

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BUDGET AND FINANCE COMMITTEE
UNIVERSITY OF SOUTH FLORIDA
TAMPA, FLORIDA
JUNE 23, 2011

Mr. Perez, Chair, convened the meeting of the Budget and Finance Committee at 1:30 PM. Members present were Dick Beard, Dr. Stanley Marshall, Norman Tripp, Mori Hosseini, Ann Duncan and Mike Long. Other Board members present were Ava Parker, Dean Colson, Gus Stavros, Charlie Edwards, Dr. Rick Yost, Patricia Frost and John Temple.

1. Call to Order

Mr. Perez called the meeting to order and thanked the members for their attendance. He announced there are three items not on the Committee agenda, but will be on the Board agenda later:

- The final approval of amended Regulation 10.001 on Self Insurance Programs. This regulation was amended at the March meeting; there were no comments, and thus it will be considered for final approval today.
- Approval of FAU's faculty practice plan.
- Amend Regulation 9.017 - Faculty Practice Plans, to add FAU College of Medicine faculty practice plan to the regulation.

As these items are routine, they will be on the Board's consent agenda.

2. Approval of January 19 and February 10, 2011, Meeting Minutes

Mr. Tripp moved that the Committee approve the notes of the meeting held January 19, 2011, and February 10, 2011, as presented. Dr. Marshall seconded the motion, and members of the Committee concurred.

3. Clarification on the Implementation of UNF's Student Life and Services Fee Proposals

Mr. Perez reminded the Committee about the presentation from UNF for a student life and services fee back in February. This fee was approved by the full Board in March. When this fee was presented, the Committee was operating under the impression that this was a per credit hour fee of \$4.78, whereas UNF was presenting the fee as no more than 5% of base tuition. By approving the fee to be no more than 5% of tuition, this would make the calculation of the fee similar to the technology fee (which is

no more than 5% of tuition) and the financial aid fee (which is no more than 5% of tuition). By indexing this fee against tuition, the UNF will not have to return each year to this Committee to request an increase in the fee.

Mr. Beard moved the clarification. Mr. Hosseini seconded the motion and the Committee concurred with Mr. Tripp opposing.

4. Consideration of 2011 Tuition Differential Fee Proposals

Mr. Perez thanked the universities for the work plan presentations, which included 2011 tuition differential fee requests, and stated that the Committee would not be hearing any further presentations at this time.

Mr. Perez walked the Committee through a PowerPoint presentation.

Mr. Perez stated that the universities have, and continue to look for, other efficiencies to reduce expenditures and they must continue to review all operations. It is clear that with the state's economic situation and the continued cuts to state funds that about the only alternative universities have to raise revenue is through tuition increases. He is mindful of the fact that universities continue to maximize resources and look for efficiencies in all areas of operations. Universities have trimmed all the fat and are now digging into the bone.

Mr. Perez reminded the Committee that the Legislature increased the base tuition 8%. This means an increase to students of \$230 for 30 credit hours, and since the base tuition and tuition differential cannot exceed 15% that leaves a maximum of 7% that can be requested by each university. He noted that the Legislature built into the 2011-12 appropriations the assumption of a 7% tuition differential increase. That assumption helped offset the loss of state funds.

He further stated that the reality of the situation is that tuition, not only in Florida but around the country, continues to increase. As shown in one of the charts, Florida is still towards the bottom of the country in tuition and fees. Mr. Perez noted that a 15% tuition increase in Florida is about equivalent to a 7% increase at the national level.

Mr. Perez stated that this past spring the Committee requested the universities to develop four year tuition, fee and housing projections so students, Boards of Trustees and this Board can see what increases universities are planning. These projections are not binding and give the Board a sense of what universities are planning. Every university except one has projected a 15% tuition increase for the next four years. This is of some concern particularly to our students who can least afford it. The universities need to continue to look for ways to help our neediest students.

Mr. Perez stated that all of the universities are requesting a 7% increase to their tuition differential and the Committee will address them individually. The increased cost to the student will range from \$258 to \$300 for 30 credit hours. Therefore, with a 15% tuition and tuition differential increase, a student taking 30 credit hours will pay an additional \$490 to \$530 depending on the university attended.

Mr. Perez then presented the following tuition differential requests.

Florida A&M University. Their current tuition differential is \$12.80 per credit hour. They are requesting a 7% increase which is an increase of \$8.62 per credit hour for a total of \$21.42 per credit hour. Mr. Beard moved the approval of FAMU's 7% increase. Mr. Hosseini seconded the motion and the Committee concurred.

Florida Atlantic University. Their current tuition differential is \$12.80 per credit hour. They are requesting a 7% increase which is an increase of \$8.62 per credit hour for a total of \$21.42 per credit hour. Ms. Duncan moved the approval of FAU's 7% increase. Mr. Beard seconded the motion and the Committee concurred.

Florida Gulf Coast University. Their current tuition differential is \$12.80 per credit hour. They are requesting a 7% increase which is an increase of \$8.62 per credit hour for a total of \$21.42 per credit hour. Mr. Beard moved the approval of FGCU's 7% increase. Dr. Marshall seconded the motion and the Committee concurred with Mr. Long voting no.

Florida International University. Their current tuition differential is \$22.00 per credit hour. They are requesting a 7% increase which is an increase of \$10.00 per credit hour for a total of \$32.00 per credit hour. Mr. Hosseini moved the approval of FIU's 7% increase. Mr. Beard seconded the motion and the Committee concurred.

Florida State University. Their current tuition differential is \$22.00 per credit hour. They are requesting a 7% increase which is an increase of \$10.00 per credit hour for a total of \$32.00 per credit hour. Dr. Marshall moved the approval of FSU's 7% increase. Mr. Hosseini seconded the motion and the Committee concurred.

New College of Florida. Their current tuition differential is \$12.80 per credit hour. They are requesting a 7% increase which is an increase of \$8.62 per credit hour for a total of \$21.42 per credit hour. Mr. Beard moved the approval of NCF's 7% increase. Dr. Marshall seconded the motion and the Committee concurred.

University of Central Florida. Their current tuition differential is \$15.88 per credit hour. They are requesting a 7% increase which is an increase of \$9.08 per credit

hour for a total of \$24.96 per credit hour. Ms. Duncan moved the approval of UCF's 7% increase. Mr. Hosseini seconded the motion and the Committee concurred.

University of Florida. Their current tuition differential is \$22.00 per credit hour. They are requesting a 7% increase which is an increase of \$10.00 per credit hour for a total of \$32.00 per credit hour. Mr. Beard moved the approval of UF's 7% increase. Dr. Marshall seconded the motion and the Committee concurred.

University of North Florida. Their current tuition differential is \$12.80 per credit hour. They are requesting a 7% increase which is an increase of \$8.62 per credit hour for a total of \$21.42 per credit hour. Dr. Marshall moved the approval of UNF's 7% increase. Ms. Duncan seconded the motion and the Committee concurred, with Mr. Long voting no.

University of South Florida Tampa Campus. Their current tuition differential is \$22.00 per credit hour. They are requesting a 7% increase which is an increase of \$10.00 per credit hour for a total of \$32.00 per credit hour. Ms. Duncan moved the approval of USF-Tampa's 7% increase. Mr. Tripp seconded the motion and the Committee concurred.

University of South Florida St. Petersburg campus. Their current tuition differential is \$12.80 per credit hour. They are requesting a 7% increase which is an increase of \$8.62 per credit hour for a total of \$21.42 per credit hour. Ms. Duncan moved the approval of USF St. Petersburg's 7% increase. Mr. Beard seconded the motion and the Committee concurred.

University of South Florida Sarasota/Manatee campus. Their current tuition differential is \$12.80 per credit hour. They are requesting a 7% increase which is an increase of \$8.62 per credit hour for a total of \$21.42 per credit hour. Mr. Beard moved the approval of USF Sarasota/Manatee's 7% increase. Ms. Duncan seconded the motion and the Committee concurred.

University of South Florida Polytechnic campus. Their current tuition differential is \$12.80 per credit hour. They are requesting a 7% increase which is an increase of \$8.62 per credit hour for a total of \$21.42 per credit hour. Mr. Hosseini moved the approval of USF Polytechnic's 7% increase. Mr. Beard seconded the motion and the Committee concurred.

University of West Florida. Their current tuition differential is \$12.80 per credit hour. They are requesting a 7% increase which is an increase of \$8.62 per credit hour for a total of \$21.42 per credit hour. Mr. Beard moved the approval of UWF's 7% increase. Mr. Hosseini seconded the motion and the Committee concurred.

5. Notice of Intent to Amend Board Regulations 7.001 and 7.003

Mr. Perez noted that two regulations are being amended. He requested Tim Jones to come forward and present the proposed changes to Regulation 7.001.

Mr. Jones stated that there were two changes as a result of legislative actions during the 2011 legislative session. The first adjusts the base tuition from \$95.67 to \$103.32 to reflect the 8% base tuition increase, and the second is a change as a result of Senate Bill 2150 that allows a portion of the 30% set aside for need-based financial aid to be spent on other undergraduate education expenses if the entire tuition and fees of resident students who have applied for and received Pell Grant funds has been met.

Mr. Perez reminded the committee that this is the first notice and the public will have an opportunity to provide comments. The regulation will be considered for final approval at the September meeting. Mr. Beard moved the approval of the regulation for notice. Mr. Tripp seconded the motion and the Committee concurred.

Mr. Perez asked Mr. Jones to review Regulation 7.003 – Fees, Fines and Penalties.

Mr. Jones noted several changes that included statutory changes enacted by the 2011 Legislature, codification of new fees approved by the Board in March, and four new criteria for the submission of new fees. Those four criteria are:

- o The fee cannot be an extension of, or cover the same services as, an existing statutory fee;
- o The fee cannot be utilized to create additional bonding capacity in an existing fee;
- o The fee cannot be used to support services or activities that have been paid for with education and general funds; and
- o The fee should support a service or activity in which a majority of students is able to participate or from which derive a benefit.

Mr. Perez reminded the committee, that this is the first notice and the public will have an opportunity to provide comments. The regulation will be considered for final approval at the September meeting.

Mr. Perez reiterated that the Committee spent many hours listening and discussing the fees and that the four criteria are consistent with the Committee and Board's discussion and direction.

Mr. Tripp moved the approval of the regulation for notice. Dr. Marshall seconded the motion and the Committee concurred.

6. **Consideration of Collegiate License Plate Expenditure Modifications**

Mr. Perez asked Mr. Jones to present the next issue.

Mr. Jones provided an overview of the program and noted that FGCU and NCF expenditure plans need to be approved pursuant to statute. In addition, FAMU has requested a modification to their expenditure plan.

Mr. Tripp moved the approval of the FGCU and NCF expenditure plans. Ms. Duncan seconded the motion and the Committee concurred.

Mr. Hosseini moved the approval of the FAMU's request to modify their expenditure plan. Mr. Tripp seconded the motion and the Committee concurred.

7. **FIU's Self Insurance Program Investment Policy**

Mr. Perez explained the FIU's self insurance investment policy. Ms. Duncan moved the approval of the FIU's self insurance investment policy. Dr. Marshall seconded the motion and the Committee concurred.

8. **Concluding Remarks and Adjournment**

Having no further business, the meeting was adjourned at 2:12 PM.