minutes of Committee Meeting

Mr. Kitson moved that the Committee approve minutes from the September 16, 2020, meeting. Mr. Silagy seconded the motion, and members of the Committee concurred.

3. Performance-Based Funding

Mr. Lamb introduced the next agenda item and reminded the Committee that the only changes that must be made to the performance funding model is the inclusion of the two new metrics. He asked Tim Jones to walk the Committee through the potential changes.

Mr. Jones reviewed the issues and recommendations based on the discussion at the September 16 meeting. They were:

- a. Replace Metric 9 – Board of Governors Choice metric on Excess Credit Hours with the two new metrics approved in Senate Bill 72 during the 2020 legislative session. Universities consistently score well on this metric and 10 of the 11 universities are above or close to the Strategic Plan goal of 80%. This metric is related to Metric 3 (Cost to the Student) and Metric 4 (Four-Year Graduation Rate).

- i. Two-year graduation rate for associate in arts transfer students will be worth five points. There is not a Strategic Plan goal for this metric. Staff looked at the system average of 40% and scaled the excellence benchmarks up and down by increments of five points; thus, to achieve five points, a university must graduate at least 50% of the transfer students in two years. Improvement is set in increments of 1% with 5% being the maximum.

Proposed Excellence Benchmarks:

Points	5	4	3	2	1
increments of 5%	50%	45%	40%	35%	30%

Proposed Improvement Scale:

Points	5	4	3	2	1
increments of 1%pt	5%	4%	3%	2%	1%

- ii. New College and Florida Polytechnic have small transfer cohorts; thus, it is recommended that these schools use a three-year cohort until the minimum cohort size of 25 is reached for three years in a row.

FL Poly Cohort Sizes:

Cohort Year	Cohort Size	3Yr Rolling Cohort Size
2014-15	32	.
2015-16	21	.
2016-17	16	69
2017-18	31	68
2018-19	24	71

NCF Cohort Sizes:

Cohort Year	Cohort Size	3Yr Rolling Cohort Size
2014-15	17	.
2015-16	12	.
2016-17	16	45
2017-18	12	40
2018-19	11	39

- iii. Six-year graduation rate for students who are awarded a Pell Grant in their first year. There is a Strategic Plan goal of 80% for six-year graduation rates. To earn five points, the university must graduate at least 80% of their Pell Grant students in six years. The benchmarks were scaled down in 5% increments. Improvement is set in increments of 1% with 5% being the maximum.

Proposed Excellence Benchmarks:

Points	5	4	3	2	1
increments of 5%	80%	75%	70%	65%	60%

Proposed Improvement Scale:

Points	5	4	3	2	1
increments of 1%pt	5%	4%	3%	2%	1%

- iv. Florida Polytechnic will not have a six-year graduation rate for two more years. It is recommended that they be measured on the Academic Progress Rate, 2nd Year Retention for FTIC Students with a Pell Grant. The Strategic Plan goal is 90%, so to earn five points, at least 90% of the students must be retained.

Proposed Excellence Benchmarks:

Points	5	4	3	2	1
increments of 1%	90%	88%	87%	86%	85%

Proposed Improvement Scale:

Points	5	4	3	2	1
increments of 1%pt	5%	4%	3%	2%	1%

- b. The Strategic Plan was modified in the fall of 2019 that impacted Metric 1 – Percent of Bachelors Graduates Employed (earning \$25,000+) or Enrolled One Year after Graduation and Metric 4 - Four-Year Graduation Rate. It is recommended that no changes be made to these metrics at this time due to a data source change for Metric 1 and the potential impact of COVID-19 on the data. In addition, significant changes are being made with the replacement of Metric 9 with two new metrics.
- i. The Strategic Plan goal for Metric 1 increased the earnings from \$25,000 to \$30,000. The data source for this metric has changed.
- ii. The Strategic Plan goal for Metric 4 increased from 50% to 65%.
- c. Florida Polytechnic will be included in the model starting in the summer of 2021 and their Board of Trustees has chosen their Metric 10 – Percent of Bachelor Degree Graduates with 2+ Workforce Experiences. Using their Accountability Plan, actual data, and proposed goals, benchmarks have been established.

Most Recent Data:

2018-19	2019-20*	2020-21*	2021-22*	2022-23*	2023-24*
73.2	75	77	78	78	78

*Proposed Goals

Proposed Benchmarks:

Points	10	9	8	7	6	5	4	3	2	1
increments of 2%	79%	77%	75%	73%	71%	69%	67%	65%	63%	61%

Proposed Improvement Scale:

Points	10	9	8	7	6	5	4	3	2	1
increments of 1%pt	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%	1.0%	0.5%

After discussion, Mr. Silagy moved that the Committee approve the proposed performance funding changes as presented. Mr. Kitson seconded the motion, and members of the Committee concurred.

4. 2020-2021 Carryforward Spending Plans

Mr. Jones presented an overview of the 2020-2021 university carryforward spending plans as submitted by the universities. Mr. Lamb stated that carryforward funds serve a multitude of purposes and includes the statutory seven percent reserve. Significant funds are invested in deferred maintenance since no PECO maintenance funds have been received for two years. Funds are also invested in faculty start-up packages and significant funds have been set aside for COVID-19.

Mr. Silagy stated the seven percent reserve is \$356 million and universities can use these funds if needed. A reserve can and should be utilized in a time of emergency.

Mr. Silagy moved that the Committee approve the 2020-2021 carryforward spending plans and instructed staff to follow-up with any questions or requests for information as necessary. Mr. Kitson seconded the motion, and members of the Committee concurred.

5. Legislative Budget Request

Mr. Lamb stated that the Strategic Planning Committee had adopted New College of Florida's University of Distinction proposal and recommended the Budget and Finance Committee consider the \$525,000 in the Legislative Budget Request.

After discussion, Mr. Silagy moved that the Committee include New College of Florida University of Distinction Proposal in the 2021-2022 Legislative Budget Request, but leave the \$50 million funding amount adopted in September. Mr. Ciero seconded the motion, and members of the Committee concurred.

6. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 12:36 p.m.

Tim Jones, Vice Chancellor
Finance and Administration

Brian Lamb, Chair