



Item: AF: A-4

AUDIT AND FINANCE COMMITTEE

Tuesday, June 4, 2013

SUBJECT: REQUEST FOR APPROVAL OF TRANSFER OF PORT ST. LUCIE PROPERTY TO INDIAN RIVER STATE COLLEGE.

PROPOSED COMMITTEE ACTION

The University requests approval of the transfer of the Port St. Lucie campus in accordance with Board of Governors (BOG) Regulation 8.009 and authorize the University President to execute any documents required to affect the transfer.

BACKGROUND INFORMATION

The Florida Atlantic University (FAU) Board of Trustees (BOT) adopted a budget for the 2012-13 fiscal year which included the closing of the Port St. Lucie campus. This decision was made as part of a larger, comprehensive budget reduction plan that addressed the continuing fiscal decline of the State of Florida budget and subsequent FAU appropriation reductions. An analysis of reduced program offerings, the declining campus student enrollment, and reductions in overall credit hours being generated on that campus led to this decision. The BOT determined that the academic programs could be more efficiently and effectively delivered at the Harbor Branch Oceanographic Institute in Fort Pierce, the Jupiter campus, the Boca Raton campus or by offering programs on-line. With the relocation of the academic programs, FAU was able to assure that no students were adversely affected regarding degree completion and in addition, nearly \$2 million was saved.

FAU's long-time partner on the Port St. Lucie campus, Indian River State College (IRSC), requested and was granted a lease of the facilities for the 2012-13 academic year. In the Facility Lease Agreement, IRSC agreed to pay for the administrative costs associated with the Port St. Lucie campus during the lease period. More recently, as this transfer progressed, in Section 9 of the 2013-14 appropriations act, the Florida Legislature passed the transfer of the facilities from FAU to IRSC and this was signed by Governor Scott on May 20, 2013.

The BOG Regulation 8.009(3)(c), states that an instructional site or campus slated for closure by a university will require BOT approval. It further requires that if an instructional or special purpose site scheduled for closing has been funded by the Legislature or established pursuant to law, the University shall provide documentation to the BOG justifying the closure, and shall initiate a dialogue with legislative leadership regarding the closure. This requirement has been met.

The final step of this process, to assure all obligations have been met and regulations adhered to, is the formal transfer of the campus to IRSC.

IMPLEMENTATION PLAN/DATE

Immediately, upon approval by the BOT and the BOG.

FISCAL IMPLICATIONS

N/A

Supporting Documentation: N/A

Presented by: Dennis Crudele, Sr. Vice President for Financial Affairs

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