

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
FLORIDA GULF COAST UNIVERSITY
FORT MYERS, FLORIDA
NOVEMBER 19, 2019

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Mr. Syd Kitson, Chair, convened the meeting of the Budget and Finance Committee at 8:30 a.m. Members present for roll call were Tim Cerio, Wayne Huizenga, Zenani Johnson (via phone), Brian Lamb (via phone), and Ned Lautenbach. Other Board members present included Shawn Felton, Darlene Jordan, and Edward Morton.

1. Call to Order

Mr. Kitson called the meeting to order.

2. 2020-2021 Legislative Budget Request (LBR)

Mr. Kitson thanked everyone for making the trip to attend the meeting.

Mr. Kitson stated that in September of 2018, this Board approved the Programs of Excellence Report, which was a statutorily required report. A workgroup consisting of Provosts and Vice Presidents of Research worked for months under Governor Levine's guidance to develop this report which built on the research and academic programs within the system. The Board included \$30 million in the 2019-20 LBR to support this initiative, which failed to gain any traction during the 2019 legislative session.

Coming out of the 2019 session, the Board was tasked with developing a performance-based funding model that included four prongs – Preeminence, Emerging Preeminence, Regionals, and Mission-Specific Universities. The Chancellor and his staff met in June and July with university representatives to discuss this report. The sentiment from those meetings was complete support for Performance-Based Funding, a need to maintain preeminence, and a way to direct funding to the non-preeminent universities.

We have made it clear that non-preeminent universities are still encouraged to strive for preeminence and to climb in National Rankings but, more importantly, to focus on a core competency. Universities are 'not all things to all people', but to collectively create a system of universities with a range of expertise to satisfy today's dramatically changing workforce, to be proactive rather than reactive to the needs of our state, and to be completely focused on student success and student outcomes.

In August, we presented the Pillars of Excellence initiative focusing on Performance-Based Funding (PBF), Preeminence/National Rankings, and Universities of Distinction. We asked the non-preeminent universities to submit proposals on a distinctive program initiative and asked all 12 universities to make presentations to the Strategic Planning Committee on October 3.

Mr. Kitson thanked Governor Jordan and her Committee for the work they did in hearing presentations and reviewing all the proposals submitted.

The Board's Legislative Budget Request totals \$250M for the Pillars of Excellence, which includes \$100M for PBF and \$150M for Preeminent Universities/National Rankings and Universities of Distinction.

The total of all university submissions was \$267M, well in excess of the \$150M recommended outside of PBF.

I worked with the Chancellor and staff and spent significant time reviewing the Universities of Distinction proposals and the amounts requested. We looked at the plans and what reasonably might be expected to be implemented over the next year. If you look through the detail, there is a significant amount of resources to be invested in faculty, staff, and student scholarships. We wanted to provide a reasonable allocation, focusing on these three areas, and taking into account resources that may be received through performance-based funding that could be used to lay the groundwork for moving forward, even after the 2020 legislative session.

For the preeminent schools, we have seen significant improvement in the rankings. However, the closer you get to being the best, the harder it is to advance, and the more resources needed to achieve our goals. Statute requires an equal allocation of preeminence funds for preeminent schools. However, our second Pillar is entitled Preeminence/National Rankings, so it is a combination Pillar. Part of the recommendation is an approach reflective of their current national rankings and proportionate to their total Education & General (E&G) funding. But, most importantly, it is based on their plan to achieve their stated goals

The Governor and the Legislature have supported the SUS, it is one of the reasons why we are ranked the Number 1 Higher Education System in the country. But the state doesn't have unlimited resources, and we must be thoughtful in our request and allocation.

First up is Florida International University. FIU requested \$15.1M for Environmental Resilience. The allocation is \$11.5M for PBF and \$8 M for the Universities of Distinction for a total of \$19.5M.

President Mark Rosenberg presented, followed by Provost Ken Furton and Dr. Todd Crowl.

Mr. Kitson asked if the \$8M would be sufficient to provide a good base for moving forward. Dr. Crowl indicated that the original request was for \$30M but it was scaled down to \$15M, so more is really needed to fully implement the initiative.

Next was Florida Agricultural & Mechanical University. FAMU requested \$6M for the 21st Century Health & Wellness initiative. The allocation is \$5.2M for PBF and \$4.5M for the Universities of Distinction for a total of \$9.7M.

President Larry Robinson presented. Mr. Tim Cerio noted that the total allocation to FAMU is \$9.7M. Isn't that sufficient to start this program? Dr. Robinson responded by stating that they have looked at where reductions can be made, but student financial support is critical. We also are looking at attracting the best and brightest to the university. Mr. Cerio asked if carryforward funds could be used for the Talent Pipeline Scholars or the IT enhancement. Dr. Robinson stated it was possible, but they would need to look into that.

Next was Florida Atlantic University. FAU requested \$18.1M for Applied A.I. and Big Data Analysis and the allocation is \$7.7M for PBF and \$9M for the Universities of Distinction for a total of \$16.7M.

President John Kelly presented. Mr. Lautenbach asked how many students were in the A.I. program and FAU responded about 800, but the number continues to increase.

Mr. Huizenga noted that the goal was a fall 2021 start date for many faculty, but with the early 2020 session, could faculty be hired for fall 2020? FAU responded that it would potentially be possible, just depends on the advertising and recruitment process.

Florida Gulf Coast University requested \$8M for The Water School. The allocation is \$4.1M for PBF and \$8M for the Universities of Distinction for a total of \$12.1M.

President Mike Martin presented, along with David Vazquez.

Mr. Kitson noted there are serious water issues in South Florida. Is the university becoming laser focused on this and how are you working with companies? President Martin responded that we have hosted meetings, we have some of our best scientists working on this, and we are working with various organizations on what we can do jointly in solving this issue. Our principal partner right now is Mote Marine, which has received funding from the Legislature.

Florida State University requested funding of \$25M for National Ranking Enhancement and \$25M Talent Pipeline. The allocation is \$15.9M for PBF and \$27.5M for Preeminence/National Rankings for a total of \$43.4M.

President John Thrasher presented. Mr. Lautenbach wanted to know when FSU would get into the top 15 of US News & World Report. President Thrasher thought within the next two or three years. Mr. Lautenbach asked whether the full \$50M would get FSU there quicker. President Thrasher indicated it would not.

Mr. Kitson wanted to know the currently student-faculty ratio. Provost Sally McRorie indicated it was 21-1 and FSU wants to get to 17-1. Dr. McRorie also stated that FSU's funding per student is \$23,434 and the average of the Top 10 is \$66,800, so you can see that we are well below the top 10.

Florida Polytechnic University requested \$8M over a four-year period for Engineering, with \$3M for the first year. The allocation is \$2M for the Universities of Distinction.

President Randy Avent presented. Mr. Kitson asked when Florida Poly would achieve its goal of getting into the top 15 of engineering schools. President Avent believed within the next five years.

New College of Florida requested \$1.3M for Arts & Sciences for Florida's Future. The allocation is \$1.5M of PBF and \$700k for the Universities of Distinction for a total of \$2.2M.

President Donal O'Shea presented. Mr. Kitson asked if students are able to find jobs in the Sarasota Area. Brad Thieson stated that most leave Florida, but they are working with local businesses to keep more students in the area.

University of Central Florida Engineering & Computer Science - \$21.4M. The allocation is \$13.8M for PBF and \$12M for the Universities of Distinction for a total of \$25.8M.

President Thad Seymour presented. Mr. Kitson noted that UCF is ranked 79 and asked what was UCF's goals over the next few years. President Seymour said they would like to move into the top 25 of computer science and engineering schools, which would help the overall rankings. Mr. Kitson stated that UCF is the number one provider of talent to the Space Coast and asked how do we get the word out. President Seymour stated that, most importantly, the industry knows this and they come to our campus all of the time.

University of Florida National Ranking Enhancement - \$50M. The allocation is \$17.8M for PBF and \$37.5M for Preeminence/National Rankings for a total of \$55.3M.

Dr. Joe Glover presented. Mr. Lautenbach wanted to know how long will it take UF to get into the top 5. Dr. Glover stated in the next two years.

University of North Florida UNF Medical Nexus - \$23.7M. The allocation is \$4.7M for PBF and \$12M for Universities of Distinction for a total of \$16.7M.

President David Szymanski presented. Mr. Cerio asked if any of the \$6M identified as non-recurring could be paid for from carryforward funds. President Szymanski stated that their carryforward funds are limited and already committed.

University of South Florida National Ranking Enhancement - \$50M. The allocation is \$13.8M for PBF and \$20M for Preeminence/National Rankings for a total of \$33.8M.

President Steven Currall presented. USF's goal is to be a top 25 university in the next six / seven years as it takes time to hire the faculty. Mr. Kitson said there are two big goals: getting into the top 25 and AAU membership. How different are the goals needed to achieve these? President Currall stated that the AAU goal is more about faculty excellence and awards, STEM, and biomedical research. There were three schools that just got in: Utah, Dartmouth, and UC-Santa Cruz.

University of West Florida A Cyber Coast for Florida's Future - \$15.15M. The allocation is \$4M of PBF and \$8.8M for Universities of Distinction for a total of \$12.8M.

Vice President Betsy Bowers provided some opening comments followed by Dr. Eman El-Shiek, Director of the Center for Cybersecurity. Dr. Jaromy Kuhl, Dean of the Center, provided additional comments. Mr. Lautenbach asked about the number of students participating. Dr. Kuhl stated about 200 in the undergraduate program and 40-50 in the graduate program. Mr. Lautenbach asked Chancellor Criser to look around the state to see how many students we have in these type of programs. This is a huge area and is important for businesses.

Governor Ed Morton commented that he felt there was a lack of a focus on students and jobs in all of the presentations, improving jobs and salaries for our students.

3. Concluding Remarks and Adjournment

Governor Kitson

Mr. Kitson thanked everyone for coming and stated there would be a call on Friday for the Committee to vote on the allocation, followed by a full Board meeting.

He thanked the Board Members and staff from both the Board and the universities for the incredible amount of work they accomplished, and he thanked the Governor and Legislature for their support.

5. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 10:51 a.m.

Tim Jones, Vice Chancellor
Finance and Administration

Syd Kitson, Chair