



Item: AF: A-M

AUDIT AND FINANCE COMMITTEE

Tuesday, June 4, 2013

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE APRIL 16, 2013 AUDIT AND FINANCE COMMITTEE MEETING.

PROPOSED COMMITTEE ACTION

Initiate roll call to document member participation to ensure appropriate quorum numbers are achieved and to approve the minutes of the April 16, 2013 Audit and Finance Committee meeting.

COMMITTEE MEMBERS

Mr. Thomas Workman, Jr., Chair	_____
Mr. David Feder, Vice Chair	_____
Mr. Anthony Barbar (ex-officio)	_____
Mr. Abdol Moabery	_____
Mr. Robert Rubin	_____
Mr. Robert Stilley	_____

BOT MEMBERS

Mr. Peter "Pedro" Amirato	_____
Dr. Jeffrey Feingold	_____
Dr. Ronald Nyhan	_____
Mr. Paul Tanner	_____
Dr. Julius Teske	_____



**AUDIT AND FINANCE COMMITTEE
DRAFT MINUTES
Tuesday, April 16, 2013**

AF: A-M. Roll Call and Approval of the Draft Minutes for the February 19, 2013 BOT Audit and Finance Committee meeting.

Mr. Thomas Workman, Chair of the Board of Trustees (BOT) Audit and Finance Committee (AFC), convened this meeting at 11:22 a.m. Roll call commenced with the following Committee members, in addition to Mr. Workman, participating: Mr. David Feder, Vice Chair; Mr. Anthony Barbar (ex-officio), Dr. William McDaniel, Mr. Abdol Moabery (via teleconference), Mr. Robert Rubin, and Mr. Robert Stilley.

Other Trustees attending the meeting included: Dr. Angela Graham-West, Mr. Robert Huffman, Mr. Paul Tanner and Dr. Julius Teske.

The following University officials participated: Dr. Mary Jane Saunders, President; Mr. Dennis Crudele, Senior Vice President for Financial Affairs; Dr. Charles Brown, Senior Vice President for Student Affairs; Ms. Jill Eckardt, Director-Housing and Residential Life; Mr. Joel Herbst, Assistant Dean/PK-12 Schools and Programs; and, Mr. David Kian, General Counsel.

Upon call, a motion was made and seconded to approve the minutes of the February 19, 2013 AFC meeting without change or correction. **The motion passed unanimously.**

AF: A-1. Request for Approval of Proposed Regulation 8.001, Tuition, Fee Schedule and Percentage of Cost.

Mr. Crudele advised members that the request being presented is to increase the Capital Improvement Fee by \$2.00 per undergraduate credit hour to \$8.76 and to increase medical tuition by three percent to \$26,497 for in-state students and to \$32,445 for out-of-state students.

No increases are being recommended in either in-state or out-of-state undergraduate or graduate tuition, tuition differential, activity and service fees, student health fees, athletic fees or the technology fee.

Mr. Crudele noted that the increased Capital Improvement Fee is estimated to generate an additional \$1,250,000 for future improvements to student related facilities only. The increase in

the medical school tuition is requested in accordance with the Liaison Committee on Medical Education (LCME) accreditation recommendation and will generate approximately \$186,000.

With no issues put forth for discussion, a motion was made and seconded to recommend BOT approval of the proposed Regulation 8.001 as presented. **The motion passed unanimously.**

AF: A-2 Request for Approval of Proposed 2013-14 Housing and Residential Rental Rates.

Dr. Brown stated to members that the Department of Housing and Residential Life is an auxiliary operation which must maintain positive cash flow and meeting minimum debt service ratio required under bond covenants. The increases being proposed of between three and seven percent will meet these requirements. He advised that in response to both student surveys and previous AFC recommendations, the increases have been crafted with a view to respecting student financial boundaries but also to maximizing the popularity of single rooms.

Information was provided on the new residence hall opening Fall 2013 which will include FAU's first Faculty-in-Residence program where live-in faculty will serve as a resource for students—offering academic assistance, mentoring and informal interactions with students in the residence hall. The live-in faculty will also teach their courses in classroom space within the residence hall. Additionally, the facility includes retail dining facility to serve the residential students and visitors to the east side of campus.

A review of the various residential facilities and the proposed rates for each followed with members being provided a hand-out articulating the amount and percent of change a student will pay per semester per venue (**See ATTACHMENT A**).

Discussion followed clarifying the occupancy rates are based upon the approximately 3,500 revenue producing spaces; less the 200 residential assistant spaces.

With no further questions or comments, a motion was made and seconded to recommend BOT approval of the proposed increase to the 2013-14 Housing and Residential Rates as presented. **The motion passed unanimously.**

AF: A-3. Request for Approval of Proposed 2013-14 Increase to the Karen A. Slattery Education Research Center for Child Development Rates.

Mr. Crudele explained the functionality of the Karen A. Slattery Educational Research Center for Child Development (SERCCD) which combines research and teaching early child development with daily care for the children of students, faculty, staff and members of the public. These operations are an auxiliary enterprise with financial support coming from user fees and appropriation of student fees.

The recommendation is to increase fees for all age groupings by \$15 per month was developed after administrative review, parent advisory board approval and an advertised parental input

meeting. The resultant revenue will be used to strengthen school security and to upgrade classroom windows to impact glass.

Discussion followed on the seeming inequity of fees being charged for infants versus the older children. It was noted that infants require much more care but, additionally, to ensure enrollment of older children the fees charged are lower. It was suggested since the ERCCD is competitive with similar organizations locally that the pricing for the older age groups be reevaluated upward in the future.

With no further discussion, a motion was made and seconded to recommend BOT approval of the proposed 2013-14 SERCCD rates as presented. **The motion passed unanimously.**

AF: I-1. Update on 2013-14 Legislative Appropriations.

Mr. Crudele recognized Dr. O'Flannery-Anderson's update on the legislative session given during the Community and Governmental Relations Committee meeting but wanted to provide a similar report to this Committee.

He advised that all of the Committees have sent their recommendations to the Appropriations Committee which is set to go to conference this week. A side-by-side summary of the most up-to-date recommendations of each legislative entity was provided to members (**See ATTACHMENT B**).

Mr. Crudele reviewed the various budgetary considerations recommended by each entity noting that restoration of the system-wide \$300 million cut last fiscal was unanimous; FAU would reap approximately \$24.7 million. Additionally, it appears any Public Education Capital Outlay (PECO) funding appropriated would cover infrastructure only and Capital Improvement Trust Fund (CITF) funding remains minimal as the Governor disapproves of bonding projects. The Governor will have fifteen days to exercise his line item veto authority. Final appropriates are expected at the end of May.

Commentary followed approving of the more favorable funding climate but cautioning that internal appropriations be geared to goals set within the Strategic Plan including additional faculty hiring, increasing research initiatives and other high priority issues. Other recommendations were to ensure internal appropriates be geared to Science, Technology, Engineering and Mathematics (STEM); eliminating courses/departments irrelevant to achieving STEM goals; reviewing tenure guidelines; and, recognizing and prioritizing the plans iterated during the BOT Retreat.

Trustee Barbar addressed members informing them of a proposal to approve the FAU budget differently. He reminded members that the Strategic Plan and budgetary matters are approved by the BOT. He advised that in the future, he will work to schedule a joint Trustee/FAU Management budget workshop with the objective of identifying funding priorities associated

with the Strategic Plan and working together to allocate funding appropriately. This approval process will ensure no one entity solely carries the responsibilities of budgeting responsibilities.

With no further questions or comments put forth from Committee members, a motion to was made and seconded to adjourn the meeting. **The meeting was adjourned at 12:05 p.m.**

Housing Rate Change					
Boca Raton Campus:					
Name	Room Type	2012-2013 Rate	2013-2014 Rate	Change	Percent Increase
Algonquin Hall	Single Bedroom	\$2,825	\$2,966	\$141	5%
Glades Park & Heritage Park Towers	Single Bedroom	\$3,899	\$4,012	\$113	3%
Indian River Towers	Single Bedroom	\$4,271	\$4,407	\$136	3%
New Residence Hall	Single Bedroom	NA	\$4,407	NA	NA
New Residence Hall	Double Bedroom	NA	\$3,237	NA	NA
Innovation Village North	4 Bedroom / 2 Bath	\$4,859	\$5,006	\$147	3%
Innovation Village North	2 Bedroom / 2 Bath	\$5,057	\$5,311	\$254	5%
Innovation Village North	1 Bedroom Apt.	\$5,424	\$5,537	\$113	2%
Innovation Village South	1 Bedroom Apt.	\$5,424	\$5,537	\$113	2%
University Village Apartments	Studio Double	\$2,995	\$3,085	\$90	3%
University Village Apartments	4 Bedroom Apt.	\$3,842	\$4,045	\$203	5%
Jupiter Campus:					
Jupiter Residence Hall	4 Bedroom Suite	\$4,170	\$4,294	\$124	3%

No Housing Rate Change					
Boca Raton Campus:					
Name	Room Type	2012-2013 Rate	2013-2014 Rate	Change	Percent Increase
BPW Scholarship House	Double Bedroom	\$360	\$360	\$0	0%
Glades Park Towers	Double Bedroom	\$2,938	\$2,938	\$0	0%
Glades Park Towers	Super Double	\$3,537	\$3,537	\$0	0%
Heritage Park Towers	Double Bedroom	\$2,938	\$2,938	\$0	0%
Heritage Park Towers	Super Double	\$3,537	\$3,537	\$0	0%
Indian River Towers	Double Bedroom	\$3,237	\$3,237	\$0	0%
Innovation Village South	4 Bedroom / 2 Bath	\$4,690	\$4,690	\$0	0%

**State University System of Florida
Education and General
2013-2014 Budget
Executive Summary - as of April 12, 2013**

	SUS Budget Request	Governor's Rec.	Senate Bill 1500 4/10/2013	House Bill 5001 4/12/2013	Conference
2012-2013 Total Appropriations					
State Support	\$1,727,549,317	\$1,727,549,317	\$1,727,549,317	\$1,727,549,317	\$1,727,549,317
Tuition Support	\$1,724,411,248	\$1,724,411,248	\$1,724,411,248	\$1,724,411,248	\$1,724,411,248
2012-2013 Total Base Budget	\$3,451,960,565	\$3,451,960,565	\$3,451,960,565	\$3,451,960,565	\$3,451,960,565
2012-2013 Start-up Budget					
2012-2013 Casualty Insurance Adjustment	\$26,355	\$26,355	\$26,355	\$26,355	\$26,355
2012-2013 Health Insurance Adjustment	\$3,708,671	\$3,708,671	\$3,708,671	\$3,708,671	\$3,708,671
2012-2013 Non-recurring Appropriations	(\$29,500,000)	(\$29,500,000)	(\$29,500,000)	(\$29,500,000)	(\$29,500,000)
2012-2013 Non-recurring Budget Reductions	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000
2012-2013 Annualization of Health Insurance	\$18,543,355	\$18,543,355	\$18,543,355	\$18,543,355	\$18,543,355
2012-2013 Annualization of Fall 2012 Base Tuition	\$6,358,675	\$6,358,675	\$6,358,675	\$6,358,675	\$6,358,675
2012-2013 Annualization of Plant, Operations, and Maintenance	\$2,770,481	\$2,770,481	\$2,770,481	\$2,770,481	\$2,770,481
2013-2014 Beginning Base Budget	\$3,753,868,102	\$3,753,868,102	\$3,753,868,102	\$3,753,868,102	\$3,753,868,102
2013-2014 Budget Issues:					
Technical Adjustments					
Align Appropriations with Revenue Estimates - Reduction		(\$300,000,000)			
Align Appropriations with Revenue Estimates - Budget Addback		\$118,000,000			
Estimated 2012-2013 Enrollment Alignments - Tuition Authority	\$44,548,538	\$44,129,693	\$44,548,538	\$44,548,538	
2012-2013 Tuition Differential Adjustment	(\$16,576,615)	(\$16,576,615)	(\$16,576,615)	(\$16,576,615)	
2012-2013 Tuition Differential Annualization	\$20,980,424		\$20,980,424	\$20,980,424	
Performance Funding Initiatives					
Outcome Based Performance Allocation	\$118,150,000	\$167,000,000			
Performance Funding Pilot Project - SB 1076	\$15,000,000	\$15,000,000	\$45,000,000		
State University System Performance Based Incentives				\$65,000,000	
University Preeminence and Other Efforts					
UF - Preeminent Research Univ.		\$15,000,000	\$15,000,000	\$15,000,000	
FSU - Preeminent Research Univ.			\$15,000,000	\$12,500,000	
Online University - Preeminence				\$15,000,000	
Undergraduate Base Tuition Increase - 6%				\$37,005,235	
Florida Prepaid Premium Adjustment			\$29,971,258		
Small Business Development Centers - SB 224			\$7,000,000		
Plant, Operations, and Maintenance for 2013-14 New Facilities	\$4,539,171		\$4,539,172	\$4,250,137	
Plant, Operations, and Maintenance for Existing Facilities	\$3,710,840				
UF-IFAS Workload Initiative	\$2,149,541			\$1,000,000	
UCF-FIU Medical School Implementation Funding	\$1,498,865		\$1,498,865	\$1,498,865	
Medical Student Phase-in Tuition Authority - FIU/UCF/FAU/USF	\$9,024,350		\$9,024,350	\$9,024,350	
Major Gifts Matching Endowment Program	\$286,230,031	\$1,272,500			
Moffitt Cancer Center	\$3,323,070				
Institute of Human and Machine Cognition	\$260,816				
Florida Virtual Campus	\$2,045,000	\$1,000,000	\$2,045,000	\$799,887	
Florida Retirement Adjustment	\$13,257,569	\$50,343,760	\$71,920,000	\$71,920,000	
Local Initiatives					
UWF - Complete Florida (HB 7057)				\$4,000,000	
UWF - Doctorate of Physical Therapy			\$1,000,000		
UWF - Doctorate of Nursing Practice			\$1,000,000		
UWF - Haas Center - Economic Security Report			\$1,000,000		
UF - Florida Hi-Tech Research Corridor Initiative			\$2,000,000		
UF - Whitney Lab			\$180,000		
FAMU - Crestview Education Center			\$1,500,000		
FAU - Medical Simulation Center				\$500,000	
FAU/AMI Experiential Education Curriculum				\$1,500,000	
Florida Polytechnic - Operations			(\$22,411,504)		
Florida Polytechnic - Restoration from Nonrecurring			\$5,000,000		
UNF - Operational Support			(\$2,250,000)		

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56	FIU - Washington Center for Internships/Seminar			\$250,000		
57	FIU - Center for Ethics and Professionalism		(\$1,000,000)			
58	* FIU - Center for Ethics and Professionalism - SENATE AMENDMENT		\$500,000			
59	FIU - Center for Leadership		(\$250,000)			
60	* FIU - Center for Leadership - SENATE AMENDMENT		\$250,000			
61	FSU - Pepper Center Long Term Care		(\$500,000)			
62	UCF - Institute for Human & Machine Cognition		(\$440,000)			
63	UCF - Urban Teacher Training Institute			\$100,000		
64	UCF - Lou Frey Institute of Politics and Government		(\$400,000)			
65	* UCF - Lou Frey Institute of Politics and Government - SENATE AMENDMENT		\$400,000			
66	UF - Lastinger Center for Learning		(\$1,200,000)	\$500,000		
67	* UF - Lastinger Center for Learning - SENATE AMENDMENT		\$1,700,000			
68	UF - High-Risk Delinquent & Dependent Youth Research			\$619,000		
69	UF - IFAS - BOK Tower Educational Partnership		(\$2,000,000)			
70	UF - IFAS - BOK Tower Educational Partnership - Restoration from Nonrecurring		\$2,000,000			
71	UF - IFAS - Horticulture, Research, Science, Education		(\$1,450,000)			
72	UF - IFAS - Shellfish Aquaculture Initiative			\$250,000		
73	UF - IFAS - Tropical Aquaculture			\$600,000		
74	UF-HSC Medical Student Support			\$1,000,000		
75	UF-HSC - Substance Abuse Research		(\$250,000)			
76	UF-HSC - FL Initiative on Neurodegenerative Disease			\$406,037		
77	UF-HSC Mt. Sinai - Alzheimer's Research		\$1,250,000			
78	USF - Dozier School for Boys			\$190,000		
79	USF - STEM Initiative		\$2,000,000	\$500,000		
80	USF-St. Pete - Family Study Center			\$131,000		
81	USF-HSC - Asset Inventory Management System		(\$1,715,360)			
82	USF-HSC - Quality Medical Education		(\$2,500,000)			
83	USF-HSC - Ctr. of Neuromusculoskeletal Research		(\$500,000)			
84	USF-HSC - Mayo - Alzheimer's Research		\$1,250,000			
85	USF-HSC - Medical Student Support			\$1,000,000		
86	USF-HSC - FL Initiative on Neurodegenerative Disease			\$406,037		
87	Institute of Human and Machine Cognition - Restore Nonrecurring		\$33,000			
88	Sub-total	\$508,141,600	\$95,169,338	\$234,147,128	\$293,902,895	\$0
89						
90	Total 2013-2014 Budget	\$4,262,009,702	\$3,849,037,440	\$3,988,015,230	\$4,047,770,997	\$3,753,868,102
91	% Increase over 2012-2013 Total Base Budget(Line 13)	13.5%	2.5%	6.2%	7.8%	0.0%
92						
93	2012-2013 Beginning State Support	\$2,023,098,179	\$2,023,098,179	\$2,023,098,179	\$2,023,098,179	\$2,023,098,179
94	Increase in State Support	\$471,145,327	\$67,616,260	\$146,199,174	\$198,920,963	\$0
95	Total State Support Needed for FY 2013-2014	\$2,494,243,506	\$2,090,714,439	\$2,169,297,353	\$2,222,019,142	\$2,023,098,179
96						
97	2012-2013 Beginning Student Tuition Support	\$1,730,769,923	\$1,730,769,923	\$1,730,769,923	\$1,730,769,923	\$1,730,769,923
98	Increase in Student Tuition Support (Assuming no Tuition Increase)	\$36,996,273	\$27,553,078	\$87,947,954	\$94,981,932	\$0
99	Total Tuition Support Needed for FY 2013-2014	\$1,767,766,196	\$1,758,323,001	\$1,818,717,877	\$1,825,751,855	\$1,730,769,923
100						
101	Total Support for FY 2013-2014	\$4,262,009,702	\$3,849,037,440	\$3,988,015,230	\$4,047,770,997	\$3,753,868,102