



Agenda and Meeting Materials January 29-30, 2020

Room 208
Turnbull Conference Center
Florida State University
555 West Pensacola Street
Tallahassee, FL 32301



CONSTITUTION OF THE STATE OF FLORIDA

AS REVISED IN 1968 AND SUBSEQUENTLY AMENDED

ARTICLE IX

EDUCATION

SECTION 7. State University System.--

(a) **PURPOSES.** In order to achieve excellence through teaching students, advancing research and providing public service for the benefit of Florida's citizens, their communities and economies, the people hereby establish a system of governance for the state university system of Florida.

(b) **STATE UNIVERSITY SYSTEM.** There shall be a single state university system comprised of all public universities. A board of trustees shall administer each public university and a board of governors shall govern the state university system.

(c) **LOCAL BOARDS OF TRUSTEES.** Each local constituent university shall be administered by a board of trustees consisting of thirteen members dedicated to the purposes of the state university system. The board of governors shall establish the powers and duties of the boards of trustees. Each board of trustees shall consist of six citizen members appointed by the governor and five citizen members appointed by the board of governors. The appointed members shall be confirmed by the senate and serve staggered terms of five years as provided by law. The chair of the faculty senate, or the equivalent, and the president of the student body of the university shall also be members.

(d) **STATEWIDE BOARD OF GOVERNORS.** The board of governors shall be a body corporate consisting of seventeen members. The board shall operate, regulate, control, and be fully responsible for the management of the whole university system. These responsibilities shall include, but not be limited to, defining the distinctive mission of each constituent university and its articulation with free public schools and community colleges, ensuring the well-planned coordination and operation of the system, and avoiding wasteful duplication of facilities or programs. The board's management shall be subject to the powers of the legislature to appropriate for the expenditure of funds, and the board shall account for such expenditures as provided by law. The governor shall appoint to the board fourteen citizens dedicated to the purposes of the state university system. The appointed members shall be confirmed by the senate and serve staggered terms of seven years as provided by law. The commissioner of education, the chair of the advisory council of faculty senates, or the equivalent, and the president of the Florida student association, or the equivalent, shall also be members of the board.

(e) **FEES.** Any proposal or action of a constituent university to raise, impose, or authorize any fee, as authorized by law, must be approved by at least nine affirmative votes of the members of the board of trustees of the constituent university, if approval by the board of trustees is required by general law, and at least twelve affirmative votes of the members of the board of governors, if approval by the board of governors is required by general law, in order to take effect. A fee under this subsection shall not include tuition.

History.--Proposed by Initiative Petition filed with the Secretary of State August 6, 2002; adopted 2002; Am. proposed by Constitution Revision Commission, Revision No. 2, 2018, filed with the Secretary of State May 9, 2018; adopted 2018.



AGENDA
Innovation and Online Committee
Room 208
Turnbull Conference Center
Florida State University
555 West Pensacola Street
Tallahassee, FL 32301
January 29, 2020

11:00 a.m. to 11:30 a.m.
or
Upon Adjournment of Previous Meetings

Chair: Kent Stermon; Vice Chair: Tim Cerio
Members: Corcoran, Felton, Huizenga, Jr., Johnson, Lydecker, Tripp

- | | |
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| 1. Call to Order and Opening Remarks | Governor Stermon |
| 2. Minutes of October 30, 2019, Committee Meeting | Governor Stermon |
| 3. SUS Textbook Affordability Action Plan | |
| A. Update | Dr. Lynn Nelson
<i>Director, Student Affairs</i> |
| B. Faculty Perspective | Governor Shawn Felton |
| 4. UF Online | Ms. Evie Cummings
Assistant Provost and
Director of UF Online |
| A. 2018-19 Annual Report | |
| B. Revisions to Enrollment Projections in 2019-2024
Comprehensive Business Plan | |
| 5. Concluding Remarks and Adjournment | Governor Stermon |

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Innovation and Online Committee
January 29, 2020**

SUBJECT: Minutes of Committee Meeting held October 30, 2019

PROPOSED COMMITTEE ACTION

Approval of minutes of the committee meeting held on October 30, 2019.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board members will review and approve the minutes of the committee meeting held on October 30, 2019.

Supporting Documentation Included: Minutes: October 30, 2019

Facilitators/Presenters: Governor Kent Stermon

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
INNOVATION AND ONLINE COMMITTEE
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
OCTOBER 30, 2019

1. Call to Order and Opening Remarks

Chair Ed Morton convened the meeting at 10:56 a.m. on October 30, 2019, with the following members present: Vice Chair Darlene Jordan (joined 11:04 a.m.); Tim Cerio; Dr. Shawn Felton; H. Wayne Huizenga, Jr.; Zenani D. Johnson; Syd Kitson; Eric Silagy (joined 10:59 a.m.); Kent Stermon (joined 11:00 a.m.), and Norm Tripp. A quorum was established.

2. Approval of Committee Meeting Minutes

Governor Tripp moved that the committee approve the minutes of the August 28, 2019, meeting, as presented. Governor Kitson seconded the motion, and the members concurred.

3. Consideration of Online Courses in Medical Schools Admissions Process

Chair Morton said that in previous meetings, he had heard comments that implied certain of our admissions processes in medical schools may not be embracing of credits that students earn online. He said that he felt the Committee should have a discussion with medical school representatives to better understand how online courses are taken into consideration in the admissions process, and to make sure the online courses and programs in the SUS are designed in a way that could help address their concerns.

Dr. John Fogarty, Dean of the Florida State University Medical School and Chair of the Council of Medical School Deans, said that admissions criteria are set by each medical school. Schools look at more than grades and academic performance in the admissions process; they also look at human factors, including communication and relationship skills, life experiences, the ability to work together in teams, and leadership roles. The admissions team also must weigh the quality of the institution from which the student is applying. He said these admissions criteria have served the medical schools well.

Dr. Fogarty said that FSU does not treat online courses any differently than face-to-face courses, other than lab courses. Some medical schools require a secondary application to obtain more information before accepting applicants for interviews, and many of the SUS medical schools will ask about online education during that time. It is a highly competitive process.

Dr. Fogarty said that the Association of American Medical Colleges (AAMC) leaves admissions policies up to individual medical schools, but does acknowledge that

acceptance of online coursework has increased in recent years, although the type of courses that can be taken online vary widely. He said that the Liaison Committee on Medical Education (LCME) essentially leaves these issues to medical schools. He referred to an article in Inside Higher Education which reflected that attitudes toward online education are changing. He said the SUS medical schools do not take the hard line on online education that some schools mentioned in the article take.

He said that several of the SUS medical school deans recently met with the Steering Committee, a group of provosts guiding the implementation of the Strategic Plan for Online Education. He said the deans in attendance all agreed that some courses aligned well with online formats, but questioned whether others, such as writing courses, would align well.

Chair Morton said that at the faculty breakfast that morning, the question came up as to why online education was not as acceptable as it should be at the SUS medical schools. This is an issue that is beginning to be amplified throughout the system. He asked the medical school deans if they would consider meeting with the distance learning leaders to inform them as to what is needed to make the deans more comfortable with online education and to make the deans more knowledgeable and comfortable with the progress that is being made in the system. The deans may want to talk to some of the faculty who teach these courses online and gain their perspective on student performance. He said there were questions not just on chemistry and the sciences, but also on why other courses, such as English and mathematics, were looked upon ambiguously by medical schools.

Chair Morton also asked the deans if they would consider gathering some data on the performance of students who had taken online courses versus those who had taken those courses in the classroom.

Dr. Fogarty responded that the Council would look at that, and stated that he had no problem with students learning the content online, but medical schools look beyond that to teach students how to be physicians, to have the professional behaviors, attitudes, knowledge, and skills they need, and he does not think that those things are necessarily identified online. The outside experiences they have might tell the schools more about them beyond the courses they take online.

Dr. Fogarty also indicated that the second request would be tough to ferret out, because most medical schools do not like to look back and compare students; they expect all students, once they are admitted, to succeed. He said he would ask the question of some of the medical schools' admissions people.

Dr. Fogarty said he would be glad to meet with representatives of those providing online courses so they can better understand each other.

4. Meeting Workforce Needs: Certificates

Chair Morton indicated that the Committee had asked in the past about how the system is preparing students to meet workforce needs of the region, the state, and the country, and that staff had been asked to present the first step of that analysis.

Dr. Nancy McKee provided the Committee with the definitions of college credit certificate programs and non-college credit certificates found in Board regulations, saying both definitions included an organized curriculum of study; both led to specific educational or occupational goals; both resulted in the award of a certificate or diploma; and the university set the number of credit hours or length of the program.

Dr. McKee said the SUS has 908 for-credit certificate programs, with 581 of those (64%) being at the graduate level. The University of Florida had the most graduate certificate programs (159), followed closely by the University of South Florida with 145. UF also had 50 certificate programs at the professional level. The SUS had 277 undergraduate certificate programs, with Florida international University having the most (58), followed closely by the University of Florida with 53 and the University of Central Florida with 49. She stated that neither Polytechnic nor New College offered for-credit certificate programs at this point.

Dr. McKee said that over 5,000 for-credit certificates were awarded in the system in 2018-19. The University of Central Florida awarded the most with 1,276, followed by the University of Florida with 1,015.

She indicated that 355 of the for-credit certificate programs were offered online. UCF and the University of West Florida were the only two institutions that offered more certificate programs online than they offered face-to-face. She said that, system-wide, 30% of the undergraduate for-credit certificate programs were offered online and 46% of the graduate ones were.

Dr. McKee indicated that 542 (60%) of the for-credit certificate programs were in Areas of Strategic Emphasis, with most of those being in STEM or Health programs. University of Florida had the most certificate programs in those two areas, by far; the University of Central Florida had the most in Education and FIU the most in Global Competitiveness. Several universities were close in the number of certificate programs they offered in areas identified by the Gap Analysis.

She indicated that she would be meeting with university representatives to draft a taxonomy for use with non-credit certificates. The taxonomy would be approved by the Steering Committee, which is guiding the implementation of the Strategic Plan for Online Education. Upon that group's approval, the Board Office will distribute a survey to capture non-credit certificate information in a way to better articulate the activities in that area.

She said that some institutions have started offering badges, and others are starting to have conversations about doing so. The term “badges” does not have a system-wide definition, and one needs to be developed before information can be collected in a consistent manner. Other credentialing terms that are frequently seen in the literature, such as micro-credentials, nano-degrees, micro-Masters, and stackable credentials, need to be discussed in the system to see how they fit with efforts to meet workforce needs.

Governor Felton cautioned that the Board not overregulate these new approaches so universities will continue to have flexibility to be responsive in meeting regional workforce needs. Chancellor Criser said the discussion is not about regulation as much as it is about organizing the inventory in the system in a way that allows universities and the system to share information with each other, the Florida College System, the Department of Economic Opportunity, technical schools, and employers themselves. He said he is excited about the online aspect that allows universities to go beyond a region.

Governor Scott indicated that a library of these online programs and courses would be useful so the system would not have unnecessary duplication of programs and so that students could have easy access to those programs and courses. Governor Lautenbach said that with the implementation of the Strategic Plan for Online Education, all the universities are involved and the system is well on its way to accomplish that effort.

5. Mid-course Correction of the Performance Indicators and Goals

Governor Morton reminded the Committee that Quality and Affordability performance metrics and goals were presented during the June and October meetings as part of the mid-course correction of those listed in the 2025 Strategic Plan for Online Education. He said today’s focus would be on the Access performance indicators and goals.

Dr. McKee stated that the 2025 Strategic Plan for Online Education had two Access performance indicators that are recommended for consolidation into one: “Number of undergraduate student credit hours in online education” and “Number of undergraduate FTE enrolled in Online courses.” The new performance indicator would be “Percent of undergraduate FTE in online courses,” with a corresponding goal of 40%. She said the system is on track to meet the 40% goal by 2025.

She said there are parallel performance indicators for graduate students and the recommendation is to consolidate them into one, as well. The new performance indicator would be, “Percent of graduate FTE in online courses,” with the goal being 35%. She said the system is on track to meet this performance indicator by 2025.

She recommended no change to the next two performance indicators and goals:

“Percentage of SUS undergraduate students enrolling in one or more online courses each year,” with a goal of 75%

“Percentage of SUS graduate students enrolling in one or more online courses each year,” with a goal of 50%

She said the system is at 72% now for undergraduate students and is on track to meet the 75% goal. The system has already exceeded the 50% goal with 51% of graduate student online enrollment. However, the provosts on the Steering Committee felt strongly that the current goal of 50% reflected the optimal mix for graduate students.

Dr. McKee indicated that the last Access performance indicator was “Percentage of academic degree programs in the Board of Governors Academic Program Inventory that have at least one major offered fully online,” with a goal of 60%. She said that the inventory of online programs will be updated in December and she will be presenting the data to the Steering Committee in January for review and consideration of whether the indicator and goal should be revised. Her recommendation was to reflect “To Be Developed” for this performance indicator and goal and bring it back to the Committee at a later date.

Governor Silagy questioned whether the goals for undergraduate and graduate students taking online courses were optimal goals. Dr. McKee said the provosts had discussed that issue during a Steering Committee meeting and felt that both percentages reflected the optimal goals. Governor Silagy stated that graduate enrollment had already exceeded the goal and said he is trying to get a sense of whether the goals were truly optimal. Chair Morton asked her to talk to the appropriate people and respond to Governor Silagy’s question at a future meeting. Governor Lamb requested data to support the 50% and 75% goals for undergraduate and graduate enrollments to explain why they are optimal.

Governor Levine noted that the performance indicator that addresses academic programs does not provide any guidance as to the type majors that should be offered online to meet workforce needs. Dr. McKee indicated that when the Steering Committee reviews the updated inventory, those provosts will make a recommendation as to the re-wording of that performance indicator, possibly focusing on Areas of Strategic Emphasis.

Governor Tripp moved that the updated performance indicators and goals be approved for the 2025 Strategic Plan for Online Education, and Governor Huizenga seconded the motion. The motion passed unanimously.

6. Concluding Remarks and Adjournment

Chair Morton adjourned the meeting at 11:52 a.m.

Edward Morton, Chair

Nancy C. McKee, Ph.D.
Associate Vice Chancellor

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Innovation and Online Committee
January 29, 2020**

SUBJECT: SUS Textbook Affordability Action Plan

PROPOSED COMMITTEE ACTION

For Information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

During the August 2019 meeting, the Innovation and Online Committee – and subsequently the full Board – approved the State University System *Action Plan for the Pricing of Textbooks and Other Instructional Materials*. The goal of the initiative was to provide students with access to quality and affordable textbooks and other instructional materials, thereby increasing the likelihood of their success in higher education.

The Action Plan described the Board’s intent to pursue Letters of Commitment with publishers and university bookstore vendors to ensure that students in the State University System will be paying less for textbooks and other instructional materials than they currently pay, beginning with the 2020 Fall term, and that students throughout the System will be paying consistent prices for the same materials.

The Action Plan also specified the components of the initiative that publishers and vendors would acknowledge and address:

1. Student cost of course materials, including pricing mark-ups by university bookstore vendors, be provided for (a) \$20 or less per credit hour or (b) more than \$20 per credit hour, but at a noticeably lower retail cost than students would otherwise pay;
2. Identifying the format of materials that meet the pricing indicated above as print and/or digital;
3. Student access to materials on the first day of class;
4. Student access to digital materials beyond the end of the course;
5. Students not paying twice for digital access if the course is dropped and taken at a later time;
6. The option for print-on-demand for digital materials;
7. Accessibility for students with disabilities;

8. Bookstore vendors will develop mechanisms for capturing and reporting faculty use of open education resources, library materials, and other no-cost resources (e.g. generic ISBNs), which will allow these resources to be included in the official booklist and the savings can be captured in the authoritative list;
9. University access to data.

Dr. Lynn Nelson will update the Committee on the receipt of the Letters of Commitment from publishers and bookstore vendors and on other actions taken to further implement the Action Plan.

Governor Shawn Felton will provide his perspective on the impact of the Action Plan on faculty review and consideration of course materials. Governor Felton is Chair of FGCU's Department of Health Sciences, Marieb College of Health & Human Services. He also serves as Chair of the Advisory Council of Faculty Senates.

Supporting Documentation Included: None

Facilitators/Presenters:

Dr. Lynn Nelson
Governor Shawn Felton

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Innovation and Online Committee
January 29, 2020**

SUBJECT: UF Online

PROPOSED COMMITTEE ACTION

For Information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

UF Online was created by the 2013 Legislature as an institute for online learning at a preeminent state research university to provide for “high quality, fully online baccalaureate degree programs at an affordable cost.” An Advisory Board was statutorily established to support its development and guide the implementation of its business plan.

The initial Comprehensive Business Plan covered years 2013-2019. In October 2018, the Advisory Board approved the UF Online 2019-2024 Comprehensive Business Plan, which was presented to the Board of Governors Innovation and Online Committee in January 2019. Implementation of the plan is reflected in UF Online’s annual reports. The Advisory Board approved UF Online’s 2018-19 Annual Report at its meeting on December 18, 2019; it will be presented to the Innovation and Online Committee at its meeting on January 29, 2020, by Ms. Evie Cummings, UF’s Assistant Provost and Director of UF Online.

Also during its December 18, 2019, meeting, the Advisory Board approved revisions to the enrollment projections included in UF Online’s 2019-2024 Comprehensive Business Plan. Ms. Cummings will present the revisions to the Committee during its January 29 meeting.

Supporting Documentation Included: 1. UF Online 2018-19 Annual Report
2. UF Online 2019-24 Comprehensive Business Plan, Revised December 18, 2019

Facilitators/Presenters: Ms. Evie Cummings

ANNUAL REPORT

ACADEMIC YEAR 2018-2019

Presented to the UF Online Advisory Board

UF ONLINE
UNIVERSITY *of* FLORIDA

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UNIVERSITY OF FLORIDA MISSION STATEMENT

“The University of Florida is a comprehensive learning institution built on a land-grant foundation.

We are The Gator Nation, a diverse community dedicated to excellence in education and research and shaping a better future for Florida, the nation and the world.

Our mission is to enable our students to lead and influence the next generation and beyond for economic, cultural and societal benefit.”



MESSAGE FROM THE DIRECTOR







With this fifth annual report, we proudly get to celebrate UF Online's fifth birthday as well as our ascension to the #5 ranking of online bachelor's program in the country, according to U.S. News and World Report 2019.

This external recognition encourages us to remain focused on our core mission: expanding access to the University of Florida, now the nation's #7 public university.

The University of Florida is a special place. Nestled here in Gainesville, Florida, this top-ranked, research university serves just over 55,000 students and proudly celebrates the accomplishments of over 400,000 living alumni. What you may not realize is that although Gainesville is our hub, our campus is an expansive one, extending across this country and around the world, thanks to our digital, hybrid and extension programs. Universities and their impacts are limitless, especially when they realize that they can achieve their core mission in new and impactful ways.

With UF Online's accomplishments over this past year, the University of Florida is showing the world that the mission of a large, research university extends far beyond the campus walls, and if done right, a university can realize new dimensions of impact that were never even thought possible before. Our lessons from the past year include:

-  **You can widen participation to a Research I university via online pathways while keeping admissions selectivity intact and focusing on your core values of student success.** Now offering over 20 fully-online bachelor's degrees, taught completely by UF faculty, UF Online experienced considerable enrollment growth this past year while also crossing our threshold of 2,000 graduates. This rapid growth has been possible while maintaining our focus on quality and admissions selectivity.
-  **Not only are life science online bachelor's pathways possible, but summer lab bootcamps will bring online students to campus for lab-based instruction.** Not all labs need to be convened on campus, but this past summer, we held the inaugural Chemistry Lab bootcamp and it was a resounding success. UF faculty are reinventing and offering high-demand life science degrees. Faculty innovators here at UF in chemistry, biology, physics, and microbiology and cell science are forging new models and our students ultimately benefit.
-  **Major employers – including Disney, Walmart, Discover – are eager to partner to serve their workforce with top-ranked degrees, tuition free.** This new partnership between University and Employer will only grow in size and impact, benefiting so many future Gators.
-  **Finally, you can offer more flexible pathways to a top-ranked university and, in doing so, boost access and keep costs low.** Proving that affordable distinction exists, UF Online has been able to bridge our campus with our students' lives, homes, and families, saving Florida residents over \$17 million dollars in tuition and fees. By keeping our tuition and fees 40% lower than our in-state and out-of-state rates, we've been able to save our students money and boost the value of their resumes.

We have certainly learned a lot along the way and there's so much more to do and more fun times ahead. We're eager to share our lessons with other top universities that are rethinking how they serve students that simply need or require a more flexible and engaging learning experience. I am excited for our future impact as we move ahead with full implementation of the University of Florida Online Business Plan for 2019-2024. Our future is certainly bright!

All the best, and Go Gators!

Evie

Evangeline Tsibris Cummings
Assistant Provost & Director of UF Online



INTRODUCTION

As we continue to expand UF Online under the guidance of the University of Florida's vision and mission, UF is proud to have adopted a campus-wide commitment model to online learning. Our online model is unique in the country, designed and taught by the very same stellar faculty who teach on our main Gainesville campus. UF admits, enrolls, and evaluates each online student just as they do residential students, with the same admission standards, enrollment protocols, and academic rigor required of each and every student. UF Online students also count on the full support of the institution in offering rigorous academic programs, enriching engagement opportunities, extensive resources, and an established network to help each student thrive.

As one unified campus working to implement a shared mission and vision, we recognize the separate yet interconnected dimensions that make the realization of this vision possible. Our work proceeds along the following seven dimensions, yet that work is accomplished by countless experts and organizational units across the institution.

SEVEN DIMENSIONS

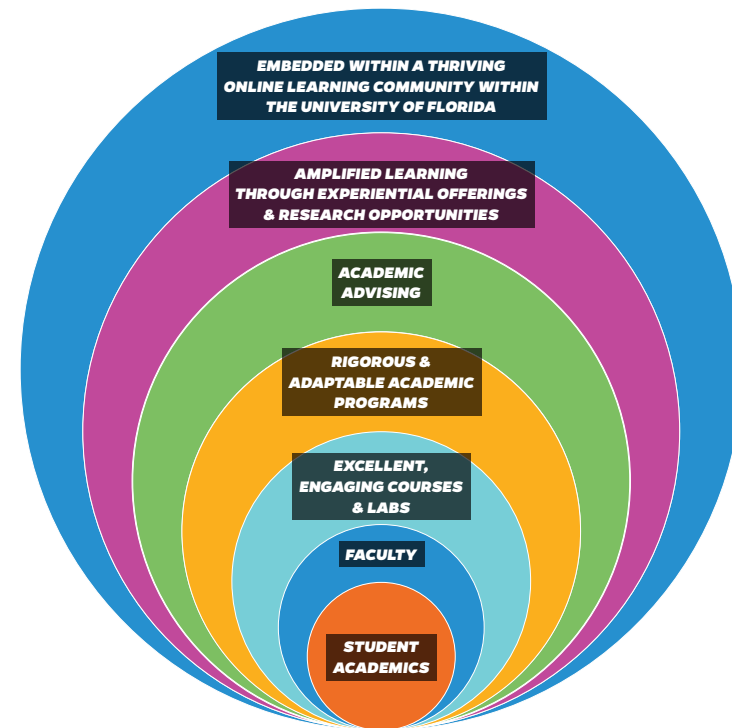
A MULTI-DIMENSIONAL VIEW OF VALUE FUELING STUDENT ACADEMIC SUCCESS



VIEW 1: THE UF ONLINE MODEL - SEVEN DISTINCT AREAS FUELING STUDENT SUCCESS

CONTINUALLY IMPROVING THROUGH 2019 & BEYOND

Each dimension represents an area that contributes value to our students. The success of each area may be supported and fueled by multiple organizational units - faculty and staff cut across colleges and service lines. However, all rely on core data and analytics stemming from our data infrastructure for the benefit of many departments across campus. In addition to this integrated model, we must work extensively to best serve our students by further defining these dimensions in terms of goals, strategies, and tactics. As with any approach, this one continues to evolve, improving over time and remaining flexible and agile to ensure UF Online remains focused on the greatest value areas for students. Taking this multi-dimensional approach enables the organization to maintain focus on programs with the greatest benefits for our students along these seven dimensions instead of working exclusively on fortifying new organizational units and budgets.



VIEW 2: NESTED RELATIONSHIPS OF THE SEVEN DIMENSIONS OF UF ONLINE

SEVEN DIMENSIONS

A MULTI-DIMENSIONAL VIEW OF VALUE FUELING STUDENT ACADEMIC SUCCESS

Student academics:

Our core programmatic dimension is the accomplishment of our online students. Driven and controlled by the students themselves, we expect each and every student to engage academically and to be present in their chosen pathway with timely advice from advisors and faculty. UF Online also strives to provide individualized support to each of our students, further investing in the academic core over the next five-year chapter.

Faculty leaders and mentors:

Over 350 of UF's top faculty lead the way in content, course design, and teaching in UF Online. UF faculty design, deliver, teach, and evaluate all academic components of the UF Online program and experience. Faculty foster innovation, drive success, and often serve as mentors to students outside the digital classroom. UF Online students can have confidence in their instructors as leaders in their field.

Coursework and labs:

Fueled with the creativity and acumen of their discipline, faculty design all courses and labs for UF Online students, often with the aid of a teaching support team comprised of expert instructional designers, graphic designers, and more. UF coursework is accessible through our learning management system and is not to be underestimated. Courses and labs are just as challenging as they are in our residential formats, given that students earn the very same degree and are taught by the same faculty as campus peers. Courses and labs are also available in varied formats, as determined by the faculty.

Academic program pathways:

This dimension is comprised of courses, labs, and experiential learning requirements, as designed by faculty, departments and colleges here at UF. The programs offered in UF Online must meet the same rigor as campus yet may be available in more dynamic, versatile, and often flexible formats.

HAPPY FIFTH BIRTHDAY, UF ONLINE!

In 2019, UF Online was proud to celebrate reaching its fifth official year. And, what better birthday gift than to reach 2,000 graduates while celebrating five years! Serving students across the United States and the world, UF Online encompasses 21 majors, students from 50 states, 7 countries, and now crossing over 2,000 awarded degrees. UF Online has seen tremendous growth within its short time.

Since its inception in January 2014, UF Online has seen many successes. Between 2018 and 2019, our fully-online undergraduate program moved up seven ranks, now holding a position as fifth in the nation, according to the 2019 U.S. News & World Report Best Online Programs.

Over the course of five years, UF Online also launched a first-of-its kind virtual campus for online students. The Plaza has become an open forum for students to interact with peers in their educational community, whether it's to discuss

coursework or chat about shared interests. Just as the Plaza of the Americas offers a meeting space for students on campus to come together, the online Plaza unites those taking virtual classes, no matter where they are in the world.

Building on five years of momentous milestones, UF Online completed another goal by graduating 2,000 students and looks forward to next thousand and beyond. The program will continue striving to provide new ways to welcome the next generation of students into a place they can call home: The Gator Nation.

With a new five-year chapter on the horizon, the following pages highlight our achievements over the Academic Year 2018-2019 within the framework that guides our future work. Each section is connected to one of five overarching goals, cutting across the seven dimensions and simultaneously fueling and informing our growth.

Academic advising:

Looking across each student’s academic coursework and their progression along their academic program pathway is the critical partnership between the student and their dedicated academic advisor. Each student enrolled in UF Online has their own dedicated academic advisor who works with them to design their own custom pathway given their schedules, life responsibilities, and other constraints. UF Online academic advisors are also a professional cadre of experts who can assist in course sequencing, locate academic support services, map career interests to degree offerings, and overall help ensure each student has the support they need to excel academically.

Amplified learning programs:

UF Online is also unique in its promotion of co-curricular activities and opportunities for online students to gain experiential learning while they complete their course of study. From internships, to capstone courses, to study abroad, online students have the ability to take advantage of amplified learning programs. These opportunities complement our robust academic offerings by enabling students to explore their interests via a hands-on approach.

Learning environment and community:

Surrounding all online students is the common student experience as a valued member of the UF Online learning environment. As we work to fortify a thriving and engaging learning community, we focus on both online and face-to-face opportunities for engagement and connection across our entire student body and alumni network. This dimension includes our UF Online Plaza, the country’s first ever fully-online campus for online undergraduates, the Optional Fee Package, and Connections Events.



GOAL 1: ROBUST STUDENT LEARNING

The foundation of success for UF Online continues to be the University's commitment to academic excellence in the online learning environment. UF faculty, therefore, lead the way in creating a robust student learning environment, attesting to the power and value of premier academic faculty, departments, and colleges in the design and delivery of innovative online offerings and experiences.

MICROBIOLOGY BOOTCAMP

Every May since 2013, UF Online students majoring in Microbiology come from all over to participate in two five-day lab bootcamps to complete their required in-person lab requisites. As part of UF Online's Microbiology and Cell Science major, the bootcamps are part of a program that's one of only two online microbiology lab programs in the country.

Each class is comprised of 30 to 35 students, the same as traditional labs, with a student to teaching assistant ratio of six to one. From 8 a.m. to 5 p.m., students work on a minimum of two lab modules each day, as compared to the one module each week that a traditional student takes. Despite the intensity of the program, it has proven

effective, as students enrolled in the lab bootcamps receive the same quality and structure as with traditional labs. Not only are the same experiments being performed as on-campus labs, but they are career-oriented, intensive, and have the same final exam on the last day as their traditional counterpart.

"Intensive? Sure. Lived up to its name – but by far the best-organized and most smoothly-run lab class I've ever taken," said Shawn Palmer, a student who recently completed the lab bootcamp.

The bootcamp is the best of both worlds for online students and non-traditional undergraduate students, many of whom balance their coursework with other obligations. The bootcamp complements their

top-quality online education with the benefit of hands-on training of modern lab skills on state-of-the-art lab equipment.

This teaching model was acknowledged and approved in 2011, when the Microbiology and Cell Science department was awarded a National Science Foundation grant called STEP, to help launch the online degree program by offering research experience to students. From there, another grant called the S-STEM, worth \$4.7 million, was awarded to give scholarships to students in need taking 2+2 pathways (transfer students).

Not only has this model been proven successful for teaching students in online programs, but also at increasing

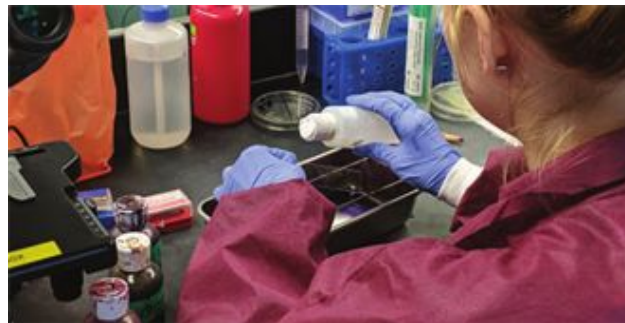
Having an environment conducive of my academic and personal goals was a turning point. It led me to pursue medicine from a research perspective and gave me direction. I'm tremendously proud of who I've become. Being a Gator and being part of one of the most elite colleges in the nation has given me identity.

Phong Truong – Microbiology and Cell Science



the diversity of students through a 2+2 hybrid online STEM program, as compared to traditional on-campus students.

With the number of students attending these bootcamps increasing each year, UF Online and the Microbiology and Cell Science department look forward to welcoming them and guiding them on their pathway to graduation.



I was a first-generation college student, so my parents didn't understand a lot of the things I went through before, but now it's nice having her understand. My drive in school comes from seeing how hard [my mom] works and how much effort she puts into things.

Morgan Pinkerton (Student's Daughter)



It's a huge accomplishment to get into UF. It's part of a family of Gator alumni. When anyone sees you with a Gator shirt on, there's an immediate connection. The feeling is amazing. And just to experience it with my daughter [who also goes to UF] is even better.

Angel Pinkerton – Business Administration

GOAL 1: ROBUST STUDENT LEARNING



CHEMISTRY BOOTCAMP

In 2018-2019, UF Online launched a brand-new chemistry lab bootcamp for the first time across the State University System of Florida. The lab pairs with CHM 2045 General Chemistry I in a hybrid format, a traditional semester-long course compressed into an intensive face-to-face experience with critical online instruction and content. Students complete their coursework entirely online before convening at the University of Florida campus in Gainesville for an in-person lab bootcamp.

UF Online's flexibility gives students the opportunity to participate in a face-to-face General Chemistry I lab, where they can perform the exact same lab activities as students perform each spring, summer, and fall term, over a much shorter period of time, in the new lab space. Additionally, the small

size of the class allows the teaching assistants to have more interaction with the students.

Prior to launching the lab bootcamp, UF's Chemistry department worked closely with UF Online for nearly a year, planning, conceptualizing, and designing the experience for these students - both the online/preparation portion and the face-to-face experience. Once in the lab, students use technology, such as a virtual reality headset, to prepare them for various lab activities, such as a virtual tutorial on how to use a micropipette.

Alexys Dew, a student in the bootcamp who recently completed her freshman year through UF Online, said she appreciates the blended format of the course, and that it works well for Chemistry. "I like online classes,

especially with harder classes, because you can do things like stop the video and kind of gather your thoughts," Dew said. "It's really cool being able to be here and being able to talk to someone ... as well as being at home and being able to write your own [notes on lectures] down," she said.

Online students don't want lesser quality, they want equity of access to earn their degree. Flexible formats, like bootcamps, not only ensure an engaging delivery of lab-based instructions, but also serve as a great opportunity for online students to connect with faculty and one another at UF's top lab facilities.

STEMpowered

In October of 2018, UF Online hosted its first State University System Symposium and Showcase, STEMpowered. The two-day event focused on exchanging ideas on the future of online STEM courses and labs for undergraduate students. The goal was to foster discussion on how to wisely integrate educational technology into the State's STEM teaching practices.

Faculty members from across Florida engaged in lively presentations, demos, panels, keynotes and more. Attendees were able to choose between two tracks for each set of breakout sessions, featuring 25 presenters in total. Some of the topics covered included best practices for

teaching online, incorporating new technologies, strategies for online lab development, designing hands-on experiences at a distance, and creating research opportunities for online students. UF faculty members had the chance to present on topics including hands-on physics homework, 2+2 transfer systems, and opportunities for collections-based courses. Between sessions, attendees visited the Exploration Room to watch live demonstrations of new technologies that are being used at different universities, such as a virtual reality lab setting.

With over 170 attendees spanning 13 institutions of higher education, STEMpowered helped both to highlight

innovative practices and create synergy among state universities as they work to achieve similar goals. Supported by the State's investments in higher education, the University of Florida and others continue working to expand access to quality STEM programs. Developing online curricula is a key to this mission, with its strategic implementation promoting the diversity of learners and scalability of programs. UF Online looks forward to building upon the success of its first symposium by bringing it back for 2020 and engaging with more state partners on the cutting edge of online STEM education technology.

STEMPOWERED
FLORIDA SUS FACULTY SYMPOSIUM



Every class wasn't cut from a cookie cutter. You could tell how involved [the professors] were in how they facilitated students working with each other. They made it more interactive. I started with psychology, and the more I learned, the more I got excited about it. Being able to accomplish this gave me so much more confidence in my educational ability, and that's a big mark.

John Chaffin – Psychology

GOAL 1: ROBUST STUDENT LEARNING

UNDERGRADUATE RESEARCH

UF Online has begun a partnership with the Center of Undergraduate Research to identify opportunities for fully-online students to engage in research projects. While this capability has existed over the past few years, this year we have placed greater focus on developing pathways for online students to engage in the research taking place on campus through fully-funded projects.

Additionally, students have the opportunity to conduct research in individual degree programs. Some, such as the Interdisciplinary Studies-Environmental Management in Agriculture and Natural Resources degree, require students to complete three units of applied learning, where many students elect to perform research across the state of Florida.

As part of their hands-on research, students have the opportunity to utilize UF's Institute of Food and Agricultural Sciences' (IFAS) 67 extension offices and 12 Research and Education Centers (RECs). A few of the research projects completed over the last year include:

- Studying pest and plant interactions at the Apopka REC
- Habitat restoration in Fort Lauderdale REC
- Supporting Sea Grant research on microplastics in coastal areas through Martin County IFAS extension

Such networks help students evaluate environmental issues in their hometowns, working with top-ranked

faculty from the University of Florida. Below are student responses to their research experiences within the program:

"Before my academic advisor sent me this internship application, I didn't know that IFAS existed. None of my family had heard of it before. Even after I applied, I had to look up what IFAS was. I think this is a spectacular program with enormous potential for solutions for your life."

-Heather Surratt, Student

"Working a full-time job, going to school full-time and having an internship was not easy. I am really thankful the Orange County Environmental Protection Division tried to make sure I was not overwhelmed,

but that I also had an informative and fun internship. This internship really helped me figure out what I want to do after I graduate. I was able to shadow the manager of the entire division as well as the heads of NPDES, water quality, pollution prevention, air monitoring, air inspectors, and air quality management. I had a close-up look at everything that goes into environmental governance and how tax dollars are spent. This experience has changed my opinion of environmental government work and seriously made me consider it as a future career."

-Lily Willingham, Student

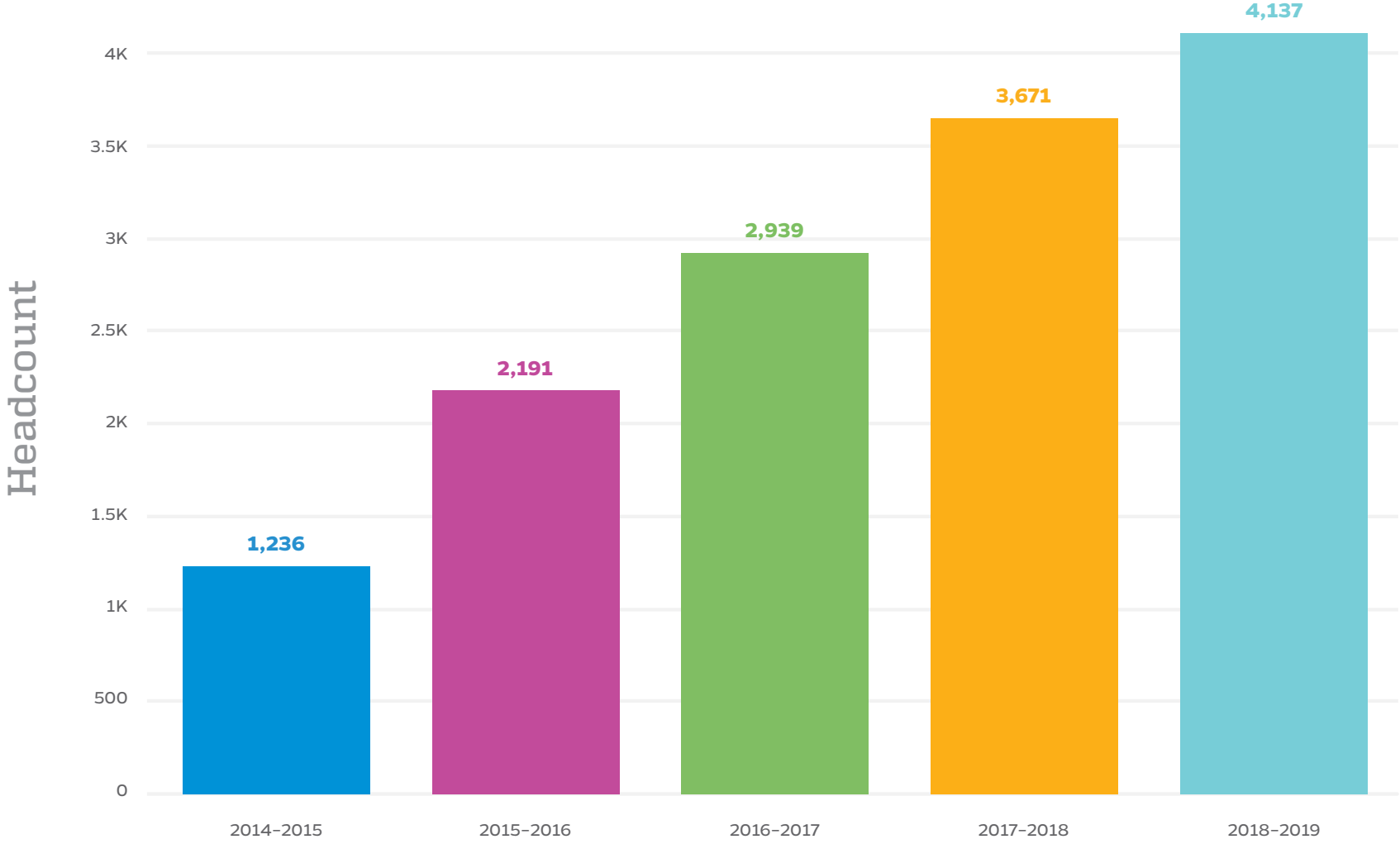
GRADUATES

UF Online continues to expand the Gator Nation with each passing semester. In Summer 2019, UF Online crossed the 2,000 graduate threshold. This important milestone in just five short years is a testament to the campus-wide commitment to UF

Online students. Through innovative pathways, UF Online students turn into workforce ready graduates poised for the next chapter in their lives. UF Online celebrates with new Gator alumni every semester.



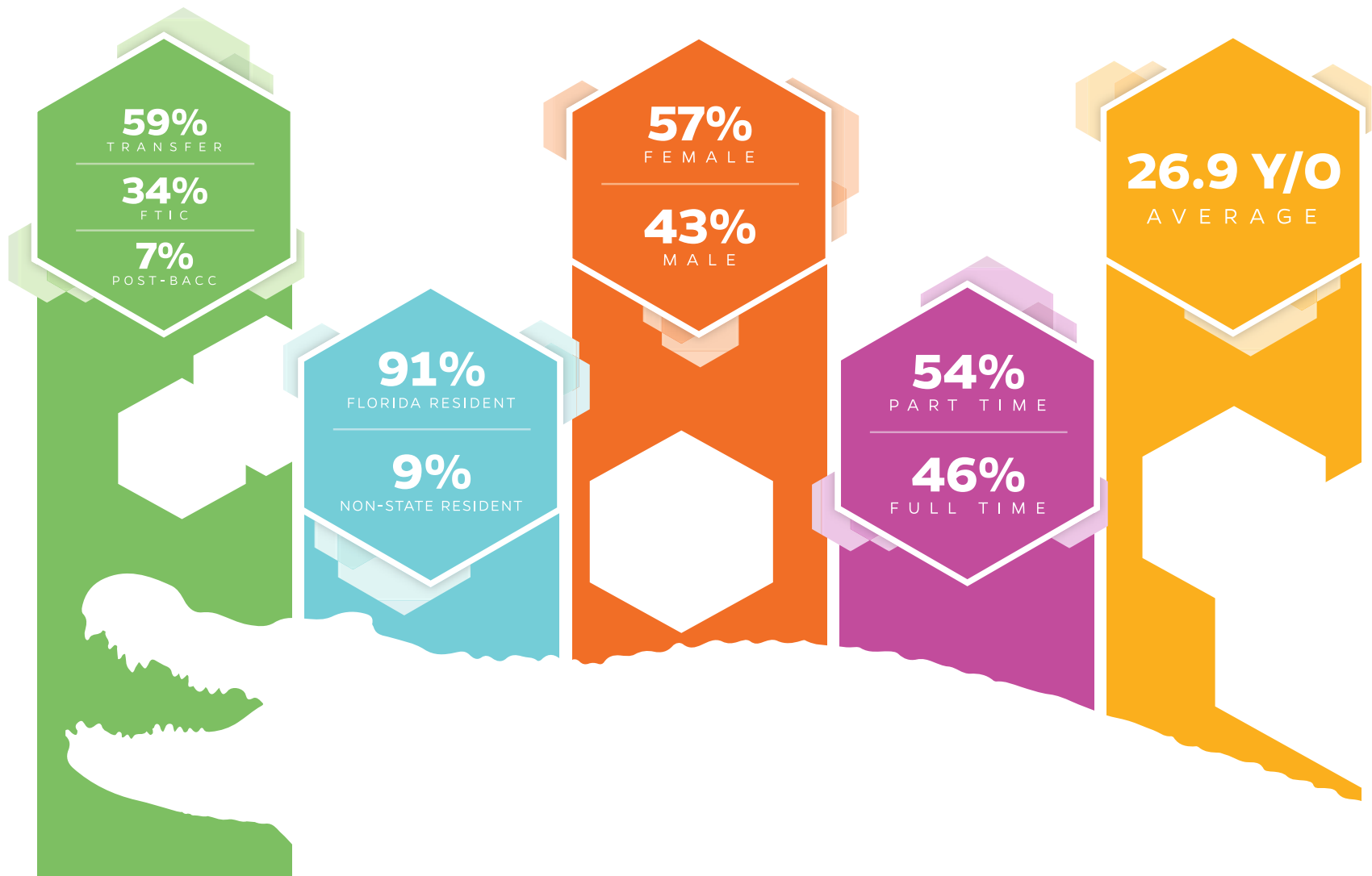
UF ONLINE HEADCOUNT



ENROLLMENT

TERM	HEADCOUNT			ENROLLMENTS			CREDIT HOURS		
	IN STATE	OUT OF STATE	TOTAL	IN STATE	OUT OF STATE	TOTAL	IN STATE	OUT OF STATE	TOTAL
2014 Summer	493	17	510	949	36	985	3,566	105	3,671
2014 Fall	849	42	891	2,130	130	2,260	7,641	411	8,052
2015 Spring	919	49	967	2,361	140	2,501	8,147	454	8,601
Total	1,172	68	1,236	5,440	306	5,746	19,354	970	20,324
2015 Summer	780	45	825	1,559	90	1,649	5,554	273	5,827
2015 Fall	1,524	120	1,644	4,461	356	4,817	14,644	1,100	15,744
2016 Spring	1,641	128	1,769	4,574	354	4,928	15,058	1,111	16,169
Total Distinct	2,009	191	2,191	10,594	800	11,394	35,256	2,484	37,740
YOY Change	837	123	955	5,154	494	5,648	15,902	1,514	17,416
YOY %	71%	181%	77%	95%	161%	98%	82%	156%	86%
2016 Summer	1,226	82	1,308	2,449	187	2,636	8,243	555	8,798
2016 Fall	2,092	147	2,239	6,316	448	6,764	20,147	1,391	21,538
2017 Spring	2,151	142	2,293	6,254	439	6,693	20,344	1,317	21,661
Total Distinct	2,725	214	2,939	15,019	1,074	16,093	48,734	3,263	51,997
YOY Change	716	23	748	4,425	274	4,699	13,478	779	14,257
YOY %	36%	12%	34%	42%	34%	41%	38%	31%	38%
2017 Summer	1,556	103	1,659	3,176	228	3,404	10,611	696	11,307
2017 Fall	2,647	210	2,857	8,255	679	8,934	25,864	1,986	27,850
2018 Spring	2,582	208	2,790	7,647	675	8,322	24,449	1,925	26,374
Total Distinct	3,383	288	3,671	19,078	1,582	20,660	60,924	4,607	65,531
YOY Change	658	74	732	4,059	508	4,567	12,190	1,344	13,534
YOY %	24%	35%	25%	27%	47%	28%	25%	41%	26%
2018 Summer	1,928	174	2,102	4,107	365	4,472	13,556	1,156	14,712
2018 Fall	2,908	277	3,185	8,969	770	9,739	28,456	2,419	30,875
2019 Spring	2,786	286	3,072	8,381	778	9,159	26,949	2,444	29,393
Total Distinct	3,732	405	4,137	21,457	1,913	23,370	68,961	6,019	74,980
YOY Change	349	117	466	2,379	331	2,710	8,037	1,412	9,449
YOY %	10%	41%	13%	12%	21%	13%	13%	31%	14%

DEMOGRAPHICS



GOAL 2: SMART DESIGN, PRODUCTION, AND DELIVERY OF ACADEMIC PROGRAMS

With continued growth, we seek to steadily expand the number of programs available through the UF Online pathway while also investing in course production to ensure high-quality courses and programs characteristic of our institution. Additionally, UF Online continues to innovate with its vital Employer Pathways Program, delivering the most workforce-relevant and rigorous academic programs and pathways with the support of a growing network of committed employers.

NEW PROGRAMS

In Academic Year 2018-2019, UF Online continued its strategic approach to new academic pathways. We have added new programs in Education Sciences and Digital Arts and Sciences. These programs bring new academic colleges into UF Online while providing exciting opportunities for UF Online students. In addition, we have expanded access to the Communication Sciences and Disorders program to now include a transfer pathway.

Launched in 2018, the Education Sciences major in the College of Education at UF is the only major of its kind in the state of Florida. Through this program, students become acquainted with diverse facets of the field of

education, including core courses focusing on educational technology, education psychology, social foundations of education, and advocacy for access and inclusion of people with disabilities.

The Bachelor of Arts degree in Digital Arts & Sciences was launched in March 2019, with the first students joining UF Online in Fall 2019. The major is the first degree offered through UF Online that is delivered through the UF College of the Arts. Combining arts, communication, and technology, the degree encompasses all facets of the digital landscape, including programming, animation, and video game design.

In 2018-2019, UF Online also expanded access to the Bachelor of Health Science degree with a major in Communication Sciences and Disorders. Students interested in careers in speech, language, and hearing sciences could greatly benefit from this major. The degree serves as a stepping-stone to graduate studies in audiology, speech-language pathology and doctoral-level education in research in these areas. This BHS degree provides the foundation necessary for students planning to pursue clinical graduate education and find a rewarding career in speech-language pathology or audiology.



UF Online was the perfect fit because it was able to provide me with my major, and I could use my in-state scholarship. The recognition for the hard work I did and the outstanding support I'm graduating from, and I hope the recognition will benefit me in the future.

Ashley Nicolls – Environmental Management



ACADEMIC PROGRAMS & CURRICULUM DELIVERY

UF Online Academic Offerings | 2014-2019

Majors & Tracks

1. B.A., Anthropology
2. **B.A., Biology**
3. B.A., Business Administration with 8 specializations (*Anthropology, Computer & Information Science, General Business, Geography, Educational Studies, Geology, Sport Management*)
4. **B.S., Business Administration**
5. B.S., Communication Sciences and Disorders
6. **B.S., Computer Science**
7. B.A., Criminology and Law
8. **B.A., Digital Arts and Sciences**
9. B.A., Education Sciences
10. **B.S., Environmental Management**
11. B.S., Fire and Emergency Services with 3 tracks (*Emergency Management, Fire Management, and Emergency Medical Services Management*)
12. **B.A., Geography**
13. B.A., Geology
14. **B.S., Health Education and Behavior**
15. B.S., Microbiology and Cell Science
16. **B.S.N., Nursing**
17. B.A., Psychology
18. **B.A., Public Relations**
19. B.A., Sociology
20. **B.S., Sport Management**
21. B.S., Telecommunication: Media and Society

Minors & Certificates

Minors:

1. Accounting
2. **Anthropology**
3. Business
4. **Geography**
5. Health Promotion
6. **Mass Communication**
7. Sociology

Certificates for Degree-Seeking Students:

1. Environmental Horticulture Management
2. **Geomatics**
3. Landscape Pest Management
4. **Medical Entomology**
5. Pest Control Technology
6. **Urban Pest Management**

This year, UF Online offered fully-online majors, minors and certificates and continued the PaCE program. The table to the left reflects the academic programs (majors, minors, and certificates) currently active in UF Online.



PaCE MAJORS

In Fall 2015, the University of Florida launched the Pathway to Campus Enrollment (PaCE) program to welcome First Time in College (FTIC) students into a new, hybrid program. These PaCE students complete the first part of their degree online and later may transition to campus at the upper division level without having to reapply. The University has seen consistent growth in PaCE and the 50+ majors included in the program. The following table contains the list of majors included in the PaCE program as of September 2019.

This list is maintained online: www.admissions.ufl.edu/learn/pace/majors.

College of Agricultural & Life Sciences (18)

Majors & Tracks

1. Agricultural Education and Communication
Tracks include Communication and Leadership Development or Agricultural Education
2. Agricultural Operations Management
3. Animal Sciences
Tracks include Equine or Food Animal
4. Botany, General Botany
5. Dietetics
6. Entomology and Nematology
Track include Basic Science, Biosecurity, Ecotourism, Plant Protection or Urban Pest Management
7. Environmental Management in Agriculture and Natural Resources
8. Environmental Science (B.A.)
9. Family, Youth and Community Sciences
10. Food and Resource Economics
Tracks include Food and Agribusiness Marketing and Management or International Food and Resource Economics
11. Food Science

Minors & Certificates

12. Forest Resources and Conservation
Tracks include Environmental Pre-Law, Forest Business Management, Forest Resource Management, Protected Areas Management, Recreation Resources Management, Urban Forestry or Watershed Science and Management
13. Horticultural Science
Tracks include Horticultural Production, Horticultural Science, Organic Crop Production or Plant Molecular and Cellular Biology
14. Microbiology and Cell Science
15. Natural Resource Conservation
16. Nutritional Sciences
17. Plant Science
Tracks include Community Food Systems, Crop Ecology, Garden Design and Management, Landscape and Nursery Horticulture, Plant Genetics, Plant Health, Restoration Horticulture or Sustainable Food Production
18. Wildlife Ecology and Conservation
Tracks include Wildlife Ecology and Conservation Specialization

College of the Arts (8)

1. Art*
Tracks include Art + Technology, Ceramics, Creative Photography, Drawing, Graphic Design, Painting, Printmaking, Sculpture
2. Art Education*
3. Art History
4. Dance*

5. General Theatre
6. Music*
7. Music Education*
8. Visual Art Studies*

**These PaCE majors require students to attend on campus Art, Music, or Dance studios during the first two years.*

College of Education (1)

1. Education Sciences

Warrington College of Business Administration (1)

1. General Studies (B.A.)
Specializations include Anthropology, Business and Economic Geography, Educational Studies, General Studies, Geology, Mass Communication, Sociology, Sport Management, Travel and Tourism Management

College of Design, Construction & Planning (1)

1. Sustainability and the Built Environment

College of Health & Human Performance (3)

1. Health Education and Behavior
2. Sports Management
3. Tourism, Events and Recreation Management

College of Journalism & Communications (4)

1. Advertising
2. Journalism
Tracks include Journal or Sports and Media
3. Public Relations
4. Telecommunications
Tracks include Management and Strategy, Media and Society, News, or Production

College of Liberal Arts & Sciences (17)

1. African American Studies
2. Anthropology
3. Computer Science
4. English
5. Exploratory
6. Geography
7. Geology (B.S.)
8. History
9. Linguistics
10. Mathematics
11. Philosophy
12. Religion
13. Sociology
14. Spanish
15. Statistics
16. Sustainability Studies
17. Women's Studies

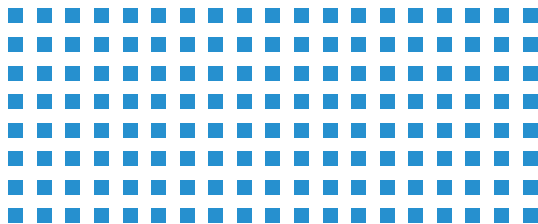


DELIVERY OF CURRICULUM

To serve students in the many majors we offer, UF Online focuses on ensuring the regular delivery of rigorous and engaging courses.

The following table details the continued expansion of offerings by UF faculty to serve the growing number of UF Online students. The table displays the number of unique courses, sections, and instructors for each term with subtotals for each academic year. (Note that the subtotals and totals for courses and instructors are not simple sums but rather the count of distinct courses and instructors for the given time frame.)

TERM	COURSES	SECTIONS	INSTRUCTORS
Spring 2014	76	77	78
AY 2013-2014	76	77	78
Summer 2014	52	63	60
Fall 2014	89	102	84
Spring 2015	109	111	99
AY 2014-2015	159	276	160
Summer 2015	72	92	82
Fall 2015	168	171	170
Spring 2016	188	192	198
AY 2015-2016	259	455	297
AY YOY Growth	63%	65%	86%
Summer 2016	115	140	126
Fall 2016	222	228	229
Spring 2017	236	255	234
AY 2016-2017	333	623	366
AY YOY Growth	29%	37%	23%
Summer 2017	166	201	174
Fall 2017	301	323	293
Spring 2018	306	329	315
AY 2017-2018	450	853	498
AY YOY Growth	35%	37%	36%
Summer 2018	207	245	222
Fall 2018	347	375	350
Spring 2019	359	391	358
AY 2018-2019	532	1,011	575
AY YOY Growth	18%	19%	15%
TOTAL	646	3,295	994



COURSE INNOVATION & PRODUCTION

The Center for Online Innovation and Production (COIP) continues to form collaborative partnerships with faculty to ensure the courses developed for UF Online provide a dynamic and engaging learning experience for students. Such an approach allows courses to sustain their innovation and high-quality over time.

Using sound pedagogy and multimedia expertise, COIP provides services from conception through production, and continues to support UF Online courses throughout the life of each course. COIP works to ensure effort is expended on the most impactful priorities. Each faculty request for course development or course update is evaluated based on the needs of the student, faculty, and program to ensure course production resources are being applied where they are most needed. The work being done is evaluated on a semester basis and reported monthly as courses are tracked through the production process. In 2018-2019, COIP developed 35 new courses and updated an additional 45, totaling 80 courses produced. These numbers underscore the need for COIP to continue to refresh older courses. Additionally, COIP instructional designers provided 1,150 hours of general support to UF Online faculty.

The following accomplishments, occurring during Academic Year 2018-2019, highlight efforts that enhanced our course production process and, ultimately, the student experience:

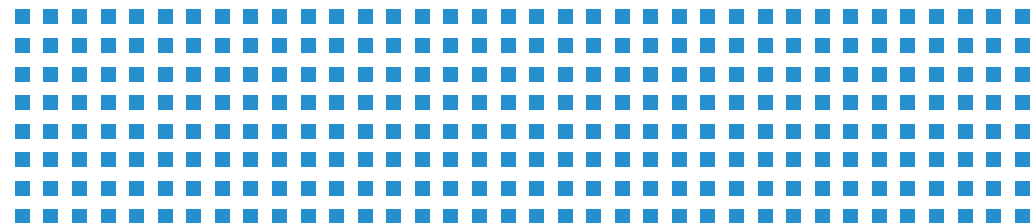
- ➔ Created 5 program-specific libraries to share course assets among faculty, ensuring consistent delivery across the program
- ➔ Onboarded 4 new programs into the course development queue
- ➔ Conducted adaptive learning pilots using Realizeit in BSC2010, BSC2010L, BSC2011, and BSC2011L
- ➔ Conducted pilot using PlayPosit interactive video platform that allows for interactive questions during videos with the ability to push results to the gradebook
- ➔ Continued performing mid- and end-of-course surveys to gather real-time student feedback and provide insight into future areas of study
- ➔ Conducted several on-site video shoots to provide an authentic learning experience
- ➔ Developed website and social media presence
- ➔ Developed multimedia options giving faculty expanded alternatives to create their own content

A COMPREHENSIVE APPROACH TO COURSE DEVELOPMENT

A unique feature of our approach to course development includes an assortment of invaluable resources to support faculty in the course production process. Faculty are required to attend training in online teaching and using online teaching tools. They also have access to IT Help Desk services in addition to working with instructional designers during course production, but there is a gap between these resources when it comes to providing real-time critical support throughout the teaching of the course. This support is as critical to successful course delivery as the initial course design. To address this issue, last year, COIP created a new structure designed to uniquely support faculty through development and the life of the course. Instructional designers

continue to provide assistance and guidance right when the faculty need it. In addition to providing just-in-time support, they continue to provide course refresh and update services while identifying opportunities for innovation. The intent is for faculty to feel supported throughout the life cycle of their course. Our goal has been, and continues to be, to create, sustain, and improve their course over time. This year, COIP will expand its focus and modify the workflow of the department in order to provide faculty and courses with more multimedia opportunities that engage students and deepen learning.

The following pages feature course spotlights that took place over Academic Year 2018-2019.



UF FACULTY SPOTLIGHTS

CLIMATE CHANGE BIOLOGY, BSC3370C

Instructor: Dr. Stephen Mulkey

This course covers the biological aspects of the most important environmental issue of the 21st century: anthropogenic climate change. These biological aspects are essential considerations as we develop tools for the mitigation of climate change and adaptation to its impacts. The most important challenge is to provide students

with an understanding of climate change as an integrated response of the entire Earth System to greenhouse gas emissions.

The mix of media, lectures, and peer-reviewed literature has made this version of the course a much richer experience than previous iterations. It is no hyperbole that the delivery of an effective online

course can be as or more effective than in-person delivery. The array of tools available is extensive and provides a powerful platform for delivery. There is certainly nothing easier or less labor-intensive about online delivery if one cares about quality teaching. The tools of this course have significantly improved the delivery of in-person courses.



EARTH SYSTEMS ANALYSIS, SWS4180

Instructor: Dr. Stefan Gerber

In this course, students use quantitative concepts to understand global environmental change, which will allow them to critically evaluate the Earth's trajectory for future generations. By offering this course online, distance education students

and students in research and education centers will be able to participate and learn about the Earth's systems. The technology used to enhance learning includes interactive videos, online chats, and engaging online discussions. The course production process

for this course involved a close partnership between the faculty member and an instructional designer, preparing and augmenting materials and offering many tips, hints, suggestions, and improvements along the way.



MATH FOR ENVIRONMENTAL PROFESSIONALS, SWS4932

Instructor: Dr. Kanika Inglett

The main goal for this course is to serve as a jumping board for graduate research work or for students who choose to pursue any environmental research jobs in public or private sectors. This is a math class with several calculations that are most helpful

to students if they follow each step. Using the lightboard and online videos helps solve this problem. Also, the use of video interactions helps students remain engaged. These features serve to improve students' reception and retention of the material.



GAME DEVELOPMENT, DIG3713 & DIG 4715

Instructor: Nick Heitzman

This course teaches students how to create entire 2D and 3D video games from concept through to final executable program, including not only game levels but their transitions, phases, encounters, and supporting scenes. Since the learning curve in creating a video game is so high, communicating

enough critical information to allow student developers to move into 3D game development is challenging yet rewarding. Creating the bridge, from Canvas to the more agile Rise platform and back, presents the class itself as a 'game' that, as it is played, teaches how to create a game.



EMPLOYER PATHWAYS PROGRAM

UF Online continues to expand access to a high-quality online degree through its Employer Pathways program. In 2018-2019, UF Online partnered with Walmart, Discover, and Disney to provide access to UF Online undergraduate programs to their employees. This innovative program allows employees to achieve the dream of a college education through the support of their employer, while remaining active in the workforce.

Each employer is covering 100% of the cost of the degree, including tuition, textbooks, and required fees. The Employer Pathways program is currently available to more than 1 million employees at these three companies.

Within each company, prospective students must meet the same rigorous admissions standards as any other applicant to UF Online. Each company supports selected degrees they determined to be relevant for their workforce and staffing needs.

UF Online remains committed to providing flexible and accessible pathways so that students may earn a degree of value while also focusing on other important aspects of their lives. UF Online also applauds the employers that build these pathways for their employees. Through this initiative, employers are showing their workforce the value of a degree and the importance it holds for the future of the organization and the individuals within it. UF Online is eager to partner with employers that wish to provide these great pathways for their employees, while not compromising on the quality and value of the degree earned.



The best part is having the opportunity to relate schooling and academic work to what I was doing [while working at Amazon, making Watch]. I wouldn't have had the opportunity if this company [Amazon] were at school in person.

Ashley Persuad – Sociology



GOAL 3: AN ENRICHING AND SUPPORTED ONLINE STUDENT EXPERIENCE

Ensuring a remarkable and engaging online student experience by augmenting services to drive student retention with celebrated academic milestones, plus a new focus on co-curricular modules to foster career readiness, career pathway ascension, or career-shifting ensuring that UF Online graduates are prepared to leverage their new degrees to build their future.

ACADEMIC ADVISING

Since its inception, academic advising has been at the core of the UF Online student experience. UF Online has invested in lower advisor to student ratios to ensure students have a dedicated guide who is able to support them throughout their program.

With the infrastructure in place, the new five-year plan calls for continuing to lower these loads further, with key strategies including:

- ➔ Lower the student to advisor ratio from 250:1 to 100:1
- ➔ Ensure all undergraduate online students are advised by a full-time advisor specializing in the online population
- ➔ Expand advising services to include career and life coaching for all online students

This groundwork was laid in Spring 2019 and will form the crux of the advising strategy moving forward. Additionally, advisors support students in the following ways:

PERSONALIZED DEGREE PLANNING

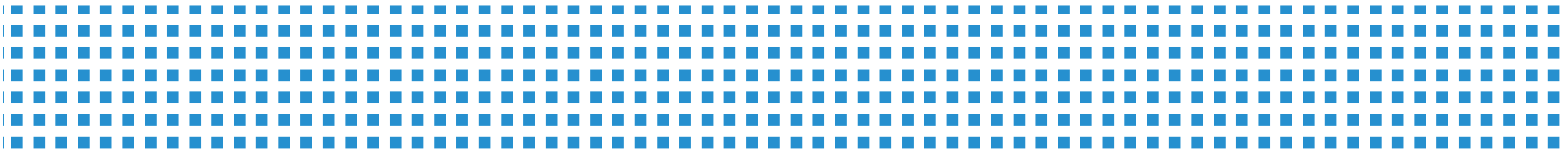
UF Online students come with a wide range of educational experiences. Advisors work with students to develop a customized completion plan for each student, taking into account their major, transfer credits, career and personal goals, and desired timeline for finishing their degree. This is a partnership between the advisor and the student to support them on their journey. Prescribed, one-size-fits-all advising does not work for the UF Online student, so advisors have in-depth discussions with their students on a regular basis. In these discussions, advisors follow up on the plans, foster success, and promote progression within the degree program.

DYNAMIC COMMUNITY

The UF Online advising community meets bi-weekly to engage in discussion of key issues impacting the success of online students at the University of Florida. This includes sharing best practices, reviewing updates, discussions with key stakeholders, and guest speakers. These meetings are key opportunities to connect the entire UF campus with the professionals who advise the online students, fostering the growth of an institutional infrastructure that robustly serves the online population.

DATA-INFORMED OUTREACH AND DECISION MAKING

UF Online advisors use a specialized dashboard, allowing for targeted outreach to students and monitoring student trends. UF Online has consistently invested in putting data at the fingertips of the advising professionals, ensuring that advisors are able to have in-depth knowledge of their student population and promote student re-enrollment.



GOAL 3: AN ENRICHING AND SUPPORTED ONLINE STUDENT EXPERIENCE

UF ONLINE PLAZA

UF Online’s virtual campus community, the UF Plaza, functions by meeting students where they are with focused resources, engagement opportunities, interactions, and community. The Plaza operates to both assist and augment advisors, staff, and faculty to tailor the student’s academic experience to fulfill their specific needs, motivations, and goals that lead to their academic success.

With this in mind, the Plaza’s tenets include facilitating academic engagement through intentional groups, providing opportunities for social engagement through different avenues (for example, posing questions to the general community and creating student-driven groups), sharing resources, and offering a secure space for peer collaboration, encouragement, and support.

Through the Plaza, the overarching community brings engagement and education beyond the classroom to each and every online student.



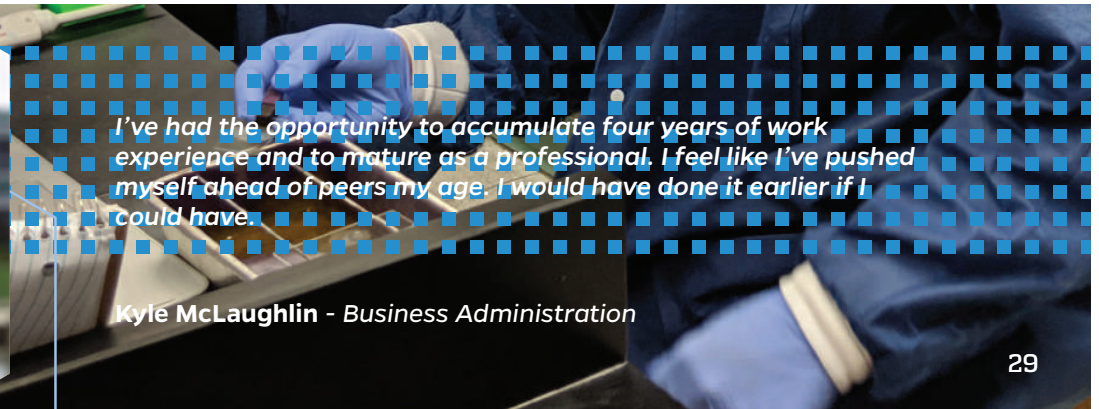
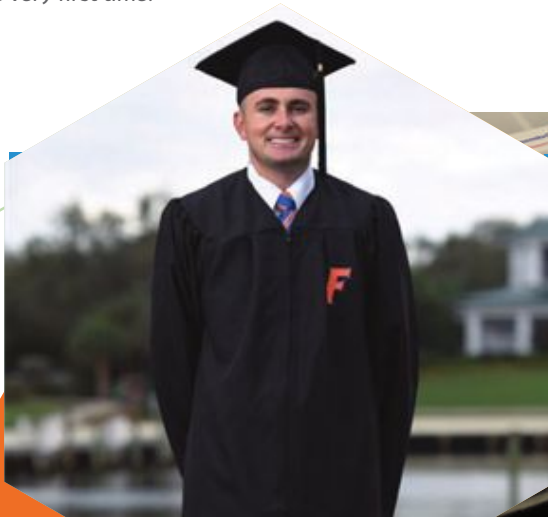
CONNECTIONS EVENTS

Each year, UF Online works through the Connections Program to foster a thriving learning community across all online students, faculty, academic advisors, and staff. Coupled with strong academic programs, a vibrant and engaged online student experience assures UF Online students not only gain the skills they need, but also the connections and network to support them after they graduate. This past year, the Connections Program emphasized providing community and networking opportunities with key strategic in-person events. Themes and highlights of UF Online student engagement events include:

- Welcoming over 150 newly admitted UF Online students at the annual UF Online Fall Welcome event.
- Celebrating UF Traditions with online students: UF Online's Homecoming event for online students, their families, and their friends.
- Honoring our Graduates: UF Online hosted a special graduation celebration in May 2019, welcoming over 200 UF Online students in their caps and gowns, along with their families, in UF's famed "F Club" inside the Ben Hill Griffin Stadium. UF Online students were invited for a special reception in their honor. Many brought loved ones, including their children, to the reception and enjoyed taking official photos with their families in their UF graduation regalia. Best of all, online students mingled in person with their faculty and academic advisors, sometimes for the very first time.

OPTIONAL FEE PACKAGE

Since 2016, a growing number of online students have relished the opportunity to voluntarily enlist in the Optional Fee Package, giving them access to additional University services. This optional package keeps costs low, puts UF Online students in the driver's seat, and funnels revenue directly to the services online students would like to utilize. As students continue to make use of the Optional Fee Package, the feedback from students and their families remains very positive regarding the availability of this option.



I've had the opportunity to accumulate four years of work experience and to mature as a professional. I feel like I've pushed myself ahead of peers my age. I would have done it earlier if I could have.

Kyle McLaughlin - Business Administration

GOAL 4: DEPLOYMENT OF STRATEGIC MARKETING & RECRUITMENT

Continue to raise awareness of the affordability and accessibility of UF Online as a rigorous academic pathway for students across the state of Florida and around the world for those who have not yet completed a bachelor's degree or wish to earn an additional credential.

COMMUNICATIONS & MARKETING

In 2018-2019, UF Online's in-house marketing and communications team continued to focus on establishing processes and strategy, further developing messaging and tools, and tracking and analyzing marketing campaigns.

In a continued partnership with a marketing agency, UF Online produced a multitude of print and digital ads placed in key platforms. Projects ranged from creating magazine and journal ads, to placing over-the-top video ads on streaming services, to using Google's brand new Smart Display campaign tool.

Additionally, our continued efforts focused on important communications pieces such as email banners, billboards, bus wraps, banner stands, and print promotional items for recruitment, including informational brochures and handouts. UF Online is pleased to continue creating new and exciting materials to reach prospective students whose ambition and talent are of utmost value in the Gator Nation.

OVERALL UF ONLINE MARKETING & COMMUNICATIONS FUNNEL

Developed in 2017, the UF Online Marketing and Communications Funnel was further refined in this cycle. This focus allowed us to implement new strategies and identify gaps to make further enhancements. In addition, UF Online opted to extend the reach of marketing campaigns to certain populations outside of Florida residents to increase awareness in new markets.

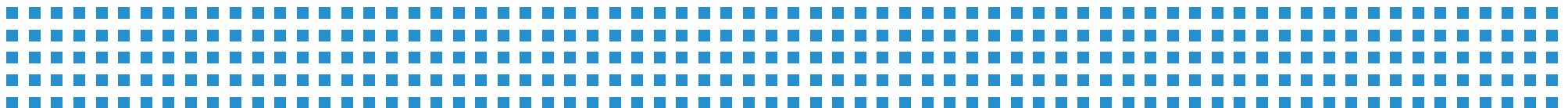
HIGHLIGHTS OF PHASE I: AWARENESS & LEAD GENERATION ACTIVITIES

In Phase I of the funnel, the marketing team is the primary driver of activities, and the UF Online Recruitment and Outreach Center (ROC) provides support. There are two goals in this phase—to create awareness about UF Online programs and to generate leads. This phase includes the following primary activities:

Advertising – The advertising investment is the largest part of the marketing budget. About \$1.7 million was spent on campaigns for this year, which strategically increased during the spring. UF Online also expanded its partnership with an external agency to include creative services, allowing for refreshed advertisements and other on-demand web and print designs.

Promotional Support – The UF Online marketing team works with Enrollment Services on many levels to provide a variety of brochures, specialized major flyers, and other materials. The team ensures that these are up to date and quantities remain in stock throughout the year. The Recruitment & Outreach Center (ROC) attended a variety of high school college fairs, state college transfer fairs, and corporate education fairs. Additionally, the undergraduate campus admissions team distributed UF Online brochures and materials to high school students, parents, high school guidance counselors, and state college academic advisors.

Social Media Interaction – The marketing team employed an organic social media strategy that would complement social advertising campaigns and create interest and activity for students and prospects. UF Online has accounts on Facebook, Twitter, Instagram, LinkedIn, and YouTube. Apart from organic social media, paid social media ads were also implemented on Instagram for campaigns ranging from application deadlines to informing our audience about our affordability and rankings.



Sponsorships and Partnerships – Additionally, UF Online continued relationships with key entities to enhance and complement advertising efforts. The five key partnerships for this cycle were:

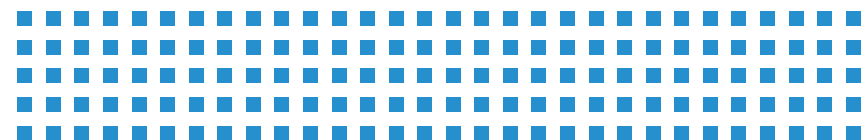
UF Athletics Association – UF Online continued its branding strategy of partnering with our championship-winning athletics program. This year’s partnership included website banner ads, basketball arena logo placements, a social media football ticket contest, and sponsored football commentary from famed Gator announcer Mick Hubert. UF Online also had a photoshoot with mascots Albert and Alberta, providing over 100 photos for promotional usage of the famous Gators.

Phi Theta Kappa (PTK) – As the honor society for community college graduates across the country, PTK is a natural partnership for UF Online. This year, the partnership expanded to include attending and sponsoring the group’s national conference. This allowed for tabling instances at both student and advisor events, as well as providing branded promotional items and print materials to all attendees. UF Online was also able to market to their database of over 400,000 students nationwide and access lists of community college advisors across the country.

Florida College Access Network – Hosted in Orlando, Florida, UF Online was a gold sponsor for the seventh annual Florida College Access Network Summit in May 2019. The focus of this conference was informing and finding ways to improve the systems within the education field to help students in need achieve access to college, degrees, certifications, and resources to prepare them for the workforce. This event featured more than 360 college access and student success professionals as well as leaders and professionals from many sectors of education.

Finish@UF State College Partnerships – UF Online has made strides in expanding the Finish@UF program, an articulation agreement between the University of Florida and certain state colleges. UF Online continued promoting the Finish@UF program to highlight how state college AA graduates have a smooth, accelerated transfer pathway for admission to UF Online programs when they meet the requirements. Finish@UF ads also ran digitally and on social media to direct traffic to the webpage. Participating colleges include Broward College, Florida State College at Jacksonville, Hillsborough Community College, Miami Dade College, Palm Beach State College, Santa Fe College, Seminole State College, and Valencia College. Of these participating schools, Hillsborough Community College (Tampa) and Seminole State College (Central Florida) have formed official partnerships with UF Online.

Seminole State College Partnership – In 2018-2019, UF Online launched a partnership with Seminole State College (SSC) to help expand opportunities for SSC students to finish their undergraduate degree through UF Online. This endeavor begins a new chapter in an already strong relationship between the two institutions. Both institutions recognize the value of expanding online access to higher education for Florida residents. Through this partnership, UF Online and SSC will collaborate on co-branded marketing efforts as well as increase participation in events on the SSC campuses. This “Start a Raider. Finish a Gator” campaign will allow students to take advantage of this affordable option to earn a fully-online degree from the University of Florida.



GOAL 4: DEPLOYMENT OF STRATEGIC MARKETING & RECRUITMENT

HIGHLIGHTS OF PHASE II: LEAD NURTURING & DEVELOPMENT ACTIVITIES

Once a prospect submits their information to UF Online, they enter Phase II of our marketing funnel. All prospects are entered into our constituent relationship management (CRM) and marketing automation system so they can receive timed communications and outreach from the marketing and recruiting teams. While marketing is still the lead in this phase, there is heavy involvement and interaction with the recruiting team. Our goal in this phase is to provide a self-service pathway where prospective students can find the information they need through mediums like our website, automated email campaigns, and virtual information sessions (VIS). However, prospective students may reach out to the ROC at any time for assistance from an admissions officer. The two most prominent activities in this phase are:

- ➔ **Email campaigns** – Whenever a lead enters the UF Online marketing funnel, the person is put on an automated email campaign. This First Wave campaign lasts about 45-50 days. This cycle, a Second Wave campaign was added to reactive leads 60 days after they have completed the First Wave campaign. All prospects in the system continue to receive targeted messages for the email blasts varied from promoting attendance to a VIS, application deadline reminders, and announcements about rankings and program enhancements. The new Second Wave campaign has added additional messaging and outreach to keep prospects moving toward the application process.
- ➔ **Virtual Information Sessions (VIS)** – The ROC hosted an average of four VIS events each week during this cycle. The topics for the sessions varied with at least one VIS for each of our 21 majors, Finish@UF sessions, and general sessions on all programs. New for this cycle were VIS events that focused on our newly added majors of Digital Arts and Sciences and Education Sciences, as well as sessions designed for international students and students using military benefits.

HIGHLIGHTS OF PHASE III: YIELD

Submission of an application moves a prospect to the next stage of the funnel. It is also at this stage where the Enrollment Services team takes the lead and the marketing team is in a support role. The same automation and tracking tools are used in our lead development and nurturing. One area of support the marketing team provides at this stage is:

- ➔ **Yield Postcards and Gift** – The marketing team continued providing the OneStop with congratulatory materials to newly admitted students. This year, UF Online designed and produced a car magnet with the slogan “The Gator Nation Is Everywhere,” printed new matching envelopes, and created a brand-new postcard. Updated messaging on the postcard reaffirms the steps one must take to enroll in UF Online in order to increase enrollment rate. A person moves to the final stage of the funnel when they enroll. The marketing team offers continued support in this stage while Academic Advising and Student Affairs takes the lead on further messaging.

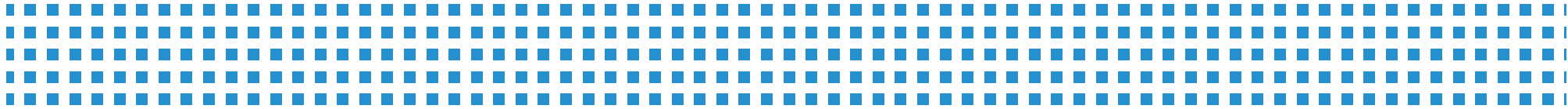
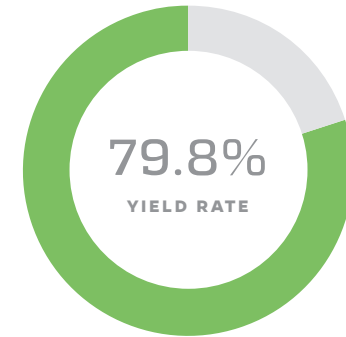
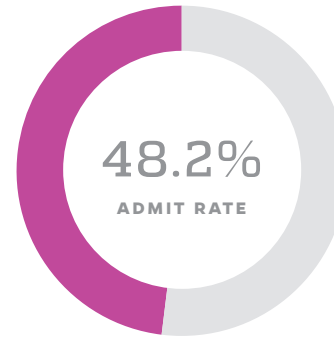
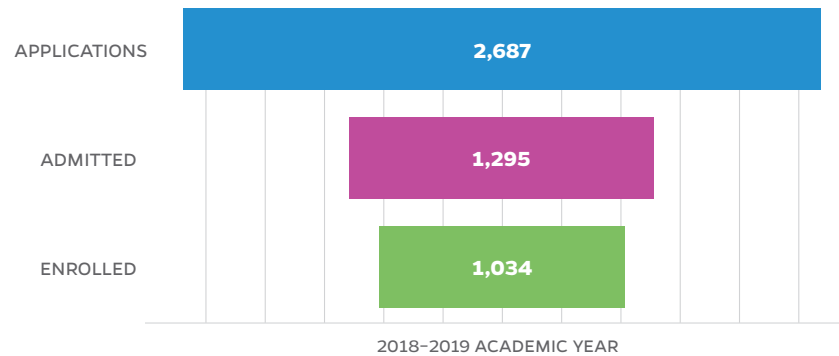
ADMISSIONS & ENROLLMENT

As part of the Division of Enrollment Management, UF Online Enrollment Services includes the UF Online Recruitment & Outreach Center (ROC) and the UF Online OneStop Student Services Center. Both centers are located on the university’s main campus and share physical office space in Criser Hall. Together, the unit is comprised of 18 full-time staff members, all of whom support UF Online students at various points of the enrollment cycle.

The UF Online ROC and the OneStop Student Services Center work with a high degree of cohesion to accomplish a shared mission. Our mission is to provide UF Online prospective students, current students, and alumni first-class customer service throughout the entire enrollment life cycle, with a specific interest in increasing student enrollment and retention.

The ROC and the OneStop jointly support UF Online Admissions. The ROC is charged with recruiting the highest quality applicants to join the Gator Nation through UF Online’s program. Admissions Officers are responsible for direct outreach to all UF Online prospective students, including freshmen, lower division transfers, upper division transfers, international candidates, and readmits. Once prospective students apply to the program, the OneStop Student Services Center provides all back-end admissions support to UF Online applicants. The OneStop is responsible for application services, screening, and transfer evaluation. Once admitted, the ROC provides personalized support and outreach to admitted students to help ensure they are registered for classes and have the resources they need to be set up for success in the program.

UF ONLINE - ADMISSIONS FUNNEL



UF ONLINE STUDENT SERVICES

Once admitted, the OneStop Student Services Center becomes a primary resource to UF Online students. The OneStop Center is a cross-functional services unit that provides convenient and centralized support for UF Online students on behalf of the Office of the University Registrar, Student Financial Affairs, and the University Bursar. Instead of having to contact three separate offices for multiple questions, UF Online students contact the OneStop and speak with staff members who are cross-trained in these areas. In addition, the OneStop serves as a centralized resource for campus partners who interact with UF Online students.

The ROC and OneStop communicate with prospective and current students through a variety of channels. The offices maintain extended hours to accommodate the needs of both traditional and non-traditional students. Together, the two teams coordinate activity to attract, engage, enroll, and retain the highest quality students in UF Online.

STRATEGIC SPONSORSHIPS

Florida College Access Network

Hosted in Orlando, Florida, UF Online was a gold sponsor for the seventh annual Florida College Access Network Summit on May 7-8, 2019. The conference was aimed at informing and finding ways to improve the systems within the education field to help students in need achieve access to college, degrees, certifications, and resources to prepare them for the workforce. The event featured more than 360 college access and student success professionals as well as leaders and professionals from many sectors, including K-12 and higher education. Sponsors such as Wells Fargo, the Helios Education Foundation, and the Bill & Melinda Gates Foundation also had representatives attending. UF Online's sponsorship of the FCAN Summit is part of a larger effort to fulfill the University's mission of expanding access to quality education throughout Florida.

GOAL 5: SMART GROWTH AND DATA-DRIVEN OPERATIONS

We continue to mature as an organization by improving our business intelligence and financial modeling. Our work in this space is directed at ensuring smart growth and data-informed decisions as part of a large, traditional, land-grant university.

FINANCIALS

UF Online's financial model carefully balances the revenue streams of a still-growing program with the increasing expenses associated with its progress. This past year, we focused on core elements of the UF Online 2019-2024 Business Plan, strategically committing additional resources to areas such as course delivery and academic advising, all while increasing enrollment for both in-state and out-of-state students. We are proud to present a healthy and lean financial overview that will guide our continued expansion for the next several years with steady revenue flows, strategic investments, and a focus on providing the best product to our students. In summary, UF Online ended the year with a balance of \$5,043,330. Separately, UF Online students paid fees totaling over \$2.31 million.

Going forward, we will continue to exercise sound financial management to serve more and more students with a preeminent online academic program supported by a vibrant learning community. We will continue to direct appropriated funds responsibly and sensibly, and strategically approach our budget to maximize investments in our core value for students. Implementing the elements outlined in UF Online 2019-2024 Business Plan, we have been able to cut costs and more strategically use marketing dollars such that we can expand investments in our academic core value: faculty support, academic advising, and innovative and high-quality courses and labs with amazing course production.

This financial breakout depicts each of the major components of the UF Online financial model: revenue, expenses, carry forwards, and student fee revenues. Fiscal Year 2019 saw the finalization of a structural shift in UF Online with the creation of the Operations area of the team and a restructuring that resulted in salary savings. A healthy growth in in-state and out-of-state enrollment provided an increase in tuition revenue of 23% year over year. Notably, with no investments in out of state marketing, out of state revenue has nearly doubled year-over-year. At the core of the UF Online funding model, course delivery expenses have risen by 19% and advising payments have risen by 40%.

Revenue from the popular UF Online Optional Fee Package continues to rise as more students elect to participate in local activities than ever before.

IMPROVED BUSINESS INTELLIGENCE

As part of our efforts to grow the UF Online program in a smart and strategic manner, we have focused on enhanced data analysis capabilities for the organization, including hiring a data analyst dedicated to UF Online. Over the last year, UF Online has developed course and enrollment forecasting to aid decision makers in the planning process. These projection models have helped UF Online better plan for growth and ensure that needed courses are available for UF Online students. In addition, we have used these enrollment projections for financial modeling so that we have a better idea of revenue and costs for given period of time. With each cycle, both the enrollment and financial projections become more accurate and provide even more insights for decision makers.

FINANCIAL OVERVIEW				
FY16	FY17	FY18	FY19	
\$4,312,639.00	\$3,533,617	\$2,512,418	\$4,081,258	Carry Forward Beginning Balance
\$10,409,570.00	\$11,342,479	\$13,109,446	\$15,045,261	Total Revenues
\$11,188,592.00	\$12,467,190	\$12,217,866	\$14,083,188	Total Expenses
\$3,533,617.00	\$2,408,906	\$3,403,998	\$5,043,330	Remaining Balance
\$3,533,617.00	\$2,408,906	\$3,403,998	\$5,043,330	Carry Forward Ending Balance
\$777,258.00	\$1,412,459	\$1,824,300	\$2,310,378	Fee Revenues Paid by UF Online Students

DETAILED FINANCIAL BREAKOUT					
		FYE 30-Jun-16	FYE 30-Jun-17	FYE 30-Jun-18	FYE 30-Jun-19
Tuition:					
	In State		\$5,064,895	\$6,671,910	\$7,125,334
	Out of State		\$1,277,584	\$1,393,828	\$2,778,359
Total Tuition Revenue:			\$6,342,479	\$8,065,738	\$9,903,693
State Appropriation:			\$5,000,000	\$5,043,708	\$5,141,568
Total Revenue:		\$10,409,570	\$11,342,479	\$13,109,446	\$15,045,261
Expenses:					
	Production		\$1,329,852	\$840,095	\$988,747
	Delivery		\$4,302,309	\$5,228,080	\$6,211,939
	Enrollment Management		\$772,736	\$882,439	\$893,416
	Direct Administration		\$484,782	\$207,376	\$312,362
	Third Party Vendors		\$1,223,079	\$182,747	\$29,758
	University Overhead		\$374,806	\$1,236,770	\$1,550,914
	Operations			\$109,829	\$304,769
	Student Services		\$356,311	\$282,075	\$137,625
	Marketing		\$2,840,977	\$2,314,227	\$2,360,957
	Proctoring		\$194,010	\$146,265	\$239,341
	Advising		\$555,766	\$744,712	\$1,034,856
	Operating Expenses		\$32,563	\$43,252	\$18,503
Total Expenses:		\$11,188,592	\$12,467,190	\$12,217,866	\$14,083,188
Carry Forward Balance:		\$ 4,312,639	\$3,533,617	\$2,512,418	\$4,081,258
Remaining Balance:		\$3,533,617	\$2,408,906	\$3,403,998	\$5,043,330
Fee Revenues Collected by the University		FYE 30-Jun-16	FYE 30-Jun-17	FYE 30-Jun-18	FYE 30-Jun-19
Required fees for all UF Online students:	Capital Improvement Fee		\$361,870	\$402,493	\$518,986
	Financial Aid Fee		\$386,451	\$459,548	\$577,927
	Technology Fee		\$280,766	\$337,451	\$372,343
Optional Fee Package:	Activities and Services Fee		\$158,182	\$252,907	\$345,224
	Transportation Fee		\$78,017	\$136,757	\$174,304
	Athletic Fee		\$15,811	\$25,258	\$34,533
	Health Fee		\$131,361	\$209,884	\$287,064
Total Fee Revenues:		\$777,258	\$1,412,458	\$1,824,299	\$2,310,378

STRUCTURE

During 2018-2019, UF Online created a core Operations hub for the organization to generate efficiencies and promote a lean organizational structure. As part of this lean structure, UF Online is divided into two core areas: Operations and Academic Advising and Student Affairs. Marketing and communications functions are now situated within Operations in order to better align the area with data, finance, and curriculum development. The new area of Academic Advising and Student Affairs is designed to organize under one area all activities related to enhancing student success and ensuring a fantastic student experience.



LOOKING AHEAD: **CHALLENGES AND OPPORTUNITIES**

Upon its launch in 2014, UF Online was a unique model in the country and remains a unique leader today. The first five years of UF Online were a resounding success by every standard, but there is certainly more work to be done. Challenges remain in ensuring that UF can continue to expand access given the high denial rate we are seeing for applicants into UF Online. With denial rates as high as 75% for some majors, and overall at 55%, UF Online will be launching new initiatives in 2020 to welcome students who are ready and eager to earn a UF degree but are simply lacking pre-requisite coursework. In addition, the soaring costs of marketing are beginning to encroach upon UF's prioritized focus on academic offerings, academic advising, and student success programs.

Looking ahead, UF Online continues to find innovative ways to reach future Gators and will be rebranding the Finish@UF program to better communicate to students across the State of Florida's college network about the pathway available to transfer students to earn their UF degree via UF Online. During UF Online's first five-year chapter, it is fair to say that it

has been challenging to focus our primary attention and investment on ensuring online academic rigor and an engaging student experience. However, we also realize that many prospective students across the State of Florida remain unaware of the UF Online pathway. Looking ahead, UF Online is eager to find innovative and low-cost ways to raise awareness about the affordable pathway available to students.

Through the five-year implementation of UF Online, the University of Florida has demonstrated that a high-quality education can be obtained online and that students will thrive in such an educational environment—and graduate, in the thousands—thanks to a more versatile and accessible format. The next five years will be focused on continuing this success by expanding investments in our academic core value for students as laid out in the UF Online 2019-2024 Business Plan. UF remains committed to offering students every opportunity to earn their UF degree as part of our ever-expansive campus, now possible via UF Online.

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COMPREHENSIVE BUSINESS PLAN

UF ONLINE
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Revised December 18, 2019

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Our Approach

The next five years for UF Online will see continued expansion of students, academic programs and employer partners during the continued transformation in higher education nationally, bringing about greater options for students seeking digital pathways. With UF Online’s early legacy of accomplishments in mind, we present this business plan, its goals, strategies, and operational and financial tactics. In the pages that follow, we also offer lessons learned from our first chapter that have informed how we compiled this business plan to guide us into the future. In closing, we share challenges and opportunities we see, and to encapsulate our entire five-year plan, we present for the first time a UF Online Logic Model in our appendices. Looking ahead, UF Online will focus its investments on ensuring the value of its academic core – faculty, academic advising, and course/lab quality – while augmenting programs to support career readiness and ascension.

I. Introduction

Description of UF Online: Legislative Language and Plan Requirements

Chapter 2013-27, Laws of Florida (FLA. STAT. § 1001.7065(4)(2013); appendix A), requires the establishment of a Preeminent State Research University institute for online learning. The University of Florida, by its designation as the "preeminent state research university," remains host and administrator of this institute, which is charged with offering "high-quality, fully online baccalaureate degree programs at an affordable cost."¹

The law requires the Board of Governors to convene an advisory board, by August 1, 2013, "to support the development of high quality, fully online baccalaureate degree programs at the university."² By September 1, 2013, the law requires the university to submit a comprehensive plan to the advisory board.³ The law provides \$10 million in nonrecurring funds and \$5 million in recurring funds to the University for fiscal year 2013-14 contingent upon recommendation of the plan by the advisory board and approval by the Board of Governors.⁴

Components of Section 46, Chapter 2013-27, Laws of Florida note, this plan shall include:

Existing on-campus general education courses and baccalaureate degree programs that will be offered online.

New courses that will be developed and offered online.

Support services that will be offered to students enrolled in online baccalaureate degree programs.

A tuition and fee structure that meets the requirements in paragraph (k) for online courses, baccalaureate degree programs, and student support services.

A timeline for offering, marketing, and enrolling students in the online baccalaureate degree programs.

A budget for developing and marketing the online baccalaureate degree programs.

Detailed strategies for ensuring the success of students and the sustainability of the online baccalaureate degree programs.

The University of Florida has met and exceeds these statutory requirements. The following describes our strategies to continue our work in this area over our next five-year chapter.

¹ FLA. STAT. § 1001.7065(4)(2013).

² *Id.*

³ *Id.*

⁴ *Id.*

Our Mission, Vision, and Values

The University of Florida embraces UF Online as a delivery on its core mission as a land-grant institution. We remain committed to the important mission of enhancing access while leading the way for selective and valuable fully-online programs with a remarkable online student experience. Each day we are guided as a campus with a steady focus on the following mission, vision, and organizational values, fully embedded and active within the University of Florida's mission of knowledge, research, and service.

MISSION

The mission of UF Online is to enable our students to lead and influence the next generation and beyond for economic, cultural, and societal benefit by delivering a comprehensive offering of high-quality, fully-online academic programs at an affordable cost.

VISION

A public, land-grant university as a hub of learning, accessible from anywhere in the world, bridging learners, educators, and researchers over a lifetime of learning and discovery.

VALUES

Academic Excellence

Relevant, Flexible and Affordable Academics

Individualized Support for Every Online Student

Welcoming and Engaging Learning Community

Unparalleled Commitment to Academic Integrity

Lean Operations Fueled by Data

A Campus-Wide Commitment

As we continue to expand UF Online under the guidance of the University of Florida’s vision and mission, UF is proud to have adopted a campus-wide commitment model to online learning. Online students and online programs are not separate from our university community and, instead, are a core part of how we serve students and achieve our land-grant mission. When you join us as a student in UF Online, you are a Gator from day one. The University of Florida admits, enrolls, and evaluates each online student just as they do residential students, with the same admission standards, enrollment protocols, and academic rigor required of each and every student. Our online model is therefore unique in the country, designed and taught by the very same stellar faculty that teach on our main Gainesville, Florida campus.

As a result, our admissions remain selective, yet our capacity in the online realm affords students additional options not available to campus students, including part-time enrollment, admissions as a lower division transfer student, or as a post-baccalaureate student earning a second bachelor's degree. The UF Online pathway takes students to the very same faculty and college as our campus programs, but the options for enrollment are more versatile and varied. We work to meet students where they are, which often includes leading busy lives that include full-time work and/or care of a loved one or other family responsibilities. Once admitted, UF Online students are supported and welcomed by a campus-wide team of services and cutting-edge educational support.

The Profile of a UF Online Student

Over the last five years, we have increasingly learned that our online student population is far from monolithic. While there are immeasurable benefits to such diversity, this feature also represents a challenge as we seek to identify the characteristics of a typical UF Online student and develop strategies to best meet students’ needs, interests, and goals.

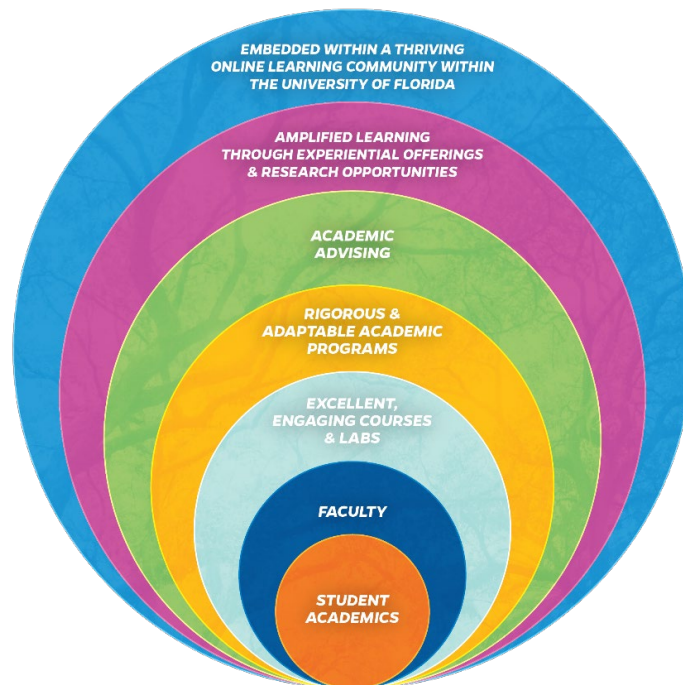
To begin with, our students represent a wide age range. The most reasonable demarcation would place UF Online students in a “less than 35 years old” category as this accounts for roughly 70% of our population. However, our student population comfortably spans from under 20 years old to over 45. The lower end of this spectrum reflects our PaCE student population, which meets the characteristics most commonly associated with first time in college students as seen in UF’s residential student population.

In Fall 2017, 47% of our students attended full-time while 53% enrolled in classes at a part-time level, defined as being enrolled in fewer than 12 credit hours per semester. The majority of our students classify as first time in college and lower division transfers – equaling 75% of our student population in Fall 2017.

Students enrolled in UF Online are overwhelmingly in-state, although we have seen a steady increase in out-of-state enrollments in the past five years. As outlined in subsequent sections, we predict out-of-state enrollments to continually grow and have set into motion unique pathways to foster growth in this area.

These points are meant to highlight two important aspects we must keep in mind as we map our next five-year chapter: the diversity of our students' needs and the significance online pathways represent for students at very different points in their lives. UF Online appeals to a vast range of individuals – those who have yet to enter the workforce and those who have plentiful professional experience; those who are free to explore internships and study abroad while enrolled and those whose demanding schedules require exceptional time management skills to successfully complete coursework in addition to meeting their countless responsibilities. This is evidenced in the responses we receive regarding the demands for engagement opportunities, the scope of resources students utilize, and the critical role dedicated advisors play in each student's journey towards graduation.

Seven Dimensions that Fuel Student Academic Achievement



Looking across the University of Florida, we identify seven dimensions that all have important synergistic and cumulative impacts on UF Online student academic achievement. As we work to implement the UF Online mission over time, we examine our progress toward that mission as one team, each unit impacting various sets of these dimensions. Only by working as One UF do UF colleges, faculty, IT, academic advisors, libraries, and enrollment services, just to name a few, truly serve online students and offer fully-online academic pathways as wholly integrated components of our great university. By

recognizing these as separate yet interconnected dimensions, we are able to hone strategies and programs that ensure the continued value of each and every piece, resulting in the overall accomplishment of our mission and the realization of our vision.



Given our campus-wide commitment, UF Online’s work proceeds along these seven dimensions, as outlined below, yet that work is accomplished by countless experts and organizational units across this institution. Therefore, in the process of compiling this five-year business plan, we have sought to identify five overarching goals that will fuel the work and capture the overall directionality of our campus-wide approach. These dimensions each have unique strategies as well as synergistic impacts that drive our success. An explanation of each dimension follows:

Student academic achievement: First and foremost, our core programmatic dimension is the accomplishment of our online students. Driven and controlled by the students themselves, we expect each and every student to engage academically and to be present in their chosen pathway with timely advice from advisors and faculty. UF Online also strives to provide individualized support to each of our students and, over the next five years, investments in the academic core will serve our students most of all.

Faculty leaders and mentors: Over 350 of UF’s top faculty lead the way in content, course design, and teaching in UF Online. UF faculty design, deliver, teach, and evaluate all academic components of the UF Online program and experience. Faculty foster innovation, drive success, and often serve as mentors to students outside the digital classroom. UF faculty are eager to engage and work with online students and often provide multiple means to achieve those goals each and every term they teach. Among UF Online faculty, the vast majority has a terminal degree and none of our faculty is hired outside an academic college or department. UF Online students can have confidence in their instructors as leaders in their field.

Academic advising: Looking across each student’s academic coursework and their progression along their academic program pathway is the critical partnership *between student and academic advisor*. Each student enrolled in UF Online has their own dedicated academic advisor who works with them to design their own custom pathway given their schedules and other constraints. Online students must meet the same academic standards and requirements as residential peers, yet advisors are the best contact to help online student’s best sequence their courses to complete their degree within their schedules. UF Online academic advisors are also a professional cadre of experts who can assist in course sequencing,

locate academic support services, map career interests to degree offerings, and overall help ensure each student has the support they need to excel academically.

Coursework and labs: Fueled with the creativity and acumen of their discipline or field, faculty design all courses and labs for UF Online students, often with the aid of a teaching support team comprised of expert instructional designers, graphic designers, and more. UF coursework is accessible through our learning management system and is not to be underestimated. Courses and labs are just as challenging as they are in our residential formats, given that students earn the very same degree as campus peers. Courses and labs are also available in varied formats, as determined by the faculty.

Academic program pathways: The next dimension of UF Online is our programs and pathways, comprised of courses, labs, and experiential learning requirements, as designed by faculty, departments, and colleges here at UF. The programs offered in UF Online must meet the same rigor as campus yet may be available in more dynamic, versatile, and often flexible formats. Over time we will be enhancing our online program pathways with clear milestones to aid online students in measuring their progress given the demands of their personal and work lives. We want to ensure our students remain in good standing as they progress through their programs.

Amplified learning programs: UF Online is also unique in its promotion of co-curricular activities and opportunities for online students to gain experiential learning while they complete their course of study. From internships to capstone courses to study abroad, online students have the ability to take advantage of amplified learning programs. These opportunities complement our robust academic offerings by allowing students to explore their interests through a hands-on approach.

Learning environment and community: Surrounding all online students is the common online student experience as a valued member of the UF Online learning environment and community. As we work to fortify a thriving and engaged learning community, we focus on both online and face-to-face opportunities for engagement and connection across our entire student body and alumni network. In 2017, UF Online was pleased to launch the country's first fully online campus for online undergraduates, the UF Online Plaza, connecting our students by major and hometown, regardless of their current location. For students that live or plan to frequent Gainesville, UF launched the Optional Fee Package for all UF Online students in 2016. This option was well-received, and we have seen a significant increase in its usage by students. This Optional Fee Package keeps costs low for students that do not intend to frequent Gainesville and therefore need not pay for the local campus services.

To drive action in each dimension and across organizational and team lines, this business plan explains our five overarching goals and associated strategies that will cut across these dimensions. The five goals for our next five-year chapter are outlined in this business plan's subsequent sections. First, however, we offer a detailed look into how we look at UF Online, its component parts, and the overall seven dimensions that drive this complex and academic online learning environment.

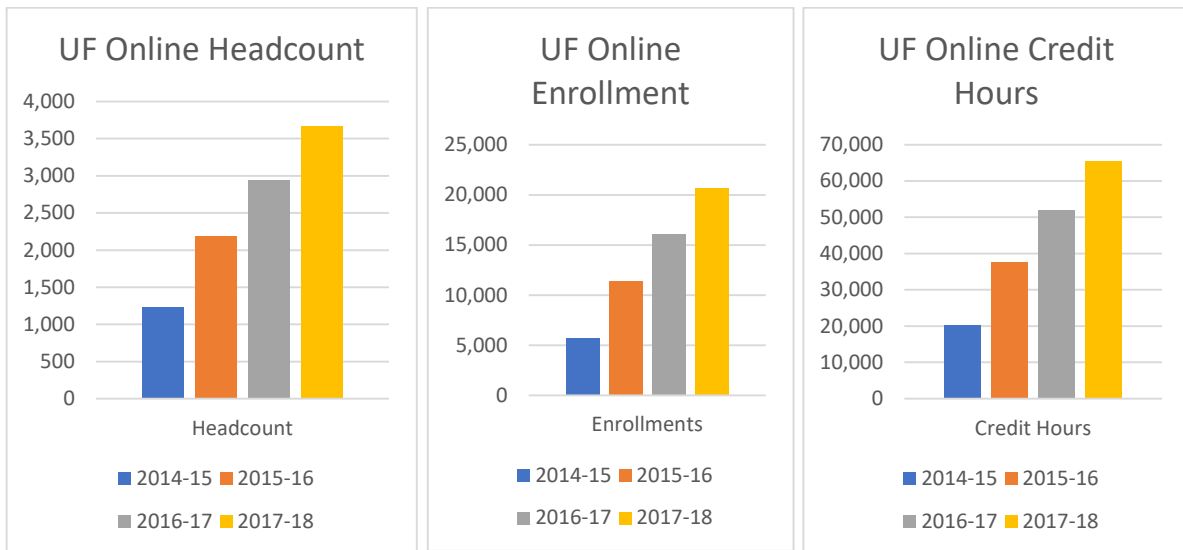
II. Our Progress to Date: 2014-2018

Since its creation in 2013 and its launch in January 2014, the University of Florida (UF) Online has rapidly grown its important work to expand access to a world class education for Florida residents and beyond. Equally as important as this expanded access to preeminent academic programs in a fully online format, the UF Online tuition and fee benefits have saved Florida residents over \$14 million in tuition and fees from 2014-2018. With continued and steady investment from the State of Florida, UF Online is able to offer an ever-expanding number of Florida residents a preeminent online bachelor’s education at the lowest tuition and fee levels in the country.

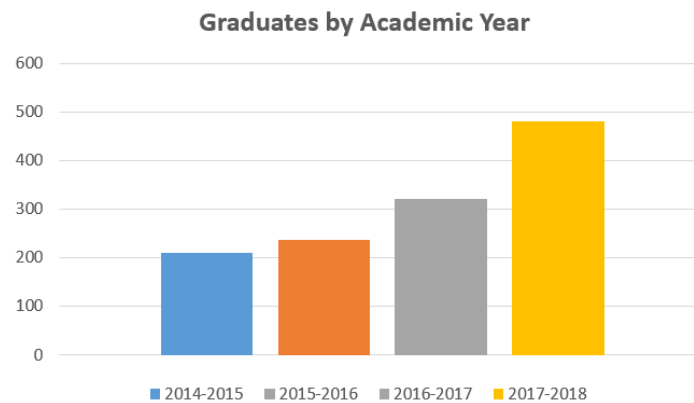
Looking into our next transformative chapter, this “UF Online Comprehensive Business Plan” provides the strategy the university will utilize to implement, beginning in January 2019, undergraduate online degree programs; accept full-time, first-time-in-college, and transfer students; have the same admissions standards as the equivalent on-campus programs; offer curriculum of equivalent rigor as on-campus programs; offer rolling enrollment; and accept transfer credits as outlined in existing policy.

The University of Florida has been able to welcome thousands of students into UF Online and graduate over 1,200 without compromising admissions or academic standards. Central to the UF Online mission is this commitment to academic excellence and, as a result, the creation of a new type of online pathway, exceptional on a national scale. The following table and bar charts show a steady progression in the number of students enrolled as well as the number of credit hours these students are enrolled in each academic year.

Term	Headcount			Enrollments			Credit Hours		
	In State	Out of State	Total	In State	Out of State	Total	In State	Out of State	Total
2014 Summer A	83	14	97	112	19	131	336	57	393
2014 Summer B	74	10	84	97	10	107	287	29	316
2014 Summer C	425	5	430	740	7	747	2,943	19	2,962
2014 Fall	849	42	891	2,130	130	2,260	7,641	411	8,052
2015 Spring	919	49	967	2,361	140	2,501	8,147	454	8,601
AY 2014-2015	1,172	68	1,236	5,440	306	5,746	19,354	970	20,324
2015 Summer A	204	20	224	269	25	294	807	72	879
2015 Summer B	266	26	292	362	32	394	1,115	96	1,211
2015 Summer C	572	23	595	928	33	961	3,632	105	3,737
2015 Fall	1,524	120	1,644	4,461	356	4,817	14,644	1,100	15,744
2016 Spring	1,641	128	1,769	4,574	354	4,928	15,058	1,111	16,169
AY 2015-2016	2,009	191	2,191	10,594	800	11,394	35,256	2,484	37,740
AY YOY Growth	71%	181%	77%	95%	161%	98%	82%	156%	86%
2016 Summer A	365	34	399	497	47	544	1,447	125	1,572
2016 Summer B	402	35	437	521	42	563	1,560	122	1,682
2016 Summer C	863	56	919	1,431	98	1,529	5,236	308	5,544
2016 Fall	2,092	147	2,239	6,316	448	6,764	20,147	1,391	21,538
2017 Spring	2,151	142	2,293	6,254	439	6,693	20,344	1,317	21,661
AY 2016-2017	2,725	214	2,939	15,019	1,074	16,093	48,734	3,263	51,997
AY YOY Growth	36%	12%	34%	42%	34%	41%	38%	31%	38%
2017 Summer A	442	41	483	565	50	615	1,691	150	1,841
2017 Summer B	434	29	463	566	43	609	1,675	115	1,790
2017 Summer C	1,208	74	1,282	2,045	135	2,180	7,245	431	7,676
2017 Fall	2,647	210	2,857	8,255	679	8,934	25,864	1,986	27,850
2018 Spring	2,582	208	2,790	7,649	675	8,322	24,449	1,925	26,374
AY 2017-2018	3,383	288	3,671	19,078	1,582	20,660	60,924	4,607	65,531
AY YOY Growth	24%	35%	25%	27%	47%	28%	25%	41%	26%



As of the 2017-2018 academic year, 1,248 individuals have completed the academic programs offered by UF Online. Each year since the launch, UF Online has seen a steady arc of increasing graduates with a notable increase in the most recent academic year. The institution has been successful in achieving its mission for UF Online by expanding the college-educated population of Florida.



Lessons Learned to Date

Upon implementation, UF Online was a unique model in the country and remains a unique leader today. The first five years of UF Online were a resounding success by every standard. The institution has proven that a high-quality education can be obtained online and that students will seek out such an education. The next five years will be focused on continuing this success by expanding investments in our academic core value for students. To guide these investments, we evaluated our first five-year chapter, what lessons have been learned and what advice we may offer others eager to expand into online pathways. The following lessons guide the design and approach of our future strategies:

- With impetus and investment from the State, online innovation is possible at a large, public, flagship institution.** The State of Florida's leadership and investment in the University of Florida is what has made UF Online a reality for over 3,000 students today and over 1,000 graduates and counting. Although UF has a long legacy of distance and continuing education and vast network of extension programs and offerings, UF had not yet launched a fully online undergraduate degree pathway, let alone 20 of them. With a great spirit of partnership among the University of Florida, the Florida Board of Governors, and the Florida state legislature, this successful investment model now demonstrates that, with a relatively modest investment of state funds, a next-generation model of undergraduate learning is possible. Additionally, the UF Online impact is also felt system-wide. With innovative benefits shared across the entire four-year State University System and enhanced options for digital transfer pathways to the flagship across the entire state college system, the entire state population stands to benefit. Whereas initially the move by the State was perceived by some as heavy-handed or even an example of a legislative body micromanaging public higher education, the results serve as a successful example of targeted investment with empowered University action within the transparent accountability frameworks of the public sector. Furthermore, with the appointment of the UF Online Advisory Board, UF Online has remained connected to top leaders in the state to ensure a continual, mutual understanding of plans, results, and future strategies.
- Online learning is not less expensive to build or deliver if you demand high-quality, highly-engaging, and faculty-driven academic content that remains relevant and timely for optimal learning.** Originally, the modality of online learning was thought to be cheaper to design, build, and deliver. Those looking to cut costs and boost enrollments were simply advised to pursue online pathways and, in particular, lecture-capture video relay models. Many institutions, including UF, have learned that in fact the development of high-quality online learning programs requires significant and intensive resources of faculty time in particular. The resources required to deliver a top caliber online academic experience include financial costs of production studios, instructional design teams, technology needs as well as the efforts of our faculty, often in addition to their other campus responsibilities. To aid faculty in the ongoing pursuit of online academic excellence, an entire new cadre of academic and technical professionals has emerged nationally to work with faculty to ensure high-quality instructional design. Additional costs therefore include the efforts of these experts to enact detailed strategies for building and

designing courses to meet set learning objectives, plus the execution of those strategies with other peers, including multimedia experts, graphic designers, and supporting instructors. Furthermore, UF Online courses are designed, built, and delivered as a product of an initial course or lab launch process, but work continues in several subsequent semesters to ensure each course is optimal for students and faculty throughout its delivery. It is important to recognize, therefore, that there is not a discrete set of one-time, up-front costs for each online course. Instead, UF makes an important investment in the life of a course with often several faculty leaders engaged along the way and a design and technical teaching support team. Additionally, investments in courses vary by subject matter, delivery mode, and faculty design parameters. UF Online customizes the investment in each course to work with faculty to meet their learning objectives.

- Online students do not remain at a distance and often seek out campus engagement and services.** UF Online students were originally projected to remain at a distance, largely pay out-of-state tuition, and, as a result, there were very low expectations for campus involvement or engagement. We have learned quite the opposite is true and we have been delighted to welcome an increasing number of our online students to campus. UF Online students are diverse yet all seek a meaningful connection with their faculty, their advisor, and their overall learning community. Involvement will vary by semester and by student, often fluctuating over the entire educational experience depending on other factors such as a student's work schedule or family responsibilities. It is therefore important to remain connected with online students and to ensure services are always available and accessible at the time of greatest convenience for their schedules. Furthermore, UF Online welcomes many online students to our Gainesville campus for activities, library services, athletic events, or meetings with their faculty or academic advisor. UF Online to date has a sizeable portion of its students (approximately 30%) that not only frequent campus but also live within the city and county of our main Gainesville campus. We also have many students that prefer to remain at a distance yet engage with our campus at scheduled times for events that can fit within their busy lives and demanding schedules. UF Online also serves many students from across the country that join us in Gainesville for summer lab requirements and/or homecoming tailgate engagement events. As a result, UF Online now includes an entire engagement program and staff, plus a fully virtual community forum, to serve all students, regardless of location. In addition, UF has expanded options for online students with an entirely new Optional Fee Package in 2016. Through the implementation of innovative methods, such as those described above, UF has been able to meet the needs of our diverse online student population.
- Supporting online students with campus services also requires ongoing modification and tailoring of those services.** Our *campus-wide commitment* model treats online students on par with our residential student population and requires the expansion of unique services and extended support hours for campus partners. The University of Florida ensures the availability of financial aid, bursar, and other services using a "one stop" model, plus opportunities for academic support from our tutoring centers on campus. UF Online intends to continue further

expanding these efforts and services, customizing them each semester to meet the needs of our students over the next five-year chapter. Furthermore, we intend to modernize registration and scheduling associated with these services to add greater efficiencies and service for busy working adults.

- **University leaders and teams across a traditional, research campus can shepherd in a new chapter of innovation on campus, without reliance on nor permanent need of an OPM private vendor and revenue share model.** Originally thought possible only with a large private vendor, UF Online successfully transitioned away from that model in 2016 in part due to less-than-expected performance by that vendor in out-of-state enrollment. UF Online took the lead with an in-house marketing and recruitment team and now has seen out of state enrollments grow 47% from AY2016-17 to AY2017-18 (prior year growth was 34% from AY2015-16 to AY2016-17). (Appendix E).
- **Navigating a new organization like UF Online during a time of transformation requires nimbleness and an openness to change and evolution as a functional unit.** During our first five years, UF Online has evolved as a team and organizational structure, always remaining agile and focused on the highest value activities for our mission. Originally, we focused our first five years on critical phases of (1) initial launch, (2) transition away from a major vendor, and (3) the final ramping-up of entirely in-house services and teams to take us into the future. For our next five-year chapter, we are focusing on our continued expansion through major investments in the academic core of UF colleges, including faculty needs, academic advising, and course production. Centrally, we will focus more deliberately on the needs of the campus as an analytic, operational unit that leads strategic marketing, communications, and academic affairs. We will also continue to identify the ideal ways in which we can continue to fully integrate online programs into the traditions of the colleges, led by faculty leaders across our campus. UF Online, as an administrative unit, must remain flexible, changing with the climate and needs of the institution as we work toward our mission.

UF's Campus-Wide Commitment to UF Online Pathways and Students

Taking many forms, leadership and expertise from organizational units across UF contribute to the success and operations of all aspects of UF Online. It is from these relationships that UF Online draws its unique value and strength, proudly welcoming UF Online students into the Gator Nation and all its benefits and services.

UF Colleges

All UF Online degree programs, courses, labs, academic advising, academic support and even student registration are completed by the UF colleges.

UF Information Technology

UF Online's entire learning infrastructure and environment is led by UFIT and its teams of experts that work daily to ensure a seamless learning environment for online students via the UF Learning Management System (LMS). In addition, UFIT provides the technology orientation needed by the online student and the robust backbone necessary for efficient and effective technology-assisted learning. The 24/7 IT helpdesk provides on-demand technology assistance for learning and secure identity access for assessment.



UF Enrollment Management

UF Online's entire enrollment services function is led by UF Enrollment Management. UF Online enrollment services includes the UF Online Recruitment & Outreach Center (ROC) and the UF Online OneStop Student Services Center. Both centers are geographically located on the university's main campus and share physical office space on the third floor of Criser Hall. The OneStop was established in Spring 2014 and the ROC was established in Spring 2016. Together, the unit currently has 18 full-time professional and clerical staff members, all of whom support UF Online students at various points in the enrollment cycle.

The UF Online Recruitment & Outreach Center and the UF Online OneStop Student Services Center work with a high degree of cohesion to accomplish a shared mission to provide UF Online prospective students, current students, and alumni first-class customer service throughout the entire enrollment life cycle, with a specific interest in increasing student enrollment and retention.

The Recruitment and Outreach Center (ROC) and the OneStop jointly support UF Online Admissions. The ROC is charged with recruiting the highest quality applicants to join the Gator Nation through UF Online. Admissions Officers are responsible for direct outreach to all UF Online prospective students, including freshmen, lower division transfers, upper division transfers, international candidates, and readmits. Once prospective students apply to the program, the OneStop Student Services Center provides all back-end admissions support to UF Online applicants. The OneStop student services team is responsible for application services, screening, and transfer evaluation. Once admitted, the ROC provides personalized support and outreach to admitted students to help ensure they are registered for classes and have the resources they need to be set up for success in the program.

UF Libraries

The UF libraries have provided a dedicated Online Librarian to facilitate digital pedagogy efforts of the faculty and to facilitate the effective support of the online student. In addition, each online student has access to the University's entire academic catalog using remote access or by visiting any of the UF library facilities.

UF Student Affairs

UF Student Affairs, a national leader in student support and programming, welcomes each online student into the Gator family and all of its support services. Specifically, New Student & Family Programs (NSFP) oversees the electronic orientation module for all incoming UF Online students, known as Links, and continues to improve the program to ensure all students are well prepared to meet with their academic advisor to begin class registration. NSFP was also able to enhance the transition process for Pathway to Campus Enrollment (PaCE) students by adding additional in-person Preview Orientation sessions starting in 2016 and continuing into our next five-year phase. The addition of PaCE sessions allowed for more suitable registration options for students. NSFP also tailored Links for PaCE online

orientation to be program-specific. The revamped online orientation now provides pre-Preview information, as well as addresses the post-Preview needs of transitioning students.

For UF Online-specific orientation initiatives, NSFP later included the creation of UF Online Plaza-specific pages and the UF Online Optional Fee Package information within the Links Orientation for UF Online students. Additionally, quizzes were added to each of the modules within the Links Orientation to improve student learning and retention of orientation basics. Remodeling the orientation process involves engaging campus partners, both student affairs and academic affairs, to address individual department needs for onboarding new students.

III. Academic Offerings: Ensuring Quality and Integrity

The academic core value of UF Online remains the premier UF faculty, academic advisors, and our courses and labs. Currently, UF Online offers 20 fully online degree programs, 6 minors and 6 certificates for degree-seeking students. UF Online also includes the first-phase of over 50 majors for students enrolled in UF’s hybrid undergraduate experience, UF Pathway to Campus Enrollment (PaCE).

In just four years, UF faculty have established this diverse and relevant set of online programs to serve workforce needs across this state and around the world. Below we lay out the list of program currently in place and the philosophy and processes in place at UF to ensure that each online student has the opportunity to enroll in courses and pathways of high academic quality.

UF Online Academic Offerings 2014–2018	
Majors & Tracks	Minors & Certificates
<ol style="list-style-type: none"> 1. B.A., Anthropology 2. B.A., Biology 3. B.A., Business Administration with 8 specializations (Anthropology, Computer & Information Science, General Business, Geography, Educational Studies, Geology, Sport Management) 4. B.S., Business Administration 5. B.S., Communication Sciences and Disorders 6. B.S., Computer Science 7. B.A., Criminology 8. B.A., Education Sciences 9. B.S., Environmental Management 10. B.S., Fire and Emergency Services with 3 tracks (Emergency Management, Fire Management, and Emergency Medical Services Management) 11. B.A., Geography 12. B.A., Geology 13. B.S., Health Education and Behavior 14. B.S., Microbiology and Cell Science 15. B.S.N., Nursing 16. B.A., Psychology 17. B.A., Public Relations 18. B.A., Sociology 19. B.S., Sport Management 20. B.S., Telecommunication Media and Society 	<p>Minors:</p> <ol style="list-style-type: none"> 1. Anthropology 2. Business 3. Geography 4. Mass Communication 5. Sociology 6. Accounting <p>Certificates for Degree-Seeking Students:</p> <ol style="list-style-type: none"> 1. Environmental Horticulture Management 2. Geomatics 3. Landscape Pest Management 4. Medical Entomology 5. Pest Control Technology 6. Urban Pest Management

PaCE

Launched in 2015, the Pathway to Campus Enrollment program, or PaCE, provides first-year students with the opportunity to start their UF degree as part of UF Online and then transition to UF's residential campus for their upper division coursework. This successful hybrid program welcomes students that are academically-qualified for UF enrollment yet for which we lack capacity in campus programs at the lower division. UF is proud to expand access to our campus programs through this hybrid option.

Students selected for PaCE must complete at minimum 15 credit hours and two semesters via UF Online. After completing a total of 60, including all prerequisite courses for the selected major, students may request to transition to campus. Some students opt to remain in UF Online for their entire degree and many students have already successfully transitioned to the UF residential campus for their upper division courses. In fact, UF celebrated the very first PaCE graduates in Spring 2018 that earned their UF degrees in just three years.

PaCE Majors

College of Agricultural & Life Sciences (18)

- | | |
|--|---|
| 1. Agricultural Education and Communication
<i>Tracks include Communication and Leadership Development or Agricultural Education</i> | 12. Forest Resources and Conservation
<i>Tracks include Environmental Pre-Law, Forest Business Management, Forest Resource Management, Protected Areas Management, Recreation Resources Management, Urban Forestry or Watershed Science and Management</i> |
| 2. Agricultural Operations Management | 13. Horticultural Science
<i>Tracks include Horticultural Production, Horticultural Science, Organic Crop Production or Plant Molecular and Cellular Biology</i> |
| 3. Animal Sciences
<i>Tracks include Equine or Food Animal</i> | 14. Microbiology and Cell Science |
| 4. Botany, General Botany | 15. Natural Resource Conservation |
| 5. Dietetics | 16. Nutritional Sciences |
| 6. Entomology and Nematology
<i>Track include Basic Science, Biosecurity, Ecotourism, Plant Protection or Urban Pest Management</i> | 17. Plant Science
<i>Tracks include Community Food Systems, Crop Ecology, Garden Design and Management, Landscape and Nursery Horticulture, Plant Genetics, Plant Health, Restoration Horticulture or Sustainable Food Production</i> |
| 7. Environmental Management in Agriculture and Natural Resources | 18. Wildlife Ecology and Conservation
<i>Tracks include Wildlife Ecology and Conservation Specialization</i> |
| 8. Environmental Science (BA) | |
| 9. Family, Youth and Community Sciences | |
| 10. Food and Resource Economics
<i>Tracks include Food and Agribusiness Marketing and Management or International Food and Resource Economics</i> | |
| 11. Food Science | |

College of the Arts (8)

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Art*
<i>Art + Technology, Ceramics, Creative Photography, Drawing, Graphic Design, Painting, Printmaking, Sculpture</i> 2. Art Education* 3. Art History 4. Dance* | <ol style="list-style-type: none"> 5. General Theatre 6. Music* 7. Music Education* 8. Visual Art Studies* |
|--|--|

**These PaCE majors require students to attend on campus Art, Music, or Dance studios during the first two years.*

Warrington College of Business Administration (1)

1. General Studies (B.A.)
Specializations include Anthropology, Business and Economic Geography, Educational Studies, General Studies, Geology, Mass Communication, Sociology, Sport Management, Travel and Tourism Management

College of Design, Construction & Planning (1)

1. Sustainability and the Built Environment

College of Health & Human Performance (3)

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Health Education and Behavior 2. Sports Management | <ol style="list-style-type: none"> 3. Tourism, Events and Recreation Management |
|--|--|

College of Journalism & Communications (4)

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Advertising 2. Journalism
<i>Tracks include Journal or Sports and Media</i> | <ol style="list-style-type: none"> 3. Public Relations 4. Telecommunications
<i>Tracks include Management and Strategy, Media and Society, News, or Production</i> |
|---|--|

College of Liberal Arts & Sciences (17)

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. African American Studies 2. Anthropology 3. Computer Science 4. English 5. Exploratory 6. Geography 7. Geology (BS) 8. History 9. Linguistics | <ol style="list-style-type: none"> 10. Mathematics 11. Philosophy 12. Religion 13. Sociology 14. Spanish 15. Statistics 16. Sustainability Studies 17. Women's Studies |
|--|--|

Academic Excellence and Course Quality

As we focus on the needs of faculty and continue to support them in the delivery of premier online learning, the University of Florida launched the Center for Online Innovation and Production (COIP) on July 1, 2017 to provide all course production and support for UF Online courses and graduate online courses. The goal of COIP is to form collaborative partnerships with faculty to ensure that courses developed for UF Online, and other online programs at UF, provide a dynamic and engaging learning experience for students, and that faculty are able to sustain their innovation and high-quality offerings over time. Using sound pedagogy and multimedia expertise, COIP provides services from conception through production as well as support for UF Online courses throughout the life of the course.

While faculty are central to content creation, we recognize the importance of providing assistance throughout the process as they develop engaging, challenging, and relevant coursework in each of our academic offerings. Currently, UF faculty members are required to complete training in online teaching or on how to use online teaching tools. Offered through the Office of Faculty Development & Teaching Excellence, faculty have the opportunity to participate in a workshop series comprised of three successive workshops – Design, Build, and Teach – encouraging ongoing collaboration between faculty and instructional designers. The workshops cover pertinent topics for faculty either creating an online course from scratch or teaching an already existing online course designed by another faculty member. Completion of the workshop series provides faculty with a “Great Online Teaching” badge, which is a micro-credential to be further applied to special certificates offered through UF’s Office of Faculty Development & Teaching Excellence.

In addition to training tools and workshops, faculty also have access to IT Help Desk services in addition to working with instructional designers during course production. Nevertheless, there is a gap between these resources when it comes to providing real-time critical support throughout the teaching of the course. This support is as critical to successful course delivery as the initial course design. To address this issue, part of COIP’s structure involves the creation of a support team of instructional designers dedicated solely to the ongoing support of faculty and their UF Online courses. Since these instructional designers are part of the course production process, they know the courses intimately and are in a strong position to provide assistance and guidance quickly in response to the needs of the faculty. In addition to lending just-in-time support, they provide course refresh and update services while identifying opportunities for innovation.

The Center for Online Innovation and Production (COIP) supports the design, development, deployment, and continual review of each course and lab offering in UF Online as a service to UF faculty. Highlights of additional services for UF faculty include:

- Working with faculty each semester to help them prepare their courses and make sure they are updated and ready to go in the LMS in time for classes to start.
- Providing just-in-time support for faculty with questions throughout the semester.

- Conducting a mid-course survey to gauge the students' experience in the course in hopes of addressing any concerns before the semester even ends.
- Conducting end-of-course surveys to ask students questions about the overall functionality of the course and its delivery.
- Incorporating survey feedback into analysis and recommendations for faculty. During the pilot launch of a course, we pull survey data from the mid- and end-of-course surveys, as well as analytics from our video server, and provide faculty with summary analysis of the feedback. This information is then used to make improvements to the course. In addition, COIP will then support that faculty member in implementing those improvements.
- Documenting and maintain course-level documentation for faculty who may be teaching the course. Often a course is developed by one faculty member but taught by several. This important tool, the documentation, can quickly bring new instructors up to speed on the logistics of the course to facilitate their delivery of that course.

External Recognitions of Academic Excellence

Rankings

While rankings are not the sole measure of academic quality, they are an important way to gauge the impression and reputation of programs being offered. In the most well-known ranking, U.S. News & World Report's review of best online programs, UF ranks 5th nationally for 2019's best online programs at the undergraduate level. In addition, UF has consistently ranked in the Top 20 since 2016. These rankings are helpful tools for students as they search for programs that are respected and provide a return on their investment in higher education. For institutions, these rankings serve as a way to measure our effectiveness while also giving us an aspirational goal of ascending further.

Accreditation

Not all educational offerings are created equal, and accreditation is the first sign that the school meets certain standards of quality, rigor, and continuous improvement in its programs.

The University of Florida is regionally accredited by the Southern Association of Colleges and Schools, one of the seven most widely accepted institutional accrediting bodies. In the U.S., accreditation from SACS provides assurance of the quality and integrity of UF's academic programs. Additionally, it provides guidance for UF, and the other schools it accredits, on paths for continuous improvement. SACS accreditation not only ensures an institution has an appropriate mission and goals, but it also serves as a marker indicating the institution has the resources to meet its goals and is assessing progress and outcomes toward its goals. It is important to note that accreditation from entities like SACS is not a one-time instance. Institutions are required to go through periodic reviews to maintain the designation.

Many colleges and departments have taken the extra step of earning accreditation for their specific programs.

- Business – The Association to Advance Collegiate Schools of Business (AACSB) is the international standard for business schools. All the programs in the Warrington College of Business, undergraduate through doctorate, have achieved this designation.
- Communication Sciences and Disorders – All programs in our College of Professional Health and Health Professions (PHEP) are accredited by the Council on Education for Public Health (CEPH). In addition to certain jobs requiring a degree from a CEPH program, there are many fellowships with the same requirement.
- Fire and Emergency Services (FES) – The M.E. Rinker, Sr. School of Construction Management at UF is accredited by the American Council for Construction Education (ACCE).
- Public Relations & Telecommunication, Media, & Society – The College of Journalism and Communications (CJC) has met all 9 program standards set forth by the Accrediting Council on Education in Journalism and Mass Communications (ACEJMC) to receive this prestigious designation.
- Nursing – All undergraduate programs in the UF School of Nursing, including the online RN to BSN program, are accredited by the Commission on Collegiate Nursing Education (CCNE).

Academic Integrity

Integrity is a core principle that underpins our academic community. Faculty and students have a responsibility to uphold the highest ethical standards of academic conduct. The University of Florida has an Honor Code and policies related to Academic Integrity that faculty members should disseminate to their students. Through this code, the UF community expresses the rights and responsibilities related to academic integrity. The institution obtains affirmative consent from students who thereby commit to maintain and expect these high standards.

Students who enroll in the University of Florida Online join an institution committed to the highest standards of honesty and integrity. While distance education may not necessarily be more susceptible to dishonesty than residential programs, the online environment poses new challenges for educators. The following strategies are used to ensure that UF Online students are held to the same standards as residential students:

- **Community:** Foster an environment of academic and ethical scholarship
- **Prevention:** Design courses, assessments, and assignments in a manner that encourages honesty and accountability
- **Identification:** Use available technologies and procedures to prevent dishonest activities

Faculty, instructors, and teaching assistants who develop and teach UF Online courses receive [training and guidance](#) on how to incorporate these strategies into their classes. These strategies are designed to help provide faculty with the necessary tools to appropriately assess their students in an online environment so that neither quality nor integrity is sacrificed. In particular, these resources provide evolving guidance on assessment strategies and tools that will allow faculty to be successful so that they can focus on teaching. UF Online relies upon proctoring services as just one tool as part of a broader approach to assure academic integrity of assessments and to maintain the value of our degree programs.

IV. Looking Ahead, 2019-2024: UF Online Continued Expansion

To guide our work forward, UF Online has established five overarching goals for 2019-2024. Under each goal, there are specific strategies and commitments to accomplish these goals. We also selected these goals in light of our commitment to driving student academic achievement across our seven dimensions and mindful of our forecasts of continued expansion of students and enrollments in our courses and programs.⁵

Goals and Strategies for 2019-2024

Goal 1: Robust Student Learning via the UF Online Pathway

Objective 1.1 UF Faculty leading in the area of research, innovation, course design, and delivery to foster robust student learning across UF Online academic programs.

The foundation of success for UF Online continues to be the University's commitment to academic excellence in the online learning environment. UF faculty, therefore, lead the way in Goal 1, demonstrating the power and value of premier academic faculty, departments, and colleges in the design and deliver of innovating online offerings and experiences.

The 10 Strategies to deliver on this objective over 2019-2024 include:

- **Strategy 1:** The empowerment of faculty across UF colleges to lead and innovate their pedagogy in the online classroom, a key component in the fortification and maintenance of the academic value of each course and curriculum, leading to robust student learning. Faculty-led efforts in the creation and delivery of high-quality coursework are facilitated and strengthened by

⁵ UF Online forecasted growth is shared in Appendix A. The budget strategies to fund and implement these goals are discussed later in Chapter 5 with detailed budget forecasts outlined in Appendix B. Finally, the model of these Goals, Strategies, and Indicators that we will monitor over our next five-year chapter can be found in the UF Online Logic Model in Appendix F.

numerous support services, including teaching workshops and a robust team of instructional designers with specialized expertise.

- Strategy 2: Develop course demand forecasting to ensure students have access to courses they need to graduate and faculty have ample time and resources to deliver the best courses for our online students.
- Strategy 3: Ensure a manageable class size to maximize faculty impact and engagement with online students to further learning in the UF Online learning environment. Maintain a class section size under an average of 30 students.
- Strategy 4: Propel student learning with exemplary and credentialed faculty as instructors. In doing so, continually increase percentage of faculty with terminal degrees across all UF Online courses and labs.
- Strategy 5: Draw upon faculty peer review models to ensure academic excellence in the UF Online digital learning environment. Embrace the faculty peer review model to assess and ensure the high quality of all UF Online teaching, coursework, overall curriculum, and online academic programs by each UF department, major, and field of study in accordance with the UF Undergraduate Curriculum Committee.
- Strategy 6: Draw upon visible and active leadership from the UF Online Faculty Advisory Committee to ensure the delivery of a remarkable and engaging online student experience within the learning management system, coursework, and labs.
- Strategy 7: Continued investment in faculty development and support programs to assist faculty in the continual design, production, and delivery of effective and innovative teaching and mentorship of online students. Expand support services in order to further assist increased academic offerings and a steadily growing student population.
- Strategy 8: Continual input and expertise from the UF Online Learning Institute to fuel faculty and staff approaches that are based on evidence and the latest literature and research.
- Strategy 9: Continuing to weave best practices and peer-reviewed research findings into how we manage and deliver a remarkable UF Online program to propel student learning.
- Strategy 10: Support faculty in the pursuit of academic research in the online learning environment to further our understanding of the most effective strategies to propel student learning and engagement. In partnership with the Online Learning Institute, launch and fund a UF Online Research Fellows program (five faculty selected from a competitive, campus-wide process on an annual basis; research awards ranging from \$10-20K per faculty member; cohort-based experience, training, and support; plus mentorship to future research fellows).

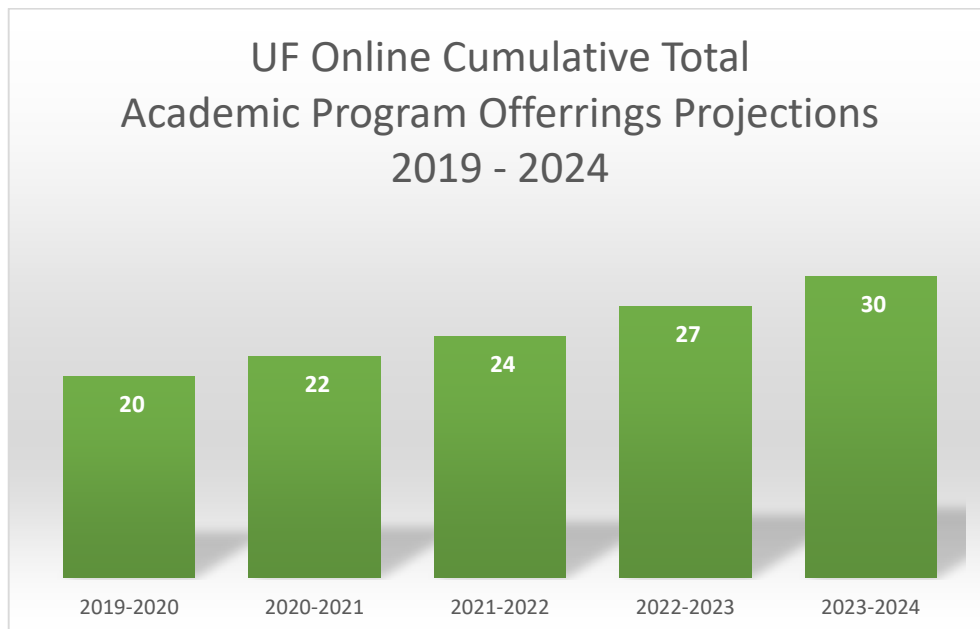
Goal 2: Smart Design, Production, and Delivery of Academic Programs

Objective 2.1 Delivery of the most workforce-relevant and rigorous academic programs and pathways.

The 9 strategies that deliver on Goal 2, Objective 2.1 from 2019-2024 include:

- Strategy 1: Expansion of faculty services via the UF Center for Online Innovation and Production services to ensure high-quality production services and support for faculty to produce and deliver quality courses for all UF Online students. Expansion of instructional designer expert services and the availability of multi-media expertise to ensure cutting-edge digital content that serves students best.
- Strategy 2: Scaling investment up from \$1 million to a level of approximately \$3 million over the next five years, 2019-2024, to fund more instructional designers who would support more faculty, for longer durations, and result in additional quality courses, improved quality courses, more frequent updates to courses, and enhanced course interactivity and engagement of UF Online academic offerings.
- Strategy 3: Piloting adaptive learning modules, courses, and pathways for UF Online students.
- Strategy 4: Maintaining the value of a UF credential during our rapid, digital expansion through persistent attention to continually evolving course content and assessment approaches that seek to maximize learning and minimize opportunities for fraud or abuse.
- Strategy 5: Expanded instructional design support on the front-end to assist faculty in the design, production, and delivery of UF Online courses that are safeguarded against cheating.
- Strategy 6: Expansion of tools to detect fraud, cheating, and other forms of violations of academic integrity.

- Strategy 7: Serving workforce needs with additional academic programs. Over the next five years, UF Online intends to work with Colleges to onboard 10 additional academic programs.



- Strategy 8: Serving workforce needs with additional engagement and optional programming to foster soft skills, including collaboration, team skills, and negotiation workshops for online students. By adding optional academic content and engagement opportunities for students, UF Online will ensure online students, if interested, have opportunities for greater face-to-face engagement with faculty and peers, equipping them for the jobs of the 21st century in collaborative organizations and teams. In this regard, UF Online intends to deploy additional lab boot-camps, summer institutes, optional weekend programs, and synchronous educational opportunities within courses and curriculum – all fueled by faculty ideas and effort.
- Strategy 9: UF Online will pilot 8-week course formats and launch micro-bachelor’s, including for-credit UF Online certificates. Not every potential student has a need for a full degree program. Some of these students have already earned a bachelor’s degree and are looking for additional education while others may be looking for a specific set of coursework for career enhancement. To help address these needs, UF Online is looking to expand its offerings beyond traditional bachelor’s degrees in areas such as certificates and stackable credentials.

Goal 3: An Enriching and Supported Online Student Experience

Objective 3.1 Ensuring a remarkable and engaging online student experience by augmenting services to drive student retention with celebrated academic milestones, plus a new focus on co-curricular modules to foster career readiness, career pathway ascension, or career-shifting ensuring that UF Online graduates are prepared to leverage their new degrees to build their future.

The 7 strategies that will deliver on Objective 3.1 include:

- **Strategy 1:** Identifying completion stages for each major; celebrating critical milestones, persistence, success along each step toward program completion.
- **Strategy 2:** Creation of student cohort groups to foster peer-to-peer engagement and persistence toward program completion.
- **Strategy 3:** Expanded UF Online student tutoring services in areas of most critical need at convenient times for working students and with clear entry points, opportunities for consultations to tailor services, and navigable appointment and scheduling systems.
- **Strategy 4:** Launch of new co-curriculum to focus on student career needs: readiness, engagement on career funnels by academic degree, plus strategies for promotions in the workplace.
- **Strategy 5:** Continual improvement in student onboarding and just-in-time support modules along the entire pathway, including modules throughout student's UF Online experience outlining key milestones and preparation for timely graduation.
- **Strategy 6:** Innovative student engagement pilots such as the establishment of a dedicated learning living community center in Florida and/or the leveraging of UF-IFAS Extension Centers to expand UF's ability to engage rural and urban students enrolled in UF Online who lack the requisite technology or internet connectivity. Launch of pilots in this area will enable UF Online to explore the value of community-based and place-based networks to amplify learning outcomes for students.
- **Strategy 7:** Launch a revitalized virtual portal for students. This new front door to campus will provide a single point of entry for UF Online students where they can easily access their courses and other items. A key to the revitalized UF Online Plaza is greater engagement features that can assessed and have available analytics to measure reach of our efforts.

Objective 3.2 Ensure that each UF Online student has a dedicated academic advisor providing timely, quality, and strategic advice to foster student success in achieving academic goals.

In the experience to date for UF Online, we have seen countless benefits for a strong academic advising cadre that is specifically focused on online undergraduate students. Over the next five years, UF Online will begin lowering the active student to advisor ratio to 100:1 while simultaneously augmenting academic advisor caseloads to incorporate students not in currently enrolled yet in good academic standing (i.e., students taking a semester off from UF Online). Although unprecedented amongst our peers, this change will allow UF Online to continue to set the standard for comprehensive academic advising while augmenting our strategies to engage online students that may start and stop their education along the way. While the ratio of active students to advisors will go down, this will free up advisors for many things. First and foremost, it will allow advisors to have more time to work with individual students, resulting in improved interactions and a better student experience. Second, this change will allow advisors to work with students who have temporarily left UF Online to encourage their return. This “semester off” population merits additional engagement to support student retention and their degree completion.

The 6 strategies that will deliver on Objective 3.2 from 2019-2024 include:

- Strategy 1: Launch of a new Academic Advising Initiative, 2019-2024, to expand the number of full-time, dedicated UF academic advisors serving UF Online students. In doing so, UF Online will lower the number of enrolled students assigned to each full-time UF Online academic advisor while augmenting the role of a UF Online academic advisor to encapsulate career and life coaching, plus active engagements of students not enrolled yet active in UF Online and in good academic standing.
- Strategy 2: Hiring more advisors; all online students advised by an academic advisor dedicated to online student advising at undergraduate level.
- Strategy 3: Lowering advisor caseload of enrolled students from 250 to 100 by 2024.
- Strategy 4: Cross training all academic advisors by 2024 to ensure that, across our entire campus, all online academic advisors are trained in life coaching, advising, and career coaching for online students.
- Strategy 5: Ensure that advising and coaching of UF Online students are conducted by full-time, dedicated advisors within each college by 2024.
- Strategy 6: Expand the duties for the campus advising cadre to include continual engagement with enrolled students as well as inactive students, those in good academic standing but not enrolled in courses that term. Reach a maximum number of 150 inactive students assigned to each UF Online advisor by 2024.

Goal 4: Deployment of Strategic Marketing and Recruitment

The Marketing and Recruitment teams that support UF Online work strategically to inform and recruit the highest quality applicants to join the Gator Nation through the UF Online pathway. To date, UF Online has had great success in recruitment even while enduring an over 55% denial rate of applications into UF Online; often exceeding 70% for some majors. UF Online marketing efforts have made steady improvements, but additional work remains to reach the highly qualified applicant who could prevail through UF admissions yet also seeks a more flexible pathway to their degree.

Separate from marketing and communications, the UF Online enrollment management services team has had incredible success welcoming and serving new students into UF Online. The Recruitment & Outreach Center (ROC) and the OneStop jointly support UF Online Admissions. The ROC is charged with recruiting the highest quality applicants to join the Gator Nation through UF Online's program. Admissions officers are responsible for direct outreach to all UF Online prospective students, including freshmen, lower-division transfers, upper-division transfers, second bachelor's degree applicants, international candidates, and former Gators looking to complete their studies via UF Online as a readmit. Once prospective students apply to the program, the OneStop Student Services Center provides all back-end admissions support to UF Online applicants. The OneStop team is responsible for application services, screening, and transfer evaluation. Once admitted, the ROC provides personalized support and outreach to admitted students to help ensure they are registered for classes and have the resources they need to be set up for success in the program.

Looking ahead, UF Online will continue strategic marketing and recruitment of future Gators, academically qualified to gain UF admissions but seeking a more mobile, versatile academic pathway.

Objective 4.1 Continue to raise awareness of the affordability and accessibility of UF Online as a rigorous academic pathway for students across the state of Florida and around the world for those that have not yet completed a bachelor's degree or wish to earn an additional credential.

The 3 strategies that will deliver on Objective 4.1 from 2019-2024 include:

- **Strategy 1:** Smart media spending, including digital marketing, to ensure the highest return on investment and the recruitment of qualified students that meet or exceed UF admissions standards. UF Online has strategically reduced its marketing budget while increasing effectiveness, return on investment, and we continue to see impressive growth in enrollment and revenues as see in Appendix E. UF Online will build on these successful marketing strategies going forward.
- **Strategy 2:** Active engagement of feeder schools within the state and across the country to welcome transfer students eager to earn an online degree of high distinction via UF Online. UF Online will work to expand recruitment teams to serve students looking to complete their degree at UF. Liaisons would conduct onsite UF Online recruitment, advising and engagement events for current and future UF Online students across the state.

- Strategy 3: Continue work to grow pathways for students via the UF Online Employer Pathways Program.⁶ Launched just this year, UF Online now partners with Walmart, Discover Financial Services, and The Walt Disney Company. These partnerships are an example of UF Online fulfilling its mission by expanding access to education through affordability working with companies and now with Guild Education. Over the next five years, UF Online will look to continue expanding these partnerships and we look forward to welcoming students into UF Online from these employer pathways.

Goal 5: Smart Growth and Data-Driven Operations

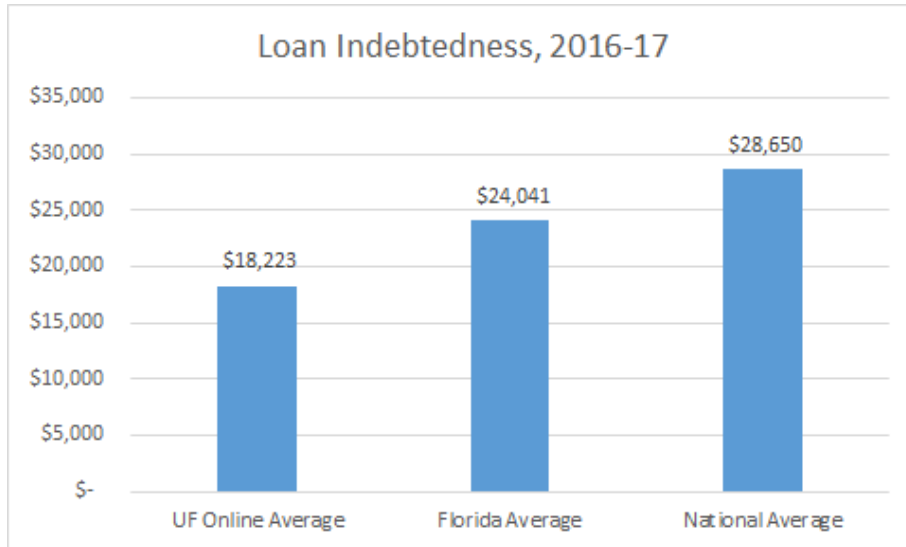
Moving UF Online forward and into our next chapter, we remain committed to the tenets in our first comprehensive business plan. Goal 5 articulates are continued work to ensure smart growth and data-informed decisions as part of a large, traditional, land grant university.

Objective 5.1 Maintain a steady focus on our mission, vision, and values as an online experience, fully-embedded in a campus and culture.

The 3 strategies that will deliver on Objective 5.1 from 2019-2024 include:

- Strategy 1: Launch of new forecasting services for college enrollment planning, strategic communications and marketing services, and tracking key performance indicators to continually maximize investment in the UF academic core (faculty, advisors, and course production).
- Strategy 2: Adherence to UF Online business tenets – relentless cost containment, expanded revenue through new enrollments (in-state and out-of-state) and student persistence, fortifying current partnerships, expanding new partnerships, and focusing resources on strategic investments.
- Strategy 3: Persistent focus on cost containment for our students. Going forward, UF Online will incorporate a metric tied to the loan indebtedness of our students to ensure our continued focus on the value of our program as well as the real impact on our students and graduates, often ignored by higher education management teams. We will maintain a steady focus on ensuring that UF Online student indebtedness remains far below Florida and national averages. As reported on the most recent *U.S. News & World Report* (2016-17), UF Online students average \$18,223 in student loan debt, compared with the Florida average of \$24,041 and the nation-wide average of \$28,650. This metric is also presented in Appendix A.

⁶ <https://ufonline.ufl.edu/admissions/employer-pathways/>



V. Operations and Finances

The last five years have brought about significant changes to UF Online as an organizational unit and campus-wide team: from the incredibly brisk launch of UF Online by January 2014, to the early reliance on a private vendor, to the vendor agreement termination, the subsequent ramp-up of in-house services and infrastructure, and, now, to our next five-year chapter of continued expansion with data-driven strategies as we fortify the academic core value for our students.

In this chapter we outline our financial components including the sources of revenue and a description and outline of our major expenses and investments. Later, we tie those investments directly back to the five goals laid out in the aforementioned pages of this new business plan.



Financial Management

UF Online responsibly operates within the confines of revenues and expenses. While the sources of revenue have remained consistent, allocations of expenditures have dramatically changed since the inception of the program. As described above, UF Online no longer relies on a private vendor for outreach and recruitment, and has created robust marketing and enrollment services operations in-house. This also allows for greater flexibility and control as we continually monitor and analyze our business model. As tuition revenue has been dramatically increasing over the past five years, so have our financial commitments to our partners in the colleges, course production, student experience, and advising.

Revenue

Money flows into UF Online in two distinct ways: through the consistent annual appropriation of \$5,000,000 by the State of Florida and through the dynamic tuition revenue paid by UF Online enrolled students.

In addition, there are required student fees collected by the University and directed to other offices, such as Financial Aid (\$5.25 per credit hour for in-state students, \$35.36 per credit hour for out-of-state students), Technology (\$5.25 per credit hour), and Capital Improvement fee (\$6.76 per credit hour). As a measure of cost containment, our students are not required to pay other student fees such as the Activity and Service fee, Athletic fee, Health fee, and Transportation fee. However, online students who wish to utilize services covered by those fees are able to pay for the optional fee package and gain the same access as residential students.

Tuition Revenue

Tuition for in-state online students is \$111.92 per credit hour, or 75% of the tuition rate for residential students, and has not changed since the inception of the program nearly five years ago. Our increasing population of out-of-state students currently pay \$500.00 per credit hour.

Tuition revenue is directly tied to metrics that UF Online meticulously monitors, such as distinct headcount, course enrollment, and student credit hours, which are discussed later and visualized in Appendix A.

Expenses

UF Online invests most of its funds in the units discussed above: academic programs, academic advising and student success, course production, enrollment services, marketing and recruitment, and central administration and operations. In addition, UF Online is required to transfer 10% of its tuition and appropriated revenue to the University of Florida in an Overhead Assessment. These funds, totaling over \$1,000,000 each year, are directed to General Administration and IT of the University of Florida, including but not limited to Finance and Accounting, Human Resources, University Police, Business Affairs, Environmental Health & Safety.

Other factors effecting the bottom line include tuition waivers provided to students and outstanding accounts receivables.

Budget Forecasting and Projections 2019-2024

UF Online is ready to accomplish this next set of five-year goals and related strategies with forecasted revenues, expenses and with targeted initiatives and investments. We project steady enrollment, tuition, headcount, and student credit hour (SCH) growth as depicted in the forecasting that follows.

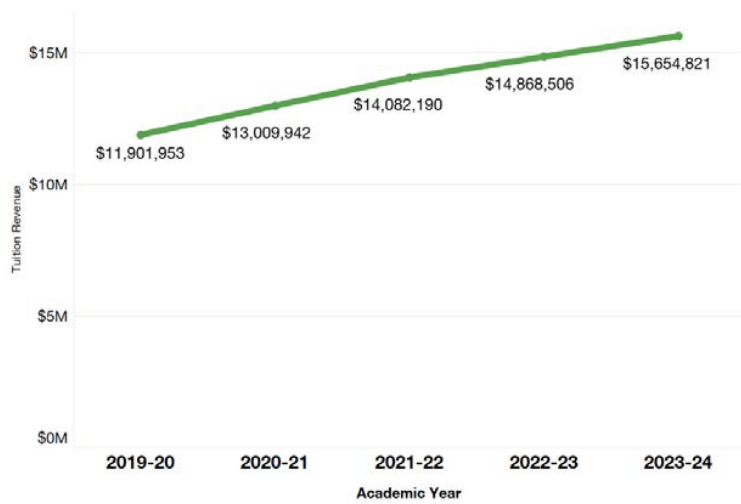
UF Online has created a 2019-2024 Overall Budget Profile, which can be found in Appendix B. It recounts UF projected revenue and increased commitment to the academic core of the program. As more money flows into the program, it is reinvested as a financial commitment to our core partners on campus, all to the benefit of our students.

UF Online is forecasting revenues, expenses, and fund balance as displayed in the charts below and in Appendix B. This forecast is the university's initial budget, but the budget may evolve each year as UF Online matures undergraduate online offerings. Each year ahead we will revisit our strategies to maximize value for our students toward our mission. The model is in real dollars and assumes revenues will increase as expenses increase. Therefore, there is no adjustment for inflation in the model.

The following describes the assumptions used by the university in developing the forecast. The assumptions are the university's reasonable estimates. In summary we project steady revenue in light of our lessons to date and planned strategies going forward. We intend to maximize investment in the academic core value for our students as tuition revenue rises. UF Online constantly monitors and revamps program measures, such as Revenue, Headcount, Enrollment, and Student Credit Hours (SCH), all of which are related.

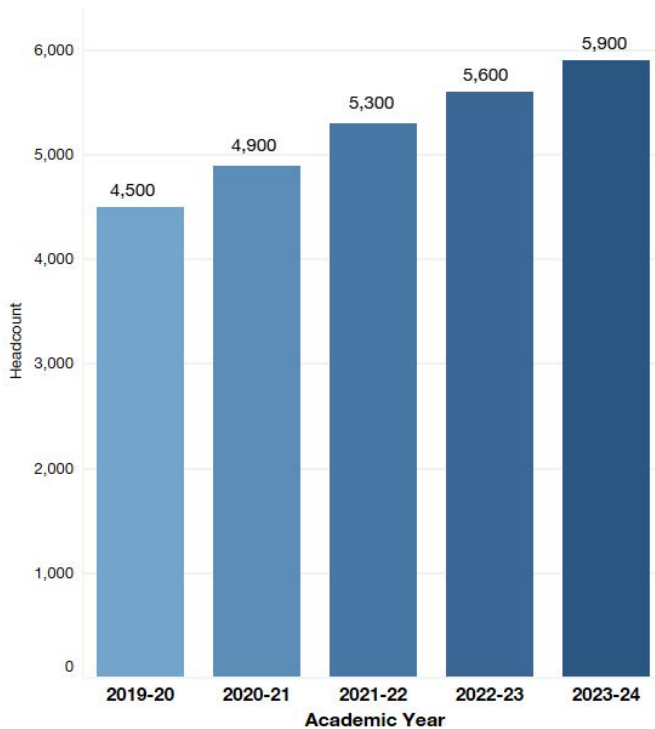
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total Project Revenue	\$16,901,953	\$18,009,942	\$19,082,190	\$19,868,506	\$20,654,821
Total Projected Expenses	\$17,042,943	\$18,740,274	\$19,700,855	\$20,223,644	\$21,713,925

UF Online Projected Revenue



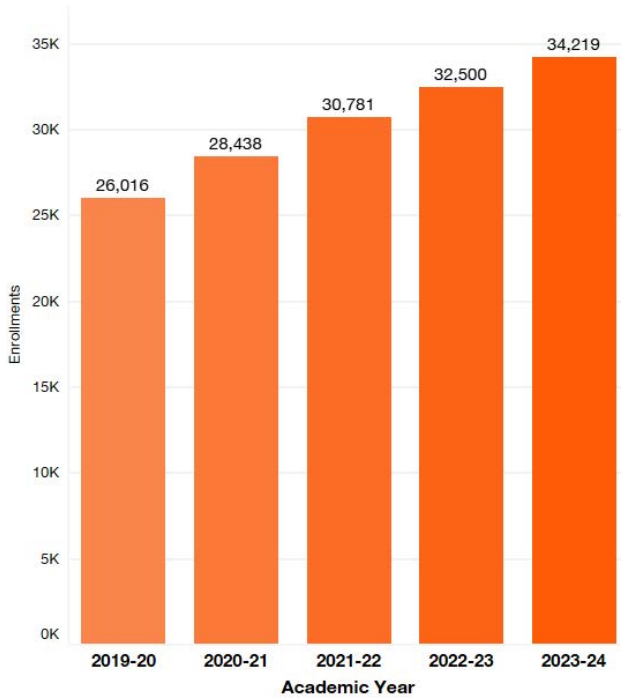
The projected influx of new and returning students translates to increased expected revenue over the next five years from tuition and appropriated funds. While we note demographic shifts are underway nationally over the next five-year period, we project steady growth in online enrollments, and in particular, in selective, high-quality online pathways such as UF Online. As mentioned previously, increased revenue will mirror increased expenses as the program continues to grow.

UF Online Projected Headcount



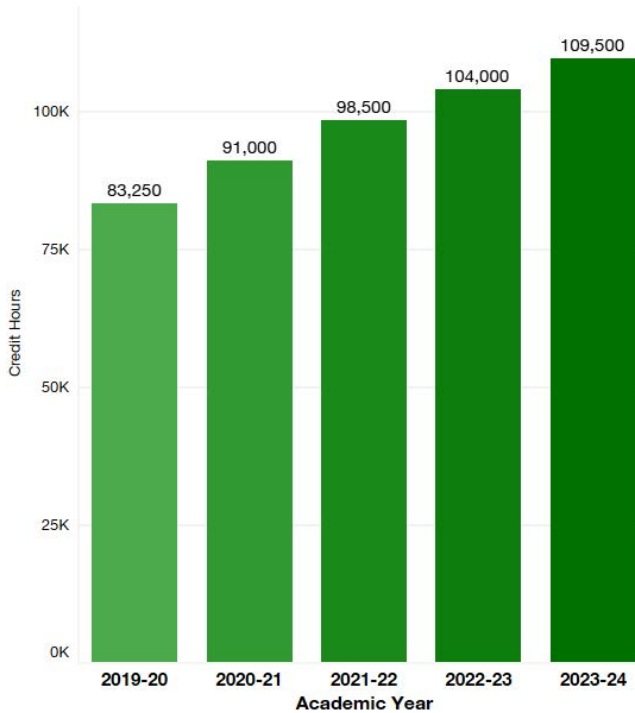
The model assumes the continuation of growth in UF Online enrollment of unique students, despite nation-wide downward trends in undergraduate enrollment. In addition, UF Online is projecting to enroll a greater number of out-of-state students through the UF Online Employer Pathways Program discussed in Goal 4. The growth in the program will also translate into greater costs, such as course delivery to the academic units, hiring of additional faculty, advisers, and recruiters, adding and enhancing courses, and more.

UF Online Projected Enrollment



UF Online students have been enrolling in an average of over 3.2 courses per semester. We expect to see an upward trend in enrollments, directly correlated to the increasing headcount expected over the next five years. Academic advising must carefully plan enrollments of students in appropriate courses and sections. As UF Online predicts a growing population over the next year, it will commit more funding in the academic core of the program, including academic advising staff.

UF Online Projected Student Credit Hours



We project UF Online students to enroll in over 100,000 credit hours by 2022 and continue to climb as UF Online offers additional programs and courses in its catalog.

Relating Expenses Back to UF Online's Five-Year Goals

UF Online projected expenditures are strategically allocated and are directly tied to the 2019-2024 Goals discussed in Section IV as they relate to UF Online's continued expansion:

- Goal 1 – Increasing investments in delivery across UF's colleges. By augmenting funding out to UF colleges, UF aims to ensure colleges support and grow faculty ranks to serve an ever-expanding online student body. This increased investment area will fund college efforts including departments with expanded effort plus a new campus-wide UF Online Research Fellows program, and overall excellent course delivery across UF's colleges.
- Goal 2 – Increasing investments in expanded services for faculty via the centralized COIP team. We also project increased investment in academic integrity and specifically the need for additional proctoring services given our projected increasing headcount and student credit hours.
- Goal 3 – Increasing investments in campus centers that provide online students with academic support including tutoring. We will also make significant investments in lowering our student to academic advisor ratio from 1:250 to 1:100 by 2024 as part of our Academic Advising Initiative to drive student support, persistence, and completion.
- Goal 4 – Steady investments in Marketing and expanded recruitment investments to welcome highly qualified students seeking a more versatile pathway to a degree from employer pathways as well as feeder schools. Continued investment in the important One-Stop services for all UF Online students seeking admissions, financial aid, bursar and registrar services with one-stop support.
- Goal 5 – UF Online will maintain modest and flat investments in Administration and Operations to ensure a core operations analytic hub for college services but we intend to commit the majority of revenue monies to the academic core value instead: UF faculty needs, academic advising and high-quality academic content and pathways.

In creating the model in Appendix B, we have paid careful consideration to maximizing our limited resources while delivering the best benefit to our students.

VI. Challenges and Opportunities

As we move energetically ahead, we are driven by our mission to serve students eager to earn an online degree of distinction from the University of Florida. We must acknowledge, however, that this is a transformative time in higher education, and we enter our next phase as part of that transformation underway. We see the rapid expansion and evolution of many innovative pathways and programs across the education landscape, and it is fantastic news for students. We also prepare for demographic shifts and uncertain political forces. With these uncertainties in mind, we charge ahead mindful of the challenges and opportunities presented. These include:

- Remaining nimble as we continue to rapidly expand and grow as an online undergraduate experience, fully integrated into a traditional land-grant research university. UF Online will maintain a steady focus on our five-year goals, yet we require the latitude to revisit strategies and tactics in real time to accomplish our goals. We anticipate frequent check-ins with our Advisory Board to ensure continued engagement and alignment throughout our next phase.
- Having the data we need to make informed decisions. Our operations team will be focused acutely on the challenges of gathering and tracking relevant data and metrics to continually evaluate our progress toward our mission and to inform evolving tactics and strategies during these dynamic times at UF and within higher education at large.
- Maintaining and continually improving course quality to foster student learning and engagement, while we continue to rapidly expand our student population and academic advising cadre. Our plans are ambitious, but our commitment to quality remain unchanged. Our challenge will be ensuring resources are flowing into all areas of the UF Online program to ensure our UF standards are maintained while we continue to expand.
- Learning more about our online students as we serve them. As presented earlier in our discussion of our online student profile, our students are dynamic, varied in location, major, work situation, home situation, and course load but common in their purpose: earning a UF degree. UF Online will continue to serve these students with an entire campus-wide commitment, welcoming new Gators each semester. Yet we cannot rely on standard campus metrics or practices in all aspects of our work. We will be building and continually improving a new type of undergraduate funnel and enrollment forecasting model to guide our work. Similarly, we are launching a new academic advising initiative to increase our advising cadre that will also diversify its attention (to enrolled students and students taking up to three semesters off before returning to UF Online) and its skill set (cross training advisors in life and career coaching as well). We are well prepared to ensure each student has the courses he or she needs at every step on their journey to graduation with the guidance of a dedicated academic advisor. Over time we will build better mechanisms to measure and assess our progress, but campuses must work collaboratively to resist traditional benchmarks of success for these emerging and dynamic populations of life-long learners.

- Ongoing efforts to recalibrating UF campus services, hours and workforce composition to ensure a traditional campus can now serve an ever-expanding online, remote and diverse student body. Given UF Online is a campus-wide commitment, change and transformation are underway across UF's services, teams and centers to serve the growing UF Online student population. We will continue this important work while serving an expanding population, and we will work cohesively as One UF as we always have. In doing so, new workforce roles are emerging from instructional designers to academic advisors now merging with life coaches. It is a great time to work in higher education, but it is not unusual for universities to continual reinvent their services to meet the needs of students and faculty alike.
- Continued attention on academic integrity and the unique challenges of fraud and abuse in the online learning environment. Finally, security, identity management, and limiting cheating are growing concerns in any digital environment and in particular in digital university programs. UF has a sound and clear honor code that translates well into the digital environment, and our policies and practices will also continue to evolve to meet emerging threats. As part of our investment in course production support for faculty, we anticipate greater reliance on COIP services to support faculty in their work to ensure the academic integrity of all online content and coursework.

The University of Florida is at the forefront of higher education in growing and now expanding a dynamic, fully-online undergraduate experience. We are excited for the years ahead and the opportunity to welcome more students and their families into the Gator Nation via UF Online.

Go Gators!

Appendices

UF Online Projections: 2019-2024

UF Online Overall Budget Profiles: 2019-2024

UF Course Quality Review: Quality Matters at a Glance

UF COIP Course Design and Production Process

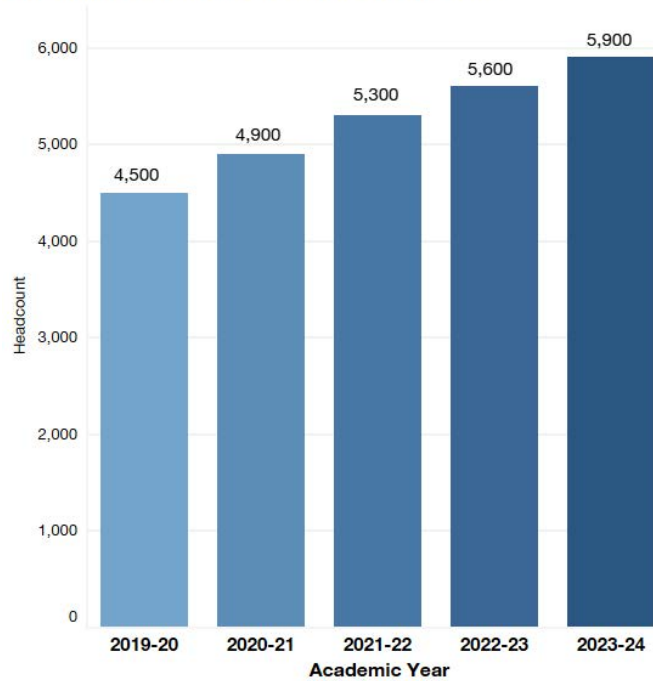
UF Online Enrollment Trends: 2014-2018

UF Online Logic Model: 2019-2024

Appendix A: UF Online Metrics, 2019-2024

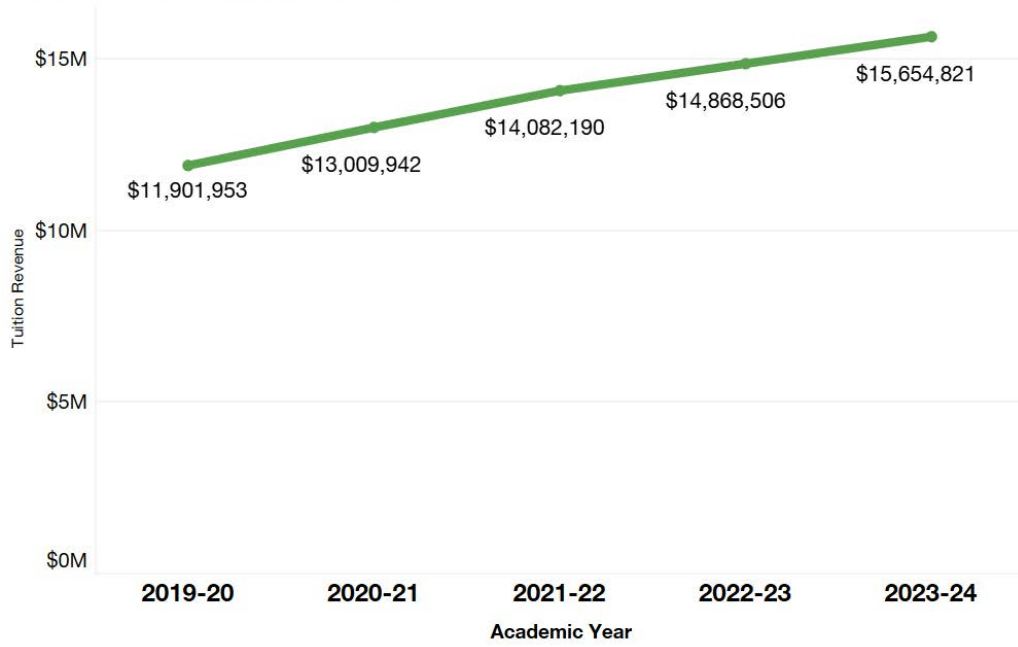
UF Online Enrollment, Revenue, Program, and Indebtedness Metrics

UF Online Projected Headcount, 2019-2024



A. 1. UF Online’s projected headcount of unique enrolled students, 2019-2024.

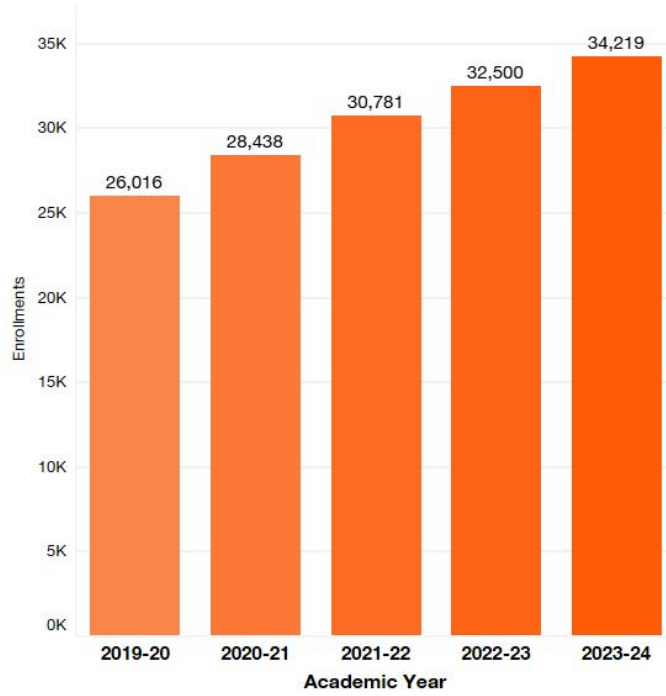
UF Online Projected Revenue, 2019-2024



A. 2. UF Online’s projected revenue from in-state and out-of-state tuition, 2019-2024.

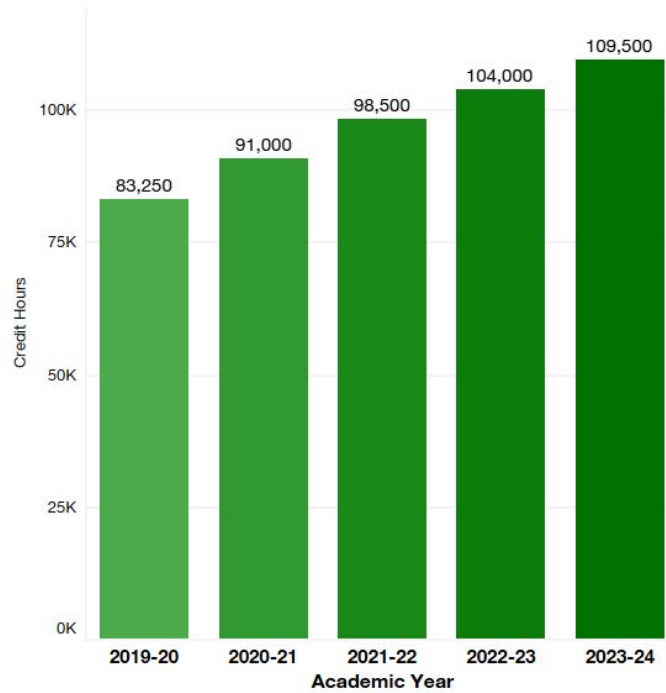
Appendix A: UF Online Metrics, 2019-2024

UF Online Projected Enrollments, 2019-2024



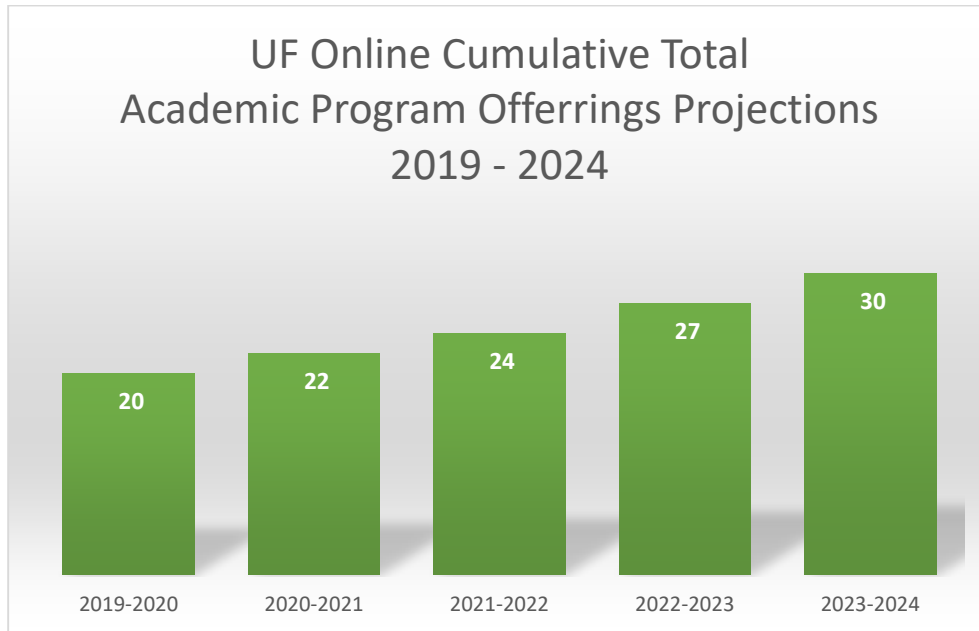
A. 3. UF Online’s projected enrollments, 2019-2024.

UF Online Projected Credit Hours, 2019-2024

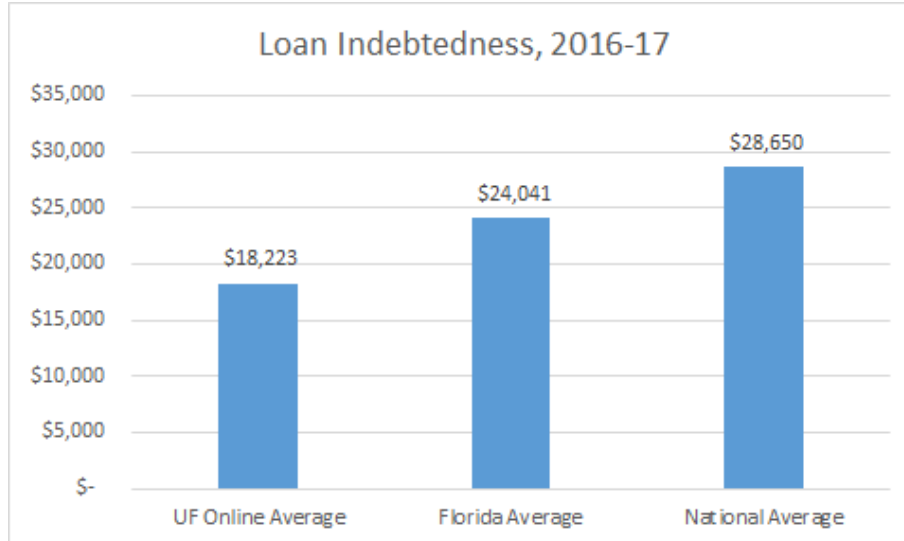


A. 4. UF Online’s projected total student credit hours, 2019-2024.

Appendix A: UF Online Metrics, 2019-2024



A. 5. UF Online Projections of total Bachelor Degrees offered, 2019-2024.



A. 6. Comparison of student indebtedness, 2016-17.

Sources:

2016-17 *U.S. News & World Report* Best Online Bachelor's Programs

The Institute for College Access and Success (<https://ticas.org/posd/home>)

Appendix B: UF Online Overall Budget Profiles, 2019-2024

UF Online Projected 2019-2024 Revenue and Expense Report

		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue	Tuition:					
	In State	\$ 8,571,953	\$ 9,369,942	\$ 10,142,190	\$ 10,708,506	\$ 11,274,821
	Out of State	\$ 3,330,000	\$ 3,640,000	\$ 3,940,000	\$ 4,160,000	\$ 4,380,000
	Total Tuition Revenue	\$ 11,901,953	\$ 13,009,942	\$ 14,082,190	\$ 14,868,506	\$ 15,654,821
	State Allocation	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
	Total Revenue	\$ 16,901,953	\$ 18,009,942	\$ 19,082,190	\$ 19,868,506	\$ 20,654,821
Expense	Academic Advising and Student Success	\$ 1,226,973	\$ 1,699,498	\$ 1,995,891	\$ 2,264,547	\$ 3,470,129
	Admissions, Recruitment, and One Stop Services	\$ 1,155,918	\$ 1,200,000	\$ 1,236,000	\$ 1,273,080	\$ 1,311,272
	Central Administration	\$ 614,766	\$ 580,925	\$ 598,353	\$ 616,303	\$ 634,792
	Communications and Marketing	\$ 3,401,285	\$ 3,248,865	\$ 3,000,000	\$ 2,500,000	\$ 2,000,000
	Course Innovation and Production	\$ 1,479,211	\$ 1,845,510	\$ 1,900,875	\$ 1,957,902	\$ 2,016,639
	Faculty and Delivery	\$ 6,660,000	\$ 7,280,000	\$ 7,880,000	\$ 8,320,000	\$ 8,760,000
	Operations & Vendor Payments	\$ 514,595	\$ 734,482	\$ 781,516	\$ 854,962	\$ 955,611
	Proctoring	\$ 300,000	\$ 350,000	\$ 400,000	\$ 450,000	\$ 500,000
	Overhead Expenses:					
	University Overhead Assessment	\$ 1,690,195	\$ 1,800,994	\$ 1,908,219	\$ 1,986,851	\$ 2,065,482
	Total Expenses:	\$ 17,042,943	\$ 18,740,274	\$ 19,700,855	\$ 20,223,644	\$ 21,713,925

Appendix C: Quality Matters at a Glance

UF COURSE QUALITY REVIEW



FLORIDA QUALITY ONLINE COURSE REVIEW

- Institutional Internal QM Process for online courses
- Quality/High-Quality courses
- Designation appears in the FLVC catalog
- Participation is opt-in (may be required by program)
- A state Quality Review Panel conducts random audits



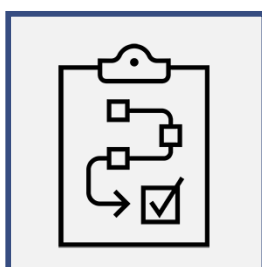
FLORIDA AWARDS PROGRAM

- President's Award (1 per SUS institution)
- Florida Quality Award (up to 5 annually)
- Chancellor's Quality Award (no more than 1 annually)



REVIEWERS

- High-Quality Reviews require 3 reviewers (instructor + 2 reviewers)
- Quality reviews require 2 reviewers (Instructor + 1 Reviewer)
- Reviewers must complete training

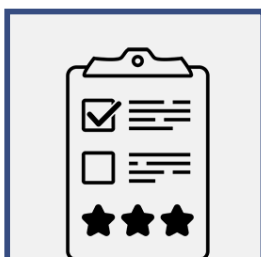


COLLEGE/DEPARTMENT

- Identify courses for review
- Track review process
- Provide quality control with the help of FDTE QA Coordinator

COURSE INSTRUCTOR SELF-REVIEW (WITH ID HELP)

Appendix C: Quality Matters at a Glance



- Provide URLs to course examples
- Export Ally accessibility report
- Course “map” illustrating alignment between course goals, learning objectives, assessments, content, activities and technology
- The most recent student evaluations for the course



QUALITY COURSE DESIGNATION

- All 21 essential Quality Matters standards, which are each 3 points—to receive 63 QM points
- All 10 UF essential standards to receive a minimum of 30 UF points (flexibility is possible with explanation from course instructor)
- 93/149 (62.4%) total points are needed for UF’s Quality designation



HIGH QUALITY COURSE DESIGNATION

- 21 essential QM points + additional points to reach 84/99
- 10 essential UF points + additional points to reach 42/50
- 126/49 (84.5%) total points are needed for UF’s High Quality designation



“PAY IT FORWARD” COURSE REVIEW

- Upon successful completion of the review process, course instructors are required to complete peer reviews of two other courses
- Instructors complete an online workshop on how to write a successful review (estimated time for completion: 1 hour).
- Course reviews are submitted using a peer review tool.
- The Quality/High Quality designation is not awarded to the instructor’s course until after the “pay it forward” reviews are completed.
- Graduate students are exempt from the requirement to conduct a course review.
- Instructional designers may serve as course reviewers if so directed by department/college.

Appendix C: Quality Matters at a Glance



UF EXEMPLARY AWARDS

(FORMERLY ONLINE EDUCATION EXCELLENCE AWARDS)

- Complete the *Pay it Forward* review process.
- Receive 141/149 (95%) or more total points.
- Provide evidence describing exemplary or innovative practices.

Appendix C: Quality Matters at a Glance

Pay it Forward Online Course Review Process

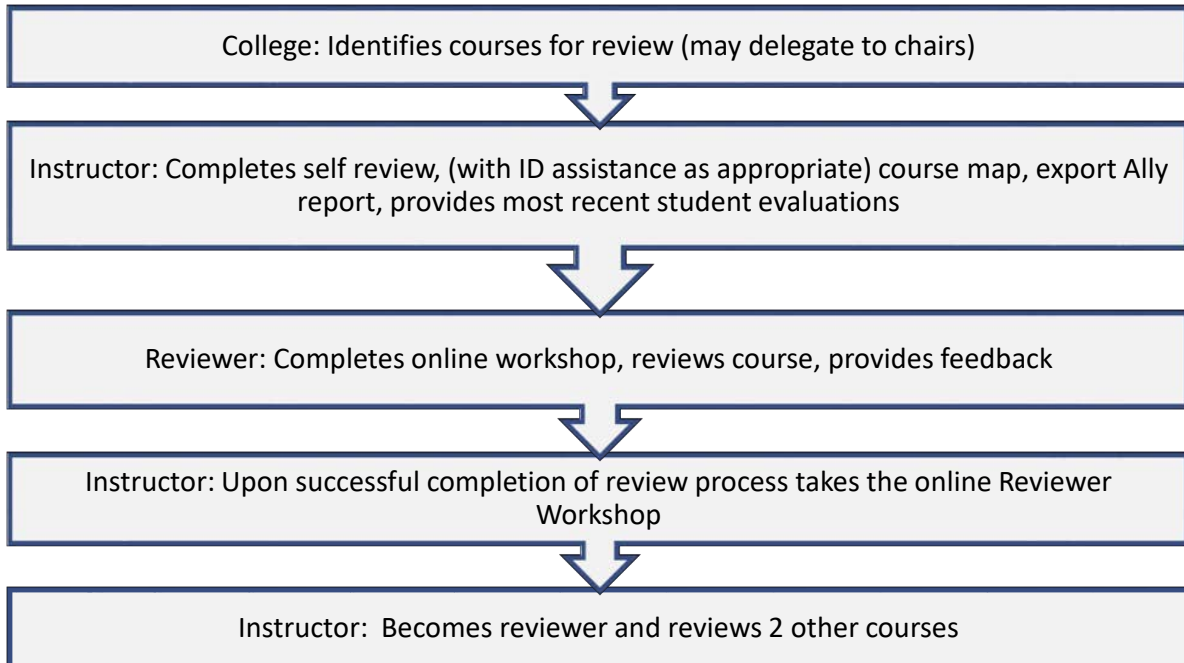


Image Source

Quality Matters. [Rubric icon]. Retrieved May 15, 2018, from qualitymatters.org.

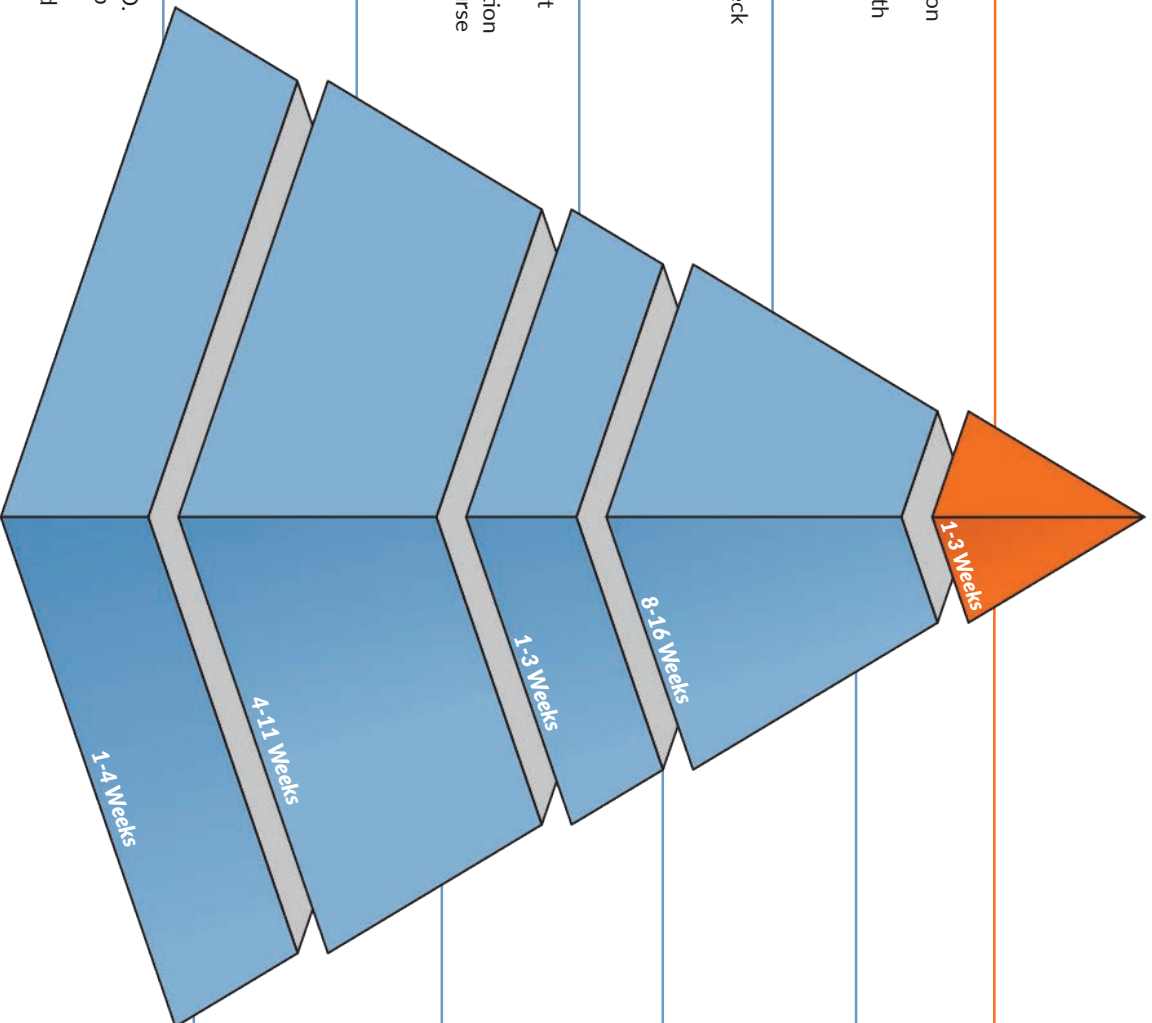
University of Florida. (May 15, 2018). [Exemplary Badge].

University of Florida. (May 15, 2018). [High Quality Badge].

University of Florida. (May 15, 2018). [Quality Badge].

Instructor

- 5 **Course Final Evaluation** — Based on course surveys and instructor experience, complete the delivery portion of the course review and discuss any changes needed for future iterations with your Support ID.
- 4 **Course Launch Semester** — Import course to a live shell, double check due dates, and schedule publish date. Carry out course and discuss feedback with support ID.
- 3 **Production Closeout** — Finalize orientation and delivery support module. Conduct production review of course. Meet with support and production ID to discuss review and sign off on course production.
- 2 **Course Production** — Based on course map framework and production schedule, build and script lectures/content, write assignments, rubrics, and quiz questions, etc.
- 1 **Preproduction and Planning** — Establish a workflow with production ID. Create course map framework, and map course and unit objectives to create a production schedule. Finalize video and graphic design plans.



Instructional Designer

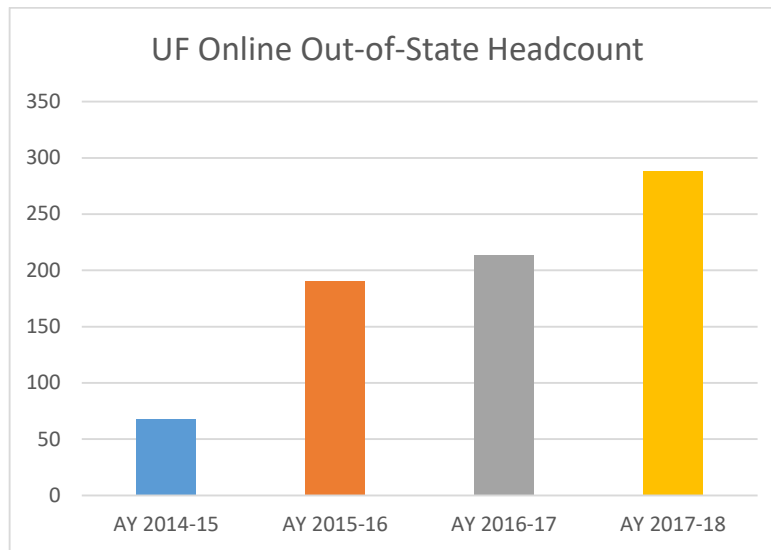
- 5 **Course Final Evaluation** — Meet with faculty to discuss any changes needed for future iterations.
- 4 **Course Launch Semester** — Support faculty throughout first launch semester, such as sharing information for course readiness and reviewing mid- and end-of-semester surveys.
- 3 **Production Closeout** — Finalize orientation and delivery support module. Conduct production review of course. Meet with support and production ID to discuss review and sign off on course production.
- 2 **Course Production** — Based on course map framework and production schedule, assist instructor with content production including pedagogical feedback, innovating assignments, formatting lectures, and adding content to Canvas.
- 1 **Preproduction and Planning** — Meet with instructor to develop planning documents and finalize graphic design package. Book studio time.

COURSE DESIGN AND PRODUCTION PROCESS

Append E: UF Online Trends, 2014-2018

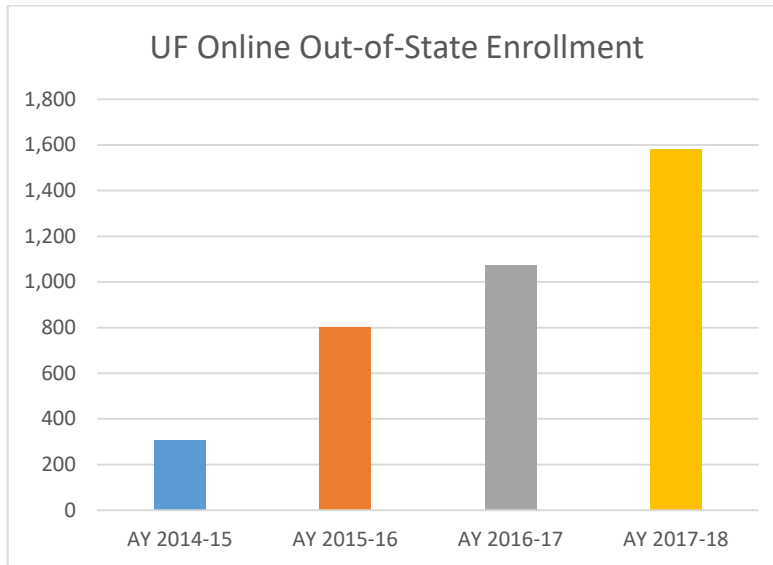
Term	Headcount			Enrollments			Credit Hours		
	In State	Out of State	Total	In State	Out of State	Total	In State	Out of State	Total
2014 Summer A	83	14	97	112	19	131	336	57	393
2014 Summer B	74	10	84	97	10	107	287	29	316
2014 Summer C	425	5	430	740	7	747	2,943	19	2,962
2014 Fall	849	42	891	2,130	130	2,260	7,641	411	8,052
2015 Spring	919	49	967	2,361	140	2,501	8,147	454	8,601
AY 2014-2015	1,172	68	1,236	5,440	306	5,746	19,354	970	20,324
2015 Summer A	204	20	224	269	25	294	807	72	879
2015 Summer B	266	26	292	362	32	394	1,115	96	1,211
2015 Summer C	572	23	595	928	33	961	3,632	105	3,737
2015 Fall	1,524	120	1,644	4,461	356	4,817	14,644	1,100	15,744
2016 Spring	1,641	128	1,769	4,574	354	4,928	15,058	1,111	16,169
AY 2015-2016	2,009	191	2,191	10,594	800	11,394	35,256	2,484	37,740
AY YOY Growth	71%	181%	77%	95%	161%	98%	82%	156%	86%
2016 Summer A	365	34	399	497	47	544	1,447	125	1,572
2016 Summer B	402	35	437	521	42	563	1,560	122	1,682
2016 Summer C	863	56	919	1,431	98	1,529	5,236	308	5,544
2016 Fall	2,092	147	2,239	6,316	448	6,764	20,147	1,391	21,538
2017 Spring	2,151	142	2,293	6,254	439	6,693	20,344	1,317	21,661
AY 2016-2017	2,725	214	2,939	15,019	1,074	16,093	48,734	3,263	51,997
AY YOY Growth	36%	12%	34%	42%	34%	41%	38%	31%	38%
2017 Summer A	442	41	483	565	50	615	1,691	150	1,841
2017 Summer B	434	29	463	566	43	609	1,675	115	1,790
2017 Summer C	1,208	74	1,282	2,045	135	2,180	7,245	431	7,676
2017 Fall	2,647	210	2,857	8,255	679	8,934	25,864	1,986	27,850
2018 Spring	2,582	208	2,790	7,649	675	8,322	24,449	1,925	26,374
AY 2017-2018	3,383	288	3,671	19,078	1,582	20,660	60,924	4,607	65,531
AY YOY Growth	24%	35%	25%	27%	47%	28%	25%	41%	26%

E. 1. Trends in UF Online headcount, enrollment, and credit hours, 2014-2018.

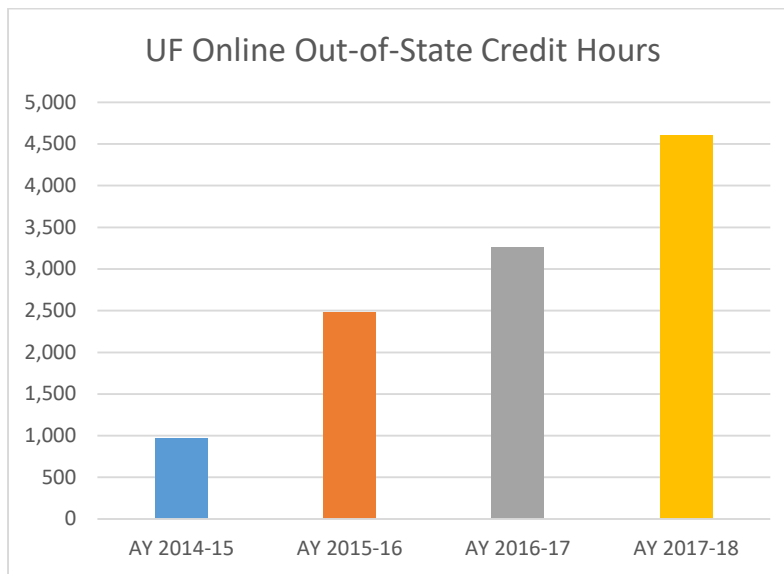


E. 2. UF Online total out-of-state headcount by academic year, 2014-2018.

Append E: UF Online Trends, 2014-2018



E. 3. UF Online total out-of-state enrollment by academic year, 2014-2018.



E. 4. UF Online total out-of-state credit hours by academic year, 2014-2018.

Appendix F: UF Online Logic Model

UF Online Logic Model, 2019 – 2024

UF Online			
SITUATION: Expanding our program to best serve students 2019-2024			
The mission of UF Online is to enable our students to lead and influence the next generation and beyond for economic, cultural, and societal benefit by delivering a comprehensive offering of high-quality, fully online academic programs at an affordable cost.			
PRIORITIES			
Goal 1: Robust student learning via the UF Online pathway			
Goal 2: Smart Design, Production, and Delivery of Academic Programs			
Goal 3: An Enriching and Supported Online Student Experience			
Goal 4: Deployment of Strategic Marketing and Recruitment			
Goal 5: Smart Growth and Data-Driven Operations			

INPUTS	OUTPUTS		OUTCOMES		
	Activities	Participants	Short-term	Medium-term	Long-term
Tuition Revenue	Student academic achievement	Students	Student learning		Persistence and completion on an individualized path with advising
Student Required Fees	Students gain access	Faculty and Staff	Increased access		Students in good academic standing
Student Optional Fees	Delivery of courses, labs	Support Services	Faculty deliver excellent courses and labs		Programs recognized for excellence
State allocation	Academic programs	Academic Advisors	Relevant academic programs and offerings		Graduate levels increase
Effort by students, faculty, staff, partners, and vendors	Academic advising sessions	Vendors Partners	Variety of opportunities for engagement		Student engagement increases
Findings from research	Online learning community		Florida resident cost savings		UF Online sense of community and alumni network
					Low student indebtedness

Appendix F: UF Online Logic Model

UF Online Evaluation Plan 2019-2024

Evaluation Questions: What do we want to know?					
Were the inputs sufficient? Did they meet program goals? Were they at the levels anticipated for planning purposes?	Did all activities occur as intended?	Did the students participate and academically perform?	Did student learning take place? Did Florida residents see increased access? Realize cost savings? What else happened?	Are students taking proactive steps to engage their advisors, seek out support services? Are students engaging at face-to-face events and/or in online environment?	Were there other benefits? Unintended negative consequences?
Indicators: How will we know it?					
<ul style="list-style-type: none"> Tuition revenue received (vs collected) Partner delivers on commitments Vendor delivers on commitments 	<ul style="list-style-type: none"> # of courses # of programs # of students (headcount) # of enrollments # of student credit hours (SCHs) 	<ul style="list-style-type: none"> # of students in good academic standing # of faculty that have completed required training on online course design, development and teaching Student experience satisfaction survey on services, support and engagement offerings Ratio of advisors to UF Online students (1:250 min) 	<ul style="list-style-type: none"> Students' pass rate in a given semester # of non-PACE, Florida residents enrolled in UF Online that were not previously UF students % of UF Online courses that meet QM standards % of UF Online courses that meet UF + QM standards Dollars saved by Florida residents in tuition and fees due to UF Online's lower pricing structure 	<ul style="list-style-type: none"> Student persistence across multiple semesters within an academic year (no stop out longer than 3 semesters) # of external top 15 rankings demonstrating recognition for programs # of opportunities for engagement that had UF Online student attendance (online or face-to-face attendance) 	<ul style="list-style-type: none"> Student completion of their program (# of graduates) % of advisors trained in career and life coaching Graduates' experience survey: level of satisfaction in ease of access to advising and support services over the course of their program Average student loan indebtedness (maintain below Florida and National average)

Acknowledgements: With special thanks to the University of Wisconsin Extension team and the University of Arkansas System, Division of Extension, Research and Extension Team for their leadership and online resources for the effective development of a logic model for Universities. UF Online utilized the University of Arkansas Logic Model framework and worksheet to develop the UF Online proposed logic model above.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
January 29, 2020**

SUBJECT: Minutes of Committee Meetings held October 3, October 30, November 19, and November 22, 2019

PROPOSED COMMITTEE ACTION

Approve the minutes from the joint Budget & Finance and Facilities Committee meeting held on October 3 and the Budget & Finance Committee meetings held on October 30, November 19, and November 22, 2019.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and approve the minutes from the joint Budget & Finance and Facilities Committee meeting held on October 3, 2019, at the University of Central Florida; the minutes from the meeting held on October 30, 2019, at the University of Florida; the minutes from the meeting held on November 19, 2019, at Florida Gulf Coast University; and the minutes from the conference call held on November 22, 2019.

Supporting Documentation Included: Minutes: October 3, 2019
October 30, 2019
November 19, 2019
November 22, 2019

Facilitators/Presenters: Governor Brian Lamb

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
JOINT MEETING OF THE FACILITIES COMMITTEE AND BUDGET AND
FINANCE COMMITTEE
UNIVERSITY OF CENTRAL FLORIDA
ORLANDO, FLORIDA
OCTOBER 3, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.

Governor Sydney Kitson, Co-Chairman, convened the Board of Governors Joint Meeting of the Facilities Committee and the Budget and Finance Committee meeting at 1:59 p.m. (ET), on October 3, 2019. The following members were present: H. Wayne Huizenga, Jr., Timothy Cerio, Shawn Felton, Zenani Johnson, Darlene Jordan, Ned Lautenbach, Charles Lydecker, Edward Morton, Steven Scott, and Eric Silagy.

1. Call to Order and Opening Remarks

Co-Chairman Kitson called the meeting to order.

2. 2019-2020 Carryforward Spending Plans and Fixed Capital Outlay Budgets

Chairman Kitson called on Mr. Jones to provide definitions, as well as provide a presentation related to carryforward funds and concerns.

Assistant Vice Chancellor, Chris Kinsley, commented on Florida International University (FIU) and stated that FIU has \$61M identified in the Carryforward Spending Plan for the main campus, the medical school, and for a variety of initiatives. \$22.5M (37%) is allocated for specific Fixed Capital Outlay (FCO) projects. \$5.3M is allocated for student financial aid. \$9M is planned for faculty, research, and start-up packages. Mr. Kinsley advised that SB 190 requires that all carryforward above 7% must include the estimated cost per planned expenditure and a timeline for completion. He further stated that one question we are struggling with is contingencies and mentioned FIU's set aside of \$800,000 for potential hurricane-related expenses and \$1M for potential legal expenses associated with the bridge collapse. Mr. Kinsley stated that both are reasonable and prudent to budget for, but asked if it was allowable under the new legislation. Chairman Huizenga advised that the items appeared sensible but that FIU's Board of Trustees will want to revisit these items later in the fiscal year. Governor Kitson agreed and stated that, in the private sector, we all have some contingencies to deal with unexpected emergencies. I see where the universities would need something similar, but they should be specifically identified. Governor Silagy also commented on contingencies.

Mr. Kinsley then stated that for the FCO budget, FIU has almost \$500M budgeted. He explained that we had a few questions regarding some of their line items, specifically \$11.6M set aside for maintenance, repair, and remodeling, but FIU provided us with information that FIU's board officially approved and combined numerous projects. Mr. Kinsley advised that we will continue to work with FIU over the coming weeks as we dig deeper into the Carryforward Spending Plan and FCO Budget but believe FIU is ok to approve.

Chairman Huizenga opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with Florida International University to address outstanding questions. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed unanimously.

Mr. Kinsley was then recognized to discuss Florida Gulf Coast University (FGCU). Mr. Kinsley advised that for the Carryforward Spending Plan, FGCU has \$21.1M available. FGCU has identified a total of \$11.1M for renovations, repair, and maintenance projects. Of this amount, \$9.6M has been identified specifically for FCO. Therefore, FGCU is using a little more than 50% of its carryforward for repairs, maintenance, and FCO projects. FGCU has also allocated \$4.9M for IT related initiatives and \$3M for faculty, research, and start-up packages.

Next, Mr. Kinsley stated that FGCU's FCO budget identified about \$37.6M in various projects. We have some minor questions that we will continue to work with FGCU on; otherwise, we are ok with the plan.

Chairman Kitson mentioned the presentation viewed earlier today on the implementation of the new resources FGCU has received to help improve the performance funding metrics, including 4-year graduation rates, which is 2nd lowest in the system at 28.8%. We hope those strategies continue to work and improve graduation rates and that some of the carryforward resources can supplement the current year operating budget to address improving the performance funding metrics.

Chairman Kitson opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with Florida Gulf Coast University to address outstanding questions. Governor Lautenbach moved to approve, Co-Chairman Huizenga seconded, and the motion passed unanimously.

Next, Vice Chancellor and CFO, Tim Jones, commented on the University of North Florida's (UNF) Carryforward Spending Plan and stated that UNF has \$20.3M available. UNF has identified a total of \$6.2M for renovations, repair, and maintenance projects. Of this amount, \$5.8M has been identified specifically for FCO. UNF is, therefore, using about 55% of its carryforward for repairs, maintenance, and FCO projects. Additionally,

UNF allocated \$4.8M for student financial aid and \$5.6M for faculty, research, and start-up packages. Overall, UNF's Carryforward Spending Plan looked pretty good.

Mr. Jones then commented on the UNF FCO Budget, which identified about \$42M in various projects. Mr. Jones then praised UNF for setting aside \$2M in carryforward funds for repair and maintenance since there were no Public Education Capital Outlay (PECO) funds allocated for repair or maintenance this year. UNF also allocated some of its carryforward funds to PECO projects that the Facilities Committee reviewed earlier, which helps UNF with the points system. We have some minor questions that we will continue to work with UNF.

Lastly, Mr. Jones explained that one of the issues we noted on several universities' submissions is that the FCO Budget was approved earlier in the summer, while the Carryforward Spending Plan was approved in September, so we wonder if the Boards of Trustees are seeing the complete picture and link between carryforward and the FCO Budget by reviewing at the same time as we have. Mr. Jones pointed out that UNF is working to align its meeting schedules going forward in light of the new statutory requirements. Other than that, we are ok with UNF's plan.

Co-chairman Kitson advised that Tim raised a good point. We do have the luxury of looking at the Carryforward Spending Plans and the FCO Budget at the same time. We can see if funds are being allocated to deferred maintenance and this is where the Boards of Trustees need to have the information at the same time to see the whole picture.

Co-Chairman Huizenga agreed and stated that you could not look at these in isolation; the review needs to be done together. Once again, this is what we have been encouraging our Trustees to do as a part of their fiduciary responsibility. He further stated that it is great that UNF is looking to align their meeting schedule with ours. I hope other schools will realize that, just as the Board of Governors has adopted its calendar to the new legislative schedule and requirements, it is incumbent on the Trustees to synchronize also. They need to be digging into these details and understand the ramifications.

Co-Chairman Kitson opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the University of North Florida to address outstanding questions. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed unanimously.

Co-Chairman Kitson acknowledged Mr. Jones to present on Florida State University (FSU). Mr. Jones advised that FSU provided Carryforward Spending Plans for its main campus, the medical school, and the FAMU-FSU College of Engineering and stated that my comments include all three of those entities. For the Carryforward Spending Plan, FSU has a total of \$95.8M available. FSU identified a total of \$4.1M for FCO and has also allocated \$12.2M for financial aid, \$8.1M for campus safety and security, \$22.5M

for faculty, research, and start-up packages. Overall, FSU's Carryforward Spending Plan looked pretty good.

Next, Mr. Jones presented on FSU's FCO Budget, which identified over \$550M in various projects. Under the old rules, FSU had already moved \$29M from carryforward funds over the last several years to fund 12 projects. In addition, 19 projects use carryforward funds, along with other funds, to complete those projects. FSU is also using current year Education & General (E&G) operating funds for some minor projects, which is allowed. We did have some minor questions, and FSU has provided us with additional information. So we are good with the information presented.

Co-Chairman Huizenga opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the Florida State University to address outstanding questions. Governor Lautenbach moved to approve, Governor Lydecker seconded, and the motion passed unanimously.

Co-Chairman Huizenga acknowledged Mr. Kinsley to present on Florida Agricultural and Mechanical University (FAMU). Mr. Kinsley advised that for the Carryforward Spending Plan, FAMU has a total of \$16.9M available. FAMU identified a total of \$6.6M for facilities, infrastructure, and IT initiatives, \$6.6M for financial aid, and \$1M for student services, enrollment, and retention efforts. Some of the facilities initiatives appear to be FCO projects but are not identified as such, so we will need to continue to work with FAMU staff to understand those initiatives.

Co-Chairman Huizenga stated that he is glad to see FAMU setting some resources aside for student services and retention. When it comes to our performance metric on 2nd-year retention rates, they are the lowest in the system at 71%, and this area definitely needs improvement. What is not easily seen in the carryforward spending plan are any resources spent on improving 4-year graduation rates. Co-Chairman Huizenga further stated that he understood that there may be current year operating funds allocated towards that, so maybe FAMU can send staff some information on what initiatives are underway to improve graduation rates.

Co-Chairman Kitson agreed and added that, during our June Accountability Plan presentations, we saw FAMU's goal was to improve graduation rates to 40% by 2022, so there must be strategies in place to make those improvements.

Mr. Kinsley proceeded to explain FAMU's FCO Budget, which identified \$84M in various projects. We did not see any Capital Improvement Trust Funds (CITF) included in the spending plan, nor any funds for general maintenance, repair, and renovation. However, under the carryforward allocations, there were funds for items like chilled water repairs, sewer improvements, and fire alarm system upgrades, so some maintenance work will be performed. We still need to work with FAMU on some minor questions to fully understand their plan. Otherwise, we are good with the information presented.

Co-Chairman Huizenga opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the Florida Agricultural and Mechanical University to address outstanding questions. Governor Lautenbach moved to approve, Governor Lydecker seconded, and the motion passed unanimously.

Co-Chairman Huizenga acknowledged Mr. Kinsley to present on Florida Polytechnic University (FPU or Florida Poly). Mr. Kinsley explained that FPU has a total of \$9.5M available for the Carryforward Spending Plan and has identified \$1.4M for hurricane repairs and \$156,000 for renovations to faculty offices. FPU has also included \$2.3M for IT and another \$1.2M for other operating requirements approved by the Board of Trustees. Mr. Kinsley explained that FPU had identified \$2M for the Applied Research Center, which we talked about during the Facilities Committee Meeting, but there is some missing information as to what these funds are for specifically. FPU did leave \$2M unbudgeted. So, in essence, a reserve with no explanation.

The Florida Institute of Phosphate Research is housed at Florida Poly. They have \$6.5M carried forward, but did not include a Carryforward Spending Plan and, in our view, it is required.

We also have questions regarding recurring and non-recurring expenditures.

Moving to the FCO budget, Mr. Kinsley explained that Florida Poly has had special statutory language since they were created to use carryforward funds for fixed capital outlay and have allocated a significant portion of prior years' carryforward funds to FCO projects. It appears no funds have been set aside for minor maintenance, repair, and remodeling since there was not a PECO allocation this year for those types of projects. We have some follow-up to do with Florida Poly; otherwise, we are ok.

Co-Chairman Kitson opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the Florida Polytechnic University to address outstanding questions. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed unanimously.

Co-Chairman Kitson then acknowledged Mr. Jones to present on the University of West Florida (UWF). Mr. Jones explained that UWF's Carryforward Spending Plan has a total of \$23.6M available and has identified a total of \$8.4M for renovation, repair, and maintenance projects which included \$7.3M for FCO deferred maintenance. So about 35% of UWF's carryforward is going towards maintenance. UWF has also allocated \$1.2M for campus safety and security, and \$2.8M for faculty, research, and start-up packages. Mr. Jones stated that overall, UWF's Carryforward Spending Plan looked pretty good.

Next, Mr. Jones presented on UWF's FCO budget. UWF has \$57M in various projects. Mr. Jones stated overall, UWF's plan looks pretty good, but we do have some reconciliation issues we need to work with them on; however, we are good with the information submitted.

Co-Chairman Kitson opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the University of West Florida to address outstanding questions. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed unanimously.

Co-Chairman Kitson acknowledged Mr. Jones to present on the University of Florida (UF). Mr. Jones stated that UF's Carryforward Spending Plan has a total of \$208.2M available that includes the main campus, IFAS, and the Health Science Center. UF has identified a total of \$72.94M for renovation, repair, and maintenance projects, which includes \$66M for FCO projects. Therefore, about 35% of UF's carryforward is going towards FCO projects. UF also allocated \$1M for campus safety and security; \$50M for faculty, research, and start-up packages; and \$56M from prior appropriations for preeminence, world-class scholars, and graduate/professional degree programs. One concern here would be the timeline for expenditure of those funds, but we know that these funds are going to hire faculty, and it takes some time to advertise and recruit those individuals.

Co-Chairman Huizenga stated that he is concerned about the funds that have accumulated from preeminence appropriations and world-class scholars and, according to UF's spending plan, it will take them two years to hire these faculty. We heard this morning UF needs \$50 million to continue its goal of getting into the top five, so I'm really struggling with why it is taking so long to spend those resources. Co-Chairman Huizenga stated that he would like UF to provide us with additional information on its plans to hire faculty and spend these resources. University of Florida's Provost and Senior Vice President for Academic Affairs, Dr. Joe Glover, responded to Co-Chairman Huizenga's concerns and questions from Co-Chairman Kitson and Governor Silagy.

Next, Mr. Jones discussed the UF's FCO budget but we still need to work with UF on some additional issues. Overall we are good with UF's submission.

Hearing no further questions or comments, Co-Chairman Huizenga called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the University of Florida to address outstanding questions and provide us with a more detailed plan on the expenditure of the preeminence and world-class scholar funds. Governor Lautenbach moved to approve, Governor Silagy seconded, and the motion passed unanimously.

Co-Chairman Huizenga then recognized Mr. Kinsley to present on New College of Florida (NCF). Mr. Kinsley explained that NCF's Carryforward Spending Plan has a total of \$6.5M available. NCF is using \$4.2M for FCO projects. Therefore, over half of

NCF's carryforward is going towards FCO projects. This isn't surprising given the age of NCF's facilities, and NCF really could use even more resources. NCF has also allocated \$190,000 for student services and \$400,000 for library services.

Next, Mr. Kinsley discussed NCF's FCO Budget, which totals around \$4M for upkeep on various existing buildings. He mentioned the discussion about the special language that Florida Poly has in law to build up its new campus; the reality that simply keeping up on an older campus that is right next to salt water can be an even more costly proposition. However, New College is making solid choices under the new authority provided by SB 190 to address the most urgent problems. Mr. Kinsley explained that we still need to work with them on some reconciliation issues, but overall we are good with their submission.

Co-Chairman Huizenga opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with New College of Florida to address outstanding questions. Governor Lydecker moved to approve, Governor Lautenbach seconded, and the motion passed unanimously.

Mr. Kinsley then presented on the University of South Florida (USF). Mr. Kinsley stated the USF Carryforward Spending Plan totals almost \$190M, which includes the Medical School. USF is applying \$36M (19%) towards specific FCO projects, which will address a significant amount of deferred maintenance. USF will also finish some PECO projects, including Morsani, which means those projects drop off the PECO list, and he commended USF for that. Additionally, the largest single line item is \$85.6M for faculty/staff, instructional advising, faculty research, and start-up funding. Mr. Kinsley stated that we will continue to work with USF to ensure that all costs are properly identified as non-recurring. As noted in the observations, there are some FCO projects listed in the carryforward budget, which are not easily identified in the FCO Budget. This is an issue for all schools, and we are working with USF to reconcile the two as well.

Next, Mr. Kinsley explained that USF's approved project budget totals \$319M from a variety of sources. USF's original report had some issues, but these were addressed quickly by USF, and are reflected in the materials in Diligent. Mr. Kinsley stated that both the Carryforward Spending Plan and FCO Budget are in a place where we are comfortable with recommending approval.

Co-Chairman Kitson opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the University of South Florida to address outstanding questions. Governor Jordan moved to approve, Governor Lydecker seconded, and the motion passed unanimously.

Next, Co-Chairman Kitson recognized Mr. Kinsley to discuss the University of Central Florida (UCF), as well as a complicating issue that needed to be addressed. Mr. Kinsley indicated that, in the last committee meeting, the issue was addressed and the crux of

the issue was that with \$228M in carryforward, UCF was able to identify sufficient funds to fund its top two PECO priority projects. Mr. Kinsley then stated that he felt that the issue had been addressed.

Mr. Kinsley explained that UCF has a total of \$253M in carryforward, including the Medical School and Center for Students with Unique Abilities. \$73M (29%) is allocated for renovation, repairs, and maintenance. UCF has allocated \$91M for faculty/staff, instructional advising, faculty research, and start-up funding; \$21M for financial aid; and \$12M for IT.

Next, Mr. Kinsley explained the UCF FCO budget and stated that there is \$67M that has not been spent or encumbered. There are a variety of funding sources, including carryforward, which is being used to supplement various projects. There are a lot of clarifying questions that we will be following up on to understand all of the projects submitted, especially those identified as being funded with E&G. That concludes my overview.

Co-Chairman Kitson stated that, as far as the FCO plan goes, UCF has done a solid job. With approval by the Committee today, UCF will have the green light to move forward with the individual projects on this list. It will be essential, however, that UCF resolves any FCO project reconciliation items identified to the satisfaction of Board staff. Chairman Kitson further stated that he would like the Board's Facilities Committee to receive updates throughout the year whenever the FCO Budget is amended to provide us further assurance that UCF is back on the right track.

Co-Chairman Kitson opened the floor for questions or comments. Hearing no further questions or comments, Chairman Kitson, with that caveat, called for a motion to approve both the Carryforward Spending Plan and Fixed Capital Outlay Budget for the University of Central Florida, with the understanding the Facilities Committee will receive updates as the FCO Budget is amended. Governor Lautenbach moved to approve, Governor Silagy seconded, and the motion passed unanimously.

Co-Chairman Kitson then recognized Mr. Jones to present on Florida Atlantic University (FAU). Mr. Jones stated that the FAU Carryforward Spending Plan totals almost \$46.2M, including the Medical School, and that FAU is using some \$5M (10%) for FCO related projects. The largest single line item is almost \$20M for IT, with another \$14M for faculty/staff, instructional advising, faculty research, and start-up funding. Mr. Jones stated that there appears to be a lot of items identified as non-recurring, but could be recurring, and that we will need to work with FAU to fully understand these proposed expenditures.

Mr. Jones then addressed the FCO Budget and explained that we have several follow-up questions that we will need to continue to work on with FAU. One of those issues relates to setting aside funding for FCO minor project repairs since the State did not provide any PECO funding for minor projects this year. Other than that, we are ok with their plans.

Co-Chairman Huizenga opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with Florida Atlantic University to address outstanding questions. Governor Jordan moved to approve, Governor Lautenbach seconded, and the motion passed unanimously.

3. Concluding Remarks and Adjournment

Co-Chairman Kitson stated that this has been a very eye-opening process. As mentioned at the outset, this is the first time we have received this level of detail. Staff still has a lot of information to gather, and they will continue their review.

Co-Chairman Kitson further explained that this gives us a sense of what this process will look like going forward. Being able to review Carryforward Spending Plans and Fixed Capital Outlay Budgets together is critical and expressed hope that the university boards of trustees realize the importance of reviewing this information together and ask questions, just like we did.

There being no further business, Co-Chairman Kitson adjourned the meeting at 2:50 p.m. (ET), on October 3, 2019.

Chris Kinsley, Assistant Vice Chancellor
Facilities

H. Wayne Huizenga, Jr., Co-Chairman

Sydney Kitson, Co-Chairman

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
OCTOBER 30, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.

Mr. Syd Kitson, Chair, convened the meeting of the Budget and Finance Committee at 12:56 p.m. Members present for roll call were Tim Cerio, Wayne Huizenga, Zenani Johnson, Brian Lamb, Ned Lautenbach, and Steven Scott. Other Board members present included Shawn Felton, Darlene Jordan, Charles Lydecker, Edward Morton, Eric Silagy, Kent Stermon, and Norman Tripp.

1. Call to Order

Mr. Kitson called the meeting to order.

2. Minutes of Committee Meeting

Mr. Huizenga moved that the Committee approve minutes from the October 3, 2019, meeting. Mr. Lautenbach seconded the motion, and members of the Committee concurred.

3. Business Process Control Review Update

Mr. Bill Dykstra, Crowe, provided an update on the report. Crowe has provided universities with a draft report and is waiting on the management response. He anticipates having the report completed by the end of November and will come back to the Committee in January.

After Committee conversation with Mr. Dykstra, Mr. Kitson thanked him for coming and looks forward to seeing the final report.

4. 2020-2021 Legislative Budget Request

Mr. Kitson announced that this item was being deferred and a workshop would be held on November 19 at Florida Gulf Coast University.

5. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 1:25 p.m.

Tim Jones, Vice Chancellor
Finance and Administration

Syd Kitson, Chair

MINUTES

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

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.

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

MINUTES

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BUDGET AND FINANCE COMMITTEE
CONFERENCE CALL
NOVEMBER 22, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.

Mr. Syd Kitson, Chair, convened the meeting of the Budget and Finance Committee at 11:32 a.m. Members on the phone for roll call were Wayne Huizenga, Zenani Johnson, Brian Lamb, and Ned Lautenbach.

1. Call to Order

Mr. Kitson called the meeting to order.

2. 2020-2021 Legislative Budget Request

Mr. Kitson thanked everyone for their participation during their workshop on Tuesday.

After listening to the presentations, reviewing the information submitted, and staff getting feedback from members, there was one proposed change to the allocation.

Mr. Kitson stated that FIU's Universities of Distinction allocation has been increased by \$2M, bringing the total to \$21.5M (\$11.5M for Performance-Based Funding and \$10M for Universities of Distinction).

The FIU presentation on the environment, and specifically water, was compelling and is extremely important for the state. This state has been focusing significant resources on water quality in South Florida and this is a priority of the Governor and Legislature. By adding \$2M to FIU's initiative, they will be able to restore the water-quality component of the initiative.

At the end of the day, this is good for the state and the students. My focus has been, and will continue to be, success for our students. The Pillars of Excellence does that.

This change brings the total Pillars of Excellence to \$252M. Mr. Kitson asked the Chancellor to be thinking about a plan for monitoring the accountability components of these Pillars, especially the Preeminence/National Ranking Pillar and the Universities of Distinction Pillar, and report to the Board in January.

Being no comments or questions by the Board, Mr. Lamb moved that the Committee approve the allocation of the Pillars of Excellence as presented. Mr. Huizenga seconded the motion, and members of the Committee concurred.

3. Concluding Remarks and Adjournment

Governor Kitson

4. Concluding Remarks and Adjournment

Having no further business, the meeting was adjourned at 11:36 a.m.

Tim Jones, Vice Chancellor
Finance and Administration

Syd Kitson, Chair

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
January 29, 2020**

SUBJECT: Board of Governors Regulation 5.001 Performance-Based Funding

PROPOSED COMMITTEE ACTION

Approve the Public Notice of Intent to Amend Regulation 5.001.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

On October 30, the Board approved changes to the Performance-Based Funding model.

The regulation is being amended to adjust the threshold to be eligible for the institutional investment from 50 points to 55 points in 2020 and 60 points in 2021.

If approved, the amended regulation will be posted to the Board's website for public comment with final approval at the March Board meeting.

Supporting Documentation Included: Amended Regulation 5.001

Facilitators/Presenters: Governor Brian Lamb

5.001 Performance-Based Funding

- (1) The Performance-Based Funding (PBF) model is based upon four guiding principles:
 - (a) Align with the State University System's (SUS) Strategic Plan goals;
 - (b) Reward excellence and improvement;
 - (c) Have a few clear, simple metrics; and
 - (d) Acknowledge the unique mission of the different institutions.

- (2) The PBF model measures institutional excellence and improvement of performance using metrics adopted by the Board of Governors. The metrics include graduation rates; retention rates; post-graduation education rates; degree production; affordability; post-graduation employment and salaries, including wage thresholds that reflect the added value of a baccalaureate degree; access; and other metrics that may be approved by the Board in a formally noticed meeting.

- (3) The performance of an institution is evaluated based on benchmarks adopted by the Board of Governors for each metric. For each fiscal year, the amount of funds available for allocation to SUS institutions shall consist of the state's investment, plus the institutional investment from each institution's base budget, as determined in the General Appropriations Act. The amount of institutional investment withheld from each SUS institution shall be a proportional amount based on each institution's recurring base state funds to the total SUS recurring base state funds (excluding special units). Florida Polytechnic University is not included in the model until such time as data is readily available.

- (4) Institutional Investment
 - (a) On a 100-point scale, a threshold of ~~55~~4-points is established as the minimum number of total points needed to be eligible for the institutional investment. Beginning with Fiscal Year 2021-22, a threshold of 60-points is established as the minimum number of total points needed to be eligible for the institutional investment.
 - (b) All SUS institutions eligible for the state's investment shall have their proportional amount of institutional investment restored.
 - (c) Any institution that fails to meet the minimum point threshold ~~of 51-points~~ for the institutional investment shall submit an improvement plan to the Board of Governors for consideration at its August/September meeting that specifies the activities and strategies for improving the institution's performance. As of July 1, 2016, an institution is limited to only one improvement plan.
 1. The Board of Governors will monitor the institution's progress on implementing the activities and strategies specified in the plan, and the Chancellor shall withhold disbursement of the institutional investment until the improvement plan monitoring report for each institution is approved by the Board of Governors.
 2. Improvement plan monitoring reports shall be submitted to the Board of Governors no later than December 31 and May 31 of each fiscal year.
 3. The December 31 monitoring report will be considered by the Board of Governors at its January meeting and if it is determined that the institution is making satisfactory progress on implementing the plan, the institution shall receive up to 50 percent of its institutional investment.

4. The May 31 monitoring report will be considered by the Board of Governors at its June meeting and if it is determined that the institution has fully completed the plan, the institution shall receive the remaining balance of its institutional investment.
 5. Any institution that fails to make satisfactory progress shall not have its full institutional investment restored, and any institutional investment funds remaining shall be distributed to the three institutions that demonstrate the most improvement on the metrics based upon those institutions' share of total improvement points.
- (d) If an institution, after the submission of one improvement plan, subsequently fails to meet the ~~51~~-point threshold, its institutional investment will be redistributed to the institutions meeting the ~~51~~-point threshold, based on the points earned by each institution.
- (5) State Investment
- (a) On a 100-point scale, institutions with the top three scores shall be eligible for their proportional amount of the state's investment. In the case of a tie for the top three scores, the tie will go to the benefit of the institutions.
 - (b) All SUS institutions with a score the same or higher as the previous year, shall be eligible for their proportional amount of the state's investment.
 - (c) Any institution with a score less than the previous year but the previous year's score was higher or the same than the year before, shall be eligible for their proportional amount of the state's investment.
 - (d) Any institution with a score the same or lower than the previous year's score for two consecutive years shall submit a student success plan to the Board of Governors for consideration at its August/September meeting that specifies the activities and strategies for improving the institution's performance metrics in order to be eligible for their proportional amount of the state's investment. The baseline scores begin with the June, 2018 results.
 1. If the student success plan is approved by the Board of Governors, the institution shall receive up to 50 percent of its state's investment at the time of approval.
 2. The Board of Governors will monitor the institution's progress on implementing the activities and strategies specified in the plan, and the Chancellor shall withhold the remaining disbursement of the state's investment until the student success plan monitoring report for each institution is approved by the Board of Governors.
 3. The student success plan monitoring report shall be submitted to the Board of Governors on a date specified by the Chancellor.
 4. The monitoring report will be considered by the Board of Governors at its March meeting and if it is determined that the institution is making satisfactory progress on implementing the plan, the institution shall receive up to the balance of its state's investment.
 5. Any institution that fails to make satisfactory progress shall not have its full state's investment restored, and any state investment funds remaining shall be distributed to top three scoring institutions (including ties) based on the total number of points of the top three scoring eligible institutions.

- (6) Beginning with the Fiscal Year 2021-22 appropriation, any institution with a score lower than 70 points shall submit a student success plan to the Board of Governors for consideration at its August/September meeting that specifies the activities and strategies for improving the institution's performance metrics in order to be eligible for 50 percent of their proportional amount of the state's investment.
- (a) If the student success plan is approved by the Board of Governors, the institution shall receive up to 25 percent of its state's investment at the time of approval.
 - (b) The Board of Governors will monitor the institution's progress on implementing the activities and strategies specified in the plan, and the Chancellor shall withhold the remaining 25% of the disbursement of the state's investment until the student success plan monitoring report for each institution is approved by the Board of Governors.
 - (c) The student success plan monitoring report shall be submitted to the Board of Governors on a date specified by the Chancellor.
 - (d) The monitoring report will be considered by the Board of Governors at its March meeting and if it is determined that the institution is making satisfactory progress on implementing the plan, the institution shall receive up to the balance of its state's investment.
 - (e) Any institution that fails to make satisfactory progress shall not have its 50 percent of the state's investment restored, and any state investment funds remaining shall be distributed to the top three scoring institutions (including ties) based on the total number of points of the top three scoring eligible institutions.
 - (f) The remaining 50 percent of each institution's state's investment shall be distributed to the top three scoring institutions (including ties) based on the total number of points of the top three scoring eligible institutions.
- (7) By October 1 of each year, the Board of Governors shall submit a report to the Governor, President of the Senate, and Speaker of the House of Representatives on the previous fiscal year's performance funding allocation, including the rankings and award distributions.
- (8) University chief audit executives shall conduct or cause to have conducted an annual data integrity audit to verify the data submitted for implementing the Performance-based Funding Model complies with the data definitions established by the Board of Governors. The audit report shall be presented to the university's board of trustees for its review, acceptance, and use in completing the data integrity certification. The audit report and data integrity certification are due to the Board of Governors' Office of Inspector General by March 1 each year.

Authority: Section 7(d), Art. IX, Fla. Const., Section 1001.92, Florida Statutes; History: New 9-22-16. Amended 1-31-19, 10-30-19, [x-x-20](#).

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
January 29, 2020**

SUBJECT: Business Process Review

PROPOSED COMMITTEE ACTION

For information.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 216.023, Florida Statutes

BACKGROUND INFORMATION

This past spring, the Board, working with Florida State University, our Shared Initiatives partner, engaged Crowe LLP to perform an Internal Management and Accounting Control and Business Process Review at all 12 universities.

This review resulted in an individualized report for each university that identifies potential financial process risks and recommendations for improvement. A system report has been developed and will be presented by Crowe LLP representatives.

Supporting Documentation Included: Final Report & University Reports

Facilitators/Presenters:

Mr. Mark Maraccini, CPA
Mr. Bill Dykstra, CIA
Crowe LLP



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Florida Board of Governors State University System
Summary Report
Internal Control and Business Process Assessment
December 2019

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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (“SUS”) engaged Crowe LLP (“Crowe”) to perform a system-wide “Internal Control and Business Process Assessment”. The objective of this assessment was to evaluate the existing internal controls and review business processes to identify areas of risk for the SUS and to provide recommendations to enhance internal control over the system. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe does not express an opinion on the accuracy or efficacy of the material reviewed during the performance of these services.

The scope of the assessment was business process risks among the twelve universities within the SUS.

We have presented a summary of the overall results of our assessments of the twelve universities within the SUS in this report. We used our risk rating methodology to evaluate and score business process risks grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

Based on our procedures performed, we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in any of the twelve universities’ control design structures.

We found opportunities to strengthen controls at 11 of the 12 universities (we noted no observations for the University of South Florida (“USF”). We have highlighted these observations as specific opportunities to improve controls or further mitigate risks. The risk rating for each observation is indicative of the risk to university objectives posed by a specific gap in internal controls. This means that an observation is focused on a specific issue and not on an entire function or entity. Conversely, we also assigned ratings to entire risk categories (e.g. Accounts Payable, Procurement, Information Technology, etc.). These ratings represent the average score of all individual risks within that category. Additional information on these observations, our recommendations, and university management responses can be found in each university report.

We also noted several observations and “themes” which were common throughout the SUS, and we have formed recommendations to address these areas for the BOG’s consideration. The themes that were consistent throughout the SUS are summarized below.

1. Each university carries a risk that management override of controls and/or collusion to bypass controls may adversely impact universities’ compliance with existing rules and regulations as well as operating objectives. In our experience, this risk is difficult to address solely through the implementation of controls. Alternatively, an organization’s culture, values, and its focus on ethics, compliance, and risk management tend to be a more effective and holistic approach to addressing this threat.

We noted that the BOG and each of the universities has implemented clear mission and values statements and has focused on ethics and compliance as a key function of senior management (e.g. the establishment of the Compliance and Ethics Officer position). We also believe that the SUS could benefit from establishing an enterprise risk management framework and program which would be embedded within the BOG and each university in order to strengthen risk management practices and internal controls.

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2. The universities could benefit from enhanced information security controls. Information security is becoming increasingly critical function, with new cyber risks and threats emerging that can impact the universities financially, reputationally and strategically.
3. The universities could benefit from strengthening their third-party risk management practices, including vendor setup and contract management roles and responsibilities. Strong monitoring and oversight activities are especially important for vendors who have been granted access to sensitive or personally identifiable information.
4. The universities could benefit from additional guidance and clarification on how to interpret the active BOG regulations. It became apparent in our discussions with various members of university management and trustees, that they sought additional clarity, especially those regulations that pertained to the use of Educational and General (E&G) funds, since the regulations were being interpreted in different ways.

We have provided additional information on these key observations and recommendations for the SUS in the *Conclusion* section of this report. A common thread, or connection among these themes is effective communication and the exchange of information. We believe that with an increased focus on this area, as outlined in this report, the SUS will be able to leverage significant enhancements to its risk management practices and system of internal controls.

II. Assessment Overview

The objective and scope of this assessment, to evaluate existing controls and business processes to identify areas of risk for the SUS, covered a broad range of university functions and corresponding risk factors. In order to manage the scope more effectively we identified inherent risk factors across these functional areas. Based on our experience and industry knowledge, we identified sixty-five risk statements that represent relevant risks to the business process objectives within our scope. We have listed the twelve functional areas (i.e. risk categories) covered within our risk assessment as follows:

- Accounts Payable
- Budgeting
- Capital Asset Management
- Cash Management
- Financial Reporting
- Governance
- Grant Management
- Information Technology
- Investment Management
- Payroll
- Procurement
- Revenue

As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of universities management. Based on this information, we developed risk and control assessments for each university. A summary of our ratings for each functional risk area is included in the *Observations and Themes* section of this report.

The risk assessment methodology used during this assessment was designed to maintain consistency and comparability across the twelve, distinct universities within the SUS. Our approach included an assessment of inherent risks, control design effectiveness, and residual risks. An explanation of these components is included in the paragraphs below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Effectiveness Ratings

We also rated the effectiveness of controls according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control effectiveness ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze each university's control structure.

Residual Risk Assessment

We assigned a control effectiveness rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and control effectiveness. We recognized that each control and its related risk had unique components that would not be fully represented by the control effectiveness or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" in order to provide additional insight into that specific matter.

III. Procedures Performed

A summary of the procedures we completed during our assessment of each university have been summarized in the table below. Please note that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that operations are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared a risk assessment, which includes risks arising from our review of the documents referenced in procedure number 1, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated each university's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in our university reports as observations and recommendations.
7. We have confirmed with university management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in the reports.

IV. Observations and Themes

Our procedures identified opportunities to strengthen controls at 11 of the 12 universities (i.e. we noted no observations for USF). These opportunities were documented as “observations” and are summarized below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. While the specific observations and recommendations can be seen in the tables below, we have identified a few themes that were persistent across the universities:

- **Information Security Controls.** We noted that almost all universities would benefit from an enhanced focus in the Information Technology risk category. While we have addressed specific risks in our observations and recommendations, overall the universities in the SUS could benefit from a more standardized approach to information security risk management.
- **Third Party Risk Management Practices.** We noted a common theme throughout our assessment that many universities would likely benefit from an enhanced focus in the areas where third-party risk management and data protection intersect. While we have addressed specific risks in our observations and recommendations, we understand that this is an area in which many universities are expanding or will be planning to expand their operational activities. Since the number of providers and types of services in this area is rapidly expanding, consequently, so are the associated risks. For example, student support centers, call centers, and collection agencies are commonly granted access to student account information. Payroll service providers receive and transmit data electronically, and cloud-based storage services are becoming an increasingly efficient and inexpensive way in which to manage large amounts of data, including personally identifiable and sensitive data.
- **Interfund Transfers.** While this issue was noted in only two universities, there has been increased scrutiny throughout the SUS over the proper use of funds at the university level. Strengthening controls over fund transfers would benefit the SUS by providing an additional level of assurance that the funds are used for their intended purpose. Again, the use of existing technology may enable universities to implement automated workflows to verify that transfers are appropriate and properly approved. System-assigned roles may also be implemented to allow only authorized individuals to make fund transfers. While we noted no specific occurrences of improper use of funds, we have identified this issue as one example of how management override of controls or collusion could adversely impact university operating and compliance objectives and also result in reputational damage.

Our overall recommendation in the *Conclusion* section of this report focuses on enterprise risk management as a way to address the themes noted above, as well as numerous other risks to the SUS. We consider the theme noted below to be a separate issue and our recommendation is focused on a more direct approach to addressing that area of focus.

- **Clarity of the BOG Regulations regarding the Use of E&G Funds.** In speaking with various university Board of Trustees members, as well as with university management, it was stated that this area of the BOG regulations was not completely clear and may be interpreted in various ways. In addition, the SUS may benefit from further clarification and distinction between the role and responsibilities of the BOG and the University Trustees in terms of fiscal governance and oversight duties. We have provided our analysis and recommendations to enhance the clarity of the regulations in the *Conclusion* section of this report.

Summary of Observations by Risk Category

The themes noted above were driven and supported by our observations. We noted a total of 21 distinct observations which included two (2) observations from the Financial Reporting risk category, two (2) from Procurement, one (1) from Grant Management, and sixteen (16) from Information Technology.

From the perspective of frequency of occurrence, Information Technology had the most observations and the most occurrences noted across the SUS, comprising 16 of the 21 (76%) distinct observations and 39 of the 45 (87%) occurrences noted. However, the majority of these observations (13 of 16, or 81%) were rated as "Low" risk.

From a risk ratings perspective, the observations pertaining to financial controls (e.g. interfund transfers and grant draw-down procedures) and third-party risk management controls (e.g. vendor oversight and shared services arrangements) were rated as "Moderate" risk, which was the highest ranking given during our assessment. The single observation in the Grant Management risk category was deemed to be Low risk. A summary of our observations by risk category is included in the table below.

Risk Category: Financial Reporting

Observation	Risk Rating	Number of Occurrences SUS-Wide: (3)
Restricted Funds – Interfund Transfers	Moderate	2
Monitoring of Budget-to-Actual Performance	Low	1

Risk Category: Procurement

Observation	Risk Rating	Number of Occurrences SUS-Wide: (2)
Contract Management - Shared Services Agreements	Moderate	1
Policies and Procedures – Vendor Setup and Monitoring	Moderate	1

Risk Category: Grant Management

Observation	Risk Rating	Number of Occurrences SUS-Wide: (1)
Segregation of Duties: Grant Drawdown Process	Moderate	1

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Risk Category: Information Technology

Observation	Risk Rating	Number of Occurrences SUS-Wide (39)
Configuration Management Program	Moderate	3
Business Continuity Management – Incident Classification	Moderate	1
Information Security Governance Key Risk and Performance Indicators (2) Cybersecurity Risk Management Program (2) Policies and Procedures (2) “Clean Desk” Policy (4)	Low - Moderate	10
Employee Security Awareness Training	Low	6
Data Protection – Employee Removable Media (6) Employee Mobile Device Management Policy (5) Sensitive Data-Tracking (1) Data Handling and Classification (1) Data Center Moisture Detection Systems (1)	Low	14
Logging and Monitoring Policy	Low	1
Monitoring of Third-Party Service Providers	Low	1
User Termination and Role Changes	Low	2
IT Operations – Asset Tracking	Low	1

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Summary of Observations by University

The table below illustrates the 21 observations by university. It is intended to show how the issues were spread across the various universities within the SUS, and further clarify our summary of observations and themes. Specifically, this illustrates the concentration of Information Technology observations at a Low risk rating, and fewer observations in the other risk categories with a higher risk rating of “Moderate”.

Risk Category	Observation	UWF	FSU	UNF	UF	UCF	FAMU	FPU	USF	NCF	FIU	FAU	FGCU
Financial Reporting	Monitoring of Budget-to-Actual Performance									Low			
Financial Reporting	Restricted Funds – Interfund Transfers					Moderate				Moderate			
Procurement	Contract Management - Shared Service Contracts	Moderate											
Procurement	Policies and Procedures - Vendor Setup and Monitoring	Moderate											
Grant Management	Segregation of Duties - Grant Drawdown Process												Moderate
Information Technology	Business Continuity Management - Incident Classification	Moderate											
Information Technology	Configuration Management - Configuration Management Program		Moderate			Moderate					Moderate		
Information Technology	Data Protection - Data Handling and Classification Policy										Low		
Information Technology	Data Protection - Employee Mobile Device Management Policy	Low		Low						Low	Low	Low	
Information Technology	Data Protection – Employee Removable Media	Low	Low			Low	Low	Low				Low	
Information Technology	Data Protection - Sensitive Data-Tracking		Low										
Information Technology	Employee Management – Employee Security Awareness Training	Low			Low	Low	Low					Low	Low
Information Technology	Employee Management - User Termination and Role Change		Low		Low								
Information Technology	Information Security Governance – Clean Desk Policy			Low		Low				Low		Low	
Information Technology	Information Security Governance - Cybersecurity Risk Management Program					Low					Low		
Information Technology	Information Security Governance - Key Risk and Performance Indicators		Moderate									Moderate	
Information Technology	Information Security Governance - Policies and Procedures						Low	Low					
Information Technology	Logging and Monitoring - Logging and Monitoring Policy											Low	
Information Technology	Data Protection - Data Center Moisture Detection									Low			
Information Technology	IT Operations - Asset Tracking											Low	
Information Technology	Monitoring of Third-Party Service Providers		Low										

V. Conclusion

The themes emphasized in this report and supported by our observations have led us to make two recommendations for the SUS to help strengthen risk management and control practices system-wide. We conclude our report with these recommendations as outlined in the paragraphs below.

1. Establish an Enterprise Risk Management Program for the SUS

We recommend that the BOG work collaboratively with university trustees and management to establish an enterprise risk management program for the SUS. This recommendation addresses the following themes:

- Information Security
- Third-Party Risk Management
- Management Override of Controls or Collusion

Based on our experience, we noted that the establishment of an enterprise risk management (“ERM”) program may be an effective approach to addressing the themes noted above. An effective ERM program can be a powerful tool to help the SUS maintain pace with the threats that have emerged and continue to evolve in Higher Education. These threats pose not only financial risks, but may also impact reputation, compliance with regulatory requirements, safety, and strategic initiatives. The paragraphs below provide specific examples of how ERM may help the SUS address the themes noted during our assessment.

Information Security

Crowe used a proprietary set of security standards which were based on well-known and utilized frameworks and best practices (e.g. NIST) throughout the public sector, including Higher Education. We found that universities varied on the extent to which they based their information security policies and practices on an established framework or a set of standards. Consequently, we noted a relatively high number of observations indicating gaps in information security control best practices.

The implementation of an ERM framework would enable universities to clearly state their risk appetite and tolerances accompanied by the standards they wish to be measured against. This statement could be evaluated by the BOG or other designated body to determine its reasonableness and alignment with an overall SUS risk appetite for information security.

Once an agreed-upon standard has been established, the relevant controls could be more easily identified and tested periodically to determine if the university is meeting its desired security objectives and maintaining an acceptable level of risk.

Third-Party Risk Management

The observations pertaining to third-party risk management were partially focused on the need to document policies and procedures, but more importantly on the absence of clearly defined roles and responsibilities for overseeing vendor setup and maintenance as well as data protection when vendors are granted access to sensitive or personally identifiable information.

From a data protection perspective, this area is related to the information security observations; however, this is not solely an “IT issue”. There are many employees across each university who are involved in some aspect of third-party risk management ranging from the individuals who manage a contract, to those who add or update vendor information, and those who approve access to systems.

An ERM approach may be effective here because there must be a risk response, or action plan, associated with the identified risk. A key component of any action plan is an assigned risk owner and specific roles, responsibilities, and tasks that must be taken to address or “respond” to that risk. In this case, the risk response and action plan would identify the owner(s) of each risk and associated tasks ranging from contract management to procurement to user access management. Again, the existence of the plan would enable a clear line of measurement against which to evaluate the university’s performance in this area.

Management Override of Controls or Collusion

While we did not identify any occurrences of management override of controls or employee collusion to bypass controls, this risk always remains relatively high from an inherent perspective due to the potential impact these could cause. This risk is further increased when an entity is facing budgetary constraints. In this case, an ERM framework can be an effective tool to consolidate existing statements, bylaws, regulations, and policies (e.g. mission, values, code of ethics) into an actionable mechanism. Additionally, risk appetite statements for an organization typically reference these components to clarify the entity’s position on what actions it is willing to take, and what actions it is not willing to take in pursuit of its mission and objectives. Specific examples such as inappropriate use of designated funds can be added to a risk appetite statement for clarity.

While there are many established frameworks, such as the model established by the *Committee of Sponsoring Organizations of the Treadway Commission* (COSO), to establish an ERM program, it is considered a best practice to develop a tailored program that fits the organization’s unique culture, structure, and environment. We see an opportunity to develop a sustainable ERM program across the SUS, which could be established from the top-down and embedded into the decision-making practices at the BOG level, the university Board of Trustee levels, and into the management structure. There are many benefits that a sustainable ERM program could provide to the SUS, including:

- Improvement to decision-making and deployment of resources based on an established risk appetite and prioritized risk rankings.
- Integration of risk assessments with strategy, objective setting, and performance.
- Encouragement of open communication about significant risks and reduction of gaps and inconsistencies with the management of process level objectives.
- Enhancement of knowledge management and information sharing.
- Benchmarking and collaboration with other mature universities and similar organizations with an established risk management structure.
- Introduction of a collaborative approach to identifying and addressing the top SUS priorities from a risk-based perspective.
- Creation of a common language for communicating and reporting on risk and risk management activities.

Establishing a sustainable ERM framework and program requires a significant investment of time and resources; however, the benefits fit the issues that we have encountered during the course of our assessment.

2. Clarification of BOG Regulations

Throughout the course of our assessment we noted that, given the number and complexity of the active BOG regulations, even university employees who are highly knowledgeable expressed confusion and had come to varying conclusions on how to interpret the appropriate use of E&G funds. We completed an analysis of the active regulations at the time of our review in an attempt to recommend potential solutions to the varying interpretations and confusion.

After a search of the State University System of Florida Board of Governors Active Regulations, we found that E&G spending rules are outlined within BOG 9.007. State University Operating Budgets. Subsections 3(a)1-8 outline eligible uses of and reporting on E&G funds as summarized below.

- E&G operating activities such as, but not limited to general instruction, research, public service, plant operations and maintenance, furniture, fixtures, and equipment, student services, libraries, administrative support, and other enrollment-related and stand-alone operations of the universities.
- Non-recurring expenditures. This is not defined further within the regulation.
- Carryforward expenditures included in the university's E&G Carryforward Spending Plan, some of which include capital outlay project expenditures as defined under BOG 14.0025. Action Required Prior to Fixed Capital Outlay Budget Request.

We have outlined several suggestions on areas where the active regulations may be clarified to guide the interpretation of how these funds may be spent.

- **Provide a Comprehensive List of E&G Operating Activities.** Section 9.007.3(a)1 provides a list of eligible uses of E&G funds; however, it qualifies the list with the phrase, "but not limited to", which implies that there are other eligible uses for E&G funds not stated in the active regulations. Providing a comprehensive list of eligible E&G fund uses may help alleviate confusion or varying interpretations of this regulation.
- **Clearly State E&G Cannot Be Used for Capital Projects.** If the BOG wants to designate E&G funds as ineligible for use on capital projects, the wording could be improved by adding an additional point that very clearly states E&G is not to be used for capital projects and remove all references that may indicate otherwise. For example, BOG 9.007.3(a)4 allows some exceptions to the rule; however, these exceptions may contribute to the universities' varying interpretations.
- **Clearly Define Capital Thresholds for Renovation.** A gray area exists related to the use of E&G funds for plant operations and maintenance. Specifically, at what point does building renovation turn into a capital project? Some sort of threshold would be useful to define this. Following is an example from another university:

"Structural remodeling/renovation and additions are capitalized when they enhance the use of or extend the life of the building beyond its original estimated useful life, and the total cost equals or exceeds \$100,000 or 20% of the building's cost, whichever is less."

- **Clearly Define Plant Operations and Maintenance.**

In addition, more clarity around what is included in plant operations and maintenance would narrow its interpretation. Adding it to the Definitions Section 9.001 would be of benefit. The Integrated Postsecondary Education Data System definition may help in this regard. It is:

"Operation and maintenance of plant (O&M): An expense category that includes expenses for operations established to provide service and maintenance related to campus grounds and facilities used for educational and general purposes. Specific expenses include: janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture, and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; safety; hazardous waste disposal; property, liability, and all other insurance

relating to property; space and capital leasing; facility planning and management; and central receiving. This expense does include amounts charged to auxiliary enterprises, hospitals, and independent operations. Also includes information technology expenses related to operation and maintenance of plant activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in institutional support).”

- **Establish a Discussion Forum**

Establishing an open forum for university management, trustee members, and BOG members to share questions and interpretations on active or proposed regulations may be an effective tool for identifying and prioritization regulatory issues for clarification. It may also help enhance the frequency of communications SUS-wide helping to resolve potential problems before they occur.

This concludes our report. We thank the Board of Governors, the various University Board of Trustee members, and the many members of university management who have given this opportunity and assisted us throughout this engagement.



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**Florida Board of Governors State University System
Florida Agricultural & Mechanical University
Internal Management and Accounting Control and Business
Process Assessment**

December 2019

Florida Board of Governors State University System
Florida Agricultural and Mechanical University (FAMU) Internal Management and Accounting Control and Business Process Assessment
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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS.

The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of the Florida Agricultural and Mechanical University (FAMU) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our procedures precludes us from issuing an opinion on FAMU’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in FAMU’s control structure.

We concluded that eight of the twelve risk categories we evaluated had a minor residual risk rating, and four categories had a low residual risk rating. We also found several opportunities for FAMU to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and FAMU management’s responses can be found in the *Observations and Recommendations* section of this report.

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FAMU Observations Summary

Risk Category	Description	Risk Rating
Information Technology	1. Data Protection – Employee Security Awareness Training. FAMU does not provide reoccurring security awareness training to its employees. This increases the risk that employees may not understand how to identify and respond to emerging and evolving security threats (e.g. phishing scams).	Low
Information Technology	2. Information Security Governance – Policies and Procedures. FAMU has not documented information security policies and procedures for the sections pertaining to: 1) Malicious Code Detection and Integrity, 2) Physical Security, 3) Risk Management, 4) Patch Management and 5) Configuration Management. This increases the risk that tasks will be performed inconsistently.	Low
Information Technology	3. Data Protection – Employee Removable Media. FAMU has not implemented technology controls to manage employees' and contractors' use of removable media, (i.e. USB drives). This increases the risk of unauthorized disclosure of confidential, personally identifiable, or other sensitive information through loss or misuse of the storage media.	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material reviewed during the performance of these services.

The scope of our assessment was focused primarily on financial and operational risks, and secondarily on regulatory compliance risks. It included the twelve universities within the SUS as follows:

- **Florida Agricultural and Mechanical University (FAMU)**
- Florida Atlantic University (FAU)
- Florida Gulf Coast University (FGCU)
- Florida International University (FIU)
- Florida Polytechnic University (FPU)
- Florida State University (FSU)
- New College of Florida (NCF)
- University of Central Florida (UCF)
- University of Florida (UF)
- University of North Florida (UNF)
- University of South Florida (USF)
- University of West Florida (UWF)

This report represents the results of our assessment of FAMU. As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of FAMU management. Based on this information, we developed a risk and control assessment, the results of which are summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Ratings

We also rated the internal controls in place according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze FAMU's control structure.

Residual Risk Assessment

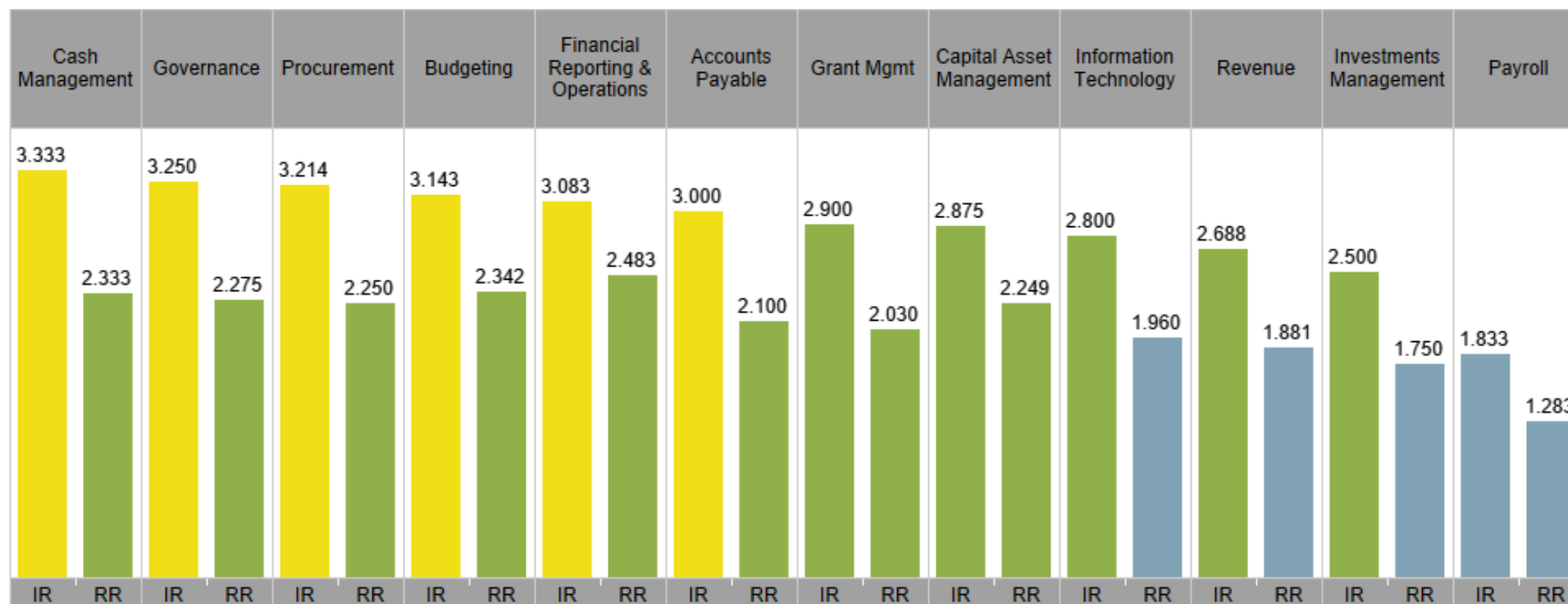
We assigned a control effectiveness rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and system of internal control. We recognized that each control and its related risk had unique components that would not be fully represented by the control effectiveness or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" in order to provide additional insight into that specific matter.

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We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of “inherent risk” (i.e. prior to considering implementation of controls) and “residual risk” (i.e. after consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed eight categories to have a minor level of residual risk and four categories to have a low level of residual risk. FAMU’s three highest categories of residual risk were Financial Reporting & Operations, Cash Management, and Governance. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: FAMU Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering the internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: FAMU Inherent vs. Residual Risk with Control Rating

Risk Factor Category	IR	Control Mitigation Effectiveness	RR
Accounts Payable	3.000	0.300	2.100
Budgeting	3.143	0.260	2.342
Capital Asset Management	2.875	0.222	2.249
Cash Management	3.333	0.300	2.333
Financial Reporting & Operations	3.083	0.200	2.483
Governance	3.250	0.300	2.275
Grant Mgmt	2.900	0.300	2.030
Information Technology	2.800	0.300	1.960
Investments Management	2.500	0.300	1.750
Payroll	1.833	0.300	1.283
Procurement	3.214	0.300	2.250
Revenue	2.688	0.300	1.881

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Conclusion

Overall, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify several areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how FAMU could address these observations, and FAMU management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We believe that FAMU would benefit from several low-cost, high-value enhancements such as automating controls over fund transfers and integrating the asset inventory and accounting function with maintenance and disposal. Additionally, the university could strengthen its control structure over Information Technology risks with several process and procedural enhancements as well as additional security best practices training for employees.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at FAMU, and to provide observations and recommendations to the FAMU Board of Trustees, FAMU leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at FAMU:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our assessment of FAMU have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated FAMU's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with FAMU management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

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V. Observations and Recommendations

Our procedures yielded three (3) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Information Technology	1. Data Protection – Employee Security Awareness Training	Low
Information Technology	2. Information Security – Policies and Procedures	Low
Information Technology	3. Data Protection – Employee Removable Media	Low

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Observations and Recommendations

Observation 1	Process Area	Priority Rating
Data Protection – Employee Security Awareness Training	Information Technology	Low

Condition: Although FAMU provides security training to new users upon hire and has held security awareness training events, annual or frequent employee security awareness training is not required.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AT-3 as the criteria upon which to evaluate these controls.

Root Cause: FAMU has not prioritized resources to provide annual security training to all employees.

Implication: If users are not provided with periodic training, at hire and annually, they may not be prepared to identify emerging threats and tactics and exposes the organization to an increased risk of a breach.

Recommendation: FAMU should provide annual security awareness training to users. This training should be updated at least annually to cover current cybersecurity risks and threats. Users should be required to sign an acknowledgement of this training and these acknowledgements should be tracked. In the absence of a robust Learning Management System, universities may consider the use of readily available mobile applications that can be used to track attendance at training events.

Management Response:

AGREE: FAMU can enhance its Employee Security Awareness Training by enforcing an annual requirement. Efforts taken to date include FAMU Information Technology Services (ITS) contracting with a firm to make a training platform available and initiating training in October of 2017. Since this was the initial awareness training ITS extended it to October of 2018. At the conclusion of that training FAMU initiated a contract with a new vendor at the beginning of 2019 and began training efforts in July 2019. ITS has continually provided Cybersecurity info-graphic materials to the user community as well as cyber threat intelligence to key members of administration (Provost, VPs, Deans, etc.). FAMU Board of Trustees Policy Number 2008-01a entitled Enterprise Information Systems Security and Controls was established on March 20, 2008. This Policy speaks to the role of the Chief Information Security Officer (CISO) in providing adequate Security Awareness Training for University employees and students. FAMU's CISO provides security awareness training during our annual management seminars and the Faculty Senate meetings. The CISO also sends out security awareness information over FAMUINFO to all employees, students, and alumni. The enhanced Employee Security Awareness Training is planned for implementation in March 2020.

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Observation 2	Process Area	Priority Rating
Data Protection – Employee Removable Media	Information Technology	Low

Condition: Although FAMU has documented an administrative policy to require encryption for removable media (i.e., USB drive), their use is not managed. Furthermore, technical controls have not been implemented to restrict access and provide data protections, such as encryption and device authentication outside of the PCI and NIST 800.171 environments.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 MP-1, MP-2, MP-5, MP-7 as the criteria upon which to evaluate these controls.

Root Cause: FAMU has not prioritized resources to address the risk of employees using removable media.

Implication: Without restrictions on personnel's use of removable storage media through device encryption, there is the risk of unauthorized disclosure of confidential, personally identifiable, or other sensitive information through the loss or misuse of the storage media.

Recommendation: FAMU personnel should only use encrypted devices and their use should be restricted (for both read and write capabilities) to only authorized individuals who have a legitimate business need based on the risk of data and systems. Removable media should also be centrally managed, and only company devices should be used, where possible and appropriate. To account for all files that may be considered sensitive, technical controls should be implemented to force removable media encryption and reduce the risk of sensitive files being lost can be reduced.

Removable media encryption solutions are listed below:

USB Encryption Solutions	
DiskCryptor	https://diskcryptor.net/wiki/Main_Page
Rohos Disk Encryption	https://www.rohos.com/products/rohos-disk-encryption/
PGP Disk	http://www.symantec.com/encryption/
GiliSoft USB Stick Encryption	http://gilisoft.com/product-usb-stick-encryption.htm
KakaSoft USB Security	http://www.kakasoft.com/usb-security/
Iron Key (Encrypted USB)	http://www.ironkey.com/en-US/

Alternatively, if there is no business need for removable media, it can be restricted using third party tools or through Microsoft Group Policy. The following article provides a walkthrough on how this can be accomplished:

- [https://technet.microsoft.com/en-us/library/Cc772540\(v=WS.10\).aspx](https://technet.microsoft.com/en-us/library/Cc772540(v=WS.10).aspx)

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Management Response:

We agree that FAMU has not implemented technology controls to manage employee's and contractors' use of removable media. FAMU will evaluate further the costs and benefits of implementing technology controls and/or policy related to the usage of removable media. This is planned for implementation by May 2020.

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Observation 3	Process Area	Priority Rating
Information Security – Policies and Procedures	Information Technology	Low

Condition: Several policies and procedures have not been documented to reflect the current security configurations and industry standards. The following policies and procedures have not been documented:

- **Malicious Code Detection and Integrity** – The organization does not maintain a documented malicious code detection and integrity program that includes the organization's requirements for endpoint and network level protection.
- **Physical Security** – The organization does not maintain a documented physical security program which includes standards for physical security surrounding IT assets such as the datacenter and networking closets.
- **Risk Management** – The organization does not maintain a documented risk management program which includes identification and evaluation of risks, threats, and vulnerabilities.
- **Patch Management** – The organization does not maintain a documented patch management program that defines requirements for patch documentation, approvals, patch installation frequency, testing, exceptions, emergency and critical patch processes.
- **Configuration Management** – The organization does not maintain a documented configuration management program that includes the organization's requirements and standards around configuration management activities.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 PM-1 as the criteria upon which to evaluate these controls.

Root Cause: FAMU has not prioritized resources to address this issue.

Implication: Lack of policies and procedures may result in potential conflicts when performing tasks due to inconsistent and/or lack of documentation. If an individual is unable to perform his or her duties, a formalized and up-to-date procedure will provide guidance for another individual to complete the necessary task.

Recommendation: FAMU should develop the missing program areas and should include, but not limited to, the purpose, scope, roles and responsibilities, policy standards, violations, approval and ownership, and references (if applicable). Once the policy has been defined with approved security standards, Management should document procedures to verify the enforcement of the documented standards. At a minimum, Management should perform a yearly review, update, and approval of the program and if applicable, procedures to reflect the current industry security standards and practices.

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Management Response:

We agree that FAMU does not currently have documented information security policies and procedures related to the above areas. Management will work to establish the appropriate policies and procedures to govern malicious code detection and integrity, physical security, risk management, patch management, and configuration management. This is planned for implementation by May 2020.

VI. Appendix - List of Interviewees at FAMU

The following individuals were interviewed during our onsite visit to FAMU the week of June 24, 2019. The name, title, and interview subject are included below for reference.

1. Accounts Payable and Procurement:
 - a. Keisha Franklin, University Controller
 - b. Terrica Coleman, Accounting, Payment Distribution Services, & Travel
 - c. D'Andrea Cotton, Associate Controller for Student Financial Services
 - d. Mattie Hood, Assistant Controller for Disbursements & Warrant Distribution
2. Budgeting and Financial Management: Nichole Reese, Assistant Budget Director
3. Capital Asset Management: Jahan Momen, Assistant Controller for Asset Management Accounting
4. Cash Management: Keisha Franklin, University Controller
5. Grants Management: Pamela Blount, Director of Contracts & Grants
6. Student Billing: Keisha Franklin, University Controller
7. Payroll: Joyce Ingram, Chief Human Resources and Diversity Officer
8. Audit and Compliance: Rica Calhoun, Compliance Officer
9. Information Technology: Ronald Henry II, Associate Vice President and Chief Information Officer



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Florida Board of Governors State University System
Florida Atlantic University
Internal Management and Accounting Control and Business
Process Assessment

November 2019

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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS.

The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of Florida Atlantic University (FAU) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our assessment precludes us from issuing an opinion on FAU’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in FAU’s control structure.

We concluded that seven of the twelve risk categories we evaluated had a minor residual risk rating, and five categories had a low residual risk rating. We also found several opportunities for FAU to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and FAU management’s responses can be found in the *Observations and Recommendations* section of this report.

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FAU Observations Summary

Risk Category	Description	Risk Rating
Information Technology	1. Information Security Governance - Key Risk and Performance Indicators. FAU has not formally defined a process to measure the effectiveness of the Information Security Program. Additionally, the effectiveness of the program is not reported to the Compliance group.	Moderate
Information Technology	2. Data Protection – Employee Removable Media. FAU has not implemented technology controls to manage employees' and contractors' use of removable media, (i.e. USB drives). This increases the risk of unauthorized disclosure of confidential, personally identifiable, or other sensitive information through loss or misuse of the storage media.	Low
Information Technology	3. Data Protection - Mobile Device Management Program. FAU has not documented a Mobile Device Management policy for employees and contractors which details requirements for mobile device security. This increases the risk that sensitive FIU information may be compromised if a malicious actor gains access to the phone or other mobile device.	Low
Information Technology	4. Physical Security - Clean Desk Policy. FAU does not have a university-wide "clean desk" policy. This increases the risk that sensitive information may be viewed or accessed by unauthorized parties.	Low
Information Technology	5. Logging and Monitoring - Logging and Monitoring Policy. Although FAU maintains a centralized log and performs regular log reviews, a formalized program has not been documented around logging and monitoring to ensure consistent standards are applied.	Low
Information Technology	6. IT Operations - Asset Tracking. FAU has not compiled a complete listing of all IT assets held by the organization.	Low
Information Technology	7. Employee Management – Employee Security Awareness Training. FAU does not provide reoccurring security awareness training to its employees. This increases the risk that employees may not understand how to identify and respond to emerging and evolving security threats (e.g. phishing scams).	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material reviewed during the performance of these services.

The scope of our assessment was focused primarily on financial and operational risks, and secondarily on regulatory compliance risks. It included the twelve universities within the SUS as follows:

- Florida Agricultural and Mechanical University (FAMU)
- **Florida Atlantic University (FAU)**
- Florida Gulf Coast University (FGCU)
- Florida International University (FIU)
- Florida Polytechnic University (FPU)
- Florida State University (FSU)
- New College of Florida (NCF)
- University of Central Florida (UCF)
- University of Florida (UF)
- University of North Florida (UNF)
- University of South Florida (USF)
- University of West Florida (UWF)

This report represents the results of our assessment of Florida Atlantic University (FAU). As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of FAU management. Based on this information, we developed a risk and control assessment, summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Ratings

We also rated the internal controls in place according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze FAU's control structure.

Residual Risk Assessment

We assigned a control rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and system of internal control. We recognized that each control and its related risk had unique components that would not be fully represented by the control or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" in order to provide additional insight into that specific matter.

We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of "inherent risk" (i.e. prior to considering implementation of controls) and "residual risk" (i.e. after

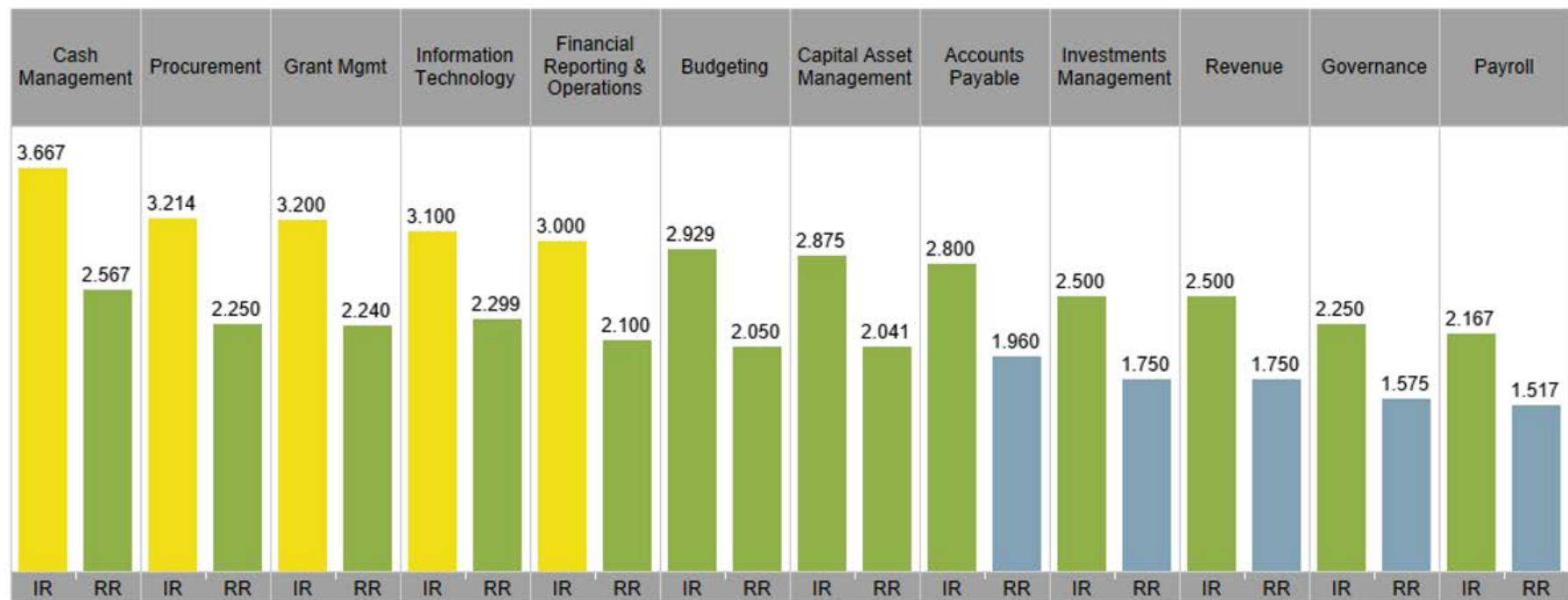
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consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed seven categories to have a minor level of residual risk and five categories to have a low level of residual risk. FAU's three highest categories of residual risk were Cash Management, Information Technology, and Procurement. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: FAU Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but use a different visualization to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: FAU Inherent vs. Residual Risk with Control Rating

Risk Factor Category	Applicable to LOB	IR	Control Mitigation Effectiveness	RR
Accounts Payable	Yes	2.800	0.300	1.960
Budgeting	Yes	2.929	0.300	2.050
Capital Asset Management	Yes	2.875	0.291	2.041
Cash Management	Yes	3.667	0.300	2.567
Financial Reporting & Operations	Yes	3.000	0.300	2.100
Governance	Yes	2.250	0.300	1.575
Grant Mgmt	Yes	3.200	0.300	2.240
Information Technology	Yes	3.100	0.261	2.299
Investments Management	Yes	2.500	0.300	1.750
Payroll	Yes	2.167	0.300	1.517
Procurement	Yes	3.214	0.300	2.250
Revenue	Yes	2.500	0.300	1.750

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Conclusion

Based on our procedures, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify several areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how FAU could address these observations, and FAU management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We also noted that the university would likely benefit from an enhanced focus in the Information Technology risk category. While we have addressed specific risks in our observations and recommendations, this is an area in which FAU could benefit from a more holistic approach to risk management. A strong risk management framework is critical to maintain pace with the threats that have emerged alongside technological advances. These threats pose not only financial risks, but may also impact reputation, safety, and strategic initiatives. FAU should consider strengthening their risk management practices through a more formal, systematic approach to provide an added level of assurance to its Board of Trustees and to the Board of Governors that the university has taken reasonable measures to manage the risks it faces in the course of pursuing its mission.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at FAU, and to provide observations and recommendations to the FAU Board of Trustees, FAU leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at FAU:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. The procedures we completed during our assessment of FAU have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated FAU's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with FAU management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

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V. Observations and Recommendations

Our procedures yielded seven (7) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Information Technology	1. Information Security Governance - Key Risk and Performance Indicators	Moderate
Information Technology	2. Data Protection – Employee Removable Media	Low
Information Technology	3. Data Protection – Employee Mobile Device Management Policy	Low
Information Technology	4. Physical Security - Clean Desk Policy	Low
Information Technology	5. Logging and Monitoring - Logging and Monitoring Policy	Low
Information Technology	6. IT Operations - Asset Tracking	Low
Information Technology	7. Employee Management – Employee Security Awareness Training	Low

Observations and Recommendations

Observation 1	Process Area	Priority Rating
Information Security Governance - Key Risk and Performance Indicators	Information Technology	Moderate

Condition: Although the organization does report key risk / performance indicators within the compliance report, the metric included within the report does not indicate an acceptable level of risk tolerance and the actions required to be taken to measure the effectiveness of their information security program.

Criteria: We relied in part on the National Institute of Standards and Technology SP 800-53 r5 (NIST) PM-6 as the criteria upon which to evaluate these controls.

Root Cause: FAU has not yet prioritized resources to complete the development of information security program metrics.

Implication: If the Compliance group is not aware of the effectiveness of the Information Security Program, the organization cannot effectively identify and mitigate its risk.

Recommendation: FAU should identify key performance indicators such as number of incidents, incident response times, results of risk and technical security assessments, etc. These metrics should be performed to the Compliance group on a regular basis (quarterly or annually). These metrics should be compared to past metrics to determine the overall status of the program and if any changes are necessary.

Management Response:

FAU disagrees with this finding. The finding indicates that FAU was evaluated against NIST 800-53 which is a standard developed by the Federal government and is stated directly in the standard that it is only applicable to systems operated by the Federal government. Furthermore, the revision used to assess FAU is still in a draft form and has not yet been finalized. The current non-draft version of NIST 800-53 (Revision 4) states the following in section 1.1: "1.1 PURPOSE AND APPLICABILITY The purpose of this publication is to provide guidelines for selecting and specifying security controls for organizations and information systems supporting the executive agencies of the federal government to meet the requirements of FIPS Publication 200, Minimum Security Requirements for Federal Information and Information Systems." REF: NIST800-53r4 available at: <https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf> This is similarly worded in the draft version of NIST 800-53 Revision 5 (DRAFT) under the same section with the following wording: "1.1 PURPOSE AND APPLICABILITY This publication establishes controls for federal information systems and organizations. The use of these controls is mandatory, in accordance with the provisions of the Federal Information Security Modernization Act (FISMA), which require the development and maintenance of minimum controls to protect federal information and information systems." REF: NIST 800-53r5 (DRAFT) which is available at: <https://csrc.nist.gov/csrc/media/publications/sp/800-53/rev-5/draft/documents/sp800-53r5-draft.pdf> A similar standard, NIST 800-171 may be used to assess FAU on certain requirements as NIST 800-171 is applicable to the protection of sensitive data provided by the Federal government and can be applied to any organization. This is the closest equivalent for systems not directly operated by the Federal government. NIST 800-171 would generally not be applicable to the entire institution as a hard requirement, it is a good standard to apply to an information security program on certain requirements. NIST 800-171 does not list the requirement or recommendation we are being assessed on. However,

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FAU does maintain and report metrics and KPIs for tracking certain indicators of effort and performance from the Information Security program above and beyond what would be required in NIST 800-171.

Crowe Comment:

Although the NIST 800.53 criteria was utilized as one of the authoritative sources, our assessment is built upon a variety of industry excepted standards including ISO, NIST, FFIEC, etc. The controls assessed during this review considered these standards; however, were derived from Crowe subject matter experts and industry experience. Although the University may not be required to adhere to the NIST standard, based on our experience and the requirements within multiple security standards we concluded that a risk is present based on the review of information provided.

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Observation 2	Process Area	Priority Rating
Data Protection – Employee Removable Media	Information Technology	Low

Condition: Although FAU has implemented a process to request an encrypted removable media (i.e., USB drive) their use is not managed. Furthermore, technical controls have not been implemented to protect the access and provide data protection, such as encryption and device authentication.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 MP-1, MP-2, MP-5, MP-7 as the criteria upon which to evaluate these controls.

Root Cause: FAU has not prioritized resources to address the risk of employees using removable media.

Implication: Without restrictions and the protection of data, confidentiality, on the use of removable storage media through device encryption, there is the risk of unauthorized disclosure of business and customer information through the loss or misuse of the storage media.

Recommendation: To ensure the confidentiality and integrity of electronic data stored on a removable media, FAU personnel should only use encrypted devices and their use should be restricted (for both read and write capabilities) to only authorized individuals who have a legitimate business need. Removable media should also be centrally managed, and only company devices should be used, where possible and appropriate. To account for all files that may be considered sensitive, technical controls should be implemented to force removable media encryption and reduce the risk of sensitive files being lost can be reduced. Removable media encryption solutions are listed below:

USB Encryption Solutions	
DiskCryptor	https://diskcryptor.net/wiki/Main_Page
Rohos Disk Encryption	https://www.rohos.com/products/rohos-disk-encryption/
PGP Disk	http://www.symantec.com/encryption/
Gilisoft USB Stick Encryption	http://gilisoft.com/product-usb-stick-encryption.htm
Kakasoft USB Security	http://www.kakasoft.com/usb-security/
Iron Key (Encrypted USB)	http://www.ironkey.com/en-US/

Alternatively, if there is no business need for removable media, it can be restricted using third party tools or through Microsoft Group Policy. The following article provides a walkthrough on how this can be accomplished:

- [https://technet.microsoft.com/en-us/library/Cc772540\(v=WS.10\).aspx](https://technet.microsoft.com/en-us/library/Cc772540(v=WS.10).aspx)

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Management Response:

FAU partially agrees with this finding. FAU has the toolsets available and deployed in areas with sensitive data; however, in many cases the removable media functionality is not deployed. The reason for this is many employees serve dual roles as employees and instructors in the classroom. However, FAU is working on solutions over the next year that will allow for securing these devices without impacting the ability to deliver instruction.

Planned for implementation by December 2020.

Observation 3	Process Area	Priority Rating
Data Protection – Employee Mobile Device Management Policy	Information Technology	Low

Condition: FAU has not formally documented a Mobile Device Management policy, which details requirements for the security of mobile devices, specifically phones as FAU users access their FAU email with their personal phones.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AC-19 as the criteria upon which to evaluate these controls.

Root Cause: FAU has not prioritized formally documenting a Mobile Device Management policy.

Implication: Users who use FAU email on their phones without adequate protections, are at risk of compromising FAU information if an attacker gains access to the phone or other mobile device, both physically and remotely.

Recommendation: To ensure the confidentiality and integrity of electronic data stored on mobile devices, FAU should develop a policy to inform users of the required security controls to use FAU email on their personal phones. This should include, but not be limited to, full disk encryption, a secure PIN, and a lockout policy.

Management Response:

FAU partially agrees with this finding. The criteria mentioned, NIST 800-53 recommendations for Federally operated systems which are not present at FAU. Applying NIST 800-171 recommendations which cover non-Federally operated systems to FAU recommends that the University controls connections of mobile devices. FAU accomplishes this through many means, including treating wireless network connections as untrusted communications. Mobile devices owned by university or brought to the university in a BYOD fashion do not gain elevated access to university resources. Users are required to connect via applicable secure channels such as VPN to access internal university resources.

FAU does have a specific mobile device management policy for our HIPAA covered components and the technology is deployed there. For the remaining population FAU has mitigating controls such as the one described above. Additional examples of these controls include; DLP (Data Loss Protection), and controls in financial systems for sensitive data for remote workers. Because email is a public record at State Universities the confidentiality of email conversations is not as high of a priority for protection via Mobile Device Management technologies.

No additional actions planned.

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Observation 4	Process Area	Priority Rating
Physical Security - Clean Desk Policy	Information Technology	Low

Condition: Although some departments have clean desk programs, FAU has not created an enterprise wide clean desk program to enforce the standards across the organization.

Criteria: We relied on the ISO 27001 A11.2.9 as the criteria upon which to evaluate these controls.

Root Cause: FAU has not yet prioritized resources to develop a university-wide clean desk policy.

Implication: Lack of a clean desk program can result in users leaving sensitive information where it can be viewed or stolen by unauthorized parties.

Recommendation: FAU should develop a policy to address how physical artifacts deemed sensitive in nature located around an employee's workspace need to be securely stored at the end of each day, or when the employee is away from their desk. The policy should be inclusive of all items that relate to private customer information, passwords, transaction records, private employee information, etc. Suggested requirements include, but are not limited to:

- Locking screens when employees leave their workstation
- Not writing down passwords
- Locking sensitive paper documents when not physically present
- Storing electronic information in designated areas (i.e. not on the local disk)

This policy should be implemented across all departments at FAU. IT should implement a process to periodically perform an inspection of workstation areas to verify departments are compliant with the policy.

Management Response:

FAU agrees with this finding. However, a clean desk policy is not a part of the Information Technology process area as indicated. A Clean Desk policy falls within general department operations. FAU has drafted a clean desk policy for consideration over the next year by University Executive Leadership.

Planned for implementation by December 2020.

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Observation 5	Process Area	Priority Rating
Logging and Monitoring - Logging and Monitoring Policy	Information Technology	Low

Condition: Although FAU does have centralized log managed and performs regular reviews of logs, a formalized program has not been documented around logging and monitoring to ensure consistent standards are applied.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AU-1 as the criteria upon which to evaluate these controls.

Root Cause: FAU has not yet prioritized resources to develop a formalized logging and monitoring policy.

Implication: Security incidents may go undetected and may not be stopped or prevented from causing damage to the company's computer systems, network, data, or business.

Recommendation: FAU should document a formal logging and monitoring program. This program should document the organization's logging and monitoring requirements. Suggested requirements include but are not limited to:

- System types to be logged
- Procedures for log review
- Alerting thresholds
- Log retention requirements
- Personnel to be alerted.

Management Response:

FAU Partially Agrees with this finding. NIST 800-53 is not applicable to the University as that standard specifically details recommendations for Federally operated systems which are not present at FAU. In addition, the version of NIST 800-53 cited is not finalized and is still in a draft form for seeking comments.

Applying NIST 800-171 to FAU, which is the standard recommendations for non-Federal systems, FAU is currently performing the activities recommended in section 3.3 which includes review and updating of logged events, supporting report generation to support on-demand analysis and reporting, providing systems to synchronize system times, retention of audit logs, and ensuring accountability for individual users.

Though we perform the activities, we do not have a formal policy governing them. FAU will create the policy and implement in the next 3 months.

Planned for implementation by February 2020.

Observation 6	Process Area	Priority Rating
IT Operations - Asset Tracking	Information Technology	Low

Condition: FAU has not compiled a complete listing of all IT assets held by the organization.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 PM-5 as the criteria upon which to evaluate these controls

Root Cause: FAU has not prioritized the resources to compile an IT asset listing.

Implication: Without a fully centralized asset management solution, it is difficult to track the status of organization IT assets, creating a risk of sensitive data and equipment falling into unauthorized hands. Further, many IT security operations functions rely on an accurate asset inventory such as patch management, vulnerability management, replacement of unsupported systems, and processing of terminated employees.

Recommendation: FAU should establish an asset life cycle management process to manage the purchase, use, and decommissioning of assets, such as servers and workstations. The IT asset lifecycle is the sequence of stages that an organization's information technology asset goes through during the time span of its ownership. An IT asset is any company-owned information, software or hardware that is used in the course of business.

The stages of an IT asset's life-cycle are planning, procurement, deployment, usage, upgrade, decommission, disposition and salvage. IT asset management must incorporate effective procedures for each stage to promote the most effective use and maintenance of assets throughout the lifecycle and ensure their proper upgrading, replacement and disposal.

The three major stages are:

1. Acquisition – this begins the life-cycle of the asset. Once the asset is designed, procured, and installed according to specifications, it is placed in the RPI (Real Property Inventory). Here, it is tracked through its useful life.
2. Useful life – this stage encompasses the vast majority of the life-cycle. All operations and maintenance (O&M) activities are performed and tracked during the useful life stage in the life-cycle. When the asset has reached the end of its useful life, it is disposed.
3. Disposal – at the end of the asset's useful life, it is removed from service and sold, re-purposed, thrown away, or recycled. If there is still an operational need for the disposed asset's purpose, the life-cycle begins again with acquisition of a replacement.

Once a comprehensive asset lifecycle process has been established, a thorough review should be conducted for all assets in use by the organization. While conducting the review, all devices connected to the internal network should be logged including virtual servers, networking devices, and all software in use by the organization. These assets should be imported into the ServiceNow tool after the review is finished.

Management Response:

FAU agrees with this finding. FAU will develop a plan over this fiscal year to implement the tracking of IT assets and control avenues of procurement.

Planned for implementation by July 2020.

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Observation 7	Process Area	Priority Rating
Employee Management – Employee Security Awareness Training	Information Technology	Low

Condition: Although FAU provides training upon hire and does provide ongoing security awareness activities, annual training is not currently required.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AT-3 as the criteria upon which to evaluate these controls.

Root Cause: FAU has not prioritized resources to provide annual security training to all employees.

Implication: Cybersecurity is a constantly changing landscape of risks and threats. If users are not provided with continuous training, they may not be prepared to identify newer threats and tactics and can expose the organization to risk.

Recommendation: FAU should develop a program to provide annual training to users. This training should be updated at least annually to cover current and emerging cybersecurity risks and threats. Users should be required to sign an acknowledgement of this training and these acknowledgements should be tracked to ensure compliance.

Management Response:

FAU agrees with this finding. FAU is working to implement focused refresher training for all employees annually. We expect implementation in 3 to 6 months.

Planned for implementation by June 2020.

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VI. Appendix - List of Interviewees at FAU

The following individuals were interviewed during our onsite visit to FAU the week of August 26, 2019. The name, title, and interview subject are included below.

1. Accounts Payable & Procurement:
 - a. Jessica Cohen, University Controller
 - b. Aaron Tramp, Assistant Director of Procurement
 - c. Ed Schiff, Associate Director of Procurement
2. Budget and Financial Reporting:
 - a. Stacey Bell, Associate Vice President for Finance, Planning and Analysis
 - b. Jessica Cohen, University Controller
 - c. Amy Cavasos, Director of Finance and Human Resource Information Systems
3. Capital Asset Management:
 - a. Jessica Cohen, University Controller
 - b. Stacy Volnick, Vice President for Administrative Affairs
 - c. Azita Dashtaki, Associate Vice President for Facilities Management
4. Cash Management:
 - a. Jessica Cohen, University Controller
 - b. Elise Morgenstern, Associate Controller for Treasury Services and Financial Reporting
 - c. Diana Zaia – Associate Controller over Cash and Investment Management
5. Compliance and Ethics: Elizabeth Rubin, Chief Compliance Officer
6. Grants Management:
 - a. Lynn Asseff, Director of Financial Management
 - b. Heather Saunders, Director of Research Accounting
7. Information Technology: Jason Ball, Chief Information Officer
8. Payroll: Rosa Naujoks, Tax Services Director, Payroll
9. Student Billing:
 - a. Jessica Cohen, University Controller
 - b. Desi Angelova, Assistant Controller
10. Governance: FAU Board of Trustees Chair, Anthony K. G. Barbar



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**Florida Board of Governors State University System
Florida Gulf Coast University
Internal Management and Accounting Control and Business
Process Assessment**

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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS.

The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of Florida Gulf Coast (FGCU) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our procedures precludes us from issuing an opinion on FGCU’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in FGCU’s control structure.

We concluded that six of the twelve risk categories we evaluated had a minor residual risk rating, and six categories had a low residual risk rating. We also found opportunities for FGCU to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and FGCU management’s responses can be found in the *Observations and Recommendations* section of this report.

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FGCU Observations Summary

Risk Category	Description	Risk Rating
Grant Management	<p>1. Segregation of Duties - Grant Drawdown Process. When reviewing FGCU's grant drawdown process, Crowe identified a segregation of duties issue. The office of RSP has sole custody of the grant drawdown process, including drawing down the funds from the funding entities into the general account, transferring the funds from the general account to the grant specific account, and performing the reconciliation.</p>	Moderate
Information Technology	<p>2. Employee Management – Employee Security Awareness Training. Although FGCU provides annual security awareness training, the training is not conducted for newly hired employees prior to accessing FGCU information systems.</p>	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material reviewed during the performance of these services.

The scope of our assessment was focused primarily on financial and operational risks, and secondarily on regulatory compliance risks. It included the twelve universities within the SUS as follows:

- Florida Agricultural and Mechanical University (FAMU)
- Florida Atlantic University (FAU)
- **Florida Gulf Coast University (FGCU)**
- Florida International University (FIU)
- Florida Polytechnic University (FPU)
- Florida State University (FSU)
- New College of Florida (NCF)
- University of Central Florida (UCF)
- University of Florida (UF)
- University of North Florida (UNF)
- University of South Florida (USF)
- University of West Florida (UWF)

This report represents the results of our assessment of FGCU. As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of FGCU management. Based on this information, we developed a risk and control assessment, summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Ratings

We also rated the internal controls in place according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze FGCU's control structure.

Residual Risk Assessment

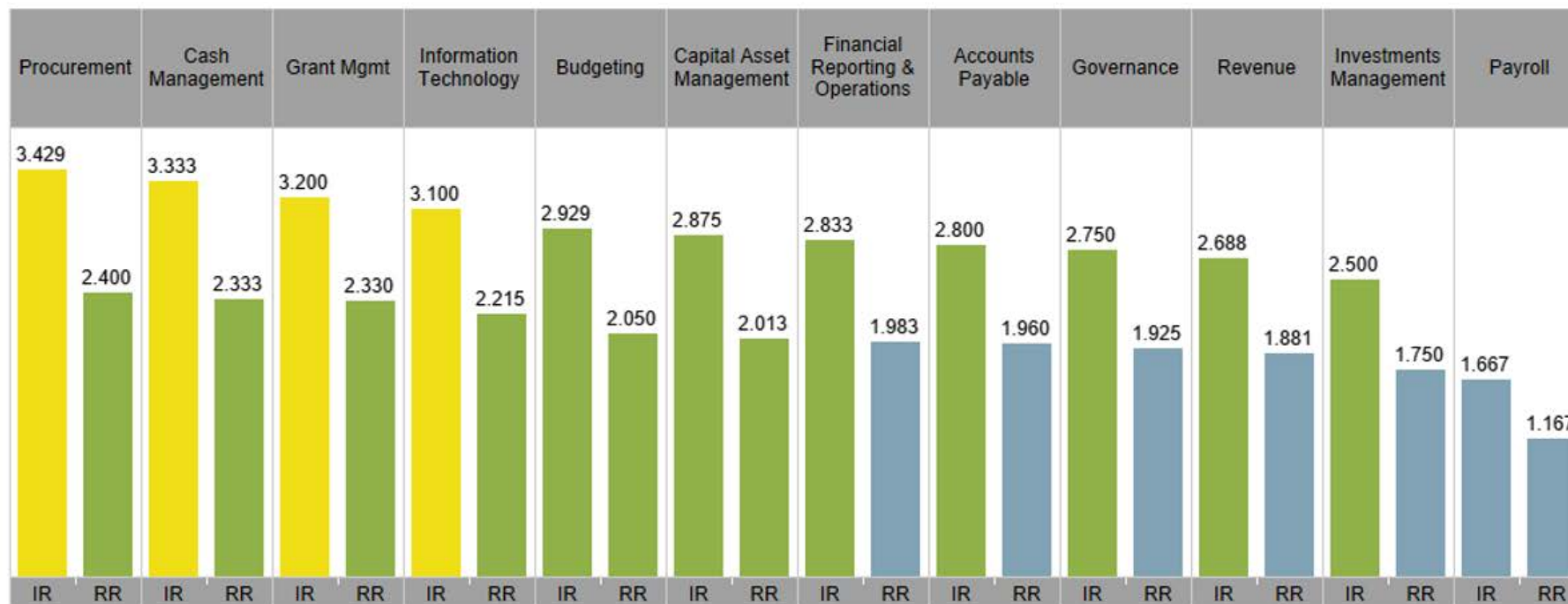
We assigned a control effectiveness rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and system of internal control. We recognized that each control and its related risk had unique components that would not be fully represented by the control or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" in order to provide additional insight into that specific matter.

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We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of “inherent risk” (i.e. prior to considering implementation of controls) and “residual risk” (i.e. after consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed six categories to have a minor level of residual risk and six categories to have a low level of residual risk. FGCU’s three highest categories of residual risk were Procurement, Cash Management, and Grant Management. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: FGCU Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering the internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: FGCU Inherent vs. Residual Risk with Control Rating

Risk Factor Category	IR	Control Mitigation Effectiveness	RR
Accounts Payable	2.800	0.300	1.960
Budgeting	2.929	0.300	2.050
Capital Asset Management	2.875	0.300	2.013
Cash Management	3.333	0.300	2.333
Financial Reporting & Operations	2.833	0.300	1.983
Governance	2.750	0.300	1.925
Grant Mgmt	3.200	0.270	2.330
Information Technology	3.100	0.285	2.215
Investments Management	2.500	0.300	1.750
Payroll	1.667	0.300	1.167
Procurement	3.429	0.300	2.400
Revenue	2.688	0.300	1.881

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Conclusion

Based on our procedures, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how FGCU can address these observations, and FGCU management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We believe that FGCU would benefit from improved segregation of duties within the grant drawdown process, as errors in this process could damage FGCU financially, reputationally, and also result in non-compliance with grant agreements. In addition, with new cyber-security and technology threats emerging every day, it is critical that FGCU require information security training upon hire, so new users of the FGCU systems are aware of all potential risks. We believe that making these changes will provide an added level of assurance to its Board of Trustees and to the Board of Governors that the university has taken reasonable measures to manage the risks it faces in the course of pursuing its mission.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at FGCU, and to provide observations and recommendations to the FGCU Board of Trustees, FGCU leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at FGCU:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our assessment of FGCU have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated FGCU's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with FGCU management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

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V. Observations and Recommendations

Our procedures yielded two (2) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Grant Management	1. Segregation of Duties - Grant Drawdown Process	Moderate
Information Technology	2. Employee Management - Employee Security Awareness Training	Low

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Observations and Recommendations

Observation 1	Process Area	Priority Rating
Segregation of Duties - Grant Drawdown Process	Grant Management	Moderate

Condition: When reviewing FGCU's grant drawdown process, Crowe identified a segregation of duties issue. The Office of Research and Sponsored Programs (ORSP) has sole custody of the grant drawdown process, including drawing down the funds from the funding entities into the general account, transferring the funds from the general account to the grant specific account, and performing the grant fund reconciliation.

Criteria: It is best practice to have more than one person complete a key process as an internal control to prevent fraud and error.

Root Cause: The condition was due to a relatively limited number of personnel in the ORSP among which to delegate tasks.

Implication: By segregating the steps of the grant drawdown process and having the Controller's office execute the drawdown, this will help mitigate fraud and ensure there is oversight and review to catch errors.

Recommendation: Crowe recommends that the drawing down of funds be performed by the Controller's office, while the transferring of the funds and the reconciliation of the grant drawdowns remains in the custody of the ORSP.

Management Response:

We concur with the observation and beginning November 1, 2019, the Bursar's Office, which is part of the Controller's Office, will draw down the funds from the funding entities and record the funds in the grant specific account.

Planned for Implementation by November 2019.

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Observation 2	Process Area	Priority Rating
Employee Management - Employee Security Awareness Training	Information Technology	Low

Condition: Although FGCU provides annual security awareness training, the training is not conducted for newly hired employees prior to granting them access to FGCU information systems.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AT-3 as the criteria upon which to evaluate these controls.

Root Cause: FGCU has not prioritized resources to provide security training to new employees as part of the on-boarding process.

Implication: If users are not trained prior to working within FGCU systems, they may not be prepared to identify emerging threats and tactics. This may expose the university to an increased risk of a breach.

Recommendation: FGCU should require all newly hired employees complete a security training, prior to accessing any FGCU system. This training should be updated at least annually to cover current cybersecurity risks and threats. Users should be required to sign an acknowledgement of this training and these acknowledgements should be tracked.

Management Response:

We concur with the observation and beginning January 1, 2020, new employees will receive employee security awareness training as part of their orientation. We will continue to provide our annual security awareness training as well.

Planned for implementation by January 2020.

VI. Appendix - List of Interviewees at FGCU

The following individuals were interviewed during our onsite visit to FGCU the week of September 8, 2019. The name, title, and interview subject are included below.

1. Accounts Payable & Procurement:
 - a. June Gutknecht – Controller
 - b. Maryan Egan – Director of Procurement
 - c. Renee Garcia – Senior Associate Controller
 - d. Amanda Jobes – Assistant Controller
2. Cash and Investment Management:
 - a. June Gutknecht – Controller
 - b. Renee Garcia – Senior Associate Controller
 - c. Amanda Jobes – Assistant Controller
3. Budget:
 - a. David Vazquez – AVP of Budget
 - b. Megan Clipse, Assistant Director of Budget
4. Financial Operations and Reporting
 - a. June Gutknecht – Controller
 - b. Dee Waigand - Associate Controller
 - c. Amanda Jobes – Assistant Controller
5. Capital Asset Management:
 - a. June Gutknecht – Controller
 - b. Jina Hernandez – Assistant Controller
6. Grants Management
 - a. June Gutknecht – Controller
 - b. Donna Gilmore - Director of Research and Sponsored Programs

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7. Internal Audit and Compliance
 - a. June Gutknecht – Controller
 - b. Bill Foster – Director of Internal Audit
8. Information Technology
 - a. Mary Banks – AVP, Business Technology Services and CIO
 - b. Sven Hahues – Senior Director of Infrastructure and Operations
9. Revenue:
 - a. June Gutknecht – Controller
 - b. David Vazquez – AVP of Budget
 - c. Mark Rusnak - University Bursar
10. Payroll
 - a. June Gutknecht – Controller
 - b. Jina Hernandez – Assistant Controller
 - c. Sara Wood – Payroll Manager
11. Board of Trustees
 - a. Dr. Ken Smith – Board of Trustees Member



Smart decisions. Lasting value.™

**Florida Board of Governors State University System
Florida International University
Internal Management and Accounting Control and Business
Process Assessment**

November 2019

Florida Board of Governors State University System
Florida International University (FIU) Internal Management and Accounting Control and Business Process Assessment
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Florida International University (FIU) Internal Management and Accounting Control and Business Process Assessment
November 2019

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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS.

The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of the Florida International University (FIU) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our assessment precludes us from issuing an opinion on FIU’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in FIU’s control structure.

We concluded that seven of the twelve risk categories we evaluated had a minor residual risk rating, and five categories had a low residual risk rating. We also found a few opportunities for FIU to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and FIU management’s responses can be found in the *Observations and Recommendations* section of this report.

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FIU Observations Summary

Risk Category	Description	Risk Rating
Information Technology	1. Configuration Management – Configuration Management Program. – FIU has not documented a Configuration Management Program, which includes documented policies and procedures for system baseline and security configurations (hardening). This increases the risk of inconsistencies across network security configurations, which may expose FIU to vulnerabilities. FIU's current plan covers some areas (such as network, wireless and host configuration) but is not detailed in all areas, such as authentication controls.	Moderate
Information Technology	2. Data Protection – Employee Mobile Device Management Policy. FIU has not documented a Mobile Device Management policy for employees and contractors which details requirements for mobile device security. This increases the risk that sensitive FIU information may be compromised if a malicious actor gains access to the phone or other mobile device.	Low
Information Technology	3. Information Security Governance – Cybersecurity Risk Management Program. FIU has not implemented an IT and Cybersecurity Risk Assessment Program that defines cybersecurity risks, inherent risk (impact, threats, likelihood), and residual risk. FIU's current security risk management review is limited to two general topics of "Failure to maintain security" and "Failure to maintain confidentiality of information". This increases the risk that the university may not identify areas of high inherent risk and take the appropriate steps to prioritize and implement the appropriate mitigating controls.	Low
Information Technology	4. Data Protection – Data Handling and Classification Policy. FIU has not formally documented a Data Handling and Classification policy to prioritize the security of systems and allocate protection resources based on sensitivity.	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material assessed during the performance of these services.

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- **Florida International University (FIU)**
- Florida Polytechnic University (FPU)
- Florida State University (FSU)
- New College of Florida (NCF)
- University of Central Florida (UCF)
- University of Florida (UF)
- University of North Florida (UNF)
- University of South Florida (USF)
- University of West Florida (UWF)

This report represents the results of our assessment of the Florida International University (FIU). As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of FIU management. Based on this information we developed a risk and control assessment, summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
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Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Ratings

We also rated the effectiveness of controls according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control effectiveness ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze FIU's control structure.

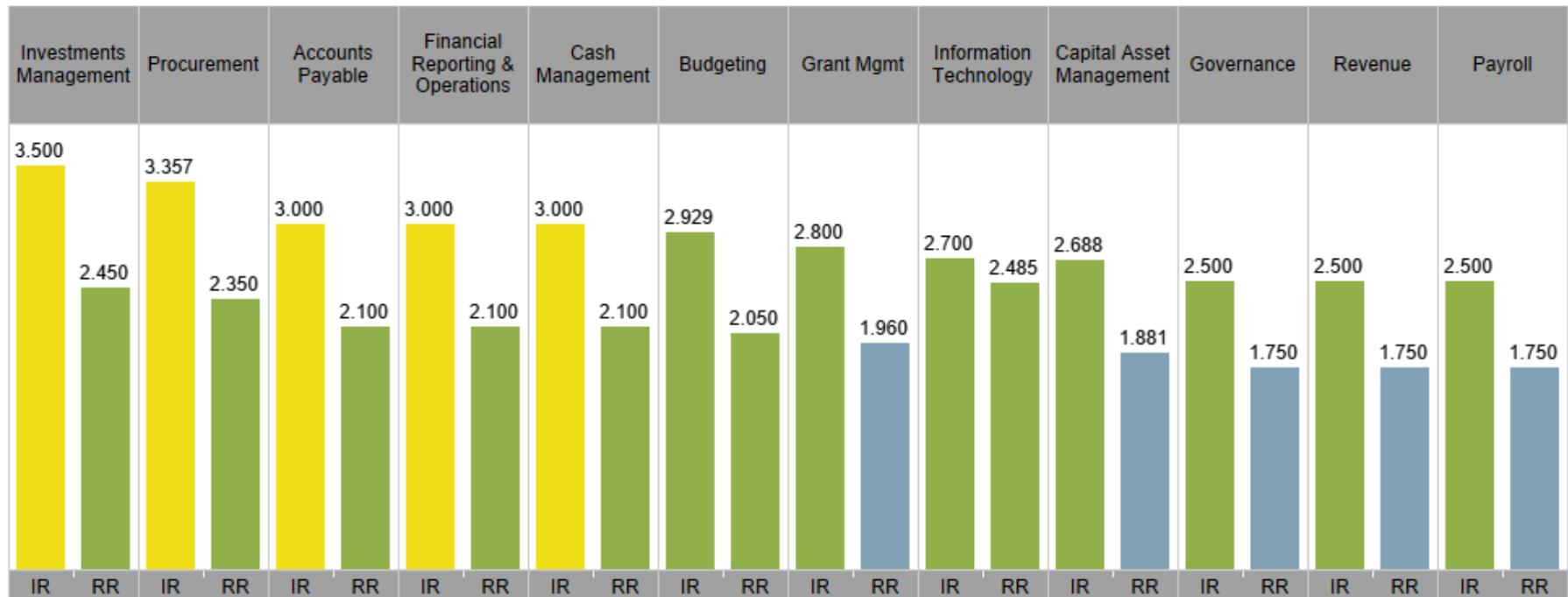
Residual Risk Assessment

We assigned a control rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and system of internal control. We recognized that each control and its related risk had unique components that would not be fully represented by the control or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" in order to provide additional insight into that specific matter.

We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of “inherent risk” (i.e. prior to considering implementation of controls) and “residual risk” (i.e. after consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed seven categories to have a minor level of residual risk and five categories to have a low level of residual risk. FIU’s three highest categories of residual risk were Information Technology, Investment Management, and Procurement. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: FIU Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: FIU Inherent vs. Residual Risk with Control Effectiveness Score

Risk Factor Category	IR	Control Mitigation Effectiveness	RR
Accounts Payable	3.000	0.300	2.100
Budgeting	2.929	0.300	2.050
Capital Asset Management	2.688	0.300	1.881
Cash Management	3.000	0.300	2.100
Financial Reporting & Operations	3.000	0.300	2.100
Governance	2.500	0.300	1.750
Grant Mgmt	2.800	0.300	1.960
Information Technology	2.700	0.175	2.485
Investments Management	3.500	0.300	2.450
Payroll	2.500	0.300	1.750
Procurement	3.357	0.300	2.350
Revenue	2.500	0.300	1.750

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Conclusion

Based on our procedures, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify a few areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how FIU could address these observations, and FIU management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We believe that FIU would benefit from strengthening its control structure over Information Technology risks with a few policy and program enhancements. Areas where we identified gaps included enhancing to a comprehensive baseline and security configuration program, in addition to a more thorough cybersecurity risk management program. A policy should also be established for enterprise-wide mobile device management, as well as data handling and classification. These policies will assist the university in prioritizing security.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at FIU, and to provide observations and recommendations to the FIU Board of Trustees, FIU leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at FIU:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our assessment of FIU have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated FIU's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with FIU management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

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V. Observations and Recommendations

Our procedures yielded four (4) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Information Technology	1. Configuration Management – Configuration Management Program	Moderate
Information Technology	2. Data Protection – Employee Mobile Device Management Policy	Low
Information Technology	3. Information Security Governance – Cybersecurity Risk Management Program	Low
Information Technology	4. Data Protection – Data Handling and Classification Policy	Low

Observations and Recommendations

Observation 1	Process Area	Priority Rating
Configuration Management – Configuration Management Program	Information Technology	Moderate

Condition: FIU has not documented a Configuration Management Program, which includes documented policies and procedures for system baseline and security configurations (hardening). This increases the risk of inconsistencies across network security configurations, which may expose FIU to vulnerabilities. FIU's current plan covers some areas (such as network, wireless and host configuration) but is not detailed in all areas, such as authentication controls.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 CM-1 as the criteria upon which to evaluate these controls.

Root Cause: FIU has not prioritized the standardization of forming a Configuration Management Program.

Implication: Information systems may not be configured with industry security standards, resulting in configuration inconsistencies across the network increasing the risk of vulnerabilities.

Recommendation: FIU should formally document the organization's configuration requirements based on industry best practices. FIU should implemented a process to document information system baselines standards (Operating System [OS] images or checklist) when deploying information system assets. These baselines or checklists should be pro-actively updated for information system assets (networking devices, servers, and workstations) on a periodic basis. Additionally, security configuration standards (hardening guides) should be referenced when developing system baselines. Information system baselines should be updated during the following conditions:

- Operating system updates;
- Critical software updates;
- New software implementation; and
- New security tool implementation(s).

Security configuration standards should also be applied to all baselines. Following security configuration standards helps to mitigate risk to systems before systems are implemented on the network.

Management Response:

Management agrees. FIU will document our configuration management requirements by December 31, 2019 and will have a configuration management policy in place by March 31, 2020.

Planned for implementation by April 2020.

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Observation 2	Process Area	Priority Rating
Data Protection – Employee Mobile Device Management Policy	Information Technology	Low

Condition: FIU has not formally documented a Mobile Device Management policy, which details requirements for the security of mobile devices, specifically phones as FIU users access their FIU email with their personal phones.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AC-19 as the criteria upon which to evaluate these controls.

Root Cause: FIU has not prioritized formally documenting a Mobile Device Management policy.

Implication: Users who use FIU email on their phones without adequate protections, are at risk of compromising FIU information if an attacker gains access to the phone or other mobile device, both physically and remotely.

Recommendation: To ensure the confidentiality and integrity of electronic data stored on mobile devices, FIU should develop a policy to inform users of the required security controls to use FIU email on their personal phones. This should include, but not limited to, full disk encryption, a secure PIN, and a lockout policy.

Management Response:

Management partially agrees. FIU does have documentation on required security controls to use the FIU VPN. FIU will develop a Mobile Device Policy and have it effective by March 31, 2020.

Planned for implementation by April 2020.

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Observation 3	Process Area	Priority Rating
Information Security Governance – Cybersecurity Risk Management Program	Information Technology	Low

Condition: FIU has not implemented an IT and Cybersecurity Risk Assessment Program that defines cybersecurity risks, inherent risk (impact, threats, likelihood), and residual risk.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 PM-9 as the criteria upon which to evaluate these controls.

Root Cause: FIU has not prioritized resources to create a Cybersecurity Risk Management Program.

Implication: The organization may not be able to identify areas of high inherent risk and take the appropriate steps to prioritize and implement the appropriate mitigating controls.

Recommendation: FIU should institute a cybersecurity risk assessment process to determine compliance with the company's security requirements and controls. The risk assessment program should include requirements for determining risk, performing assessments to measure control effectiveness, and establishing a risk tolerance threshold.

The cybersecurity risk assessment process should consider:

1. The criticality of the system;
2. The sensitivity of the information processed;
3. The value of the system or application;
4. The threats associated with the system or application;
5. The likelihood of the threats occurring, and the potential damage of an incident derived from the threat;
6. The system's exposure to the threat;
7. The system's or application's vulnerabilities; and
8. The system interfaces and extent of system interconnections, including internal and external dependencies.

The result(s) of the risk assessment should include:

9. Residual risk and risk level (i.e., high, moderate, or low, for each risk).
10. Findings identified based on lack of controls or non-compliance with required controls to reduce the inherent risk.
11. Finding Action Plan – The action taken to remediate, transfer, mitigate or accept the risk.

The annual security assessment should be performed for all information systems to determine the control effectiveness of the security controls and ensure that they are functioning properly. FIU should use the outcome of this assessment to prioritize information security initiatives to reduce the overall risk profile.

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Management Response:

Management partially agrees. FIU does have a risk registrar for IT-related risks and inherent risk. FIU will formalize and document the Cybersecurity Risk Management Program by June 30, 2020.

Planned for implementation by July 2020.

Observation 4	Process Area	Priority Rating
Data Protection – Data Handling and Classification Policy	Information Security	Low

Condition: FIU has not formally documented a data handling and classification policy.

Criteria: We relied on the ISO 27001 A 8.2.1 as the criteria upon which to evaluate these controls.

Root Cause: FIU has not prioritized resources to create a data handling and classification policy.

Implication: A lack of formal data classification and handling program can result in data being mishandled and exposed to unauthorized people.

Recommendation: FIU should define a data classification scheme to help prioritize the security of systems and allocate protection resources based on sensitivity. An example of a data classification scheme could be:

- Public – types of information that should be open to the public for viewing and has no legal ramifications. Examples include press releases or job postings.
- Internal – types of information that should only be viewed from an employee perspective and although it is not illegal to disclose, it should be restricted. Examples include employment information such as salaries and benefits.
- Confidential – types of information that are disclosed on a need-to-know basis and have legal ramifications if exposed in an inappropriate manner. Examples include payment information and product designs.

By classifying data in such a way, FIU can more easily assess the risk and impact of data loss based on the respective classifications. Classification information should be incorporated into “bottom-up” risk assessment activities and the asset inventory so that personnel have a clear understanding of the potential security impact if a system or information is compromised.

To help facilitate safe data handling, Information Security should utilize the classification scheme to define handling requirements associated with the sensitivity and type of media (e.g. paper, email, etc.) being transferred. Classification information can also be used during the system hardening process and establish the minimum set of technical controls required to protect information of a given classification to outline what, where, and how data is stored and who should have access.

Once a clear classification scheme has been created, security tools that monitor data should be adjusted to match governance standards.

Management Response:

Management agrees. FIU does currently have a data classification draft policy which is currently under review. FIU will finalize and implement the data classification policy by March 31, 2020.

Planned for implementation by April 2020.

VI. Appendix - List of Interviewees at FIU

The following individuals were interviewed during our onsite visit to FIU the week of August 12, 2019. The name, title, and interview subject are included below for reference.

1. Capital Asset Management - John Cal, Associate VP, Facilities Management, Aime Martinez, Associate Vice President, Business and Finance, Edward Brozic, Director of Budget, Katharine Brophy, Controller, Alexandra Mirabal, Deputy Controller, Ramon Duenas, Associate Controller
2. Financial Operations and Reporting - Katharine Brophy, Controller, Alexandra Mirabal, Deputy Controller, Bonnie Bair, Asst. Controller
3. Cash Management - Katharine Brophy, Controller, Alexandra Mirabal, Deputy Controller, Jose Zumimendi, Assistant Controller, Leslie-Anne Triana, Professional Accountant III, Benjamin Jarrell, Treasurer
4. Investment Management - Katharine Brophy, Controller, Alexandra Mirabal, Deputy Controller, Bonnie Bair, Asst. Controller, Aime Martinez, Associate Vice President, Benjamin Jarrell, Treasurer
5. Payroll - Alexandra Mirabal, Deputy Controller, Ciro Castro, Assistant Controller, Carlos Flores, Assistant VP, HR Operations Compliance & Systems, Idorys Calvo, Director of Payroll
6. Revenue - Katharine Brophy, Controller, Alexandra Mirabal, Deputy Controller, Jose Zumimendi, Assistant Controller, David Snider, Assistant VP Auxiliary and Enterprise Development
7. Student Billing - Katharine Brophy, Controller, Natassia Martinez, Director, Student Financial Services & Systems
8. Internal Audit - Trevor Williams, CAE
9. Procurement - Katharine Brophy, Controller, Kelly Loll, Executive Director, Procurement
10. Accounts Payable - Katharine Brophy, Controller, Alexandra Mirabal, Deputy Controller, Ramon Duenas, Associate Controller
11. Information Technology - Robert Grillo, CIO, Carlos Varona, Director, Enterprise and Applications, Helvetiella Longoria, Interim Chief Info Security Officer
12. Grant Management - Andres Gil, VP, Research, Tonja Moore, Associate VP, Strategic Planning & Operations, Roberto Gutierrez, Assistant VP Research
13. Budgeting - Aime Martinez, Associate Vice President, Business and Finance
14. Governance – Jennifer LaPorta Baker, Chief Compliance Officer
15. FIU Board of Trustees Finance Committee Chair, Leonard Boord



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**Florida Board of Governors State University System
Florida Polytechnic University
Internal Management and Accounting Control and Business
Process Assessment**

November 2019

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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS.

The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of Florida Polytechnic University (FPU) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our assessment precludes us from issuing an opinion on FPU’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in FPU’s control structure.

We concluded that seven of the twelve risk categories we evaluated had a minor residual risk rating, and five categories had a low residual risk rating. We also found opportunities for FPU to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and FPU management’s responses can be found in the *Observations and Recommendations* section of this report.

FPU Observations Summary

Risk Category	Description	Risk Rating
Information Technology	1. Information Security Governance – Policies and Procedures. FPU has not documented information security policies and procedures for the sections pertaining to: 1) Data Protection, 2) Logging and Monitoring, 3) Risk Management, 4) Change Management Program 5) Patch Management and 5) Mobile Device Management. This increases the risk that tasks will be performed inconsistently.	Low
Information Technology	2. Data Protection – Employee Removable Media. FPU does not have a method to manage the use of removable media. Technical controls have not been implemented to protect the access and provide data protection, such as encryption and device authentication.	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material assessed during the performance of these services.

The scope of our assessment was focused primarily on financial and operational risks, and secondarily on regulatory compliance risks. It included the twelve universities within the SUS as follows:

- Florida Agricultural and Mechanical University (FAMU)
- Florida Atlantic University (FAU)
- Florida Gulf Coast University (FGCU)
- Florida International University (FIU)
- **Florida Polytechnic University (FPU)**
- Florida State University (FSU)
- New College of Florida (NCF)
- University of Central Florida (UCF)
- University of Florida (UF)
- University of North Florida (UNF)
- University of South Florida (USF)
- University of West Florida (UWF)

This report represents the results of our assessment of FPU. As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of FPU management. Based on this information, we developed a risk and control assessment, the results of which are summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Ratings

We also rated the internal controls in place according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze FPU's control structure.

Residual Risk Assessment

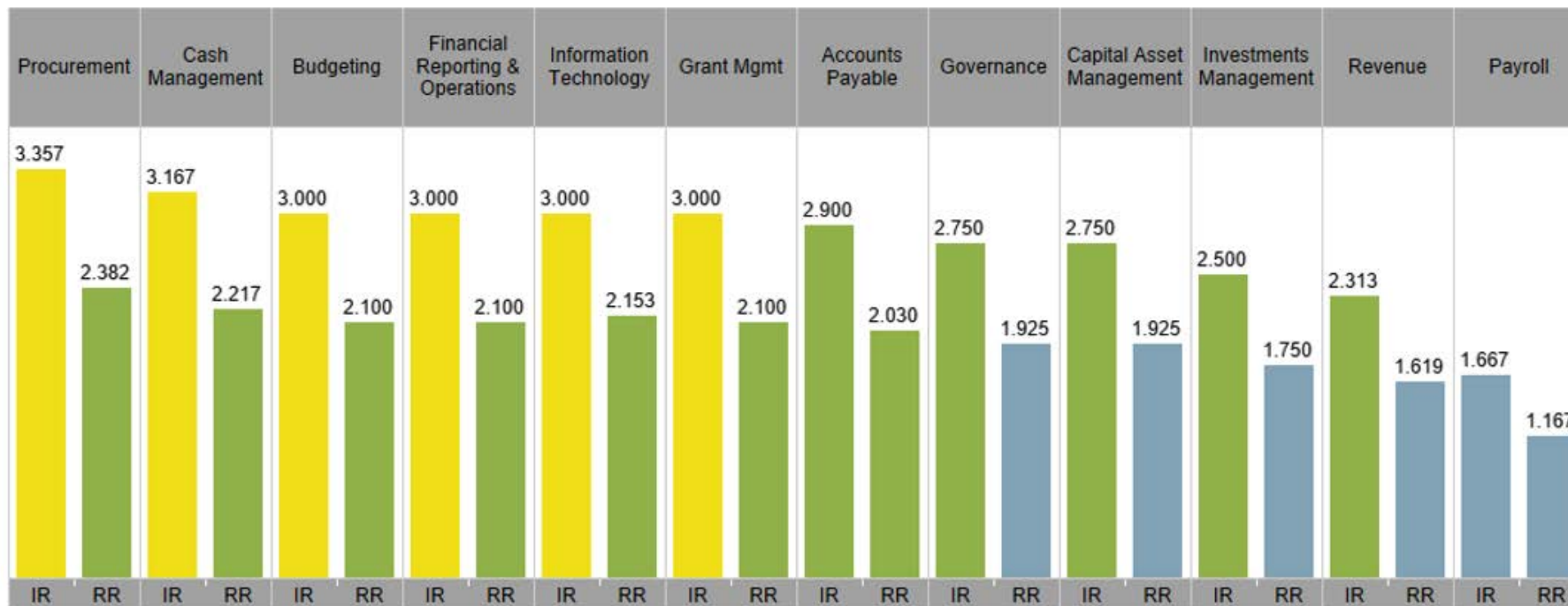
We assigned a control rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and system of internal control. We recognized that each control and its related risk had unique components that would not be fully represented by the control or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" to provide additional insight into that specific matter.

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We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of “inherent risk” (i.e. prior to considering implementation of controls) and “residual risk” (i.e. after consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed seven categories to have a minor level of residual risk and five categories to have a low level of residual risk. FPU’s three highest categories of residual risk were Procurement, Cash Management, and Information Technology. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: FPU Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: FPU Inherent vs. Residual Risk with Control Rating

Risk Factor Category	IR	Control Mitigation Effectiveness	RR
Accounts Payable	2.900	0.300	2.030
Budgeting	3.000	0.300	2.100
Capital Asset Management	2.750	0.300	1.925
Cash Management	3.167	0.300	2.217
Financial Reporting & Operations	3.000	0.300	2.100
Governance	2.750	0.300	1.925
Grant Mgmt	3.000	0.300	2.100
Information Technology	3.000	0.285	2.153
Investments Management	2.500	0.300	1.750
Payroll	1.667	0.300	1.167
Procurement	3.357	0.289	2.382
Revenue	2.313	0.300	1.619

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Conclusion

Based on our procedures, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how FPU could address these observations, and FPU management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We also noted that the university would likely benefit from an enhanced focus in the Information Technology risk category. While we have addressed specific risks in our observations and recommendations, this is an area in which FPU could benefit from a more holistic approach to risk management. A strong risk management framework is critical to maintain pace with the threats that have emerged alongside technological advances. These threats pose not only financial risks, but may also impact reputation, safety, and strategic initiatives. FPU should consider strengthening their risk management practices through a more formal, systematic approach in order to provide an added level of assurance to its Board of Trustees and to the Board of Governors that the university has taken reasonable measures to manage the risks it faces in the course of pursuing its mission.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at FPU, and to provide observations and recommendations to the FPU Board of Trustees, FPU leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at FPU:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our assessment of FPU have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated FPU's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with FPU management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

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V. Observations and Recommendations

Our procedures yielded two (2) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Information Technology	1. Information Security Governance – Policies and Procedures	Low
Information Technology	2. Data Protection – Employee Removable Media	Low

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Observations and Recommendations

Observation 1	Process Area	Priority Rating
Information Security Governance – Policies and Procedures	Information Technology	Low

Condition: Several policies and procedures have not been documented or need enhancement to reflect the current security configurations and industry standards. The following policies and procedures have not been documented:

- **Data Protection** – The organization does not maintain a documented data protection program which includes requirements for data inventory, data protection, and data sanitization.
- **Logging and Monitoring** – The organization does not maintain a documented logging and auditing requirements that includes the system types to be logged, procedures for log review, alerting thresholds, log retention requirements, and personnel to be alerted.
- **Risk Management** – The organization does not maintain a documented risk management program which includes documented risks, threats, and vulnerabilities.
- **Change Management Program** – The organization does not maintain a change management program with requirements which include documented change control criteria, functional testing, back-out procedures, and reporting.
- **Patch Management** – The organization does not maintain a documented patch management program that defines requirements for patch documentation, approvals, patch installation frequency, testing, exceptions, and emergency and critical patch processes.
- **Mobile Device Management** – The organization does not maintain a documented mobile device management program which includes standards for securing mobile devices and requirements for users to access company data from their mobile devices.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 PM-1 as the criteria upon which to evaluate these controls.

Root Cause: FPU has not yet prioritized resources to complete the development of the policies and procedures noted in the Condition above.

Implication: Lack of policies and procedures may result in potential conflicts when performing tasks due to inconsistent and/or lack of documentation. Policies help constitute what is acceptable behavior and formalized and up-to-date procedures provide guidance and clearly defined steps on how to execute the necessary task in a consistent manner.

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Recommendation: FPU should develop policies and procedures around the noted program areas. These policies and procedures should, at a minimum, include the purpose, scope, roles and responsibilities, policy standards, violations, approval and ownership, and references (if applicable). Once the policy has been defined with approved security standards, Management should document procedures to verify the enforcement of the documented standards. At a minimum, Management should perform a yearly review, update, and approval of the policies and if applicable, the procedures, to reflect the current industry security standards and practices.

Management Response:

Management agrees. As a smaller institution, we mitigate risks by close managerial supervision. Based on Crowe's recommendation and their low-risk assessment, we have prioritized resources to complete the documentation of the policies and procedures noted in the Crowe observation by December 31, 2019. Planned for implementation by January 2020.

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Observation 2	Process Area	Priority Rating
Data Protection – Employee Removable Media	Information Technology	Low

Condition: FPU does not have a method to manage the use of removable media. Technical controls have not been implemented to protect the access and provide data protection, such as encryption and device authentication.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 MP-1, MP-2, MP-5, MP-7 as the criteria upon which to evaluate these controls.

Root Cause: FPU has not prioritized resources to address the risk of employees using removable media.

Implication: Without restrictions and the protection of data confidentiality on the use of removable storage media through device encryption, there is the risk of unauthorized disclosure of business and customer information through the loss or misuse of the storage media.

Recommendation: To ensure the confidentiality and integrity of electronic data stored on a removable media, FPU personnel should only use encrypted devices and their use should be restricted (for both read and write capabilities) to only authorized individuals who have a legitimate business need. Removable media should also be centrally managed, and only company devices should be used. To account for all files that may be considered sensitive, technical controls should be implemented to force removable media encryption and reduce the risk of sensitive files being lost. Removable media encryption solutions are listed below:

USB Encryption Solutions	
DiskCryptor	https://diskcryptor.net/wiki/Main_Page
Rohos Disk Encryption	https://www.rohos.com/products/rohos-disk-encryption/
PGP Disk	http://www.symantec.com/encryption/
Gilisoft USB Stick Encryption	http://gilisoft.com/product-usb-stick-encryption.htm
Kakasoft USB Security	http://www.kakasoft.com/usb-security/
Iron Key (Encrypted USB)	http://www.ironkey.com/en-US/

Alternatively, if there is no business need for removable media, it can be restricted using third party tools or through Microsoft Group Policy. The following article provides a walkthrough on how this can be accomplished:

- [https://technet.microsoft.com/en-us/library/Cc772540\(v=WS.10\).aspx](https://technet.microsoft.com/en-us/library/Cc772540(v=WS.10).aspx)

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Management Response:

Management partially agrees. All University employees receive and sign written guidance on the proper handling of removable media. The University adopted Data Classification and Protection Policy FPU-11.00122P that requires that the “highest level of access and security controls and protection will be applied both in storage and in transit,” and we have trained University employees on that policy. Based on Crowe’s recommendations, the University partially agrees and is exploring removable media management software to determine if the benefit exceeds the cost, considering the low-risk assessment noted by Crowe.

Timeline for implementation has not yet been determined.

VI. Appendix - List of Interviewees at FPU

The following individuals were interviewed during our onsite visit to FPU the week of July 29, 2019. The name, title, and interview subject are included below.

1. Accounts Payable & Procurement:
 - a. David O'Brien– Director of Procurement
 - b. Treasa McLean – Assistant Director of Procurement
 - c. Laura Marrone – Associate Director of Procurement
 - d. John Irvine – Director of Finance and Accounting, Accounts Payable, & Construction
2. Cash Management:
 - a. Derek Horton – University Controller
 - b. John Irvine – Director of Finance and Accounting, Accounts Payable, & Construction
3. Budget and Financial Reporting:
 - a. Regina Siewart, Budget Officer
 - b. Derek Horton, University Controller
 - c. John Sprenkle, Director of Finance and Accounting for Financial Reporting
4. Capital Asset Management:
 - a. John Irvine – Director of Finance and Accounting, Accounts Payable, & Construction
 - b. David Calhoun, Assistant Vice President of Facilities and Safety Services
5. Grants Management: Nicole Tardiff, Director of Sponsored Programs
6. Internal Audit and Compliance: David Blanton, Chief Compliance Officer and Chief Audit Executive
7. Information Technology: Ben Beachy, Chief Information Officer
8. Student Billing:
 - a. Derek Horton, University Controller
 - b. John Sprenkle, Director of Finance and Accounting for Financial Reporting
 - c. Andrew Strazi, Director of Reporting and Analytics
9. Governance: FPU Board of Trustees Chair, Don Wilson



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Florida Board of Governors State University System
Florida State University
Internal Management and Accounting Control and Business
Process Assessment

December 2019

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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS.

The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of Florida State University (FSU) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our assessment precludes us from issuing an opinion on FSU’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in FSU’s control structure.

We concluded that eleven of the twelve risk categories we evaluated had a minor residual risk rating, and one category had a low residual risk rating. We also found several opportunities for FSU to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and FSU management’s responses can be found in the *Observations and Recommendations* section of this report.

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FSU Observations Summary

Risk Category	Description	Risk Rating
Information Technology	1. Information Security Governance – Key Risk and Performance Indicators. FSU does not have a policy for measuring key risk and performance indicators within its information security program, making it difficult to determine the program's effectiveness.	Moderate
Information Technology	2. Configuration Management – Configuration Management Program. FSU has not documented a Configuration Management Program, which includes documented policies and procedures for system baseline and security configurations (hardening). This increases the risk of inconsistencies across network security configurations, which may expose FSU to vulnerabilities.	Moderate
Information Technology	3. Data Protection – Employee Removable Media. FSU does not require employees to use only authorized, encrypted removable devices. This increases the risk of unauthorized disclosure of sensitive data due to theft or loss.	Low
Information Technology	4. Data Protection – Sensitive Data-Tracking. FSU has not established a process to identify and track sensitive data across university systems to verify that appropriate security controls are in place. This increases the risk of a data breach occurring in an inadequately secured system.	Low
Information Technology	5. Third Party Risk Management – Monitoring of Third-Party Service Providers. FSU has not established a process to identify and track third party service providers with access to university information systems. This increases the risk that a vendor may retain access to sensitive data after it is no longer necessary or appropriate.	Low
Information Technology	6. Employee Management – User Termination and Role Change. FSU does not have an established notification process to terminate user access within a twenty-four-hour period, which is a timeframe commonly recommended by security practices and standards.	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material assessed during the performance of these services.

The scope of our assessment was focused primarily on financial and operational risks, and secondarily on regulatory compliance risks. It included the twelve universities within the SUS as follows:

- Florida Agricultural and Mechanical University (FAMU)
- Florida Atlantic University (FAU)
- Florida Gulf Coast University (FGCU)
- Florida International University (FIU)
- Florida Polytechnic University (FPU)
- **Florida State University (FSU)**
- New College of Florida (NCF)
- University of Central Florida (UCF)
- University of Florida (UF)
- University of North Florida (UNF)
- University of South Florida (USF)
- University of West Florida (FSU)

This report represents the results of our assessment of Florida State University (FSU). As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of FSU management. Based on this information, we developed a risk and control assessment, the results of which are summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Ratings

We also rated the internal controls in place according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze FSU's control structure.

Residual Risk Assessment

We assigned a control effectiveness rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and system of internal control. We recognized that each control and its related risk had unique components that would not be fully represented by the control or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" in order to provide additional insight into that specific matter.

We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of "inherent risk" (i.e. prior to considering implementation of controls) and "residual risk" (i.e. after

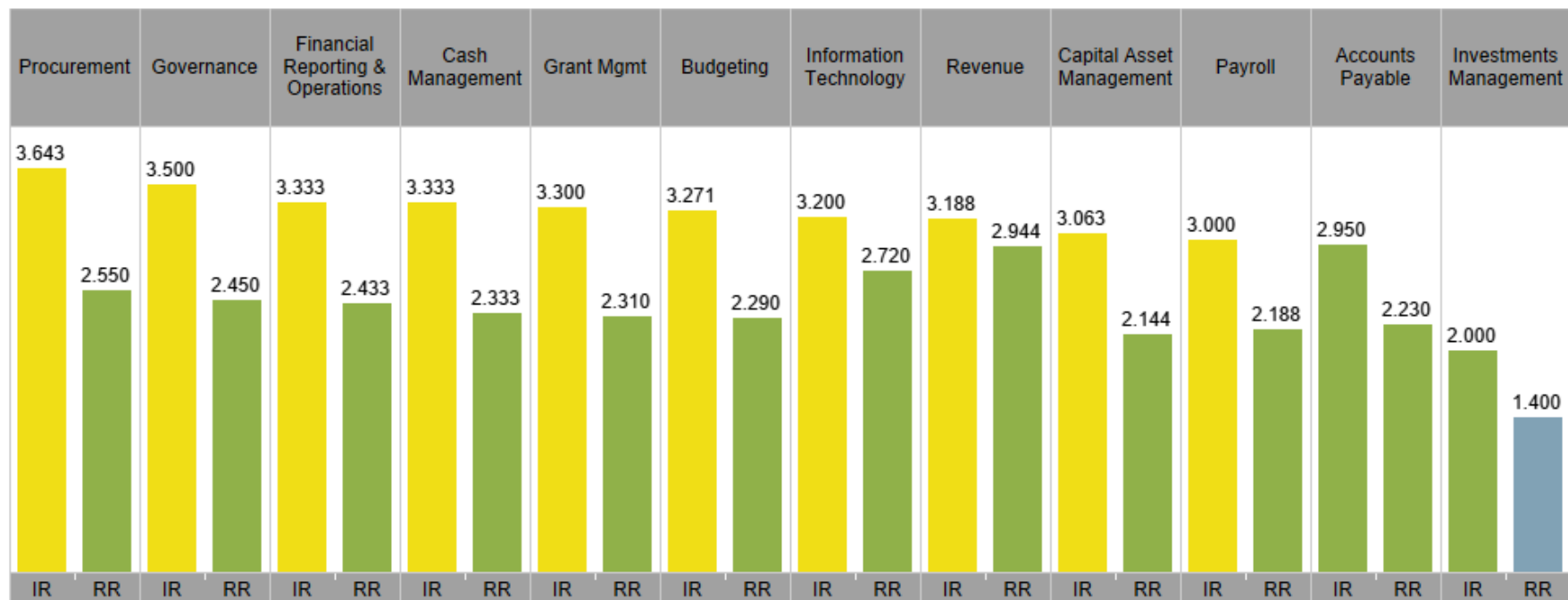
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consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed eleven categories to have a minor level of residual risk and one category to have a low level of residual risk. FSU's three highest categories of residual risk were Revenue, Information Technology, and Governance. However, based on our methodology all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: FSU Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering the internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: FSU Inherent vs. Residual Risk with Control Effectiveness Score

Risk Factor Category	IR	Control Mitigation Effectiveness	RR
Accounts Payable	2.950	0.300	2.230
Budgeting	3.271	0.300	2.290
Capital Asset Management	3.063	0.300	2.144
Cash Management	3.333	0.300	2.333
Financial Reporting & Operations	3.333	0.300	2.433
Governance	3.500	0.300	2.450
Grant Mgmt	3.300	0.300	2.310
Information Technology	3.200	0.150	2.720
Investments Management	2.000	0.300	1.400
Payroll	3.000	0.275	2.188
Procurement	3.643	0.300	2.550
Revenue	3.188	0.300	2.944

Conclusion

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Overall, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify several areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how FSU could address these observations, and FSU management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We also noted that the university would likely benefit from an enhanced focus in the Information Technology risk category. While we have addressed specific risks in our observations and recommendations, this is an area in which FSU could benefit from a more holistic approach to risk management. A strong risk management framework is critical to maintain pace with the threats that have emerged alongside technological advances. These threats pose not only financial risks, but may also impact reputation, safety, and strategic initiatives. FSU should consider strengthening their risk management practices through a more formal, systematic approach in order to provide an added level of assurance to its Board of Trustees and to the Board of Governors that the university has taken reasonable measures to manage the risks it faces in the course of pursuing its mission.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at FSU, and to provide observations and recommendations to the FSU Board of Trustees, FSU leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at FSU:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our assessment of FSU have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated FSU's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with FSU management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

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V. Observations and Recommendations

Our procedures yielded six (6) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Information Technology	1. Information Security Governance – Key Risk and Performance Indicators	Moderate
Information Technology	2. Configuration Management – Configuration Management Program	Moderate
Information Technology	3. Data Protection – Employee Removable Media	Low
Information Technology	4. Data Protection – Sensitive Data-Tracking	Low
Information Technology	5. Third Party Risk Management – Monitoring of Third-Party Service Providers	Low
Information Technology	6. Employee Management – User Termination and Role Change	Low

Observations and Recommendations

Observation 1	Process Area	Priority Rating
Information Security Governance – Key Risk and Performance Indicators	Information Technology	Moderate

Condition: Although the organization does report key risk / performance indicators to Information Technology Services (ITS), the Chief Information Officer, Provost, and the Vice President of Finance and Administration, the metric included within the report does not indicate an acceptable level of risk tolerance and the actions required to be taken to measure the effectiveness of their information security program.

Criteria: We relied on the National Institute of Standards and Technology SP 800-53 r5 (NIST) PM-6 as the criteria upon which to evaluate these controls.

Root Cause: FSU has not yet prioritized resources to complete the development of information security program metrics.

Implication: In the absence of clear metrics for monitoring risk and performance, the risk increases that management's response to threats will be inconsistent, and the overall effectiveness of the information security program will be unclear.

Recommendation: FSU should take a holistic look at the threat landscape applicable to organization and the existing information security program to enumerate key risk and key performance indicators (KRI / KPI). These indicators can be used to determine how well FSU is managing its information security risk. Once these indicators have been determined, a process should be implemented for compiling data used and quantifying these indicators to measure KRI / KPIs on a periodic basis to measure performance over time. Management should implement a tracking mechanism to document and report on KRI / KPIs.

This data should be used as a resource for updating the Board of Trustees or other governance committees on the information security program's effectiveness. This will assist the board or governance committee to provide proper guidance around cybersecurity risk.

Some common key risk indicators include, but are not limited to:

1. Number of missing patches / patch exceptions
2. Number of vulnerabilities identified and trending over time (remediated and un-remediated)
3. Number of social engineering (i.e. phishing) attempts or emails received in a given period.
4. Number of security alerts generated by monitoring tools (SIEM, IPS/IDS, etc.) (actionable vs non-actionable)
5. Number of cybersecurity Incidents trending over time.
6. Number of new risk and emerging threats

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Management Response:

Disagree.

The FSU Information Security and Privacy Office does take a holistic look at threat landscape and measures Key Performance Indicators (KPI) for security management, risk management and vulnerability management. We track the specific metrics recommended in the observation. These reports are provided to ITS leadership on a monthly basis. The CIO and CISO report metrics as appropriate or requested by senior management. The Information Security and Privacy Advisory Committee, made up of leaders from academic, research and administration, meets quarterly, and selected information is presented as appropriate.

Crowe Comment:

We acknowledge FSU's efforts to monitor their information security risk landscape, as stated above. However, despite our requests, we did not receive the requested evidence from FSU to support the implementation of these control and performance management activities. As a result, this item remains an observation in our report.

Observation 2	Process Area	Priority Rating
Configuration Management – Configuration Management Program	Information Technology	Moderate

Condition: FSU has not documented a Configuration Management Program, which includes documented policies and procedures for system baseline and security configurations (hardening). This increases the risk of inconsistencies across network security configurations, which may expose FSU to vulnerabilities.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 CM-9 as the criteria upon which to evaluate these controls.

Root Cause: FSU has not yet prioritized resources to complete the configuration management documentation.

Implication: Information systems may not be configured with industry security standards, resulting in configuration inconsistencies across the network increasing the risk of vulnerabilities.

Recommendation: FSU should formally document the organization's configuration requirements based on industry best practices.

FSU should implement a process to document information system baseline standards (e.g. operating system [OS] images or checklists) when deploying information system assets. These baselines or checklists should be proactively updated for information system assets (e.g. networking devices, servers, and workstations) on a periodic basis. Additionally, security configuration standards (i.e. hardening guidelines) should be referenced when developing system baselines. Information system baselines should be updated during the following conditions:

- Operating system updates;
- Critical software updates;
- New software implementation; and
- New security tool implementation(s).

Security configuration standards should also be applied to all baselines. Following security configuration standards helps to mitigate risk to systems before systems are implemented on the network.

FSU should also ensure that configuration management activities are included in the system development life-cycle (SDLC) process.

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Management Response:

Agree.

FSU Information Security Policy 4-OP-H-5 requires a documented standard configuration to be used to harden IT resources. The FSU Information Security and Privacy Office offers Center for Internet Security (CIS) Benchmark resources for baseline security configurations for desktops, servers, network devices, and other IT resources. However, FSU does not have documented procedures for a Configuration Management Program. The university will develop formal configuration management procedures to remediate this observation.

Planned Remediation Date: June 2021

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Observation 3	Process Area	Priority Rating
Data Protection – Employee Removable Media	Information Security	Low

Condition: Although FSU has documented an administrative policy to require encryption for removable media (i.e., USB drive), their use is not managed. Furthermore, technical controls have not been implemented to restrict access and provide data protections, such as encryption and device authentication outside of the PCI and NIST 800.171 environments.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 MP-1, MP-2, MP-5, MP-7 as the criteria upon which to evaluate these controls.

Root Cause: FSU has not prioritized resources to address the risk of employees using removable media.

Implication: Without restrictions on personnel's use of removable storage media through device encryption, there is the risk of unauthorized disclosure of confidential, personally identifiable, or other sensitive information through the loss or misuse of the storage media.

Recommendation: FSU personnel should only use encrypted devices and their use should be restricted (for both read and write capabilities) to only authorized individuals who have a legitimate business need based on the risk of data and systems. Removable media should also be centrally managed, and only company devices should be used, where possible and appropriate. To account for all files that may be considered sensitive, technical controls should be implemented to force removable media encryption and reduce the risk of sensitive files being lost can be reduced.

Removable media encryption solutions are listed below:

USB Encryption Solutions	
DiskCryptor	https://diskcryptor.net/wiki/Main_Page
Rohos Disk Encryption	https://www.rohos.com/products/rohos-disk-encryption/
PGP Disk	http://www.symantec.com/encryption/
Giliisoft USB Stick Encryption	http://giliisoft.com/product-usb-stick-encryption.htm
Kakasoft USB Security	http://www.kakasoft.com/usb-security/
Iron Key (Encrypted USB)	http://www.ironkey.com/en-US/

Alternatively, if there is no business need for removable media, it can be restricted using third party tools or through Microsoft Group Policy. The following article provides a walkthrough on how this can be accomplished:

- [https://technet.microsoft.com/en-us/library/Cc772540\(v=WS.10\).aspx](https://technet.microsoft.com/en-us/library/Cc772540(v=WS.10).aspx)

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Management Response:

Disagree.

The encryption of data can be handled in two ways; centrally or “de-centrally”. The University has opted to take a decentralized approach and this has served the university well. University Policy, 4-OP-H-5 Information Security Policy requires each University entity to bear responsibility for protecting its data. This policy requires encryption for private and protected data. The university utilizes preventive controls to limit and monitor access to sensitive data. Information Technology Services coordinates periodic risk assessments to monitor compliance with this policy. If circumstances would change, the University will reassess its current policy.

Crowe Comment:

Although we recommend a centralized approach, we understand that an organization may choose to manage data encryption from a decentralized approach and accept the associated levels of risk. However, FSU did not provide evidence that there were mitigating controls in place (i.e. the periodic risk assessments stated above) to enable us to confirm their risk management approach. As a result, this item remains an observation in our report.

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Observation 4	Process Area	Priority Rating
Data Protection – Sensitive Data-Tracking	Information Security	Low

Condition: While FSU has documented policy standards within the Information Security Policy 4-OP-H-5, which requires data owner or designated data manager to maintain a list of the data and information collected, processed, transmitted, or stored by the units under his/her purview; however, since the implementation of the requirements, a process has not been implemented to re-assess / audit all pre-existing information systems to track sensitive data stored.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 CM-12 as the criteria upon which to evaluate these controls.

Root Cause: FSU has not prioritized resources to create a tracking mechanism for sensitive data across university systems.

Implication: If FSU is unaware of the location and storage of sensitive data, the university may not be able to effectively secure it in accordance with industry security controls (e.g. NIST). This could lead to a data breach if data is left improperly secured within university systems.

Recommendation: FSU should perform a review of university information systems to identify and create an inventory of where sensitive data resides. These systems should be categorized and risk-ranked based on data type and number of records. Based on the results of this assessment, FSU should determine if additional security controls are required for the identified systems and system security plans should be developed or updated to include these additional controls.

1. They should be categorized, and risk ranked (criticality rating) based on type of data and number of records.
2. Evaluation should occur to determine if additional security controls are necessary based on the criticality rating of the information system(s).
3. System security plans should be documented or enhanced to include additional security controls based on the criticality of the system.

Management Response:

Disagree.

FSU Information Security Policy 4-OP-H-5 requires each data owner or designated data manager to maintain a list of the data and information collected, processed, transmitted, or stored by the units under his/her purview. The university has preventive controls in place to manage access to sensitive data by utilizing restricted security roles within the Enterprise Resource System. Supervisors and role owners evaluate access needs and approve or deny requests accordingly. Periodic reviews of security roles assigned to employees are conducted by supervisors and role owners.

Crowe Comment:

FSU did not provide evidence that there were mitigating controls in place (i.e. the periodic security role assessments stated above) to enable us to confirm their risk management approach. As a result, we were unable to remove this observation from the report.

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Observation 5	Process Area	Priority Rating
Third Party Risk Management – Monitoring of Third-Party Service Providers	Information Security	Low

Condition: FSU has not formally documented a list of all third-party service providers and external information system connections that are required for critical business functionality. Additionally, FSU does not preform access reviews for third parties to ensure that access is appropriate for their function.

Criteria: We relied on the National Institute of Standards and Technology (NIST) Cybersecurity Framework ID.SC-2 as the criteria upon which to evaluate these controls.

Root Cause: FSU has not prioritized resources to compile and maintain a list of third-party vendors and their level of access in order to facilitate this assessment.

Implication: If FSU is not aware of all third parties that are accessing FSU systems, the risk of a breach due to malicious intent or negligence is increased. This is especially true if third party access is not reviewed regularly.

Recommendation: FSU should build a procedure into the vendor setup/onboarding process to document a data flow diagram of external connections. Once all third-party access is identified, roles and responsibilities should be assigned to management to review the appropriateness of that access on a regular basis. Mechanisms should also be established to remove that access as soon as management has deemed it no longer necessary (e.g. contract expiration or termination, or changes to vendor role).

Management Response:

Disagree.

The procurement process requires review and approval by Information Technology Services via and IT Software Checklist for requisitions of IT software and services. In a 2018 Florida State University conducted a Business Impact Analysis, which identified all critical third-party service providers. The university uses preventive controls to limit access to critical third-party service providers. Periodic reviews are conducted to monitor the appropriateness of access.

Crowe Comment:

In their response, FSU has not addressed our recommendation to build a procedure into the vendor setup/onboarding process to document a data flow diagram of external connections. Additionally, FSU did not provide evidence of the Business Impact Analysis or the third-party review process, stated above. As a result, this item remains an observation in our report.

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Observation 6	Process Area	Priority Rating
Employee Management – User Termination and Role Change	Information Security	Low

Condition: While FSU does have automated processes for termination through their ERP system, they do not have a consistent process to terminate user access with 24 hours of the end of employment.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 PS-4 as the criteria upon which to evaluate these controls.

Root Cause: FSU has not established mechanism to enable terminations and role change notifications to be submitted within 24 hours.

Implication: Employees may retain permissions related to their former roles or maintain access to the organization's systems after the termination of their employment.

Recommendation: FSU should document a procedure and implement a process to notify the security team in the event of a role change or termination. In the event of a termination, access should be removed within 24 hours of the notification. For role changes, an access review should be performed in a timely manner to identify the required permissions for the new role and remove any access that is no longer necessary.

Management Response:

Partially Agree.

FSU Separation from Employment Policy and Procedures 4-OP-C-7-D11, requires employees and departments to submit the necessary termination forms and actions in advance of an employee's termination date. When FSU Human Resources terminates an employee in the University's PeopleSoft Human Capital Management (HCM) System, an automated process is initiated to remove all roles within the University's Online Management of Networked Information (OMNI) systems except those required for basic employee services such as accessing the employee's W2 or changing the employee's mailing address. The university will conduct a study to evaluate the effectiveness of this control.

Planned Remediation Date: June 2021

VI. Appendix - List of Interviewees at FSU

The following individuals were interviewed during our onsite visit to FSU the week of July 8, 2019. The name, title, and interview subject are included below.

1. Operating and Capital Budget Management: Michael Lake, Chief Budget Officer.
2. Procurement and Contract Management:
 - a. Rosey Murton, Chief Procurement Officer
 - b. Karen Gibson, Associate Director Procurement
 - c. Casey Laurienzo, Contract Administrator
3. Financial Accounting:
 - a. Sandra Scanlan, Controller
 - b. Judd Enfinger, Senior Associate Controller
 - c. Carla Daniels, Associate Controller
 - d. Daniel Pearce, Associate Controller
4. Information Technology and Security:
 - a. Jane Livingston, Chief Information Officer
 - b. Bill Hunkapillar, Chief Information Security Officer
 - c. Joe Brigham, PCI Compliance Officer
 - d. Byron Menchion, Senior Director of Enterprise Applications
5. Grants Management: Pamela Ray, Senior Director Sponsored Research Administration
6. Compliance and Ethics: Robyn Blank, Chief Compliance and Ethics Officer
7. Internal Audit and Governance: Sam McCall, Chief Audit Officer
8. Office of Financial Aid Management: Somnath Chatterjee, Associate Director
9. Risk Management and Insurance Practices:
 - a. Thomas Jacobson, Director Environmental Health and Safety
 - b. Laymon Gray, Associate Director Environmental Health and Safety



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**Florida Board of Governors State University System
New College of Florida
Internal Management and Accounting Control and Business
Process Assessment**

November 2019

Florida Board of Governors State University System
New College of Florida (NCF) Internal Management and Accounting Control and Business Process Assessment
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New College of Florida (NCF) Internal Management and Accounting Control and Business Process Assessment
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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS.

The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of the New College of Florida (NCF) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our assessment precludes us from issuing an opinion on NCF’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in NCF’s control structure.

We concluded that nine of the twelve risk categories we evaluated had a minor residual risk rating, and three categories had a low residual risk rating. We also found several opportunities for NCF to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and NCF management’s responses can be found in the *Observations and Recommendations* section of this report.

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 New College of Florida (NCF) Internal Management and Accounting Control and Business Process Assessment
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NCF Observations Summary

Risk Category	Description	Risk Rating
Financial Reporting	1. Restricted Funds – Interfund Transfers. NCF does not restrict interfund transfers through automated (i.e. system) controls nor does it review interfund transfers outside of auxiliary and athletic funds. This increases the risk that a transfer resulting in an unauthorized use of funding may go undetected.	Moderate
Financial Reporting	2. Monitoring of Budget-to-Actual Performance. The efficiency of NCF's process to monitor budget to actual spending may be improved through the use of available system controls. Automated "budget-checking" controls are available within NCF's current financial system and would reduce the risk of expenditures exceeding budgeted amounts.	Low
Information Technology	3. Data Protection – Employee Mobile Device Management Program. NCF has not implemented a Mobile Device Management policy for employees and contractors which details requirements for mobile device security. This increases the risk that sensitive NCF information may be compromised if a malicious actor gains access to the phone or other mobile device.	Low
Information Technology	4. Data Protection - Data Center Moisture Detection. NCF has not installed moisture sensors in the Data center to detect excess humidity or standing water. If left unaddressed, moisture can cause damage to computer components resulting in loss of availability and destruction of the physical hardware.	Low
Information Technology	5. Information Security - Clean Desk Policy. NCF does not have a university-wide "clean desk" policy. This increases the risk that sensitive information may be viewed or accessed by unauthorized parties.	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material assessed during the performance of these services.

The scope of our assessment was focused primarily on financial and operational risks, and secondarily on regulatory compliance risks. It included the twelve universities within the SUS as follows:

- Florida Agricultural and Mechanical University (FAMU)
- Florida Atlantic University (FAU)
- Florida Gulf Coast University (FGCU)
- Florida International University (FIU)
- Florida Polytechnic University (FPU)
- Florida State University (FSU)
- **New College of Florida (NCF)**
- University of Central Florida (UCF)
- University of Florida (UF)
- University of North Florida (UNF)
- University of South Florida (USF)
- University of West Florida (UWF)

This report represents the results of our assessment of NCF. As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of NCF management. Based on this information we developed a risk and control assessment, summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

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Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Ratings

We also rated the internal controls in place according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze NCF's control structure.

Residual Risk Assessment

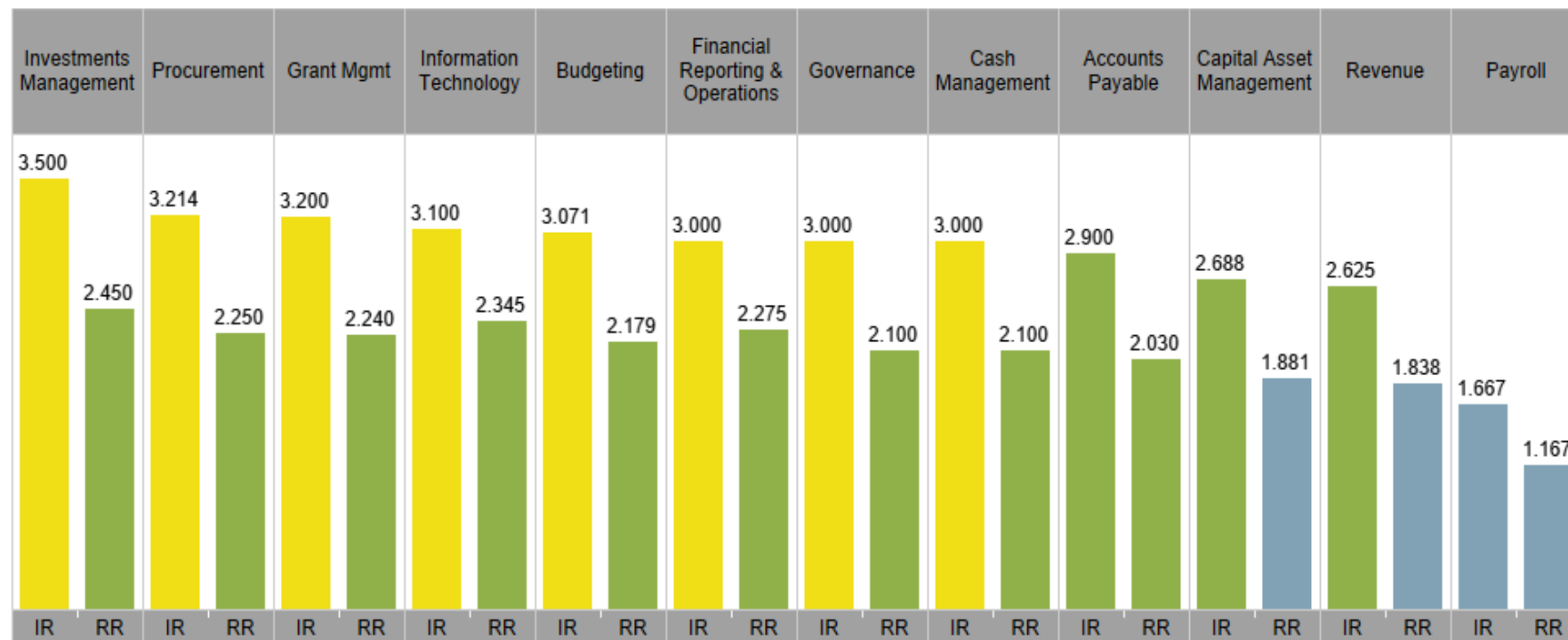
We assigned a control rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and system of internal control. We recognized that each control and its related risk had unique components that would not be fully represented by the control or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" in order to provide additional insight into that specific matter.

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We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of “inherent risk” (i.e. prior to considering implementation of controls) and “residual risk” (i.e. after consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed nine categories to have a minor level of residual risk and three categories to have a low level of residual risk. NCF’s three highest categories of residual risk were Investment Management, Information Technology, and Financial Reporting and Operations. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: NCF Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that these risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: NCF Inherent vs. Residual Risk with Control Rating

Risk Factor Category	IR	Control Mitigation Effectiveness	RR
Accounts Payable	2.900	0.300	2.030
Budgeting	3.071	0.293	2.179
Capital Asset Management	2.688	0.300	1.881
Cash Management	3.000	0.300	2.100
Financial Reporting & Operations	3.000	0.250	2.275
Governance	3.000	0.300	2.100
Grant Mgmt	3.200	0.300	2.240
Information Technology	3.100	0.245	2.345
Investments Management	3.500	0.300	2.450
Payroll	1.667	0.300	1.167
Procurement	3.214	0.300	2.250
Revenue	2.625	0.300	1.838

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Conclusion

Based on our procedures, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify several areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how NCF could address these observations, and NCF management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We believe that NCF would benefit from several low-cost, high-value enhancements such as automating controls over fund transfers and budget checking within the Banner ERP system. This would alleviate the administrative effort needed to perform these functions with a relatively limited number of personnel. Additionally, the university could strengthen its control structure over Information Technology risks with several process and procedural enhancements over mobile computing and workspace security, as well as a moderate level of investment to improve safety features for the Data Center.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at NCF, and to provide observations and recommendations to the NCF Board of Trustees, NCF leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at NCF:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our assessment of NCF have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated NCF's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with NCF management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

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V. Observations and Recommendations

Our procedures yielded five (5) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Financial Reporting	1. Restricted Funds – Interfund Transfers	Moderate
Financial Reporting	2. Budget-to-Actual Performance Monitoring	Low
Information Technology	3. Data Protection - Mobile Device Management Program	Low
Information Technology	4. Data Protection - Data Center Moisture Detection	Low
Information Technology	5. Information Security - Clean Desk Policy	Low

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 New College of Florida (NCF) Internal Management and Accounting Control and Business Process Assessment
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Observations and Recommendations

Observation 1	Process Area	Priority Rating
Restricted Funds – Interfund Transfers	Financial Reporting	Moderate

Condition: NCF has not implemented controls to prevent or detect transfers in or out of restricted funds. While reports may be run on an ad-hoc basis to detect such transfers, a process has not been established to review these transactions.

Criteria: Interfund transfers should be prohibited, unless extraordinary circumstances prevail, to prevent unauthorized or inappropriate use of restricted funds.

Root Cause: NCF has not yet prioritized resources to implement controls over fund transfers.

Implication: In the absence of preventive or detective control mechanisms, the risk increases that an inappropriate transfer and/or use of funds will go undetected.

Recommendation: We recommend that NCF configure and implement automated controls within their financial accounting system to restrict interfund transfers where possible. In the short-term NCF should establish a review process to identify and validate all interfund transfers.

Management Response:

Management agrees with this finding. We already limit those authorized to make transfer entries into the financial system to four individuals. It requires two of these individuals to make a transfer; one to initiate it and the second to approve the transfer if it is appropriate. We will add an additional level of review by requiring the Associate Vice President of Administration/Budget Officer or the Vice President of Finance and Administration to review and approve all transfers in excess of \$100,000 out of any fund type into another. For transfers of \$500,000 or more, a report will be automatically generated from our ERP system (Ellucian Banner) and sent to the College President. This additional level of review is now in place. We estimate that programming the automated report will be ready to "go live" by January 31, 2020.

Planned for implementation by February 2020.

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Observation 2	Process Area	Priority Rating
Budget-to-Actual Performance Monitoring	Financial Reporting	Low

Condition: The efficiency of NCF's process to monitor budget to actual spending may be improved through the use of available system controls.

Criteria: Board of Governors Regulation 9.007 (3) (a) (3) regarding State University Operating Budgets states, "Expenditures from any source of funds by any university shall not exceed the funds available. No expenditure of funds, contract, or agreement of any nature shall be made that requires additional appropriation of state funds by the Legislature unless specifically authorized in advance by law or the General Appropriations Act. University expenditures must remain within budget constraints."

Root Cause: NCF relies on manual detective controls (i.e. ad hoc reports) to monitor spending in order to verify that expenditures do not exceed budget limits.

Implication: The efficiency of NCF's process to monitor budget to actual spending may be improved through the use of available system controls. Automated "budget-checking" controls are available within NCF's current financial system and would reduce the risk of expenditures exceeding budgeted amounts.

Recommendation: We recommend that NCF activate the automated controls available in the Banner ERP system to improve the efficiency and effectiveness of budget-to-actual monitoring activities.

Management Response:

Management agrees with this recommendation and will engage its ERP vendor (Ellucian Banner) to provide training to College Controller staff on utilization of the budget checking feature and to assist in implementing the feature. We estimate that the budget checking feature will go "live" no later than March 31, 2020.

Planned for implementation by April 2020.

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Observation 3	Process Area	Priority Rating
Data Protection – Mobile Device Management	Information Technology	Low

Condition: NCF has not documented a Mobile Device Management policy for employees and contractors, which details requirements for the security of mobile devices.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AC-19 as the criteria upon which to evaluate these controls.

Root Cause: NCF has not prioritized resources to implement a mobile device management policy for its employees and contractors who use their personal mobile devices to access NCF email or other applications.

Implication: Employees or contractors who use NCF email on their phones without security protections are at risk of compromising NCF information if a malicious actor gains access to the phone, both physically or remotely.

Recommendation: NCF should develop a policy to inform users of the security controls that are required through the information security program for the user of NCF email on their personal phones. Information security standards should include, but not limited to, full disk encryption, a secure PIN, and a lockout policy. NCF should also consider using a Mobile Device Management solution. For example, while we do not endorse any specific products, the VMware® AirWatch is one of many solutions that may be implemented to enforce these controls and remotely wipe devices in the event that they are lost or stolen.

Management Response:

Management agrees with this recommendation. A Mobile Device Management "best practices" policy will be developed to inform users of the security controls that are required by those who access NCF email on their personal phones. We estimate that this policy will be drafted and adopted by December 31, 2019, with awareness training to follow in early 2020.

Implementation planned by July 2020. ·

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 New College of Florida (NCF) Internal Management and Accounting Control and Business Process Assessment
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Observation 4	Process Area	Priority Rating
Data Protection - Data Center Moisture Detection	Information Technology	Low

Condition: NCF has not installed moisture sensors in the Data center to detect excess humidity or standing water.

Criteria: The audit evaluated controls utilizing regulator guidance and industry best practices, including the National Institute of Standards and Technology (NIST), NIST Cybersecurity Framework and SANS Critical Security Controls

Root Cause: NCF has not prioritized resources to implement moisture sensors in the Data Center.

Implication: If left unaddressed, moisture can cause damage to computer components resulting in loss of availability and destruction of physical hardware.

Recommendation: We recommend that NCF purchase and install moisture sensors in the Data center. These sensors should be capable to alerting NCF IT or facilities staff when moisture levels cross a certain level.

Management Response:

Management agrees with this recommendation. Moisture detection solutions are currently being evaluated. We expect to have the resulting preferred solution installed by December 31, 2019.

Planned for implementation by January 2020.

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Observation 5	Process Area	Priority Rating
Information Security – Clean Desk Policy	Information Technology	Low

Condition: Although some departments have clean desk programs, NCF has not created an enterprise wide clean desk program to enforce the standards across the organization.

Criteria: The audit evaluated controls utilizing regulator guidance and industry best practices, including the National Institute of Standards and Technology (NIST), NIST Cybersecurity Framework and SANS Critical Security Controls.

Root Cause: NCF has not yet prioritized resources to develop a university-wide clean desk policy.

Implication: Lack of a clean desk program can result in users leaving sensitive information where it can be viewed or stolen by unauthorized parties.

Recommendation: NCF should develop a policy to address how physical artifacts deemed sensitive in nature located around an employee's workspace need to be securely stored at the end of each day, or when the employee is away from their desk. The policy should be inclusive of all items that relate to private customer information, passwords, transaction records, private employee information, etc. Suggested requirements include, but are not limited to:

- Locking screens when employees leave their workstation
- Not writing down passwords
- Locking sensitive paper documents when not physically present
- Storing electronic information in designated areas (i.e. not on the local disk)

This policy should be implemented across all departments at NCF. IT should implement a process to periodically perform an inspection of workstation areas to verify departments are compliant with policy.

Management Response:

Management agrees with this recommendation. An enterprise wide clean desk program will be established no later than January 30, 2020. Awareness training will be provided to our compliance partners by March 31, 2020. Our Internal Audit and Compliance Office will perform an audit that will include an inspection of workstation areas to verify departments are compliant with the clean desk policy. This audit will be included in the 2020-2021 Internal Audit and Compliance work plan.

Full implementation planned by July 2021.

Florida Board of Governors State University System
New College of Florida (NCF) Internal Management and Accounting Control and Business Process Assessment
November 2019

I. Appendix - List of Interviewees at NCF

The following individuals were interviewed during our onsite visit to NCF the week of August 18, 2019. The name, title, and interview subject are included below for reference.

1. Student Billing and Accounting:
 - a. Kim Bendickson-Diem, Associate Vice President of Finance
 - b. Rick Bartelt, Associate Controller
 - c. Brian Scholten, Registrar
 - d. Alisa Lannon, Assistant Director of Records
2. Capital Asset Management:
 - a. Kim Bendickson-Diem, Associate Vice President of Finance
 - b. Alan Burr, Director of Facilities
 - c. John Martin, Vice President of Finance and Administration
3. Accounts Payable: Kim Bendickson-Diem, Associate Vice President of Finance
4. Cash Management:
 - a. Kim Bendickson-Diem, Associate Vice President of Finance
 - b. Rick Bartelt, Associate Controller
5. Financial Operations:
 - a. Kim Bendickson-Diem, Associate Vice President of Finance
 - b. John Martin, Vice President of Finance and Administration
6. Procurement: Jean Harris, Director of Procurement
7. Payroll: Luchi Hernandez, Assistant Director of Human Resources
8. Grants Management:
 - a. Kim Bendickson-Diem, Associate Vice President of Finance
 - b. Rick Bartelt, Associate Controller

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9. Budget:

- a. John Martin, Vice President of Finance and Administration
- b. Kim Bendickson-Diem, Associate Vice President of Finance

10. Internal Audit: Barbara Stier, Chief Audit Executive/Chief Compliance Officer

11. Information Technology: Ben Foss, Director of Information Technology



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**Florida Board of Governors State University System
University of Central Florida
Internal Management and Accounting Control and Business
Process Review**

November 2019

Florida Board of Governors State University System
University of Central Florida (UCF) Internal Management and Accounting Control and Business Process Review
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Florida Board of Governors State University System
University of Central Florida (UCF) Internal Management and Accounting Control and Business Process Review
November 2019

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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Review”. The purpose of this review was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe does not express an opinion on the accuracy or efficacy of the material reviewed during the performance of these services.

The scope of our review was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our review of the University of Central Florida (UCF) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our review. Residual risk refers to the level of risk after considering the effectiveness of controls and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our review precludes us from issuing an opinion on UCF’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in UCF’s control structure.

We concluded that seven of the twelve risk categories we evaluated had a minor residual risk rating, and five categories had a low residual risk rating. We also found several opportunities for UCF to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities, but we do not provide an opinion on the system of internal controls. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and UCF management’s responses can be found in the *Observations and Recommendations* section of this report.

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UCF Observations Summary

Risk Category	Description	Risk Rating
Financial Reporting	1. Restricted Funds – Interfund Transfers. UCF has not implemented controls to prevent or detect transfers in or out of restricted funds. Reports may be run on an ad-hoc basis to detect such transfers. This increases the risk that inappropriate transfers and use of restricted funds will go undetected.	Moderate
Information Technology	2. Configuration Management – Configuration Management Program. UCF has not documented a Configuration Management Program, which includes documented policies and procedures for system baseline and security configurations (hardening). This increases the risk of inconsistencies across network security configurations, which may expose UCF to vulnerabilities.	Moderate
Information Technology	3. Information Security Governance – Cybersecurity Risk Management Program. UCF has not implemented an IT and Cybersecurity risk assessment program that defines cybersecurity risks, inherent risk (impact, threats, likelihood), and residual risk. This increases the risk that the university may not identify areas of high inherent risk and take the appropriate steps to prioritize and implement the appropriate mitigating controls.	Low
Information Technology	4. Employee Management – Employee Security Awareness Training. UCF does not provide security training to employees on a reoccurring basis. If employees are not be prepared to identify emerging and evolving threats and tactics, it increases the likelihood of a successful breach.	Low
Information Technology	5. Data Protection – Clean Desk Policy. UCF does not have a university-wide “clean desk” policy. This increases the risk that sensitive information may be viewed or accessed by unauthorized parties.	Low
Information Technology	6. Data Protection – Employee Removable Media. UCF has not implemented technology controls to manage employees’ and contractors’ use of removable media, (i.e. USB drives). This increases the risk of unauthorized disclosure of confidential, personally identifiable, or other sensitive information through loss or misuse of the storage media.	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Review”. The purpose of this review was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe does not express an opinion on the accuracy or efficacy of the material reviewed during the performance of these services.

The scope of our review was focused primarily on financial and operational risks, and secondarily on regulatory compliance risks. It included the twelve universities within the SUS as follows:

- Florida Agricultural and Mechanical University (FAMU)
- Florida Atlantic University (FAU)
- Florida Gulf Coast University (FGCU)
- Florida International University (FIU)
- Florida Polytechnic University (FPU)
- Florida State University (FSU)
- New College of Florida (NCF)
- **University of Central Florida (UCF)**
- University of Florida (UF)
- University of North Florida (UNF)
- University of South Florida (USF)
- University of West Florida (UWF)

This report represents the results of our review of the University of Central Florida (UCF). As part of our review, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of UCF management. Based on this information, we developed a risk and control assessment, the results of which are summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Effectiveness Ratings

We also rated the effectiveness of controls according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control effectiveness ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze UCF's control structure.

Residual Risk Assessment

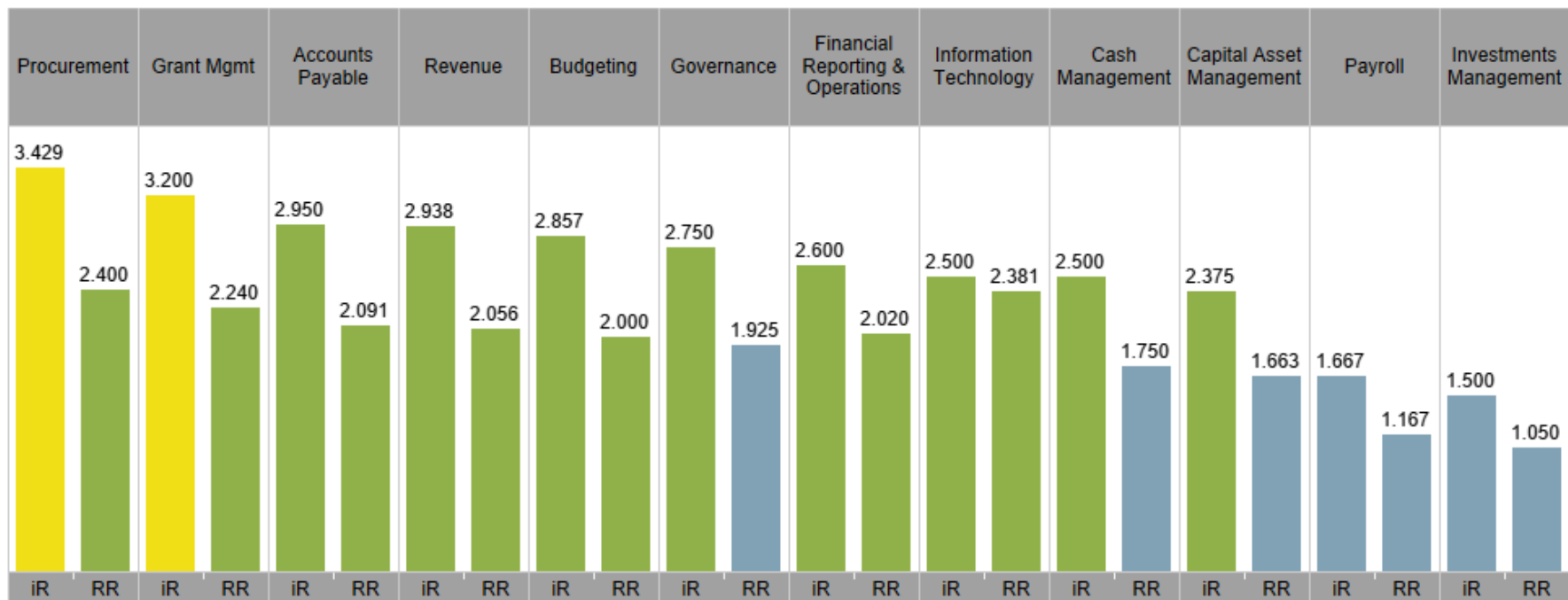
We assigned a control effectiveness rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and control effectiveness. We recognized that each control and its related risk had unique components that would not be fully represented by the control effectiveness or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" in order to provide additional insight into that specific matter.

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We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this review. We assessed the risk factors from the perspective of “inherent risk” (i.e. prior to considering implementation of controls) and “residual risk” (i.e. after consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed seven categories to have a minor level of residual risk and five categories to have a low level of residual risk. UCF’s three highest categories of residual risk were Procurement, Information Technology, and Grant Management. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: UCF Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control effectiveness rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering the effectiveness of controls. The control mitigation effectiveness score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: UCF Inherent vs. Residual Risk with Control Effectiveness Score

Risk Factor Category	iR	Control Mitigation Effectiveness	RR
Accounts Payable	2.950	0.293	2.091
Budgeting	2.857	0.300	2.000
Capital Asset Management	2.375	0.300	1.663
Cash Management	2.500	0.300	1.750
Financial Reporting & Operations	2.600	0.250	2.020
Governance	2.750	0.300	1.925
Grant Mgmt	3.200	0.300	2.240
Information Technology	2.500	0.064	2.381
Investments Management	1.500	0.300	1.050
Payroll	1.667	0.300	1.167
Procurement	3.429	0.300	2.400
Revenue	2.938	0.300	2.056

Conclusion

Based on our procedures, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify several areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how UCF could address these observations, and UCF management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We believe that UCF would benefit from several high-value enhancements such as automating controls over fund transfers within their existing financial reporting ERP modules or when the university begins implementing its new ERP system, which is currently in the planning stages. Additionally, the university could strengthen its control structure over Information Technology risks with several process and procedural enhancements over mobile computing and workspace security.

Finally, we conclude that with continuous advances in technology, universities can exponentially improve the level and reach of services to its students and increase administrative efficiencies. However, a strong risk management framework is critical to maintain pace with the threats that have emerged alongside the advances. These threats pose not only financial risks, but may also impact reputation, safety, and strategic initiatives. UCF should consider strengthening their risk management practices through its developing enterprise risk management program to provide an added level of assurance to its Board of Trustees and to the Board of Governors that the university has taken reasonable measures to manage the risks it faces while pursuing its mission.

III. Objectives and Scope

The purpose of this review was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at UCF, and to provide observations and recommendations to the UCF Board of Trustees, UCF leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at UCF:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe does not express an opinion on the accuracy or efficacy of the material reviewed during the performance of these services. It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our review of UCF have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our review of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated UCF's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with UCF management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

V. Observations and Recommendations

Our procedures yielded six (6) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Financial Reporting	1. Restricted Funds – Interfund Transfers	Moderate
Information Technology	2. Configuration Management – Configuration Management Program	Moderate
Information Technology	3. Information Security Governance – Cybersecurity Risk Management Program	Low
Information Technology	4. Employee Management – Employee Security Awareness Training	Low
Information Technology	5. Data Protection – Clean Desk Policy	Low
Information Technology	6. Data Protection – Employee Removable Media	Low

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Observations and Recommendations

Observation 1	Process Area	Priority Rating
Restricted Funds – Interfund Transfers	Financial Reporting	Moderate

Condition: UCF has not implemented controls to prevent or detect transfers in or out of restricted funds. While reports may be run on an ad-hoc basis to detect such transfers, a process has not been established to review these transactions.

Criteria: Interfund transfers should be prohibited, unless extraordinary circumstances prevail, to prevent unauthorized or inappropriate use of restricted funds.

Root Cause: UCF has not yet prioritized resources to implement controls over fund transfers.

Implication: In the absence of preventive or detective control mechanisms, the risk increases that an inappropriate transfer and/or use of funds will go undetected.

Recommendation: We recommend that UCF configure and implement automated controls within their financial accounting system to restrict interfund transfers. In the short-term UCF should establish a review process to identify and validate all interfund transfers.

Management Response:

The university is establishing an additional automated ERP financial system workflow control at the executive management level to review and approve construction general ledger journals of \$2 million or more prior to posting the journal. Ongoing training will be provided to key personnel to ensure that these controls are effectively and consistently implemented.

Planned for implementation by December 31, 2019.

Observation 2	Process Area	Priority Rating
Configuration Management – Configuration Management Program	Information Technology	Moderate

Condition: Although UCF has documented IT configuration standards, templates, and system baselines for information systems (server, networking device, workstation, mobile devices, etc.), a Configuration Management Program, which includes security configurations (hardening guides) has not been documented. As an example, the configuration standards and templates do not include:

- **Security Impact Statements** – Prior to being placed into production use, each new, or significantly modified, or enhanced information system must include a brief security impact statement that has been prepared according to standard procedures.
- **Acceptance Criteria** – The acceptance criteria for new information systems, upgrades, and the implementation of new versions must include performance and capacity management requirements
- **Security Requirements Identification** – Before an information system undergoes configuration activities, Management must have clearly specified and documented the relevant security requirements.
- **Production Systems Documentation** – Every software or hardware system to be used for production business activities must be clearly documented and approved in advance of its deployment.
- **Security Hardening Standards** – All information systems placed into product must conform to minimum security configurations standards defined by the Information Security Department, which may include but not limited to:
 - **Default Passwords** – All vendor-supplied default passwords must be changed before any computer or communications system is used for business.
 - **User ID Review** – Before any production multi-user computer operating system is installed, all privileged user IDs that are not assigned to a specific employee or partner must be renamed or disabled.
 - **Unnecessary Software** – Software features that could be used to compromise security, and that are clearly unnecessary in the computing environment, must be disabled at the time when software is installed on multi-user systems.
 - **Unnecessary Functionality** – All unnecessary functionality, such as scripts, drivers, features, subsystems, file systems, and unnecessary web servers, must be removed from the computer and communication infrastructure.
 - **System Security Status Tools** – Every multi-user system must include sufficient automated tools to assist the Security Administrator in verifying the security status of the computer and must include mechanisms for the correction of security problems.

- **Certified Organization** – A procedure document should be obtained describing the organization manages configuration compliance. Document any tools used to support this process.
- **System Integrity Checking Software** – Based on risk, information systems must run integrity checking software that detects changes in configuration files system software files, application software files, and other system resources.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 CM-1 as the criteria upon which to evaluate these controls.

Root Cause: UCF has not prioritized the standardization of forming a Configuration Management Program.

Implication: Information systems may not be configured with industry security standards, resulting in configuration inconsistencies across the network increasing the risk of vulnerabilities.

Recommendation: UCF should formally document a Configuration Management Program, which is based on industry IT and Security best practices and should reference all currently documented standards / templates. Additionally, security configuration standards (hardening guides) should be referenced when developing system baselines.

The Configuration Management Program and each standard / guideline should include, but not limited to, the purpose, scope, roles and responsibilities, violations, approval and ownership, and references (if applicable). At a minimum, Management should perform a yearly review, update, and approval of each procedure, standard, and guideline to verify they meet or exceed current industry security standards and practices.

Management Response:

UCF management agrees with the need to document the organization's configuration requirements and procedures, and accordingly has previously established a comprehensive set of such standards, copies of which have been previously provided. As an element of UCF's ongoing efforts to increase the efficacy of its cybersecurity posture, we are implementing NIST 800-53 standards more broadly, while pursuing NIST 800-171 controls where appropriate.

Planned for implementation by August 2020.

Observation 3	Process Area	Priority Rating
Information Security Governance – Cybersecurity Risk Management Program	Information Technology	Low

Condition: UCF has not implemented an IT and Cybersecurity Risk Assessment Program that defines cybersecurity risks, inherent risk (impact, threats, likelihood), and residual risk.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 PM-9 as the criteria upon which to evaluate these controls.

Root Cause: UCF has not prioritized resources to develop an IT and Cybersecurity Risk Assessment Program as recommended by the referenced security standards.

Implication: The organization may not be able to identify areas of high inherent risk and take the appropriate steps to prioritize and implement the appropriate mitigating controls.

Recommendation: UCF should institute a cybersecurity risk assessment process to determine compliance with the university's security requirements and controls. The risk assessment program should include requirements for determining risk, performing assessments to measure control effectiveness, and establishing a risk tolerance threshold.

The program should document the methodology for performing risk assessments, including a "top-down" or "bottom-up" approach.

A "top-down" risk assessment identifies cybersecurity risk(s) at the business or organizational level (i.e. risk scenarios). A "bottom-up" risk assessment assigns risks to organizational asset(s) or software. Each approach should develop and use impact categories to determine how each risk may affect the organization, if realized. The process should include employee surveys and an evaluation of controls, with applicable departments, to determine the impact, likelihood (threat assessment), and residual risk in order to determine inherent cybersecurity risks. UCF should use the outcome of this assessment to prioritize information security initiatives to reduce the overall risk profile. Management should also investigate solutions for developing and implementing a risk management framework.

The "bottom-up" risk assessment can also be utilized during the planning stage of the system development life cycle (SDLC), during the evaluation stage of a vendor product review, and/or annually for critical high-risk systems and when critical changes are made. The chosen risk assessment methodology and process should be evaluated on an annual basis.

The cybersecurity risk assessment process should consider:

1. The criticality of the system;
2. The sensitivity of the information processed;
3. The value of the system or application;
4. The threats associated with the system or application;

5. The likelihood of the threats occurring, and the potential damage of an incident derived from the threat;
6. The system's exposure to the threat;
7. The system's or application's vulnerabilities; and
8. The system interfaces and extent of system interconnections, including internal and external dependencies.

The result(s) of the risk assessment should conclude:

1. Residual risk and risk level (i.e., high, moderate, or low, for each risk).
2. Findings identified based on lack of controls or non-compliance with required controls to reduce the inherent risk.
3. Finding Action Plan – The action taken to remediate, transfer, mitigate or accept the risk.

Management Response:

UCF Management agrees with the essence of the audit recommendation. The UCF Information Security Office strives to comply with the NIST Cybersecurity Framework (CSF) and has several elements of a risk management program in place; these have been previously provided.

Implementing an institution-wide Cybersecurity Risk Management Program will require considerable resources. UCF Information Security Office does not currently have the resources to establish a comprehensive risk management program for the entire organization. The UCF Information Security Office, in collaboration with the University's Compliance & Risk Management Office, will submit a fiscal year 2020-21 request for the resources required to develop a comprehensive internal program. Contingent on resources and applicable scope of IT risk management, the Information Security Office will aim to implement an appropriate Cybersecurity Risk Management Program by Fall 2023.

Planned for Implementation by Fall 2023 (contingent upon funding).

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Observation 4	Process Area	Priority Rating
Employee Management – Employee Security Awareness Training	Information Technology	Low

Condition: Although UCF provides security training to new users upon hire, annual training is not required.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AT-3 as the criteria upon which to evaluate these controls.

Root Cause: UCF has not prioritized resources to provide annual security training to all employees.

Implication: If users are not provided with periodic training, at hire and annually, they may not be prepared to identify emerging threats and tactics and exposes the organization to an increased risk of a breach.

Recommendation: UCF should provide annual security awareness training to users. This training should be updated at least annually to cover current cybersecurity risks and threats. Users should be required to sign an acknowledgement of this training and these acknowledgements should be tracked. In the absence of a robust Learning Management System, universities may consider the use of readily available mobile applications that can be used to track attendance at training events.

Management Response:

UCF Management agrees with the audit recommendation. The UCF Information Security Office is in the process of creating a security awareness policy that will require all employees to complete annual security awareness training. We anticipate the policy will be approved in Spring 2020 and by Fall 2020 every employee will be assigned to an online security awareness training course delivered through the University's learning management system. This meets NIST 800-53 r4 AT-1 and AT-2 requirements. However, to meet the NIST requirement SP 800-53 r5 AT-3, as suggested by the audit, will require additional staff resources and content development. The UCF Information Security Office will submit a fiscal year 2020-21 request for resources to establish a Security Awareness Program Manager position, which will further develop the security awareness program, implement initiatives to increase the reach of awareness efforts, and establish partnerships with other UCF departments.

Planned for implementation by Fall 2020.

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Observation 5	Process Area	Priority Rating
Data Protection – Clean Desk Policy	Information Technology	Low

Condition: Although some departments have clean desk programs, UCF has not created an enterprise wide clean desk program to enforce the standards across the organization.

Criteria: We relied on the ISO 27001 A11.2.9 as the criteria upon which to evaluate these controls.

Root Cause: UCF has not yet prioritized resources to develop a university-wide clean desk policy.

Implication: Lack of a clean desk program can result in users leaving sensitive information where it can be viewed or stolen by unauthorized parties.

Recommendation: UCF should develop a policy to address how physical artifacts deemed sensitive in nature located around an employee's workspace need to be securely stored at the end of each day, or when the employee is away from their desk. The policy should be inclusive of all items that relate to private customer information, passwords, transaction records, private employee information, etc. Suggested requirements include, but are not limited to:

- Locking screens when employees leave their workstation
- Not writing down passwords
- Locking sensitive paper documents when not physically present
- Storing electronic information in designated areas (i.e. not on the local disk)

This policy should be implemented across all departments at UCF. IT should implement a process to periodically perform an inspection of workstation areas to verify departments are compliant with policy.

Management Response:

UCF Management agrees with the audit recommendation. The UCF Information Security Office, in concert with the General Counsel's Office and University Compliance, Ethics, and Risk, will centralize existing policies and training materials into a specific Clean Desk policy and deliver it to the University Policy Committee for approval by Fall 2020.

Planned for Implementation by Fall 2020.

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Observation 6	Process Area	Priority Rating
Data Protection – Employee Removable Media	Information Technology	Low

Condition: Although UCF has documented an administrative policy to require encryption for removable media (i.e., USB drive), their use is not managed. Furthermore, technical controls have not been implemented to restrict access and provide data protections, such as encryption and device authentication outside of the PCI and NIST 800.171 environments.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 MP-1, MP-2, MP-5, MP-7 as the criteria upon which to evaluate these controls.

Root Cause: UCF has not prioritized resources to address the risk of employees using removable media.

Implication: Without restrictions on personnel's use of removable storage media through device encryption, there is the risk of unauthorized disclosure of confidential, personally identifiable, or other sensitive information through the loss or misuse of the storage media.

Recommendation: UCF personnel should only use encrypted devices and their use should be restricted (for both read and write capabilities) to only authorized individuals who have a legitimate business need based on the risk of data and systems. Removable media should also be centrally managed, and only university devices should be used, where possible and appropriate. To account for all files that may be considered sensitive, technical controls should be implemented to force removable media encryption and reduce the risk of sensitive files being lost can be reduced.

Removable media encryption solutions are listed below:

USB Encryption Solutions	
DiskCryptor	https://diskcryptor.net/wiki/Main_Page
Rohos Disk Encryption	https://www.rohos.com/products/rohos-disk-encryption/
PGP Disk	http://www.symantec.com/encryption/
GiliSoft USB Stick Encryption	http://giliSoft.com/product-usb-stick-encryption.htm
KakaSoft USB Security	http://www.kakaSoft.com/usb-security/
Iron Key (Encrypted USB)	http://www.ironkey.com/en-US/

Alternatively, if there is no business need for removable media, it can be restricted using third party tools or through Microsoft Group Policy. The following article provides a walkthrough on how this can be accomplished:

- [https://technet.microsoft.com/en-us/library/Cc772540\(v=WS.10\).aspx](https://technet.microsoft.com/en-us/library/Cc772540(v=WS.10).aspx)

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Management Response:

UCF Management agrees with the audit recommendation and will work on an implementation plan that balances effective controls while avoiding excessive disruption. The UCF IT Endpoint Engineering Team will conduct research during summer of 2020 and determine the feasibility of implementing technical controls in the fall 2020 timeframe.

Planned for Implementation by Fall 2020.

VI. Appendix - List of Interviewees at UCF

The following individuals were interviewed during our onsite visit to UCF the week of June 24, 2019. The name, title, and interview subject are included below for reference.

1. Information Technology – David Canova, Director Enterprise Applications, Mike Sink, Assoc VP & COO, Aaron Stremish, Sr. Director IT Strategy & Planning
2. Grant Management – Michelle Greco, Grant & Regulatory Assoc. Controller, Dorothy Yates, Assoc. VP, Research Admin, Doug Backman, Dir. Sponsored Programs
3. Governance – Liz Klonoff, VP of Research
4. Payroll – Jeremy Armstrong, Payroll Manager
5. Capital Projects – Misty Shepherd, Interim VP for Admin and Finance
6. Compliance, Ethics and Risk Management – Andrea Gandy, Risk Management Director, Christina Serra, Interim Chief Compliance Ethics and Risk
7. Accounts Payable & Procurement – Joel Levenson, Executive Director of Tax, Payables and Procurement
8. Accounting – Brad Hodum, Accounting Operations Interim Controller, Meghan Nelson, Assistant Controller
9. Budgeting – Dennis Crudele, Financial Statement Preparation Interim CFO, Donna DuBuc, University Budgeting Director
10. Information Security – Chris Vakhordjian, Assoc. VP & Chief Security Officer
11. Student Billing – Kelly D'Agostino, Bursar
12. Revenue – Alicia Keaton, Director of Financial Aid
13. Internal Audit – Robert Taft, Internal Audit
14. Board of Trustee – Robert Garvy, Representative



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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS.

The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of the University of Florida (UF) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our assessment precludes us from issuing an opinion on UF’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in UF’s control structure.

We concluded that five of the twelve risk categories we evaluated had a minor residual risk rating, and seven categories had a low residual risk rating. We also found several opportunities for UF to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and UF management’s responses can be found in the *Observations and Recommendations* section of this report.

UF Observations Summary

Risk Category	Description	Risk Rating
Information Technology	1. Employee Management – Termination and Role Changes. Currently, UF has not formally documented a procedure for the timely notification of IT of role changes or terminations to prompt removal of access within a timely manner (i.e. 24 hours) and user access reviews to ensure compliance with the principle of least privilege.	Low
Information Technology	2. Employee Management – Employee Security Awareness Training. UF requires training for employees before role access is granted to specific Restricted Data types, but UF has not established an Information Security Training Program to provide all employees with training on-hire and on an annual basis.	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material assessed during the performance of these services.

The scope of our assessment was focused primarily on financial and operational risks, and secondarily on regulatory compliance risks. It included the twelve universities within the SUS as follows:

- Florida Agricultural and Mechanical University (FAMU)
- Florida Atlantic University (FAU)
- Florida Gulf Coast University (FGCU)
- Florida International University (FIU)
- Florida Polytechnic University (FPU)
- Florida State University (FSU)
- New College of Florida (NCF)
- University of Central Florida (UCF)
- **University of Florida (UF)**
- University of North Florida (UNF)
- University of South Florida (USF)
- University of West Florida (UWF)

This report represents the results of our assessment of the University of Florida (UF). As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of UF management. Based on this information, we developed a risk and control assessment, the results of which are summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Ratings

We also rated the internal controls in place according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze UF's control structure.

Residual Risk Assessment

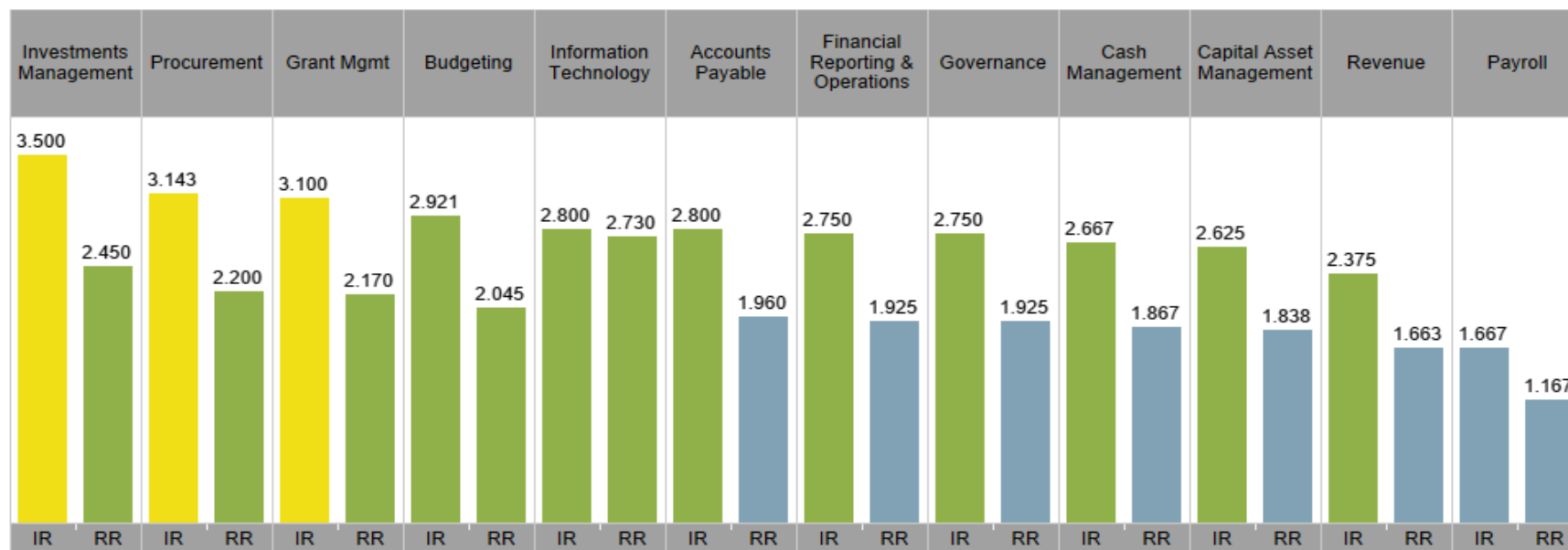
We assigned a control effectiveness rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and system of internal control. We recognized that each control and its related risk had unique components that would not be fully represented by the control or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" to provide additional insight into that specific matter.

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We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of “inherent risk” (i.e. prior to considering implementation of controls) and “residual risk” (i.e. after consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed five categories to have a minor level of residual risk and seven categories to have a low level of residual risk. UF’s three highest categories of residual risk were Information Technology, Investment Management, and Procurement. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: UF Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: UF Inherent vs. Residual Risk with Control Rating

Risk Factor Category	IR	Control Mitigation Effectiveness	RR
Accounts Payable	2.800	0.300	1.960
Budgeting	2.921	0.300	2.045
Capital Asset Management	2.625	0.300	1.838
Cash Management	2.667	0.300	1.867
Financial Reporting & Operations	2.750	0.300	1.925
Governance	2.750	0.300	1.925
Grant Mgmt	3.100	0.300	2.170
Information Technology	2.800	0.050	2.730
Investments Management	3.500	0.300	2.450
Payroll	1.667	0.300	1.167
Procurement	3.143	0.300	2.200
Revenue	2.375	0.300	1.663

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Conclusion

Based on our procedures, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify a few areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how UF could address these observations, and UF management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We believe that UF would benefit from several high-value enhancements, such as establishing an Information Security Training Program to provide to employees with training on-hire and on an annual basis. An evolving, annual Security Training Program is critical to maintain pace with the threats that have emerged alongside the continuous advances in technology. These threats pose not only financial risks, but may also impact reputation, safety, and strategic initiatives.

Finally, we conclude that the university can improve administrative efficiencies with established policies and procedures. A couple areas where we noted a need for improvement was in an enterprise-wide established clean desk program and procedures for timely notification to IT of employee role changes/terminations. A clean desk policy established enterprise-wide can enhance the workplace security. Procedures over notifying IT of role changes and terminations can hold university employees to established standards to ensure timely offboarding of access.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at UF, and to provide observations and recommendations to the UF Board of Trustees, UF leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at UF:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our assessment of UF have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated UF's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with UF management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

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V. Observations and Recommendations

Our procedures yielded two (2) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Information Technology	1. Employee Management – Termination and Role Changes	Low
Information Technology	2. Employee Management – Employee Security Awareness Training	Low

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Observations and Recommendations

Observation 1	Process Area	Priority Rating
Employee Management – Termination and Role Changes	Information Security	Low

Condition: UF has not formally documented a procedure for the timely notification of IT of role changes or terminations to prompt removal of access within a timely manner (i.e. 24 hours) and user access reviews to ensure compliance with the principle of least privilege. A process will be implemented by the end of calendar year 2019 to provide a report to the Departmental Security Administrators for all terminated and transferred employees that will assist a timely removal of roles and access granted at the departmental level.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 PS-4 as the criteria upon which to evaluate these controls.

Root Cause: UF has not prioritized documenting its practices for terminations and role changes due to its reliance on experienced staff members with substantial institutional knowledge.

Implication: Employees may retain permissions related to their old roles or maintain access to the organization's systems after the termination of their employment.

Recommendation: UF should continue the project plan for the implementation of a periodic report that will be provided to Departmental Security Administrators to facilitate a timely removal of roles and reconfiguration of access. Additionally, this process should be documented within a procedure to verify consistence for the removal or modification of access.

Management Response:

UF management disagrees with the observation. NIST 800-53 r5 referenced in this audit has not been released in a final version and is still under review by the Office of Management and Budget, Office of Information and Regulatory Affairs. Instead, UF conforms to the most current version, NIST 800-53 r4.

As stated previously, the university has documented standards and procedures for removal of inappropriate access upon termination of employees:

- The UF Account Management Standard requires that accounts and authorizations be promptly modified when a user's job duties change. <https://it.ufl.edu/policies/information-security/related-standards-and-documents/account-management-standard/>
- The UF HR Employee Exit Checklist includes steps to disable accounts. https://hr.ufl.edu/wp-content/uploads/2018/04/exit_checklist.pdf
- The information security risk assessment process addresses all aspects of data protection, including access management, using controls selected from NIST 800-53r4.
- Roles require an annual re-certification by the Departmental Security Administrator to verify the continued need for access.

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UF began a multi-phase project in 2018 to implement improved processes for prompt removal of access rights. The first phase was implemented on January 30, 2019, to automate removal of roles that grant access to HR, Finance and Student systems the morning after a termination date occurs in PeopleSoft. The second phase, a report to Departmental Security Administrators (DSAs) of transferred employees to facilitate timely removal of inappropriate roles and access granted at the departmental level, was implemented October 31, 2019. As part of the second phase, an email was sent to all DSAs informing them of their responsibility to review and update enterprise security roles for transferred employees. The third and final phase is on target to be completed by December 31, 2019. Phase 3 will enhance the report to DSAs to include terminated employees.

It is important to note that many former employees retain their account access after separating from the university to services such as: Library, email, etc. Instances in which this is the case include retired faculty that are guaranteed continuing access by contract, and alumni that need the ability to access their educational records. Because of this, the university is focused on processes to remove roles, rights, and permissions that are no longer appropriate rather than termination of accounts.

Crowe Comment:

During our assessment, UF provided a standard and a checklist. They did not provide documented procedures, which is what the condition has referenced. While management's response indicates the basis for procedures that UF may utilize; based on the evidence provided there were no procedures for how the university or each business unit actually adhered to the standards provided.

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 University of Florida (UF) Internal Management and Accounting Control and Business Process Assessment
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Observation 2	Process Area	Priority Rating
Employee Management – Security Awareness Training	Information Security	Low

Condition: Although UF requires training for employees before role access is granted to specific Restricted Data types, UF has not established an Information Security Training Program to provide all employees with training on-hire and on an annual basis.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AT-3 as the criteria upon which to evaluate these controls.

Root Cause: UF has not prioritized resources to address the risk of employees not receiving security awareness training.

Implication: Cybersecurity is a constantly changing field. If employees are not provided with continuous training, they may not be prepared to identify newer threats and tactics and can expose the organization to risk.

Recommendation: UF should implement an on-hire and annual security training program for all employees. This training should be updated at least annually to cover current cybersecurity threats. This program should include a holistic approach, with both periodic security awareness exercises and specialized training for IT skill development. Employees should be required to sign an acknowledgement of this training and these acknowledgements should be tracked to ensure compliance.

Management Response:

UF management partially agrees with the observation. NIST 800-53 r5 referenced in this audit has not been released in a final version and is still under review by the Office of Management and Budget, Office of Information and Regulatory Affairs. Instead, UF conforms to the most current version, NIST 800-53 r4.

As stated previously, UF requires role-based training for employees working with specific data types. This training is privacy-focused but includes security content. UFIT offers optional security awareness training in a variety of formats, including just-in-time, online and classroom delivered content.

UF provides the following required online role-based training:

- HIPAA & Privacy – General Awareness
- FERPA Basics
- FERPA for Faculty
- Protecting Social Security Numbers & Identity Theft Prevention
- Payment Card Security Awareness Training
- UF also provides optional security awareness training, available at <https://training.it.ufl.edu/training/>:
- UF Restricted Data Training
- Cyber Security at UF

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University of Florida (UF) Internal Management and Accounting Control and Business Process Assessment
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As an example, in calendar year 2019 alone, UFIT offered the following security awareness messaging to all employees:

- 10 UFIT News stories, published on <https://news.it.ufl.edu/>
- 5 stories in email (such as Faculty Update) sent to all faculty
- 7 stories in email (such as Gator Times) sent to all students
- 4 stories in email (such as UF at Work) sent to all staff
- 109 social media posts (Facebook, Twitter and Instagram)
- 5 live training events
- Various other placements, including The Alligator, UF Health Post, and UFH Villager

Additionally, UF has purchased KnowBe4 security awareness training, and will conduct simulated phishing exercises against faculty, staff and students and deliver just-in-time training. UF will provide mandatory security awareness training to all new hires. UF will also provide training to employees who demonstrate the need for additional training. UF will start mandatory training in July 2020.

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 University of Florida (UF) Internal Management and Accounting Control and Business Process Assessment
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VI. Appendix - List of Interviewees at UF

The following individuals were interviewed during our onsite visit to UF the week of July 29, 2019. The name, title, and interview subject are included below for reference.

1. Payroll – Alan West, Assistant VP and Controller, Brad Bennett, Sr. Assoc Controller, Scott Easton, Assoc. Controller
2. Bursar/Student Account/Billing/Student AR - Alan West, Assistant VP and Controller, Brad Bennett, Sr. Assoc Controller, Terry Wooding
3. Cash Management & Investments – Mike McKee, CFO, Alan West, Assistant VP and Controller, Brad Bennett, Sr. Assoc Controller, Shane Anderson, Asst. Controller Ed Kelly, UFICO
4. Budget – George Kolb, Asst. VP
5. Accounts Payable – Alan West, Assistant VP and Controller, Randy Staples, Assoc. Controller
6. Planning, Design and Construction – Gene Herring, Director of Capital Programs and Financial Management, Curtis Reynolds, VP of Business Affairs
7. Construction Accounting & Capital Asset Management – Alan West, Assistant VP and Controller, Brenda Harrell, Asst. Controller, Ryan Parris, Asst. Controller
8. Preparation/Issuance of Audit Financial Statements – James House, Asst. Controller, Patrice Lecomte, Assoc. Controller, Alan West, Asst. VP and Controller
9. Revenue/Accounts Receivable – Patrice Lecomte, Assoc. Controller, Alan West, Asst. VP and Controller
10. Internal Audit – Joe Canella, Internal Audit
11. Information Technology – Rob Adams, CISO
12. Procurement – Lisa Deal, Asst. VP and Chief Procurement Officer, Nicola Heredia, Director
13. Grant & Regulatory Reporting Compliance – Tiffany Schmidt, Director of Sponsored Programs, Stephanie Gray, Asst. VP Sponsored Programs
14. Sponsored Program Accounts Receivable – Tiffany Schmidt, Director of Sponsored Programs, Stephanie Gray, Asst. VP Sponsored Programs
15. UF Board of Trustees Finance Committee Chair, Thomas Kuntz



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Florida Board of Governors State University System
University of North Florida
Internal Management and Accounting Control and Business
Process Assessment

November 2019

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Florida Board of Governors State University System
University of North Florida (UNF) Internal Management and Accounting Control and Business Process Assessment
November 2019

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I. Executive Summary

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The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of the University of North Florida (UNF) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our assessment precludes us from issuing an opinion on UNF’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in UNF’s control structure.

We concluded that one of the twelve risk categories we evaluated had a minor residual risk rating, and eleven categories had a low residual risk rating. We also found several opportunities for UNF to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and UNF management’s responses can be found in the *Observations and Recommendations* section of this report.

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 University of North Florida (UNF) Internal Management and Accounting Control and Business Process Assessment
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UNF Observations Summary

Risk Category	Description	Risk Rating
Information Technology	<p>1. Data Protection – Mobile Device Management. UNF has not documented a Mobile Device Management policy for employees and contractors which details requirements for mobile device security. This increases the risk that sensitive UNF information may be compromised if a malicious actor gains access to the phone or other mobile device.</p>	Low
Information Technology	<p>2. Information Security – Clean Desk Policy. UNF does not have a university-wide “clean desk” policy. This increases the risk that sensitive information may be viewed or accessed by unauthorized parties.</p>	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material assessed during the performance of these services.

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- Florida State University (FSU)
- New College of Florida (NCF)
- University of Central Florida (UCF)
- University of Florida (UF)
- **University of North Florida (UNF)**
- University of South Florida (USF)
- University of West Florida (UWF)

This report represents the results of our assessment of UNF. As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of UNF management. Based on this information, we developed a risk and control assessment, summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

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Control Ratings

We also rated the internal controls in place according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze UNF's control structure.

Residual Risk Assessment

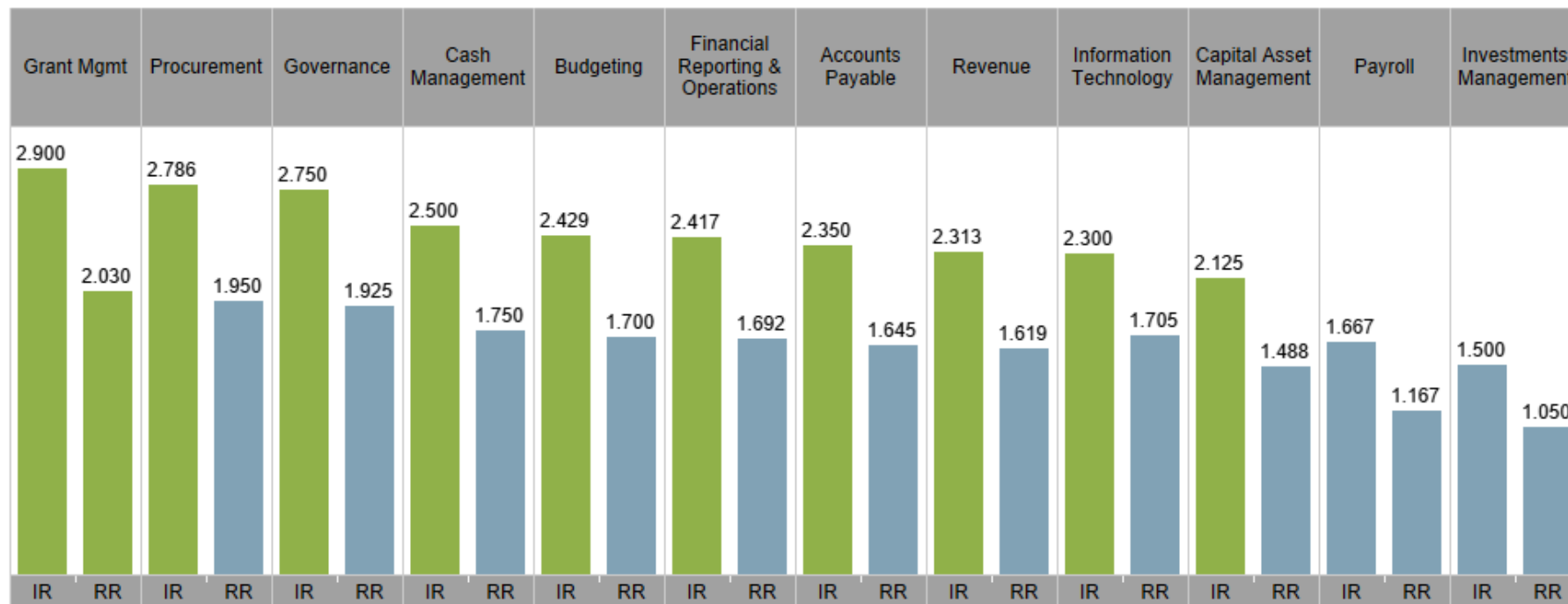
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We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of “inherent risk” (i.e. prior to considering implementation of controls) and “residual risk” (i.e. after consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed one category to have a minor level of residual risk and eleven categories to have a low level of residual risk. UNF’s three highest categories of residual risk were Grant Management, Procurement, and Governance. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: UNF Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: UNF Inherent vs. Residual Risk with Control Rating

Risk Factor Category	IR	Control Mitigation Effectiveness	RR
Accounts Payable	2.350	0.300	1.645
Budgeting	2.429	0.300	1.700
Capital Asset Management	2.125	0.300	1.488
Cash Management	2.500	0.300	1.750
Financial Reporting & Operations	2.417	0.300	1.692
Governance	2.750	0.300	1.925
Grant Mgmt	2.900	0.300	2.030
Information Technology	2.300	0.265	1.705
Investments Management	1.500	0.300	1.050
Payroll	1.667	0.300	1.167
Procurement	2.786	0.300	1.950
Revenue	2.313	0.300	1.619

Conclusion

Based on our procedures we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify several areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how UNF could address these observations, and UNF management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We believe that UNF would benefit from several low-cost, high-value enhancements such as:

1. Strengthening security policies around mobile computing,
2. Communicating policies and best practices for securing sensitive information (e.g. a clean desk policy), and
3. Training employees to be aware of and properly respond to security threats.

Finally, we conclude that with continuous advances in technology, universities can exponentially improve the level and reach of services to its students and increase administrative efficiencies. However, a strong risk management framework is critical to maintain pace with the threats that have emerged alongside the advances. These threats pose not only financial risks, but may also impact reputation, safety, and strategic initiatives. UNF should consider strengthening their risk management practices through a more formal, systematic approach in order to provide an added level of assurance to its Board of Trustees and to the Board of Governors that the university has taken reasonable measures to manage the risks it faces in the course of pursuing its mission.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at UNF, and to provide observations and recommendations to the UNF Board of Trustees, UNF leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at UNF:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our assessment of UNF have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated UNF's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with UNF management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

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V. Observations and Recommendations

Our procedures yielded two (2) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Information Technology	1. Data Protection – Mobile Device Management	Low
Information Technology	2. Information Security – Clean Desk Policy	Low

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Observations and Recommendations

Observation 1	Process Area	Priority Rating
Data Protection – Mobile Device Management	Information Technology	Low

Condition: UNF has not documented a Mobile Device Management policy for employees and contractors, which details requirements for the security of mobile devices.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AC-19 as the criteria upon which to evaluate these controls.

Root Cause: UNF has not prioritized resources to develop a mobile device management policy for its employees and contractors who use their personal mobile devices to access UNF email or other applications.

Implication: Employees or contractors who use UNF email on their phones without security protections are at risk of compromising UNF information if a malicious actor gains access to the phone, both physically or remotely.

Recommendation: UNF should develop a policy to inform users of the security controls that are required through the information security program for the user of UNF email on their personal phones. Information security standards should include, but not limited to, full disk encryption, a secure PIN, and a lockout policy. UNF should also consider using a Mobile Device Management solution. For example, while we do not endorse any specific products, the VMware ® AirWatch is one of many solutions that may be implemented to enforce these controls and remotely wipe devices in the event that they are lost or stolen.

Management Response:

We agree with the recommendation for a Mobile Device Management (MDM) policy. Accordingly, we are working toward updating our current policies to incorporate these issues. We should have these policy statements in place by the Spring of 2020. We also agree with the suggestion for a MDM solution. To that end, we had already initiated a project to implement such as solution.

Implementation Plan: We expect this project to be completed by Fall 2020 or Spring 2021.

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Observation 2	Process Area	Priority Rating
Information Security – Clean Desk Policy	Information Technology	Low

Condition: Although some departments have clean desk programs, UNF has not created an enterprise wide clean desk program to enforce the standards across the organization.

Criteria: The audit evaluated controls utilizing regulator guidance and industry best practices, including the National Institute of Standards and Technology (NIST), NIST Cybersecurity Framework and SANS Critical Security Controls.

Root Cause: UNF has not yet prioritized resources to develop a university-wide clean desk policy.

Implication: Lack of a clean desk program can result in users leaving sensitive information where it can be viewed or stolen by unauthorized parties.

Recommendation: UNF should develop a policy to address how physical artifacts deemed sensitive in nature located around an employee's workspace need to be securely stored at the end of each day, or when the employee is away from their desk. The policy should be inclusive of all items that relate to private customer information, passwords, transaction records, private employee information, etc. Suggested requirements include, but are not limited to:

Management Response:

We agree with the recommendation for a Clean Desk Policy. We have already drafted a policy that is currently in the management review stage.
 Implementation Plan: We expect to have this policy published by Spring 2020.

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VI. Appendix - List of Interviewees at UNF

The following individuals were interviewed during our onsite visit to UNF the week of June 24, 2019. The name, title, and interview subject are included below for reference.

1. Accounts Payable & Procurement:
 - a. Valerie Stevenson, University Controller
 - b. Shawn Asmuth, Director of Procurement
2. Budgeting and Financial Management:
 - a. Valerie Stevenson, University Controller
 - b. Devany Grooves, Budget Director
3. Governance:
 - a. Shari Shuman, Vice President for Administration and Finance
 - b. Scott Bennett, Chief Information Officer
4. Grants Management: John Kantner, Associate Vice President for Research
5. Information Technology: Scott Bennett, Chief Information Officer
6. Payroll:
 - a. Valerie Stevenson, University Controller
 - b. Carrie Guth, Director of Human Resources
7. Cash Management and Investments:
 - a. Valerie Stevenson, University Controller
 - b. Mike Neglia, University Treasurer
8. Student Billing: Valerie Stevenson, University Controller
9. Capital Asset Management:
 - a. Valerie Stevenson, University Controller
 - b. John Hale, Associate Vice President for Administration and Finance



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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS.

The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of the University of South Florida (USF) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our assessment precludes us from issuing an opinion on USF’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in USF’s control structure.

We concluded that five of the twelve risk categories we evaluated had a minor residual risk rating, and seven categories had a low residual risk rating. We also did not identify any reportable gaps in internal control where USF could improve controls or risk mitigation activities.

USF Observations Summary

Crowe noted no observations.

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material assessed during the performance of these services.

The scope of our assessment was focused primarily on financial and operational risks, and secondarily on regulatory compliance risks. It included the twelve universities within the SUS as follows:

- Florida Agricultural and Mechanical University (FAMU)
- Florida Atlantic University (FAU)
- Florida Gulf Coast University (FGCU)
- Florida International University (FIU)
- Florida Polytechnic University (FPU)
- Florida State University (FSU)
- New College of Florida (NCF)
- University of Central Florida (UCF)
- University of Florida (UF)
- University of North Florida (UNF)
- **University of South Florida (USF)**
- University of West Florida (UWF)

This report represents the results of our assessment of the University of South Florida (USF). As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of USF management. Based on this information, we developed a risk and control assessment, the results of which are summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Ratings

We also rated the internal controls in place according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze USF's control structure.

Residual Risk Assessment

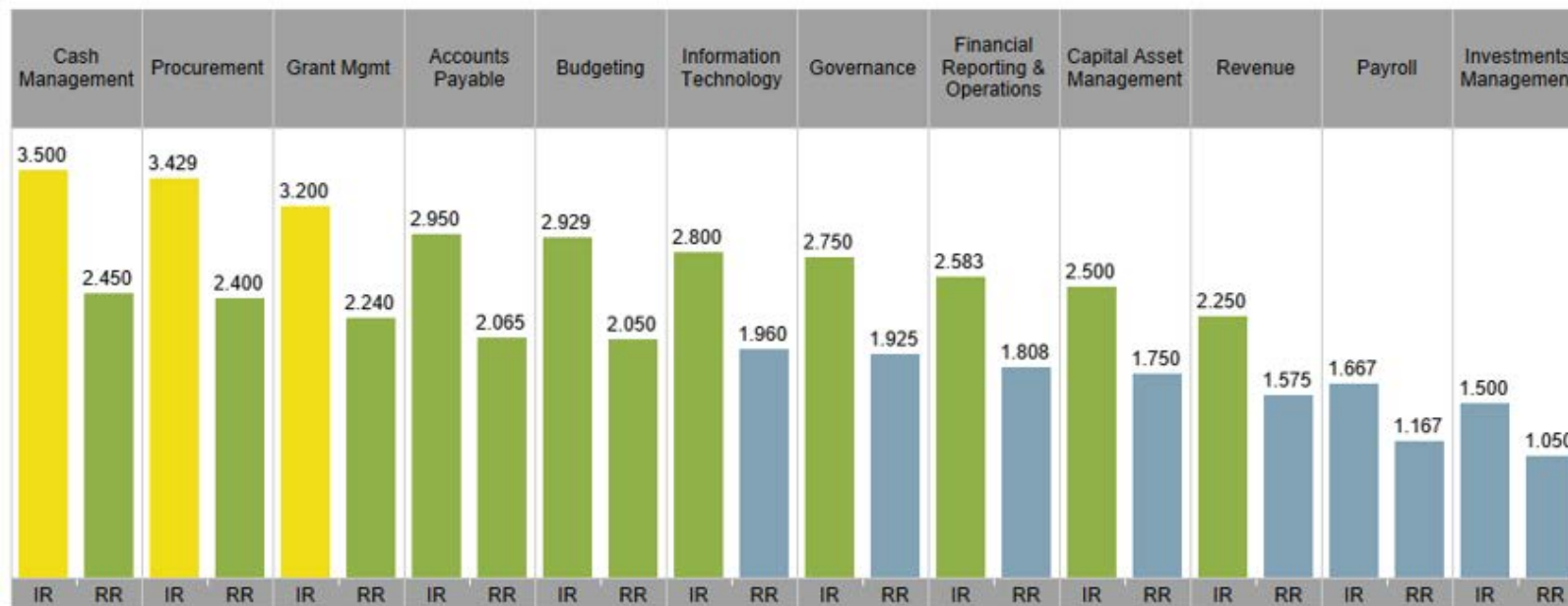
We assigned a control rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and system of internal control. We recognized that each control and its related risk had unique components that would not be fully represented by the control or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" to provide additional insight into that specific matter.

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We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of “inherent risk” (i.e. prior to considering implementation of controls) and “residual risk” (i.e. after consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed five categories to have a minor level of residual risk and seven categories to have a low level of residual risk. USF’s three highest categories of residual risk were Cash Management, Procurement, and Grant Management. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: USF Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: USF Inherent vs. Residual Risk with Control Rating

Risk Factor Category	IR	Control Mitigation Effectiveness	RR
Accounts Payable	2.950	0.300	2.065
Budgeting	2.929	0.300	2.050
Capital Asset Management	2.500	0.300	1.750
Cash Management	3.500	0.300	2.450
Financial Reporting & Operations	2.583	0.300	1.808
Governance	2.750	0.300	1.925
Grant Mgmt	3.200	0.300	2.240
Information Technology	2.800	0.300	1.960
Investments Management	1.500	0.300	1.050
Payroll	1.667	0.300	1.167
Procurement	3.429	0.300	2.400
Revenue	2.250	0.300	1.575

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Conclusion

Based on our procedures, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). In addition, our risk and control assessment did not identify any specific gaps in control or areas to significantly improve risk management and control practices. Therefore, no observations were noted.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at USF, and to provide observations and recommendations to the USF Board of Trustees, USF leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at USF:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our assessment of USF have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated USF's risk management and control structure based on the information gathered above.
6. Where applicable, we identified gaps in controls and process improvement opportunities.
7. We have confirmed with USF management the factual basis for our conclusions.

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V. Observations and Recommendations

Our procedures did not yield any observations in areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level.

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VI. Appendix - List of Interviewees at USF

The following individuals were interviewed during our onsite visit to USF the week of August 12, 2019. The name, title, and interview subject are included below.

1. Accounts Payable & Procurement:
 - a. Jennifer Condon, University Controller
 - b. Robert Hunt, Associate Controller for Payment Services
 - c. George Cotter, Director for Procurement Services
 - d. Russ Nally, Associate controller for Accounting & Reporting Services
2. Budgeting and Financial Management: Jennifer Condon, University Controller
3. Capital Asset Management:
 - a. Jennifer Condon, University Controller
 - b. Calvin Williams, VP Facilities Management
4. Cash Management:
 - a. Jennifer Condon, University Controller
 - b. Russ Nally, Associate controller for Accounting & Reporting Services
5. Grant Management: Keith Anderson, Director of Sponsored Research
6. Student Billing: Jennifer Condon, University Controller
7. Payroll: Donna Keener, Assistant Vice President Human Resources
8. Information Technology: Sidney Fernandes, Chief Information Officer
9. Compliance & Ethics: Jeff Muir, Compliance Officer



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I. Executive Summary

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this Assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS.

The scope of our assessment was focused on financial and operational risks, and regulatory compliance risks among the twelve universities within the SUS.

We have presented the results of our assessment of the University of West Florida (UWF) in this report. We used our risk rating methodology to evaluate and score sixty-two (62) risks statements grouped into twelve categories. Our conclusions were based on the level of residual risk and any control gaps or weaknesses noted during our assessment. Residual risk refers to the level of risk after considering the internal controls in place and other activities implemented to mitigate that risk. An in-depth discussion of our approach and rating methodology can be found in the *Assessment Overview* section of this report.

Conclusion

While the scope of our procedures precludes us from issuing an opinion on UWF’s system of internal controls, based on our procedures we noted no risk categories with a high level of residual risk, or significant control gaps or weaknesses in UWF’s control structure.

We concluded that nine of the twelve risk categories we evaluated had a minor residual risk rating, and three categories had a low residual risk rating. We also found several opportunities for UWF to strengthen internal controls, identified as “observations” in the table below. We have highlighted these observations as specific opportunities to improve controls or risk mitigation activities. The risk rating for each observation is indicative of the risk to university objectives posed by this gap in internal controls and is separate and distinct from the residual risk ratings in each category. Additional information on these observations, our recommendations to address them, and UWF management’s responses can be found in the *Observations and Recommendations* section of this report.

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 University of West Florida (UWF) Internal Management and Accounting Control and Business Process Assessment
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UWF Observations Summary

Risk Category	Description	Risk Rating
Procurement	1. Contract Management – Shared Services Contracts. UWF has not established roles and responsibilities for managing shared service contracts. As a result, it was unclear how UWF established contract ownership and vendor performance monitoring, as well as how it verified that appropriate insurance, data privacy, and intellectual property protections were in place.	Moderate
Procurement	2. Policies and Procedures – Vendor Setup and Monitoring. UWF did not have documented standards or processes for vendor performance monitoring, as stipulated in BOG regulations 18.001, subsection (f). Therefore, it was unclear what standard practices, roles, and responsibilities had been implemented.	Moderate
Information Security	3. Business Continuity Management – Incident Classification. UWF does not have documented procedures or a classification schema to prioritize and respond to cybersecurity incidents. This increases the risk that UWF may not be able to appropriately and effectively respond to threats.	Moderate
Information Security	4. Data Protection – Employee Removable Media. UWF has not established a policy or technology controls to manage employees' and contractors' use of removable media, (i.e. USB drives). This increases the risk of unauthorized disclosure of confidential, personally identifiable, or other sensitive information through loss or misuse of the storage media.	Low
Information Security	5. Employee Management – Employee Security Awareness Training. UWF does not provide security training to employees on a reoccurring basis. If employees are not be prepared to identify emerging and evolving threats and tactics, it increases the likelihood of a successful breach.	Low
Information Security	6. Data Protection – Employee Mobile Device Management Policy. UWF has not documented a Mobile Device Management policy for employees and contractors which details requirements for mobile device security. This increases the risk that sensitive UWF information may be compromised if a malicious actor gains access to the phone	Low

II. Assessment Overview

The Board of Governors (the “Board” or “BOG”) of the Florida State University System (SUS) engaged Crowe LLP to perform a system-wide “Internal Management and Accounting Control and Business Process Assessment”. The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We performed these consulting services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. These services do not constitute an audit, review, or examination in accordance with standards established by the American Institute of Certified Public Accountants, and therefore, Crowe did not express an opinion on the accuracy or efficacy of the material assessed during the performance of these services.

The scope of our assessment was focused primarily on financial and operational risks, and secondarily on regulatory compliance risks. It included the twelve universities within the SUS as follows:

- Florida Agricultural and Mechanical University (FAMU)
- Florida Atlantic University (FAU)
- Florida Gulf Coast University (FGCU)
- Florida International University (FIU)
- Florida Polytechnic University (FPU)
- Florida State University (FSU)
- New College of Florida (NCF)
- University of Central Florida (UCF)
- University of Florida (UF)
- University of North Florida (UNF)
- University of South Florida (USF)
- **University of West Florida (UWF)**

This report represents the results of our assessment of the University of West Florida (UWF). As part of our assessment, we obtained an understanding of BOG regulations, university policies, procedures, processes and business requirements. In addition, we sent surveys and conducted interviews with various members of UWF management. Based on this information, we developed a risk and control assessment, the results of which are summarized below.

Inherent Risk Assessment

We developed an inherent risk assessment for each university in the SUS. The inherent risk assessments consisted of a list of risk factors which, based on our research and experience, are relevant, impactful, and likely to occur in a university environment. We rated some inherent risks differently across universities due to environmental or organizational variables (e.g. research-based universities, student enrollment, campus location(s), age of infrastructure, student housing, etc.). At this point in the assessment we did not yet consider the specific risk management and controls that each university had in place to mitigate these risks. It was designed to provide a baseline upon which to measure control effectiveness at the university level.

Risk Rating Scale

Impact	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

Likelihood	Score
Remote	1
Improbable	2
Possible	3
Probable	4
Almost Certain	5

Risk Rating	Score
Low	1
Minor	2
Moderate	3
High	4
Severe	5

We established the threshold for reportable risk levels at a residual risk score of 4 or higher.

We established a risk rating methodology to assign a score to each risk factor in the assessment as illustrated above. Our risk rating methodology considered two criteria, "Impact" and "Likelihood". The "Risk Rating" represents the average of those two scores. The impact criterion addressed the effect on financial, operational, or compliance objectives if the risk factor were to occur. The likelihood criterion addressed the probability that the risk would occur in the current environment. Our scores were based on a five-point rating scale with one (1) representing the lowest, and five (5) representing the highest risk score. We labeled the risk rating in the same manner as the impact criterion for the purpose of simplicity and consistency.

Control Ratings

We also rated the internal controls in place according to the three criteria below. The percentage assigned to each rating represents the reduction in perceived levels of risk and was used to calculate the residual risk score.

- No Observations Noted (30% reduction to the inherent risk rating),
- Needs Improvement (15% reduction to the inherent risk rating), or
- Inadequate (0%, no reduction to the inherent risk rating)

We based the control ratings on the results of our research, discussions with management, and the supporting documentation they provided to help us analyze UWF's control structure.

Residual Risk Assessment

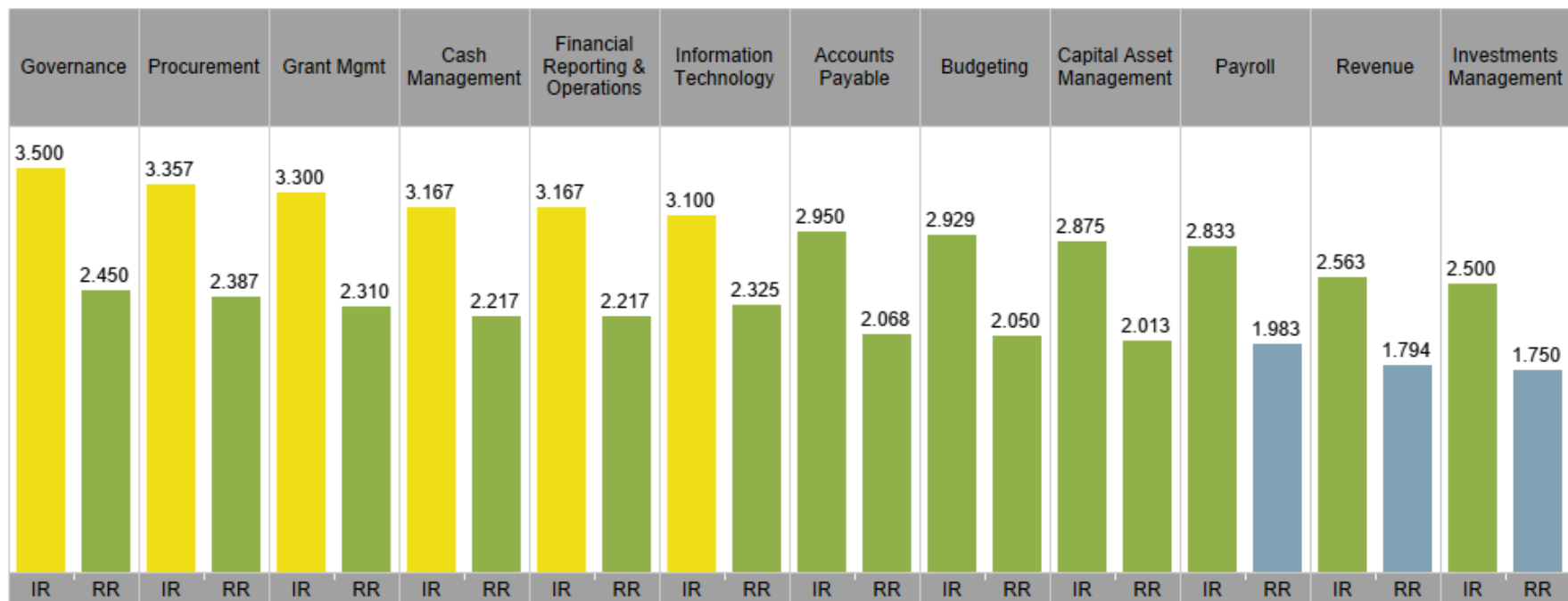
We assigned a control rating to each control to arrive at a residual risk rating in a consistent manner. The residual risk assessment was intended to provide an overview of the university's risk management and system of internal control. We recognized that each control and its related risk had unique components that would not be fully represented by the control or residual risk rating. Therefore, we developed an observation and recommendation for controls rated as "Needs Improvement" or "Inadequate" in order to provide additional insight into that specific matter.

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We used the risk category ratings, as illustrated in **Exhibit 1** below, to summarize the sixty-two (62) risk statements which we evaluated and scored during this assessment. We assessed the risk factors from the perspective of “inherent risk” (i.e. prior to considering implementation of controls) and “residual risk” (i.e. after consideration of controls in place to mitigate the risk). In total we grouped risks into twelve categories and deemed nine categories to have a minor level of residual risk and three categories to have a low level of residual risk. UWF’s three highest categories of residual risk were Governance, Procurement, and Information Technology. However, based on our methodology, all risk categories were below our threshold for a reportable observation.

The bar graph illustrates the difference between the average inherent and residual risk scores for each risk category. Please note that if an individual risk factor exceeded the threshold, we would have reported an observation and recommendation for those factors. However, we did not note any individual risk factors that exceeded the threshold, and these key functions/risk categories also have average residual risk scores below our threshold. This is an indicator that our observations identified were not systemic to the functional area.

Exhibit 1: UWF Inherent vs. Residual Risk by Category



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Exhibit 2 highlights similar information but uses different visualizations to illustrate how the control rating reduced the level of inherent risk (i.e. resulting in the residual risk score). The inherent risk represents the baseline score in each category prior to considering internal controls. The control mitigation score represents our assessment of the controls in each category. The residual risk score is the net result of the two scores and is used to indicate whether the control structure was adequately designed to mitigate the associated risks to a reasonable level. Again, this exhibit indicates that all risk categories had average residual risks below our threshold for reportable observations.

Exhibit 2: UWF Inherent vs. Residual Risk with Control Rating

Risk Factor Category	IR	Control Mitigation Effectiveness	RR
Accounts Payable	2.950	0.299	2.068
Budgeting	2.929	0.300	2.050
Capital Asset Management	2.875	0.300	2.013
Cash Management	3.167	0.300	2.217
Financial Reporting & Operations	3.167	0.300	2.217
Governance	3.500	0.300	2.450
Grant Mgmt	3.300	0.300	2.310
Information Technology	3.100	0.250	2.325
Investments Management	2.500	0.300	1.750
Payroll	2.833	0.300	1.983
Procurement	3.357	0.289	2.387
Revenue	2.563	0.300	1.794

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Conclusion

Overall, we noted no individual risk factors which arose to the level of a reportable observation (i.e. a residual risk score of 4 or greater). However, our risk and control assessment enabled us to identify several areas to improve risk management and control practices. Additional detail on these observations, our recommendations on how UWF could address these observations, and UWF management's responses to our recommendations have been provided in the *Observations and Recommendations* section of this report.

We also noted a common theme throughout our assessment that the university would likely benefit from an enhanced focus in the areas where third-party risk management and data protection intersect. While we have addressed specific risks in our observations and recommendations, we understand that this is an area in which UWF and many other higher education institutions are expanding or will be planning to expand their operational activities. For example, the number of providers and types of services in this area is rapidly expanding, and consequently, so are the associated risks. For example, university student support, call centers, or collection agencies are commonly granted access to student account information. Payroll service providers receive and transmit data electronically, and cloud-based storage services are becoming an increasingly efficient and inexpensive way in which to manage large amounts of data, including personally identifiable and sensitive data.

While these advances in technology can exponentially improve the level and reach of services to students, and increase administrative efficiencies, a strong risk management framework is critical to maintain pace with the threats that have emerged alongside the advances. These threats pose not only financial risks, but may also impact reputation, safety, and strategic initiatives. UWF should consider strengthening their risk management practices through a more formal, systematic approach in order to provide an added level of assurance to its Board of Trustees and to the Board of Governors that the university has taken reasonable measures to manage the risks it faces in the course of pursuing its mission.

III. Objectives and Scope

The purpose of this assessment was to evaluate the existing internal controls and review business processes to identify any areas of risk for the SUS. We accomplished this by completing a risk and control assessment for each university within the SUS, which enabled us to identify gaps or weaknesses in internal controls and make recommendations to the university and the BOG for improvement. In summary, our objectives were to evaluate the risks, controls, and business processes related to financial accounting and operations at UWF, and to provide observations and recommendations to the UWF Board of Trustees, UWF leadership, and the BOG on improving the risk management, controls, and business processes within the university.

The scope of our assessment included the following activities and processes at UWF:

1. Internal Management and Accounting Controls over:
 - a. Accounting Operations (e.g. Accounts Payable, Accounts Receivable, Payroll)
 - b. Financial Statement Preparation and Issuance
 - c. Grant Management
2. Business Processes and Operations, including:
 - a. Procurement
 - b. Budget Management and Oversight (Capital and Operating)
 - c. Capital Program and Asset Management
 - d. Information Systems Management
 - e. Cyber Security
 - f. Contract Management
3. Compliance matters, including:
 - a. Data Privacy rules and regulations
 - b. Federal and State Grant reporting requirements
 - c. Financial Aid regulations

IV. Procedures Performed

It should be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgment, carelessness, or other factors. Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments required in the processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate. A summary of the procedures we completed during our assessment of UWF have been summarized in the table below.

Summary of Procedures
1. We reviewed BOG regulations, university policies, procedures, processes and business requirements.
2. We prepared an inherent risk assessment, which includes risks arising from our assessment of the above, as well as our experience in common risks within higher education, specific to financial and operational issues.
3. We analyzed risk/control questionnaires completed by university management and identified key controls in place to manage the risks identified above.
4. We conducted interviews onsite with university management for insight into risk management and control perspectives and activities.
5. We evaluated UWF's risk management and control structure based on the information gathered above.
6. We have identified gaps in controls and process improvement opportunities. These have been documented in this report as observations and recommendations.
7. We have confirmed with UWF management the factual basis for our observations and recommendations. Management's written responses are included for each recommendation in this report.

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V. Observations and Recommendations

Our procedures yielded six (6) observations which are summarized in the table below. These observations represent areas where we determined that controls were absent or were not adequate to mitigate the associated risk to an acceptable level. In the following section we have provided details and recommendations to address each of these observations. Management's responses to each of our recommendations are also included in this section.

Risk Category	Description	Risk Rating
Procurement	1. Contract Management – Shared Service Contracts	Moderate
Procurement	2. Policies and Procedures – Vendor Setup and Monitoring	Moderate
Information Security	3. Business Continuity Management – Incident Classification	Moderate
Information Security	4. Data Protection – Employee Removable Media	Low
Information Security	5. Employee Management – Employee Security Awareness Training	Low
Information Security	6. Data Protection – Employee Mobile Device Management Policy	Low

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Observations and Recommendations

Observation 1	Process Area	Priority Rating
Contract Management – Shared Services Contracts	Procurement	Moderate

Condition: UWF has not established roles and responsibilities for managing shared services contracts with other entities. For example, UWF did not provide copies of executed contracts to demonstrate that service level expectations, insurance requirements, data privacy and intellectual property protections, and other significant areas of risk had been identified, adequately addressed, and monitored for compliance. Additionally, the ownership for monitoring performance under the terms and conditions of those agreements had not been clearly established.

Criteria: BOG Regulation 18.001 (1) Each university Board of Trustees shall adopt regulations establishing basic criteria related to procurement, including procedures and practices to be used in acquiring commodities and contractual services, as follows: (c) Evaluating, approving, and utilizing contracts let by any State of Florida agency or department, the Federal Government, other states, political subdivisions, not-for-profit cooperatives or consortia, or any independent college or university for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the University, to make purchases under contracts let by such other entities.

Root Cause: UWF stated that they primarily rely on the entity who negotiated the agreement to manage the contract (e.g. the BOG, other universities in the SUS, or other third parties). As a result, UWF has not prioritized the standardization of forming these types of agreements or assigning ownership to monitor performance.

Implication: The lack of standard practices for establishing shared service contracts increases UWF's exposure to a wide-range of risks, which include loss of intellectual property or personally identifiable information, financial liability, excessive costs or delays, subpar quality of goods and services, and the inability to achieve expected outcomes.

Recommendation: Crowe recommends that UWF document the process for executing shared service contracts. The process should include but is not limited to 1) Identifying roles and responsibilities for initiating, reviewing, and executing the agreement. 2) Clarifying scope of services, period of performance, performance metrics, and other technical matters. 3) Establishing standard terms and conditions that address issues of data privacy, intellectual property, and insurance requirements. 4) Identifying ownership, roles, and responsibilities for monitoring performance throughout the length of the agreement.

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Management Response:

Management agrees. For shared services we will create Participation Agreements with the other institutions. We will ensure the following information is covered:

- Roles and responsibilities for initiating, reviewing and executing the agreement,
- Scope of services, period of performance, technical matters and performance metrics,
- Standard terms and conditions addressing data privacy, intellectual property and insurance requirements, and
- Ownership, roles and responsibilities for monitoring performance.

Planned for implementation by April 30, 2020

Observation 2	Process Area	Priority Rating
Policies and Procedures – Vendor Setup and Monitoring	Procurement	Moderate

Condition: The University did not have documented standards or a process for monitoring and tracking the performance of vendors as stipulated in BOG regulations. UWF had documented procedures for several components of the procurement function, such as for P-Cards and purchase requisitions; however, they did not have documented procedures for vendor setup or monitoring. UWF's Director of Procurement stated that UWF consistently performs a thorough vendor certification process to ensure new vendors are not on any disbarred list, will be able to provide the requested goods or services, and present no conflict of interest issues; however, these practices were not documented as standard operating procedures. It was also unclear what standard practices, roles, and responsibilities were established for monitoring vendor performance.

Criteria: BOG Regulations 18.001 requires universities to establish, "Basic criteria related to procurement, including procedures and practices to be used in acquiring commodities and contractual services." Subsection (f) of that regulation specifies that these criteria should include, "barring any vendor from doing business with the University for demonstrated cause, including previous unsatisfactory performance."

Root Cause: UWF has not prioritized documenting its practices for vendor setup and monitoring due to its reliance on experienced staff members with substantial institutional knowledge.

Implication: Without a formally documented procedure in place for third party vendor setup, there is an increased risk that new suppliers will not be properly vetted before being allowed to do business with UWF. Similarly, vendor monitoring practices are more likely to be overlooked or performed inconsistently without documented standard operating procedures. This risk would increase further in the event of turnover in positions currently responsible for vendor setup and monitoring.

Recommendation: We recommend that UWF document standard operating procedures for vendor setup, including requirements for conducting:

- Reference and background checks
- Verifying proper licensing and insurance coverage
- Validating tax identification information

We recommend that UWF document standard practices for vendor performance monitoring, including:

- Assigning of ownership for monitoring procedures
- Contract compliance checks
- Invoice review and approvals by technical or subject matter experts
- Mechanisms for reporting subpar performance and debarring vendors.

UWF should incorporate these standard procedures into routine employee training for those charged with procurement or vendor management responsibilities.

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Management Response:

Management Agrees. UWF will identify 'critical' vendors and contracts to monitor performance and assign ownership of monitoring procedures, contract compliance checks, and mechanisms for reporting subpar performance and debarring of vendors. The invoice review and approval by technical or subject matter experts will be the responsibility of the department acquiring the goods or services. This will be included in the UWF Procurement Manual.

Planned for implementation by April 30, 2020.

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Observation 3	Process Area	Priority Rating
Business Continuity Management – Incident Classification	Information Security	Moderate

Condition: The organization has not documented a procedure for the classification and prioritization of cybersecurity incidents. Additionally, a classification schema has not been documented within policy that details criteria for detected cybersecurity incidents.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 IR-1, IR-8 as the criteria upon which to evaluate these controls.

Root Cause: UWF has not prioritized resources to create a classification policy. UWF stated in their response to our control questionnaire that they do not deal with a significant number of cybersecurity incidents.

Implication: Without an implemented procedure to classify and prioritize incidents, UWF may not be able to effectively respond to threats, resulting in the misidentification of the severity of an incident and hampering the response effort.

Recommendation: UWF should update the incident response program to include requirements and procedures to classify and prioritize cybersecurity incidents. This should include an analysis of the systems affected and what data is stored on those systems. A classification schema should be created to rank the criticality of each incident. Each level of criticality should include detailed instructions on response time expectations, and communication plans.

Management Response:

Management agrees. We will develop a cybersecurity classification schema based on several factors including the category of the system, the level of data sensitivity and possible broader consequences to dependent systems. The schema will describe the kind of incident and expected response plans.

Planned for implementation by the close of Q1 2020.

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Observation 4	Process Area	Priority Rating
Data Protection – Employee Removable Media Management	Information Security	Low

Condition: UWF has not established a policy to manage employees' and contractors' use of removable media, (i.e. USB drives). Also, technical controls have not been implemented to restrict access and provide data protection, such as encryption and device authentication.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 MP-1, MP-2, MP-5, MP-7 as the criteria upon which to evaluate these controls.

Root Cause: UWF has not prioritized resources to address the risk of employees using removable media.

Implication: Without restrictions on the use of removable storage media through device encryption, there is the risk of unauthorized disclosure of confidential, personally identifiable, or other sensitive information through the loss or misuse of the storage media.

Recommendation: UWF personnel should only use encrypted devices and their use should be restricted (for both read and write capabilities) to only authorized individuals who have a legitimate business need based on the risk of data and systems. Removable media should also be centrally managed, and only company devices should be used, where possible and appropriate. To account for all files that may be considered sensitive, technical controls should be implemented to force removable media encryption and reduce the risk of sensitive files being lost can be reduced.

Removable media encryption solutions are listed below:

USB Encryption Solutions	
DiskCryptor	https://diskcryptor.net/wiki/Main_Page
Rohos Disk Encryption	https://www.rohos.com/products/rohos-disk-encryption/
PGP Disk	http://www.symantec.com/encryption/
Gilisoft USB Stick Encryption	http://gilisoft.com/product-usb-stick-encryption.htm
Kakasoft USB Security	http://www.kakasoft.com/usb-security/
Iron Key (Encrypted USB)	http://www.ironkey.com/en-US/

Alternatively, if there is no business need for removable media, it can be restricted using third party tools or through Microsoft Group Policy. The following article provides a walkthrough on how this can be accomplished:

- [https://technet.microsoft.com/en-us/library/Cc772540\(v=WS.10\).aspx](https://technet.microsoft.com/en-us/library/Cc772540(v=WS.10).aspx)

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Management Response:

Management partially agrees. This observation as written is impractical and possibly detrimental to the academic mission of the University. A University by its very nature needs to allow for the use of removable media given there are innumerable reasons and needs for external devices (many which have storage capabilities) which serve teaching and learning purposes. The University is not a “company” with homogenous and strictly defined equipment. In addition, the solutions suggested in the table (a few of which no longer point to secure web pages) and the Technet article are not adequate to provide sufficient technical controls for the kind of environment we have. However, we do recognize that the use of USB drives can be a risk and UWF has already banned their use with respect to Protected information via our Information Security & Privacy Policy. In addition, we recognize that we can, in a limited fashion, apply technical controls to administrative endpoint workstations used by employees with elevated privileges who would pose the greatest risk to an information breach.

We will employ our existing endpoint protection product (Cylance) to place a technical control to prevent the use of USB devices on computers within certain areas of high risk due to the access to large stores of Protected information. We will determine this by grouping these endpoint workstations in a special ‘area’ within the management capabilities of the Cylance platform.

Implementation Plan: We will implement these controls in a pilot area by close of Q1 2020 and if the pilot is successful, we will implement to all other identified areas of risk by end of Q4 2020.

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Observation 5	Process Area	Priority Rating
Employee Management – Employee Security Awareness Training	Information Security	Low

Condition: Although UWF provides security training to new users upon hire, annual training is not required. Through discussion with UWF, they are evaluating an annual security awareness training program; however, one was not in place at the time of the assessment.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AT-3 as the criteria upon which to evaluate these controls.

Root Cause: UWF has not prioritized resources to provide annual security training.

Implication: If users are not provided with periodic training, at hire and annually, they may not be prepared to identify emerging threats and tactics and exposes the organization to an increased risk of breach.

Recommendation: UWF should continue with the plan to provide annual security awareness training to users. This training should be updated at least annually to cover current cybersecurity risks and threats. Users should be required to sign an acknowledgement of this training and these acknowledgements should be tracked. In the absence of a robust Learning Management System, universities may consider the use of readily available mobile applications that can be used to track attendance at training events.

Management Response:

Management agrees. We are reviewing cybersecurity awareness material we have already developed and additionally compiled from other sources. We will create a 'certification' that will be tracked electronically and will track the yearly completion of cybersecurity awareness for all employees classified as "knowledge workers". We will review and update the material yearly as appropriate to highlight new threats. Additionally, we will amend the University Information Security & Privacy policy to compel employees to complete this yearly awareness training.

Implementation Plan: The training and certification will become available by the end of Q2 2020.

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Observation 6	Process Area	Priority Rating
Data Protection – Employee Mobile Device Management Policy	Information Security	Low

Condition: UWF has not documented a Mobile Device Management policy for employees and contractors, which details requirements for the security of mobile devices.

Criteria: We relied on the National Institute of Standards and Technology (NIST) SP 800-53 r5 AC-19 as the criteria upon which to evaluate these controls.

Root Cause: UWF has not prioritized resources to develop a mobile device management policy for its employees and contractors who use their personal mobile devices to access UWF email or other applications.

Implication: Employees or contractors who use UWF email on their phones without security protections are at risk of compromising UWF information if a malicious actor gains access to the phone, both physically or remotely.

Recommendation: UWF should develop a policy to inform users of the security controls that are required through the information security program for the user of UWF email on their personal phones. Information security standards should include, but not limited to, full disk encryption, a secure PIN, and a lockout policy. UWF should also consider using a Mobile Device Management solution. For example, while we do not endorse any specific products, the VMware ® AirWatch is one of many solutions that may be implemented to enforce these controls and remotely wipe devices in the event that they are lost or stolen.

Management Response:

Management partially agrees. The University does not provide mobile phones to its employees nor does it have the budget for an enterprise-wide MDM. However, we recognize that policy and guidelines for the safe use of personal mobile devices are an important addition to our security posture. We will also include a training module to inform employees of the proper safety best practices.

Implementation Plan: We have drafted a mobile and personal device policy and will be submitting this policy through the policy process by the start of Q1 2020.

VI. Appendix

List of Interviewees at UWF

The following individuals were interviewed during our onsite visit to UWF the week of June 24, 2019. The name, title, and interview subject are included below for reference.

1. Budgeting and Financial Management: Betsy Bowers, Vice President Finance & Administration
2. Capital Budget Management: Melinda Bowers, Associate Vice President Facilities Management
3. Capital and Operating Budget Preparation and Management: Michelle Randu, Budget Manager
4. Business Continuity & Disaster Recovery: Peter Robinson, Director of Environmental Health & Safety
5. Business Continuity & Disaster Recovery: Nicole McDonald, Assistant Director of Environmental Health & Safety
6. Business Continuity & Disaster Recovery: Pennie Sparks, Risk Manager
7. Financial Accounting and Operations: Colleen Asmus, Controller
8. Financial Accounting and Operations: Billy Pollard, Senior Associate Controller
9. Financial Accounting and Operations: Jeffrey Djerlick, Associate Controller
10. Student Billing: Lisa Griswold Student Accounts
11. Student Billing: Audrey Liss, Student Accounts
12. Grants Management, Dr. Matthew Schwartz, Associate Vice President of Research Administration
13. Information Security and Data Privacy: Geissler Golding, Director of Infrastructure & Chief IT Security Officer
14. Procurement: Angie Jones, Director, Procurement & Contracts
15. Regulatory Compliance: Matt Packard, Chief Compliance Officer
16. UWF Board of Trustee Chair, J. Mort O'Sullivan

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
January 29, 2020**

SUBJECT: Minutes of Committee Meeting held October 30, 2019

PROPOSED COMMITTEE ACTION

Consider approval of the minutes of the Strategic Planning Committee meeting held on October 30, 2019, at the University of Florida.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Strategic Planning Committee will consider approval of the minutes of the meeting held on October 30, 2019, at the University of Florida.

Supporting Documentation Included: October 30, 2019, minutes

Facilitators/Presenters: Governor Tim Cerio

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
STRATEGIC PLANNING COMMITTEE
UNIVERSITY OF FLORIDA
GAINESVILLE, FL
October 30, 2019

Video or audio archives of the meetings of the Board of Governors and its committees are accessible at <http://www.flbog.edu/>.

1. Call to Order and Opening Remarks

Chair Darlene Jordan convened the meeting on October 30, 2019, at 8:33 a.m. with the following members present: Governors Cerio, Felton, Frost (by phone), Huizenga, Lamb, Levine, and Scott. A quorum was established.

2. Minutes of Strategic Planning Committee Meeting

Chair Jordan called for a motion to approve the meeting minutes from the Committee's August 28 and October 3, 2019, meetings. Governor Cerio moved to approve the minutes, Governor Huizenga seconded the motion, and the motion carried unanimously.

3. Florida International University's Revised 2019 Accountability Plan

Chair Jordan announced that the next item on the agenda was to consider approval of Florida International University's (FIU) Revised 2019 Accountability Plan. She cited Board of Governors Regulation 2.002, which requires the development of an institutional accountability plan intended to reflect each institution's distinctive mission and focus on core strengths within the context of State University System goals as well as regional and statewide needs. She further explained that FIU revised its Accountability Plan due to a typographical error in the 2017-18 actual graduate degrees awarded metric discovered after the Board of Governors' approval at the June 13, 2019, meeting. As a result of this revision, the university modified the goals for this metric. Chair Jordan further indicated that the revised plan was approved by the FIU Board of Trustees on September 18, 2019, and, as a result, the Committee and full Board must also review and consider for approval the revised plan

Governor Huizenga moved to approve the FIU Revised Accountability Plan, Governor Lamb seconded the motion, and the motion carried unanimously.

4. 2019 System Accountability Plan

Chair Jordan mentioned Board of Governor's Regulation 2.002, which requires the Board of Governors to annually submit institutional accountability plans and a system summary to the Governor, the President of the Senate, and the Speaker of the House of Representatives. Based on the data and information provided in the institutional

accountability plans, Board staff analyzed system-level data and created the 2019 System Accountability Plan. Chair Jordan reminded the Committee that an update was received on the plan at its August 28, 2019, meeting, but the System plan was not considered for approval at the August meeting since Florida International University made a revision to its graduate degrees awarded goals that required its Board of Trustees to approve the revised FIU plan.

Chair Jordan stated the Committee would consider for approval the 2019 System Accountability Plan, and if approved, the 2019 System Accountability Plan would be forwarded to the full Board for consideration.

Governor Cerio moved to approve the 2019 System Accountability Plan, Governor Huizenga seconded the motion, and the motion carried unanimously.

5. State University System 2025 Strategic Plan: 2019 Update

Chair Jordan said the next item on the agenda was to consider approval of the State University System 2025 Strategic Plan: 2019 Update. She explained that at the Committee's January 31, 2019, meeting, a review was initiated of the Board's 2025 Strategic Plan metrics. The committee continued this work throughout the year, making final recommendations regarding metrics and goals at its October 3, 2019, meeting. She stated that the Committee would consider for approval a revised 2025 System Strategic Plan.

Chair Jordan recognized Dr. Christy England, Vice Chancellor for Academic and Student Affairs, to present an overview of the changes to the State University System 2025 Strategic Plan.

Dr. England walked through the Committee's recommended changes to the 2025 Strategic Plan. She began with the changes to the teaching and learning metrics. She explained that the goal for the four-year graduation rate was increased to 65%, and the six-year rate has been raised to 80%. She said the goal for bachelor's degrees awarded annually was adjusted down to 78,500, reflecting the current system capacity. Similarly, the graduate degree target has also been revised downward to 27,400, she specified. Dr. England mentioned that the goal for bachelor's degrees awarded to African-American and Hispanic students was increased to 46%. Finally, she said that the Committee is recommending that the quality online course metric refers to a structured review process for new and substantively revised online courses and dictates that these courses must meet Florida standards with a goal of 100%.

Dr. England stated that the Committee recommended adding a new metric to track the four-year graduation rate for Pell Grant recipients with the goal set at 54%. She also described another new metric, the Florida College System Associate in Arts transfer three-year graduation rate, with a goal set at 62%.

Dr. England next described the scholarship, research, and innovation metric revisions. She said the Committee recommended increasing the goal of the number of licenses/options executed annually to 500. For the Number of Start-up Companies, she

explained, the goal was adjusted to be 60. Regarding total research expenditures, the goal was increased to \$3 billion, she illuminated. Dr. England confirmed that she and Governor Levine had met with the Vice Presidents for Research to work on a plan to get to this new goal, and she asked Governor Levine to give the committee an update.

Governor Levine stated that the meeting with the Vice Presidents for Research was a productive discussion about how the System plans to achieve the revised goal. The SUS institutions are working on different opportunities at the federal level and collaboratively, and these opportunities are not fully captured in the data. He said it was encouraging to watch the SUS Vice Presidents for Research work together in Washington, D.C. to further our goals in this arena. He noted that this is a huge opportunity for the state.

Dr. England next presented that the Committee had recommended replacing the percent of research expenditures from external fund sources with the amount of research expenditures from external fund sources, with a goal of \$1.75 million. Finally, she said, the Committee recommended adding a question to the institutions' senior exit survey to measure the percent of undergraduates engaged in research. The Committee recommended the change be implemented on the 2020 exit surveys.

Finally, Dr. England reviewed the changes to the community and business engagement metrics. The Committee recommended that the metric of the percent of baccalaureate graduates continuing their education or employed align with the definition used in Performance Based Funding, and further recommended adjusting the salary threshold to \$30,000 or higher. Dr. England reported that the Committee recommended including the median wage metric used in Performance Based Funding and setting the goal at \$43,200.

Governor Morton moved to approve the State University System 2025 Strategic Plan: 2019 Update, Governor Lamb seconded the motion, and the motion carried unanimously.

6. Programs of Strategic Emphasis: 2019 Update

Chair Jordan stated that the next item on the agenda was to consider approval of the Programs of Strategic Emphasis: 2019 Update. The Chair went on to say that these programs are an essential component of the 2025 Strategic Plan, and the Board's Programs of Strategic Emphasis (PSE) list is one of several tools for aligning degree production goals of the State University System with the economic and workforce needs of Florida. It is also important to note, she said, that PSE degree production is a component of the Performance Based Funding Model.

Chair Jordan explained that every few years, Board staff review the PSE list to ensure that the programs listed align with the workforce needs of Florida and make recommendations to keep, remove, or add programs to the list. In this tradition, she stated, Board of Governors' staff recently conducted an environmental scan and workforce analysis to identify labor market demand for postsecondary graduates. Staff reviewed and analyzed economic and workforce-related reports and data sources, both at the state and national levels.

Chair Jordan articulated that at the Committee's August 28 meeting, Board staff presented several recommended updates to the PSE list. Since that meeting, staff has received input from the 12 SUS institutions and is recommending one additional change to the list.

Chair Jordan recognized Dr. Christy England, Vice Chancellor for Academic and Student Affairs, to present the Committee with the final recommended changes to the PSE list for approval. If approved by the Committee, she expressed, this list will go to the full Board for approval. Chair Jordan also reminded the Committee that the new list would take effect for the 2020-21 academic year and would influence Performance Based Funding and accountability plans starting in the summer of 2022.

Dr. England began by assuring the Committee that the PSE-related analyses were thorough and that the review process was comprehensive, involving all of the SUS institutions as well as staff from the Department of Economic Opportunity and the Department of Education. Dr. England stated the change referenced by the Chair in her introduction was the addition of School Psychology, which is based on relevant data and the contribution of this program to K-12 student mental health, which has been a focus of the Board.

Dr. England referred the Committee to several documents included in the meeting information packets detailing the recommended changes and the analysis methodologies.

Governor Levine moved to approve the Programs of Strategic Emphasis: 2019 Update, including the supporting methodology, Governor Huizenga seconded the motion, and the motion carried unanimously.

7. How SUS Career Services Impact Student Success

Chair Jordan announced that the last item on the agenda was to hear a presentation and have a panel discussion regarding university career centers and their impact on student employment outcomes. She stated that on October 3, the Committee discussed making changes to the percentage of graduates employed metric and increasing the salary threshold. Based on that conversation, she said, this was a good time to understand how the State University System (SUS) Career Centers are helping to move the needle on this metric and how they are fostering student success after graduation.

Chair Jordan recognized Dr. Lynn Nelson, Director of Student Affairs, to provide a System overview of the services offered by the career centers.

Dr. Nelson presented an overview of SUS career center operations. She explained that all SUS institutions offer career services to students and alumni, and that career services are embedded in every campus culture. Dr. Nelson described the broad range of services and mechanisms available to students to help with career planning, including providing in-person, walk-in, and online appointments, and services that include career workshops, resume writing, mock interviewing, and on-campus interviewing. She stated that every SUS institution is proactive in engaging students during freshman orientation or first-year experience courses to begin conversations on career exploration and the types of services the career center offers. She also explained that every career center is working to move the needle on wages by providing salary information to students as part of degree exploration, new student orientation, and academic advising.

Dr. Nelson said career centers also prepare students for the workforce by enhancing employability or soft skills such as effective communication, teamwork, problem-solving, work ethic, time management, adaptability, and interpersonal skills. She stated that other programs offered include personal branding, proper etiquette, and dressing as a professional. Further, she indicated that career centers connect and partner with companies and organizations that may provide internship opportunities and full-time positions to students upon graduation. She also said that all institutions hold both general and specialized career fairs throughout the year.

Dr. Nelson indicated that career centers assist students in securing employment by utilizing enterprise systems that provide easy access to career preparation tools and job opportunities. These systems allow students to build profiles that highlight their academic accomplishments, various types of skills, and extracurricular activities, and they can be used to apply for job opportunities.

Finally, Dr. Nelson said the directors of the SUS career centers collectively form the Florida Career Centers consortium, which facilitates the exchange of information and best practices to enhance career readiness for the benefit of the students and alumni of the SUS institutions. She referred the Committee to the handout included in their

meeting information packets titled *How SUS Career Services Impact Student Success* for more detailed information.

Chair Jordan thanked Dr. Nelson and recognized the panel participants: Ms. Ja'Net Glover from the University of Florida; Ms. Karen Gough from Florida Atlantic University; Ms. Myrna Hoover from Florida State University; and Ms. Lauren Loeffler from the University of West Florida. Chair Jordan thanked the panel participants and asked them to explain what career centers of 2019 are like and how they might be different from the past.

Ms. Hoover responded that the career center today was definitely different than the career center from when she was in college. Three things have happened, she said, because of accountability, the focus on return on investment, and high student debt ratios. These things have combined to spur more resources being dedicated to the career centers for use in pursuing their mission, which is to help students reach their definition of success. She stated that today, career centers engage students where they are, teach them about career competencies while providing relevant workforce information, and use outcome and engagement data to inform their work.

Ms. Hoover explained that students today want individualized services. She described the walk-in service delivery model at FSU that individually addresses each student who arrives and responds to his or her particular reason for that visit. It is different now, she expounded, because they are able to embed career liaisons in academic units. This puts career advisers sitting next to academic advisers in each college, which gives students unprecedented access to career services and gives the liaisons more information and context to understand and relate to the students. Ms. Hoover stated that last year at FSU, they saw 19,500 advising contacts, and that represents just one of their four services. Ms. Hoover described a more integrated campus culture now in effect where all parties work towards student success, which includes career success.

Ms. Hoover went on to describe the mentor program at FSU that connects students with alumni and others working in the fields they are considering. She said they want to talk with people actually working in the jobs they are working towards to gain an increased understanding of work environments and make better-informed decisions. Ms. Hoover talked about the many different modalities they use, including in-person, online, and through their curriculum, to reach students and teach job skills to prepare them to change jobs multiple times throughout their careers as workers now do.

Ms. Hoover stated that data and engagement inform their work. She said they now collect more and better data, such as requiring senior survey responses. This provides both more information and more relevant data to inform decisions. She acknowledged that the number one way students find jobs was through career services based on survey responses. Her office, she noted, served about 25,000 unique students last year, but that was not enough since FSU enrolls around 42,000 students.

Chair Jordan asked how Ms. Hoover planned to get more students to utilize their services. Ms. Hoover responded by describing a new micro-credentialing/badging

system that will reach more students. She said they focus on teaching students how to effectively job search and market themselves so they can be successful in the future long after graduation.

Governor Kitson commended the career center efforts and asked how to spread best practices and knowledge throughout the system. He inquired as to how active the consortium is in the system in disseminating that knowledge and what the business community can do to better support career center endeavors. Ms. Loeffler responded that the business community is an invaluable partner in establishing pathways to employment, but there is much more opportunity to involve businesses in the process.

Governor Morton asked the panel if they were working with employers throughout the state and getting actionable feedback from them regarding university graduate quality. Ms. Hoover said that yes, they absolutely do that by working with their local chambers, employers, and other organizations, and the feedback has been very positive. Ms. Gough added that they work closely with their employer advisory councils and other employer partners regarding career readiness.

Governor Tripp asserted that SUS internship numbers were not as robust as they need be, and he asked who champions internship efforts on campuses. Ms. Hoover replied that internships are generally decentralized, so no one person or group is necessarily responsible for implementing them. She also stressed that many students are participating in internships that are not always captured or reported for a number of reasons. She said internship numbers would skyrocket as more and better data was being collected. Ms. Gough added that FAU now offers a professional internship course that is based on career skills that employers have declared are critically important. Ms. Loeffler then argued that many students are participating in undergraduate research where they are accruing the same benefits and skills also obtained during an internship.

Governor Lamb commented that there is a focus on wages as a component of the Board's strategic plan and asked what was being done to help students make good choices during their academic careers to help lead to a good quality of life after graduation. Ms. Gough replied that internships are very important in this regard and sharing workforce data with students is an essential tool. Ms. Hoover further commented that entrepreneurship is also critical to Florida's economy, but many entrepreneurs have low wages early in their careers or those wages are not captured in reporting mechanisms. Ms. Loeffler professed that many times students have misconceptions about wages and starting salaries, so employers should be invited into classrooms to provide real-world information and help students manage their expectations.

Chancellor Criser asked if there was anything career centers need in terms of data to more effectively understand student outcomes and achieve their missions. Ms. Hoover responded that she would like to see data on where graduates were ten years after graduation, not in one or two years, because long-term outcomes better represent how much higher education benefitted a student. Ms. Gough referenced surveys FAU uses to assess immediate employment outcomes, but she reiterated three, five, and ten-year

information would be very helpful. Ms. Glover agreed longer-term data would be useful. Ms. Hoover mentioned that it is not just about wages once you get past a \$70,000 threshold but also about fulfillment, so broader issues like career happiness must be considered.

President Rosenberg commended the Board for helping institutions focus on their responsibility to help students get great jobs but requested more help in working with the business community. He mentioned that a major internship initiative in conjunction with organizations like the Florida Chamber and the Florida Council of 100 would facilitate moving the needle more quickly for students.

Chair Jordan thanked the panel for their participation and for the great work being done at career centers throughout the SUS.

8. Concluding Remarks and Adjournment

Having no further business, Chair Jordan adjourned the meeting at 9:30 a.m.

Darlene Jordan, Chair

Roger Strickland
Director, Economic Development

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
January 29, 2020**

SUBJECT: Florida Job Outlook and Demand

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Florida Department of Economic Opportunity (DEO) produces, analyzes, and delivers timely and reliable labor statistics to improve economic decision-making. DEO provides a variety of labor market, economic, and demographic data such as employment and wages, labor force, economic indicators, and population data.

The Strategic Planning Committee will hear a presentation regarding the job outlook and demand in Florida from Ms. Adrienne Johnston, Chief, Bureau of Workforce Statistics and Economic Research, at the Florida Department of Economic Opportunity.

Supporting Documentation Included:

None

Facilitators/Presenters:

Ms. Adrienne Johnston

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
January 29, 2020**

SUBJECT: U.S. News and World Report Rankings

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The state of Florida has been recognized as the top state for higher education by U.S. News and World Report annually since 2017. Additionally, the University of Florida, Florida State University, and the University of South Florida have seen tremendous success in improving their institutional rankings in U.S. News and World Report over the last several years.

The Strategic Planning Committee will hear a presentation regarding the metrics included in the U.S. News and World Report Rankings and how they align with the Board's Performance Based Funding Model. Mr. Troy Miller, Deputy Chief Data Officer, will present this information.

Supporting Documentation Included:

**Additional Information on U.S.
News and World Report
Rankings**

Facilitators/Presenters:

Mr. Troy Miller

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
January 29, 2020**

SUBJECT: Monitoring Pillars of Excellence Progress

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Strategic Planning Committee will hear a presentation regarding a process for monitoring the expenditures of state funds provided to the State University System for the Pillars of Excellence for 2020-21, specifically funding for the Preeminence and Universities of Distinction components. Dr. Christy England, Vice Chancellor for Academic and Student Affairs, will present the proposed plan.

Supporting Documentation Included:

Draft monitoring plan

Facilitators/Presenters:

Dr. Christy England

Draft Plan for Monitoring Pillars of Excellence

Once the funding levels for Preeminence/National Rankings & Universities of Distinction are finalized, Board staff will work with institutions on the following, to be presented to the Board's Strategic Planning Committee (SPC) in either June or September of 2020.*

- A revised plan based on the actual funding amount(s).
- Revised rankings and performance metrics with historical data and projections for 3-5 years.

All universities will then submit quarterly updates on spending and hiring, which will be summarized and presented to SPC based on the following tentative schedule outlined below. Academic and Student Affairs staff and Budget staff will work collaboratively to develop templates for reporting to ensure consistency and to facilitate the development of summaries for SPC.

Quarter	Due to Board Office	Summary Available (approx.)	Present to SPC (approx.)	Notes
Q1	November 15, 2020 (extra time included to work out any bugs in the reporting of information; in 2021 the first quarter report would be due Oct. 15 and presented in January 2022)	December 5, 2020	January 2021	Q2 data will be in to Board office a few days before the January meeting, but not likely ready for presentation
Q2	January 15, 2021	February 1, 2021	March 2021	
Q3	April 15, 2021	May 1, 2021	June 2021	
Q4	July 15, 2021	August 1, 2021	September 2021	

Rankings and performance metrics will be updated annually and presented to SPC starting in either June or September of 2021.

The above schedule may be adjusted at the discretion of the Board or Board staff as needed.

*The timing of the revised plans will be impacted by the following.

- Where and how the funds are allocated. For instance, if a lump sum is allocated to the Board office for distribution then the institution award amounts may not be determined until June – so plans would be presented in September. If the legislature specifies the amounts by institution, then there may be time to develop and present the plans in June.
- Whether actual spending plans need to be approved by the university boards of trustees.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
January 29, 2020**

SUBJECT: University of North Florida's 2020-2025 Strategic Plan

PROPOSED COMMITTEE ACTION

Consider approval of the University of North Florida's 2020-2025 Strategic Plan.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 1.001(3)(c)

BACKGROUND INFORMATION

Board of Governors Regulation 1.001(3)(c) requires that each University Board of Trustees adopt a strategic plan in alignment with its mission and the Board of Governors' System Strategic Plan. University strategic plans are required to be submitted to the Board of Governors for approval. The University of North Florida's 2020-2025 Strategic Plan has been submitted for consideration. The strategic plan also contains a cross-walk demonstrating that the institution's strategic plan is aligned with the Board of Governors' 2025 Strategic Plan goals. Both documents were approved November 1, 2019, by the University of North Florida Board of Trustees. If approved by the Committee, it will be forwarded to the full Board for consideration.

Dr. David Szymanski, President of the University of North Florida, will provide an overview of the plan.

Supporting Documentation Included:

1. University of North Florida's 2020-2025 Strategic Plan
2. Alignment with State University System Strategic Plan
3. Performance Based Funding Metrics

Facilitators/Presenters: Dr. David Szymanski



UNF Strategic Plan

Greatness ~~STARTS Here~~

NOW

Uniquely UNF

JANUARY 13, 2020

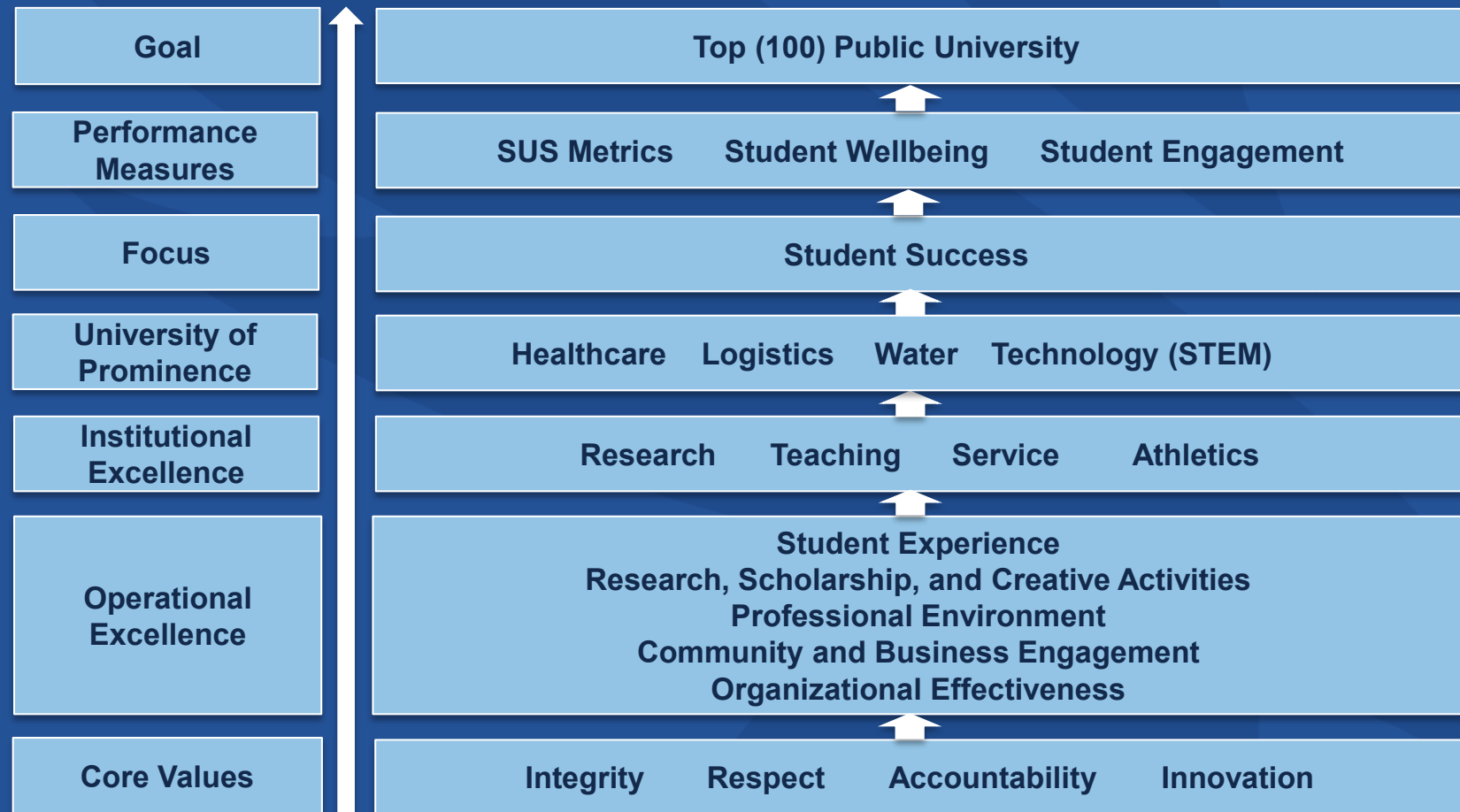
Guiding Philosophy

The guiding philosophy behind UNF's strategic plan embraces the following principles, among others:

- ✓ Student-Centered
- ✓ Excellence
- ✓ Innovation
- ✓ Partnerships
- ✓ Inclusion
- ✓ Uniquely UNF
- ✓ Goodness and Morality



UNF Strategic Map to Greatness



Strategic Goal, Mission, and Vision

Strategic Goal:

University of national prominence with north Florida as our catalyst and student success as our mantra.

Mission:

Our student-centered mission is to create the next generation of thinkers, leaders, and problem solvers with the knowledge and experience to uniquely change the world.

Vision:

We will be the higher education nexus where diverse students, faculty, and organizations from around the world collaborate and creatively innovate for the advancement of society.

Institutional Values

Value Statement:

We achieve excellence in all we do; we are an institution of uncompromising character; we lead with humility, humanity, and integrity.

Institutional Values:

Integrity - We do the right thing for the right reason at the right time.

Respect - We treat everyone with kindness, we are informed by the perspectives of others, and we draw strength from our differences.

Accountability - We are responsible for how the outcomes of our actions affect others and our environment.

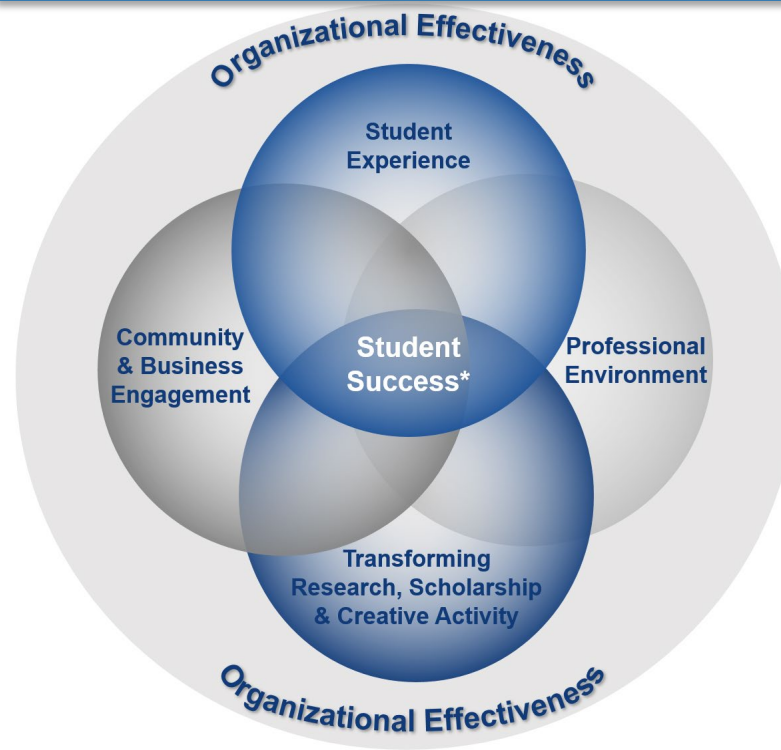
Innovation – We harness creativity and talent to turn challenges into opportunities and problems into solutions in a uniquely UNF way.

Goal-Based Framework for Student Success

Student Success:

Students succeed when they are provided with the tools and opportunities to make the most of their experience, enabling them to reach and exceed their goals.

Academic and Administrative Excellence



Goals: Academic and Administrative Excellence



Uniquely UNF

Research Excellence

Faculty research will be of high quality, focusing on publications in respected and premier journals, research grants from prestigious foundations, memberships in leading academies, curations and performances in partnership with prominent organizations, as well as other professional outcomes demonstrating national leadership in one's field.

Teaching Excellence

Excellence is expected in every teaching effort with a focused approach on the quality of instruction and student success. Each faculty member will demonstrate an ethos of student care, kindness, and mentorship. Experiential learning will be the cornerstone of every classroom experience.

Service Excellence

Faculty, staff, and students will engage in a culture of teamwork and continuous improvement, recognizing the role outstanding service to both the university and the community play in making UNF a university of distinction.

Athletic Excellence

UNF will compete at the highest level for conference, regional, and national championships. Our coaches, staff, and student athletes will embody integrity and sportsmanship and demonstrate an unwavering commitment to student-athlete wellbeing and academic success.

Goals: Student Experience



Uniquely UNF

Experiential Learning

Lead the nation in experiential learning by offering innovative academic programs of relevance augmented by community-based learning, study-abroad activities, student-faculty research experiences, practicums, and internships.

Precision Advising, Counseling, and Teaching

Offer students a holistic, personalized experience to ensure a smooth transition to college, sustained academic progress, and timely graduation and career placement success.

Student Wellbeing

Promote the health and wellbeing of our students by providing both needed services and an environment that fosters physical and emotional resilience.

Osprey Pride

Create a culture of Osprey Pride in all UNF activities on campus and beyond.

Cultural and Social Opportunities

Provide distinctive educational, cultural, and social opportunities for students by integrating the campus with the surrounding community.

Goals: Research, Scholarship, and Creative Activities



Uniquely UNF

Research Reputation

Significantly elevate and transform UNF's national reputation for research, scholarship, and creative activity to one of excellence associated with high-impact, high-quality publications, exhibitions, awards, and fellowships.

Research Expenditures

Significantly expand research expenditures, elevating UNF's ranking among universities for expenditures on research and development as measured, for example, in the annual NSF HERD Report.

Graduate, Research Programs

Create transdisciplinary as well as other relevant discipline-specific master's and doctoral programs in alignment with the Board of Governors' defined areas of strategic emphasis and UNF's research strengths.

Carnegie Classification

Achieve at least R2 High Research Activity Status in the Carnegie Classification of Institutions of Higher Learning.

Goals: Professional Development



Uniquely UNF

Workforce Composition

Attract and retain a vibrant and diverse group of faculty and staff that reflect the society in which we live, further seeking to create a culture of collaboration where resources are shared to maximize impact.

Professional Development

Provide a breadth of professional development and training activities to ensure faculty growth and relevancy. This includes mentoring faculty and staff into positions of increased service leadership to enhance both their role in the success of the institution and our practice of shared governance.

Assessment

Establish norms for performance evaluations that provide clear, consistent, and honest feedback on efforts; rewarding and recognizing where people excel and constructively identifying areas for improvement.

Goals: Community and Business Engagement



Uniquely UNF

Inspire Service

Encourage community service engagement among all students through participation in community-based learning experiences, voluntary service, or other appropriate forms as part of UNF's commitment to its Carnegie Classification for Community Engagement.

Experiential Learning

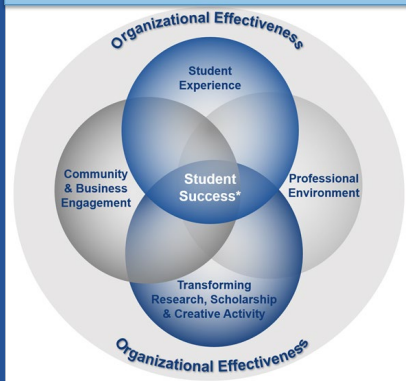
Engage every student with community partners through either a curricular or co-curricular program activity (e.g., practicum, internship, research) prior to graduation.

Entrepreneurial Ecosystem

Achieve formal recognition for strength in applied research in community settings and with private sector partners as part of UNF's key role in the statewide entrepreneurial ecosystem.

Goals: Organizational Effectiveness

Academic and Administrative Excellence



Uniquely UNF

Financial Resources

Seek monetary support through the UNF Foundation, government sources, and private sector to support innovative academic programs, research, facilities, and student scholarships.

Infrastructure

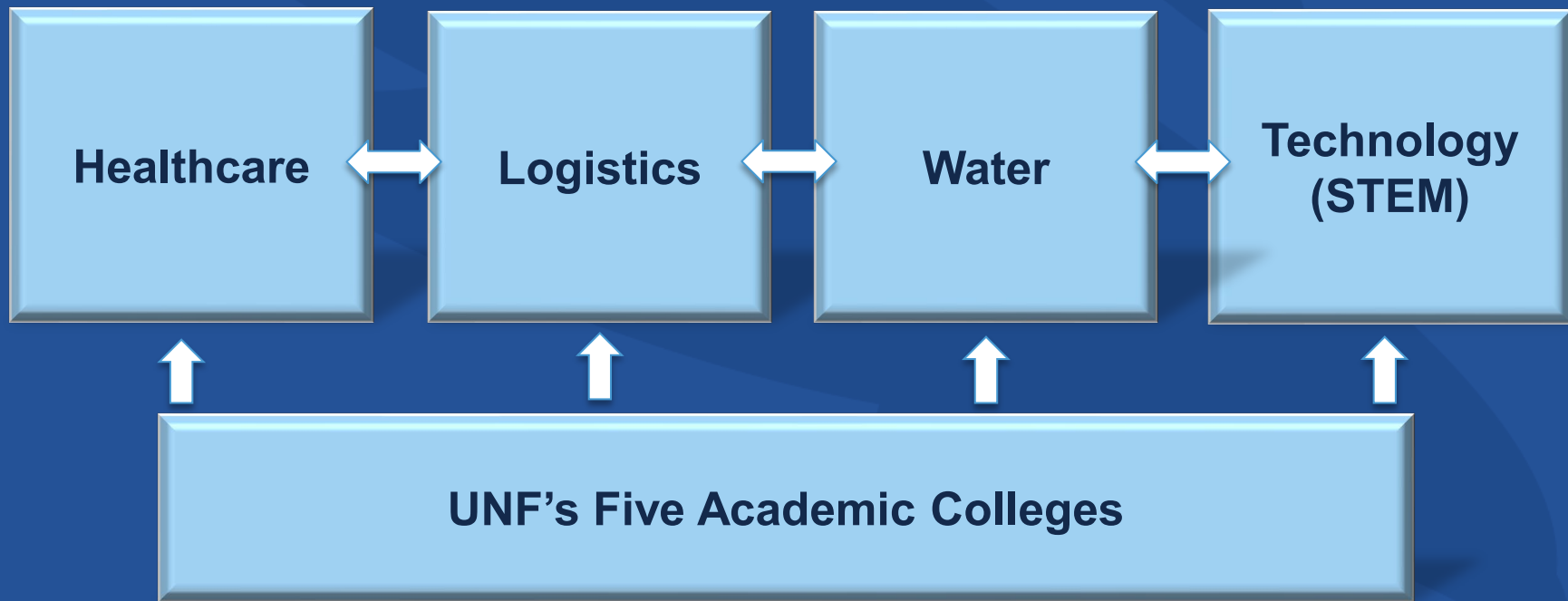
Transform technology across the entire enterprise to meet the current and future needs of the university and its constituents. Maximize efficiency across units by optimizing resource allocation, organizational structures, and streamlining workflows to accommodate a five-year enrollment target of 20K students.

Marketing and Communication

Develop a unified brand strategy, consistent visual identity, and successful media deployment to elevate UNF's reputation as a world-class brand. Included is an internal communication strategy that informs the campus community and promotes a culture of engagement and collaboration.

Areas of University Distinction

“Matching Competencies to Needs, Students to Jobs”



Tracking Success and Driving Behaviors

SUS Performance-Based Funding Metrics

UNF's Goal:

Achieving “excellence” and not just “improvement”
Targeted ambition of being a “10” on each metric

Specific Areas of Immediate UNF Emphasis (accessibility, affordability, completion):

Metric 3, Net Tuition & Fees per 120 Hours (cost of education)
Metric 4, Four-Year Graduation Rate
Metric 5, Academic Progress Rate (second-year retention)
Metric 7, University Access Rate (percentage of UGs with Pell grants)

Other, Internal UNF Metrics

Student Engagement Scores
Student Wellbeing Assessments
Faculty Wellbeing Assessments

Other, External Recognition Metrics

National Rankings of UNF (short-term goal of Top 100, public university)
National Rankings of UNF Programs

UNF Student Promise

With students as its focus, UNF will pursue **UNIQUE** approaches to:

- ✓ Experiential Learning:
 - Projects
 - Internships
 - International immersion
 - Business and community partnerships
- ✓ Precision Advising, Counseling, and Teaching
- ✓ Faculty Engagement, Student Research
- ✓ Character Development, Problem-Solving
- ✓ Graduate School Pathways
- ✓ Continue to Produce Graduates to Support Florida's Future Talent Needs

THE UNIVERSITY of NORTH FLORIDA
Greatness STARTS Here Strategic Plan
Alignment to Florida SUS BOG 2025 Goals

TEACHING & LEARNING	BOG 2025 Goals (Revised in 2019)	UNF 2025 Goals
EXCELLENCE		
1) National Rankings for Universities	1 in Top 10 Liberal Arts 1 in Top 10 Nation 1 in Top 11-25 Nation 2 in Top 25-50 Nation	Top 100 Public University (<i>U.S. News & World Report</i>)
2) Freshman in Top 10% of Graduating High School Class	50%	25%
3) Professional Licensure & Certification Exam Pass Rates Above Benchmarks	All Exam Pass Rates Above Benchmarks	All Exam Pass Rates Above Benchmarks
4) Quality Online Courses	100%	90%
5) Average Time to Degree <small>(for FTIC in 120hr programs)</small>	4.0	4.2
6) Four-Year Graduation Rates <small>(for Full-time FTIC)</small>	65%	54%
7) Six-Year Graduation Rates <small>(for Full- and Part-time FTIC)</small>	80%	64%
8) Percent of Bachelor's Degrees Without Excess Hours	80%	87%
9) Bachelor's Degrees Awarded Annually	78,500	3,800
10) Graduate Degrees Awarded Annually	27,400	840
PRODUCTIVITY		
11) Percent of Bachelor's Degrees Awarded to African-American & Hispanic Students	46%	23%
12) Number & Percent of Adult Aged 25+ Undergraduates Enrolled	75,000 (21%)	3,380 (22%)
13) Percent of Undergraduate FTE in Online Courses	40%	30%
14) Number of Institutions with at least 30% of Fall Undergraduates Receiving a Pell Grant	All Institutions Above 30%	42%
15) Academic Progress Rate <small>(2nd Fall Retention with GPA>=2.0)</small>	90%	90%
16) Pell Recipient Four-Year Graduation Rate <small>(for Full-Time FTIC)</small>	54%	54%
17) FCS AA Transfer Three-Year Graduation Rate	62%	62%

STRATEGIC PRIORITIES FOR A KNOWLEDGE ECONOMY		
18) Number & Percent of Bachelor's Degrees in Programs of Strategic Emphasis	45,000 (50%)	2,390 (62%)
19) Number & Percent of Bachelor's Degrees in STEM & Health	30,000 (35%)	1,700 (44%)
20) Number & Percent of Graduate Degrees in Programs of Strategic Emphasis	18,200 (60%)	540 (62%)
21) Number & Percent of Graduate Degrees in STEM & Health	15,200 (50%)	400 (46%)

SCHOLARSHIP, RESEARCH, & INNOVATION	BOG 2025 Goals (Revised in 2019)	UNF 2025 Goals
EXCELLENCE		
22) Faculty Membership in National Academies	75	0
23) Faculty Awards	75	3
24) Percent of Undergraduates Engaged in Research	New question on senior exit survey Spring 2020	TBD
PRODUCTIVITY		
25) Total R&D Expenditures	\$3.0B	\$15M
26) R&D Expenditures funded from External Sources	\$1.75B	\$8.25M
STRATEGIC PRIORITIES FOR A KNOWLEDGE ECONOMY		
27) Number of Patents Awarded Annually	410	5
28) Number of Licenses and Options Executed Annually	500	3
29) Number of Start-Up Companies Created	60	2

COMMUNITY & BUSINESS ENGAGEMENT	BOG 2025 Goals (Revised in 2019)	UNF 2025 Goals
EXCELLENCE		
30) Number of Universities with the Carnegie Foundation's Community Engagement Classification	All	Maintain classification (earned in 2010)

STRATEGIC PRIORITIES FOR A KNOWLEDGE ECONOMY		
31) Percent of Bachelor's Graduates Employed & Earning \$30,000 or Continuing Their Education	80%	76%
32) Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation	\$43,200	\$43,200

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Crosswalk from SUS PBF Goals to UNF Goals

SUS Metric	SUS "10" Threshold	UNF TODAY (Jan. 2020)	GOALS	
			UNF 3-YR (2022-2023)	UNF 5-YR (2024-2025)
1. % UG Employed	72.8%	69.9%	74%	76%
2. UG Median Wages	\$40.7K	\$38.6K	\$41.0K	\$43.2K
3. Net Tuition & Fees*	\$9,000	\$12,970	\$10,280	\$9,000
4. Four-Year Graduation*	50%	38.5%	50%	54%
5. Second-Year Retention*	90%	78.6%	83%	90%
6. Bach. Degree Strat. Emphasis	50%	54.3%**	60%	62%
7. UG Pell Recipients*	42%	30.7%	34%	42%
8. Grad Degree Strat. Emphasis	60%	52.7%	60%	62%
9. UG w/o Excess Hrs.	80%	83.1%	85%	87%
10. UG FTE in Online	27%	21%	27%	30%

* Reflects metric of emphasis within the strategic plan.

**Data highlighted in "yellow" reflects "10" excellence points for that metric.

Uniquely UNF

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Strategic Planning Committee
January 29, 2020**

SUBJECT: University of South Florida Consolidation Implementation Plan

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 1004.335, Florida Statutes

BACKGROUND INFORMATION

The University of South Florida Tampa, the University of South Florida St. Petersburg, and the University of South Florida Sarasota-Manatee campuses currently are separately accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. Section 1004.335, Florida Statutes, requires that no later than June 30, 2020, accreditation for all University of South Florida campuses are to be consolidated and accredited as a single institution.

On March 27, 2019, the Strategic Planning Committee reviewed the University of South Florida's implementation plan that established a timeline for each step necessary to terminate the separate accreditation. The implementation plan addressed, among other considerations, degree offerings, the unique identity of each campus, budget transparency and accountability, and research capacity at each campus.

Dr. Steven C. Currall, President of the University of South Florida, will provide an update on the implementation plan.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Steven C. Currall



AGENDA
Audit and Compliance Committee
Room 208
Turnbull Conference Center
Florida State University
555 West Pensacola Street
Tallahassee, FL 32301
January 29, 2020
3:00 p.m. – 4:00 p.m.

or
Upon Adjournment of Previous Meetings

Chair: Mr. Charlie Lydecker; Vice Chair: Mr. Kent Stermon.
Members: Frost, Huizenga, Jr., Levine

1. **Call to Order and Opening Remarks** **Governor Charlie Lydecker**

2. **Minutes of Committee Meeting** **Governor Lydecker**
Minutes: October 30, 2019

3. **SUS Compliance Summary** **Ms. Julie Leftheris**
*Inspector General and
Director of Compliance*

4. **SUS Three-peat Findings Summary** **Ms. Leftheris**

5. **Florida Agricultural and Mechanical University** **Mr. Kelvin Lawson,**
– Athletics Program Mid-Year Financial Update **Chair**
FAMU Board of Trustees

6. OIGC Updates

Ms. Leftheris

7. Concluding Remarks and Adjournment

Governor Lydecker

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 29, 2020**

SUBJECT: Minutes of Committee Meeting held October 30, 2019

PROPOSED COMMITTEE ACTION

Approval of the October 30, 2019, Committee meeting minutes.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will consider approval of the minutes of the October 30, 2019 Committee meeting.

Supporting Documentation Included: Minutes: October 30, 2019

Facilitators/Presenters: Governor Lydecker

MINUTES
BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
AUDIT AND COMPLIANCE COMMITTEE MEETING
UNIVERSITY OF FLORIDA
GAINESVILLE, FL
OCTOBER 30, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.

Chair Tim Cerio convened the meeting of the Audit and Compliance Committee on October 30, 2019, at 10:01 a.m., in the Grand Ballroom on the campus of the University of Florida in Gainesville, Florida. The following Audit and Compliance Committee members were present: Tim Cerio, H. Wayne Huizenga, Jr., Patricia Frost, Alan M. Levine, Charles H. Lydecker, Edward A. Morton, Eric Silagy, and Kent Stermon. The following members of the Board were also present: Shawn Felton, Zenani D. Johnson, Darlene Jordan, Sydney Kitson, Brian Lamb, Ned C. Lautenbach, Steven Scott, and Norman D. Tripp.

1. Call to Order

Mr. Cerio called the meeting to order.

2. Approval of Minutes

Mr. Lydecker motioned that the Committee approve the minutes of the Audit and Compliance Committee meeting held August 28, 2019, as presented. Mr. Morton seconded the motion. The minutes were approved.

3. Florida Agricultural and Mechanical University – Athletics Program Finance Update

Florida Agricultural and Mechanical University's (FAMU) Board of Trustees' Chair Mr. Kelvin Lawson was invited to update the Committee on the ongoing athletics cash deficit issue. Mr. Lawson explained the most recent efforts regarding their corrective actions. He stated that the university has reassembled a team to develop a plan that includes aggressive expense reductions, reduced investment from Direct Support Organizations as well as reduced support from other auxiliary programs such as the Boosters Club to mitigate the athletics program budget deficit. He introduced the university's interim chief financial officer to provide more details.

FAMU's Interim Chief Financial Officer Mr. Richard Schweigert provided a timeline of the athletics program's projected expenses for the current year, which began at \$10.2 million. However, he noted that after closer review, expenses are currently projected to be approximately \$10.8 million. He stated that he informed the President of the increase

and was directed to implement spending controls and a hiring freeze. The budgeted revenues and expenses were updated to be more realistic and conservative, which resulted in a \$2.4 million projected deficit. Mr. Schweigert gave an overview of the interim financial controls put into place. He explained that the Board of Trustees has been informed, involved, and engaged throughout the process. He noted that the university has assembled an Athletics Assessment Team comprised of senior management to identify expense reductions and develop a plan to achieve a balanced budget to include more realistic support from university support organizations and a reduction in the number of athletics programs and athletic scholarships. Mr. Schweigert said they expect to cure the budget deficit this year.

Mr. Joe Maleszewski, FAMU's Vice President for Audit, described the Athletics Assessment Team's efforts to identify expense reductions and implement the hiring freeze. The team developed an in-depth framework for analyzing the associated expenses for sports teams and squads, such as athletic staff salaries, scholarships, and operational expenses. The assessment team identified \$800,000 in cost savings along with other cost-saving strategies to be considered.

Mr. Schweigert noted that expense controls will be implemented in November 2019 in order to meet the \$10.2 million athletics expense limit. Additionally, the university will change the funding source for scholarships to rely more on Title IX funds and student fees beginning in the 2020 spring semester. Mr. Schweigert identified several key outcomes for the intercollegiate athletics program, including achieving a balanced budget, university-wide involvement, and transparent engagement with stakeholders. He said they believe they have developed a sustainable approach to addressing the university's athletics budget deficit.

4. OIGC Updates

Ms. Leftheris provided follow-up information to the Committee regarding a finding from Florida Polytechnic University's (FL Poly) Auditor General Operational Audit Report (issued June 2018) related to unsupported administrative costs the university retained from a legislative appropriation to develop an Anti-Hazing program. She explained that the university previously reported that \$330,000 would be returned to the State Treasury as recommended in the audit. A recent letter from FL Poly's President Mr. Randy Avent addressed to Mr. Cerio, cited Sections 1013.74(6) and 1011.45, Florida Statutes, which allow the university to expend reserve or carryforward balances from prior year operational and programmatic appropriations for legislatively approved fixed capital outlay projects. Thus, the university will be retaining the funds they previously reported to the Committee they would be returning to the State Treasury.

Ms. Leftheris explained that recently, allegations of financial mismanagement and budget discrepancies have been made related to Complete Florida Plus, which is a statewide funded program within the University of West Florida. Many of the allegations center around UWF's use of state funds, earmarked for the Complete Florida Plus Program, to cover university revenue shortfalls and address deferred maintenance

issues on campus. Ms. Leftheris provided a background on the program. She explained that based on the alleged concerns, the university and the Board of Governors have jointly procured the accounting firm Saltmarsh, Cleveland & Gund, to investigate the Complete Florida Plus Program. The engagement will be overseen by the Board of Governors Office of Inspector General and will focus on financial decisions between the university and Complete Florida Plus and specifically their management of state appropriated funds.

Ms. Leftheris noted that her office recently released a compliance report of Board of Governors Regulation 3.001 Camus Emergency Management and its corresponding statute Section 252.365, F.S., *Emergency Coordination Officers; Disaster Preparedness Plan*. The purpose of the project was to evaluate the Board Office's emergency management staff's compliance with the regulation and statute. Ms. Leftheris noted that the report contained several recommendations.

Ms. Leftheris explained that her office will soon undergo an assessment to accredit its investigative function by the Florida Commission on Law Enforcement Accreditation. She will inform the Committee of the assessment's results once it is completed.

Ms. Leftheris noted that the Board Office recently underwent an operational audit by the Florida Auditor General that is performed on a three-year cycle. She summarized the three audit findings, recommendations, and Board Office response that resulted from the audit.

5. Concluding Remarks and Adjournment

Mr. Cerio asked Board members if anyone had any questions or comments. Hearing none, the Audit and Compliance Committee was adjourned at 10:44 a.m.

Timothy Cerio, Chair

Lori Clark, Compliance and Audit Specialist

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 29, 2020**

SUBJECT: State University System of Florida Compliance Summary

PROPOSED COMMITTEE ACTION

Information only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Board of Governors Inspector General and Director of Compliance, Julie Leftheris, will provide Committee members with a summary of the compliance coverage for fiscal year 2018-2019 for State University System of Florida universities.

Supporting Documentation Included: PowerPoint Presentation

Facilitators/Presenters: Ms. Julie Leftheris

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 29, 2020**

SUBJECT: State University System of Florida Three-peat Findings Summary

PROPOSED COMMITTEE ACTION

Information only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Board of Governors Inspector General and Director of Compliance, Julie Leftheris, will provide Committee members with a summary of the three-peat findings identified by the Auditor General during since fiscal year 2018-2019 for State University System of Florida universities.

Supporting Documentation Included: PowerPoint Presentation

Facilitators/Presenters: Ms. Julie Leftheris

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 29, 2020**

SUBJECT: FAMU Intercollegiate Athletics Program Mid-Year Financial Update

PROPOSED COMMITTEE ACTION

Information only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Florida Agricultural and Mechanical University Board of Trustees Chair, Kelvin Lawson, will provide Committee members with an update on the university's intercollegiate athletics program's finances.

Supporting Documentation Included: PowerPoint Presentation

Facilitators/Presenters: Mr. Kelvin Lawson

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Audit and Compliance Committee
January 29, 2020**

SUBJECT: OIGC Updates

PROPOSED COMMITTEE ACTION

Information only

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Inspector General and Director of Compliance, Julie Leftheris, will provide Committee members with an update of her office's recent and upcoming activities.

Supporting Documentation Included: None

Facilitators/Presenters: Ms. Julie Leftheris



**AGENDA
Facilities Committee
Room 208
Turnbull Conference Center
Florida State University
555 West Pensacola Street
Tallahassee, Florida 32301
January 29, 2020
4:00 p.m. to 4:30 p.m.**

**or
Upon Adjournment of Previous Meetings**

**Chair: Mr. H. Wayne Huizenga, Jr.; Vice Chair: Mr. Steve Scott
Members: Felton, Kitson, Lydecker, Silagy**

- | | | |
|-----------|---|--|
| 1. | Call to Order and Opening Remarks | Governor H. Wayne Huizenga, Jr. |
| 2. | Minutes Oct. 3 & Oct. 30 | Governor Huizenga |
| 3. | FIU Housing Bonds Reauthorization | University Representatives |
| 4. | FSU Panama City P3 Housing | University Representatives
Chris Kinsley
<i>Assistant Vice Chancellor
for Finance & Facilities</i> |
| 5. | Concluding Remarks and Adjournment | Governor Huizenga |

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 30, 2020**

SUBJECT: Minutes of Meetings held October 3, 2019 and October 30, 2019

PROPOSED COMMITTEE ACTION

Approve the minutes from the meetings held on October 3, 2019 and October 30, 2019.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Committee members will review and approve the minutes of the Facilities Committee and the Joint Budget and Finance and Facilities Committee meetings held on October 3, 2019, at University of Central Florida; and the Facilities Committee meeting held on October 30, 2019, at the University of Florida.

Supporting Documentation Included: Minutes: October 3, 2019 and October 30, 2019

Facilitators/Presenters: Governor H. Wayne Huizenga, Jr.

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
UNIVERSITY OF CENTRAL FLORIDA
ORLANDO, FLORIDA
OCTOBER 3, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.

Governor H. Wayne Huizenga, Jr., Chairman, convened the Board of Governors Facilities Committee meeting at 12:01 p.m. (ET), on October 3, 2019. The following members were present: Shawn Felton, Darlene Jordan, Sydney Kitson, Ned Lautenbach, Charles Lydecker, Edward Morton, and Eric Silagy. Other Board members present included: Tim Cerio, Zenani Johnson, Brian Lamb, and Steven Scott.

1. Call to Order and Opening Remarks

Chairman Huizenga called the meeting to order.

2. Minutes of Committee Meeting: Governor Huizenga

Governor Kitson moved that the Committee approve the minutes of the Facilities Committee meeting held August 28, 2019, at Florida Gulf Coast University. Governor Kitson moved to approve, Governor Jordan seconded the motion, and it passed unanimously.

3. USF Mixed Use Lab and Office Building Bond Authorization

Chairman Huizenga called on Assistant Vice Chancellor, Chris Kinsley, to discuss the item for USF. Mr. Kinsley stated that the resolution authorizing the USF Financing Corporation to issue \$27,000,000 of revenue bonds for construction of a new multipurpose lab and office facility in the USF Research Park is in line with the university's mission and complies with all aspects of the SUS Debt Guidelines. The university provided documentation showing that there is a strong demand for space in the Research Park. The Research Park entity is contributing \$15M equity to the deal that will be used to customize the space as they bring on tenants. Leasing will begin six months before completion of the project. Mr. Kinsley advised that research parks have performed well.

Chairman Huizenga added that Bond Finance had no other comments other than to state that if the university was to lease space that it would be done at a market rate and would be paid for by funds that were allowed to be utilized for the project. Mr. Kinsley added that the university would be able to use funds that were legally permissible and

that has been added to the resolution to further say that USF will comply with the existing law regarding leasing of space.

Chairman Huizenga opened the floor for questions about the project. Hearing no questions, the Chairman called for a motion to approve a Resolution of the Board of Governors authorizing the USF Financing Corporation to issue \$27,000,000 of revenue bonds on behalf of the University of South Florida for the purpose of constructing a new multi-use lab and office facility in the USF Research Park. Governor Kitson moved to approve, Governor Jordan seconded.

Governor Lydecker asked about the project going before the Legislature. Mr. Kinsley advised that the project will go before the full board at the end of the month meeting assuming it is approved by the Facilities Committee today. He explained that there are two types of debt. If it is State of Florida, State Board of Administration, Division of Bond Finance issued bonds, it does have to go to the Governor and Cabinet for final ratification after Board of Governors approval. The bonds in this case are being issued by the University of South Florida Financing Corporation, so once approved by the Board of Governors, the DSO can immediately issue with no further approvals. There is also State of Florida issued and DSO issued debt and the process and the guidelines are the same. DSO deals do not go to the Governor and Cabinet. Mr. Kinsley explained that half of the deals seen before the Facilities Committee are Bond Finance issued deals and half are not. Mr. Kinsley then called on Mr. Lechner to discuss the rate on this transaction.

There being no further discussion, the Chairman asked if all were in favor and if there were any opposed. The motion passed with approval by all members present.

4. Review of PECO Projects and PECO Points

Chairman Huizenga advised that the annual review of PECO projects will provide great examples of how state PECO funding could advance numerous projects. Chairman Huizenga advised that, as a result of Senate Bill 190, the format of the presentations will change and align with the PECO points system.

Chairman Huizenga recognized Mr. Kinsley to present the projects that have received prior funding and the university will present projects not yet funded. Projects on the list with no PECO points will not be presented.

Documents related to each presentation can be found at:
<https://www.flbog.edu/session/facilities-committee-6n3drvlo/>

Each presentation may also be viewed by visiting the media archive at:
<https://thefloridachannel.org/videos/10-3-19-florida-board-of-governors-meeting-part-2/>

5. Space Needs Calculation Methodology Report

Mr. Kinsley and Dr. Jon Rogers were acknowledged to present on the Space Needs Calculation Methodology Report. Dr. Jon Rogers advised that the legislative proviso asked the Board to review the space needs calculation methodology to look for efficiencies and improvements. Dr. Rogers stated that a survey went out and was completed by each of the twelve universities. According to Dr. Rogers, the most important part was the site visit. The team visited five campuses that enabled the team to sit with the academic administrators and facilities planners. The site visits enabled the team to determine the situation on campus and figure out what the universities' needs were. A variety of university space was viewed, including new space, unsuitable space, and renovated space that showed how the universities are trying to adapt the old space to the current way in which faculty are teaching and students are learning.

Dr. Rogers then discussed the issues and recommendations section. The primary issue related to addressing the calculations of space, the formula that is used in the process, and how it is outdated. The resulting recommendation is to have the facilities planners come together and take a look at the formula, the factors used in the formula, and how the space is calculated. One of the other issues is how research space is calculated. Dr. Rogers stated that we are asking the Vice Presidents for Research to make recommendations. The next recommendation deals with utilizing the campus master plans and better aligning it with the accountability plan. Dr. Rogers added that there is also a recommendation to include the distinctive entities such as research schools and IFAS type entities in the needs assessment process as their need for space is not being met. In conclusion, Dr. Rogers said that we are recommending the creation of a Space Task Force.

Chairman Huizenga stated that the recommendations made sense. The Chairman thanked all the universities for pulling this together, especially considering the time that was allotted to conduct the study and stated that hopefully the report helps show that we have an amazing system and that we really need to invest in the physical part of the facility as well.

Lastly a presentation was provided highlighting pictures taken from the site visits. Mr. Kinsley noted that we are not capturing the differences of the quality in the space and the pictures show how much more you can do with flexible modern space versus space that is outdated. The Chairman concluded that all space is not created equally and that satisfactory space is not necessarily satisfactory.

Chairman Huizenga opened the floor for questions. After a short discussion with Governor Lautenbach, Chairman Huizenga called for a motion to approve the Space Needs Calculation Methodology Report. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed unanimously.

6. Proposed Amendment to Board Regulation 14.0025 Action Required Prior to Fixed Capital Outlay Budget Request – Review of Comments and Consideration of Modified Language

Chairman Huizenga invited Mr. Kinsley to advise on the status of the regulation. Mr. Kinsley advised that very few written comments have been received from the universities. He advised that the language has been reviewed very carefully since this was a discussion of how much authority to delegate to the Chancellor to make changes to the budget. Additionally, we have also had the benefit of reviewing all the FCO and Carry Forward plans. Mr. Kinsley advised that this matter should be deferred until the next meeting, in terms of moving forward with the final approval, so that the staff can work on more refined language and then re-notice at the next meeting. Chairman Huizenga concurred and advised that we will take the issue up at the next meeting.

7. Concluding Remarks and Adjournment

There being no further business, Chairman Huizenga adjourned the meeting at 1:55 p.m. (ET), on October 3, 2019.

Chris Kinsley, Assistant Vice Chancellor
Facilities

H. Wayne Huizenga, Jr., Chair

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
OCTOBER 30, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.

Governor H. Wayne Huizenga, Jr., Chairman, convened the Board of Governors Facilities Committee meeting at 9:30 a.m. (ET), on October 30, 2019. The following members were present: Shawn Felton, Darlene Jordan, Sydney Kitson, Ned Lautenbach, Charles Lydecker, Edward Morton, and Eric Silagy. Other Board members present included: Tim Cerio, Patricia Frost, Zenani Johnson, Brian Lamb, Alan Levine, Steven Scott, Kent Stermon, and Norman Tripp.

1. Call to Order and Opening Remarks

Chairman Huizenga called the meeting to order. Chairman Huizenga advised that the minutes from the meeting held on October 3, 2019, will be provided at the next meeting. Two action items, the USF Research Park Bonds and the Space Needs Calculation Methodology Report, were approved and will be reported out to the full Board later this afternoon.

2. Preliminary Selection Group Projects

Chairman Huizenga advised that at the last meeting the Committee took no action on the Preliminary Selection Group list and, following the meeting, the staff made a few technical changes which changed the final points total, but the general rank order of the projects remained the same.

Governor Huizenga opened the floor for questions. Hearing no questions, Governor Huizenga called for a motion to approve the Preliminary Selection Group and associated Points Methodology. Governor Jordan moved to approve, Governor Felton seconded the motion, and the motion passed unanimously.

3. Amend the 2020-2021 Fixed Capital Outlay Legislative Budget Request

Chairman Huizenga called on Assistant Vice Chancellor, Chris Kinsley, to explain each of the three elements of the agenda item. Mr. Kinsley advised that the three items included the Public Education Capital Outlay (PECO) request, the supplemental request from General Revenue, and an amendment to the Capital Improvement Trust Fund (CITF). Also mentioned as an informational item was the incomplete projects list.

Mr. Kinsley explained that the incomplete projects list is a new requirement under Senate Bill 190 and Florida Statute 1001.706 (12)6(d), which states that the Board shall maintain a list of projects that have not been fully funded by the Legislature. Mr. Kinsley stated that the list is very important should a university decide to use Carry Forward funding to finish a project on the incomplete project list. It is important to begin to maintain this list to demonstrate that a university is putting funds toward a project that is on the incomplete project list and if the university completes the project it can be removed from the incomplete project list. Mr. Kinsley provided the Committee with a suggested list format for informational purposes and advised that we will work with the institutions to more fully fill out the information on this list and document the date the project started and the date the project obtained a certificate of occupancy.

Mr. Kinsley then discussed the Capital Improvement Trust Fund. The Committee adopted a budget of \$44M back in August based on last year's numbers as a result of not having the financial statements or the fund balance. Now that the information has been received, Mr. Kinsley stated we can now recommend a budget of \$48M and noted that the increased budget is a result of increased enrollment, not a result of an increased fee.

Next, Mr. Kinsley explained that, through the PECO estimating conference, a cash allocation estimate is provided to the Board. The Board is required to adopt a list of projects that match up with the allocation numbers. The numbers over the next three years are currently projected at \$110M for 2020-2021, \$106M for 2021-2022, and \$123M for 2022-2023. Those numbers could potentially change; however, since it is a cash estimate, it is unlikely those numbers will change more than a few percentages up or down. It was proposed that the entirety of those balances over the next three years be devoted totally to the projects that were presented and have been assigned points by this Committee. Mr. Kinsley advised that we have started with the highest ranked project and gone down the list as far as possible with the allotted funds in year one and then progressed to year two, proceeding down the list and finishing any projects that had remaining funding until the funds ran out, and finally proceeded to do the same in year three. There are two exceptions to that process. The recommendation is that no funding be provided at this time to UF's Music Building, which is the number two request for the University of Florida, and also the number two request of New College for the Caples House that was discussed by the Committee at the October 3, 2019, meeting, which reduced the figure from \$10.3 to \$1.2M and put in year three.

Finally, Mr. Kinsley stated that the recommendation from staff for funding Maintenance, Repair, Renovation, and Remodeling, which in the past has come from PECO, but was not appropriated last session, would come from General Revenue as a special supplemental request. He further explained, that would allow us to get on track with the Carry Forward and that the \$50M would provide almost \$300M, and over ten years we would be able to cover the \$3B estimate of maintenance we have gotten from Sightlines. Mr. Kinsley noted, that is dependent upon if we are able to have the Carry Forward over the next ten years, if we get the appropriation, and if our maintenance backlog does not continue to increase.

Chairman Huizenga asked a question about CITF and the breakout of UFO, which Mr. Kinsley explained was referring to University of Florida Online which does assess the CITF fee which is used to support services for the University of Florida Online Students.

Chairman Huizenga questioned whether the Carry Forward would be the same next year. Mr. Kinsley responded by stating we have no way of telling the amount of Carry Forward that will be available at the end of June 30, 2020, as one of the components that make planning for maintenance difficult, is the lack of certainty. This is one reason why the state component has been so important as the universities could depend on a base of funding that was dedicated for maintenance and plan for the most critical projects. Mr. Kinsley proceeded to explain that not knowing how much Carry Forward would be available on June 30, 2020, means that universities will have to wait to look at all the competing priorities for that Carry Forward that, based on our process, may not be known until September. While physical plant may know what the needs are, they do not know what their base will be.

Chairman Huizenga explained that he asked the question in order to determine if going to the Legislature for the \$51M from General Funds to tackle the maintenance issue is enough when we are uncertain about future Carry Forward funds. Chairman Huizenga then suggested asking for \$100M.

Governor Levine raised the issue of capital investment and depreciation expenses in connection with research and further stated that there is a return on investment related to these issues that ought to be presented to the Legislature and the Governor. Governor Silagy stated that a depreciation study needs to be conducted at each university and that he would like to see a more holistic plan to deal with this matter.

Chairman Huizenga requested that Mr. Kinsley and Mr. Jones work together with Governors Levine and Silagy and determine whether we are taking advantage of those investments, maintenance, and renovations of those buildings and including them in our percentages, as well as to determine if it will help to drive the potential to receive more funding based on the capital investments that are being made. Secondly, Chairman Huizenga asked Mr. Kinsley to provide a list of deferred maintenance from the universities. The list should be organized by the use type of the facility such as safety or administration and the deferred maintenance should also be categorized. Chairman Huizenga stressed the importance of presenting this information to the Legislature to explain the critical need in a more cohesive manner.

Governor Scott also expressed the importance of the Board of Governors putting the information in a standard format and said that he hoped we could go one step further in working with members of the Legislature for possible long term sustainable solutions. He stated that it seems like it is our responsibility, as the Board of Governors, to know what our buildings are and how are they being accounted for on the balance sheet, which are being depreciated and which are being put in as capital appreciation. Governor Scott agreed that creating buckets will help the review process year to year which can be used to try and help determine a sustainable solution.

Committee members expressed their support in going to the Legislature with a higher number which may help the maintenance issue that must be addressed. Governor Silagy expressed the importance of the schedules, consistency, and depreciation.

Chairman Huizenga called for a motion to amendment of the 2020-2021 State University System Fixed Capital Outlay Legislative Budget Request as presented, including \$100M for Maintenance, Renovation, Repair, and Remodeling from the General Revenue Fund. Governor Lautenbach moved to approve, Governor Jordan seconded the motion, and the motion passed unanimously.

4. Concluding Remarks and Adjournment

Chairman Huizenga advised that he was pleased to hear from both the General Counsel and the Chancellor that the Board's discretion to advance projects for funding consideration has not been terminated.

There being no further business, Chairman Huizenga adjourned the meeting at 10:01 a.m. (ET), on October 30, 2019.

Chris Kinsley, Assistant Vice Chancellor
Facilities

H. Wayne Huizenga, Jr., Chair

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
JOINT MEETING OF THE FACILITIES COMMITTEE AND BUDGET AND
FINANCE COMMITTEE
UNIVERSITY OF CENTRAL FLORIDA
ORLANDO, FLORIDA
OCTOBER 3, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.

Governor Sydney Kitson, Co-Chairman, convened the Board of Governors Joint Meeting of the Facilities Committee and the Budget and Finance Committee meeting at 1:59 p.m. (ET), on October 3, 2019. The following members were present: H. Wayne Huizenga, Jr., Timothy Cerio, Shawn Felton, Zenani Johnson, Darlene Jordan, Ned Lautenbach, Charles Lydecker, Edward Morton, Steven Scott, and Eric Silagy.

1. Call to Order and Opening Remarks

Co-Chairman Kitson called the meeting to order.

2. 2019-2020 Carryforward Spending Plans and Fixed Capital Outlay Budgets

Chairman Kitson called on Mr. Jones to provide definitions, as well as provide a presentation related to carryforward funds and concerns.

Assistant Vice Chancellor, Chris Kinsley, commented on Florida International University (FIU) and stated that FIU has \$61M identified in the Carryforward Spending Plan for the main campus, the medical school, and for a variety of initiatives. \$22.5M (37%) is allocated for specific Fixed Capital Outlay (FCO) projects. \$5.3M is allocated for student financial aid. \$9M is planned for faculty, research, and start-up packages. Mr. Kinsley advised that SB 190 requires that all carryforward above 7% must include the estimated cost per planned expenditure and a timeline for completion. He further stated that one question we are struggling with is contingencies and mentioned FIU's set aside of \$800,000 for potential hurricane-related expenses and \$1M for potential legal expenses associated with the bridge collapse. Mr. Kinsley stated that both are reasonable and prudent to budget for, but asked if it was allowable under the new legislation. Chairman Huizenga advised that the items appeared sensible but that FIU's Board of Trustees will want to revisit these items later in the fiscal year. Governor Kitson agreed and stated that, in the private sector, we all have some contingencies to deal with unexpected emergencies. I see where the universities would need something similar, but they should be specifically identified. Governor Silagy also commented on contingencies.

Mr. Kinsley then stated that for the FCO budget, FIU has almost \$500M budgeted. He explained that we had a few questions regarding some of their line items, specifically \$11.6M set aside for maintenance, repair, and remodeling, but FIU provided us with information that FIU's board officially approved and combined numerous projects. Mr. Kinsley advised that we will continue to work with FIU over the coming weeks as we dig deeper into the Carryforward Spending Plan and FCO Budget but believe FIU is ok to approve.

Chairman Huizenga opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with Florida International University to address outstanding questions. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed unanimously.

Mr. Kinsley was then recognized to discuss Florida Gulf Coast University (FGCU). Mr. Kinsley advised that for the Carryforward Spending Plan, FGCU has \$21.1M available. FGCU has identified a total of \$11.1M for renovations, repair, and maintenance projects. Of this amount, \$9.6M has been identified specifically for FCO. Therefore, FGCU is using a little more than 50% of its carryforward for repairs, maintenance, and FCO projects. FGCU has also allocated \$4.9M for IT related initiatives and \$3M for faculty, research, and start-up packages.

Next, Mr. Kinsley stated that FGCU's FCO budget identified about \$37.6M in various projects. We have some minor questions that we will continue to work with FGCU on; otherwise, we are ok with the plan.

Chairman Kitson mentioned the presentation viewed earlier today on the implementation of the new resources FGCU has received to help improve the performance funding metrics, including 4-year graduation rates, which is 2nd lowest in the system at 28.8%. We hope those strategies continue to work and improve graduation rates and that some of the carryforward resources can supplement the current year operating budget to address improving the performance funding metrics.

Chairman Kitson opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with Florida Gulf Coast University to address outstanding questions. Governor Lautenbach moved to approve, Co-Chairman Huizenga seconded, and the motion passed unanimously.

Next, Vice Chancellor and CFO, Tim Jones, commented on the University of North Florida's (UNF) Carryforward Spending Plan and stated that UNF has \$20.3M available. UNF has identified a total of \$6.2M for renovations, repair, and maintenance projects. Of this amount, \$5.8M has been identified specifically for FCO. UNF is, therefore, using about 55% of its carryforward for repairs, maintenance, and FCO projects. Additionally,

UNF allocated \$4.8M for student financial aid and \$5.6M for faculty, research, and start-up packages. Overall, UNF's Carryforward Spending Plan looked pretty good.

Mr. Jones then commented on the UNF FCO Budget, which identified about \$42M in various projects. Mr. Jones then praised UNF for setting aside \$2M in carryforward funds for repair and maintenance since there were no Public Education Capital Outlay (PECO) funds allocated for repair or maintenance this year. UNF also allocated some of its carryforward funds to PECO projects that the Facilities Committee reviewed earlier, which helps UNF with the points system. We have some minor questions that we will continue to work with UNF.

Lastly, Mr. Jones explained that one of the issues we noted on several universities' submissions is that the FCO Budget was approved earlier in the summer, while the Carryforward Spending Plan was approved in September, so we wonder if the Boards of Trustees are seeing the complete picture and link between carryforward and the FCO Budget by reviewing at the same time as we have. Mr. Jones pointed out that UNF is working to align its meeting schedules going forward in light of the new statutory requirements. Other than that, we are ok with UNF's plan.

Co-chairman Kitson advised that Tim raised a good point. We do have the luxury of looking at the Carryforward Spending Plans and the FCO Budget at the same time. We can see if funds are being allocated to deferred maintenance and this is where the Boards of Trustees need to have the information at the same time to see the whole picture.

Co-Chairman Huizenga agreed and stated that you could not look at these in isolation; the review needs to be done together. Once again, this is what we have been encouraging our Trustees to do as a part of their fiduciary responsibility. He further stated that it is great that UNF is looking to align their meeting schedule with ours. I hope other schools will realize that, just as the Board of Governors has adopted its calendar to the new legislative schedule and requirements, it is incumbent on the Trustees to synchronize also. They need to be digging into these details and understand the ramifications.

Co-Chairman Kitson opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the University of North Florida to address outstanding questions. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed unanimously.

Co-Chairman Kitson acknowledged Mr. Jones to present on Florida State University (FSU). Mr. Jones advised that FSU provided Carryforward Spending Plans for its main campus, the medical school, and the FAMU-FSU College of Engineering and stated that my comments include all three of those entities. For the Carryforward Spending Plan, FSU has a total of \$95.8M available. FSU identified a total of \$4.1M for FCO and has also allocated \$12.2M for financial aid, \$8.1M for campus safety and security, \$22.5M

for faculty, research, and start-up packages. Overall, FSU's Carryforward Spending Plan looked pretty good.

Next, Mr. Jones presented on FSU's FCO Budget, which identified over \$550M in various projects. Under the old rules, FSU had already moved \$29M from carryforward funds over the last several years to fund 12 projects. In addition, 19 projects use carryforward funds, along with other funds, to complete those projects. FSU is also using current year Education & General (E&G) operating funds for some minor projects, which is allowed. We did have some minor questions, and FSU has provided us with additional information. So we are good with the information presented.

Co-Chairman Huizenga opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the Florida State University to address outstanding questions. Governor Lautenbach moved to approve, Governor Lydecker seconded, and the motion passed unanimously.

Co-Chairman Huizenga acknowledged Mr. Kinsley to present on Florida Agricultural and Mechanical University (FAMU). Mr. Kinsley advised that for the Carryforward Spending Plan, FAMU has a total of \$16.9M available. FAMU identified a total of \$6.6M for facilities, infrastructure, and IT initiatives, \$6.6M for financial aid, and \$1M for student services, enrollment, and retention efforts. Some of the facilities initiatives appear to be FCO projects but are not identified as such, so we will need to continue to work with FAMU staff to understand those initiatives.

Co-Chairman Huizenga stated that he is glad to see FAMU setting some resources aside for student services and retention. When it comes to our performance metric on 2nd-year retention rates, they are the lowest in the system at 71%, and this area definitely needs improvement. What is not easily seen in the carryforward spending plan are any resources spent on improving 4-year graduation rates. Co-Chairman Huizenga further stated that he understood that there may be current year operating funds allocated towards that, so maybe FAMU can send staff some information on what initiatives are underway to improve graduation rates.

Co-Chairman Kitson agreed and added that, during our June Accountability Plan presentations, we saw FAMU's goal was to improve graduation rates to 40% by 2022, so there must be strategies in place to make those improvements.

Mr. Kinsley proceeded to explain FAMU's FCO Budget, which identified \$84M in various projects. We did not see any Capital Improvement Trust Funds (CITF) included in the spending plan, nor any funds for general maintenance, repair, and renovation. However, under the carryforward allocations, there were funds for items like chilled water repairs, sewer improvements, and fire alarm system upgrades, so some maintenance work will be performed. We still need to work with FAMU on some minor questions to fully understand their plan. Otherwise, we are good with the information presented.

Co-Chairman Huizenga opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the Florida Agricultural and Mechanical University to address outstanding questions. Governor Lautenbach moved to approve, Governor Lydecker seconded, and the motion passed unanimously.

Co-Chairman Huizenga acknowledged Mr. Kinsley to present on Florida Polytechnic University (FPU or Florida Poly). Mr. Kinsley explained that FPU has a total of \$9.5M available for the Carryforward Spending Plan and has identified \$1.4M for hurricane repairs and \$156,000 for renovations to faculty offices. FPU has also included \$2.3M for IT and another \$1.2M for other operating requirements approved by the Board of Trustees. Mr. Kinsley explained that FPU had identified \$2M for the Applied Research Center, which we talked about during the Facilities Committee Meeting, but there is some missing information as to what these funds are for specifically. FPU did leave \$2M unbudgeted. So, in essence, a reserve with no explanation.

The Florida Institute of Phosphate Research is housed at Florida Poly. They have \$6.5M carried forward, but did not include a Carryforward Spending Plan and, in our view, it is required.

We also have questions regarding recurring and non-recurring expenditures.

Moving to the FCO budget, Mr. Kinsley explained that Florida Poly has had special statutory language since they were created to use carryforward funds for fixed capital outlay and have allocated a significant portion of prior years' carryforward funds to FCO projects. It appears no funds have been set aside for minor maintenance, repair, and remodeling since there was not a PECO allocation this year for those types of projects. We have some follow-up to do with Florida Poly; otherwise, we are ok.

Co-Chairman Kitson opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the Florida Polytechnic University to address outstanding questions. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed unanimously.

Co-Chairman Kitson then acknowledged Mr. Jones to present on the University of West Florida (UWF). Mr. Jones explained that UWF's Carryforward Spending Plan has a total of \$23.6M available and has identified a total of \$8.4M for renovation, repair, and maintenance projects which included \$7.3M for FCO deferred maintenance. So about 35% of UWF's carryforward is going towards maintenance. UWF has also allocated \$1.2M for campus safety and security, and \$2.8M for faculty, research, and start-up packages. Mr. Jones stated that overall, UWF's Carryforward Spending Plan looked pretty good.

Next, Mr. Jones presented on UWF's FCO budget. UWF has \$57M in various projects. Mr. Jones stated overall, UWF's plan looks pretty good, but we do have some reconciliation issues we need to work with them on; however, we are good with the information submitted.

Co-Chairman Kitson opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the University of West Florida to address outstanding questions. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed unanimously.

Co-Chairman Kitson acknowledged Mr. Jones to present on the University of Florida (UF). Mr. Jones stated that UF's Carryforward Spending Plan has a total of \$208.2M available that includes the main campus, IFAS, and the Health Science Center. UF has identified a total of \$72.94M for renovation, repair, and maintenance projects, which includes \$66M for FCO projects. Therefore, about 35% of UF's carryforward is going towards FCO projects. UF also allocated \$1M for campus safety and security; \$50M for faculty, research, and start-up packages; and \$56M from prior appropriations for preeminence, world-class scholars, and graduate/professional degree programs. One concern here would be the timeline for expenditure of those funds, but we know that these funds are going to hire faculty, and it takes some time to advertise and recruit those individuals.

Co-Chairman Huizenga stated that he is concerned about the funds that have accumulated from preeminence appropriations and world-class scholars and, according to UF's spending plan, it will take them two years to hire these faculty. We heard this morning UF needs \$50 million to continue its goal of getting into the top five, so I'm really struggling with why it is taking so long to spend those resources. Co-Chairman Huizenga stated that he would like UF to provide us with additional information on its plans to hire faculty and spend these resources. University of Florida's Provost and Senior Vice President for Academic Affairs, Dr. Joe Glover, responded to Co-Chairman Huizenga's concerns and questions from Co-Chairman Kitson and Governor Silagy.

Next, Mr. Jones discussed the UF's FCO budget but we still need to work with UF on some additional issues. Overall we are good with UF's submission.

Hearing no further questions or comments, Co-Chairman Huizenga called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the University of Florida to address outstanding questions and provide us with a more detailed plan on the expenditure of the preeminence and world-class scholar funds. Governor Lautenbach moved to approve, Governor Silagy seconded, and the motion passed unanimously.

Co-Chairman Huizenga then recognized Mr. Kinsley to present on New College of Florida (NCF). Mr. Kinsley explained that NCF's Carryforward Spending Plan has a total of \$6.5M available. NCF is using \$4.2M for FCO projects. Therefore, over half of

NCF's carryforward is going towards FCO projects. This isn't surprising given the age of NCF's facilities, and NCF really could use even more resources. NCF has also allocated \$190,000 for student services and \$400,000 for library services.

Next, Mr. Kinsley discussed NCF's FCO Budget, which totals around \$4M for upkeep on various existing buildings. He mentioned the discussion about the special language that Florida Poly has in law to build up its new campus; the reality that simply keeping up on an older campus that is right next to salt water can be an even more costly proposition. However, New College is making solid choices under the new authority provided by SB 190 to address the most urgent problems. Mr. Kinsley explained that we still need to work with them on some reconciliation issues, but overall we are good with their submission.

Co-Chairman Huizenga opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with New College of Florida to address outstanding questions. Governor Lydecker moved to approve, Governor Lautenbach seconded, and the motion passed unanimously.

Mr. Kinsley then presented on the University of South Florida (USF). Mr. Kinsley stated the USF Carryforward Spending Plan totals almost \$190M, which includes the Medical School. USF is applying \$36M (19%) towards specific FCO projects, which will address a significant amount of deferred maintenance. USF will also finish some PECO projects, including Morsani, which means those projects drop off the PECO list, and he commended USF for that. Additionally, the largest single line item is \$85.6M for faculty/staff, instructional advising, faculty research, and start-up funding. Mr. Kinsley stated that we will continue to work with USF to ensure that all costs are properly identified as non-recurring. As noted in the observations, there are some FCO projects listed in the carryforward budget, which are not easily identified in the FCO Budget. This is an issue for all schools, and we are working with USF to reconcile the two as well.

Next, Mr. Kinsley explained that USF's approved project budget totals \$319M from a variety of sources. USF's original report had some issues, but these were addressed quickly by USF, and are reflected in the materials in Diligent. Mr. Kinsley stated that both the Carryforward Spending Plan and FCO Budget are in a place where we are comfortable with recommending approval.

Co-Chairman Kitson opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with the University of South Florida to address outstanding questions. Governor Jordan moved to approve, Governor Lydecker seconded, and the motion passed unanimously.

Next, Co-Chairman Kitson recognized Mr. Kinsley to discuss the University of Central Florida (UCF), as well as a complicating issue that needed to be addressed. Mr. Kinsley indicated that, in the last committee meeting, the issue was addressed and the crux of

the issue was that with \$228M in carryforward, UCF was able to identify sufficient funds to fund its top two PECO priority projects. Mr. Kinsley then stated that he felt that the issue had been addressed.

Mr. Kinsley explained that UCF has a total of \$253M in carryforward, including the Medical School and Center for Students with Unique Abilities. \$73M (29%) is allocated for renovation, repairs, and maintenance. UCF has allocated \$91M for faculty/staff, instructional advising, faculty research, and start-up funding; \$21M for financial aid; and \$12M for IT.

Next, Mr. Kinsley explained the UCF FCO budget and stated that there is \$67M that has not been spent or encumbered. There are a variety of funding sources, including carryforward, which is being used to supplement various projects. There are a lot of clarifying questions that we will be following up on to understand all of the projects submitted, especially those identified as being funded with E&G. That concludes my overview.

Co-Chairman Kitson stated that, as far as the FCO plan goes, UCF has done a solid job. With approval by the Committee today, UCF will have the green light to move forward with the individual projects on this list. It will be essential, however, that UCF resolves any FCO project reconciliation items identified to the satisfaction of Board staff. Chairman Kitson further stated that he would like the Board's Facilities Committee to receive updates throughout the year whenever the FCO Budget is amended to provide us further assurance that UCF is back on the right track.

Co-Chairman Kitson opened the floor for questions or comments. Hearing no further questions or comments, Chairman Kitson, with that caveat, called for a motion to approve both the Carryforward Spending Plan and Fixed Capital Outlay Budget for the University of Central Florida, with the understanding the Facilities Committee will receive updates as the FCO Budget is amended. Governor Lautenbach moved to approve, Governor Silagy seconded, and the motion passed unanimously.

Co-Chairman Kitson then recognized Mr. Jones to present on Florida Atlantic University (FAU). Mr. Jones stated that the FAU Carryforward Spending Plan totals almost \$46.2M, including the Medical School, and that FAU is using some \$5M (10%) for FCO related projects. The largest single line item is almost \$20M for IT, with another \$14M for faculty/staff, instructional advising, faculty research, and start-up funding. Mr. Jones stated that there appears to be a lot of items identified as non-recurring, but could be recurring, and that we will need to work with FAU to fully understand these proposed expenditures.

Mr. Jones then addressed the FCO Budget and explained that we have several follow-up questions that we will need to continue to work on with FAU. One of those issues relates to setting aside funding for FCO minor project repairs since the State did not provide any PECO funding for minor projects this year. Other than that, we are ok with their plans.

Co-Chairman Huizenga opened the floor for questions. Hearing no questions, the Chairman called for a motion to approve the Carryforward Spending Plan and Fixed Capital Outlay Budget, with the understanding that staff will continue to work with Florida Atlantic University to address outstanding questions. Governor Jordan moved to approve, Governor Lautenbach seconded, and the motion passed unanimously.

3. Concluding Remarks and Adjournment

Co-Chairman Kitson stated that this has been a very eye-opening process. As mentioned at the outset, this is the first time we have received this level of detail. Staff still has a lot of information to gather, and they will continue their review.

Co-Chairman Kitson further explained that this gives us a sense of what this process will look like going forward. Being able to review Carryforward Spending Plans and Fixed Capital Outlay Budgets together is critical and expressed hope that the university boards of trustees realize the importance of reviewing this information together and ask questions, just like we did.

There being no further business, Co-Chairman Kitson adjourned the meeting at 2:50 p.m. (ET), on October 3, 2019.

Chris Kinsley, Assistant Vice Chancellor
Facilities

H. Wayne Huizenga, Jr., Co-Chairman

Sydney Kitson, Co-Chairman

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 30, 2020**

SUBJECT: Authorization of a Resolution of the Board of Governors (the “Board”) requesting the Division of Bond Finance of the State Board of Administration of Florida (the “Division of Bond Finance”) to issue revenue bonds on behalf of Florida International University to finance the construction of a new housing facility.

PROPOSED COMMITTEE ACTION

Authorization of a resolution requesting the issuance of fixed rate, tax-exempt revenue bonds by the Division of Bond Finance on behalf of Florida International University (the “University”), in an amount not to exceed \$71,800,000 (the “Bonds”) for the purpose of financing a new housing facility on the University’s main campus (“the Project”).

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance have reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and complies with the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution.

BACKGROUND INFORMATION

On June 22, 2017, the Board approved FIU’s financing of the Project with Bonds in an amount not to exceed \$63M, with total project costs of \$66.5M. Reauthorization has been requested by the University due to increased project costs. The Project will be located in the central, southern area of the main campus of the University and will include approximately 700 beds. The Project is the second phase (Parkview II) of a two-phase project, of which phase I (Parkview I) provided 611 beds and opened fall 2014. The total Project cost is expected to be approximately \$87.5M.

The University’s Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$71,800,000 of fixed rate, tax-exempt revenue bonds to finance the construction of the Project, fund capitalized

interest, and pay costs of issuing the Bonds. The University's housing system will fund an additional \$23M through a cash contribution toward the Project. The Bonds will mature no more than thirty (30) years after issuance with level annual debt service payments.

The debt service payments will be funded from revenues generated from the operation of the University housing system, after payment of operating and maintenance costs. Operating revenues are generated primarily from housing rental revenues, special event rental revenues, net parking revenues paid by the residents, and other miscellaneous collections. The Bonds will be issued on parity with the outstanding FIU Dormitory Revenue Bonds, and projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Bonds and the outstanding dormitory bonds.

The University's Board of Trustees approved the Project and the financing thereof at its December 5, 2019, meeting.

Supporting Documentation Included:

1. Authorizing Resolution
2. Project Summary
3. Estimated Sources and Uses of Funds
4. Historical and Projected Debt Service Coverage – Housing System
5. Projected Debt Service Coverage – Parkview Hall II (only)
6. Internal Rate of Return calculation
7. DBF memorandum

Facilitators / Presenters: Mr. Chris Kinsley

A RESOLUTION REQUESTING THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA TO ISSUE REVENUE BONDS ON BEHALF OF FLORIDA INTERNATIONAL UNIVERSITY TO FINANCE THE CONSTRUCTION OF A STUDENT HOUSING FACILITY ON THE MAIN CAMPUS IN AN AMOUNT NOT TO EXCEED \$71,800,000; AND PROVIDING AN EFFECTIVE DATE

The duly acting and appointed Board of Governors of the State of Florida at a meeting duly held pursuant to notice and a quorum being present do hereby make the following resolutions:

BE IT RESOLVED:

1. Findings. The Board of Governors hereby finds as follows:

(A) Pursuant to Article IX, Section 7 of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control, and manage the State University System of Florida. The Board of Governors is further vested with the authority to approve the issuance of revenue bonds by a state university pursuant to section 1010.62(2), Florida Statutes.

(B) On December 5, 2019, the Board of Trustees of Florida International University (the "University") requested approval from the Board of Governors for the Division of Bond Finance to issue revenue bonds in an amount not exceeding \$71,800,000 (the "Bonds"), for the purpose of financing: (i) a student housing facility containing approximately 700 beds and associated ancillary spaces on the main campus; (ii) capitalized interest, and (iii) certain costs relating to the Bonds (collectively, the "Project", and the plan to finance the Project collectively referred to as the "Financing Plan").

(D) The Project will be part of the housing system at the University.

(E) Upon consideration of the Financing Plan, the Board of Governors further finds that the issuance of the Bonds is for a purpose that is consistent with the mission of the University; is structured in a manner appropriate for the prudent financial management of the University; is secured by revenues adequate to provide for all debt service payments; has been properly analyzed by the staffs of the Board of Governors and the Division of Bond Finance; and is consistent with the Board of Governors' Debt Management Guidelines.

(F) The Board of Governors declares that the Project will serve a public purpose by providing student housing facilities on the main campus of the University.

(G) The Project is included in the master plan of the University.

2. Approval of the Project. The Project is approved by the Board of Governors as being consistent with the strategic plan of the University and the programs offered by the University.

3. Approval of the Bonds. The Board of Governors hereby approves and requests the Division of Bond Finance of the State Board of Administration of Florida (the "Division") to issue the bonds for the purpose of financing the construction of the Project, in an amount not to exceed \$71,800,000, with a final maturity not to exceed thirty (30) years from the date thereof and a fixed interest rate. Proceeds of the bonds may be used to pay the costs of issuance of such bonds, to provide for capitalized interest, to fund a debt service reserve, if necessary, and to provide for a municipal bond insurance policy, if any. The bonds are to be secured by the net revenues of the housing system of the University, which may include but are not limited to, housing rental revenues, special event rental revenues, net parking revenues paid by the residents, and other miscellaneous collections, and may additionally be secured by other revenues that are determined to be necessary and legally available. The bonds shall be issued on parity with the outstanding University housing system bonds. The Division shall determine the amount of the bonds to be issued and the date, terms, maturities, and other features of a fiscal or technical nature necessary for the issuance of the bonds. Proceeds of the bonds, and other legally available monies, shall be used for the Project, which is authorized by section 1010.62, Florida Statutes.

4. Refunding Authority. Authority is further granted for the issuance of bonds for the purpose of refunding all or a portion of any bonds secured by the revenues described, if it is deemed by the Division to be in the best financial interest of the State. The limitation on the amount authorized for the bonds in Section 1 above shall not apply to such refunding bonds. Other terms of this resolution shall apply to any such refunding bonds as appropriate.

5. Compliance. The Board of Governors will comply, and will require the University to comply, with the following:

(A) All federal tax law requirements upon advice of bond counsel or the Division as evidenced by a "Certificate as to Tax, Arbitrage and Other Matters" or similar certificate to be executed by the Board prior to the issuance of the bonds.

(B) All other requirements of the Division with respect to compliance with federal arbitrage law, pursuant to Section 215.64 (11), Florida Statutes.

(C) All requirements of federal securities law, state law, or the Division, relating to continuing secondary market disclosure of information regarding the Bonds, the University, and the University's housing system, including the collection of the revenues pledged to the bonds. Such requirements currently provide for the disclosure of information relating to the bonds, the University, and the University's housing system, including the collection of the revenues pledged to the bonds, on an annual basis, and upon the occurrence of certain material events.

(D) All covenants and other legal requirements relating to the bonds.

6. Fees. As provided in section 215.65, Florida Statutes, the fees charged by the Division and all expenses incurred by the Division in connection with the issuance of the bonds (except for periodic arbitrage compliance fees, if any, which shall be paid from other legally available funds) shall be paid and reimbursed to the Division from the proceeds of the sale of such bonds. If for any reason (other than a reason based on factors completely within the control of the Division) the bonds herein requested to be authorized are not sold and issued, the Board agrees and consents that such fees, charges, and expenses incurred by the Division shall, at the request of the Division, be reimbursed to the Division by the University from any legally available funds of the University.

7. Authorization. The Division is hereby requested to take all actions as necessary to issue the bonds.

8. Reserve and Insurance. If determined by the Division to be in the best interest of the State, the Board of Governors may cause to be purchased a debt service reserve credit facility and/or municipal bond insurance, issued by a nationally recognized bond insurer.

9. Repealing Clause. All resolutions of the Board of Governors or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

10. Authorization of Further Actions Consistent Herewith. The members of the Board of Governors, attorneys, or other agents or employees of the Board of Governors are hereby authorized and directed to do all acts and things required of them by this resolution or desirable or consistent with the requirements hereof, to assure the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the bonds and this resolution; including execution of such

documents, certificates, contracts, and legal opinions and other material delivered in connection with the construction or financing of the Project for use by the University, the issuance of the bonds or as necessary to preserve the exemption from the taxation of interest on any of the bonds which are tax-exempt, in such form and content as the Chair, Vice Chair, or authorized officers executing the same deem necessary, desirable, or appropriate.

11. Effective Date. This resolution shall become effective immediately upon its adoption.

Adopted this 30th day of January, 2020.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the issuance of bonds by the Division of Bond Finance of the State Board of Administration of Florida is a true and accurate copy as adopted by the Board of Governors on January 30, 2020, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

**BOARD OF GOVERNORS OF THE
STATE UNIVERSITY SYSTEM OF
FLORIDA**

Dated: _____, 2020

By: _____
Corporate Secretary

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STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
Florida International University
Parkview II – Student Housing Facility

Project Description:

In 2017, Florida International University (“FIU” or “University”) submitted a proposal for the financing and construction of a new student housing facility and parking garage on the University’s main campus. The original proposal, approved by the Board of Governors (“Board”) on June 22, 2017, included 656 beds, a 300-space parking garage and ancillary space to service students (together, the “Project”). Total project costs were originally anticipated to be approximately \$66.5 million, financed with \$63 million in bonds (issued by the Division of Bond Finance) and a \$16.4 million cash contribution by the University. Subsequent to the Board’s approval, significant increases in construction costs stifled plans for the Project and, ultimately, it never broke ground. Today, the University wishes to pursue construction of the facility, but the passage of time, cost increases and changes to the Project program necessitate reauthorization by the Board.

As now proposed, the Project will consist of a 13-story residence hall of approximately 300,000 square feet, providing approximately 700 beds (including 20 resident assistant “RA” units) in a mixture of 4-bedroom and studio units, each with a common area and a kitchenette. The building will also include study lounges and space for student education/social activities. Total project costs are projected to be approximately \$87.5 million, to be financed with \$71.8 million in bonds (the “Bonds”) and a cash contribution from FIU of approximately \$23 million.

A parking facility is not included in the new proposal. According to FIU, the existing parking system has sufficient capacity to absorb any increase in demand stemming from the proposed Project. Furthermore, the University will be starting construction of the Miami Dade Transit Depot on campus in the next few months, which is expected to alleviate some demand, plus national trends indicate fewer full-time students with cars.

The Project is included in the current campus master plan, and it was approved by the FIU Board of Trustees on December 5, 2019.

Site Location:

The Project will be located in the central, southern area of the main campus, near academic and student services buildings, food services, and the recreation center. Currently, SW 17th Street runs adjacent the north side of the Project site, but will be relocated to the south side to integrate the Project with existing housing and improve student safety.

Project Design and Construction Phase:

Project design was completed by the global architectural and engineering firm Perkins and Will. Construction management services will be provided by Moss and Associates, one of the largest general contractors in the southeastern United States. The University anticipates a 26-month construction phase, commencing March 2020 and ending May 2022. FIU's goal is to be open and available for occupancy in Fall 2022.

Project Cost and Financing Structure:

The University expects construction and design costs for the proposed housing facility to total approximately \$87.5M, resulting in a cost of \$125,000 per bed (i.e. approximately \$500k for a 4-BR unit with kitchenette and common area) or \$292/sq. ft. According to the University, costs are elevated due to unit configuration (apartment style) and higher costs associated with high-rise construction, such as added concrete and steel for foundation and floors for added strength and greater rigidity due to wind pressure. Note, Project costs include approximately \$3.8M for road relocation, as described in the Site Location section above. Funding for road relocation will come from unrestricted auxiliary fund balance, as approved by the FIU Board of Trustees on 12/5/19.

The Project will be financed with 30-year, fixed rate, tax-exempt bonds issued by the Division of Bond Finance ("DBF") in an amount not to exceed \$71.8M; exclusive of capitalized interest (\$7.4M) and estimated cost of issuance (\$865k), plus a \$23M cash contribution from FIU's housing system. (See *Estimated Sources and Uses of Funds*).

The Bonds will be structured with a level debt service (see "*Bond Debt Service*" schedule), and a debt service reserve is not expected to be required.

Quantitative Demand For Project:

Based on the University's "Accountability Report", annual enrollment has steadily grown in recent years to approximately 47,000, with the University projecting modest 1.5% annual growth in enrollment through FY22-23 (see chart below).

FTE Enrollment by Level (Actual and Projected)

	Actual					Projected				
	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Undergrad.	35,637	36,257	36,512	37,254	38,534	39,915	40,157	40,660	41,004	41,367
Graduate	7,967	8,015	8,129	8,412	8,401	8,398	8,735	8,697	8,847	9,001
Total	43,604	44,272	44,641	45,666	46,935	48,313	48,892	49,357	49,851	50,368
% Change	-	1.53%	0.83%	2.30%	2.78%	2.94%	1.20%	0.95%	1.00%	1.04%

Enrollment data based on FIU's 2019 Accountability Plan approved by FIU Board of Trustees (Sept. 2019) and the Board of Governors (Oct. 2019)

The University has limited on-campus housing. Currently, 3,714 students live on-campus (inclusive of 411 on the Biscayne Bay campus), representing 7.3% of the student population. FIU's stated goal is to eventually house 20% of all students on-campus, and the proposed additional beds will result in approximately 10% of the population living on-campus (assuming 100% occupancy). It is important to note that on-campus housing has opened at 100% occupancy for the past two years and, on the first day of classes in fall 2019, there were 712 students remaining on the housing waiting list (for the main campus). Based on demonstrated need, the University does not have sufficient housing capacity to meet student demand.

In addition to conducting its own analysis, FIU Housing engaged Brailsford & Dunlavy (B&D) in fall 2015 and subsequently summer 2019 to update their Housing Master Plan, which included an in-depth on-campus housing demand study; the findings reflected in their report dated May 2019. As part of its analysis, B&D surveyed off-campus multi-family developments in the immediate area surrounding campus, where many students live. B&D identified five (5) within a 2-mile radius, as reflected in the chart below along with comparable on-campus housing options:

Comparison of Existing Housing Options

FIU On-Campus Residency Halls

Housing	Beds	Unit Type/Occupancy	Rent/Bed per Semester*	
			Current	FY22*
Panther Hall	399	2BR Suite, Double	\$2,650	\$2,757
Lakeview South	450	2BR Suite, Double	\$2,650	\$2,757
		4BR Suite, Single	\$3,350	\$3,485
Lakeview North	368	2BR Suite, Double	\$2,650	\$2,757
		4BR Suite, Single	\$3,350	\$3,485
Everglades Hall	383	2BR, Single/Double	\$2,850	\$2,965
University Towers	492	Studio, Single	\$4,350	\$4,526
		2BR Apt, Single	\$4,300	\$4,474
		4BR Apt, Single	\$4,050	\$4,214
University Apts.	590	Studio, Single	\$4,050	\$4,214
		1BR Apt., Double	\$2,850	\$2,965
		2BR Apt., Double	\$2,450	\$2,549
		2BR, Double	\$2,250	\$2,341
		2BR, Single	\$3,250	\$3,381
		1BR Suite, Triple	\$2,922	\$3,100
Parkview I	611	4BR Apt, Single	\$4,300	\$4,474
Total:		3,293		
Project (Parkview II)	697	4BR Suite, Single	--	\$4,600
		Studio	--	\$4,800

Off-Campus Competitive Housing

	Monthly Rent **			
	Studio	1 BR	2 BR	4 BR
109 Tower	--	--	\$1,092	\$993
4 th Street Commons	\$1,597	\$1,695	\$1,070	\$979
Advenir @ University Park	\$2,007	\$2,242	\$1,309	--
Identity Miami	\$1,559	\$1,746	\$1,216	\$1,164
University Bridge	\$1,358	\$1,535	\$1,153	\$982

The above data based on Brailsford & Dunlavey student housing demand report, May 2019. On-campus inventory does not include 110 resident assistant units, and rent does not include meal plan.

**Semester based on 4 months. FY22 rental rates projected with 2% annual increase.*

***Rent is per bed, single occupancy BR. Off-Campus rates inflated to Fall 2021 (based on recent trends), per B&D. Advenir @ University Park does not offer apartments on a per-bedroom basis.*

According to the B&D demand analysis, “By the time the Project is delivered in 2022, the off-campus competition will have nearly quadrupled from 659 beds to over 2,300. [FIU estimates the total at nearly 3,000 beds]. In addition to the increase in off-campus inventory, the average off-campus rental rate is expected to be comparable to the proposed FIU Project. The market reality requires FIU to pursue proactive planning to ensure maximum competitiveness and marketability of its on-campus inventory when compared to off-campus alternatives.” The report went on to note that 109 Tower and 4th Street Commons, in particular, directly compete with the University for residents, advertising themselves as affordable, less-regulated options with more features and amenities than FIU’s on-campus housing.

The University currently offers rental rates that are below those available in the off-campus market, generally speaking, as reflected in the chart above. The highest rental rates on campus are for studio units in University Towers (\$4,350/semester), followed by FIU’s newest hall, Parkview I (\$4,300/semester). Comparably, when the Project opens in FY 2022-23, FIU expects to charge \$4,600 per bed for the 4BR units, \$4,800 for Studio units. Per B&D, affordability and privacy (i.e. single occupancy) are the most important factors in student decisions to live on-campus versus off-campus and, with that in mind, stated “Currently assumed rental rates for 4-bedroom units would be more expensive than the average of those nearby competitive off-campus communities.”. Although the off-campus market poses considerable competition to FIU housing, the campus’ unique position relative to off-campus will continue to advantage on-campus students. Specifically, the campus is bordered by heavy-traffic 6-lane roads, representing a physical barrier to pedestrian traffic, and focus group surveys continually note on-campus parking is a challenge. Consequently, accordingly to B&D, these factors present an advantage to FIU’s on-campus housing, allowing it to withstand the expanded off-campus competition.

In total, B&D’s report supports the proposed Project. For fall 2022 (opening date), B&D projects on-campus demand at 4,348 beds, which is 1,050 over current inventory and 350 beds in excess of the Project’s 700 (approximate) additional beds.

Assessment of Private Sector Alternatives:

The University considered a public-private partnership structure during the evaluation process, but does not find a multi-system approach desirable for housing on the main campus as it would bifurcate the Housing System, require FIU forego control over design, operations and financial benefit, and, the addition of the existing housing represents little risk in light of the financial strength of the existing Housing System. Furthermore, the University is committed to providing a robust living and learning environment, which it believes is only possible with their direct input, management and operation.

Security/Lien Structure:

The Bonds will be issued on parity with FIU's current Housing System debt of \$81.3M, which is payable from pledged revenues. These revenues are derived primarily from rental income, summer special event rentals and other miscellaneous collections after deducting operating and maintenance expenses ("Pledged Revenues"). The Bonds will be payable solely from Pledged Revenues.

Pledged Revenues & Debt Service Coverage:

The Bonds will be issued as tax-exempt fixed rate debt. As required, a rate of 5% is assumed for the purpose of evaluating the Project's financial feasibility, debt service and operating projections. According to FIU, the actual interest rate is anticipated to be 1.0-1.5% less.

According to FIU's forecasts, the Project is expected to generate net operating income of \$5M to \$5.2M annually, which is sufficient to pay annual Bond debt service of \$4.8M, but, at the assumed 5% interest rate, yields a debt service coverage ratio of only 1.04x to 1.07x. (See *Projected Debt Service Coverage – Parkview Hall II only*). However, revenues available to pay debt service consist of Pledged Revenues (as previously defined in Security/Lien Structure section above), which are generated by FIU's entire Housing System, including revenues from the Project. To that extent, FIU's housing system is operationally robust, as evidenced by continued 5-year growth in Pledged Revenues and debt service coverage (DSC); \$13M to \$13.8M, and 1.34x to 1.86x, respectively. Importantly, the addition of the Project in FY2022-23 increases Pledged Revenues to over \$18M and generates debt service coverage system-wide of 1.49x. (See *Historical and Projected Debt Service Coverage – Housing System*).

Interest payments on the proposed debt during the 26-month construction period will be paid from capitalized interest (See *Estimated Sources & Uses*).

Return on Investment: The Project is expected to achieve an internal rate of return (IRR) estimated at 3.99%, based upon assumptions provided by the University. (See *Projected IRR*)

Method of Sale: The University concluded that a competitive sale will yield the best results in terms of debt cost and structure.

Recommendation: Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by the University with respect to the request for Board of Governors approval of the Project and issuance of debt. The demand for the Project appears adequate and University-provided projections indicate sufficient System Revenues to service the additional debt.

It appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt as well as Board of Governors Debt Management Guidelines. Accordingly, Board staff recommends adoption of the resolution authorizing the proposed Project and financing.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Florida International University, Capital Improvement Revenue Bonds 2020A
Parkview Hall II

Estimated Sources and Uses of Funds

Sources of Funds

Bond Par Amount	\$ 71,800,000
Cash Contribution from Housing System	23,000,000
Interest Earnings ¹	982,878
Total Sources of Funds	<u><u>\$ 95,782,878</u></u>

Uses of Funds

Total Project Cost	\$ 87,500,231
Capitalized Interest ²	7,416,739
Debt Service Reserve Fund ³	0
Cost of Issuance ⁴	865,908
	<u><u>\$ 95,782,878</u></u>

1) Bond proceeds deposited in the construction fund, invested for 26 months, estimated interest rate of 1.5%.

2) Estimated capitalized interest based on a fixed rate of 5% for 24 months (approximately \$7,416,739 (see Bond Debt Service schedule). Does not include accrued earnings on invested funds during construction (see FN 2 above); net balance \$6,433,861. **Funds not needed for capitalized interest will be placed into the Project Contingency.**

3) A debt service reserve (DSR) will not be required/utilized.

Board of Governors Committees and Meeting - January 29-30, 2020 - Facilities Committee

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FLORIDA INTERNATIONAL UNIVERSITY
Student Housing Facility - Parkview Hall II

Historical and Projected Debt Service Coverage - Housing System ¹

	Historical					Budget	Projected				
	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20*	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
<u>Operating Revenues</u>											
University Apartments	\$ 3,397,949	\$ 4,132,911	\$ 3,940,057	\$ 3,529,365	\$ 4,081,047	\$ 4,064,347	\$ 4,104,990	\$ 4,170,205	\$ 4,211,907	\$ 4,254,026	\$ 4,296,566
Panther Halls	3,335,693	4,104,228	3,983,385	3,831,131	2,311,546	2,317,657	2,340,834	2,378,022	2,401,802	2,425,820	2,450,078
University Towers	4,967,236	3,816,113	4,057,395	4,478,813	5,240,244	3,911,707	3,950,824	4,013,590	4,053,726	4,094,263	4,135,205
Everglades Hall	3,127,746	3,507,526	3,005,738	2,834,460	3,063,633	3,010,747	3,040,854	3,089,163	3,120,055	3,151,255	3,182,768
Lakeview Village	8,566,430	8,258,882	8,093,359	8,420,050	5,319,981	5,461,613	5,516,229	5,603,863	5,659,902	5,716,501	5,773,666
Parkview Hall	4,865,863	6,181,397	6,079,023	6,635,389	5,594,320	6,897,125	6,966,096	7,076,764	7,147,531	7,219,007	7,291,197
Parkview Hall Parking	61,440	90,080	77,292	95,703	100,247	102,108	103,129	104,767	105,815	106,873	107,942
Bay Vista Housing	200,151	-	-	-	-	-	-	-	-	-	-
Parkview Hall II (The Project)	-	-	-	-	-	-	-	-	7,138,590	7,209,976	7,282,076
Other ²	582,398	476,693	555,488	1,228,538	5,345,217	84,831	227,437	231,050	233,360	235,694	238,051
Total Operating Revenue	29,104,906	30,567,830	29,791,737	31,053,449	31,056,235	25,850,135	26,250,393	26,667,424	34,072,688	34,413,415	34,757,549
<u>Operating Expenses</u> ³											
Personnel Services	(4,677,447)	(4,644,617)	(5,289,723)	(5,466,015)	(5,557,848)	(6,324,734)	(6,514,476)	(6,644,766)	(7,248,468)	(7,393,437)	(7,541,306)
Contractual Services	(8,725,346)	(9,497,411)	(10,225,619)	(10,678,545)	(10,113,800)	(3,581,844)	(3,591,888)	(3,663,726)	(4,568,165)	(4,659,529)	(4,752,719)
Other Operating Expenses	(2,682,192)	(2,367,229)	(2,176,844)	(2,429,938)	(2,230,268)	(3,426,234)	(3,435,842)	(3,504,559)	(4,040,637)	(4,121,450)	(4,203,879)
Total Operating Expenses	(16,084,985)	(16,509,257)	(17,692,186)	(18,574,498)	(17,901,916)	(13,332,812)	(13,542,206)	(13,813,051)	(15,857,270)	(16,174,416)	(16,497,904)
Net Operating Income - Housing System	\$ 13,019,921	\$ 14,058,573	\$ 12,099,551	\$ 12,478,951	\$ 13,154,319	\$ 12,517,323	\$ 12,708,187	\$ 12,854,373	\$ 18,215,418	\$ 18,238,999	\$ 18,259,645
Interest Income	5,504	42,842	146,843	226,642	672,046	591,137	634,192	646,875	52,785	53,841	53,841
Pledged Revenues	\$ 13,025,425	\$ 14,101,415	\$ 12,246,394	\$ 12,705,593	\$ 13,826,365	\$ 13,108,460	\$ 13,342,379	\$ 13,501,248	\$ 18,268,203	\$ 18,292,840	\$ 18,313,486
<u>Annual Debt Service</u>											
2004 Bonds	\$ 4,296,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2011 Refunding Bonds	2,276,519	2,271,119	2,278,519	2,271,769	2,276,269	2,271,269	2,272,019	2,272,619	2,271,419	2,270,794	967,725
2012 Bonds	3,128,869	3,127,069	3,124,369	3,125,769	3,124,569	2,123,569	3,126,519	3,130,519	3,125,619	3,126,019	4,494,219
2015 Bonds	-	3,906,388	2,015,375	2,020,625	2,018,125	2,018,125	2,020,375	2,021,775	2,013,525	2,018,925	2,020,675
Proposed 2019 Bonds ⁴	-	-	-	-	-	-	-	-	4,815,798	4,815,798	4,815,798
Total Annual Debt Service	\$ 9,702,238	\$ 9,304,576	\$ 7,418,263	\$ 7,418,163	\$ 7,418,963	\$ 6,412,963	\$ 7,418,913	\$ 7,424,913	\$ 12,226,361	\$ 12,231,536	\$ 12,298,417
Maximum Annual Debt Service	\$ 9,702,238	\$ 9,304,576	\$ 9,304,576	\$ 7,482,619	\$ 7,482,619	\$ 7,482,619	\$ 7,482,619	\$ 7,482,619	\$ 12,298,417	\$ 12,298,417	\$ 12,298,417
<u>Debt Service Coverage Ratios</u>											
Total Annual Debt Service	1.34x	1.52x	1.65x	1.71x	1.86x	2.04x	1.80x	1.82x	1.49x	1.50x	1.49x
Maximum Annual Debt Service	1.34x	1.52x	1.32x	1.70x	1.85x	1.75x	1.78x	1.80x	1.49x	1.49x	1.49x

1) The financial information related to revenues and expenses was provided by the University. The model assumes 97% occupancy, which is below the actual occupancy for the system (i.e. 100%). For the purpose of the projections, revenues and expenses increase annually by 1% and 2%, respectively.

2) In FY2018-19, meal plan revenue was no longer revenue to the individual building and, instead, was accounted for separately, resulting in an increase in Other Revenue. In FYI2019-20, the treatment of meal plan revenue changed, as the third-party is responsible for collections, resulting in less revenue and corresponding expense (meal plans are a pass-through).

3) Current expenditures include costs associated with salaries, utilities, routine maintenance, supplies and repairs, less depreciation expense.

4) Estimated debt service was calculated based on the par amount of \$71.8M and a 5% interest rate. No Debt Service Reserve (DSR) is required. Debt service for 2020-21 and 2021-22 is interest-only during the construction phase, paid from "capitalized interest"; approximately \$7.4M.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FLORIDA INTERNATIONAL UNIVERSITY
Student Housing Facility - Parkview Hall II

Historical and Projected Debt Service Coverage - Housing System ¹

	Historical					Budget	Projected				
	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20 [*]	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
<i>Operating Revenues</i>											
University Apartments	\$ 3,397,949	\$ 4,132,911	\$ 3,940,057	\$ 3,529,365	\$ 4,081,047	\$ 4,064,347	\$ 4,104,990	\$ 4,170,205	\$ 4,211,907	\$ 4,254,026	\$ 4,296,566
Panther Halls	3,335,693	4,104,228	3,983,385	3,831,131	2,311,546	2,317,657	2,340,834	2,378,022	2,401,802	2,425,820	2,450,078
University Towers	4,967,236	3,816,113	4,057,395	4,478,813	5,240,244	3,911,707	3,950,824	4,013,590	4,053,726	4,094,263	4,135,205
Everglades Hall	3,127,746	3,507,526	3,005,738	2,834,460	3,063,633	3,010,747	3,040,854	3,089,163	3,120,055	3,151,255	3,182,768
Lakeview Village	8,566,430	8,258,882	8,093,359	8,420,050	5,319,981	5,461,613	5,516,229	5,603,863	5,659,902	5,716,501	5,773,666
Parkview Hall	4,865,863	6,181,397	6,079,023	6,635,389	5,594,320	6,897,125	6,966,096	7,076,764	7,147,531	7,219,007	7,291,197
Parkview Hall Parking	61,440	90,080	77,292	95,703	100,247	102,108	103,129	104,767	105,815	106,873	107,942
Bay Vista Housing	200,151	-	-	-	-	-	-	-	-	-	-
Parkview Hall II (The Project)	-	-	-	-	-	-	-	-	7,138,590	7,209,976	7,282,076
Other ²	582,398	476,693	555,488	1,228,538	5,345,217	84,831	227,437	231,050	233,360	235,694	238,051
Total Operating Revenue	29,104,906	30,567,830	29,791,737	31,053,449	31,056,235	25,850,135	26,250,393	26,667,424	34,072,688	34,413,415	34,757,549
<i>Operating Expenses ³</i>											
Personnel Services	(4,677,447)	(4,644,617)	(5,289,723)	(5,466,015)	(5,557,848)	(6,324,734)	(6,514,476)	(6,644,766)	(7,248,468)	(7,393,437)	(7,541,306)
Contractual Services	(8,725,346)	(9,497,411)	(10,225,619)	(10,678,545)	(10,113,800)	(3,581,844)	(3,591,888)	(3,663,726)	(4,568,165)	(4,659,529)	(4,752,719)
Other Operating Expenses	(2,682,192)	(2,367,229)	(2,176,844)	(2,429,938)	(2,230,268)	(3,426,234)	(3,435,842)	(3,504,559)	(4,040,637)	(4,121,450)	(4,203,879)
Total Operating Expenses	(16,084,985)	(16,509,257)	(17,692,186)	(18,574,498)	(17,901,916)	(13,332,812)	(13,542,206)	(13,813,051)	(15,857,270)	(16,174,416)	(16,497,904)
Net Operating Income - Housing System	\$ 13,019,921	\$ 14,058,573	\$ 12,099,551	\$ 12,478,951	\$ 13,154,319	\$ 12,517,323	\$ 12,708,187	\$ 12,854,373	\$ 18,215,418	\$ 18,238,999	\$ 18,259,645
Interest Income	5,504	42,842	146,843	226,642	672,046	591,137	634,192	646,875	52,785	53,841	54,918
Pledged Revenues	\$ 13,025,425	\$ 14,101,415	\$ 12,246,394	\$ 12,705,593	\$ 13,826,365	\$ 13,108,460	\$ 13,342,379	\$ 13,501,248	\$ 18,268,203	\$ 18,292,840	\$ 18,314,563
<i>Annual Debt Service</i>											
2004 Bonds	\$ 4,296,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2011 Refunding Bonds	2,276,519	2,271,119	2,278,519	2,271,769	2,276,269	2,271,269	2,272,019	2,272,619	2,271,419	2,270,794	967,725
2012 Bonds	3,128,869	3,127,069	3,124,369	3,125,769	3,124,569	3,123,659	3,126,519	3,130,519	3,125,619	3,126,019	4,494,219
2015 Bonds	-	3,906,388	2,015,375	2,020,625	2,018,125	2,018,125	2,020,375	2,021,775	2,013,525	2,018,925	2,020,675
Proposed 2019 Bonds ⁴	-	-	-	-	-	-	-	-	4,815,798	4,815,798	4,815,798
Total Annual Debt Service	\$ 9,702,238	\$ 9,304,576	\$ 7,418,263	\$ 7,418,163	\$ 7,418,963	\$ 7,413,053	\$ 7,418,913	\$ 7,424,913	\$ 12,226,361	\$ 12,231,536	\$ 12,298,417
Maximum Annual Debt Service	\$ 9,702,238	\$ 9,304,576	\$ 9,304,576	\$ 7,482,619	\$ 7,482,619	\$ 7,482,619	\$ 7,482,619	\$ 7,482,619	\$ 12,298,417	\$ 12,298,417	\$ 12,298,417
<i>Debt Service Coverage Ratios</i>											
Total Annual Debt Service	1.34x	1.52x	1.65x	1.71x	1.86x	1.77x	1.80x	1.82x	1.49x	1.50x	1.49x
Maximum Annual Debt Service	1.34x	1.52x	1.32x	1.70x	1.85x	1.75x	1.78x	1.80x	1.49x	1.49x	1.49x

1) The financial information related to revenues and expenses was provided by the University. The model assumes 97% occupancy, which is below the actual occupancy for the system (i.e. 100%). For the purpose of the projections, revenues and expenses increase annually by 1% and 2%, respectively.

2) In FY 2018-19, meal plan revenue was no longer revenue to the individual building and, instead, was accounted for separately, resulting in an increase in Other Revenue. In FY 2019-20, the treatment of meal plan revenue changed, as the third-party is responsible for collections, resulting in less revenue and corresponding expense (meal plans are a pass-through).

3) Current expenditures include costs associated with salaries, utilities, routine maintenance, supplies and repairs, less depreciation expense.

4) Estimated debt service was calculated based on the par amount of \$71.8M and a 5% interest rate. No Debt Service Reserve (DSR) is required. Debt service for FY 2020-21 and FY 2021-22 is interest-only during the construction phase, paid from "capitalized interest"; approximately \$7.4M.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FLORIDA INTERNATIONAL UNIVERSITY
Student Housing Facility - Parkview Hall II

Projected Internal Rate of Return (IRR)

		Project Construction Cost	Estimated Project Net Revenues			Total Project Cash Flow
			Gross Revenues	Operating Expenses	Net Revenues	
1	2020	(\$49,942,000)	-	-	-	(\$49,942,000)
2	2021	(37,558,231)	-	-	-	(37,558,231)
3	2022	-	\$ 7,138,590	\$ 2,124,993	\$ 5,013,597	5,013,597
4	2023	-	7,209,976	2,163,923	5,046,053	5,046,053
5	2024	-	7,282,076	2,203,595	5,078,480	5,078,480
6	2025	-	7,354,896	2,244,025	5,110,871	5,110,871
7	2026	-	7,428,445	2,285,227	5,143,218	5,143,218
8	2027	-	7,502,730	2,327,216	5,175,514	5,175,514
9	2028	-	7,577,757	2,370,008	5,207,749	5,207,749
10	2029	-	7,653,535	2,413,618	5,239,916	5,239,916
11	2030	-	7,730,070	2,458,063	5,272,007	5,272,007
12	2031	-	7,807,371	2,503,358	5,304,013	5,304,013
13	2032	-	7,885,445	2,549,520	5,335,924	5,335,924
14	2033	-	7,964,299	2,596,567	5,367,732	5,367,732
15	2034	-	8,043,942	2,644,515	5,399,427	5,399,427
16	2035	-	8,124,381	2,693,382	5,430,999	5,430,999
17	2036	-	8,205,625	2,743,186	5,462,439	5,462,439
18	2037	-	8,287,681	2,793,946	5,493,736	5,493,736
19	2038	-	8,370,558	2,845,680	5,524,879	5,524,879
20	2039	-	8,454,264	2,898,407	5,555,857	5,555,857
21	2040	-	8,538,806	2,952,147	5,586,660	5,586,660
22	2041	-	8,624,195	3,006,919	5,617,276	5,617,276
23	2042	-	8,710,437	3,062,744	5,647,693	5,647,693
24	2043	-	8,797,541	3,119,642	5,677,899	5,677,899
25	2044	-	8,885,516	3,177,635	5,707,881	5,707,881
26	2045	-	8,974,371	3,236,744	5,737,628	5,737,628
27	2046	-	9,064,115	3,296,990	5,767,125	5,767,125
28	2047	-	9,154,756	3,358,396	5,796,360	5,796,360
29	2048	-	9,246,304	3,420,986	5,825,318	5,825,318
30	2049	-	9,338,767	3,484,781	5,853,986	5,853,986
		(\$87,500,231)	\$229,356,451	\$76,976,212	\$152,380,238	\$64,880,007

IRR= 3.99%

1) Assumes 30 year financing, inclusive of construction term. For simplicity, assumes 30-year useful life of the Project with no residual value. Note, beyond 30 years, typical renovation/repairs will likely require added capital investment, which is unknown (at this juncture) and thus not included above.

2) Revenue and expense projections provided by University.

3) \$71.8M bond par amount, plus equity contribution from University, to fund Total Project Cost \$87,500,231. Construction term 26 mos, with assumed May 2022 delivery date, capitalized interest through delivery.



J. BEN WATKINS III
DIRECTOR

STATE OF FLORIDA
DIVISION OF BOND FINANCE

RON DeSANTIS
GOVERNOR

ASHLEY MOODY
ATTORNEY GENERAL

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

NIKKI FRIED
COMMISSIONER OF AGRICULTURE

MEMORANDUM

To: Board of Governors
From: J. Ben Watkins III
Date: January 16, 2020
Re: Florida International University Parkview II Dormitory

As required by Section 1010.62(3)(b)4, Florida Statutes, the Division of Bond Finance (“DBF”) has reviewed and analyzed the information provided to support Florida International University’s (“FIU’s”) proposed financing of the construction of a dormitory on its Modesto Maidique main campus (the “Project”). DBF has also reviewed the Board of Governors (“BOG”) staff analysis of the Project. Below are the specific issues that DBF identified for the BOG’s consideration in connection with its evaluation of the Project.

Demand and Affordability

In 2015, Brailsford & Dunlavey (“B&D”) conducted a housing demand study for FIU to support the construction of a new dormitory. Due to the delay in the Project, B&D updated its study in 2019. The housing market around FIU has changed substantially in the time between the two housing studies. According to the more recent study, when the Project opens in 2022, the off-campus competition will have nearly quadrupled as there will be more than 2,300 beds available (versus the 659 beds available at the time of the 2015 study) from off-campus, private apartments competing for the same students.

While the housing system does currently have additional demand, the demand identified in the 2019 B&D study is primarily driven by targeting juniors, seniors, and graduate students for on-campus housing. To attract upperclassmen, private bedrooms and in-unit kitchens are critical components of the Project, which add to the cost and make rental rates higher and affordability a challenge. The cost of the Project mandates rental rates that are at or in excess of those charged by the nearby off-campus apartments. The projected demand for on-campus housing is dependent on apartment-style units designed for upperclassmen. Building student housing designed to attract upperclassmen when adequate private, off-campus alternatives are available is a policy decision rather than a debt related issue for the BOG to consider in evaluating the Project.

cc: Marshall M. Criser, Chancellor, Board of Governors
Chris Kinsley, Assistant Vice Chancellor, Board of Governors
Kenneth Jessell, Senior VP and CFO, Florida International University

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 30, 2020**

SUBJECT: A Resolution of the Board of Governors approving Florida State University Board of Trustees to enter into a sublease, operating agreement, and other related agreements with ZP No 350, LLC, an affiliate of Zimmer Development Company, related to the development, construction, financing, operation, and maintenance of a 400-bed student housing facility on the Panama City campus.

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving of Florida State University Board of Trustees (“FSU”) entering into a sublease and operating agreement with ZP No. 350, LLC (“Owner”, “Developer”) for the construction, operation, and maintenance of a 400-bed student housing facility and associated parking spaces on FSU’s Panama City campus. If approved, FSU will enter into a 40-year sublease with the Owner.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, have reviewed this resolution and all supporting documentation and found it to be in compliance with Florida law and the Board of Governors’ Public-Private Partnership (P3) Guidelines.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Sections 1013.171 and 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution

BACKGROUND INFORMATION

The University considered various options to build student housing on the Panama City campus and determined a P3 method most appropriate. Accordingly, it issued ITN 5978-6, dated January 18, 2019, in search for a national-scale developer with experience in constructing and operating student housing, and with the financial strength to preclude any financial support from the University. Five respondents were evaluated, with final award given to Zimmer Development Company on May 2, 2019. The proposal calls for entry into a sublease for the construction of a student housing facility.

The proposed Project will be located on the Panama City campus (“FSUPC”), on a 2.65-acre waterfront parcel, and comprised of 132 units and 400 beds, representing approximately 150,000 gross square feet. The Project will include associated surface parking and recreational amenities (together, the “Project”).

The estimated cost of the facility is approximately \$23.1 million, the design, development, and construction of which will be financed by the Owner/Developer in its entirety via equity investment (20%) and private-financing/debt (80%). The Owner will grant a leasehold mortgage to the lender to secure the loan. The Owner will receive 2% of total costs or approximately \$462,000 as a fee for development services.

The Project is anticipated to be open Fall 2021.

For use of the land, the Owner will pay FSUPC a base rent (ground lease) of \$87,100 annually, as well as an annual payment of \$231,820 in lieu of real estate taxes, both of which will escalate based on CPI every five years. The University will also receive additional payments in the form of profit sharing based on 2% of net operating income, subject to the Project maintaining 90% occupancy and minimum 1.20x debt service coverage. The Owner will also be required to make annual payments equal to \$200/bed into a repair and replacement reserve to help ensure adequate maintenance of the Project.

The Florida State University Board of Trustees approved the Project and the sublease at its November 1, 2019, meeting.

Taken as a whole, approval of the Project is recommended by Board staff.

Supporting Documentation Included:

1. Authorizing Resolution
2. Project Summary
3. Site Map
4. Neighborhood Map
5. Pro Forma Projections; 10-yr Cash Flow Analysis
6. Statement of Key Terms
7. Div. of Bond Finance Memorandum
8. Gulf Coast State College Letter of Support

Facilitators/Presenters: Mr. Chris Kinsley

A RESOLUTION APPROVING THE FLORIDA STATE UNIVERSITY BOARD OF TRUSTEES TO ENTER INTO A GROUND SUBLEASE, OPERATING AGREEMENT AND OTHER RELATED AGREEMENTS WITH ZP NO. 350, LLC, AN AFFILIATE OF ZIMMER DEVELOPMENT COMPANY, RELATED TO THE DEVELOPMENT, CONSTRUCTION, FINANCING, OPERATION AND MAINTENANCE OF A 400-BED STUDENT HOUSING FACILITY, ON THE PANAMA CITY CAMPUS OF THE UNIVERSITY.

The duly acting and appointed Board of Governors of the State of Florida at a meeting duly held pursuant to notice and a quorum being present do hereby make the following resolutions:

BE IT RESOLVED:

1. Findings. The Board of Governors hereby finds as follows:

(A) Pursuant to Article IX, Section 7, of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control, and manage the State University System of Florida. Pursuant to section 1013.171, Florida Statutes, a university board of trustees may negotiate and enter agreements to lease land under its jurisdiction to corporations registered with the Secretary of State to do business in the state, for the purpose of erecting facilities necessary and desirable to serve the needs and purposes of the university, as determined by the system-wide strategic plan adopted by the Board of Governors.

(B) On November 1, 2019, the Board of Trustees of The Florida State University (the University or FSU) adopted a resolution requesting approval from the Board of Governors for the University to enter into a Public-Private Partnership arrangement with Zimmer Development Company, or an affiliated entity (Zimmer or Owner), for the purpose of designing, constructing, financing, owning, maintaining, and operating a 400-bed student housing facility, and associated amenities via a Ground Sublease, operating agreement, and other related agreements, not to exceed 40 years following substantial completion of the student housing facility.

(C) The student housing project is expected to be financed in its entirety through a combination of equity and debt from Zimmer, its investment partner(s), and a private lender.

(D) The student housing facility will not be part of the existing University Housing System.

(E) No liens will be placed on state lands (the subject parcel) because of this proposed Public-Private Partnership (P3) transaction. Likewise, there are no financial guarantees, room guarantees, operating deficit funding requirements, or similar monetary obligations on the part of FSU or its Direct Support Organization in relation to the construction, operation, maintenance, or debt of the student housing facility, and no such financial support will be provided at any point during the term of the sublease.

(F) Upon the expiration of the Ground Sublease, the student housing facility and all associated improvements will revert to the University at no cost to the University. The University shall have the right of first refusal should the Owner receive an offer from a qualified purchaser. If, in the future, the University intends to exercise any optional termination/purchase option for the facilities, the proposed transaction should be brought back before the Board of Governors for review and approval.

(G) The Project is consistent with the master plan of the University, as amended November 1, 2019.

(H) The sublease document with ZP NO. 350, LLC, must establish minimum condition standards for property maintenance and robust default remedies that will ensure that the project is consistently and constantly maintained in good condition throughout the term of the sublease.

(I) Upon consideration of the Project, the Board of Governors declares that the Project has been properly analyzed by staffs of the Board of Governors, the University, and the Division of Bond Finance, and will serve a public purpose by providing student housing and meeting space for activities related to FSU.

2. Approval of the Project. The Project is approved by the Board of Governors as being consistent with the strategic plan of the University and the programs offered by the University. The University is hereby authorized to enter into such leases, subleases, operating agreements, and any other contracts as may be required to consummate the Public-Private Partnership.

3. Repealing Clause. All resolutions of the Board of Governors, or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

4. Effective Date. This resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the Board of Governors of the State of Florida at a public meeting duly called and held this ____ day of January 2020.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the approval of entry of a sublease and operating agreement, each between The Florida State University Board of Trustees with ZP NO.350, LLC, an affiliate of Zimmer Development Company, for the design, financing, construction, operation, and maintenance of a 400-bed student housing facility on the Panama City campus, is a true and accurate copy as adopted by the Board of Governors on January 30, 2020, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

**BOARD OF GOVERNORS OF THE
STATE UNIVERSITY SYSTEM OF
FLORIDA**

Dated: _____, 2020

By: _____
Corporate Secretary

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
Florida State University – Panama City
2020 Housing Facility (P3)**

**Proposal & Project
Description:**

On November 1, 2019, Florida State University (“FSU” or “University”) submitted a request for approval of a proposed public-private partnership (P3) to design, build, privately finance, own, and operate a housing facility, along with associated parking (together, the “Project”), on its Panama City campus (“FSUPC”).

The proposed Project is a 3-story, 132-unit, 400-bed residence hall of over 150,000 gross square feet. The building will include space for student social/educational interaction, as well as outdoor recreational amenities, such as a pool, gazebo, and sand volley ball court. Also included will be surface parking adjacent the building sufficient to accommodate the Project (to be delineated by FSUPC) and will include the replacement of any current parking displaced due to Project development.

The Project will be privately financed, designed, constructed, and owned by ZP No. 350, LLC (“Owner” or “Developer”), an affiliate of Zimmer Development Company (“ZDC”). FSU will enter into an operating agreement and a 40-year ground sublease with Developer, who will retain ownership of the housing facility throughout the term of the ground sublease, after which ownership will revert to FSU at no cost to the University.

ZDC is a diversified real estate developer with commercial and multi-family projects in 18 states, including ground leases with Western Carolina University, Arkansas State University, and Florida Keys Community College. Most of their student housing projects are off-campus, including two near the FSU main campus.

The Project is included in the University’s 2008 campus master plan and was approved by its Board of Trustees in November 2019 pursuant to section 1013.171(1), F.S. Consent will need to be given by the Internal Improvement Trust Fund (“IITF”) Board of Trustees for the sublease of the land.

Project Site Location: The Project will be located on the west side of campus on a proposed 2.65-acre waterfront parcel (see *Site Map* and *Neighborhood Map*, attached). The building's exterior and architectural design will be in keeping with FSU's Architectural Design Guidelines.

Projected Start and Completion Date: It is anticipated that construction will commence no earlier than July 2020 and will be completed and operational for the fall semester in August 2021. If any portion of the Project is not habitable, no later than 10 days prior to the start of classes for 2021 fall semester, Developer will provide and fund temporary housing for eligible residents, based on the terms of their lease.

Project Cost: The total Project cost is anticipated to be approximately \$23.1M, comprised of \$20.2M hard costs and \$2.9M soft costs, or approximately \$57,750 per bed. Included in total cost is a Developer fee of no more than 2%. Developer is at risk for all cost overruns on the design and construction of the Project, with the exception of changes requested by the University. Any such changes would be funded with available auxiliary resources and/or private unrestricted funds, according to the University.

Financing Structure: The Project will be privately financed by the Developer using a structure of 20% equity (provided by Developer) and 80% debt. Developer has the option to replace or refinance its equity upon construction completion (issuance of certificate of occupancy). The debt portion will be in the form of a construction loan from a private lender, which will be refinanced into permanent debt 12-24 months after completion depending on stabilization. The permanent debt will be financed over thirty years, in compliance with the P3 Guidelines.

No liens will be placed on state lands (the subject parcel) as a result of this proposed P3 transaction. Likewise, there are no financial guarantees, room guarantees, operating deficit funding requirements, or similar monetary obligations on the part of the University or any Direct Support Organization in relation to the construction, operations, maintenance, or debt of the proposed Project.

Quantitative Demand for Project: The University commissioned Danter & Associates ("Danter"), an independent 3rd-party, to prepare a demand for the Project. The study indicated strong demand for the Project, with 80%-85% pre-

leased by mid-summer 2021 and 95% occupancy by mid-September 2021. Note, Danter's projected demand/occupancy assumed a project with 520 beds, which is larger than the Project (i.e. 400 beds).

The Project will house students from FSUPC, as well as neighboring Gulf Coast State College (GCSC), although GCSC will have no financial involvement. Danter's report noted that projected occupancy at the Project is dependent on the schools actively marketing to students, with long-term success requiring ongoing engagement and involvement from both FSUPC and GCSC.

FSUPC enrollment has seen a couple years of growth over the past 10 years, but has generally trended down (see chart below).

Enrollment - FSUPC

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Enrollment	1,079	1,043	976	970	856	961	954	940	971	925
% Change	2.9%	(2.8%)	(6.4%)	(.6%)	(1.4%)	12.3%	(.7%)	(1.5%)	3.3%	(4.7%)

Enrollment data based on Danter & Associates student housing analysis, 10/25/19.

The University attributes 2019's decline to Hurricane Michael, which made landfall in October 2018 and adversely affected the housing stock of Panama City.

Just over 55% enrollment consists of full-time students, which typically represent the greatest amount of support (demand) for the Project, according to Danter, but their focus group survey indicated significant support from part-time students as well, with over 70% interested in student housing. Furthermore, nearly 55% of the total 2018 fall enrollment was comprised of students from outside Bay County, which would indicate an adequate amount of potential support from existing student base for rental housing near/on campus, according to Danter.

Enrollment at GCSC has steadily declined over the last 10 years, with 2019's decline attributed to the adverse impact of Hurricane Michael. (see chart below)

Enrollment - GCSC

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Enrollment	7,632	7,514	6,987	6,674	6,441	6,197	6,070	5,676	5,361	5,278
% Change	--	(1.6%)	(7%)	(4.5%)	(3.5%)	(3.8%)	(2%)	(6.5%)	(5.5%)	(1.5%)

Enrollment data based on Danter & Associates student housing analysis, 10/25/19, and Gulf Coast State College.

Nearly 70% of GCSC's enrollment is part-time students.

According to the report, rents in the market area have increased over 6% annually since April 2016, with a significant jump in rents October 2018, when hurricane Michael damaged much of the rental stock. Danter went on to note, however, that the amount of apartment product expected to re-open over the next 12-18 months will make it difficult for the market to maintain such significant rent increases.

Current Apartment Stock in the Effective Market Area

Unit Type	# of Units	Monthly Rent	Average Rent Comparable*
1 Bedroom	2,150	\$653 - \$1,829	\$1,460
2 Bedroom	3,046	\$563 - \$2,306	\$1,750
3 Bedroom	1,095	\$656 - \$2,539	\$1,975
4 Bedroom	78	**	\$2,600

Total 6,369

Above data per Danter & Associates student housing analysis, October 25, 2019

**Includes 3% rent rate increase per year, in light of Fall 2021 Project open. Rents adjusted to include utility package similar to the Project.*

***Since there were only 78 units in the effective market area, Danter utilized the 3BR unit data and added a \$475 rent gap between 3BR & 4BR units (based on prior student housing studies).*

Post-hurricane renovations, as well as new construction, will push total market-rate inventory to 7,438 units. This does not include 1,163 government-subsidized units. Danter anticipates the added stock to be absorbed by the market and vacancies to remain very low.

According to the report, the Project will experience healthy demand by virtue of its unit mix, amenities, comparable rents, and location.

Project proposed Unit Mix and Rental Rates

Unit Type	# of Units	# of Beds	Sq. Ft.	Recommended Monthly Rent/Unit (per Demand Study)	Proposed Monthly Rents**	
					(per Unit)	(per Bed)
1 BR/1 Bath	28*	28	550	\$1,100	\$1,025	\$1,025
2 BR/2 Bath	22	44	942	\$1,500	\$1,450	\$725
4 BR/4 Bath	82	328	1,418	\$2,580	\$2,600	\$650
Total	132	400				

**Includes 6 Resident Assistant (RA) units.*

***Includes utilities, high-speed internet and cable television. Semester = 4 months. Adjusted for 2021 opening, 3% annual increase.*

The above data provided by the University and supported by Danter & Associates student housing analysis, October 25, 2019

The Project will be comprised of apartment style units, complete with refrigerator, microwave, range, and dishwasher, as well as washer and dryer units. The lease term will be 12 months. For students living more than 100 miles from campus and/or graduating at the end of the next spring semester, the Developer will work with the University to develop a plan for two semester leases and associated rental rates.

In evaluating the market appeal of the Project, Danter considered six apartment communities within a five-mile radius as being most competitive. Each having very minimal vacancy (average = 1.4%), with students comprising only 5%-15% of total residents. Also, all offered living units slightly larger than the Project at comparable rental rates. However, the competing developments are larger; 200 to 400 in size, giving the Project a competitive advantage, according to Danter. Also popular among students, are fully furnished units which the Project will offer and are not offered at any of the existing properties in the effective market area. All told, Danter's report emphasized that there are currently no purpose-built student housing projects in the effective market area and, in short, the proposed Project units will be viewed as a value in the market.

P3 Justification:

FSU has chosen to utilize a public-private partnership ("P3") to finance the Project. The primary benefit being the transfer of operational/financial risk to the Developer, but it also preserves the University Housing System's debt capacity and accelerates the delivery of FSUPC's housing development program. Furthermore, FSU currently has no housing staff or related infrastructure at the Panama City campus. Lastly, given that significant occupancy is expected from GCSC students, a P3 approach was deemed appropriate.

Security/Lien Structure:

The Owner/Developer will have a leasehold interest in the Project, providing security for a leasehold mortgage. Should the Owner default on any debt associated with the Project, the lender could assume control of the Project, subject to the terms and conditions of the ground sublease. The land is not pledged as collateral nor will it be subordinate to any debt.

Debt service payments are the responsibility of the Owner/Developer, and are projected to be paid from net revenues after payment of operating expenses and payments to FSUPC, including base ground lease payments and annual payments in lieu of real

estate taxes. FSUPC will then receive a 2% share of the resulting net operating income (see *Pro Forma Projection; 10-year Cash Flow Analyses*), together "Rent". Non-payment of Rent by the Developer is a default under the lease agreement. Owner's return on equity (approximately 19.25%) is paid last from available net excess cash flow.

Taxable Debt:

A portion of the Project will be privately financed by the Owner/Developer with taxable debt. No tax-exempt debt will be utilized.

University Support of Project:

The University will not be obligated to provide any construction or operating guarantees. The debt utilized to finance the Project will not be a legal obligation of FSU or a Direct Support Organization. FSU has not pledged its credit towards the Project and is not legally obligated to pay debt service or maintain the Project.

It is not anticipated that the Developer will need to connect to FSUPC's existing chilled water, potable water, and sanitary sewer utilities.

Parking will be operated and maintained by the University consistent with its plan for development and operation of the parking system on the campus. Resident students will not be charged higher parking fees than non-resident students. The University will have the exclusive right to (a) establish the conditions of access to and use of parking spaces, and (b) set, receive, and collect the fees and charges to be imposed for the use of parking.

The University will not be responsible for maintenance of the building and recreational amenities. According to the University, adequate reserves for maintenance, renewal, and replacement will be established based upon industry standards. Project projections include an annual replacement/repair reserve equal to \$200/bed; Developer will not be required to maintain a reserve balance in excess of \$400,000 (subject to a 5% increase every five years).

Return on Investment:

Under the 40-year ground sublease, and reflected in the attached *Pro Forma Projection; 10-year Cash Flow Analyses*, FSUPC will receive ground lease payments, payments in lieu of real estate taxes, as well as profit sharing, together "Rent".

Over the first 10 years following Project opening (July 2021), Developer's pro forma operating projections indicate the University could receive approximately \$3.7M in revenues. FSUPC intends to use revenues received from the Project to fund additional campus security and other related costs of having students living on campus, as well as provide scholarships.

In the 7th year following substantial completion, the University has the option to terminate the ground lease, and the Developer has the right to sell its interest in the sublease, pursuant to the terms and conditions of the ground lease (for additional details, see *Statement of Key Terms*, attached).

There is no option for renewal or extension of the ground lease. At the end of the 40-year sublease, the Project will revert to FSU at no cost to the University. The Project shall be returned to the University in good and operable condition, considering normal wear and tear.

**Analysis and
Recommendation:**

Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by Florida State University with respect to the request for Board of Governors approval for Project.

If, in the future, the University intends to exercise any optional termination/purchase option for the facilities, the proposed transaction should be brought back before the Board of Governors for review and approval.

The proposed financing complies with the Florida Statutes governing the ground leases and complies with the Board of Governors' Public-Private Partnership Guidelines. Accordingly, Board staff recommend approval of the Project.

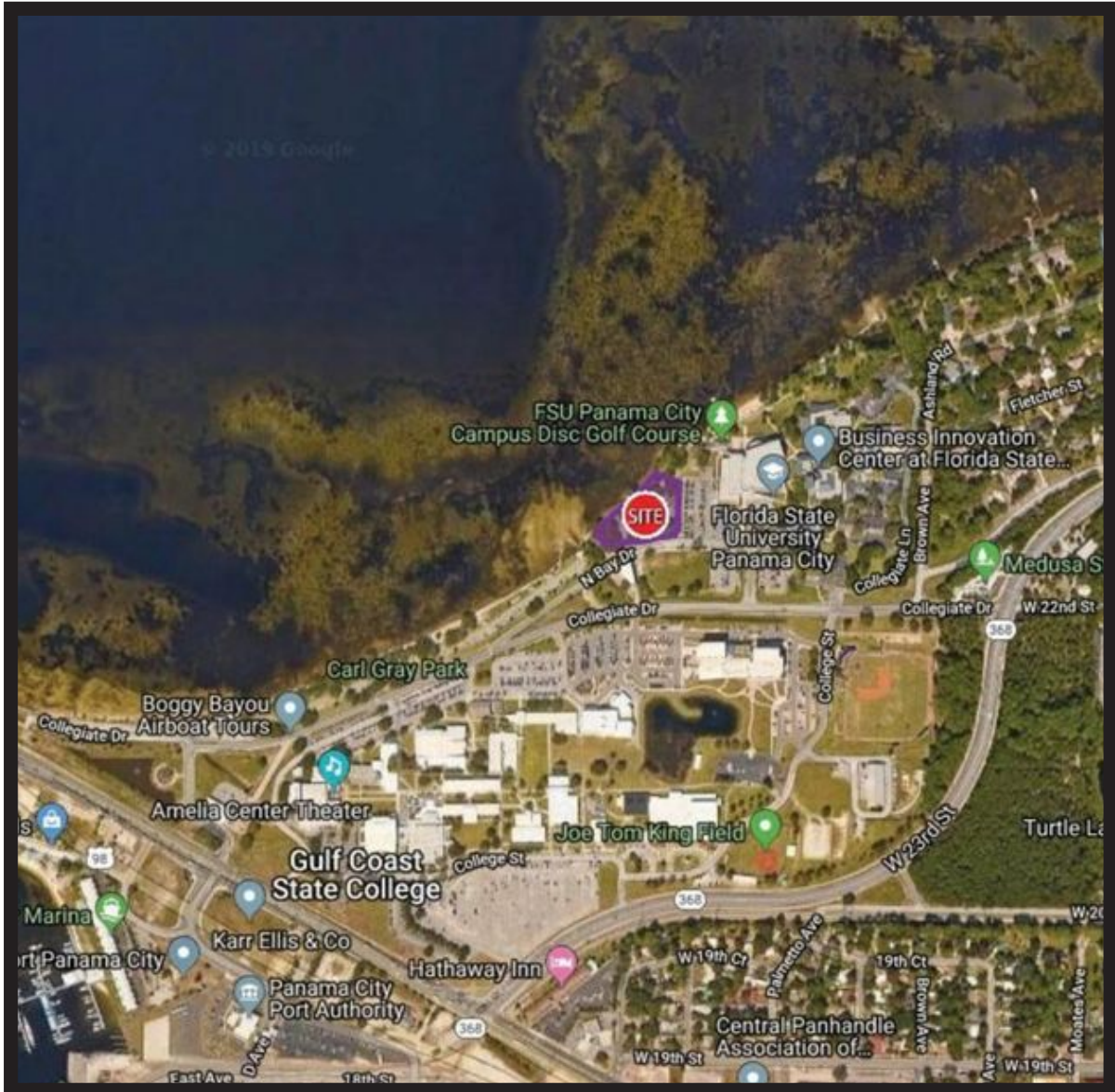
**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Florida State University - Panama City
2020 Housing Facility (P3)**

Site Map



STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Florida State University - Panama City
2020 Housing Facility (P3)

Neighborhood Map



PANAMA CITY, FLORIDA



STATE UNIVERSITY SYSTEM OF FLORIDA
 BOARD OF GOVERNORS
 FLORIDA STATE UNIVERSITY - PANAMA CITY
 2020 Housing Facility (P3)

Pro Forma Projection; 10-year Cash Flow Analyses ¹
 (400-bed Residence Hall)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	10-yr total pmts to FSUPC
Effective Gross Revenue ²	\$ 3,051,210	\$ 3,142,746	\$ 3,237,029	\$ 3,334,140	\$ 3,434,164	\$ 3,537,189	\$ 3,643,304	\$ 3,752,603	\$ 3,865,182	\$ 3,981,137	
Less: Operating Expenses ²	(844,099)	(869,422)	(895,505)	(922,370)	(950,041)	(978,542)	(1,007,898)	(1,038,135)	(1,069,279)	(1,101,358)	
Less: Ground Lease (to FSUPC)	(87,100)	(87,100)	(87,100)	(87,100)	(87,100)	(94,286)	(94,286)	(94,286)	(94,286)	(94,286)	906,930
Less: Real Estate Tax / Pmt in Lieu (to FSUPC)	(231,820)	(231,820)	(231,820)	(231,820)	(231,820)	(250,945)	(250,945)	(250,945)	(250,945)	(250,945)	2,413,825
Less: Capital Repair/Replacement Reserve	(80,000)	(80,000)	(80,000)	(80,000)	(80,000)	(84,000)	(84,000)	(84,000)	(84,000)	(84,000)	
Net Operating Income	1,808,191	1,874,404	1,942,604	2,012,850	2,085,203	2,129,416	2,206,175	2,285,237	2,366,671	2,450,548	
Less: 2% share of NOI (to FSUPC) ³	(36,164)	(37,488)	(38,852)	(40,257)	(41,704)	(42,588)	(44,123)	(45,705)	(47,333)	(49,011)	423,226
Subtotal	1,772,027	1,836,916	1,903,752	1,972,593	2,043,499	2,086,827	2,162,051	2,239,532	2,319,338	2,401,537	
Less: Debt Service	(1,332,171)	(1,332,171)	(1,332,171)	(1,332,171)	(1,332,171)	(1,332,171)	(1,332,171)	(1,332,171)	(1,332,171)	(1,332,171)	
New Cash Flow to Owner/Developer	<u>\$ 439,856</u>	<u>\$ 504,745</u>	<u>\$ 571,581</u>	<u>\$ 640,422</u>	<u>\$ 711,328</u>	<u>\$ 754,656</u>	<u>\$ 829,880</u>	<u>\$ 907,361</u>	<u>\$ 987,167</u>	<u>\$ 1,069,366</u>	\$ 3,743,981
Projected Debt Service Coverage:	1.33	1.38	1.43	1.48	1.53	1.57	1.62	1.68	1.74	1.80	
Owner/Developer Internal Rate of Return:	19.25%										
[Based on upfront equity \$4,629,060, \$400k developer fee, and 40-yr calculation]											

Payments to FSUPC

Ground Lease (see above)	\$ 87,100	\$ 87,100	\$ 87,100	\$ 87,100	\$ 87,100	\$ 94,286	\$ 94,286	\$ 94,286	\$ 94,286	\$ 94,286	\$ 94,286
Real Estate Taxes / Payment in Lieu (see above)	231,820	231,820	231,820	231,820	231,820	250,945	250,945	250,945	250,945	250,945	250,945
2% share of NOI (see above)	36,164	37,488	38,852	40,257	41,704	42,588	44,123	45,705	47,333	49,011	
Impact Fee / Payment in Lieu (estimated) ⁴	533,481	-	-	-	-	-	-	-	-	-	
Total:	\$ 888,565	\$ 356,408	\$ 357,772	\$ 359,177	\$ 360,624	\$ 387,819	\$ 389,354	\$ 390,936	\$ 392,564	\$ 394,242	

Projected Cumulative 40-yr Cash Back to FSUPC: \$20 million

Footnotes:

- 1) Data provided by University, based on Owner/Developer pro forma projections. First year Revenue adjusted to 95% of Effective Gross Rents, excluding RA units.
- 2) Annual 3% increase in Revenues and Operating Expenses. Projected occupancy = 95%. Ground lease and real estate tax payments to FSUPC are increased every 5 years based on CPI (1.65% assumed).
- 3) Annual revenue share (2% of NOI) conditioned upon Project maintaining 90% occupancy and minimum 1.20x debt service coverage.
- 4) In the event the local govt waives any impact fees, capacity charges or connection fees for the Project, Developer will pay to FSUPC an equivalent amount.

Source: FSU - Panama City

**FSU PANAMA CITY CAMPUS P3 STUDENT HOUSING PROJECT
STATEMENT OF KEY TERMS**

Project:	<p>Public-Private Partnership for a Student Housing Complex at Florida State University Panama City Campus (ITN #5978-6) (the “Project”).</p> <p>The Student Housing Complex will consist of apartment-style housing containing a total of approximately 132 units with 400 beds.</p> <p>The Student Housing Complex will be designed, privately financed, developed, constructed, owned, maintained, and operated by the Tenant.</p>
Parties:	<p>Florida State University Board of Trustees, as Landlord / University, and ZP NO. 350, LLC, an affiliate of Zimmer Development Company (“ZDC”), as Tenant / Developer.</p>
Housing Operator:	<p>Landmark Properties, as Operator</p>
Subleased Premises:	<p>2.65 acres of land at the Florida State University Panama City Campus.</p>
Sublease Term:	<p>The sublease term will be for forty years (40) following substantial completion of the Student Housing Complex.</p>
Permitted Use:	<p>Student Housing Complex at Florida State University Panama City Campus.</p>
Leasehold Interest Only:	<p>Tenant shall only hold a leasehold interest in the Property. In no event shall Tenant be deemed to hold or encumber the fee simple title to the Property.</p>
FSU Purchase Option and Sublease Expiration:	<p>Upon the expiration of the Ground Sublease, the Student Housing Complex will revert to the FSU at no cost to the University.</p> <p>Landlord shall have the option to terminate the Ground Sublease at its convenience any time after June 30 of the seventh (7th) full annual period following the substantial completion date. The termination payment will be the greater of fair market value or the project debt termination amount, less any excess debt. In addition, Landlord shall have right of first refusal based on the Tenant receiving an offer from a qualified purchaser.</p>
Qualified Purchaser:	<p>Tenant shall have the right to sell its interest in this Sublease to a Qualified Purchaser any time after June 30 of the seventh (7th) full annual period following the substantial completion of the Project.</p>
Guarantees:	<p>The University will not be obligated to provide any construction or operating guarantees.</p>

Agreements: In addition to the Ground Sublease Agreement between Landlord and Tenant, a Facility Operating and Management Agreement may be executed as part of this transaction.

Anticipated Schedule: The current project schedule is as follows:

- University Board of Trustees approval – November 2019
- Predevelopment agreement execution – November 2019
- Florida Board of Governors approval – January 2020
- Design and Permitting – January 2020 – July 2020
- Ground Lease agreement execution – February 2019
- Financing Period (financial close) – May 2020
- Construction Start – July 2020
- Construction Completion – July 2021
- Student Housing Complex Occupancy – August 2021

Project Cost: The total development cost for the Project is anticipated to be \$23,145,344 (\$20,202,405 hard costs and \$2,942,939 soft costs), which includes all costs associated with the development and construction of the Student Housing Complex, including outdoor amenities and additional site work. Cost per bed is approximately \$57,863, compared to around \$67,215 per bed for FSU’s most recent residence hall, opened in fall 2017 on the Tallahassee Campus. Tenant will be paid a developer’s fee of no more than two percent (2%) of total costs for the Student Housing Project for development services.

Developer is at risk for all cost overruns on the design and construction of the Project, with the exception of changes requested by the University.

If all or any portion of Facility is not habitable, no later than 10 days prior to the first day of classes for the 2021 fall semester, then Tenant shall provide and fund temporary housing, for eligible residents, based on the terms of their lease.

Financing Options and Parameters: Financing Restrictions:

- Tenant may finance no more than eighty percent (80.0%) of the total development costs of the Project with project debt that will have a final maturity date of no more than 30 years after the first full annual period of operations of the Project;
- Tenant may replace or refinance Tenant Common Equity after the Project receives a permanent certificate of occupancy or its equivalent, allowing occupancy of the Project exclusive of immaterial “punch-list” work that does not prevent Tenant from safely possessing, occupying and using, on a continuous and uninterrupted basis, the Improvements for the intended purposes and uses permitted by the Lease.
- Project Debt shall be structured as on a substantially level debt basis, unless Tenant reasonably determines that they will be

unlikely or unable to obtain substantially level debt service financing on otherwise commercially reasonable terms.

- Tenant may grant a leasehold mortgage encumbering the leasehold estate created by the Ground Lease, but may not use its interest in the Ground Sublease as collateral for any public financing or as security for loans not relating to the Student Housing Complex.

Financial Projections:

Projected Occupancy Year 1 - 95%

Monthly Rental Rates per Bed Year 1:

One Bedroom \$1,025
Two Bedroom \$725
Four Bedroom \$650

Rental Rates shall increase annually by no more than the greater of 3% or CPI, plus any increases in uncontrollable expenses. Tenant shall conduct market rental rate benchmarking every 5 years and decrease rental rates to be not greater than market rates.

Projected Net Operating Income Year 1 - \$2,034,368

Projected Internal Rate of Return for Tenant / Developer 23.5%

Ground Rent Payments, Escalation, and Participation:

Annual Base Rent, Escalations, and Participation:

- Annual Ground Rent \$87,100, increased every 5 years based on CPI.
- Additional Ground Rent \$232,000, increased every 5 years based on CPI. In any Annual Period, where Tenant is assessed ad valorem taxes, this payment will be reduced to \$0.
- Annual revenue share based on two percent (2%) of net operating income as defined in Ground Lease. Revenue share is based on maintaining a debt service coverage ratio of 1.2x.
- In the event Panama City waives the payment of any impact fees, capacity charges, or connection fees for the Project, Tenant shall pay to Landlord an amount equal to the amount waived by the City.

Parking:

Landlord agrees to grant eligible residents the same level of access to parking spaces located on areas of the Campus. Landlord shall have the exclusive and absolute right to establish the terms and conditions of the access to, occupancy and use of parking spaces on Campus.

Utilities:

Tenant shall pay for all rates, fees, charges and surcharges for utility, information technology, communication, cable, telephone and data service for any improvement located on the Project.

Payment of Taxes:

Tenant is responsible for the payment of all appropriate taxes.

Insurance:

As outlined in Ground Sublease based on requirements in the ITN #5978-6.

Maintenance and Operations:

Tenant will operate and maintain Student Housing Complex in a good and competent manner in accordance with the standards required by applicable laws, governmental authorizations, university standards, and good industry practice.

Tenant agrees to fund a repair and replacement reserve account in the amount of \$80,000 annually, increased by five percent (5%) every five (5) years. Funding for the repair and replacement reserve account will be capped at maintaining a balance of \$400,000, increased by five percent (5%) every five (5) years.

Not less than six (6) years prior to the expiration of the term of this Sublease, a facilities condition report shall be prepared by a nationally recognized independent engineer, detailing the nature, scope, and cost of all work and procurement necessary to assure that such structural elements and building systems meet or exceed the condition required by this Sublease for handback to Landlord at the end of the lease term. Tenant agrees to fund a Handback Reserve Account to cover the required improvements detailed in the facilities condition report.

Other University Benefits:

Tenant has agreed to work with University to develop shorter leases for eligible residents, who live more than 100 miles from Campus and for eligible residents who will graduate at the end of the following spring semester.

Tenant acknowledges and agrees that the building structure is being designed such that it will have at least twenty-five percent (25%) of its useful life remaining at the expiration of the lease term.

Approvals:

The program, design, and site layout are subject to the approval of the Florida State University President and, to the extent required, by the Florida State University Board of Trustees, the State of Florida Board of Governors, and the State of Florida Department of Environmental Protection Trustees of the Internal Improvement Trust Fund.

Tenant will design the Project in accordance with all applicable codes and plans and specifications approved by University. Tenant will engage an architect for such purpose. All permits will be obtained by Tenant.

Access to Property:

Landlord may have free access to all public areas of the Property at all reasonable times, and to all private areas upon reasonable notice and coordination with Tenant, for the purpose of inspecting the same for compliance with this Ground Lease.

Future Development:

Landlord agrees not to add any additional beds on campus for a period of five (5) years after substantial completion of the Project. After that time, Landlord agrees that such additional new beds shall be undertaken only if

there is evidence that for each of the two (2) Annual Periods immediately preceding the construction or acquisition of the proposed additional new beds, the debt service coverage ratio was greater than or equal to 1.20X.

**Summary of Terms
Only:**

This Statement of Key Terms is only a summary of material terms, and remains subject in all respects to negotiation and execution of definitive agreements.



J. BEN WATKINS III
DIRECTOR

STATE OF FLORIDA
DIVISION OF BOND FINANCE

RON DeSANTIS
GOVERNOR

ASHLEY MOODY
ATTORNEY GENERAL

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

NIKKI FRIED
COMMISSIONER OF AGRICULTURE

MEMORANDUM

TO: Board of Governors

FROM: J. Ben Watkins III

DATE: January 16, 2020

RE: Florida State University – Panama City Campus Student Housing Development Project

As required by Section 1010.62(3)(b)4, Florida Statutes, the Division of Bond Finance (“DBF”) has reviewed and analyzed the information provided by Florida State University (“FSU”) to support its proposed public-private partnership to design, build, privately finance, own, and operate a 400 bed housing complex and associated parking and recreational amenities (the “Project”) on the FSU Panama City (“FSUPC”) campus. DBF has also reviewed the Board of Governors (“BOG”) staff analysis of the proposed financing and Project. DBF has identified specific issues for the BOG’s consideration in connection with its evaluation of the proposed Project.

Demand

Demand for the Project is contingent upon Gulf Coast State College (“GCSC”), which is located directly across the street from FSUPC. FSU commissioned third-party feasibility studies to determine the demand for the Project, however none of the feasibility studies show strong demand for the size and scope of the proposed Project absent demand provided by GCSC. The studies conducted by Danter Company, LLC (“Danter”) in May 2016 and October 2019, both concluded that the financial viability of the Project is dependent on the ongoing involvement and engagement of both the FSUPC and GCSC and their students.

Enrollment for fall 2019 at FSUPC was 925 students, including approximately 500 full-time students. If demand is limited to FSUPC students, the Project would require occupancy by an unprecedented 43% of students, both full-time and part-time, or 80% of full-time students. The 2019 Danter study highlighted that both FSUPC and GCSC have had decreasing enrollment over the last ten years and are both heavily dependent on part-time students (nearly 45% of FSUPC and 70% of GCSC enrollment is part-time students). While market supply in the area is currently deflated as a result of Hurricane Michael, and Danter expects that the market will be able to absorb the additional rental units that come online in the near future, if enrollment at both schools continues to decline, demand for the Project could also decrease. Insufficient demand could result in the Developer’s inability to operate and maintain the Project.

The Danter studies regard the proposed Project as a value in the market, due to the absence of purpose-built student housing projects in the effective market area. However, because there is no on-campus housing at either school, there is no gauge to determine whether potential renters will value the combination of location, amenities, and price that the Project will offer.

FSUPC is not operated as a “residential university” and there is no requirement that students live on campus. However, once the Project is open, FSU anticipates that it will support its overarching goals of increasing student success and growing revenue streams that will support FSUPC by providing additional pathways

for enrollment (presumably from GCSC) and increasing and diversifying its operating income. The need for on-campus housing for FSUPC students is dependent on realizing growth at FSUPC. FSU's strategy for growing enrollment at FSUPC and the need for additional housing to accommodate such growth are policy decisions rather than debt-related issues for the BOG to consider in its evaluation of the Project.

Additionally, while the project is heavily reliant on GCSC to generate sufficient demand, there is no formal agreement between FSUPC and GCSC requiring that GCSC participate in marketing the Project to its students. However, DBF understands that GCSC has been involved in the Project and has committed, via a letter to the BOG Chancellor, to market the Project to its students via its web site, appropriate social media, direct mailings, and contact with students. While not a debt-related issue, the precedent that may be set with the reliance on an adjacent state college, an institution whose mission does not include providing on-campus housing, to generate sufficient demand for a university housing project is a policy consideration that the BOG should examine in consultation with its counterparts at the Florida College System.

Return on Investment

Based on projections provided, the Developer expects to receive an internal rate of return ("IRR") of approximately 20% based on its initial equity investment during the interim financing period. While actual profits to the Developer may be more or less than projected based upon actual operating results, there is no limit on the amount of profit the Developer may receive from the Project.

cc: Marshall M. Criser, Chancellor, Board of Governors
Chris Kinsley, Assistant Vice Chancellor, Board of Governors
Kathy Hebda, Chancellor, Florida College System



January 10, 2020

Honorable Marshall Criser
Chancellor, State University System of Florida
Turlington Building
325 W. Gaines Street, #1614
Tallahassee, FL 32399

Dear Chancellor Criser:

It is my understanding that the Florida Board of Governors at its January 30 meeting will consider the approval of a Ground Lease between Florida State University and a subsidiary of Zimmer Development Company for the construction of residential housing, primarily for students attending the Panama City campus of FSU (FSUPC) and Gulf Coast State College (GCSC). This transaction has been approved by the Board of Trustees of Florida State University.

I am writing to strongly support this project and urge the BOG to approve this item. A representative of GCSC sat on the selection committee and we are in constant contact with FSU regarding this project. The feasibility consultants for the project surveyed GCSC students and I can personally attest to the interest expressed by our students for this project.

The relationship between FSUPC and GCSC started many years ago when the then president of the college and other community leaders supported the development of a university campus in the area. With the closest postsecondary institutions being two hours in any direction and with a large segment of our population being place bound, having FSUPC in Bay County has made a significant difference in higher education attainment in the area.

GCSC and FSUPC work together in a number of areas. FSU Police provide security for both campuses. FSU PC students use the GCSC fitness center and testing center. FSU provides mental health counseling and other EAP services for GCSC employees. In 2018, the two campuses established the Seminole-Commodore Alliance where students from each campus can participate in student activities at both institutions. In addition, we signed a strong articulation agreement providing a direct and guaranteed pathway for GCSC students to attend FSU PC provided they meet certain requirements.

5230 West U.S. Highway 98
Panama City, Florida 32401

850.769.1551 T 800.311.3685
www.gulfcoast.edu



The development of residential housing on the FSU PC campus, that would also be available to GCSC students, would enhance the already strong relationship between our two institutions. Research shows that students who spend more time on campus do better in their academic classes. We see this residential housing as a student success project. In addition to enhancing the academic success of our students who live on campus, we strongly believe it will increase the number of GCSC students transferring to FSU PC.

We plan to market the program in the same manner as FSU PC. Through the use of our web site, appropriate social media, direct mailings and contact with students, we will make sure they are aware of the opportunity to live just a short walk from their classes and other student activities.

I strongly urge you to support this project.

Sincerely,

A handwritten signature in black ink, appearing to read "John Holdnak". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dr. John Holdnak
President



AGENDA
Academic and Research Excellence Committee
Room 208
Turnbull Conference Center
Florida State University
555 W. Pensacola St.
Tallahassee, FL 32301
January 29, 2020
4:30-5:00 p.m.

or
Upon Adjournment of Previous Meetings

Chair: Mr. Alan Levine; Vice Chair: Mrs. Darlene Jordan
Members: Lydecker, Scott, Stermon, Tripp

- 1. Call to Order and Opening Remarks** **Governor Alan Levine**

- 2. Minutes of Academic and Research Excellence Committee** **Governor Levine**
Minutes, June 12, 2019

- 3. World Class Faculty Scholars** **Ms. Emily Sikes**
*Assistant Vice Chancellor
for Strategic Initiatives and Economic Development*

- 4. Professional Graduate Degree Excellence** **Ms. Sikes**

- 5. Concluding Remarks and Adjournment** **Governor Levine**

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Research Excellence Committee
January 29, 2020**

SUBJECT: Minutes of Committee Meeting held June 12, 2019

PROPOSED COMMITTEE ACTION

Consider approval of the minutes of the Academic and Research Excellence Committee meeting held on June 12, 2019, at the University of South Florida.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Academic and Research Excellence Committee will consider approval of the minutes of the meeting held on June 12, 2019, at the University of South Florida.

Supporting Documentation Included: June 12, 2019, minutes

Facilitators/Presenters: Governor Alan Levine

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
ACADEMIC AND RESEARCH EXCELLENCE COMMITTEE
UNIVERSITY OF SOUTH FLORIDA
TAMPA, FLORIDA
JUNE 12, 2019

Video or audio archives of the meetings of the Board of Governors and its committees are accessible at <http://www.flbog.edu/>.

1. Call to Order and Opening Remarks

Chair Alan Levine convened the meeting on June 12, 2019, at 1:10 p.m. with the following members present: Governors Jordan, Sterman, and Tripp. A quorum was established.

2. Minutes of March 27, 2019, Committee Meeting

Chair Levine asked for a motion to approve the minutes from the Committee's March 27, 2019, meeting. Governor Tripp moved to approve the minutes, Governor Jordan seconded the motion, and the motion carried unanimously.

3. Consortium for Medical Marijuana Clinical Outcomes Research (Ch. 2019-01, Laws of Florida)

Chair Levine informed the Committee that the next item on the agenda was to consider approval of the lead institution for the Consortium for Medical Marijuana Clinical Outcomes Research. The Chair stated that in March 2019, the Governor signed Senate Bill 182 into law, which authorized the Board of Governors to designate a State University System institution to lead the Consortium. According to the law, the consortium must include both public and private universities. Research must include tracking clinical outcomes, certification standards, dosing standards, routes of administration, efficacy, and side effects. Research must also include the study of the effects of smoking marijuana to treat debilitating medical conditions.

Chair Levine stated that the Legislature provided \$1.5 million in recurring funds to the Board of Governors to award to be the lead institution for the Consortium for Medical Marijuana Clinical Outcomes Research beginning with the 2019-20 fiscal year. If the Board approves the lead institution, the funding will be provided through a contract between the Board of Governors and the lead institution.

Chair Levine reported that Board staff sent out a request for applications in April 2019. Based upon a review of the applications submitted, Board staff recommend that the Board of Governors authorize the University of Florida (UF) as the lead institution.

Chair Levine described that in its application, UF demonstrated an extensive portfolio of funded projects that encompass research related to clinical outcomes and mechanistic pathways of medical marijuana. The university also has direct experience with the state's medical marijuana program by collecting treatment plans from ordering physicians so that the university can research the safety and efficacy of low-THC cannabis.

Chair Levine said UF is proposing the Consortium include a new and unique data repository, a clinical research core, and a grants program. Additionally, the university proposes to connect researchers in the field and create new collaborations that can greatly enhance the scientific reach and ultimately enhance the state's prominence in the field of medical marijuana clinical outcomes research.

Chair Levine stated that if approved by the Academic and Research Excellence Committee, this item will go to the full Board for consideration.

Chair Levine entertained a motion to approve UF as the lead institution for the Consortium for Medical Marijuana Clinical Outcomes Research and to execute a one-year contract between the Board of Governors and UF to allocate \$1.5 million in appropriated funds for the fiscal year 2019-20. Governor Jordan moved to approve the motion as stated; Governor Tripp seconded the motion, and the motion carried unanimously.

4. University of South Florida Growth in Research

Chair Levine announced that before moving into the next presentation, he wanted to update the Committee on a discussion he had with the Vice Presidents for Research. He said they discussed a variety of topics, including additional opportunities for research collaboration between the SUS institutions, partnerships with the military, and marketing strategies. He also stated that it gets much more challenging to improve incrementally in terms of competitiveness from where the system is today as it moves into the upper echelon of research and that increasing institutional collaboration can improve the state's overall competitiveness. Chair Levine expressed the need to have a plan to succeed long-term. He concluded by stating that the Vice Presidents for Research agreed that the research expenditure goal for the System's 2025 Strategic Plan should be set at \$3 billion.

Chair Levine announced that the next item on the agenda was a presentation highlighting the growth in research activities at the University of South Florida (USF). USF has seen tremendous growth over the last 25 years and is ranked 25th in the nation among public universities for research expenditures by the National Science Foundation. The Chair stated he asked that USF share how they have achieved this success in such a relatively short time and any strategies they used that could be used across the system as we continue to elevate and enhance our research profile.

Chair Levine called on USF President Judy Genshaft, and Dr. Paul Sanberg, Senior Vice President for Research, Innovation, and Knowledge Enterprise, to deliver the presentation.

President Genshaft and Dr. Sanberg proceeded with a presentation detailing the history and successes of USF in research endeavors. President Genshaft started by thanking the Board of Governors for devoting time and attention to essential activities, including research. She further explained that, from the time she came on board at USF, research has been part of the core mission of the institution. She said that the research enterprise sets USF apart and allows the university to make a significant impact on the state and country. President Genshaft stated that research is the economic engine that powers the prosperity of the region, the state, and beyond.

President Genshaft said that excellence in research does not happen overnight, and it does not happen by accident. It requires intentional focus and investment. She stated that USF had come a long way, and she was proud to announce that USF now ranks 25th in the rankings of top public research universities. President Genshaft described the history and evolution of USF's research endeavors from its founding in 1956 through today. She explained that the College of Medicine and the field of health was vital in the institution's history from a research perspective.

President Genshaft said that becoming a top tier research institution requires more than any single initiative or investment. It demands an all-encompassing cultural commitment to achieve long-term success. Resources must be used strategically to leverage future success. President Genshaft asked Dr. Sanberg to continue the presentation.

Dr. Sanberg said that having a robust, research-oriented strategic plan, world-class faculty, and adequate facilities are all essential. He described the process USF engaged in to create multiple centers and institutes to pursue multidisciplinary research in earnest. Dr. Sanberg highlighted the Cyber Florida Center. He said that after being in existence for only a few short years, the center is supporting over \$20 million in research expenditures at USF. He noted that federal grants are an essential aspect of research funding, and USF has pushed to expand its federal funding through budgetary ups and downs.

Dr. Sanberg said the most successful programs utilize strategic investments to secure future funding. He explained that diversification is critical to building successful research programs and that research builds student and community success simultaneously. Dr. Sanberg stated that having pivotal faculty in place often draws other researchers and students to top programs. In conclusion, Dr. Sanberg said there are several keys to research success, including creating partnerships, writing a strategic research plan, updating tenure and promotion programs, incorporating research and innovation into undergraduate education, and engaging the broader community in research efforts.

Governor Lamb asked for clarification regarding how targeted investments were made with preeminence funding. Dr. Sanberg described the areas of strategic focus for USF research, which included three key areas: heart/cardiovascular research, medical engineering, and neuroscience.

Chair Levine commended President Genshaft and Dr. Sanberg for the success in research that USF has been able to achieve in such a short period, and he thanked the presenters for sharing USF's story.

6. Closing Remarks and Adjournment

Having no further business, Chair Levine adjourned the meeting at 1:47 p.m.

Alan Levine, Chair

Roger Strickland
Director, Economic Development

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Research Excellence Committee
January 29, 2020**

SUBJECT: World Class Faculty and Scholar Program Report

PROPOSED COMMITTEE ACTION

Consider approval of the World Class Faculty and Scholar Program Report.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Section 1004.6497, Florida Statutes, requires that the Board of Governors submit a report on the World Class Faculty and Scholar program to the Legislature by March 15 of each year. The Legislature provided \$90.5 million in 2018-19 to support the efforts of the State University System institutions to recruit and retain exemplary faculty and research scholars. The 2020 report includes expenditure information for the 2018-19 year. Board staff collected the statutorily required data points from State University System Institutions in the fall of 2019 to create the 2020 report.

Ms. Emily Sikes, Assistant Vice Chancellor for Strategic Initiatives and Economic Development, will provide an overview of the 2020 report.

Supporting Documentation Included:

World Class Faculty and Scholar Program Report

Facilitators/Presenters:

Ms. Emily Sikes

World Class Faculty & Scholar Program Report

January 2020

PENDING BOG APPROVAL



SUMMARY OF STATE UNIVERSITY SYSTEM of FLORIDA WORLD CLASS FACULTY AND SCHOLAR PROGRAM REPORT

January 2020

Introduction

The Legislature established the World Class Faculty and Scholar Program to fund and support the efforts of the State University System (SUS) institutions to recruit and retain exemplary faculty and secure additional research funding. The intent of this program is to elevate the national competitiveness of Florida's state universities through faculty and scholar recruitment and retention. Section 1004.6497, Florida Statutes, requires the Florida Board of Governors to summarize information from the SUS institutions on the World Class Faculty and Scholar Program. The statute requires that the report include information on program expenditures, success in recruiting research faculty, the four-year graduation rate, the number of undergraduate courses offered with fewer than 50 students, and the increase in national academic standing of targeted programs.

The Legislature provided funds to SUS institutions for the World Class Faculty and Scholar Program in fiscal years 2017-18 and 2018-19.¹ However, section 1004.6497, Florida Statutes, which establishes the program and the reporting requirements, was signed into law in March of 2018. Therefore, the program is still relatively new, and recruiting faculty and/or research scholars can often take a considerable amount of time. The timing of hiring individuals depends on a variety of factors. In addition, unless individuals bring existing research contracts with them, it could take several years to realize the full potential of research dollars awarded to individuals who are recruited to the SUS through this program. Other metrics such as four-year graduation rates and academic program rankings may also take several years before any advancements related to this program are realized.

The State University System continues to make great strides to elevate its national research profile to the top echelon. With support from the Legislature and Governor, the SUS has risen to 4th in the country for public institution research expenditures, and since 2013, system-wide research expenditures have increased by 30%. The Board of Governors recently increased the system's goal for annual research expenditures in its strategic plan to \$3 billion by 2025. The World Class Faculty and Scholar Program is one mechanism that provides resources for the System to continue to elevate its research.

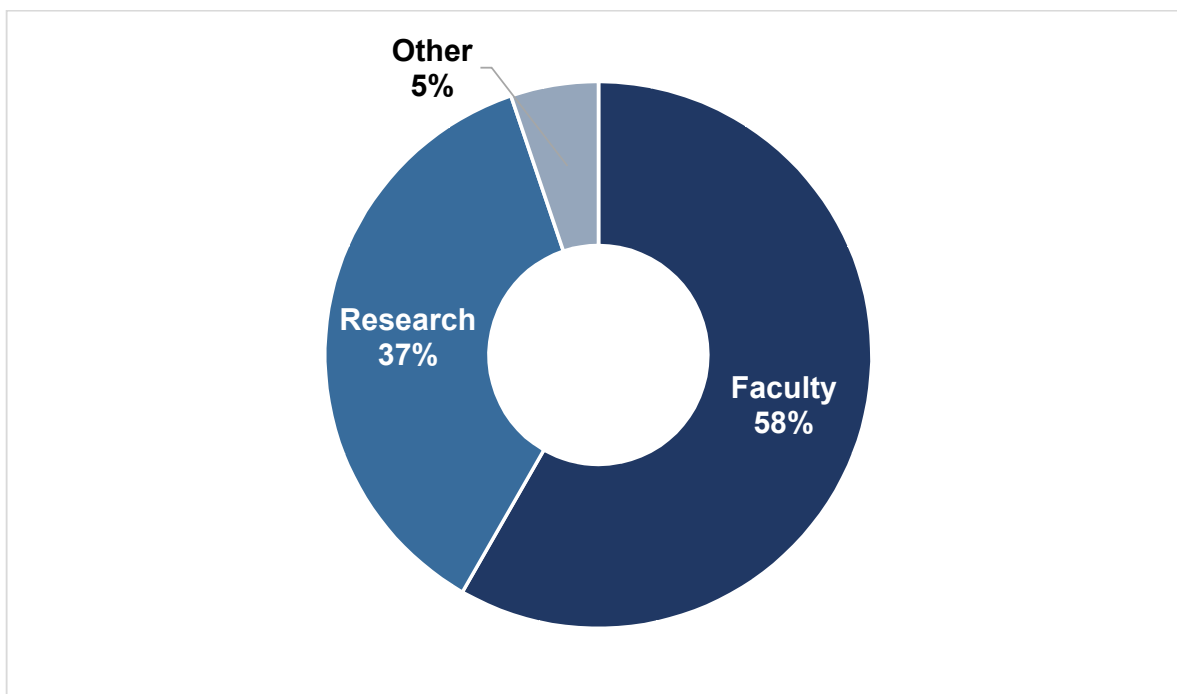
¹ Funding was also provided in the 2019-20 fiscal year, and information related to that year will be included in the 2021 report.

Expenditure Information

While expenditures of the World Class Faculty and Scholar Program varied in how these funds were utilized, most of the funds (95%) were used to recruit and retain faculty and increase research efforts. The Legislature provided funding of \$90.5 million in 2018-19 to the SUS institutions to support the program. Some examples of faculty recruitment and retention efforts include: research-centric cluster hires, awards for outstanding performance, professional development, and overall hiring/retention of faculty. Examples of research efforts include: commercialization efforts, instruction and research infrastructure enhancements, student research initiatives, and postdoctoral fellowships. Exhibit 1 provides an overview of how SUS institutions spent or allocated the funds for the World Class Faculty and Scholar Program in FY 2018-19.

Exhibit 1

Most World Class Faculty and Scholar Funds Supported Faculty and Research



Source: Florida Board of Governors staff analysis of data provided by SUS institutions on the World Class Faculty and Scholar Program, fall 2019.

In a short amount of time, this program has enhanced and improved SUS institutions' efforts to recruit and retain faculty. As of fall 2019, institutions reported recruiting approximately 310 faculty (FTE) and retaining over 1,600 faculty (FTE) as a result of this program. These faculty transferred roughly \$92.9 million in research funding to the institutions and have more than \$299 million in research proposals under development or review. If this trend continues, this program will continue to increase the research profile and national ranking of the SUS. The System includes many universities that are

relatively young in terms of research and that will only continue to grow over the next several years.

Elevating the National Competitiveness of the State University System

The intent of the World Class Faculty and Scholar Program is to elevate the overall national competitiveness of the System through faculty and scholar recruitment and retention. While it is still too early to see how this program has impacted metrics such as a four-year graduation rate, the number of undergraduate courses offered with fewer than 50 students, and academic rankings, baseline information for each of these metrics is provided below.

- In the last five years, the system four-year graduation rate has improved from 43% to 53%. Exhibit 2 provides details by institution. It should be noted that the four-year graduation rate is not yet available for students who enrolled at state universities when the World Class Faculty and Scholar Program funding was first received.
- Increasing the number of faculty should also help to reduce class size. Again, it is not yet known how hires from the World Class Faculty and Scholar Program have affected this metric. However, in fall 2018, 84% of undergraduate courses in the system had fewer than 50 students, an increase from 82% in the prior year. Exhibit 2 provides details by institution.

Exhibit 2**Summary of Four-Year Graduation Rates and Undergraduate Courses with Fewer than 50 Students**

Institution	Four-Year Graduation Rate		% of Undergraduate Courses with Fewer than 50 Students
	2013-17	2014-18	Fall 2018
FAMU	21.6%	22.5%	86%
FAU	27.5%	33.9%	84%
FGCU	22.9%	28.8%	85%
FIU	33.8%	38.9%	74%
Poly	n/a	36.6%	100%
FSU	68.4%	71.5%	88%
NCF	53.6%	55.7%	100%
UCF	43.7%	45.7%	75%
UF	66.7%	67.1%	86%
UNF	34.7%	38.5%	88%
USF	57.4%	58.6%	88%*
UWF	25.2%	31.3%	91%
System	49.6%	52.6%	84%

* This data only represents the USF-Tampa campus.

Source: Florida Board of Governors, Office of Data Analytics, 2019 System Accountability Plan and institutional responses to the 2018-19 Common Data Set (CDS) survey.

In national rankings, the System continues to be recognized by U.S. News & World Report for excellence in higher education. For the third year in a row, the publication recognized Florida as the best state for higher education. U.S. News & World Report also ranked four SUS institutions in the top 100 public schools in the 2020 rankings, with University of Florida ranked 7th (up from 8th the prior year), Florida State University ranked 18th (up from 26th), USF ranked 44th (up from 58th), and UCF ranked 79th (up from 87th). In addition, New College of Florida is ranked as the 6th best public liberal arts institution in the country and Florida Agricultural & Mechanical University is ranked as the 2nd best public historically black college and university in the country. Exhibit 3 provides a list of SUS institutions on the U.S. News & World Report top 100 national public university rankings for both 2019 and 2020.

Exhibit 3**U.S. News & World Report Public University Rankings**

SUS Institution	U.S. News & World Report Ranking (Public)		
	2019	2020	1-Year Change
UF	8	7	+1
FSU	26	18	+8
USF	58	44	+14
UCF	87	79	+8

Source: U.S. News & World Report Rankings of National Universities, Top Public Schools, 2019 and 2020.

Specific to research, the System is the 4th largest public system in terms of research expenditures, and the System has five institutions ranked in the top 100 public institutions for research.² The System is also the leading producer of utility patents in the state and has the most universities ranked in the top 100 in the country for patents.³ In 2017, the Milken Institute ranked three SUS institutions in the Top 25 for technology transfer and commercialization - the second most of any state.

Conclusion

While the full effects of the World Class Faculty and Scholar Program are not yet known, the program has enhanced the ability of SUS institutions to successfully recruit and retain high-quality faculty and support research efforts in a short amount of time. As a result, institutions have recruited more than 310 faculty who have transferred more than \$92.9 million in research funding to the State of Florida. These early successes put the System on a trajectory to increase national competitiveness relative to both quality postsecondary education and research.

² National Science Foundation Higher Education Research and Development Survey (HERD), November 13, 2019, Table 67.

³ *Top 100 Worldwide Universities Granted U.S. Utility Patents 2018*, The National Academy of Inventors.



STATE UNIVERSITY SYSTEM OF FLORIDA





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State University System of Florida

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Research Excellence Committee
January 29, 2020**

SUBJECT: Professional and Graduate Degree Excellence Program Report

PROPOSED COMMITTEE ACTION

Consider approval of the 2020 Professional and Graduate Degree Excellence Program Report.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Section 1004.6498, Florida Statutes, requires that the Board of Governors submit a report on the Professional and Graduate Degree Excellence Program to the Legislature by March 15 of each year. The Legislature provided \$60 million in 2018-19 to State University System institutions to enhance the quality and excellence of professional and graduate schools and degree programs in medicine, law, and business. The 2020 report includes expenditure information for the 2018-19 year. Board staff collected the statutorily required data points from State University System institutions in the fall of 2019 to create the 2020 report.

Ms. Emily Sikes, Assistant Vice Chancellor for Strategic Initiatives and Economic Development, will provide an overview of the 2020 report.

Supporting Documentation Included:

Professional and Graduate Degree Excellence Report

Facilitators/Presenters:

Ms. Emily Sikes

Professional & Graduate Degree Excellence Program Report

January 2020

PENDING BOG APPROVAL



SUMMARY OF STATE UNIVERSITY SYSTEM of FLORIDA PROFESSIONAL & GRADUATE DEGREE EXCELLENCE PROGRAM

January 2020

Introduction

The Legislature established the Professional and Graduate Degree Excellence Program to support the efforts of the State University System (SUS) institutions to enhance the quality and excellence of professional and graduate schools in the areas of medicine, law, and business. In addition, the Program is intended to expand the economic impact of state universities. Section 1004.6498, Florida Statutes, requires the Florida Board of Governors to summarize and submit information from the State University System institutions on the Professional and Graduate Degree Excellence Program by March 15 each year. The statute requires that the report include information on program expenditures; first-time pass rates on the United States Medical Licensing Examination; first-time pass rates on the Florida Bar Examination; the percentage of graduates enrolled or employed that reflects the added value of a graduate-level business degree; the advancement in the rankings of medicine, law, and graduate-level programs; and the added economic benefit of the universities to the state.

The Legislature provided funding to SUS institutions for the Professional and Graduate Degree Excellence Program in fiscal years 2017-18 and 2018-19.¹ However, section 1004.6498, Florida Statutes, which established the program and the reporting requirements, was not signed into law until March of 2018. This report provides information on how the SUS institutions spent funds in FY 2018-19. Recruiting faculty and research scholars can often take longer than a year, and the timing of hiring individuals may depend on a variety of factors. Other metrics such as exam passage rates, employment outcomes, rankings, and economic benefit to the state often take a few years to demonstrate improvements as data collection and reporting timeframes may lag a year or two behind the academic year.

The State University System includes six medical schools, four law schools, and ten institutions with graduate-level business programs.² These institutions received funding based on prior performance on indicators such as licensure exam pass rates, employment outcomes, and the number of graduates. In 2018-19, SUS institutions

¹ Funding was also provided in the 2019-20 fiscal year, and information related to that year will be included in the 2021 report.

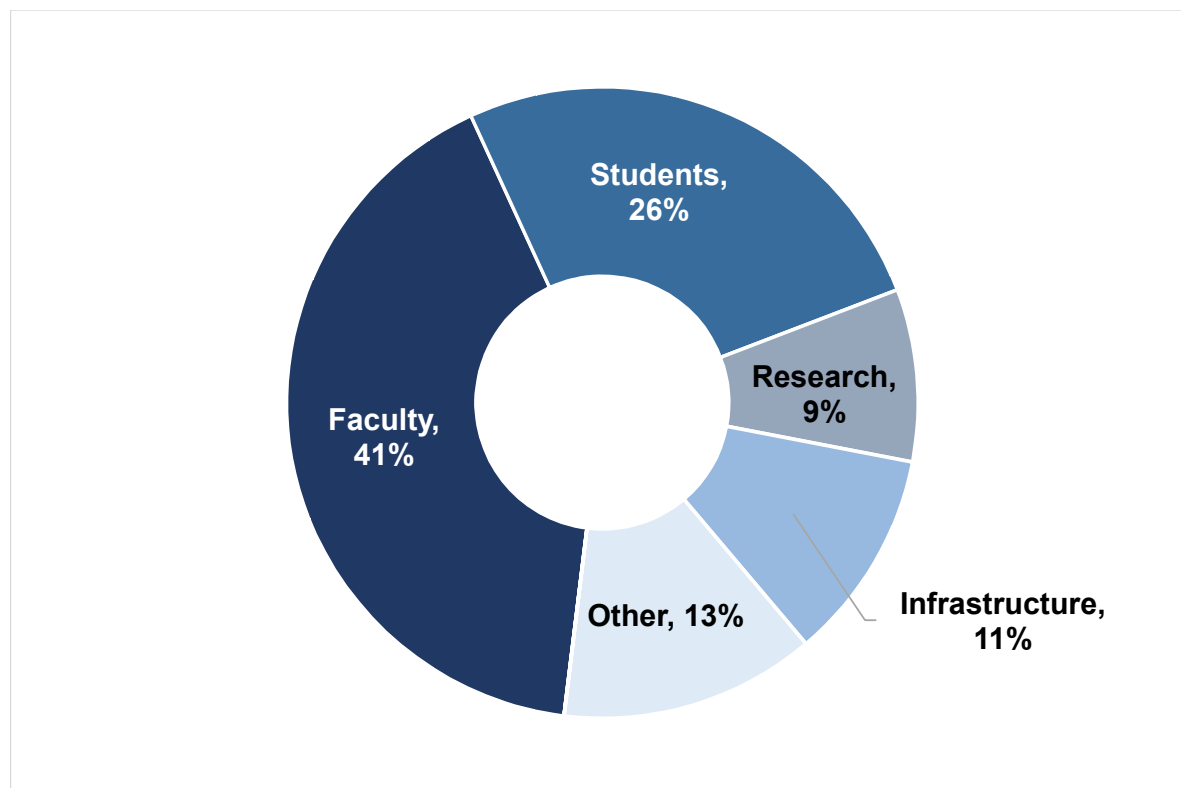
² New College of Florida and Florida Polytechnic University did not receive allocations for this program, as neither has a college of medicine, law, or graduate-level business program.

awarded 702 medical degrees, 774 law degrees, and 4,793 graduate-level business degrees. Appendix A provides details of these awards by institution.

Expenditure Information

Most of the funds from the Professional and Graduate Degree Excellence Program were used to recruit and retain faculty and support student success initiatives. The Legislature provided funding of \$60 million to the SUS institutions in 2018-19 to support the program. Of this, 41% was used to recruit and retain faculty and 26% was used to support students through a variety of mechanisms. Some examples of the student support activities include financial aid, licensure examination preparation, career placement, and advising. Other activities varied across the medicine, law, and business categories. Exhibit 1 provides an overview of how SUS institutions spent or allocated the funds for the Professional and Graduate Degree Excellence Program in FY 2018-19.

Exhibit 1
SUS Expenditures of Professional and Graduate Degree Excellence Program Funds, 2018-2019

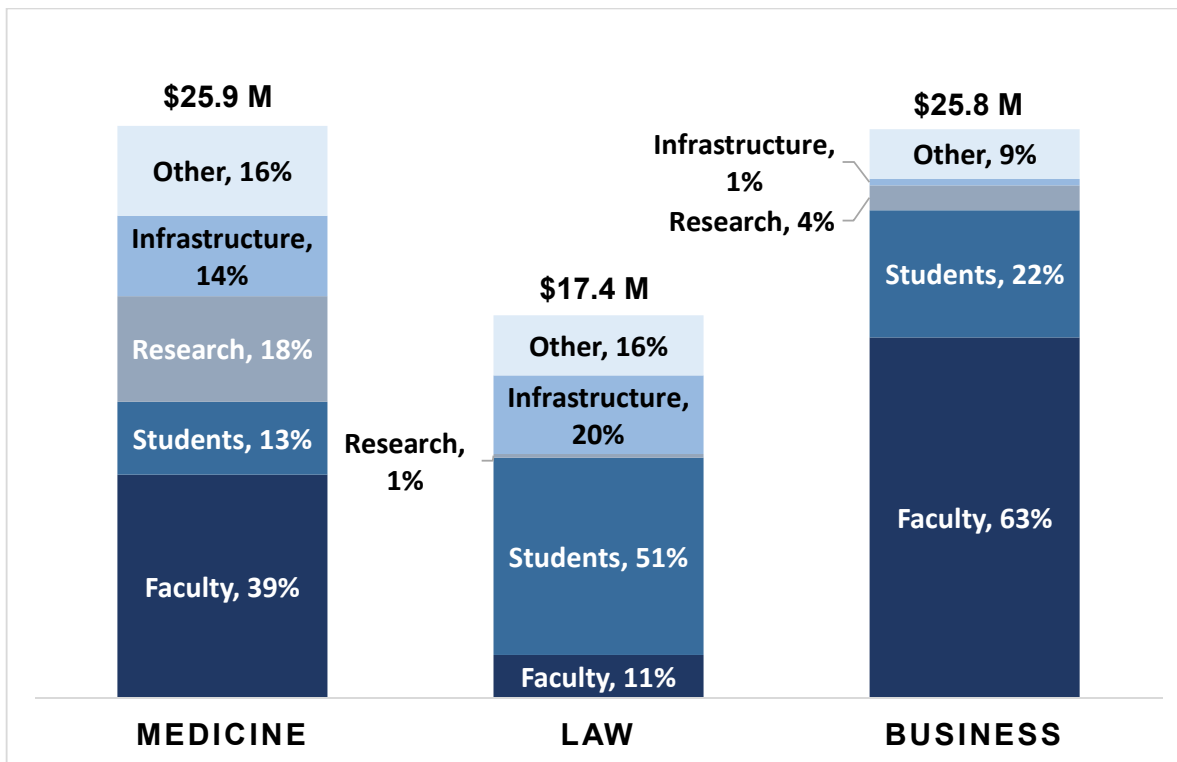


Source: Florida Board of Governors staff analysis of data provided by SUS institutions on the Professional and Graduate Degree Excellence Program, fall 2019.

When examining the funds across the program areas of medicine, law, and business, the majority of the funds supported faculty and students. Exhibit 2 provides an overview of how the funds were spent in FY 2018-19.

- **Medicine:** Over the last year, SUS institutions spent more than \$25.9 million to support graduate education in medicine. A majority of the funds (52%) supported faculty or students and 16% supported other initiatives such as efforts to improve passage rates on licensure examinations, IT enhancements, and support staff.
- **Law:** SUS institutions spent approximately \$17.4 million on law schools. Almost two-thirds of these funds were spent on faculty and students, while remaining funds were devoted to student success initiatives to increase bar passage rates, expenditures to improve national rankings, and other enhancements to existing learning environments.
- **Business:** SUS institutions spent approximately \$25.8 million on graduate business education. Most of these funds (85%) were spent on faculty and students while remaining funds were spent on other graduate student initiatives, including enhanced advising and efforts to improve professional program national rankings through data analytics.

Exhibit 2
SUS Expenditures for Professional and Graduate Degree Excellence by Program Area
2018-2019



Source: Florida Board of Governors staff analysis of data provided by SUS institutions on the Professional and Graduate Degree Excellence Program, fall 2019. Percentages may not total to 100% due to rounding.

Elevating the National Competitiveness of the State University System

The intent of the Professional and Graduate Degree Excellence Program is to enhance the quality and excellence of professional and graduate schools in the SUS. While it is still too early to see how this program has influenced metrics, baseline information, where available, is provided below.

Exam passage rates

SUS medical school graduates do very well on the series of medical licensing examinations. As a system, most graduates meet or exceed national benchmarks on these exams.



Exhibit 3**Summary of U.S. Medical Licensing Exam Performance for the SUS****U.S. Medical Licensing Exam (USMLE)-Step 1 (2nd year of medical school)**

Year	FAU	FIU	FSU	UCF	UF	USF	SUS	Benchmark
2016	97%	99%	97%	100%	96%	94%	97%	96%
2017	97%	99%	93%	97%	95%	92%	96%	96%
2018	95%	99%	99%	97%	96%	98%	97%	96%

U.S. Medical Licensing Exam (USMLE)-Step 2 Clinical Knowledge (4th year of medical school)

Year	FAU	FIU	FSU	UCF	UF	USF	SUS	Benchmark
2015-16	100%	94%	94%	100%	99%	99%	98%	96%
2016-17	100%	97%	98%	98%	94%	95%	97%	96%
2017-18	98%	99%	96%	99%	99%	100%	99%	97%

U.S. Medical Licensing Exam (USMLE)-Step 2 Clinical Skills (4th year of medical school)

Year	FAU	FIU	FSU	UCF	UF	USF	SUS	Benchmark
2015-16	100%	98%	99%	100%	99%	97%	97%	97%
2016-17	97%	97%	96%	99%	97%	96%	97%	96%
2017-18	96%	97%	95%	97%	96%	97%	97%	95%

Source: State University System Accountability Plan, 2019.

SUS law school graduates also perform well on the Florida Bar exam. Four of the five law schools exceed the benchmark for all exam takers in Florida. Florida Agricultural & Mechanical University identified plans to use funds from the Professional and Graduate Degree Excellence Program to improve graduate passage rates on the Florida Bar Exam in future years.

**Exhibit 4
Passage Rates on the Florida Bar Exam**

Year	FAMU	FIU	FSU	UF	SUS	Benchmark
2016	54%	87%	78%	78%	76%	66%
2017	50%	87%	81%	77%	75%	69%
2018	47%	88%	83%	69%	72%	66%

Source: State University System Accountability Plan, 2019.

Employment Outcomes: Graduate-Level Business Degree

Section 1004.6498, *Florida Statutes*, also requires the Board of Governors to report on employment outcomes for graduate-level business programs. Exhibit 5 provides an overview of the percentage of master’s degree graduates earning more than \$40,000 in the year following graduation. This exhibit reflects 2017-18 graduates who were found employed in Florida. Compared to 2015-16 graduates, the most recent data reflects a system-wide increase of 1%, from 57% to 58%, of graduates working in Florida and earning more than \$40,000 per year. Due to the timing of workforce data collection, it may be a few years before salaries for graduates increase.



Exhibit 5
Employment Outcomes for Graduate-Level Business Degrees, 2017-18 Graduates

SUS Institution	2017-18 Graduates*	Job Placement of Graduates Earning more than \$40K in Florida or enrolled**	
		Number of Graduates	%
FAMU	58	15	26%
FAU	532	331	62%
FGCU	53	35	66%
FIU	1,169	678	58%
FSU	317	179	57%
UCF	479	323	67%
UF	878	422	48%
UNF	155	104	67%
USF	390	254	65%
UWF	138	81	59%
System	4,165	2,422	58%

*Includes graduates with valid SSN.

** Also includes continuing education. All continuing education outcomes are based on enrollment data for the fall 2018 semester and the preliminary winter/spring 2019 semester. The percent employed includes only those employed in Florida.

Source: FLDOE Florida Education & Training Placement Information Program (FETPIP) data, provided 12-2-2019. All employment outcomes contained in this table are based on the Florida U/I wage data from October - December quarter of 2018. Doctoral recipients were not included due to the qualitatively different nature of their education.

National Rankings

In national rankings, the System continues to be recognized by U.S. News & World Report for excellence in higher education. For the third year in a row, the publication has recognized Florida as the best state for higher education. In fall 2019, U.S. News & World Report also ranked four SUS institutions in the top 100, with the University of Florida ranked 7th, up from 8th in the prior year, and Florida State University ranked 18th, up from 26th the prior year. In addition, Florida Agricultural & Mechanical University is ranked as the 2nd best public historically black college and university.

Specific to medicine, law, and graduate business, SUS institutions also rank high in the U.S. News & World Report rankings for these areas. Exhibit 6 provides an overview of national rankings compared to all other private and public institutions. U.S. News &

World Report does rank specific individual programs within these areas, such as Global MBA. However, the rankings provided in Exhibit 6 are the only ones readily available to the public.

Exhibit 6

U.S. News & World Report 2020 Rankings, Specific Graduate Programs

SUS Institution	Medicine (Research)	Law	Business
UF	43	31	25
FSU	93-120	48	79
USF	52	N/A	95
UCF	88	N/A	Unranked
FIU	Unranked	91	Unranked

Note: These rankings represent only those publicly available. Unranked indicates the program was listed as unranked. N/A indicates not applicable because the institution does not offer that program.

Source: U.S. News & World Report Rankings of Best Medical Schools, Best Law Schools, Best Business Schools, 2020.

Economic Impact

According to multiple economic impact studies, the State University System is an important contributor to Florida’s economy both directly and indirectly through spending for university operations, sales and services of component units, and other purposes. Additionally, the Board maintains a research dashboard that includes metrics calculating return on investment. As reported in February 2019, the system created or supported over 20,000 jobs in FY 2017-18 through external funding. Further, the calculated economic impact of state and federal research expenditures was over \$3.8 billion in FY 2017-18. These examples highlight how the State University System is a good return on investment.

Conclusion

While the full effects of the Professional and Graduate Degree Excellence Program are not yet known, the Program has provided an opportunity for SUS institutions to support and enhance professional and graduate education in the state.



APPENDIX A

In 2018-19, SUS institutions awarded 702 medical degrees, 774 law degrees, and 4,793 graduate-level business degrees. While degrees awarded in medicine and law have remained relatively stable, the total graduate degrees awarded in business has increased by 13% in the last three years. Tables 1-3 below provide additional detail of the degrees awarded by institution for the last three academic years.

Table 1
Total Graduate Degrees Awarded in Medicine (MD)

Institution	2016-2017	2017-2018	2018-2019
FAU	62	64	55
FIU	114	114	119
FSU	116	109	114
UCF	113	116	116
UF	133	137	129
USF	162	158	169
Total MD	700	698	702

Source: Florida Board of Governors, Office of Data Analytics, Degrees Awarded Data Mart, November 2019.

Table 2
Total Graduate Degrees Awarded in Law

Institution	2016-2017	2017-2018	2018-2019
FAMU	106	127	130
FIU	154	145	143
FSU	213	197	170
UF	323	324	331
Total Law	796	793	774

Source: Florida Board of Governors, Office of Data Analytics, Degrees Awarded Data Mart, November 2019.

Table 3
Total Graduate Degrees Awarded in Business

Institution	2016-2017	2017-2018	2018-2019
FAMU	49	58	74
FAU	469	559	568
FGCU	60	53	67
FIU	1,339	1,348	1,367
FSU	277	322	345
UCF	407	491	501
UF	919	960	887
UNF	137	177	223
USF	493	562	600
UWF	107	149	161
Total	4,257	4,679	4,793

Source: Florida Board of Governors, Office of Data Analytics, Degrees Awarded Data Mart, November 2019.



STATE UNIVERSITY SYSTEM OF FLORIDA





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AGENDA
Academic and Student Affairs Committee
Room 208
Turnbull Conference Center
Florida State University
555 West Pensacola Street
Tallahassee, Florida 32306
January 30, 2020
8:30 a.m. - 10:45 a.m.

or
Upon Adjournment of Previous Meetings

Chair: Ms. Darlene Jordan; Vice Chair: Mr. Brian Lamb
Members: Cerio, Corcoran, Felton, Frost, Johnson, Scott, Tripp

- 1. Call to Order and Opening Remarks** **Governor Darlene Jordan**

- 2. Minutes of Committee Meeting** **Governor Jordan**
Minutes, October 30, 2019

- 3. Vice Chancellor and Chief Academic Officer's Report** **Dr. Christy England**
*Vice Chancellor for
Academic and Student Affairs*

- 4. Public Notice of Intent to Amend Board of Governors
Regulation 6.002 Admission of Undergraduate
First-Time-in-College, Degree-Seeking Freshman** **Dr. Traki L. Taylor**
*Assistant Vice Chancellor
for Academic Affairs*

- 5. Public Notice of Intent to Amend Board of Governors
Regulation 6.008 Postsecondary College-level Preparatory
Testing, Placement, and Instruction for State Universities** **Dr. Taylor**

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: Minutes of Committee Meeting held October 30, 2019

PROPOSED COMMITTEE ACTION

Consider approval of the minutes of the Academic and Student Affairs Committee meeting held on October 30, 2019, at the University of Florida.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Academic and Student Affairs Committee will consider approval of the minutes of the meeting held on October 30, 2019, at the University of Florida.

Supporting Documentation Included: October 30, 2019, Minutes

Facilitators/Presenters: Governor Darlene Jordan

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
ACADEMIC AND STUDENT AFFAIRS COMMITTEE
UNIVERSITY OF FLORIDA
GAINESVILLE, FLORIDA
October 30, 2019

Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu>.

1. Call to Order and Opening Remarks

Chair Norman Tripp convened the Academic and Student Affairs meeting at 12:04 p.m. with Governors Cerio, Felton, Frost (phone), Johnson, Lamb, Morton, and Scott present. A quorum was established.

2. Minutes of August 29, 2019, Committee Meeting

Chair Tripp asked for a motion to approve the minutes from the August 29, 2019, committee meeting. Governor Morton moved to approve, Governor Felton seconded the motion, and the motion carried unanimously.

3. Vice Chancellor and Chief Academic Officer's Report

Chair Tripp recognized Dr. Christy England, Vice Chancellor for Academic and Student Affairs, to give a report on the activities of the Academic and Student Affairs (ASA) unit. Dr. England reported that ASA staff continues to meet with counterparts across the system, work with key partners on legislation, and continue to carry out core functions of the office and on behalf of the Board.

Dr. England also reported that on September 23 and 24, the Seventh Annual C.W. Bill Young Federal R&D Agency Workshop in Washington, D.C. was held, which was well attended by administrators and faculty from all of the State University System (SUS) institutions. Additionally, there were agency heads from the Department of Defense, Department of Energy, and National Institutes of Health, among many others. A common theme among the presentations was a recognition of SUS institutions' success in collaboration and securing funding for research.

Board Chair Lautenbach asked about the role of legislators in Washington, D.C. Dr. England mentioned it probably varies from institution to institution.

4. Engineering Program Update

Chair Tripp announced that the next item on the agenda was an update on two aspects of engineering programs: internships and mathematics preparation. He then introduced Dr. England to give the update.

Dr. England explained that, after the August meeting, Board staff collected information from all 12 institutions on engineering internships and initiatives for student success in calculus. This information was then used to create information briefs, which were included in the materials for this meeting. Dr. England then noted that all engineering programs in the system offer students the opportunity to engage in internships, and some programs also offer students the opportunity to engage in cooperative educational experiences. These experiences may be completed without adding additional credit hours. Dr. England explained that 34% of undergraduate engineering students graduating in 2019 completed an internship, and 4% completed a cooperative educational experience; however, there is a possibility that these numbers are underreported as some students may secure internships and not report them to the institution.

Dr. England then noted that Board staff also collected information regarding what SUS institutions were doing to address mathematics preparation, specifically in the areas of calculus and pre-calculus. She then introduced Dr. Joseph Glover, Provost of the University of Florida, to provide additional information. Dr. Glover noted that after a conversation with Board Chair Ned Lautenbach, the Mathematics Chairs from the SUS institutions held two conferences to discuss the issues surrounding math pathways and improve student success. He added that institutions had adopted several tactics based on successful national experiments in mathematics pedagogy and course redesign. This course redesign focused on the lower division sequence, especially in the calculus sequence that is critical to STEM disciplines. Some campuses have adopted the use of placement exams such as ALEKS. Some campuses have introduced active learning techniques, learning assistants, and flipped classrooms to reduce the numbers of students dropping out of courses, failing courses, or withdrawing from courses as measured by DFW rates. He also noted that some institutions adopted several student support mechanisms, including boot camps, tutoring, and success coaches. Dr. Glover added that some institutions have also created open course materials, which reduces the cost to students.

Dr. Glover explained that the SUS had seen improvements in two metrics of success: DFW rates and student mastery of material. In regards to DFW rates, SUS institutions reported evidence of a reduction in the DFW rates for mathematics courses. Dr. Glover noted that the SUS institutions also reported greater mastery of concepts and applications. He added that there was still work to be done, but that there is substantial progress occurring.

5. Academic Program Actions

A. Ph.D. in Informatics and Big Data Analytics, CIP 11.0104, University of South Florida

Chair Tripp introduced the next item on the agenda, which was to consider for approval a Ph.D. in Informatics and Big Data Analytics, CIP 11.0104, at the University of South Florida. Chair Tripp introduced Dr. Ralph Wilcox, Provost of the University of South Florida, to provide an overview of the program.

Dr. Wilcox explained that the proposed program is an interdisciplinary program that draws on existing expertise in the Colleges of Medicine, Engineering, Business, Public Health, and Arts and Sciences. He noted that the program was shaped through input from business and industry and was designed to produce advanced Big Data practitioners, researchers, data scientists, and future members of academia. The program's curriculum is focused on human, computational, and statistical dimensions.

Chair Tripp thanked Dr. Wilcox for the presentation.

Chair Tripp then asked for a motion to approve the University of South Florida's Ph.D. in Informatics and Big Data Analytics, CIP 11.0104, at the institution's approved graduate tuition rate with a program implementation date of fall 2020. Governor Lamb moved to approve, Governor Felton seconded, and the motion carried unanimously.

6. Recommendations for Strategies 2 and 3 of the *Improving 2+2 Articulation Implementation Plan*

Chair Tripp said the next item on the agenda was an update on the 2+2 Articulation Implementation Plan. He introduced Governor Alan Levine, who chaired the Select Committee on 2+2 Articulation to provide introductory remarks.

Governor Levine reviewed the inception of the 2+2 committee, noting that the initial charge of the select committee was to assess ways to improve the statewide 2+2 agreement and identify strategies to enhance the university programs that support the agreement. The committee first convened on March 17, 2016, at the University of West Florida, where the committee approved its work plan. He added that the committee continued to convene and meet with experts from across the SUS, Florida College System (FCS), and the Department of Education to review the status of the system, identify critical opportunities for improvement, and select strategies for enhancing 2+2 agreements. Governor Levine noted the following statistics: 25% of all undergraduates in the SUS are AA transfers; 90% of AA applicants to the SUS only apply to one institution; one-third of AA graduates do not apply for admission to a state university; and 40% of AA transfers graduate in two years. He explained that in 2017, the Board of Governors approved three strategies to improve articulation in the following four areas: academic transition, admission process, the cultural transition between a two-year college and a state university, and additional data and information on the AA graduates themselves. He thanked the Board of Governors for their support in this initiative and introduced Dr. Christy England, who provided an overview of recommendations for implementing two of the plan's strategies.

Dr. England reviewed the three strategies of the *2+2 Articulation Implementation Plan*, which was approved in March of 2017, and provided an overview of the workgroup's efforts over the past two years. The first strategy was to develop a comprehensive and easily accessible web-based 2+2 advising toolkit. The second strategy was to improve and expand existing local 2+2 enhancement programs and identify key components of effective programs. The third strategy was to develop and implement a 2+2 data and information toolkit. In August of 2017, the statewide 2+2 workgroup met. This group

was comprised of representatives from the Articulation Coordinating Committee, SUS institutions, FCS institutions, the Department of Education's Office of Articulation and the Division of Florida Colleges, and the Board office. She added that recommendations for Strategy 1 were presented and approved by the Board in September of 2018. This recommendation was to develop a memorandum of understanding with the Florida Virtual Campus to develop a website focused on 2+2 articulation and provide critical information for transfer students. She added that this work is currently underway, and the goal is to provide an update to the Board in 2020.

Dr. England then presented recommendations for Strategy 2, which focused on expanding and improving local 2+2 programs. She explained that at the start of this process, some SUS institutions and FCS institutions did not have articulation partners. However, Dr. England noted that expansion has occurred and that to date, all SUS institutions had at least one FCS partner and that all FCS institutions had at least one SUS partner. Dr. England explained that the select committee wanted to ensure that all programs were of high quality, that existing programs were engaging in continuous improvement, and that new programs would be based on best practices and lessons learned from existing programs. The workgroup identified critical components in the four key areas and developed a self-evaluation rubric. These key areas are academic transition, campus cultural transition, administrative oversight, and data support. She added that, based on feedback from Chair Tripp, Board staff were also developing a questionnaire that SUS institutions would send to FCS partners in order to capture the FCS voice in the continuous improvement cycle. The rubric was approved by all 12 SUS institutions and some also piloted the rubric in the fall of 2019. Dr. England added that if the recommendation was approved by the Board, the rubric would be distributed to all 12 SUS institutions, and the results of the self-evaluations would be presented to the Board in the spring of 2020.

Chair Tripp requested a motion to approve the recommended rubric and institutional self-evaluation process for addressing Strategy 2, improve and expand existing local 2+2 enhancement programs. Governor Lamb made a motion to approve the rubric, Governor Felton seconded, and the motion carried unanimously.

Dr. England then reviewed Strategy 3, which was focused on developing and implementing a 2+2 data toolkit. The recommendation from the committee was that the toolkit contains existing data as well as any new data that was needed. She explained that the workgroup reviewed the questions that were raised during the select committee's conversation on direct transfers and questions that were raised during the 2+2 Committee's Board meetings. The workgroup put together a comprehensive set of research questions. If the questions are approved by the Board, a work plan will be developed to answer these questions.

Chair Tripp asked for a motion to approve the recommended research questions to guide the development of a 2+2 Data Toolkit for addressing Strategy 3, a 2+2 data and information toolkit looking at both the institutional and System levels. Governor Cerio made a motion to approve, Governor Lamb seconded, and the motion carried unanimously.

7. Academic and Student Affairs Updates

A. SUS Council of Academic Vice Presidents (CAVP)

Chair Tripp then recognized Dr. Sally McRorie, Chair of the CAVP, who provided the following updates.

- The provosts met with Dr. Nancy McKee regarding the Complete Florida Plus Program; however, there has been a proposal developed by the Florida College System's Library Association that recommends that the program be transferred to another institution. This proposal includes library loans and academic journal collaborations. The provosts are concerned about future placement due to the financial resources needed for journals, particularly in STEM areas.
- The provosts also considered a request from the Continuing Education Deans regarding their forming a system-wide group, and the provosts suggested that this request should emerge through the provosts. The provosts also noted that the American Association for Adult and Continuing Education and the University Professional Continuing Education would help provide support.
- The provosts also heard a presentation from Romi Gutierrez, the new Director of the University Press of Florida, who reviewed their operations and plans to diversify services to lead to more direct sales to students and commercial markets as opposed to university libraries. The University Press of Florida also plans to engage more with faculty across the system about opportunities to publish with the University Press of Florida and to educate faculty about predatory journals. The University Press also wants to work with appropriate parties to reduce the costs of textbooks.

B. SUS Council of Student Affairs (CSA)

Chair Tripp then recognized Dr. William Hudson Jr., Chair of the CSA, who provided the following updates.

- CSA continues to promote mental health awareness, and the Kognito training for faculty and staff will go live in January.
- CSA recognized Representative Silvers for holding round table discussions at higher education institutions throughout the SUS to increase awareness of the medical amnesty issue and to ensure that students, faculty, and staff are aware of the newly passed legislation-HB 595.
- CSA and the Florida Student Association continue to have conversations concerning specific topics of student interest, including food pantries on campus, mental health awareness, and the Rally in Tally.
- CSA is discussing and reviewing best practices in enrollment management and debt reduction.

C. Florida Student Association (FSA)

Chair Tripp then recognized Governor Zenani Johnson, who provided the following updates.

- FSA members and all twelve student body presidents of SUS institutions attended the Trustee Summit.
- FSA continues to work on the Rally in Tally event. This year there will be a series of events on November 12 and 13.
- FSA will be advocating for two legislative issues: decreasing the textbook tax and a food and housing appropriation to combat food insecurities among students in the SUS.
- After the Rally in Tally, FSA will be leading initiatives to bring awareness to sexual assault on college campuses and mental health round tables.

8. Concluding Remarks and Adjournment

Having no further business, Chair Tripp adjourned the meeting at 12:56 p.m.

Norman D. Tripp, Chair

Disraelly Cruz, Ph.D.
Assistant Director for
Academic Affairs

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: Vice Chancellor and Chief Academic Officer's Report

PROPOSED COMMITTEE ACTION

For information.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Christy England, Vice Chancellor for Academic and Student Affairs, will provide an update regarding the activities of the Office of Academic and Student Affairs.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. Christy England

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.002
Admission of Undergraduate First-Time-in-College, Degree-Seeking
Freshmen

PROPOSED COMMITTEE ACTION

Consider approval of Public Notice of Intent to Amend Board of Governors Regulation 6.002 Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board Regulation 6.002 Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen has been amended to provide greater flexibility for State University System institutions making undergraduate admission decisions while providing technical changes to assist in clarity of reading. Although admissions testing will still be required, in previously proven cases of academic success, specific test score minimums are not expected.

Additionally, in recognition of the awarding of the Associate in Arts (A.A.) degree to high school students through dual enrollment, an admissions category for first-time-in-college students who are also A.A. graduates is established. This designation will allow for those Associate in Arts/high school graduates to receive the A.A. admission benefit provided to A.A. graduates under Board Regulation 6.004.

Finally, there is a technical change to the layout of Table One.

If approved by the Academic and Student Affairs Committee and the Board of Governors, the Intent to Amend will be available for public comment for thirty days. If no concerns are raised during that time, the Regulation will come before the Board of Governors for final approval.

Supporting Documentation Included:

Board of Governors Proposed
Amendment to Regulation 6.002
Admission of Undergraduate First-Time-
in-College, Degree-Seeking Freshmen

Facilitators/Presenters:

Dr. Traki L. Taylor

6.002 Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen

(1) **FTIC Undergraduate Admission - General.** This regulation outlines minimum eligibility requirements for first-time-in-college (FTIC) students seeking admission to an undergraduate degree program in the State University System (SUS). Individual institutions may choose to establish more stringent admission requirements within the parameters outlined in Board of Governors regulations.

- (a) For the purposes of this regulation, FTIC freshmen are defined as students who have earned a standard high school diploma from a Florida public or regionally accredited high school, or its equivalent, and who have earned fewer than twelve (12) semester hours of transferable college credit since receiving a standard high school diploma or its equivalent.
- (b) Eligibility for admission to the SUS does not guarantee admission to the specific institution or degree program to which admission is sought.
- (c) Each university board of trustees shall develop regulations governing the admission of FTIC students that comport with the requirements outlined in Board regulations. Such regulations may allow for exceptions to be made on an individual basis, as outlined in subparagraph 2(b) of this regulation, when a student, in the judgment of an appropriate university committee, can reasonably be expected to perform satisfactory academic work in the institution to which admission is sought.
- (d) In all but the following specified cases, an FTIC student must have earned a standard high school diploma from a Florida public or regionally accredited high school, or its equivalent, to be considered for admission to a state university. Students completing a home education program according to section 1002.41, Florida Statutes, meet this minimum admission requirement; however, each university may require additional documentation to verify eligibility for these students. Students admitted under early admission in accordance with university policy are exempted from this requirement during the time they are still classified as early admission students. Early admission is a form of dual enrollment through which eligible secondary students are admitted to a postsecondary institution on a full-time basis in courses that are creditable toward both the high school diploma and the students' university degree program.
- (e) FTIC students applying for admission must submit SAT ~~Reasoning Test~~ or redesigned SAT (rSAT) scores from the College Board or ACT scores from ACT, Inc. Universities may reserve the right to require a student to take an updated version of a test.
- (f) Each university shall require FTIC applicants to submit or authorize transmission of a complete official academic transcript of all secondary work and from each postsecondary institution, as appropriate. Each transcript shall list all courses for which the student was enrolled each term, the status in

each course at the end of the term, all grades and credits awarded, and a statement explaining the grading policy of the institution.

- (g) Each transcript should also specify any college credits the student earned through accelerated mechanisms. University weighting of approved accelerated mechanisms in the recalculation of the student's grade point average for admission purposes must be conducted per Board Regulation 6.006(5) Acceleration Mechanisms.
- (h) Each FTIC student admitted to the SUS is expected to demonstrate competency of foreign language or American Sign Language equivalent to the second high school level or higher (Spanish 2, Haitian Creole 2, etc.). A limited number of students not meeting the high school foreign language requirement may be admitted; however, these students must fulfill the foreign language requirement prior to completion of the baccalaureate degree. These students may meet this foreign language admission requirement by demonstrating competency at the elementary 2 level in one foreign language or American Sign Language at an undergraduate institution; demonstrating equivalent foreign language competence on the basis of scores determined by the *Articulation Coordinating Committee (ACC) Credit-By-Exam Equivalencies*, as adopted by the Board of Governors; or demonstrating equivalent foreign language or American Sign Language competence through other means approved by the university.
- (i) Any FTIC student with a disability shall be eligible for reasonable substitution or modification of any requirement for admission pursuant to Board Regulation 6.018.

(2) **FTIC Undergraduate Admission.** Students shall be considered as meeting minimum SUS eligibility requirements in one of the following ways:

- (a) Standard Admission: FTIC students applying to the SUS may be considered for admission based on the following criteria:
 1. An FTIC student may be admitted if meeting a 2.50-2.99 or higher high school grade point average (GPA) on a 4.00 scale as calculated by the university, presents an official SAT and/or ACT score, and meets the requirements for college level placement per Board of Governors Regulation 6.008 and high school credits per Table One.
 2. An FTIC student may be admitted if meeting a 3.00 or higher high school grade point average (GPA) on a 4.00 scale as calculated by the university, presents an official SAT and/or ACT score, and meets the requirements for high school credits per Table One.

Table One

<p align="center">Students Entering High School Prior to July 1, 2007</p>	<p align="center">Students Entering High School July 1, 2007, or Later*</p>
<p>4 credits – English/Language Arts (three of which must have included substantial writing requirements).</p>	<p>4 credits – English/Language Arts (three of which must have included substantial writing requirements).</p>
<p>3 credits – Mathematics (at or above the Algebra I level).</p>	<p>4 credits – Mathematics (at or above the Algebra I level).</p>
<p>3 credits – Natural Science (two of which must have included substantial laboratory requirements).</p>	<p>3 credits – Natural Science (two of which must have included substantial laboratory requirements).</p>
<p>3 credits – Social Science (to include anthropology, history, civics, political science, economics, sociology, psychology, and/or geography).</p>	<p>3 credits – Social Science (to include anthropology, history, civics, political science, economics, sociology, psychology, and/or geography).</p>
<p>2 credits – Foreign Language See subsection (1)(h).</p>	<p>2 credits – Foreign Language See subsection (1)(h).</p>
<p>3 credits – Additional academic electives in any combination of courses listed in the Department of Education Course Code Directory as follows:</p> <p>1. Up to three credits in Level II courses in English/Language Arts, Mathematics, Natural Science, Social Science, Foreign Language, or Fine Arts; Level III courses in any discipline; or Dual Enrollment courses for which both high school and postsecondary credits are granted;</p> <p>OR</p> <p>2. At least one credit from 1. above and up to two credits in courses grade nine or above in ROTC/Military Training, or at least one credit from 1. above and up to two credits of equivalent courses in any discipline as determined by the Articulation Coordinating Committee.</p>	<p>2 credits – Additional academic credits (in any combination of courses listed in the Department of Education Course Code Directory.)</p> <p>1. Two credits from among Level II courses listed in the Department of Education Course Code Directory in English/Language Arts, Mathematics, Natural Science, Social Science, Foreign Language, Fine Arts; Level III courses listed in the Directory in any academic or career and technical education credited discipline; or Dual Enrollment courses for which both high school and postsecondary academic credits are granted;</p> <p>OR</p> <p>2. One credit from 1. above and one credit from grade nine or above in ROTC/Military Training, or an equivalent course in any discipline as determined by the Articulation Coordinating Committee.</p>
	<p><u>*Students entering high school before July 1, 2007, are required to have the credits listed above; however, they are only required to take three credits in the required mathematics. This adjustment then allows for three additional credits (instead of two), including Level III courses in any discipline.</u></p>

3. Home Education or Other Non-Traditional High School Program participants: A student applying for admission who has participated in a non-traditional high school program must present credentials determined to be equivalent to those described in this regulation by the individual SUS institution to which the student is applying. A student whose high school educational program is not measured in Carnegie Units must present a combined test score of at least 1450 on the SAT Reasoning Test (all three portions), an overall combined test score of 1060 on the 2016 Redesigned SAT, or a minimum composite score of 21 on the ACT.
 4. Applicants presenting a GED must present official GED results, official transcripts of any partial high school completion, and ACT and/or SAT results. Each university shall determine equivalencies to university minimum standards.
- (b) ~~Alternative Admission (Profile Assessment)~~: Applicants who are not eligible for standard admissions may be considered for alternative admission. In addition to reviewing a student's GPA and test scores, a university may consider other factors in the review of the student's application for admission. These factors may include, but are not limited to, the following: a combination of test scores and GPA that indicate potential for success, improvement in high school record, family educational background, socioeconomic status, graduation from a low-performing high school, graduation from an International Baccalaureate program, geographic location, military service, special talents and/or abilities, or other special circumstances. These additional factors shall not include preferences in the admissions process for applicants on the basis of race, national origin, or sex. The student may be admitted if, in the judgment of an appropriate institutional committee, there is sufficient evidence that the student can be expected to succeed at the institution.
1. The number of first-time-in-college students admitted through alternative admission ~~profile assessment~~ at each university shall be determined by the university board of trustees.
 2. Each university shall implement specific measures and programs to enhance academic success and retention for students who are accepted into the institution using the alternative admissions option. The board of trustees shall review the success of students admitted under the alternative admission ~~profile assessment~~ process to ensure that their rates of retention and graduation remain near or above the institution's average.
- (c) Associate in Arts (AA) High School Graduate: A Florida high school student who is awarded an AA degree from an FCS or SUS institution at the time of high school graduation is considered an FTIC student. However, within the curriculum, space, and fiscal limitations, admission to the upper-division of one of the SUS institutions shall be granted, provided the AA degree is awarded based on the specifications found in Board of Governors Regulation 6.004(3)(b). Admission to the student's preferred public postsecondary institution or program is not guaranteed. Credit awarded to the student above the required sixty semester hours for the AA shall be accepted if applicable
-

towards the student's degree and per Statewide Course Numbering System policy. Additional requirements for admission for an FCS AA high school graduate are:

1. Meeting the provisions in paragraph (1) of this regulation;
2. Being in good standing and eligible to return to the last postsecondary institution attended;
3. Having a cumulative grade point average of at least 2.00 on a 4.00 scale on all postsecondary academic courses attempted; and
4. Satisfying university admission requirements.

(d) Talented Twenty: Within space and fiscal limitations, admission to a university in the SUS shall be granted to an FTIC applicant who is a graduate of a public Florida high school, who has completed the eighteen (18) required high school units as listed in this regulation, who ranks in the top 20% of his/her high school graduating class, and who has submitted ~~SAT Reasoning Test or redesigned~~ SAT scores from the College Board or ACT scores from ACT, Inc., prior to enrollment. ~~A student must be eligible for college-level work per Board of Governors Regulation 6.008 in order to be eligible for Talented Twenty consideration.~~ A Talented Twenty student is not guaranteed admission to the university of first choice and should work closely with a high school counselor to identify options. The SUS will use class rank as determined by the Florida Department of Education.

(3) Any increase, change, or revision in standards of admission must be included in the undergraduate catalog and posted on the university website.

Authority: Section 7(d), Art. IX, Fla. Const., History - Formerly 6C-2.42, and 6C-6.02, 11-18-70, 5-27-74, 12-17-74, 6-25-80, 3-21-82, 4-16-84, 4-14-86, 4-20-87, 10-19-88, 1-23-90, 1-7-91, 9-15-91, 8-4-92, 5-17-95, 11-27-95, 9-19-00, 11-28-00, Amended and Renumbered as 6.002 9-27-07, 01-28-10, 11-08-12, 11-21-2013. Amended 01-21-16. Amended: 08-31-17. Amended _____.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.008
Postsecondary College-level Preparatory Testing, Placement, and
Instruction for State Universities

PROPOSED COMMITTEE ACTION

Consider approval of Public Notice of Intent to Amend Board of Governors Regulation 6.008 Postsecondary College-level Preparatory Testing, Placement, and Instruction for State Universities.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board Regulation 6.008 Postsecondary College-level Preparatory Testing, Placement, and Instruction for State Universities has been amended to reflect placement test changes and to align with standards outlined in the Florida State Board of Education Rule 6A-10.03515, Common Placement Testing, and Instruction. Doing so provides for consistent treatment of students across the state. The amendment also eliminates references to discontinued College Board SAT examinations.

The College Board's Classic ACCUPLACER examination will no longer be available after January 2020. The Florida Department of Education recommended interim scores for the new Next-Generation ACCUPLACER, which were then approved by the State Board. It may be summer 2020 before there will be enough testing by Florida students to recommend final placement cut-scores.

If approved by the Academic and Student Affairs Committee and the Board of Governors, the Intent to Amend will be available for public comment for thirty days. If no concerns are raised, the Regulation will come before the Board of Governors for final approval.

Supporting Documentation Included:

Board of Governors Proposed
Amendment to Regulation 6.008
Postsecondary College-level
Preparatory Testing, Placement, and
Instruction for State Universities

Facilitators/Presenters:

Dr. Traki L. Taylor

6.008-Postsecondary-College-Level-Preparatory Testing, Placement, and Instruction for State Universities

(1) First-time-in-college-degree-seeking students meeting or exceeding standard scores on any of the following tests using the highest score in the case of multiple scores may be enrolled in college-level courses. Universities shall accept scores on the public high school transcript as an official record of scores.

Florida Postsecondary Education Readiness Test (PERT): Standard Score

Reading: 106

Writing: 103

Mathematics: 114

ACCUPLACER, The College Board: Standard Score

Through January 2020

Reading Comprehension: 83

Sentence Skills: 83

Elementary Algebra: 72

Next-Generation ACCUPLACER, The College Board: Standard Score

Since September 2019

Quantitative Reasoning, Algebra, and Statistics (QAS): 242

Reading: 245

Writing: 245

~~SAT, The College Board (Prior to March 1, 2016): Standard Score~~

~~Critical Reading: 440~~

~~Mathematics: 440~~

SAT, The College Board (March 1, 2016, and thereafter): Standard Score

Reading Test: 24

Writing and Language Test: 25

Math Test: 24

ACT, Inc.: Standard Score

Reading: 19

English: 17

Mathematics: 19

(2) Universities affected by this regulation shall accept the highest test scores on any of the tests or combination of tests identified in subsection (1) of this regulation.

(3) Nothing provided in subsection (1) of this regulation shall be construed to prevent the enrollment of a student in developmental education instruction.

(4) Students whose first language is not English may be placed in college preparatory instruction prior to the testing herein, if such instruction is otherwise

demonstrated as being necessary. Such students shall not be exempted from the testing required herein.

(5) For admissions, first-time-in-college students who do not meet the college-level competencies specified in paragraph (1) must complete appropriate developmental education requirements at Florida Agricultural and Mechanical University or at Florida College System institutions. "Developmental education" prepares students for college-level reading, writing, and mathematics courses. Students may take developmental coursework as transient students at Florida College System institutions. They may also be enrolled as a transient student taking developmental education coursework while taking university coursework for which otherwise qualified.

(6) Educational records including, but not limited to admission records and test scores, are confidential education records under section 1002.225, Florida Statutes and exempt from public disclosure under section 1006.52, Florida Statutes. Universities are required to comply with sections 1002.225 and 1006.52, Florida Statutes, in maintaining the confidentiality and exemption of these records.

(7) Students must be continuously enrolled in assigned developmental education courses until they satisfy the requirements for passing them.

(8) A university board of trustees may contract with a Florida College System board of trustees to provide developmental education instruction on the state university campus. Any state university in which the percentage of incoming students requiring developmental education equals or exceeds the average percentage of such students for the Florida College System may offer developmental education without contracting with a Florida College System institution. Any state university offering such instruction as of January 1, 1996, may continue to provide such services.

(9) During their first term, full-time students who are registered for at least twelve (12) credit hours, shall begin developmental course or optional instruction based on the placement test results. Part-time students shall enroll prior to completing twelve (12) credits.

(10) Students shall not enroll for more than three (3) attempts in each course to complete developmental education instruction. Students who withdraw from a course under major extenuating circumstances may be granted an exception. Such exceptions require approval under guidelines established by the board of trustees of the institution offering the coursework. Boards of trustees may establish regulations concerning requirements of students prior to being approved to enroll in any third attempt of a developmental education option or course.

(11) Developmental education coursework does not count within the official degree program length. It does not apply to excess hours towards the degree.

Authority: Section 7(d), Art. IX, Fla. Const.; History: New-08-12, Amended 11-21-13; 01-21-16, 08-31-17, New: .

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: Termination Request for the Ph.D. in Rehabilitation Counseling, CIP 51.2310, by Florida State University

PROPOSED COMMITTEE ACTION

Consider approval of the Termination Request for the Ph.D. in Rehabilitation Counseling, CIP 51.2310, by Florida State University.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Florida State University is requesting termination of the Ph.D. in Rehabilitation Counseling with an effective date of summer 2020. The request for termination of the program is the result of budget cuts in 2008 that eliminated two faculty lines from the program, and the two remaining faculty were moved to the Mental Health Counseling program. The program has been suspended since fall 2011, and no new students have been admitted to the program since it was suspended.

Board Regulation 8.012 Academic Program Termination and Temporary Suspension of New Enrollments permits University Boards of Trustees to recommend termination of degree programs at the doctoral or professional level to the Board of Governors.

Supporting Documentation Included: Ph.D. in Rehabilitation Counseling Termination Request Form

Facilitators/Presenters: Governor Darlene Jordan

Revised 12/2016

Board of Governors, State University System of Florida
ACADEMIC DEGREE PROGRAM TERMINATION FORM
In Accordance with BOG Regulation 8.012

UNIVERSITY: Florida State University

PROGRAM NAME: Rehabilitation Counseling

DEGREE LEVEL(S): EdS, PhD CIP CODE: 512310
(B., M., Ph.D., Ed.D., etc.) (Classification of Instructional Programs)

ANTICIPATED TERMINATION TERM: Summer 2020
(First term when no new students will be accepted into the program)

ANTICIPATED PHASE-OUT TERM: Summer 2020
(First term when no student data will be reported for this program)

Please use this form for academic program termination. The form should be approved by the University Board of Trustees (UBOT) prior to submission to the Board of Governors, State University System of Florida for consideration. Please fill out this form completely for each program to be terminated in order for your request to be processed as quickly as possible. Attach additional pages as necessary to provide a complete response. In the case of baccalaureate or master's degree programs, the UBOT may approve termination in accordance with BOG Regulation 8.012, with notification sent to the Board of Governors, Office of Academic and Student Affairs. For doctoral level programs please submit this form with all the appropriate signatures for Board of Governors' consideration. The issues outlined below should be examined by the UBOT when approving program terminations.

1. Provide a narrative rationale for the request to terminate the program.

The Rehabilitation Counseling Specialist and Doctoral programs have been suspended since Fall 2011 and no new students have been admitted since that date. During the budget cuts of 2008, two faculty lines were eliminated and the two remaining faculty were moved to the Mental Health Counseling graduate program.

Revised 12/2016

There are currently no students in the Specialist program and one student remains in the Doctoral program. She is a doctoral candidate and is estimated to graduate within the next two semesters.

- 2. Indicate on which campus(es) the program is being offered and the extent to which the proposed termination has had or will have an impact on enrollment, enrollment planning, and/or the reallocation of resources.**

The Rehabilitation Counseling degree was only offered on the main, Tallahassee campus. There is not anticipated impact on enrollment, enrollment planning, and/or reallocation of resources. As stated above, the two remaining faculty associated with the degree were moved to the Mental Health Counseling graduate program.

- 3. Explain how the university intends to accommodate any students or faculty who are currently active in the program scheduled to be terminated. State what steps have been taken to inform students and faculty of the intent to terminate the program. Please provide the date when the teach-out plan was submitted to SACSCOC, if applicable.**

Faculty have been well informed of the suspension and termination intentions since 2008. The one remaining doctoral student was notified in the past that the degree was being suspended in Fall 2011. This student will be notified that the Doctoral degree is being terminated and that she will have the until Summer 2019 to complete her degree.

- 4. Provide data (and cite sources) on the gender and racial distribution of students in and faculty affiliated with the program. For faculty, also list the rank and tenure status of all affected individuals.**

The one remaining program in the Doctoral program is an African American female student.

- 5. Identify any potential negative impact of the proposed action on the current representation of females, minorities, faculty, and students in the program.**

No negative impact of the termination can be determined, as the program has been suspended since Fall 2011.

- 6. If this is a baccalaureate program, please explain how and when the Florida College System (FCS) institutions have been notified of its termination so that**

Revised 12/2016

students can be notified accordingly.

Revised 12/2016

Amy R. Querette
Signature of Requestor/Initiator

10/22/18
Date

Merissa J. [Signature]
Signature of Campus EO Officer

11/9/18
Date

[Signature]
Signature of College Dean

10/23/18
Date

Sally McRorie
Signature of President or Vice President for Academic Affairs

10.26.18
Date

November 16, 2018
Date Approved by the Board of Trustees

Date

[Signature]
Signature of the Chair of the Board of Trustees

11/16/2018
Date

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: Request for Exception to the 120 Credit Hour Requirement by the University of Central Florida for the Bachelor of Science in Materials Science and Engineering, CIP 14.1801

PROPOSED COMMITTEE ACTION

Consider approval of the Request for Exception to the 120 Credit Hour Requirement by the University of Central Florida for the Bachelor of Science in Materials Science and Engineering, CIP 14.1801.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The University of Central Florida is requesting an exception to the 120 credit hour requirement for the proposed Bachelor of Science in Materials Science and Engineering degree pursuant to Board of Governors Regulation 8.014. The institution is requesting approval for 128 credit hours for the degree. The basis for the request for exception is due to the provision of space in the program to meet ABET accreditation standards and deliver a curriculum competitive with other Materials Science and Engineering baccalaureate programs across the country.

The University of Central Florida Board of Trustees approved the exception to require 128 credit hours September 27, 2018. If approved by the Board of Governors, the exception request will be effective upon the implementation of the degree program in fall 2020.

Supporting Documentation Included:	120 Credit Hour Requirement Exception Request Form
Facilitators/Presenters:	Dr. Timothy Letzring

**Board of Governors, State University System of Florida
EXCEPTION TO THE 120 CREDIT HOURS REQUIREMENT FOR
BACCALAUREATE PROGRAMS
REQUEST FORM**

In Accordance with BOG Regulation 8.014

UNIVERSITY: University of Central Florida

PROGRAM NAME: Materials Science and Engineering

CIP CODE: 14.1801 (Classification of Instructional Programs)

EFFECTIVE TERM: Fall 2020

Please use this form to request an exception to the 120 credit hours requirement for a new or existing program.

To request changes to the number of credit hours for a program that is already approved for an exception to the 120 credit hours please send a memorandum signed by the provost to the BOG Academic and Student Affairs staff.

- 1. List all the majors associated with this program and the desired program length for each one of them. Please see the definition of program major in Regulation 8.011, New Academic Program Authorization.**

Major Name (add rows as needed)	Current number of credit hours	Requested number of credit hours
Bachelor of Science in Materials Science and Engineering	n/a	128

- 2. Provide a narrative on why a new exception to 120 credit hours is needed for the major(s) indicated above?**

Engineering Programs across the State University System routinely exceed 120 credit hours, c.f. the B.S. Mechanical Engineering Program at UCF, which is approved for 128 credit hours. The additional credit hours are essential to deliver the course curriculum required to be competitive with Materials Science and Engineering Programs across the Country. Importantly, the course curriculum is designed to be compliant with ABET (Accreditation Board for Engineering and Technology), and while there is no specific credit hour requirement by ABET, the additional credit hours are necessary to efficiently achieve accreditation while maximizing student productivity and learning.

Karl Crabel
Signature of Requestor/ Initiator

06/19/2018
Date

[Signature]
Signature of President or Vice President for
Academic Affairs

8/22/18
Date

September 27, 2018
Date Approved by the
Board of Trustees

[Signature]
Signature of the Chair of the
Board of Trustees

9/27/18
Date

References:

- BOG Regulation 8.014, Bachelors' Degree Exceptions to 120 credit Hours Requirement
- Policy Document: Administrative Process for Requesting Changes to Program Length for Baccalaureate Programs Approved to Exceed 120 Credit Hours

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
January 30, 2020**

SUBJECT: Request for Classification of the Torrey Pines @ FIU as a Special Purpose Center by Florida International University

PROPOSED COMMITTEE ACTION

Consider approval of the Request for Classification of the Torrey Pines @ FIU as a Special Purpose Center by Florida International University.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Florida International University (FIU) requests the approval of Torrey Pines @ FIU as a Special Purpose Center pursuant to Board of Governors Regulation 8.009. A Special Purpose Center is a unit of a university, apart from the main campus, that provides certain special, clearly defined programs or services, such as research or public service, and reflects a relatively permanent commitment by a university for the foreseeable future. The facility must be university owned, leased, or jointly used with another public institution. Special Purpose Centers typically do not offer instructional programs or courses leading to a college degree.

Torrey Pines @ FIU will be located in the Florida Center for Innovation and Tradition at 11350 SW Village Parkway in Port St. Lucie, Florida. The center will provide FIU faculty with a state-of-the-art research facility that includes fully functional wet laboratories, a Nuclear Magnetic Resonance laboratory, vivarium, and auditorium. This facility will enhance FIU's research base in the STEM fields of chemistry and chemical biology and accelerate FIU's translational medicinal chemistry and chemical biology research, drug discovery and basic research efforts leading to the cure of diseases in areas of cancer and neurodegenerative diseases. FIU will not offer instructional programs or courses leading to a college degree at this location.

Effective upon approval from the Board of Governors, Torrey Pines @ FIU will open March 1, 2020.

Supporting Documentation Included:	Proposal to Establish a Special Purpose Center
Facilitators/Presenters:	University Representative

**BOARD OF GOVERNORS, STATE UNIVERSITY SYSTEM OF FLORIDA
PROPOSAL TO ESTABLISH A NEW TYPE I, II, OR III CAMPUS, OR SPECIAL
PURPOSE CENTER**

Florida International University
University Submitting Proposal

Torrey Pines @ FIU
Proposed Name of Educational Site
Special Purpose Center

Site ID

11350 SW Village Parkway
Port St. Lucie, Florida 34987

Proposed Type of Educational Site
(Type I, II, or III Campus, or Special Purpose Center)

March 1, 2020

Physical Address of Educational Site
(US Site: address, city, state, zip) (International site: street
address, number, city, county/province, country)

Proposed Opening Date
(First date and term student instruction will be offered at
the site)

The submission of this proposal constitutes a commitment by the university that, if the proposal is approved, the necessary financial resources and the criteria for establishing or relocating an educational site have been met prior to the initiation of the first course offerings.

December 5, 2019
Date Approved by the University Board of
Trustees


President
Date 12-5-19


Signature of Chair, Board of
Trustees Date


Vice President for Academic
Affairs Date 12-5-19

Under Projected Enrollment, provide headcount (HC) and full-time equivalent (FTE) student enrollment estimates by level from Table 1 in Appendix A for Years 1 and 5, or the Final Year of implementation if it exceeds five. Under Projected Costs, provide revenues and expenses from Table 2 and capital project costs from Table 3 for Years 1 and 5, or the Final Year if it exceeds five.

Projected Site Enrollment (from Table 1)			
		HC	FTE
Undergraduate	Year 1	0	0
	Year 5	0	0
Graduate	Year 1	0	0
	Year 5	0	0

Projected Costs (from Tables 3 and 4)				
Operational				
	E&G Funding	Other (Contracts & Grants, Auxiliary)	Capital Projects	Total Cost
Year 1	1,102,086	1,587,988	0	2,690,074
Year 2	2,846,997	9,518,093	0	12,365,090
Year 3	4,070,131	12,683,357	0	16,753,488
Year 4	4,837,332	12,737,191	0	17,574,523
Year 5	3,573,213	12,734,796	0	16,308,009

Note: This outline and the questions pertaining to each section must be reproduced within the body of the proposal to ensure that all sections have been satisfactorily addressed. Tables 1 through 4 are to be included as Appendix A and not reproduced within the body of the proposals because this often causes errors in the automatic calculations.

**BOARD OF GOVERNORS, STATE UNIVERSITY SYSTEM OF FLORIDA
PROPOSAL TO ESTABLISH A NEW TYPE I, II, OR III CAMPUS, OR SPECIAL
PURPOSE CENTER**

Florida International University
University Submitting Proposal

Torrey Pines @ FIU
Proposed Name of Educational Site
Special Purpose Center

Site ID

11350 SW Village Parkway
Port St. Lucie, Florida 34987

Proposed Type of Educational Site
(Type I, II, or III Campus, or Special Purpose Center)

March 1, 2020

Physical Address of Educational Site
(US Site: address, city, state, zip) (International site: street
address, number, city, county/province, country)

Proposed Opening Date
(First date and term student instruction will be offered at
the site)

The submission of this proposal constitutes a commitment by the university that, if the proposal is approved, the necessary financial resources and the criteria for establishing or relocating an educational site have been met prior to the initiation of the first course offerings.

Date Approved by the University Board of Trustees	President	Date
Signature of Chair, Board of Trustees	Date	Vice President for Academic Affairs
		Date

Under Projected Enrollment, provide headcount (HC) and full-time equivalent (FTE) student enrollment estimates by level from Table 1 in Appendix A for Years 1 and 5, or the Final Year of implementation if it exceeds five. Under Projected Costs, provide revenues and expenses from Table 2 and capital project costs from Table 3 for Years 1 and 5, or the Final Year if it exceeds five.

Projected Site Enrollment (from Table 1)			
		HC	FTE
Undergraduate	Year 1	0	0
	Year 5	0	0
Graduate	Year 1	0	0
	Year 5	0	0

Projected Costs (from Tables 3 and 4)				
Operational			Capital Projects	Total Cost
	E&G Funding	Other (Contracts & Grants, Auxiliary)		
Year 1	1,102,086	1,587,988	0	2,690,074
Year 2	2,846,997	9,518,093	0	12,365,090
Year 3	4,070,131	12,683,357	0	16,753,488
Year 4	4,837,332	12,737,191	0	17,574,523
Year 5	3,573,213	12,734,796	0	16,308,009

Note: This outline and the questions pertaining to each section must be reproduced within the body of the proposal to ensure that all sections have been satisfactorily addressed. Tables 1 through 4 are to be included as Appendix A and not reproduced within the body of the proposals because this often causes errors in the automatic calculations.

I. Introduction

A. Provide a short description of the project and rationale for the request to establish an educational site, including the main purpose for this site (research, instruction, administration, student services, etc.).

Torrey Pines @ FIU is a 108,165 sq. ft. special purpose center located in the Florida Center for Innovation and Tradition at 11350 SW Village Parkway in Port St. Lucie, Florida. It provides FIU faculty a state-of-the-art research facility that includes fully functional wet laboratories, a Nuclear Magnetic Resonance (NMR) laboratory, vivarium and auditorium. This facility will enhance our research base in the STEM fields of chemistry and chemical biology and accelerate FIU's translational medicinal chemistry and chemical biology research, drug discovery and basic research efforts leading to the cure of diseases in areas of cancer and neurodegenerative diseases. It will provide further a venue for graduate students and postdocs to further their knowledge and training in this field while working on related sponsored research and scholarly activities.

The research facility is located on land in which currently there is a Ground Lease between the City of Port St. Lucie, as landlord, and TPIMS Land Company, LLC, as tenant. TPIMS Land Company, LLC will be assigning its interest in the Ground Lease to FIU, and FIU will be assuming the obligations as tenant thereunder. Previously, the City of Port St. Lucie transferred the title of the building located on the Ground Lease premises to TPIMS Land Company, LLC. TPIMS Land Company, LLC will be transferring the title of the building to FIU at no cost. The building has been recently appraised and has a current market value of \$16 million. Upon expiration of the Ground Lease in November 15, 2026, the City of Port St. Lucie will transfer title of the Ground Lease premises to FIU as specified in the Ground Lease.

B. Provide a short narrative assessment of how the establishment of the educational site supports the university mission and the goals incorporated into the university strategic plan and Board of Governors State University System Strategic Plan.

The establishment of this site will enhance FIU's commitment to achieving excellence in the tripartite mission of teaching, research and public service. Specifically, it will provide much needed research space that will enhance and expand FIU's research portfolio along with improving the quality and reputation of scholarship, research and innovation which strongly align with the research-

related metrics of both the university's and Board of Governor's strategic plans. Specifically, Torrey Pines @ FIU will accelerate FIU's translational research, drug discovery and basic research efforts leading to the cure of diseases in areas of cancer and neurodegenerative diseases. In addition to growing the research enterprise that can provide cures, relief of pathological symptoms or protection from disease Torrey Pines @ FIU also provides an opportunity for collaborations with Cleveland Clinic and opportunities for graduate and post-doctoral training in these areas. It also will be instrumental in providing an environment that can lead to commercialization opportunities and business development through new discoveries.

- C. Provide a timetable of critical benchmarks that must be met for full implementation which can be used to monitor progress (planning, design, funding, construction, etc.). The timetable should also include ensuring appropriate accreditation of the proposed educational site and any proposed programs requiring specialized accreditation, if required.**

Approval by BOG	Jan 30, 2020
Transfer of the Building to FIU	March 1, 2020
Transfer of Ground Lease and other assets to FIU	March 1, 2020
Building Improvements	Begin June 30, 2020
Faculty hiring completed	August 31, 2020

II. Need and Demand Assessment

- A. Provide a detailed assessment of unmet local student demand for access to academic programs in the vicinity of the proposed educational site. Complete Table 1 in Appendix A to enrollment projections for unduplicated student headcount and FTE by degree program and level.**

Not applicable; instructional activities will not take place.

- B. Provide a detailed data-driven assessment that describes unmet local and regional workforce need for programs and services to be offered at the proposed educational site. In the appendices, provide letters of support from the local community and business interests.**

Not applicable; instructional activities will not take place.

III. Academic Programs and Courses

- A. Provide a list of the degree programs, partial programs, or college credit certificates and courses to be offered at the proposed educational site by year five or the Final Year of implementation if different, using Table 1 in Appendix A. The proposed degree programs must be identified by six-digit CIP Code, by program title, and degree level.**

Not applicable; instructional activities will not take place.

- B. Provide an explanation as to how the proposed degree programs and courses will be affiliated with similar programs offered on the central campus and/or other educational sites of the university. Will they be independent or an extension of existing programs?(Please see BOG regulation 8.011 (5))**

Not applicable; instructional activities will not take place.

- C. Provide an assessment, supported with data, that justifies any duplication of degree programs and services that might already be provided by an existing state university or Florida College System campus in the vicinity of the proposed educational site. Describe any discussions that have taken place with affected colleges and universities and provide letters of support or letters of concern in the appendices.**

Not applicable; instructional activities will not take place.

IV. Administration and Student Support Services

- A. Describe the administrative structure of the proposed educational site and how it will relate to the central administration of the university. Include any necessary funding in the financial plan outlined in Table 2 of Appendix A.**

The site will be a FIU research facility. Due to the location and research focus, it will be managed by the Office of the Vice President for Research and Economic Development with an on-site Director who will be responsible for the support staff, facility management, and operations on a daily basis. Capital improvements will be managed by Office of the Associate Vice President for Facilities Management operations in conjunction of the Office of the Vice President for Research and Economic Development. All support for the operations will come from the overhead produced from externally sponsored projects and existing E&G funds to support research.

- B. Describe how the proposed site will provide student services, either onsite or online from the central university campus.**

Not applicable; instructional activities will not take place.

- C. Provide a plan to provide library services and other instructional resources that will support the proposed programs. Include any necessary funding in the financial plan outlined in Table 2 of Appendix A.**

Not applicable; instructional activities will not take place.

V. Budget and Facilities

- A. Provide a projected operational budget using Table 2 in Appendix A that includes revenues and expenses out to year five, or the final year of implementation if different. Provide a narrative that explains the cost assumptions reflected in Table 2. Include the operational costs on the proposal cover page.** FIU has already recruited four research faculty with total annual grant awards of \$3.5 million and is in the process of recruiting six additional research faculty that will be located in the research facility by the end of FY 19/20. By the end of FY 20/21, a grand total of 18 faculty, along with their research support staff, will occupy the facility. An administrative staff of 5.6 FTEs will initially support these research teams, which includes the Director of Torrey Pines @ FIU and will grow to a total of 8 FTEs by the end of FY 20/21. Total expenses, which includes facility operations, will increase from \$2.6 million to \$17.5 million during the start-up period and will stabilize around \$16 million based on research activity and capacity. Revenue to support this operation will come from two sources: overhead earned on increased sponsored research awards and current funding to support research.
- B. Use Table 3 in Appendix A, to identify each facility or facilities required to establish the proposed educational site, and any additional facilities that will be required once the site has reached its expected size and enrollments. Include capital facility costs on the proposal cover page.**
There are no additional facilities needed.
- C. Describe ownership of the new location and provide documentation of ownership or lease agreements, to include any special clauses, easements, or deed restrictions. If the property is a gift, provide the gift agreement. Please provide information on the type of ownership if the site is leased or owned (if leased please provide information on the duration of the lease and the entity that owns the lease). If the site is joint-use please provide the name of the other entity in the joint agreement as well as the total number of students this site will serve from year 1 through year 5.**
The research facility is located on land in which currently there is a Ground Lease between the City of Port St. Lucie, as landlord, and TPIMS Land Company, LLC, as tenant. TPIMS Land Company, LLC will be assigning its interest in the Ground Lease to FIU, and FIU will be assuming the obligations as tenant thereunder. Previously, the City of Port. St. Lucie transferred the title of the building located on the Ground Lease premises to TPIMS Land Company, LLC. TPIMS Land Company, LLC will be transferring the title of the building to FIU at no cost. Upon expiration of the Ground Lease in November 15, 2026, the

City of Port St. Lucie will transfer title of the Ground Lease premises to FIU as specified in the Ground Lease.

D.

E. **Are the facilities owned or leased by the University?** Upon transfer of title and assignment of lease as explained above.

Owned Leased

VI. Addendum for International Campuses and Special Purpose Centers

If the proposed site is international, include a copy of any MOU or other agreements related to the site as an appendix Not applicable.

(x) The University certifies that all requirements of BOG Regulation 8.009(3)(f) have been met.

**APPENDIX A
TABLE 1
DEGREE PROGRAMS PLANNED AND PROJECTED ENROLLMENTS
(Annual Unduplicated Headcount and FTE)**

CIP Code	Baccalaureate Degree Program Title	Degree Level	Year 1		Year 2		Year 3		Year 4		Year 5	
			Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
xxxx	xxxxxxxxxx	B	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	B	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	B	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	B	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	B	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	B	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	B	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	B	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	B	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	B	0	0	0	0	0	0	0	0	0	0
TOTAL BACCALAUREATE			0	0	0	0	0	0	0	0	0	0

CIP Code	Master's Degree Program Title	Degree Level	Year 1		Year 2		Year 3		Year 4		Year 5	
			Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
xxxx	xxxxxxxxxx	M	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	M	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	M	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	M	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	M	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	M	0	0	0	0	0	0	0	0	0	0
TOTAL MASTER'S			0	0	0	0	0	0	0	0	0	0

CIP Code	College Credit Certificate Program Title	Course Level	Year 1		Year 2		Year 3		Year 4		Year 5	
			Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
xxxx	xxxxxxxxxx	G	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	G	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	G	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	G	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	G	0	0	0	0	0	0	0	0	0	0
xxxx	xxxxxxxxxx	UG	0	0	0	0	0	0	0	0	0	0
TOTAL MASTER'S			0	0	0	0	0	0	0	0	0	0

NOTE: Add Year columns as necessary to cover the period of time needed for full implementation.

APPENDIX A

TABLE 4

SUMMARY FINANCIAL PROJECTIONS TO FULL IMPLEMENTATION

Fiscal Year Ending June 30		Year 1	Year 2	Year 3	Year 4	Year 5
General Operations Revenues		2020	2021	2020	2021	2022
Carry Forward from Prior Year		0	0	0	0	0
General Revenue/Lottery						
	State Allocations (GR/Lottery)	1,102,086	2,846,997	4,070,131	4,837,332	3,573,213
Tuition/Tuition Differential and Fees						
	Tuition (Matriculation)	0	0	0	0	0
	Tuition (Differential, 70% UG Support)	0	0	0	0	0
	Out of State Student Tuition Fees	0	0	0	0	0
Research Trust Funds (by title)						
	XYZ Trust Fund	0	0	0	0	0
Financial Aid and Academic Related Fees						
	Financial Aid	0	0	0	0	0
	Tuition (Differential, 30% Financial Aid)	0	0	0	0	0
	Out of State Financial Aid	0	0	0	0	0
	Student Technology Fee	0	0	0	0	0
	Student Distance Learning Fee	0	0	0	0	0
	Other Fees (Material/Supply), Facility/Equipment, etc.)	0	0	0	0	0
Other Revenues						
	Grants and Overhead funds	908,427	7,175,011	10,267,905	12,272,655	12,456,745
	Rental Income	283,374	850,121	875,624	901,893	928,950
Total Revenues		2,293,887	10,872,129	15,213,660	18,011,880	16,958,908
General Operations Expenses						
	Compensation and Employee Benefits	972,131	5,091,801	7,037,681	8,222,681	8,232,287
	Shared Services	0	0	0	0	0
	Incremental Shared and/or Contractual Services Costs	0	0	0	0	0
	Library Services/e-Collections	0	0	0	0	0
	Contractual Services	0	0	0	0	0
	Plant Costs and Operating Supplies	1,075,381	5,315,301	6,786,825	5,782,778	5,087,123
	Financial Aid, Scholarships, Stipends	89,181	179,180	254,180	299,180	338,006
	Equipment	415,991	1,207,374	1,878,941	2,328,429	1,828,684
	Professional Service and Travel	137,390	571,434	795,861	941,455	821,909
	List:	0	0	0	0	0
Total Expenses		2,690,074	12,365,090	16,753,488	17,574,523	16,308,009
Operating Net Revenues Over Expenses		-396,187	-1,492,961	-1,539,828	437,357	650,899

NOTE: Add Year columns as necessary to cover the period of time needed for full implementation.

Start up period deficits will be covered by F&A from sponsored research funds

STATE UNIVERSITY SYSTEM
CIP-3 SHORT TERM PROJECT EXPLANATION

Page ___ of ___

GEOGRAPHIC LOCATION: (campus name & city)
PROJECT DESCRIPTION/TITLE:

COUNTY:
PROJECT BR No. (if assigned):

Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	Unit Cost (Cost/GSF)*	Construction Cost	Assumed Bid Date	Occupancy Date	Space Detail for Remodeling Projects			
								BEFORE		AFTER	
								Space Type	Net Area (NASF)	Space Type	Net Area (NASF)
Totals	<u>0</u>		<u>0</u>		<u>0</u>						
*Apply Unit Cost to total GSF based on primary space type											
Remodeling/Renovation											
Total Construction - New & Rem./Renov.					<u>0</u>			Total	<u>0</u>	Total	<u>0</u>

SCHEDULE OF PROJECT COMPONENTS

	Funded to Date	ESTIMATED COSTS					Funded & In CIP
		Year 1	Year 2	Year 3	Year 4	Year 5	
Basic Construction Cost							0
1. a.Construction Cost (from above)							0
Add'l/Extraordinary Const. Costs							0
b.Environmental Impacts/Mitigation							0
c.Site Preparation							0
d.Landscape/Irrigation							0
e.Plaza/Walks							0
f.Roadway Improvements							0
g.Parking ___ spaces							0
h.Telecommunication							0
i.Electrical Service							0
j.Water Distribution							0
k.Sanitary Sewer System							0
l.Chilled Water System							0
m.Storm Water System							0
n.Energy Efficient Equipment							0
Total Construction Costs		0	0	0	0	0	0
2. Other Project Costs							0
a.Land/existing facility acquisition							0
b.Professional Fees							0
c.Fire Marshall Fees							0
d.Inspection Services							0
e.Insurance Consultant							0
f.Surveys & Tests							0
g.Permit/Impact/Environmental Fees							0
h.Artwork							0
i.Moveable Furnishings & Equipment							0
j.Project Contingency							0
Total - Other Project Costs		0	0	0	0	0	0
ALL COSTS 1+2		0	0	0	0	0	0

Appropriations to Date			Project Costs Beyond CIP Period			Total Project In CIP & Beyond
Source	Fiscal Year	Amount	Source	Fiscal Year	Amount	
TOTAL		<u>0</u>	TOTAL		<u>0</u>	<u>0</u>



Office of Academic and Student Affairs
325 West Gaines Street, Suite 1614
Tallahassee, FL 32399
Phone 850.245.0466
Fax 850.245.9685
www.flbog.edu

Torrey Pines @ FIU

Summary and Responses

On December 5, 2019, Florida International University's (FIU) Board of Trustees voted to acquire and establish Torrey Pines as a Special Purpose Center. Pursuant to Board of Governors Regulation 8.009, FIU must present their request to the Board of Governors for approval. If approved, Torrey Pines @ FIU will open March 1, 2020. The proposal to establish a special purpose center is included in your meeting documents and was jointly reviewed by Academic and Student Affairs, Budget and Facilities staff.

A special purpose center is a unit of a university, apart from the main campus, that provides certain special, clearly defined programs or services, such as research or public service, and reflects a relatively permanent commitment by a university for the foreseeable future. The facility must be university owned, leased, or jointly used with another public institution. Special Purpose Centers typically do not offer instructional programs or courses leading to a college degree.

Torrey Pines @ FIU will be located in the Florida Center for Innovation and Tradition at 11350 SW Village Parkway in Port St. Lucie, Florida. The center will provide FIU faculty with a state-of-the-art research facility that includes fully functional wet laboratories, a Nuclear Magnetic Resonance laboratory, vivarium, and auditorium. This facility will enhance FIU's research base in the STEM fields of chemistry and chemical biology and accelerate FIU's translational medicinal chemistry and chemical biology research, drug discovery and basic research efforts leading to the cure of diseases in areas of cancer and neurodegenerative diseases. FIU will not offer instructional programs or courses leading to a college degree at this location.

The following are questions that Board of Governors' staff posed to FIU with their noted responses. Many of the questions/comments were based on Board staff's review of archived documents from FIU's Board of Trustees Finance and Facilities Committee meeting held on December 2, 2019. The responses were submitted via e-mail by Dr. Kenneth A. Jessell, Senior Vice President and Chief Financial Officer (December 23, 2019) and Mr. David H. Snider, Adjunct, FIU College of Business and Assistant Vice President, Division of Finance (December 18, 2019).

Collaboration

1. Considering the proximity of Torrey Pines to FAU, has President Rosenberg conferred with President Kelly (FAU) regarding this Center? Is there a letter of support from FAU that you can provide to the Board office?

FIU has had multiple touchpoints with FAU on the Proposed Center through the years since we began conversations with TPIMS in 2016. President Rosenberg will be reaching out to FAU President Kelly to request a letter of support. We will forward that to you as soon as it is received.

Funding

2. In the "Summary of Acquisition Agreement and Plan of Merger" dated December 5, 2019, page 333, 2(G) states an obligation of FIU to make capital improvements to the building estimated to be in excess of \$4.5 million. Please identify the needed improvements, funding source, and schedule. What are the consequences if FIU does not make the noted improvements?

See attached Project Detail and Timeline Report identifying all needed improvements, which was included in the Assessment Report contained in the BOT agenda materials (p. 593 of BOT materials). As shown in the Report, the major improvements are replacement of lab exhaust fans, curbs and hoods (\$1.73 million), exterior lighting repairs (\$300,000), cooling tower refurbishment (\$205,000), boiler replacement/refurbishment (\$205,000), building envelope repairs (\$425,000), and chiller, steam and water system repairs (\$270,000). Funding for the needed improvements will come from F&A returns. These are projections based on the assessment report and we will work with area vendors and FIU Facilities on a more exact timeline in relation to occupancy given the specific type of research being conducted in the Facility. These costs were included in the Summary Financial Projections to Full Implementation (Appendix A) of the Proposal to Establish a New Special Purpose Center submitted to the BOG. FIU, as the tenant under the Ground Lease with the City of Port St. Lucie, will be responsible for all repairs and maintenance of the building. These capital improvements relate to deferred maintenance at the building and are necessary to ensure continuing and efficient operations of the

building.

Please see the noted attachment at the end of this document.

- From Pro Forma footnotes 2 and 8, please clarify how E & G funds will be used to support activities at the Center.

E&G will be used similarly as it is with other faculty members. A portion of each faculty member’s salary is projected to be funded for non-sponsored research effort. Faculty, based on expertise and alignment, will supervise graduate assistants in the lab/research projects. Faculty start-ups will also be supported by E&G funds. Both the salary support and start-ups were part of the research infrastructure component of the \$15 million recurring LBR funding provided to FIU in FY 2019-20. We would be making these investments in faculty and support staff regardless of the acquisition of Torrey Pines.

- What plans are in place to support the efforts of the Center should the rental income be less than projected?

One of the tenants has already expressed interest in additional space should it become available. FIU can recruit additional research faculty to fill any available space that may become available and leases have sufficient notification requirements to minimize substantial gaps in occupancy. Since the labs are already established for biological/chemical research, they are in turn-key condition if vacated.

- Your budget shows that Torrey Pines will operate at a deficit in the first three years. Please explain how you will “make up the difference” as relayed on page one of your proposal.

The deficit is caused primarily by the initial/one time capital improvements that are needed in the first 3 years. Funding for these improvements will come from F&A reserves along with the initial start-up that is reflected in year 1. We can adjust the Summary of Financial Projections to Full Implementation sheet to reflect the F&A reserves funding (adjust Grant and Overhead Fund revenues), but FIU wanted to properly reflect the operating results to our board and BOG.

	March - June FY 2019-20	FY 2020-21	FY 2021-22
Net Cash Flow	(\$396,187)	(\$1,492,962)	(\$1,539,828)
Capital Improvements Funded by F&A	\$95,846	\$1,809,050	\$1,941,500
Initial Startup	\$300,341		
Adjusted Net Cash Flow w/F&A Reserves	\$0	\$316,088	\$401,672

- What is the source of the rental income that is referenced and why is it expected to increase over time?

There are 3 outside entities currently renting space in the Facility. The rent is expected to increase based on inflation factors already built into the leases or for normal inflation in future years. The first year, 2020, is a partial year.

Research

7. All of the Sponsored Research Agreements that are listed in (Exhibit E – Draft, pg 367) have a project end date no later than June 30, 2020. Page 335 states that the terms of the sponsored research agreements shall be negotiated as part of the transfer process. Are there recurring or renewable grants? What plans are in place to seek any replacement or additional funding should the agreements not be renewed?

The end dates listed in Exhibit E are the correct project end dates whether recurring/renewable or not. The applicable faculty have proposals pending and one recently received notice of a new award that will begin in January. FTEs for the scientific faculty may be adjusted at closing based on the current/projected external funding at time of closing, but we expect it to be near the figures reported in the board materials. The faculty included in Exhibit E that we are transferring have a track record of funding and research support. The proforma included some non-sponsored research time for some of those researchers in line with realistic expectations.

8. Please explain the use of “if any” regarding trade secrets {page 337, section 7(C)}.

TPIMS owns a chemical compound and positional scanning library. There are certain processes/know how associated with using those chemical compounds to identify compounds that are suitable for the development of pharmaceutical products in the treatment/cure of human diseases. Our Technology and Commercialization Office is working through those specifics to ensure any needed IP for FIU to continue that work is transferred.

Personnel

9. Will the existing staff and faculty at Torrey Pines remain as FIU employees? Are the faculty and staff that you propose to hire in addition to the personnel already at Torrey Pines?

Some of the existing staff at TPIMS will become FIU employees. Some have already submitted their resignations and will not be employed at the time of closing (anticipated March 1, 2020) or will not be hired as FIU centrally provides the functions and can be assumed by existing FIU personnel. FIU and TPIMS completed a needs assessment to determine what positions would be needed moving forward. There are some positions that FIU may

hire due to the resignation/vacancy of current TPIMS employees or based on research growth over the 5 year period. All these costs were included in the financial summary.

10. All the added faculty be solely research faculty assigned to Torrey Pines, with no teaching obligations?

As all FIU research faculty, the faculty at Torrey Pines will focus on research. They will be involved in graduate education through the supervision/mentoring of graduate students and post docs as it relates to research projects and may be involved in education in terms of supervised research, independent studies and graduate seminars.

11. Will the faculty have any obligations on the FIU main campus?

Faculty will primarily be located at Torrey Pines through their involvement in the aforementioned activities. They may be involved in symposiums, graduate seminars and other research related activities at FIU. Doctoral students conducting research at Torrey Pines may have the ability to participate in graduate courses through distance learning mechanisms in courses at the FIU Modesto Maidique Campus.

Point of Clarification

12. Item V. D. was left blank on the form. Please complete this section.

This is the result of a hard return editing error in the prior section that resulted in mislabeling of the items in that section. Section V Item D question and response are contained in Section V Item E in the submission. All items were provided albeit mislabeled.



Calvin, Giordano & Associates, Inc.
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Original November 27, 2018
Revision 2_02.08.2019

O&M Cost Estimate 5 year and 6-10 year Allocation

- Building Code Services
- Civil Engineering / Roadway & Highway Design
- Coastal Engineering
- Code Enforcement
- Construction Engineering & Inspection (CEI)
- Construction Services
- Data Technologies & Development
- Electrical Engineering
- Engineering
- Environmental Services
- Facilities Management
- Geographic Information Systems (GIS)
- Governmental Services
- Indoor Air Quality
- Landscape Architecture
- Planning
- Project Management
- Redevelopment & Urban Design
- Surveying & Mapping
- Traffic Engineering
- Transportation Planning
- Water / Utilities Engineering
- Website Development

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	1/14/2019										Estimated (Yr 6-10)				
	2019-20	2020-21	2021-22	2022-23	2023-24	5.Yr. Total	2025-26	2026-27	2027-28	2028-29	2029-30	6-10 Yr. Total			
Capital Improvements															
Exhaust Fans, Curbs & Hoods east labs	\$1,211,000					\$1,211,000		\$47,500	\$47,500			\$95,000			
Exhaust Fans, Curbs & Hoods west labs	\$519,000					\$519,000		\$25,000	\$25,000			\$50,000			
Exterior Lighting Repairs - Bldg. perimeter North Lot	\$150,000					\$150,000						\$10,000			
Exterior Lighting Repairs - South Parking Lot	\$150,000					\$150,000	\$10,000					\$10,000			
BAC Cooling Tower refurbishment 1&2	\$220,000					\$220,000	\$100,000					\$200,000			
BAC chilled water line refurbishment	\$80,000					\$80,000						\$0			
Boiler Replacement / Auxiliary Boiler refurbishment	\$125,000	\$80,000				\$205,000	\$30,000	\$30,000	\$100,000			\$60,000			
Building exterior envelope repairs	\$225,000	\$200,000				\$425,000						\$100,000			
Site elements (gates, curbing trip hazard corrections)	\$25,000	\$25,000				\$75,000						\$0			
Bldg. Svcs. MEP repairs Chiller Plant / Steam/ Ro water	\$120,000	\$150,000				\$270,000		\$65,000	\$65,000			\$130,000			
Exterior Landscaping Irrigation	\$25,000	\$25,000				\$50,000						\$0			
Eyewash Safety Shower drainage design and const	\$1,500	\$35,000				\$36,500						\$0			
HazMat storage relocation exterior to container storage	\$37,000			\$37,500		\$74,500		\$37,500		\$37,500		\$75,000			
Mechanical room access correction of Haz Mat area	\$3,500					\$3,500						\$0			
HazMat storage suppression system / addl storage unit	\$37,500				\$37,500	\$75,000		\$2,500				\$2,500			
NFPA 704 Generator identification	\$300					\$300						\$0			
SPCC plan creation / implementation	\$2,500					\$2,500						\$0			
NFPA 704 Radioactive storage and initial leak testing	\$3,750					\$3,750						\$0			
Fume Hood sash repairs and recalibration	\$20,000			\$20,000		\$40,000		\$20,000				\$20,000			
Radioactive Biosafety program management	\$15,000					\$15,000						\$0			
NMR space modifications design const	\$12,000	\$65,000				\$77,000						\$0			
Autoclave exhaust design and const	\$15,000	\$100,000				\$115,000						\$0			
Nitrogen storage O2 alarm and monitoring	\$3,500	\$7,500				\$11,000						\$0			
Room 121 O2 monitoring system repairs	\$3,800					\$3,800	\$3,800.00					\$3,800			
Mezzanine repairs / removal design const	\$10,000	\$40,000				\$50,000						\$0			
Lab partition room design review and modifications	\$22,000	\$75,000				\$97,000						\$0			
Supra Max elevator box F&I	\$500					\$500						\$0			
Auditorium Handrail Installation design and const.	\$15,000	\$55,000				\$70,000						\$0			
Sprinkler system repairs / modifications	\$10,000	\$10,000				\$20,000						\$0			
Access Gate Repairs	\$15,000				\$1,500	\$16,500						\$0			
Roof repairs				\$15,000		\$15,000	\$25,000.00		\$25,000			\$50,000			
Acid Code Corrections from Report	\$50,000	\$35,000				\$85,000						\$0			
Total Capital Improvements	\$1,809,050	\$1,941,500	\$315,000	\$72,500	\$39,000	\$4,177,050	\$168,800	\$270,000	\$265,000	\$65,000	\$37,500	\$806,300			
PO&M															
Service Contracts	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$1,400,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$1,400,000			
3 Person Staff	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$1,400,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$1,400,000			
Other O&M	\$1,334,737	\$1,334,737	\$1,334,737	\$1,334,737	\$1,334,737	\$6,673,685	\$1,334,737	\$1,334,737	\$1,334,737	\$1,334,737	\$1,334,737	\$6,673,685			
Total PO&M	\$1,894,737	\$1,894,737	\$1,894,737	\$1,894,737	\$1,894,737	\$9,473,685	\$1,894,737	\$1,894,737	\$1,894,737	\$1,894,737	\$1,894,737	\$9,473,685			
Total Capital and PO&M Costs	\$3,703,787	\$3,836,237	\$2,209,737	\$1,967,237	\$1,933,737	\$13,650,735	\$2,063,537	\$2,164,737	\$2,159,737	\$1,959,737	\$1,932,237	\$10,279,985			

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: Mental Health Enhancement Plan Final Update

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

In March 2015, Board staff presented an information brief to the Academic and Student Affairs Committee on the critical issues related to campus safety and security in response to increasing concerns about student behavior and campus safety. That information brief reported that the State University System (SUS) presidents recognized a need to increase the number of well-trained, professional counselors in order to adequately address the growing demand from students with mental and behavioral health issues.

During the 2016 and 2017 Legislative sessions, the Board of Governors requested funding to increase campus counseling services and expand student mental and behavioral health coverage in the System, but the requests were not funded. In June 2017, Board Chairman Kuntz requested the university presidents develop and submit a plan that would outline how they were going to meet the mental health needs of the students.

Every institution developed a Mental Health Enhancement Plan, which delineated goals for services, staff, and training opportunities for best meeting the mental health needs of students on their respective campuses. The plans were submitted to the Board in November 2017. An update on the progress of the plans was provided in the Drugs, Alcohol, and Mental Health Task Force meeting in November 2018. The Final Report of the Drugs, Alcohol, and Mental Health recommended that institutions provide a final update of the Mental Health Enhancement Plans to the Board in January 2020.

Dr. Christy England, Vice Chancellor for Academic and Student Affairs, will provide a brief history of the Mental Health Enhancement Plans, and Dr. William Hudson Jr., Vice President for Student Affairs at Florida Agricultural and Mechanical University and Chair of the Council for Student Affairs, will provide the update.

Supporting Documentation Included:

Mental Health Enhancement Plan 2019 Update

Executive Summary of Mental Health Enhancement Plans

Facilitators/Presenters:

Dr. Christy England
Dr. William Hudson Jr.

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans	Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017*	November 2018**	November 2019**
FAMU	1.	Add 1 psychologist (FY 2017-18)	Search conducted, but no qualified applicants identified. Salary has been increased and position re-advertised.	Achieved
	2.	Add 1 psychologist (FY 2018-19)	In progress	Re-advertised several times due to unqualified applicants. At the end of the latest search, one applicant qualified, and that person will be scheduled for an interview at the end of November.
	3.	Additional updates (fall 2018)	<p>a) WellTrack, an online self-help therapy program for anxiety/stress, depression and public speaking was implemented in August 2018</p> <p>b) WellConnect, implemented in August 2018, provides licensed mental health counselors after-hours for students. It also provides referrals and face-to-face counseling for students at the satellite campuses.</p>	

* As reported to the Board of Governors in November 2017: https://www.fibog.edu/documents_meetings/0266_1101_8292_7.6.2%20%20BUD%2006a%20-%20Mental%20Health%20and%20Safety%20Summary_Plans%20DRAFT.pdf

** Narrative updates in the November 2018 column and the 2019 column align with specific items in the proposed mental health enhancement plan found in the November 2017 column.

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans November 2017*	Progress on Enhancement Plans November 2018**	Final Update on Enhancement Plans November 2019**
FAMU	4.	Additional updates (spring 2020)		a) By August 2020, establish a Center for Access and Student Success building to house most student affairs departments, including counseling services. b) In spring 2020, hire 2 mental health counselors c) In fall 2021, establish a doctoral internship program in clinical or counseling psychology

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans	Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018	November 2019
FAU	1.	a) Add 6 therapists (fall of FY 2017-18)	a) Hired 5 therapists, 2 of which have since left, leaving 3 positions vacant	a) Achieved
	2.	a) Add 1 case manager b) Hire 1 psychiatrist c) Add 4 therapists (spring of FY 2017-18)	b) Achieved c) Achieved d) Hired 2 therapists	a) Case manager left, currently recruiting b) Achieved c) Achieved
	3.	Hire 3 additional therapists (fall of FY 2018-19)	a) Achieved b) Anticipate hiring 1.5 Other Personnel Services (OPS) Full-Time Equivalency (FTE) hires	a) Achieved b) Achieved
	4.	Hire 3 additional therapists (spring of FY 2018-19)	a) Anticipate hiring 3 to 9 therapists with start dates January – August of 2019 b) Remaining unfilled positions will be moved to fall 2019	a) 4 clinicians left during FY 2019; process underway to recruit replacements b) 4 additional clinical positions are in recruitment and expected to start between March and August 2020

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans	Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018	November 2019
FGCU	1.	Provide enhancements to the equipment, training, and systems in place to address mental health needs	Staff attended various clinical trainings and brought in trainers for such issues as single-session therapy	Updated training of staff for more short term, accessible services (e.g., hypnotherapy)
	2.	Provide faculty and staff with training needed to identify and assist students who may need assistance	Developed RESPOND mental health gatekeeper optional training for faculty and staff	Offer RESPOND mental health gatekeeper training (for academic advisors) and installed Kognito for faculty and staff use
	3.	In the long-term, FGCU looks to invest in counselors and case managers	Gained 2 staff positions, 1 funded for 2018-19 only	Permanently funded 4 new positions in the last 15 months: <ul style="list-style-type: none"> • 1 new case manager • 1 new counselor position • 2 new psychologist positions
	4.	Additional update (fall 2018)	Plans are underway for new campus building to house CAPS and others; scheduled to be completed fall of 2019	Moved into a new larger facility to better support counseling and psychological needs for our students

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans	Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018	November 2019
FIU	1.	Fund salary equity for retention (FY 2017-18)	In 2017-18, salaries for psychologists in counseling were adjusted to 50% of market; administrative clinician salaries were not addressed	Achieved - in 2018-2019, administrative clinician salaries were adjusted to 50% of market
	2.	2 additional psychologist positions for specialty needs, including risk assessment (FY 2017-18)	2 psychologist positions filled	Achieved
	3.	Add 2 psychologist positions in areas of greatest need (FY 2018-19)	Increased goal to 7 positions, 3 were filled as of September 30, 2018, anticipate filling remaining 4 positions by the end of 2018-2019	5 of the 7 positions filled; expect to fill the remaining 2 positions by June 2020
	4.	Create a Student Mental Health Task Force with recommendations due to Provost by July 1, 2018	Task Force created and funding for Kognito license fees awarded	Kognito was implemented in spring 2019, and the Task Force is in the process of getting all students and staff certified in their respective training modules by June 2021

Mental Health Enhancement Plans Final Update

Inst.	Summary of Proposed Mental Health Enhancement Plans November 2017	Progress on Enhancement Plans November 2018	Final Update on Enhancement Plans November 2019
Poly	1. Employs 1 full-time counselor and 1 part-time counselor and 24/7 Bay Care (contracted healthcare agency) to support 1,460 students	Transitioned to a tiered-service model; hired 1 full-time Associate Director of Campus Wellness Management	Hired 1 licensed counselor to replace counselor employed in 2017 who left

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans	Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018	November 2019
FSU	1.	Six additional counselors (FY 2017-18)	Achieved	Achieved
	2.	Six additional counselors (FY 2018-19)	Achieved	Achieved
	3.	Five additional counselors (FY 2019-20)		Achieved
	4.	Six additional counselors (FY 2020-21)		Search process to begin in spring 2020 with the aim to onboard by the fall semester of 2020

Mental Health Enhancement Plans Final Update

Inst.	Summary of Proposed Mental Health Enhancement Plans		Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018	November 2019
NCF/ USF- SM	1.	Hire 2 additional positions - case manager and counselor (FY 2017-18)	Achieved - hired 1 case manager and 1 counselor shared between campuses (0.8 FTE USF-SM, 0.2 FTE NCF)	Achieved
	2.	Funding for electronic outreach programming (FY 2017-18)	Achieved	Achieved
	3.	Add 1 psychologist position (FY 2018-19)	Plan to search in spring 2019	Additional psychologist position recalled due to decreased enrollment

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans	Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018	November 2019
UCF	1.	Continue to front load initial assessment appointments for 2017-18	Achieved	Achieved
	2.	Maximize use of OPS providers from the community who are able to devote service time to providing therapy to students	Achieved, added 1.5 FTE OPS providers	Achieved
	3.	Explore the expansion of CAPS' post-doctoral training program to maximize student service and advance goals for achieving preeminent status	Achieved; added 2 post-doc fellows	Achieved - filled 4 post-doc positions
	4.	Reallocate the student health fee so that it will go to support CAPS, resulting in close to one million dollars of new mental health resources	Achieved	Achieved

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans	Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018	November 2019
UF	1.	Hire 4 additional mental health counselors (FY 2017-18)	Hired 4 additional mental health counselors (FY 2017-18)	Achieved
	2.	Hire 4 additional mental health counselors (FY 2018-19)	Hired 1 additional mental health counselor; 2 in progress (FY 2018-19)	Achieved
	3.	Hire 4 additional mental health counselors (FY 2019-20)		Achieved

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans	Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018	November 2019
UNF	1.	University has purchased and begun to implement preventative tracking and management software (i.e., Maxient) used to identify students at risk, allowing staff to intervene as quickly as possible to prevent further academic or personal decline	Achieved	Achieved
	2.	Student government has chosen to redistribute a portion of existing fees to the Counseling Center, along with an investment from the university's base budget. Funds will support a new pre-doctoral psychology internship program.	Achieved	Achieved
	3.	Hire temporary clinicians until the new interns can take over in FY 2018-19	Achieved	Achieved
	4.	Additional updates (fall 2018)	<p>a) Accreditation process for the doctoral internship program is on track with site visitors to be scheduled this winter</p> <p>b) Psychiatric services extended to Student Health Service office</p> <p>c) Access to services has been improved by creating "walk-in" hours 5 days a week</p>	<p>a) Achieved - program received accreditation "on contingency" (April 2019); full accreditation is anticipated by May 2021</p> <p>b) Achieved - Psychiatric services offered 4 hours weekly</p> <p>c) Achieved - "walk-in" offered 5 days a week</p>

Mental Health Enhancement Plans Final Update

Inst.	Summary of Proposed Mental Health Enhancement Plans		Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018	November 2019
USF ¹	1.	Increase mental health literacy through social marketing, 1 additional social marketing staff (FY 2017-18)	Achieved	Achieved
	2.	Add 1 mental health outreach specialist (FY 2017-18)	Achieved	Achieved
	3.	Add 3 additional certified health and wellness coaches (FY 2017-18)	Achieved	Achieved
	4.	Add extended hours for counseling services and establish satellite counseling stations. Increasing staff to accomplish these tasks by hiring 4 additional licensed counselors, 2 post-docs, and 3 interns. Services will extend to the St. Petersburg location. (FY 2017-18)	Achieved	Achieved
	5.	Implement Coordinated Care Management System by hiring 2 care managers (spring of FY 2017-18)	Hired 1 care manager; 1 care manager will be hired for spring 2019	Achieved
	6.	2 additional satellite stations, 2 post-docs (FY 2018-19)	In progress	Achieved
	7.	Add 1 care manager for coordinated care (spring of FY 2018-19)	In progress	Achieve by December 2019
	8.	At USF Sarasota-Manatee campus: hire mental health outreach specialist (FY 2017-18)	Achieved	Achieved

¹ The USF updates include the St. Petersburg and Sarasota-Manatee campuses.

Mental Health Enhancement Plans Final Update

Inst.	Summary of Proposed Mental Health Enhancement Plans		Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018 ¹	November 2019
UWF	1.	Add 1 psychologist and 1 licensed mental health counselor (FY 2017-18)	Achieved - hiring 2 additional licensed mental health counselors (FY 2017-2018)	Achieved
	2.	Add 1 psychologist and 1 additional licensed mental health counselor (FY 2018-19)	a) Revised to hire 2 additional clinical social workers (FY 2018-19) b) Revised to add 1 full-time psychologist (FY 2018-19)	a) Hired 1 additional clinical social worker (FY 2018-2019) b) Focused on replacing psychologist (not hiring new one)
	3.	Add 1 licensed mental health counselor and 1 clinical social worker (FY 2019-20)	Revised to add 1 full-time psychologist and 1 clinical social worker (FY 2019-20)	Not pursuing
	4.	Hire 1 clinical social worker (FY 2020-21)	Not in the revised plan	Not pursuing
	5.	Develop innovative programs such as Recovery (drug and alcohol dependence and abuse) support services, expand support services for students on the Autism Spectrum, Learning Disability and Attention Deficit Disorder Testing and Assessment, and facilitate programs for academically at-risk students	Included in the revised plan	Not pursuing

¹ Due to staffing changes during the 2017-18 academic year, UWF revised their initial plan.

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans	Progress on Enhancement Plans	Final Update on Enhancement Plans
		November 2017	November 2018 ¹	November 2019
UWF	6.	Additional updates (fall 2018)	<ul style="list-style-type: none"> a) Expanded CAPS space to accommodate program growth (2018-19) b) Developed and implemented Let's Talk program in 2 residence halls c) Develop and implement biofeedback station in one residence hall with plans to add two or three more after the pilot (2018-19) d) Become a Healthy Campus 2020 partner (2018-19) e) Enhance faculty and staff training- purchased Kognito, an online training module for faculty and staff (2018-19) f) Implement mental health - first aid training (2018-19) 	<ul style="list-style-type: none"> a) CAPS expansion completed with the addition of 6 counselor offices b) Achieved c) Not pursuing d) ArgoWell, Healthy Campus initiative launch in progress e) Achieved f) Achieved

¹ Due to staffing changes during the 2017-18 academic year, UWF revised their initial plan.

Mental Health Enhancement Plans Final Update

Inst.		Summary of Proposed Mental Health Enhancement Plans November 2017	Progress on Enhancement Plans November 2018¹	Final Update on Enhancement Plans November 2019
UWF	7.	Additional updates (fall 2019)		a) Access to services has been increased with the addition of triage appointments and additional group support services b) Opportunities for collaborative relationships with community providers is the focus of 2019-20

¹ Due to staffing changes during the 2017-18 academic year, UWF revised their initial plan.

Executive Summary

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Mental Health Enhancement Plans

January 30, 2020

The Board of Governors has been committed to promoting student wellness and success by addressing critical issues that impact students' academic performance. In early 2015, there were increasing concerns about student behavior and campus safety. The concerns among the State University System (SUS) institutions aligned with national data, which showed a continued increase in students reporting anxiety and depression. According to the American College Health Association's National College Health Assessment data, there has been an 82% increase in student reports of feeling overwhelmed with anxiety in the past twelve months from spring 2014 to spring 2019.¹ Also, students have reported a 72% increase in depression, which affected their ability to function in the twelve months prior to completing the assessment.²

The Board of Governors has been very engaged on the issue of student mental health over the last several years. In March 2015, Board staff presented an Information Brief to the Academic and Student Affairs (ASA) Committee on the critical issues related to campus safety and security. A component of this brief was that the SUS presidents recognized a need to increase the number of well-trained, professional counselors to address the growing demand from students with mental and behavioral health issues. Later that year, the Board of Governors included a request to support an increase in the number of counselors, as well as additional law enforcement staff, in its legislative budget request.

In September 2016, Board staff provided a more in-depth analysis of the increasing need for well-trained, professional counseling services to address the number of students on our campuses with mental health issues and the increase in the severity of mental health issues. The Board included a request to fund additional counselors in its 2017-18 legislative budget request and continued to remain engaged on this issue.

In January 2017, the ASA Committee reviewed data from the universities that showed students who utilize the services offered by the counseling centers greatly benefit from improved mental and behavioral health, and they are more likely to do well academically and graduate. In March 2017, Board staff presented the ASA Committee data that showed ongoing increases in demand for counseling center services.

¹ American College Health Association National College Health Assessment, Spring 2014 and 2019 Reference Group Executive Summaries

² American College Health Association National College Health Assessment, Spring 2014 and 2019 Reference Group Executive Summaries

Mental Health Enhancement Plans

Despite efforts to secure additional funding for students and counseling centers, the legislative budget requests were not funded. In June 2017, Chairman Kuntz asked the university presidents to develop and submit plans that outlined how they were going to meet the mental health needs of the students. Every institution submitted a Mental Health Enhancement Plan in November 2017, which delineated goals for services, staff, and training in order to meet the mental health needs of students on their respective campuses. The institutions proposed hiring a total of 56 new staff by the end of 2017-18 and 49 more mental health staff by the end of 2020-21, for a total of 105 new staff. The new positions included psychologists, counselors, case managers, and health and wellness coaches. Institutions reallocated other funds, both recurring and non-recurring, along with the student health fee to support these positions.

The Drugs, Alcohol, and Mental Health Task Force received an update on the progress of the institutions' efforts to implement these plans in November 2018. Institutions reported hiring 61 additional staff during 2017-18, exceeding the original projection for 56 additional staff. In addition, institutions reported actively recruiting for additional positions and implementing new programs, including online self-help modules and pilot programs that included coaching services and a biofeedback station.

In August 2019, the Drugs, Alcohol, and Mental Health Task Force submitted a final report to the full board, which included the recommendation that institutions provide a final update of the Mental Health Enhancement Plans to the Board in January 2020. As of November 2019, institutions reported adding a total of 85 additional staff to increase campus counseling services, expanding student mental and behavioral health coverage across the System. Based on the most recent reports, 22 additional hires should be in place by November 2021. Table 1 below shows the projected staffing numbers from the original plans compared to the number of additional staff that have been hired and those that are in progress. Currently, institutions have hired 81% of new staff projections for 2020-21, with the remaining 19% in progress.

The Mental Health Enhancement Plans were put into place to address the concerns about student behaviors and mental health. To adequately address the growing demand for counseling services, additional professional staff have been hired, and other hires are currently in progress. Institutions have also expanded services such as additional counseling service hours, satellite counseling stations, online self-help therapy programs, mental health literacy training for faculty and staff, clinical training, and various specialized programs based on the needs of the students.

Mental Health Enhancement Plans

Table 1: Additional Counseling Services Staffing

Institution	Projected Staff Hires in 2017 Mental Health Plans by 2020-21	Progress as of November 2019		
		Hired	In Progress	Total New Hires & Hires in Progress
FAMU	2	1	1	2
FAU	18	10.73	12	22.73
FGCU	6	4	0	4
FIU	4	7	2	9
FL Poly	0	1	0	1
FSU	23	17	6	23
NCF/USF SM	3	2	0	2
UCF	4	5.5	0	5.5
UF	12	12	0	12
UNF	9	5	0	5
USF	17	18	1	19
UWF ³	7	2	0	2
TOTAL	105	85.23	22	107.23

Source: Florida Board of Governors staff analysis of data provided by SUS institutions, November 2019.

³ Between November 2017 and November 2019, there have been some significant restructuring and leadership changes at UWF. During the transitions, UWF hired a total of five counselors. However, only two of them are new positions. Three others were replacements for staff who had retired, relocated, or otherwise resigned. At this time there are no hires in progress.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: System-Wide Hazing Prevention

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. William Hudson Jr., Vice President for Student Affairs at Florida Agricultural and Mechanical University and Chair of the Council for Student Affairs, will provide an update regarding system-wide hazing prevention efforts.

Supporting Documentation Included: None

Facilitators/Presenters: Dr. William Hudson Jr.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: State University System Council of Academic Vice Presidents

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. Sally McRorie, Chair of the State University System Council of Academic Vice Presidents, will provide an update on current Council activities and issues.

Supporting Documentation Included:

None

Facilitators/Presenters:

Dr. Sally McRorie

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: State University System Council for Student Affairs

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Dr. William Hudson Jr., Chair of the State University System Council for Student Affairs, will provide an update on current Council activities and issues.

Supporting Documentation Included:	None
Facilitators/Presenters:	Dr. William Hudson, Jr.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Academic and Student Affairs Committee
January 30, 2020**

SUBJECT: Florida Student Association

PROPOSED COMMITTEE ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Governor Zenani D. Johnson, Chair of the Florida Student Association, will update the Committee on current Association activities and issues.

Supporting Documentation Included: None

Facilitators/Presenters: Governor Zenani D. Johnson



AGENDA
Board of Governors Meeting
Room 208
Turnbull Conference Center
Florida State University
555 West Pensacola Street
Tallahassee, FL 32301
January 29-30, 2020
11:00 a.m. p.m. – 1:15 p.m.

or
Upon Adjournment of Previous Meetings

- 1. Call to Order and Pledge of Allegiance** **Chair Syd Kitson**

- 2. Chair’s Report to the Board of Governors and Remarks on the State of the System** **Chair Kitson**

- 3. Recognition of Outgoing Chair Ned C. Lautenbach and Governor Edward A. Morton** **Chair Kitson**

- 4. Minutes of Board of Governors Meeting** **Chair Kitson**
 - A. Minutes, October 30, 2019
 - B. Minutes, November 22, 2019

- 5. Chancellor’s Report** **Chancellor Marshall M. Criser III**

- 6. Public Comment** **Chair Kitson**

- 7. Business Engagement Panel** **Chair Kitson**

- 8. Consideration of Amendments to Board of Governors Operating Procedures** **Chair Kitson**

- 9. Budget and Finance Committee Report** **Governor Brian Lamb**
 - A. Public Notice of Intent to Amend Board of Governors Regulation 5.001, Performance-Based Funding

10. Strategic Planning Committee Report

Governor Tim Cerio

- A. University of North Florida Strategic Plan

11. Academic and Research Excellence Committee Report

Governor Alan Levine

- A. World Class Faculty and Scholar Program Report
- B. Professional and Graduate Degree Excellence Program Report

12. Academic and Student Affairs Committee Report

Governor Darlene Jordan

- A. Public Notice of Intent to Amend Board of Governors Regulations:
 - i. 6.002 Admission of Undergraduate First-Time-in-College, Degree Seeking Freshmen
 - ii. 6.008 Postsecondary College-level Preparatory Testing, Placement, and Instruction for State Universities
- B. Termination Request for Ph.D. in Rehabilitation Counseling
CIP 51.2310, Florida State University
- C. Request for Exemption to the 120 Credit Hour Requirement by the University of Central Florida for the Bachelor of Science in Materials Science and Engineering (CIP 14.1801)
- D. Request for Classification of the Torrey Pines at FIU as a Special Purpose Center by Florida International University

13. Facilities Committee Report

Governor H. Wayne Huizenga, Jr.

- A. Reauthorization of Florida International University Housing Bonds
- B. Florida State University Panama City Campus Public Private Partnership Housing Project

14. Presidential Search Report

Governor Cerio

- A. University of Central Florida

15. Concluding Remarks and Adjournment

Chair Kitson

Public comment will only be taken on agenda items before the Board. Public comment forms will be available at the staff table at each meeting and must be submitted prior to the plenary meeting of the Board. A maximum of 15 minutes will be set aside after the Chancellor's Report to accept public comment from individuals, groups, or factions who have submitted a public comment form.



I pledge allegiance
to the flag
of the **United States** of America
and to the Republic
for which it stands,
one Nation under God,
indivisible,
with liberty and justice for all.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Chair's Report to the Board of Governors and Remarks on the State of
the System

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Chair, Syd Kitson, will convene the meeting with opening remarks.

Supporting Documentation Included: None

Facilitators/Presenters:

Chair Syd Kitson

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Recognition of Outgoing Chair Ned C. Lautenbach and Governor Edward A. Morton

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Board will recognize the achievements of outgoing chair, Ned C. Lautenbach, and the service of Edward Morton on the Board of Governors.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Syd Kitson

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Minutes of Board of Governors Meeting held October 30, 2019 and
November 22, 2019

PROPOSED BOARD ACTION

Approval of minutes of the Board of Governors meeting held on October 30, 2019 at the University of Florida, and November 22, 2019 via conference call.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board members will review and approve the minutes of the Board of Governors meeting held on October 30, 2019, at the University of Florida, and on November 22, 2019 via conference call.

Supporting Documentation Included: Minutes: October 30, 2019

Facilitators/Presenters: Chair Syd Kitson

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October 29-30, 2019

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 BOARD OF GOVERNORS
 BALLROOM
 J. WAYNE REITZ UNION
 UNIVERSITY OF FLORIDA
 655 REITZ UNION DRIVE
 GAINESVILLE, FL 32611
 OCTOBER 30, 2019

*Video or audio archives of the meetings of the Board of Governors
 and its Committees are accessible at <http://www.flbog.edu/>.*

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MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BALLROOM
J. WAYNE REITZ UNION
UNIVERSITY OF FLORIDA
655 REITZ UNION DRIVE
GAINESVILLE, FL 32611
OCTOBER 29-30, 2019

1. *Trustee Summit*

The 2019 Trustee Summit was held on October 29, 2019. Board staff provided training to trustees as required by section 1001.706(3)(j), Florida Statutes, as well as provided additional information on performance-based funding and financing university facilities. Trustees heard a presentation by Dr. Elizabeth Shenkman on the OneFlorida Clinical Research Consortium and engaged in an interactive discussion with Dr. Terrance MacTaggart of the Association of Governing Boards of Universities and Colleges on presidential assessment and development. Governor Kitson moderated a panel of board of trustees chairs that focused on how boards of trustees hold themselves and university administration accountable for enhancing student success through initiatives funds with performance funding and/or preeminence funding. Chair Mori Hosseini and President Kent Fuchs delivered remarks and presented a short video on the strides the University of Florida is making in research to solve real world challenges. Governor Ron DeSantis concluded the Summit with remarks about the need for degrees to translate into employment for our graduates and he encouraged attendees to vigorously protect freedom of speech and expression on our campuses.

2. Call to Order and Pledge of Allegiance

On October 30, 2019, Chair Ned C. Lautenbach convened the meeting at 1:50 p.m. with the following members present and answering roll call: Vice Chair Syd Kitson; Tim Cerio; Dr. Shawn Felton; H. Wayne Huizenga, Jr.; Zenani Johnson; Brian Lamb; Alan Levine; Charlie Lydecker; Ed Morton; Dr. Steven Scott; Eric Silagy; Kent Stermon and Norman Tripp. Members stood for the Pledge of Allegiance.

3. Chair's Report to the Board of Governors

Chair Lautenbach thanked Chair Hosseini, President Fuchs, and the University of Florida staff for hosting the Trustee Summit and Board of Governors meeting. Chair Hosseini welcomed members to the university and President Fuchs said he was pleased to have the Board visit the campus.

Chair Lautenbach took a moment to reflect on the System-wide accomplishments that have taken place over the past two years, including milestones on both graduation rates and affordability. He recounted that graduation rates have gone up 9.5 percent in the past five years, and the average cost-to-the-student for a four-year degree is now less

MINUTES: FLORIDA BOARD OF GOVERNORS

October 29-30, 2019

than \$10,000. He reiterated *U.S. News & World Report* has named Florida as having the number one postsecondary education system in the country for three years in a row.

Chair Lautenbach said he was proud of the progress made by the Drugs, Alcohol and Mental Health Task Force, and the difference it made in promoting student wellness and success. The Task Force put together a comprehensive action plan and reported during August that all components of the plan were either completed or in progress.

He is also proud of the collaborative work the State University System has done with research, which has seen a 15 percent increase in federal research expenditures over the past five years. The System has now surpassed the 2025 Strategic Plan goal of \$2.3 billion in research expenditures and is ranked number four nationally in research, with five universities ranked in the top 100.

Chair Lautenbach talked about the continued focus on online education and increasing access to online courses while ensuring quality. He mentioned that Florida is tied for first place in terms of the percentage of students enrolled in distance learning courses and is ranked second in terms of the number of students enrolled in distance learning courses. Seventy-two percent of undergraduate students enrolled in at least one distance learning course last year and over 540 online programs exist across the System.

Chair Lautenbach noted the Board implemented several new policies with regards to PECO projects as required by Senate Bill 190, resulting in the commitment of nearly \$227 million in carry forward funds towards maintenance of existing buildings. Additionally, over \$367 million in state fixed capital outlay funds were appropriated system-wide in the last two legislative sessions. Both the UCF and USF Downtown projects opened in late 2019, and these new locations will not only serve the universities, but will promote economic revitalization for those areas in Orlando and Tampa. He stated the System has also benefited by the continued support for university lab schools, with FSU, FAU and UF's lab schools receiving facility funding. Finally, through the shared services initiative, the universities achieved over \$150 million in documented savings for the fiscal year 2018-2019.

In conclusion, Chair Lautenbach expressed optimism about new Board leadership continuing this momentum and said he was honored to serve with the Board members and alongside everyone in the room.

4. Minutes of Board of Governors Meeting

A. Board of Governors Meeting held August 29, 2019

Governor Kitson moved approval of the Minutes of the meeting held August 29, 2019, as presented. Mr. Felton seconded the motion, and the members concurred unanimously.

5. Chancellor's Report

Chancellor Criser reported he had the opportunity to present to legislative education appropriations subcommittees in September where he discussed the System's legislative budget requests and honed in on the State University System's progress. He received good feedback and is hopeful the System will continue to have opportunities to talk about the return-on-investment universities provide to taxpayers and students.

Chancellor Criser said the Talent Development Council held its first meeting in Tallahassee in early October, with Governor Tim Cerio representing the Board and the Chancellor serving as an ex officio member. The council is tasked with developing a strategic plan by December 31, 2019, that will provide a pathway for 60 percent of the state's working-age population to hold a "high-value post-secondary credential" by 2030.

Chancellor Criser reported new legislation was recently filed to allow student athletes to receive compensation under certain circumstances and that the National Collegiate Athletic Association announced it would be developing policies around this topic.

6. Public Comment

The Board received one request for public comment. Mr. Marshall Ogletree, the Executive Director of the United Faculty of Florida, encouraged more workshops be provided for the governors and trustees, especially as it relates to collective bargaining. He asserted that neither trustees nor legal counsel at the universities were up-to-date on the requirements of chapter 447, Florida Statutes. He also questioned the need for a university to hire outside counsel to assist it with collective bargaining. He reminded members that university faculty are a critical, but often forgotten, part of the equation when discussing System results.

Mr. Ogletree emphasized the need for graduate students who are employed as graduate assistants to receive more economic assistance in the form of fee waivers. He said there are approximately 14,000 graduate student assistants who receive an average stipend of \$14,000 to \$15,000 before paying their fees. He asked for the Board's support of a measure that would waive university fees to help graduate student assistants defray the costs of their education.

7. Election of Board Officers, Chair and Vice Chair

MINUTES: FLORIDA BOARD OF GOVERNORS

October 29-30, 2019

Chair Lautenbach announced that his term as Chair ends on December 31, 2019 and his term as a Board member ends on January 6, 2020. He then opened the nominations for the next Chair of the Board of Governors.

Mr. Tripp nominated Vice Chair Syd Kitson to serve as Chair of the Board of Governors for a term beginning on January 1, 2020, and ending December 31, 2021. Mr. Tripp stated Mr. Kitson has been an excellent member of the Board and has an outstanding background in professional sports and real estate development. Mr. Silagy seconded the motion, and the members concurred unanimously. Mr. Kitson noted he has some large shoes to fill and thanked the Board for their confidence in him, stating he will continue the focus on student success and student outcomes and that it is an incredible honor to serve with such talented individuals.

Chair Lautenbach next opened the nominations for the Vice Chair of the Board of Governors. Mr. Morton nominated Mr. Brian Lamb to serve as the Vice Chair of the Board of Governors for a term beginning on January 1, 2020, and ending December 31, 2021. Mr. Morton said based on the University of South Florida's progress under Mr. Lamb's leadership and his ability to combine discipline and a sense of compassion, leads him to believe Mr. Lamb will make an outstanding vice chair and is someone who can lead this Board to the next level. Mr. Huizenga seconded the motion. Chair Lautenbach asked if there were any other nominations. Hearing none, a vote was taken and the members concurred unanimously. Mr. Lamb stated he has had the benefit of working in the State University System for over decade and that he is also a product of the System. He believes deeply in the purpose and the mission and is honored to serve. He committed to advancing this Board's mission and looks forward to working with the Chair and the other Board members. Chair Lautenbach congratulated both Mr. Kitson and Mr. Lamb.

8. Confirmation of Reappointment of the President for the University of Florida

Chair Lautenbach stated the University of Florida Board of Trustees unanimously agreed to extend Dr. Fuchs' appointment to serve as the president of the university on an at-will basis following the expiration of Dr. Fuchs' contract on June 30, 2020. Chair Lautenbach recognized Mr. Mori Hosseini, Chair of the University of Florida Board of Trustees, to present Dr. Kent Fuchs for confirmation of reappointment as President.

Mr. Hosseini stated subject to this Board's approval, President Fuchs will begin serving as president in an at-will capacity and at the pleasure of the University of Florida Board of Trustees beginning on July 1, 2020. He then shared some highlights of Dr. Fuchs' accomplishments during his tenure as president of the university: UF became the first top ten public university in the State University System, rising from 14th in 2014 to 7th in the *U.S. News & World Report* rankings; the UF student-faculty ratio has improved from 21:1 to 18:1; applications from students increased from 29,000 to 42,000; research expenditures climbed 23 percent; annual philanthropy grew from \$302 million to \$526 million; four-year graduation rates improved from 66% to 68% and six-year graduation

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rates improved from 87% to 90%; the Sid Martin Biotechnology Incubator was named 2017 Incubator of the Year among 7,500 incubators worldwide by the International Business Innovation Association; the Milken Institute ranked UF third in the nation in 2017 for technology transfer; and the university was ranked sixth by the New York Times in 2017 among all public and private universities for helping low-income students succeed.

Mr. Hosseini emphasized the board of trustees and Dr. Fuchs work closely together as partners to the benefit of the university's students and faculty. He then presented Dr. Fuchs for approval of the extension of his presidency. Chair Lautenbach called for a motion to confirm Dr. Fuchs. Mr. Kitson made the motion to confirm Dr. Fuchs as President of the University of Florida. Mr. The motion was seconded by Mr. Levine and the members concurred unanimously. Dr. Fuchs thanked the Board of Governors and the University of Florida Board of Trustees for their support and he thanked faculty, staff, students and alumni for the opportunity to serve.

Chair Lautenbach said one of the underlying concerns with this is the one-year requirement for renewals of presidential contracts. He asked Chancellor Criser to look at that requirement to determine if it still makes sense from a policy perspective and to report back to the Board.

9. Strategic Planning Committee Report

Chair Lautenbach called on Ms. Jordan for the Strategic Planning Committee report. The Committee took up five items, four for approval and one for information. Ms. Jordan reported that the Committee was provided with an overview of the SUS Career Centers and heard about some of the initiatives on campus to prepare students for professional work and connect with employers in the state.

A. Florida International University Revised 2019 Accountability Plan

Ms. Jordan moved approval of Florida International University's 2019 Accountability Plan -- excluding those sections of the plan that require any additional regulatory or procedural review or approval pursuant to law or Board regulations, and that the Board accepts the out-year portions of the plan. The motion was seconded by Mr. Huizenga and the members concurred unanimously.

B. 2019 System Accountability Plan

Ms. Jordan moved approval of the 2019 System Accountability Plan. The motion was seconded by Mr. Huizenga and the members concurred unanimously.

C. State University System 2025 Strategic Plan: 2019 Update

MINUTES: FLORIDA BOARD OF GOVERNORS

October 29-30, 2019

Ms. Jordan moved approval of the State University System 2025 Strategic Plan: 2019 Update. The motion was seconded by Mr. Huizenga and the members concurred unanimously.

D. Programs of Strategic Emphasis: 2019 Update

Ms. Jordan moved approval of the Programs of Strategic Emphasis: 2019 Update, including the supporting methodology. The motion was seconded by Mr. Huizenga and the members concurred unanimously.

10. Facilities Committee Report

Chair Lautenbach called on Mr. Huizenga for the Facilities Committee Report. Mr. Huizenga reported the Committee took up four items for approval, which includes two items taken up by the Committee at a prior meeting on October 3, 2019.

- A. 2019-2020 Resolution of the Board of Governors authorizing the University of South Florida Financing Corporation to issue \$27,000,000 of revenue bonds on behalf of the University of South Florida for the purpose of constructing a new multi-use lab and office facility in the USF Research Park

Mr. Huizenga moved approval of a Resolution authorizing the USF Financing Corporation to issue \$27,000,000 of revenue bonds on behalf of the University of South Florida for the purpose of constructing a new multi-use lab and office facility in the USF Research Park. Ms. Jordan seconded the motion and the members concurred unanimously.

B. Space Needs Calculation Methodologies

Mr. Huizenga moved approval of the Report on Space Needs Calculation Methodologies. Ms. Jordan seconded the motion and the members concurred unanimously.

C. Preliminary Selection Group and PECO Points Methodology

Mr. Huizenga moved approval of the Preliminary Selection Group and PECO Points Methodology. Ms. Jordan seconded the motion, and the members concurred unanimously.

- D. 2020-2021 State University System Fixed Capital Outlay Legislative Budget Request

MINUTES: FLORIDA BOARD OF GOVERNORS

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Mr. Huizenga moved to amend the 2020-2021 State University System Fixed Capital Outlay Legislative Budget Request as presented. Mr. Silagy seconded the motion, and the members concurred unanimously.

11. Audit and Compliance Committee Report

Chair Lautenbach recognized Mr. Cerio for the Audit and Compliance Committee report. Mr. Cerio reported the Committee received an update from Florida Agricultural and Mechanical University's Board of Trustees' Chair, Kelvin Lawson, about the university's status of the corrective action plan for the on-going athletics program cash deficit. In addition, the Committee received a report from Inspector General Leftheris regarding her office's recent activities and upcoming events.

12. Innovation and Online Committee Report

Chair Lautenbach called on Mr. Morton to report on the Innovation and Online Committee. Mr. Morton said the Committee engaged in a discussion with medical school representatives about the consideration of online courses in the admissions process. Dr. Fogarty, Dean of Florida State University's Medical School and Chair of the Florida Council of Medical School Deans, committed to further discussions with the Council about the analysis of relevant data, as well as conversations with university distance learning leaders.

The Committee also heard a presentation on For-Credit Certificates and discussed revisions to the Access performance indicators and goals in the 2025 Strategic Plan for Online Education. The Committee had received recommendations for updating the performance indicators and goals for Quality and Affordability in June and August, respectively. Mr. Morton then moved approval of the updated Quality, Affordability, and Access performance indicators and goals in the 2025 Strategic Plan for Online Education. Ms. Jordan seconded the motion, and the members concurred unanimously.

13. Academic and Student Affairs Committee Report

Chair Lautenbach recognized Mr. Tripp to report on the Academic and Student Affairs Committee. Mr. Tripp reported the Committee received an overview of SUS Engineering programs' internships and cooperative education programs and information on initiatives that have been implemented across the System to increase passage rates in calculus and pre-calculus courses. The Committee also took up several items for approval.

- A. Minutes of the Drugs, Alcohol, and Mental Health Task Force held August 28, 2019

MINUTES: FLORIDA BOARD OF GOVERNORS

October 29-30, 2019

Mr. Tripp stated the Drugs, Alcohol and Mental Health Task Force was sunset after approving the final report on August 28, 2019, and that oversight of the implementation of the recommendations in the report is now the responsibility of the Committee. Mr. Tripp moved approval of the final minutes of the Drugs, Alcohol and Mental Health Task Force meeting held on August 28, 2019. Mr. Huizenga seconded the motion, and the members concurred unanimously.

- B. Approval of Amended Board of Governors Regulations 6.001, General Admissions; 6.021, Hazing Prohibited; 8.003, Textbook and Instructional Materials Affordability

Mr. Tripp moved approval of the amendments to Board of Governors Regulations 6.001, 6.021, and 8.003, which was seconded by Ms. Jordan and the members concurred unanimously.

- C. Ph.D. in Informatics and Big Data Analytics, CIP 11.0104, University of South Florida

Mr. Tripp moved approval of the University of South Florida's Ph.D. in Informatics and Data Analytics, CIP 11.0104, at the institution's approved graduation tuition rate with a program implementation date of fall 2020. Ms. Jordan seconded the motion and the members concurred unanimously.

- D. Recommendations for Strategies 2 and 3 of the *Improving 2+2 Articulation Implementation Plan*

Mr. Tripp stated the Committee received an update on the progress of the 2+2 Articulation Work Plan and considered approval of Strategy 2: Recommendation for Key Components of Effective 2+2 Enhancement Programs and Strategy 3: Development and Implementation of the 2+2 Data Toolkit. Mr. Tripp moved approval of the recommendations for Strategies 2 and 3 of the 2+2 Articulation Implementation Plan. Ms. Jordan seconded the motion and the members concurred unanimously.

14. Budget and Finance Committee Report

Chair Lautenbach recognized Mr. Kitson for the Budget and Finance Committee Report. Mr. Kitson reported the Committee took up four items for approval.

- A. Approval of Amended Board of Governors Regulations 5.001, 7.003, 7.008, and 9.007

Mr. Kitson moved approval of amendments to Board of Governors Regulations 5.001 Performance-Based Funding; 7.003 Fees, Fines, and Penalties; 7.008 Waiver and

MINUTES: FLORIDA BOARD OF GOVERNORS

October 29-30, 2019

Exemptions of Tuition and Fees; and 9.007 University Operating Budgets. Ms. Jordan seconded the motion and the members concurred unanimously.

B. 2019-2020 Carryforward Spending Plans and Fixed Capital Outlay Budgets

Mr. Kitson moved approval of the 2019-2020 Carryforward Spending Plans and Fixed Capital Outlay Budgets that were heard at a joint meeting of the Facilities and Budget and Finance Committee on October 3, 2019. Mr. Huizenga seconded the motion and the members concurred unanimously.

C. Performance-Based Funding Report

Mr. Kitson moved approval of the Performance-Based Funding Report heard at the October 3, 2019 meeting of the Budget and Finance Committee. Mr. Huizenga seconded the motion and the members concurred unanimously.

D. Performance-Based Funding Model Revisions

Mr. Kitson moved approval of revisions to the Performance-Based Funding Model. Ms. Jordan seconded the motion and the members concurred unanimously.

E. 2020-2021 State University System Legislative Budget Request

Mr. Kitson reported the Budget and Finance Committee will meet on November 19, 2019 at Florida Gulf Coast University and a Board of Governors conference call will be held on November 22, 2019, to vote on the final legislative budget request.

15. Nomination and Governance Committee Report

Chair Lautenbach moved approval of the following persons to fill trustee vacancies at all twelve universities, each motion subject to Senate confirmation and the appointee attending a Board of Governors orientation, completing trustee training, and attending the annual Trustee Summits.

A. Appointment of University Trustees

Chair Lautenbach moved approval of the appointment of Kristin Harper to the Florida Agricultural & Mechanical University Board of Trustees to serve the remainder of a term expiring on January 6, 2021, with the term to be effective immediately. Mr. Kitson seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the reappointment of Nicole Washington to the Florida Agricultural & Mechanical University Board of Trustees to serve a second term

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October 29-30, 2019

beginning on January 6, 2020. Mr. Huizenga seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the reappointment of Michael Dennis to the Florida Atlantic University Board of Trustees to serve a second term beginning on January 6, 2020. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of Elycia Morris to the Florida Atlantic University Board of Trustees for a term beginning on January 6, 2020. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of Ed Morton to the Florida Gulf Coast University Board of Trustees for a term beginning January 6, 2020. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of Jaye Semrod to the Florida Gulf Coast University Board of Trustees for a term beginning January 6, 2020. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the reappointment of Natasha Lowell to the Florida International University Board of Trustees to serve a second term beginning on January 6, 2020. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of Donna Hrinak to the Florida International University Board of Trustees for a term beginning on January 6, 2020. Mr. Levine seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of Earl Sasser to the Florida Polytechnic University Board of Trustees for a term that begins immediately and will run until July 15, 2024. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the reappointment of Bob Sasser to the Florida State University Board of Trustees for a second term beginning on January 6, 2020. Mr. Levine seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of John Thiel to the Florida State University Board of Trustees for a second term beginning on January 6, 2020. Mr. Levine seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of Mary Ruiz to the New College of Florida Board of Trustees to serve the remainder of a term expiring on January 6, 2021, with the term to be effective immediately. Ms. Jordan seconded the motion and the members concurred unanimously.

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Chair Lautenbach moved approval of the appointment of Ronald Christaldi to the New College of Florida Board of Trustees for a term beginning on January 6, 2020. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of Harold Mills to the University of Central Florida Board of Trustees to serve the remainder of a term expiring on January 6, 2021, with the term to be effective immediately. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of Michael Okaty to the University of Central Florida Board of Trustees to serve the remainder of a term expiring on January 6, 2021, with the term to be effective immediately. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of Caryl McAlpin to the University of Central Florida Board of Trustees for a term beginning on January 6, 2020. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the reappointments of Anita Zucker and David Brandon to the University of Florida Board of Trustees for second terms beginning on January 6, 2020. Mr. Levine seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointments of Nik Patel and Jill Davis to the University of North Florida Board of Trustees for terms beginning on January 6, 2020. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the reappointment of Michael Griffin to the University of South Florida Board of Trustees for a second term beginning on January 6, 2020. Mr. Levine seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointment of Sandra Callahan to the University of South Florida Board of Trustees for a term beginning on January 6, 2020. Ms. Jordan seconded the motion and the members concurred unanimously.

Chair Lautenbach moved approval of the appointments Stephanie White and Jill Singer to the University of West Florida Board of Trustees for terms beginning on January 6, 2020. Mr. Huizenga seconded the motion and the members concurred unanimously.

16. Concluding Remarks and Adjournment

Chair Lautenbach announced the Budget and Finance Committee will meeting on November 19 at Florida Gulf Coast University and the Board of Governors will hold a conference call on November 22. The next in-person meeting of the Board will be

MINUTES: FLORIDA BOARD OF GOVERNORS

October 29-30, 2019

January 29-30, 2020 at Florida State University. Having no further business, the meeting was adjourned at 2:35 p.m. on October 30, 2019.

Ned C. Lautenbach, Chair

Vikki Shirley,
Corporate Secretary

MINUTES: FLORIDA BOARD OF GOVERNORS

November 22, 2019

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STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FL
NOVEMBER 22, 2019

*Video or audio archives of the meetings of the Board of Governors
and its Committees are accessible at <http://www.flbog.edu/>.*

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MINUTES: FLORIDA BOARD OF GOVERNORS

November 22, 2019

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FL
NOVEMBER 22, 2019

1. Call to Order and Opening Remarks

On November 22, 2019, Chair Ned C. Lautenbach convened the telephone conference meeting at 11:36 a.m. with the following members present and answering roll call: Vice Chair Syd Kitson; Patricia Frost, H. Wayne Huizenga, Jr.; Zenani Johnson; Brian Lamb; Alan Levine; Kent Stermon and Norman Tripp.

Chair Lautenbach thanked everyone for joining the call. He thanked the universities for the presentations made to the Budget and Finance Committee in Fort Myers and he thanked Mr. Kitson, Chancellor Criser, Tim Jones and Board staff for their hard work.

Chair Lautenbach reflected upon the past four years, acknowledging the improvements made in the areas of graduation rates, job opportunities, STEM degrees, research, and reductions in student debt – all of which demonstrate why Florida has been ranked number one in higher education for three years in a row. He remarked on the unprecedented levels of collaboration and stakeholder input over the last few months and emphasized the Board of Governors' commitment to making the best possible legislative budget recommendations to the Legislature.

2. Public Comment

Chair Lautenbach asked the Board's General Counsel Vikki Shirley if there were any requests for public comment for items on the Board's agenda. Ms. Shirley stated no requests for public comment had been received.

3. Budget and Finance Committee Report

Chair Lautenbach recognized Mr. Kitson for the Budget and Finance Committee Report. Mr. Kitson reported the Committee recommended the allocation of funds as presented and approved by the Budget and Finance Committee.

Mr. Huizenga moved approval of the 2020-2021 State University System Legislative Budget Request. Mr. Lamb seconded the motion and the members concurred unanimously.

MINUTES: FLORIDA BOARD OF GOVERNORS

November 22, 2019

4. Concluding Remarks and Adjournment

Chair Lautenbach announced the next in-person meeting of the Board will be held on January 29-30, 2020 at Florida State University. Having no further business, the meeting was adjourned at 11:40 a.m. on November 22, 2019.

Ned C. Lautenbach, Chair

Vikki Shirley,
Corporate Secretary

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Chancellor's Report to the Board of Governors

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Chancellor Marshall M. Criser III will report on activities affecting the Board staff and the Board of Governors since the last meeting of the Board.

Supporting Documentation Included:

None

Facilitators/Presenters:

Chancellor Marshall M. Criser III

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Public Comment

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 286.0114, Florida Statutes; Article V, Section H, Board of Governors Operating Procedures

BACKGROUND INFORMATION

Article V, Section H, of the Board of Governors Operating Procedures provides for public comment on propositions before the Board. The Board will reserve a maximum of fifteen minutes during the plenary meeting of the Board to take public comment.

Individuals, organizations, groups or factions who desire to appear before the Board to be heard on a proposition pending before the Board shall complete a public comment form specifying the matter on which they wish to be heard. Public comment forms will be available at each meeting and must be submitted prior to the plenary meeting.

Organizations, groups or factions wishing to address the Board on a proposition shall designate a representative to speak on its behalf to ensure the orderly presentation of information to the Board. Individuals and representatives of organizations, groups or factions shall be allotted three minutes to present information; however, this time limit may be extended or shortened depending upon the number of speakers at the discretion of the Chair.

Supporting Documentation Included:

None

Facilitators/Presenters:

Chair Syd Kitson

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Business Engagement Panel Discussion

PROPOSED BOARD ACTION

For information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The State University System of Florida works in close collaboration with the business community to support statewide talent development initiatives. To this end, the Board will convene a panel to discuss pertinent topics with key partners including Jamal Sowell, President & CEO of Enterprise Florida, Inc. and Florida Secretary of Commerce; Bob Ward, President & CEO of the Florida Council of 100; and Mark Wilson, President & CEO of the Florida Chamber of Commerce.

Supporting Documentation Included: None

Facilitators/Presenters: Chair Syd Kitson
Mr. Jamal Sowell
Mr. Bob Ward
Mr. Mark Wilson

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Consideration of Amendments to Board of Governors Operating Procedures

PROPOSED BOARD ACTION

Consideration of Amendments to Board of Governors Operating Procedures.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

Article VI, Section C is being amended to reflect the elimination of the Legislative Affairs Committee as a separate standing committee.

Supporting Documentation Included: Board of Governors Operating Procedures

Facilitators/Presenters: Chair Syd Kitson

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
January 30, 2020**

SUBJECT: Board of Governors Regulation 5.001 Performance-Based Funding

PROPOSED BOARD ACTION

Approve the Public Notice of Intent to Amend Regulation 5.001.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation Development Procedure

BACKGROUND INFORMATION

On October 30, the Board approved changes to the Performance-Based Funding model.

The regulation is being amended to adjust the threshold to be eligible for the institutional investment from 50 points to 55 points in 2020 and 60 points in 2021.

If approved, the amended regulation will be posted to the Board's website for public comment, with final approval at the March Board meeting.

Supporting Documentation Included: Information located in the Budget & Finance Committee materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: University of North Florida's 2020-2025 Strategic Plan

PROPOSED BOARD ACTION

Consider approval of the University of North Florida's 2020-2025 Strategic Plan.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Board of Governors Regulation 1.001(3)(c)

BACKGROUND INFORMATION

Board of Governors Regulation 1.001(3)(c) requires that each University Board of Trustees adopt a strategic plan in alignment with its mission and the Board of Governors' System Strategic Plan. University strategic plans are required to be submitted to the Board of Governors for approval. The University of North Florida's 2020-2025 Strategic Plan has been submitted for consideration. The strategic plan also contains a cross-walk demonstrating that the institution's strategic plan is aligned with the Board of Governors' 2025 Strategic Plan goals. Both documents were approved November 1, 2019, by the University of North Florida Board of Trustees.

The Strategic Planning Committee Chair will provide a recommendation to the full Board.

Supporting Documentation Included:

In Strategic Planning Committee
Materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: World Class Faculty and Scholar Program Report

PROPOSED BOARD ACTION

Consider approval of the World Class Faculty and Scholar Program Report.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Section 1004.6497, Florida Statutes, requires that the Board of Governors submit a report on the World Class Faculty and Scholar Program to the Legislature by March 15 of each year. The Legislature provided \$90.5 million in 2018-19 to support the efforts of the State University System institutions to recruit and retain exemplary faculty and research scholars. The 2020 report includes expenditure information for the 2018-19 year. Board staff collected the statutorily required data points from State University System Institutions in the fall of 2019 to create the 2020 report.

The Academic and Research Excellence Committee Chair will provide a recommendation to the full Board.

Supporting Documentation Included:

In Academic and Research
Excellence Committee Materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Professional and Graduate Degree Excellence Program Report

PROPOSED BOARD ACTION

Consider approval of the Professional and Graduate Degree Excellence Program Report.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Section 1004.6498, Florida Statutes, requires that the Board of Governors submit a report on the Professional and Graduate Degree Excellence Program to the Legislature by March 15 of each year. The Legislature provided \$60 million in 2018-19 to State University System institutions to enhance the quality and excellence of professional and graduate schools and degree programs in medicine, law, and business. The 2020 report includes expenditure information for the 2018-19 year. Board staff collected the statutorily required data points from State University System institutions in the fall of 2019 to create the 2020 report.

The Academic and Research Excellence Committee Chair will provide a recommendation to the full Board.

Supporting Documentation Included:

In Academic and Research
Excellence Committee Materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.002
Admission of Undergraduate First-Time-in-College, Degree-Seeking
Freshmen

PROPOSED BOARD ACTION

Consider approval of Public Notice of Intent to Amend Board of Governors Regulation 6.002 Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board Regulation 6.002 Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen has been amended to provide greater flexibility for State University System institutions making undergraduate admission decisions while providing technical changes to assist in clarity of reading. Although admissions testing will still be required, in previously proven cases of academic success, specific test score minimums are not expected.

Additionally, in recognition of the awarding of the Associate in Arts (A.A.) degree to high school students through dual enrollment, an admissions category for first-time-in-college students who are also A.A. graduates is established. This designation will allow for those Associate in Arts/high school graduates to receive the A.A. admission benefit provided to A.A. graduates under Board Regulation 6.004.

Finally, there is a technical change to the layout of Table One.

If approved by the Academic and Student Affairs Committee and the Board of Governors, the Intent to Amend will be available for public comment for thirty days. If no concerns are raised during that time, the Regulation will come before the Board of Governors for final approval.

The Academic and Student Affairs Committee Chair will provide a recommendation to the full Board.

Supporting Documentation Included:

In Academic and Student Affairs
Committee Materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Public Notice of Intent to Amend Board of Governors Regulation 6.008
Postsecondary College-level Preparatory Testing, Placement, and
Instruction for State Universities

PROPOSED BOARD ACTION

Consider approval of Public Notice of Intent to Amend Board of Governors Regulation 6.008 Postsecondary College-level Preparatory Testing, Placement, and Instruction for State Universities.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Board Regulation 6.008 Postsecondary College-level Preparatory Testing, Placement, and Instruction for State Universities has been amended to reflect placement test changes and to align with standards outlined in the Florida State Board of Education Rule 6A-10.03515, Common Placement Testing, and Instruction. Doing so provides for consistent treatment of students across the state. The amendment also eliminates references to discontinued College Board SAT examinations.

The College Board's Classic ACCUPLACER examination will no longer be available after January 2020. The Florida Department of Education recommended interim scores for the new Next-Generation ACCUPLACER, which were then approved by the State Board. It may be summer 2020 before there will be enough testing by Florida students to recommend final placement cut-scores.

If approved by the Academic and Student Affairs Committee and the Board of Governors, the Intent to Amend will be available for public comment for thirty days. If no concerns are raised, the Regulation will come before the Board of Governors for final approval.

The Academic and Student Affairs Committee Chair will provide a recommendation to the full Board.

Supporting Documentation Included:

In Academic and Student Affairs
Committee Materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Termination Request for the Ph.D. in Rehabilitation Counseling, CIP
51.2310 by Florida State University

PROPOSED BOARD ACTION

Consider approval of the Termination Request for the Ph.D. in Rehabilitation Counseling, CIP 51.2310 by Florida State University.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Florida State University is requesting termination of the Ph.D. in Rehabilitation Counseling with an effective date of summer 2020. The request for termination of the program is the result of budget cuts in 2008 that eliminated two faculty lines from the program, and the two remaining faculty were moved to the Mental Health Counseling program. The program has been suspended since fall 2011, and no new students have been admitted to the program since it was suspended.

Board Regulation 8.012 Academic Program Termination and Temporary Suspension of New Enrollments permits University Boards of Trustees to recommend termination of degree programs at the doctoral or professional level to the Board of Governors.

The Academic and Student Affairs Committee Chair will provide a recommendation to the full Board.

Supporting Documentation Included:

In Academic and Student Affairs
Committee Materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Request for Exception to the 120 Credit Hour Requirement by the University of Central Florida for the Bachelor of Science in Materials Science and Engineering, CIP 14.1801

PROPOSED BOARD ACTION

Consider approval of the Request for Exception to the 120 Credit Hour Requirement by the University of Central Florida for the Bachelor of Science in Materials Science and Engineering, CIP 14.1801.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The University of Central Florida is requesting an exception to the 120 credit hour requirement for the proposed Bachelor of Science in Materials Science and Engineering degree pursuant to Board of Governors Regulation 8.014. The institution is requesting approval for 128 credit hours for the degree. The basis for the request for exception is due to the provision of space in the program to meet ABET accreditation standards and deliver a curriculum competitive with other Materials Science and Engineering baccalaureate programs across the country.

The University of Central Florida Board of Trustees approved the exception to require 128 credit hours on September 27, 2018. If approved by the Board of Governors, the exception request will be effective upon the implementation of the degree program in fall 2020.

The Academic and Student Affairs Committee Chair will provide a recommendation to the full Board.

Supporting Documentation Included:

In Academic and Student Affairs
Committee Materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Request for Classification of the Torrey Pines @ FIU as a Special Purpose Center by Florida International University

PROPOSED BOARD ACTION

Consider approval of the Request for Classification of the Torrey Pines @ FIU as a Special Purpose Center by Florida International University.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

Florida International University (FIU) requests the approval of Torrey Pines @ FIU as a Special Purpose Center pursuant to Board of Governors Regulation 8.009. A Special Purpose Center is a unit of a university, apart from the main campus, that provides certain special, clearly defined programs or services, such as research or public service, and reflects a relatively permanent commitment by a university for the foreseeable future. The facility must be university owned, leased, or jointly used with another public institution. Special Purpose Centers typically do not offer instructional programs or courses leading to a college degree.

Torrey Pines @ FIU will be located in the Florida Center for Innovation and Tradition at 11350 SW Village Parkway in Port St. Lucie, Florida. The center will provide FIU faculty with a state-of-the-art research facility that includes fully functional wet laboratories, a Nuclear Magnetic Resonance laboratory, vivarium, and auditorium. This facility will enhance FIU's research base in the STEM fields of chemistry and chemical biology and accelerate FIU's translational medicinal chemistry and chemical biology research, drug discovery and basic research efforts leading to the cure of diseases in areas of cancer and neurodegenerative diseases. FIU will not offer instructional programs or courses leading to a college degree at this location.

Effective upon approval from the Board of Governors, Torrey Pines @ FIU will open March 1, 2020.

The Academic and Student Affairs Committee Chair will provide a recommendation to the full Board.

Supporting Documentation Included:

In Academic and Student Affairs
Committee Materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Authorization of a Resolution of the Board of Governors (the “Board”) requesting the Division of Bond Finance of the State Board of Administration of Florida (the “Division of Bond Finance”) to issue revenue bonds on behalf of Florida International University to finance the construction of a new housing facility.

PROPOSED BOARD ACTION

Authorization of a resolution requesting the issuance of fixed rate, tax-exempt revenue bonds by the Division of Bond Finance on behalf of Florida International University (the “University”), in an amount not to exceed \$71,800,000 (the “Bonds”) for the purpose of financing a new housing facility on the University’s main campus (“the Project”).

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance have reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and complies with the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution.

BACKGROUND INFORMATION

On June 22, 2017, the Board approved FIU’s financing of the Project with Bonds in an amount not to exceed \$63M, with total project costs of \$66.5M. Reauthorization has been requested by the University due to increased project costs. The Project will be located in the central, southern area of the main campus of the University and will include approximately 700 beds. The Project is the second phase (Parkview II) of a two-phase project, of which phase I (Parkview I) provided 611 beds and opened fall 2014. The total Project cost is expected to be approximately \$87.5M.

The University’s Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$71,800,000 of fixed rate, tax-exempt revenue bonds to finance the construction of the Project, fund capitalized interest, and pay costs of issuing the Bonds. The University’s housing system will fund

an additional \$23M through a cash contribution toward the Project. The Bonds will mature no more than thirty (30) years after issuance with level annual debt service payments.

The debt service payments will be funded from revenues generated from the operation of the University housing system, after payment of operating and maintenance costs. Operating revenues are generated primarily from housing rental revenues, special event rental revenues, net parking revenues paid by the residents, and other miscellaneous collections. The Bonds will be issued on parity with the outstanding FIU Dormitory Revenue Bonds, and projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Bonds and the outstanding dormitory bonds.

The University's Board of Trustees approved the Project and the financing thereof at its December 5, 2019, meeting.

Supporting Documentation Included: Information located in the Facilities Committee materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: A Resolution of the Board of Governors approving Florida State University Board of Trustees to enter into a sublease, operating agreement and other related agreements with ZP No 350, LLC, an affiliate of Zimmer Development Company, related to the development, construction, financing, operation, and maintenance of a 400-bed student housing facility on the Panama City Campus.

PROPOSED BOARD ACTION

Adoption of a resolution approving Florida State University Board of Trustees (“FSU”) entering into a sublease and operating agreement with ZP No. 350, LLC (“Owner”, “Developer”) for the construction, operation, and maintenance of a 400-bed student housing facility and associated parking spaces on FSU’s Panama City Campus. If approved, FSU will enter into a 40-year sublease with the Owner.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, have reviewed this resolution, and all supporting documentation, and found it to be in compliance with Florida Law and the Board of Governors’ Public-Private Partnership (P3) Guidelines.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Sections 1013.171 and 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution

BACKGROUND INFORMATION

The University considered various options to build student housing on the Panama City Campus and determined a P3 method most appropriate. Accordingly, it issued ITN 5978-6, dated January 18, 2019, in search for a national-scale developer with experience in constructing and operating student housing, and with the financial strength to preclude any financial support from the University. Five respondents were evaluated, with final award given to Zimmer Development Company on May 2, 2019. The proposal calls for entry into a sublease for the construction of a student housing facility.

The proposed Project will be located on the Panama City Campus (“FSUPC”), on a 2.65-acre waterfront parcel, and comprised of 132 units and 400 beds, representing approximately 150,000 gross square feet. The Project will include associated surface parking and recreational amenities (together, the “Project”).

The estimated cost of the facility is approximately \$23.1 million - the design, development, and construction of which will be financed by the Owner/Developer in its entirety via equity investment (20%) and private-financing/debt (80%). The Owner will grant a leasehold mortgage to the lender to secure the loan. The Owner will receive 2% of total costs or approximately \$462,000 as a fee for development services.

The Project is anticipated to be open fall 2021.

For use of the land, the Owner will pay FSUPC a base rent (ground lease) of \$87,100 annually, as well as an annual payment of \$231,820 in lieu of real estate taxes, both of which will escalate based on CPI every five years. The University will also receive additional payments in the form of profit sharing based on 2% of net operating income, subject to the Project maintaining 90% occupancy and minimum 1.20x debt service coverage. The Owner will also be required to make annual payments equal to \$200/bed into a repair and replacement reserve to help ensure adequate maintenance of the Project.

The Florida State University Board of Trustees approved the Project and the sublease at its November 1, 2019, meeting.

Taken as a whole, approval of the Project is recommended by Board staff.

Supporting Documentation Included: Information located in the Facilities Committee materials

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

January 30, 2020

SUBJECT: Presidential Search Report, University of Central Florida

PROPOSED BOARD ACTION

For information.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

Governor Cerio, who is serving on the University of Central Florida Presidential Search Committee, will provide an update on the activities of the committee.

Supporting Documentation Included: None

Facilitators/Presenters: Governor Tim Cerio